



# Feature at a Glance

## Standing orders in the buying solutions from SAP Ariba for SAP integrated sites

Nikhil Mongha, Roberto Valdovinos SAP Ariba  
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# Feature at a Glance

Ease of implementation  Some complexity  
Geographic relevance  Global

## Introducing: Standing orders in the buying solutions from SAP Ariba for SAP integrated sites

### Customer challenge

Customers that use SAP Ariba Procurement solutions integrated with SAP ERP or SAP S/4HANA need an efficient way to procure simple services that do not require a service sheet, but do require a validity period and control of maximum amount to be invoiced.

### Meet that challenge with SAP Ariba

Buyers can now use standing orders to procure goods and service without following the goods receipt and the service sheet processes.

These orders are characterized by validity periods to define the effective dates of the procurement process and predefined amount limits to control item prices.

Standing orders can only include **limit items** that correspond to the definition of **item category B** in SAP ERP and SAP S/4HANA.

### Experience key benefits

This feature introduces an easy way to procure simple services for SAP integrated customers through enabling Limit Item functionality.

### Solution area

- SAP Ariba Buying
- SAP Ariba Buying and Invoicing
- SAP Ariba Invoice Management

### Implementation information

This feature is automatically on for all customers with the applicable solutions but requires **customer configuration**

### Prerequisites and Restrictions

- This feature is only available for SAP integrated sites
- This feature requires Cloud integration Gateway (CIG)
- Support for the guided buying capability will be available in a later release.
- Line items cannot have split accounting for requisitions and POs, but they can have split accounting for invoices

## Feature at a Glance

Using: **Standing orders in the buying solutions from SAP Ariba for SAP integrated sites**



- Customers have a need to use standing orders (blanket purchase orders/item category B) to procure a variety of consumable materials or services from a vendor up to a predefined value limit for a predefined period without requiring neither goods receipts nor service entry sheets.
  - Standing orders can be used to fulfil recurring requirements during a specific period.
  - Goods receipts and service entry sheets are not used in the procurement process.
- The SAP Ariba Procurement solution now supports standing orders that include limit items, corresponding to item category B in SAP ERP and S/4HANA.
- Both buyers and suppliers can post invoices with reference to standing orders, provided that the predefined value limit is not exceeded.



# Standing Order vs Service Order

Comparison procuring and invoicing items following the service sheet process vs. the standing order process

	Item Category D – Service (service sheet process)	Item Category B – Standing Order (limit item)
<b>Flagging line items on requisitions as service items</b>	Line items on requisitions are flagged as service items by specifying the Item Category as <u>service</u> .	Line items on requisitions are flagged by specifying the Item Category as <u>limit</u>
<b>Parent-child hierarchy using a nested level of child items</b>	Can be configured to support hierarchy of item groups (parent and a nested level of child line items) on service requisitions for planned services. (currently SAP Ariba Procurement support one level hierarchy) or allow only parent line item (Simple Service Order)	Does not support parent and child hierarchies.
<b>Service sheet requirements</b>	It is configurable that either the supplier or the buyer creates service sheets to confirm the materials consumed or service provided – or the invoices are created against service orders directly.	Standing orders do not require, or allow, service sheets or receipts to record the details of the service provided by the suppliers.
<b>Invoicing</b>	Invoices are created based on fully approved service sheets associated with the purchase orders for service items – or the invoices are created against service orders directly.	Invoices are created based on the purchase orders for limit items. The Invoice details the services and goods required to fulfill the request.
<b>Validation for maximum allowed amount for a service item</b>	Service sheets cannot be created for an item if the total amount accumulated across all service sheets for the item exceeds the maximum amount specified on the order.	Invoices can be submitted for an item as long as the PO line item max amount is greater than all invoices accumulated to that PO line item and service is between validity start and end date.
<b>Split accounting</b>	Line items can have split accounting	Line items cannot have split accounting for requisitions and POs, but they can have split accounting for invoices
<b>Purchase Orders</b>	A service item can be mixed with a material item on a Purchase Order.	A limit item cannot be mixed with material or services items on a Purchase Order (A Standing Order can only have limit items)

# Standing Order vs “Invoice against Contract” for SAP Ariba Invoice customers

Comparison procuring and invoicing items following the invoice against contract vs. the standing order process. Invoice against contracts require SAP Ariba Invoice functionality.

	Invoice against contract	Standing Order
<b>Creating blanket order</b>	A Item Level Contract can be configured as non-release and allow Invoice against Contract, optionally a BPO. Only users who have access to create Contracts can perform the task. If contract is defined as BPO, the contract is visible for the supplier on the Ariba Network as a BPO.	Line items on requisitions are flagged by specifying the Item Category as <u>limit</u> . Any user who can create a Requisition can create a Standing Order. The Standing Order is visible for the supplier on the Ariba Network as a BPO.
<b>Commitment visible in ERP?</b>	Not visible. Non-release contracts and BPO contracts are not integrated to backend ERP.	Yes. A Standing Order is integrated to SAP ERP and SAP S/4HANA as a Purchase Order with item category B.
<b>Verification of services delivered</b>	Not required. Receipt against contract can be configured. Otherwise, verification of services is done at invoice processing time.	Does not allow receipts or service sheets on limit items. Verification of services is done at invoice processing time.
<b>Invoicing</b>	Invoices are created against the contract and items from the contract can be added to detail the services delivered.	Invoices are created based on the purchase orders for service items.
<b>Validation for maximum allowed amount for a service item</b>	Contract item and header limits are considered when adding items and related invoice contract exceptions are raised. Approvers of invoice reconciliations must take the appropriate action to resolve the exceptions.	Invoices can be submitted for an item as long as the PO line item max amount is greater than all invoices accumulated to that PO line item and service is between validity start and end date.
<b>Nature of service where most suitable for</b>	Suited for a variety of services, as well as recurring fees such as lease, rent etc.	Suited for tasks of simple nature. Such services might not require to approve or review of services and goods delivered before invoicing may occur. Example: Janitorial services on a bi-weekly schedule.

# Requisitioning Limit Items 1(2)

## Procure limit items

1. The buyer creates a requisition, adds a non-catalog item and gives values to the fields below:

Field	Description
<b>Item Category</b>	Includes the options Material, Limit, and Service. Select Limit to flag the item as a standing-order service item (item category "B") (mandatory)
<b>Max Amount</b>	The maximum allowed amount that can be expensed for the item. (mandatory)
<b>Expected Amount</b>	The estimated cost of procuring the item. Should be less than the Max Amount Note: The Price and the Amount fields are updated automatically based on the amount value entered for this field. (mandatory)
<b>Validity Start Date</b>	The validity start date of the limit requisition (mandatory)
<b>Validity End Date</b>	The validity end date of the limit requisition (mandatory)

2. The quantity is defaulted to 1 and the unit of measure is defaulted to "EA" Each. Both fields are read-only. The Unit of Measure to use is set by a parameter.

The screenshot displays two SAP interface components. The top component, titled 'Create Non-Catalog Item', contains several input fields. An arrow points from the 'Item Category' field in the table to the 'Item Category' dropdown menu, which is currently set to 'Limit'. Another arrow points from the 'Max Amount' and 'Expected Amount' fields in the table to the 'Max Amount' and 'Expected Amount' input fields, which are highlighted in yellow. The bottom component, titled 'PR97623: Summary', shows a requisition summary. An arrow points from the 'Validity Start Date' and 'Validity End Date' fields in the table to the corresponding date fields in the summary, which are also highlighted in yellow. Other visible fields include 'Purch Org: 3000 (IDES USA)', 'Full Description: Enter a description for this item.', 'Commodity Code: (no value)', 'Material Group: (no value)', 'Account Type: (no value)', 'Quantity: 1', 'Unit of Measure: each', 'Price: \$0.00 USD', 'Title:', 'Purchasing Unit: US100', 'On Behalf Of: Roberto Valdovinos', 'Is Team Requisition: [ ]', 'Is Team Received: [ ]', 'Delay Purchase Until: [ ]', 'Company Code: 3000 (IDES US INC)', and 'Workorder ID:'.

# Requisitioning Limit Items 2(2)

## Procure limit items

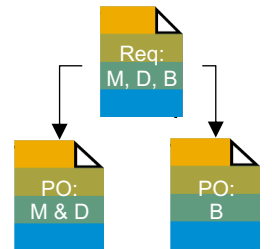
3. The buyer selects the vendor and adds the item to the cart. It is not possible to add child line items in the Requisition page
4. The buyer submits the requisition for approval
5. All approvers identified in the approval flow approve the requisition and an order is created



**No child items  
for limit items**

### Key notes:

- If there is combination of Item category Material (M), Service (D) and Limit (B) in a requisition, one order will be generated for the items of category Material and Service, and a separate order will be generated for the items of category Limit
- It is not possible to create service entry sheets or goods receipts against purchase order items of category “Limit”
- The new fields can be imported through Requisition import and be exported through Requisition export.
- Standing orders are identified as “blanket purchase orders” on the Ariba Network and can be imported into the SAP Ariba Solution
- Standing orders can be exported in the file channel, as well as the web service channel.





# Invoicing a Standing Order 1(2)

## Invoice limit items

- Both buyers and suppliers can create PO-based invoices for standing orders (limit items).
- In SAP Ariba Invoice Management, users can create invoices based on copy orders for limit items.
- It is not possible to add child items to an invoice line that holds a limit item
- If the amount for the limit item is greater than the maximum amount specified for the limit item on the associated order, SAP Ariba Invoice Management/Ariba Buying and Invoicing displays a warning message upon submission. The invoice can however still be submitted even if the invoiced amount is greater than the maximum amount and an IR exception for the exceeded amount will be generated.
- The user won't be able to create anymore invoice after exceeding the max amount [The Invoice button on the PO page will be non-editable once the max amount is completely used]

Line Items (1)

No. ↑	Description	Order ID	Qty	Unit	Price	Amount	Discount	Charges	Taxes	Gross Amount	Accounting	Details
1	Enter a description for this item.	PO34	1	each	\$1,000.00 USD	\$1,000.00 USD		USD		\$1,000.00 USD	(1)	Details

Delete Copy Edit Add Item Details Add Item Update

Base Amount: \$1,000.00 USD  
Discount: \$0.00 USD  
Charge: \$0.00 USD



**No child items  
for limit items**



# Standing Order on Ariba Network **Supplier's user interface**

SAP Ariba Network

Enterprise Account

Advanced Search

Help

Log Out

Purchase Order: PO55

Create Order Confirmation

Create Ship Notice

Create Invoice

Order Detail

Order History

From:

New York

691 Broadway

NEW YORK, NY 10001

United States

Phone: +1 (040) 227070

Fax: +1 (040) 22707101

To:

JCN Technologies

Japan

430-0944 SHIZUOKA KEN HAMAMATSU SHI NAKA KU

TAMACHI

Ariba Plaza

Phone: +1 (650) 391-0000

Fax: +1 (650) 390-1240 999

Email: qatestsupplier1@ariba.com

Blanket Purchase Order

(New)

PO55

Amount: \$1,000.00 USD

Version: 1

Payment Terms

3% 14 NET 45

2% 30 NET 45

Comments

Comment Type: Terms and Conditions

Body: All purchases made by Ariba are subject to Ariba's Terms and Conditions of Purchase in effect at the date this purchase order ('Order') is issued to you, which can be found at the following uniform resource ... [View more](#)

Routing Status: Sent

BPO Status: Open

BPO Type: No Release Required

Amount Available: \$1,000.00 USD

Effective Date: 26 Mar 2020

Expiration Date: 31 Mar 2020

Related Documents: [Invoice Limit](#)

Line Items

Show Item Details

Line #	Part # / Description	Type	Price	
1	Not Available	Material	\$1,000.00 USD	<a href="#">Details</a>
Limit				

Order submitted on: Thursday 26 Mar 2020 11:40 PM GMT+05:30

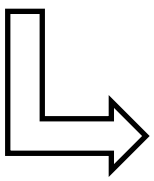
Received by Ariba Network on: Thursday 26 Mar 2020 11:40 PM GMT+05:30

This Purchase Order was sent by en180106114107122@buyer.com AN02000533034 and delivered by Ariba Network.

Sub-total: \$1,000.00 USD

A limit line item is defined as the fulfillment of a service or material delivery at a predetermined price within a time period specified by the buyer.

While creating a standard invoice from a purchase order with limit line items, only the following fields can be edited - **Unit Price**, **Start Date**, and **End Date**.



3283091283

Hungary

Email:

[View/Edit Addresses](#)

Bill From:

JCN Technologies

California, CA

United States

Comment

Comments:

Default comment for Supplier Extended profile.

[Remove](#)

Default Invoice Comment Text:

Default comment for Supplier Extended profile.

Add to Header

Line Items

1 Line Items, 1 Included, 0 Previously Fully Invoiced

Insert Line Item Options

Tax Category: 10% VAT

Shipping Documents

Special Handling

Discount

Add to Included Lines

	No.	Include	Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
	1	<input checked="" type="checkbox"/>	MATERIAL	Not Available	Limit		1	EA	\$1,000.00 USD	\$1,000.00 USD

Line Item Actions

Delete

Turn on Error Dump

Hide/Show XML

Update

Save

Exit

Next

# Invoicing reconciliation on SAP Ariba Procurement solution

## Invoicing limit items

- If the sum of the lines to the limit item exceeds a maximum amount variance on the associated invoice reconciliation document, a *PO Line Maximum Amount Variance* exception can be raised.
  - Exception handlers can reject or accept the exception.
  - If the buyer changes the PO and increases the max amount, the exception will be resolved automatically.
- If the invoice has service dates outside the dates specified in the PO, a *Service Period Variance exception* is raised.
- If the PO references a contract, the invoice lines are matched against the contract lines and price variances are honored.
- The accounting for invoice lines are defaulted from the limit line item.

The screenshot displays the SAP Ariba Procurement interface for handling exceptions. It features two tabs: 'Assigned To Me (2)' and 'All Exceptions (2)'. The 'Assigned To Me (2)' tab is active, showing two exception cards.

**Under Tax Variance** (1 Open)

Order : PO32  
Sales tax (auto-generated)

Invoice Line No. : 1  
Order Line No. : 1

Tax Amount : \$0.00 USD ⓘ  
Expected Tax Amount : \$120.00 USD

Tax Code: 11  
Expected Tax Rate: 4%

View Details ⓘ Reference ⓘ ⓘ ⓘ

**PO Line Maximum Amount Variance** (1 Open)

The total invoice amount in line 1, has exceeded the maximum amount specified on the corresponding purchase order.

View Details ⓘ Reference ⓘ ⓘ ⓘ

# Invoice exceptions

## Invoice limit items

- The following new exceptions applicable to standing order-based invoices are available in the list of exceptions in Ariba Administrator:

Exception type	Occurs when...
<b>PO Line Maximum Amount Variance</b>	The invoice line items' amount is greater than the maximum amount specified for the limit item on the corresponding standing order.
<b>PO Line Service Period Variance</b>	The service period for a line item on the invoice does not match the service period specified for the item on the associated standing order.

- Invoices for standing orders will not have any receiving or service sheet related exceptions.