



Feature at a Glance


Ability to Capture Detailed Cost Breakdowns

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CONFIDENTIAL

Feature at a Glance

Ease of implementation

 some complexity

Geographic relevance

 Global

Introducing: Ability to Capture Detailed Cost Breakdowns

Customer challenge

- Direct sourcing use cases have a special need in RFQ process – ability to capture and understand various cost components associated with a material
- This is true mostly in prototyping or new component design
- Current Ariba RFQ templates doesn't allow this kind of complex bidding and this leaves customers to keep using their excel spreadsheets for bidding process

Meet that challenge with SAP Ariba

- SAP Ariba addresses this challenge by rolling out a new capability that allows sourcing users to define a new kind of template
- Technically the feature allows users to define a new kind of cost term, and further, the term be broken down into multiple terms
- Users can define a formula how the cost is being added or rolled-up
- The feature further allows exporting the detailed cost sheets to an external system for analysis through an API

Experience key benefits

- Enhanced product usability
- Control over the cost provided by the suppliers

Solution area

SAP Ariba Strategic Sourcing Suite

Implementation information

To have this feature enabled, please have your Designated Support Contact (DSC) submit a **Service Request (SR)**.

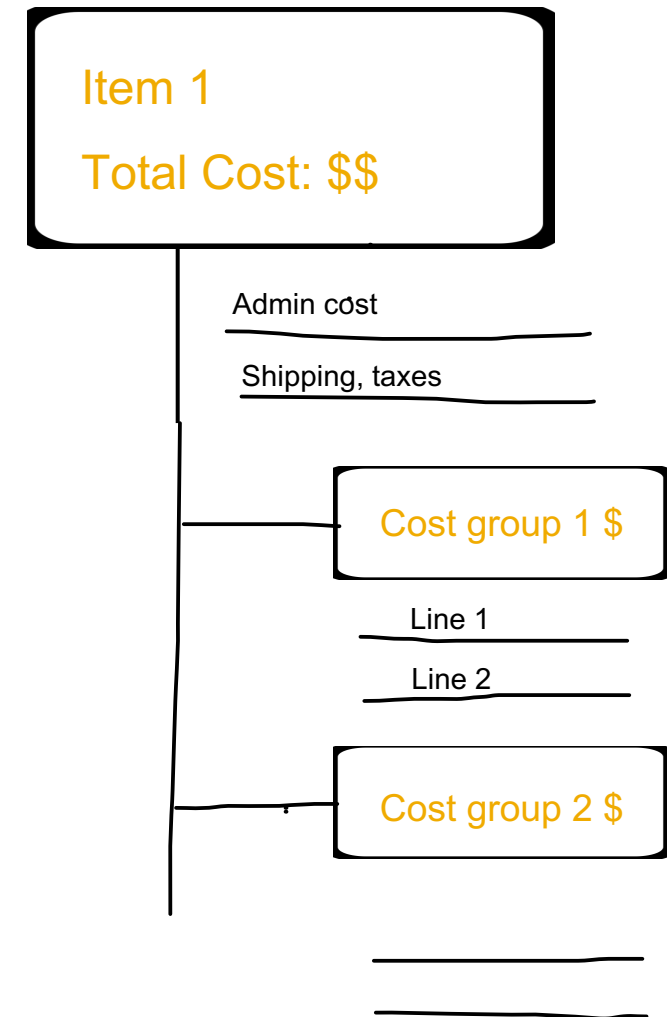
Prerequisites and Limitations

The users must belong to relevant sourcing groups

Feature at a Glance

Introducing: **Ability to Capture Detailed Cost Breakdowns**

- The feature allows customers to organize the cost of an item into its detailed components
- Where the total cost of an item is made up of various cost groups like Raw Material cost, labor cost, tooling cost, etc
- Each of the cost group further have cost lines like steel, copper, etc.
- The costs of each of the cost lines roll-up to form cost of each cost group
- All the cost groups roll-up to get the total cost of the item



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While creating a new sourcing template you will observe following changes

Improve bid amount by: ⓘ

Can participants submit tie bids: ⓘ

Allow owner to require improvement on non-competitive terms: ☐ Yes ☒ No ⓘ

Require surrogate bid justification: ☐ Yes ☒ No ⓘ

Require participant to give a reason for declining to bid: ☐ Yes ☒ No ⓘ

Allow Pricing Conditions: ☐ Yes ☒ No ⓘ

Allow Price Breakup: ☒ Yes ☐ No ⓘ

Select the available terms to add to the line item. Create a new term on the New Term tab.

Available Terms **New Term**

Name: * Translations

External Field Mapping:

External system field mapping for PIR: Other ⓘ

Answer Type: ⓘ

Number of decimal places:

Response Required?

Reference Documents:

Rollup in section summary:

Is this a matrix term?

Display term in column or row:

Has Historic Value:

Has Reserve Value: ⓘ

Bidding rules will have an rule that allows users to create cost groups

Notice the answer type on a new term: Cost Group. Set this to allow price break down

Feature at a Glance

Introducing: **Ability to Capture Detailed Cost Breakdowns**

1 Rules

2 Team

3 Suppliers

4 Content

5 Summary

All Content [filter]▼

Display: Edit Item ▼ Actions ▼

Name	Total Piece Cost	FPV
2.1 PZ18-7C069-AA MANF-TRANS OIL FILTER▼	Fx▼	* 1 each
Raw Materials ▼		
Purchased Parts Bought Out Content ▼		
Labor/Processing ▼		
Assembly ▼		
Scrap % ▼		
Scrap Calc ▼	Fx▼	
SG&A % ▼		
SG&A Calc ▼	Fx▼	
Profit % ▼		
Profit Calc ▼	Fx▼	

↳ Add ▼ Edit ▼ Delete

(*) indicates a required field

Content section in the template – notice the new icon indicating the term as a cost group

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Doc5244906 - Clean sheet demo - Badri Supplier View Time remaining 00:22:15

All Content

Name	Price	Quantity	Extended Price
1 Pricing			\$1,474,994,720.00 USD
1.1 XBOX_DESC_029	Less... <input type="text" value="\$7,374,973.60"/> USD	200 each	\$1,474,994,720.00 USD

XBOX_DESC_029

Total Effective Cost: \$7,374,973.60 USD

Material Cost (Direct - Raw Material and Purchased Parts): \$372,800.00 USD

Manufacturing Cost: \$4,122,173.60 USD

Tools and Devices Cost: \$2,880,000.00 USD

Amortization: \$115.00 USD

MSTSC ariba masterdata.ItemMaster OrderUnit:

(*) indicates a required field

[Submit Entire Response](#) [Update Totals](#) [Save draft](#) [Compose Message](#) [Excel Import](#)

During a bidding process suppliers can click on the cost group icon to bid on individual cost groups

Raw Materials Cost

Item name - XBOX_DESC_029 | Material number - AZ10000-029 | Plant - 1000 Werk Hamburg

Add content to this document, including line items, questions, and other information.

All Content [\[filter\]](#)

<input checked="" type="checkbox"/>	Name
<input checked="" type="checkbox"/>	1 Raw Materials Cost

[Add](#) [Excel Import](#)

- Line Item
- Question
- Formula
- Content From Library
- Action
- Edit

The feature provides suppliers an enhanced ability to add line items in a cost group

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Materials Cost Supplier View of cost groups Done

Name - XBOX_DESC_029 | Material number - AZ10000-029 | Plant - 1000 Werk Hamburg

ent to this document, including line items, questions, and other information.

Content [filter] Display: Content Actions

Name	Price	Quantity	Extended Price	Item number	Part Designation	Designation raw material	Material Class	Unit Price	Total Net weight of finished part (only f
1 Raw Materials									
1.1 Steel sheet 12mm	Fx	120	each	Fx	SK-1234	FLOOR PLATE support	VSCR140_3mm Thk Sheet (Price)	Raw material	
		Total Deployed weight/ quantity		120					
1.2 Copper	Fx	100	each	Fx	CU-354	FLOOR PLATE support	VSCR140_10*1,5mm Thk Sheet	Raw material	
		Total Deployed weight/ quantity		100					
Edit Delete Excel Import (*) indicates a required field									

Done

- Suppliers can add as many line items as required
- The terms are however predefined by the buyer, suppliers will comply to these terms

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pc5244906 - Clean sheet demo - Badri

Buyer View : Bid Comparison

Time remaining: 00:16:53

OverviewContentSuppliersDiscovery SuppliersTeamReportMessagesLogScenarioAward

Actions

Content [filter]

Display: Responses

	Initial	Historic	Reserve	BigBox Retail	CMX Technology
	Price	Price	Price	Price	Price
Totals	Extended Price: +	\$40,000.00 USD		\$1,474,994,720.00 USD	\$815,653,920.00 USD
1 Pricing	Extended Price: +	\$40,000.00 USD		\$1,474,994,720.00 USD	\$815,653,920.00 USD
1.1 XBOX_DESC_029	Less... -	\$200.00 USD		\$7,374,973.60 USD (2)	\$4,078,269.60 USD (1)
XBOX_DESC_029					
Quantity:	200 each			200 each	200 each
Extended Price:		\$40,000.00 USD <i>Fx</i>		\$1,474,994,720.00 USD <i>Fx</i>	\$815,653,920.00 USD <i>Fx</i>
Savings:				-\$1,474,954,720.00 USD (-3,687,386.80%) <i>Fx</i>	-\$815,613,920.00 USD (-2,039,034.80%) <i>Fx</i>
Total Effective Cost:				\$7,374,973.60 USD <i>Fx</i>	\$4,078,269.60 USD <i>Fx</i>
Material Cost (Direct - Raw Material and Purchased Parts):				\$372,800.00 USD	\$304,500.00 USD
Manufacturing Cost:				\$4,122,173.60 USD	\$2,909,769.60 USD
Tools and Devices Cost:				\$2,880,000.00 USD	\$864,000.00 USD
Amortization:				\$115.00 USD	\$25,000.00 USD
Material Group:	FPP_PROGR	FPP_PROGR		FPP_PROGR	FPP_PROGR
Material Number:	AZ10000-029	AZ10000-029		AZ10000-029	AZ10000-029

Buyers can view and compare the totals on every cost group

Buyers can still click on individual cost groups for details

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This is the updated material 360 view

The graph now clearly highlights cost group composition for easy analysis

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The feature also provides an ability to extract the bid details at cost group level and also at individual line item level

The client must use HTTP Basic Authentication and send the desired credentials in an HTTP Authorization header, base64 encoded (see the documentation for more details)

Customers need to invoke 2 API:

1. **Export cost group sheet IDs**

Request: <https://mySAPArribaSourcingDomain/dms/cleansheet/v1/costgroups/extractMeta?page=0&realm=<Realm name>>

2. **Export line item inside a particular cost group**

<https://mySAPArribaSourcingDomain/dms/cleansheet/v1/costgroups/extract&realm=mySAPArribaSiteName>