



Feature at a Glance

Support for multiple ERP systems linked to the central procurement hub in Contract for Central Procurement with SAP Ariba Contracts (4B0)

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Target GA: November 2020

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Customer challenge

Customers that integrated SAP Ariba Contracts with the Central Contracts component for SAP S/4HANA Cloud faced an integration limitation that required both Central Procurement and its connected ERP to be in the same S/4HANA instance.

(For details refer to the feature SC-10438 in the 2005 release guide).

Solution area

- SAP S/4 HANA Cloud (Public / Private)
- SAP Ariba Strategic Sourcing Suite
- SAP Ariba Contracts

Meet that challenge with SAP Ariba

With the current release SAP Ariba users can:

- Designate an SAP S/4HANA Cloud system as a central procurement hub and assign it as the parent to an ERP-system (SAP ERP, SAP S/4HANA Cloud, or SAP S/4HANA On-premise) configured as an external system
- Add line items in CLID based on the master data associated with an external system linked to the central procurement hub
- Specify the name of the external system in the External System ID field for each ad hoc line item in the CLID

Implementation information

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

Experience key benefits

- Enjoy fast time-to-value and low total-cost-of-ownership with cloud-based delivery
- Integrate your SAP S/4HANA to SAP Ariba Contracts by simple activation
- Simplify and accelerate your configuration by taking advantage of built-in SAP Best Practices
- Get predictable results fast as these best practices guide you through the integration process step-by-step

Prerequisites and Restrictions

Please refer to the What's New Guide for 2011.

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Feature Overview

SAP Ariba Contracts Integration with S4HANA Cloud (4B0) enables you to connect your SAP S/4HANA digital core with SAP Ariba Contracts for managing strategic contract activities and while integrating it with operational system. This provides the central procurement organization the capability to negotiate and maintain prices in SAP Ariba and keep the operations activities going with all latest information from flowing from strategic applications to the operational system. This can be maintained for the lifetime of the contract with the third party.

This feature allows users to utilize the best of breed sourcing and contract management capabilities in SAP Ariba with the central procurement capabilities in S/4 HANA Cloud. SAP Ariba provides a guided experience to users to create contracts with pre-approved templates, rich clause library, supplier negotiation tools, and pricing terms management. Upon finalization, the central contract can be consumed in S/4 HANA Cloud for central procurement processes that takes care of operational procurement of multiple ERPs. The integration between the systems ensures compliance adherence to the pricing terms during the term of the contract

All data is routed through SAP Ariba Cloud Integration Gateway (CIG).

This integration also supports using the item master data from S4 HANA Cloud.

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Key Process Flows Supported

The following key process flow is enabled with the feature Central Procurement (Central Contract) integration support from SAP Ariba Contracts to SAP S/4 HANA. This feature enables users to seamlessly connect SAP S/4HANA digital core with SAP Ariba Contracts

Process flows

A buyer in the organization is responsible for sourcing and negotiating materials and services at lowest total cost. This includes finalizing the negotiated prices for goods to be procured and signing the legal contract with a supplier. To operationalize the contract, the pricing details can be passed over to S/4 HANA Cloud as a Central Contract so that functional buyers can use the negotiated prices to buy goods as required.

- Buyers on SAP Ariba Contracts create contracts with document types Quantity Contract (MK) and Value Contracts (WK)
- Buyers then publish the contract and send it to SAP S/4HANA Central Procurement through SAP Ariba Cloud Integration Gateway
- When buyers update an existing contract, they can send the updates to single or multiple line items for a Central Contract
- SAP S/4HANA Central Procurement buyers receives and processes the contracts containing the items from SAP Ariba Contracts to create contracts with the document category, Central Contract. These Central Contracts in S/4HANA Central Procurement will be used by functional buyers from central purchasing organization and take care of distribution lines to connected ERP.

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Legend: □ Process step (mainly manual) □ Process step (mainly automatic) ■ Start process ■ End Process

