Feature Details

SAP Ariba Category Management CAT-3503

Target GA: Aug 2023

Public

THE BEST RUN SAP

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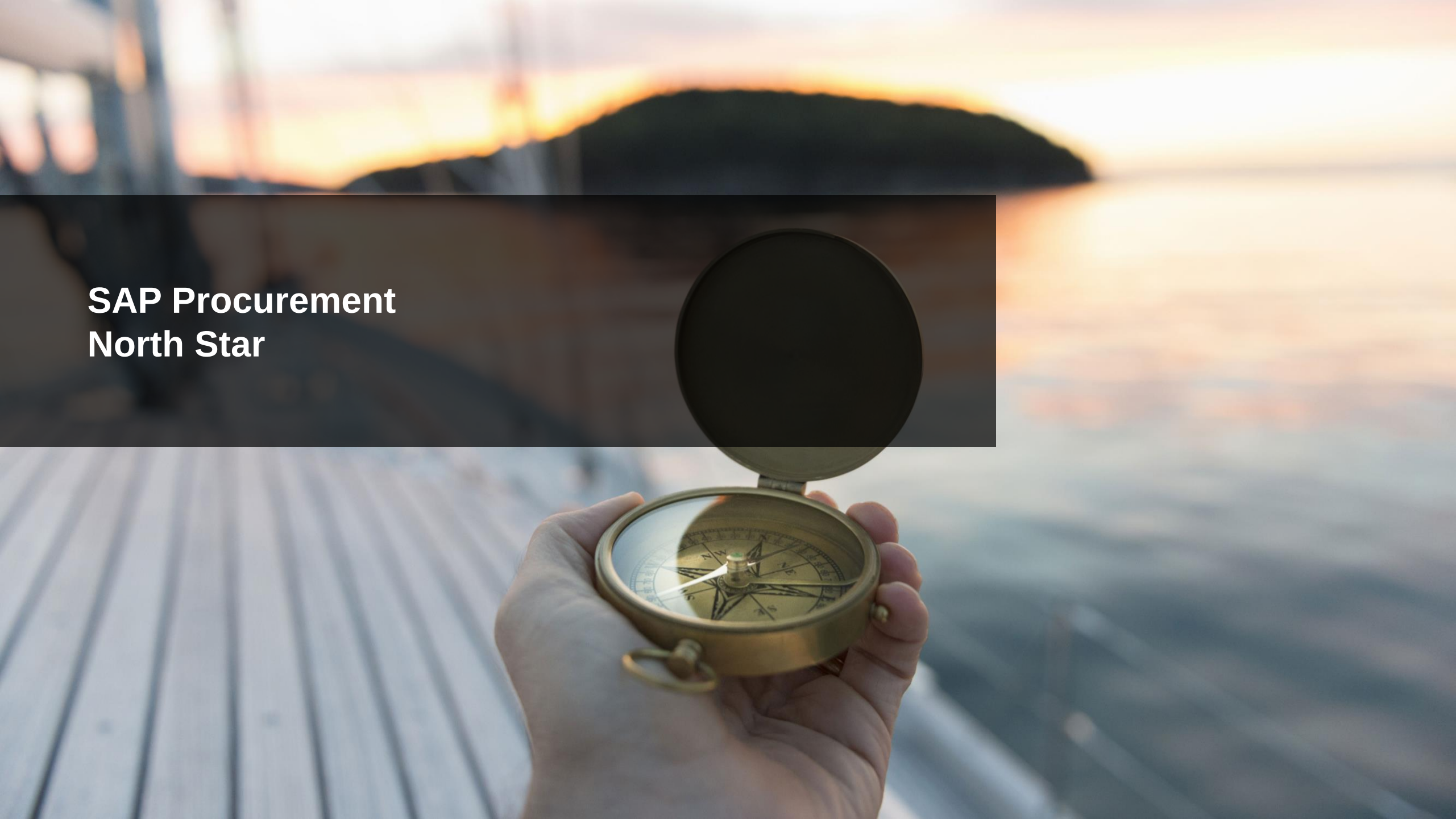
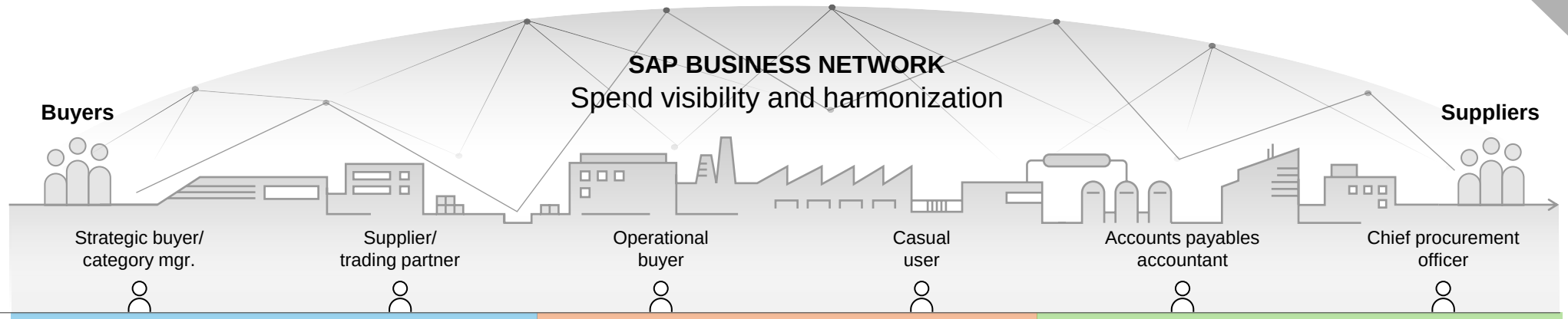
SAP Procurement
North Star



SAP Procurement North Star

Lab Preview



BUSINESS PROCESSES
* with strategic partnership

Source and Contract

- Category Management
- Planning and Early Sourcing
- Indirect & Direct Material Sourcing
- Contract Lifecycle Management*
- Autonomous & Cognitive Sourcing
- Contract Compliance
- Sustainable Purchasing

Buy and Deliver

- All Spend Requisitioning & PO Mgmt.
- Spend channel bundling
- Persona-centric UX
- Policy enforcement
- Guided Buying Experience
- Personalized Simplification & Automation
- Invoice verification

Invoice and Pay

- Inbound Invoice Handling
- Regulatory Compliance
- Manage Invoices
- Centralized Invoice Visibility
- Invoice & Payment Approval

Supplier management

- Supplier Information Management
- Supplier Qualification
- Supplier Evaluation
- Supplier Risk Engagement

PRODUCT DIFFERENTIATORS	No Touch Procurement Efficiency	Embedded Analytics & Insights-to-Action	Next-generation UX & Mobile Experience	Breadth, Depth and Reach	Centralized Procurement	Sustainability	Category management at scale
BUSINESS TECHNOLOGY PLATFORM	APIs	Side-by-Side Extensibility	SAP Task Center	Procurement Data Warehouse	Data Intelligence Leveraging ML	SAP One Domain Model	One master data
	Multi-Backend Integration with SAP and Non-SAP Systems						

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Innovations Source and Contract

SAP Labs Preview

Embedded Analytics & Insights-to-Action

Contextual recommendations and analytics for sourcing and contracting*

Improved productivity by embedding dashboards next to buying, sourcing, and contracting processes*

2022

Category Management

Streamline category strategy planning and execution monitoring to achieve better business outcomes*

Contract Lifecycle Management

Benefit from intelligent contract authoring and post execution obligation management and deeper integration using Icertis

Increase responsibility by collecting, analyzing, and building sustainability metrics within sourcing process

Sustainable Purchasing

2023

Category Management

Scale category management including direct material spend to identify opportunities and mitigate risks

Increase industry reach by providing e-tendering features build for EU/UK/US

Indirect & Direct Material Sourcing

* Available in EAC or Guided Beta, GA is planned for 2023

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SAP Ariba Category Management

Description

- SAP Ariba Category Management is a solution capability that digitalizes and streamlines the development, execution and monitoring of procurement category strategies.
- Category analytics, process guidance, analysis frameworks and system-enabled recommendations allow procurement organizations to move towards intelligence-driven category management.
- The first release of the solution is available for customers in Europe and US data centers.*

***The solution is available on the EU10 and US30 BTP data centers. And the integration is recommended with Ariba realms in the corresponding data centers.**

Customer benefit

- Category management today is a data-intensive, manual, time consuming and disconnected process, which:
  - Requires manual efforts for category planning, is disconnected from the purchasing process, gathers data from multiple disparate sources.
  - Offers limited visibility on KPIs and the outcomes of the category strategy.
- SAP Ariba Category Management streamlines the category strategy creation and management process, offering intelligence-driven category management that leads to more informed and efficient business decisions, resulting in cost savings, reduced risks and realization of other key business goals.

User

- Category Management Administrator
- Category Manager
- Category Management Viewer
- Category Strategy Approver
- Strategic Sourcing Professional

Enablement model

- Contact Account Executive

Applicable solutions:

- SAP Ariba Category Management

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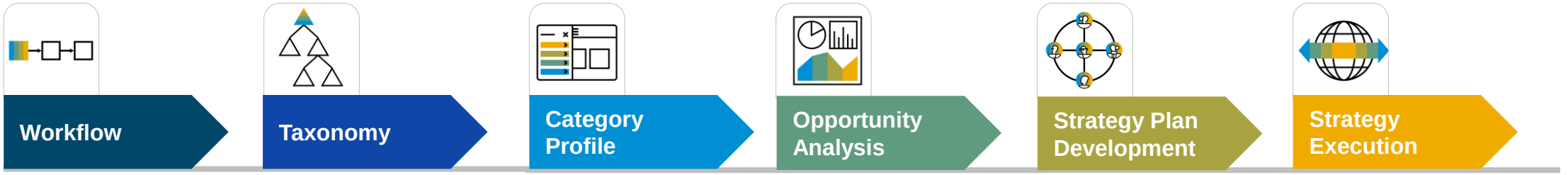
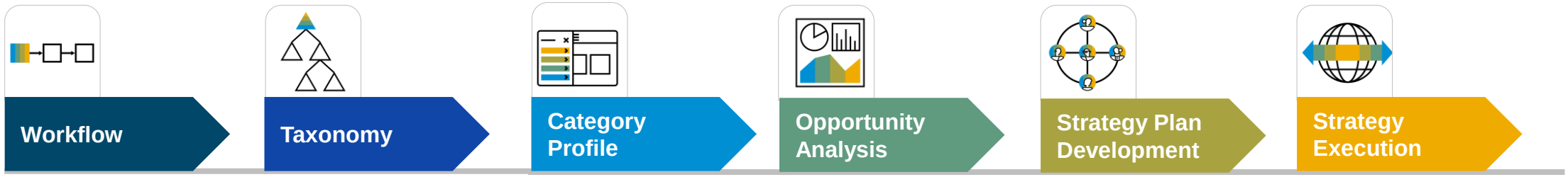
Key Features



Category Management | The Business Process – High Level



In the following slides, we want to highlight how SAP Ariba Category Management supports the process

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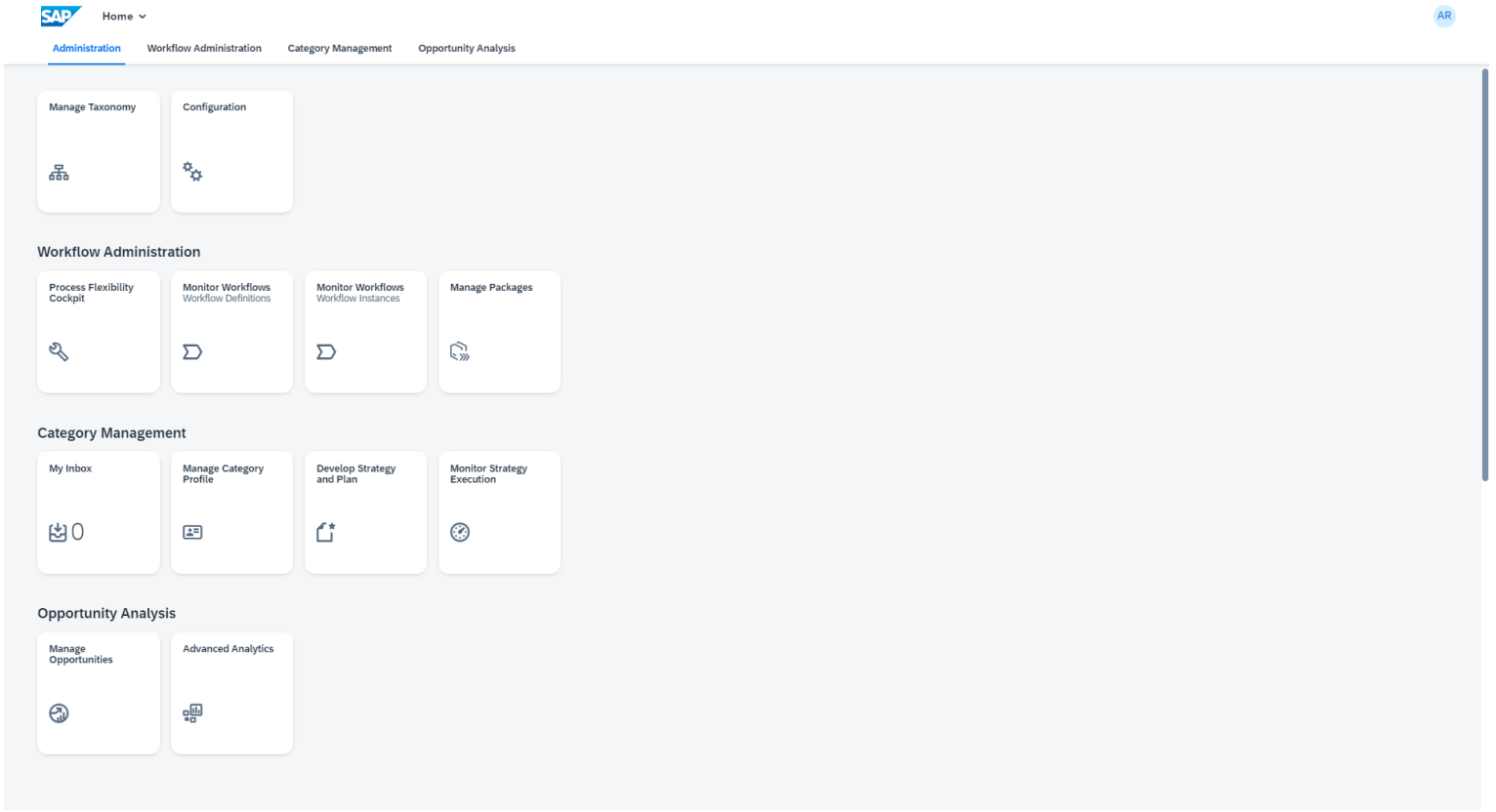
SAP Ariba Category Management | Home Page

- Navigate to the key steps of the category management process



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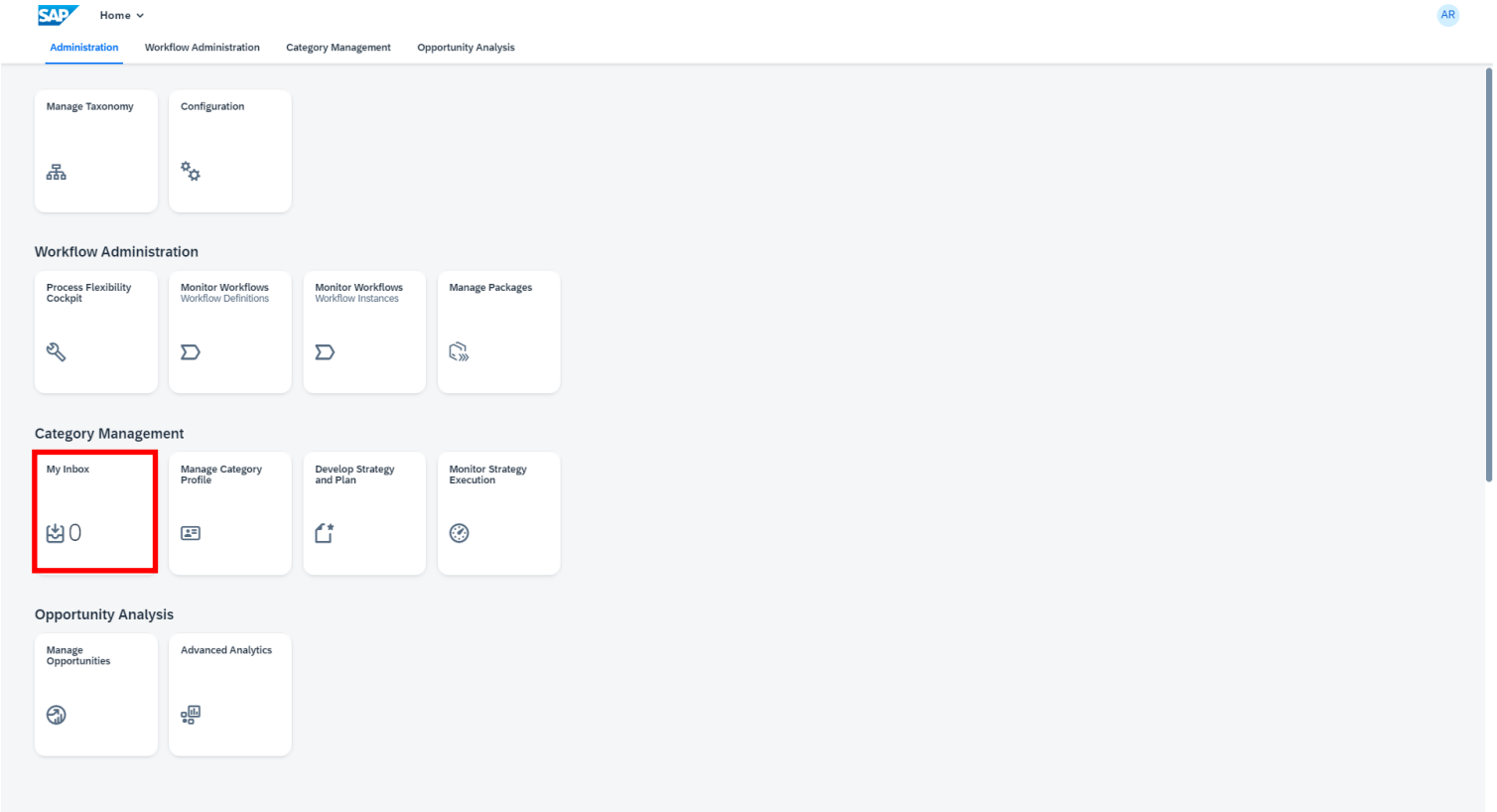
SAP Ariba Category Management | My Inbox

- Allows category strategy approvers to review the strategy and plan documents submitted for their approval.
- Category strategy approvers can approve or reject these documents.



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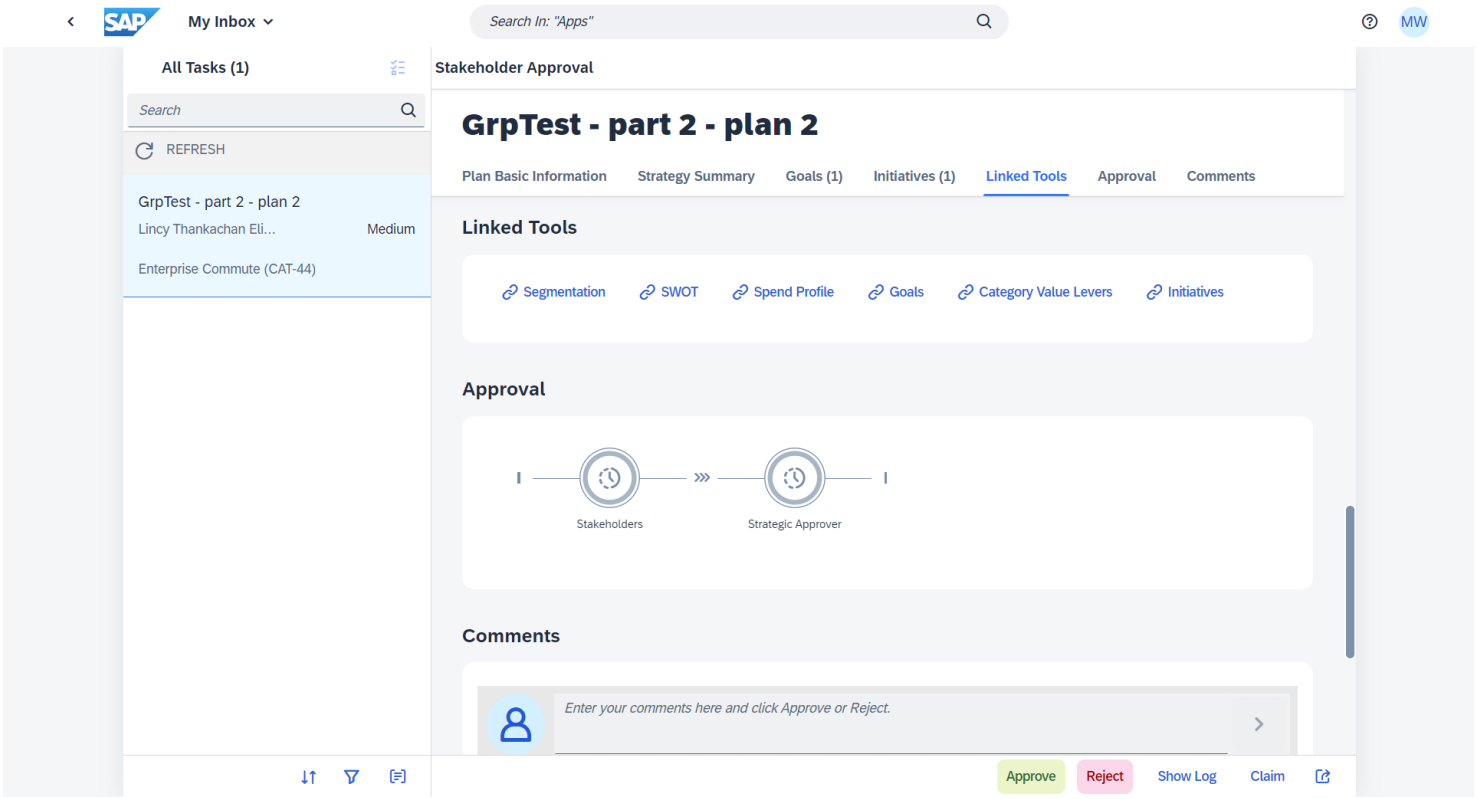

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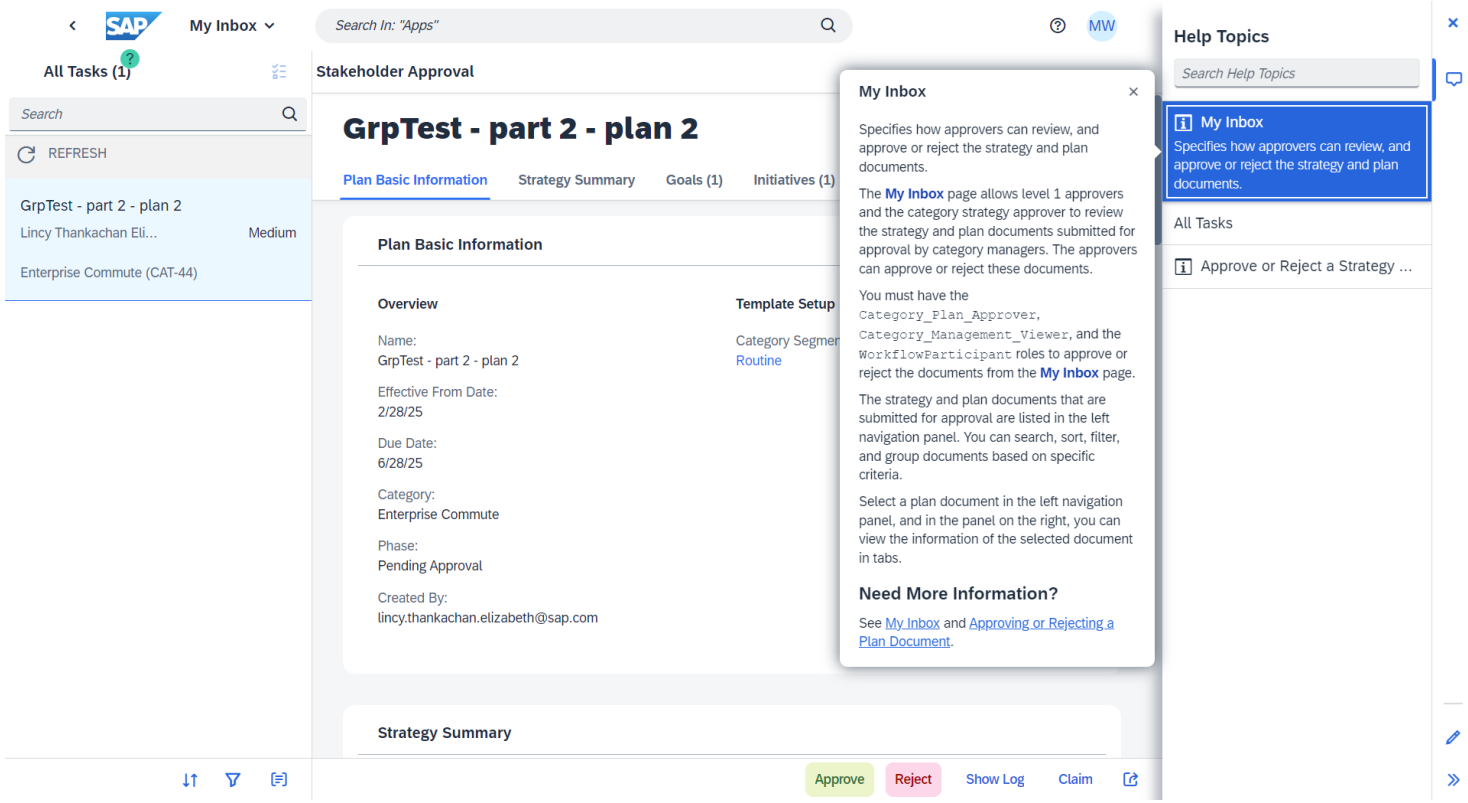

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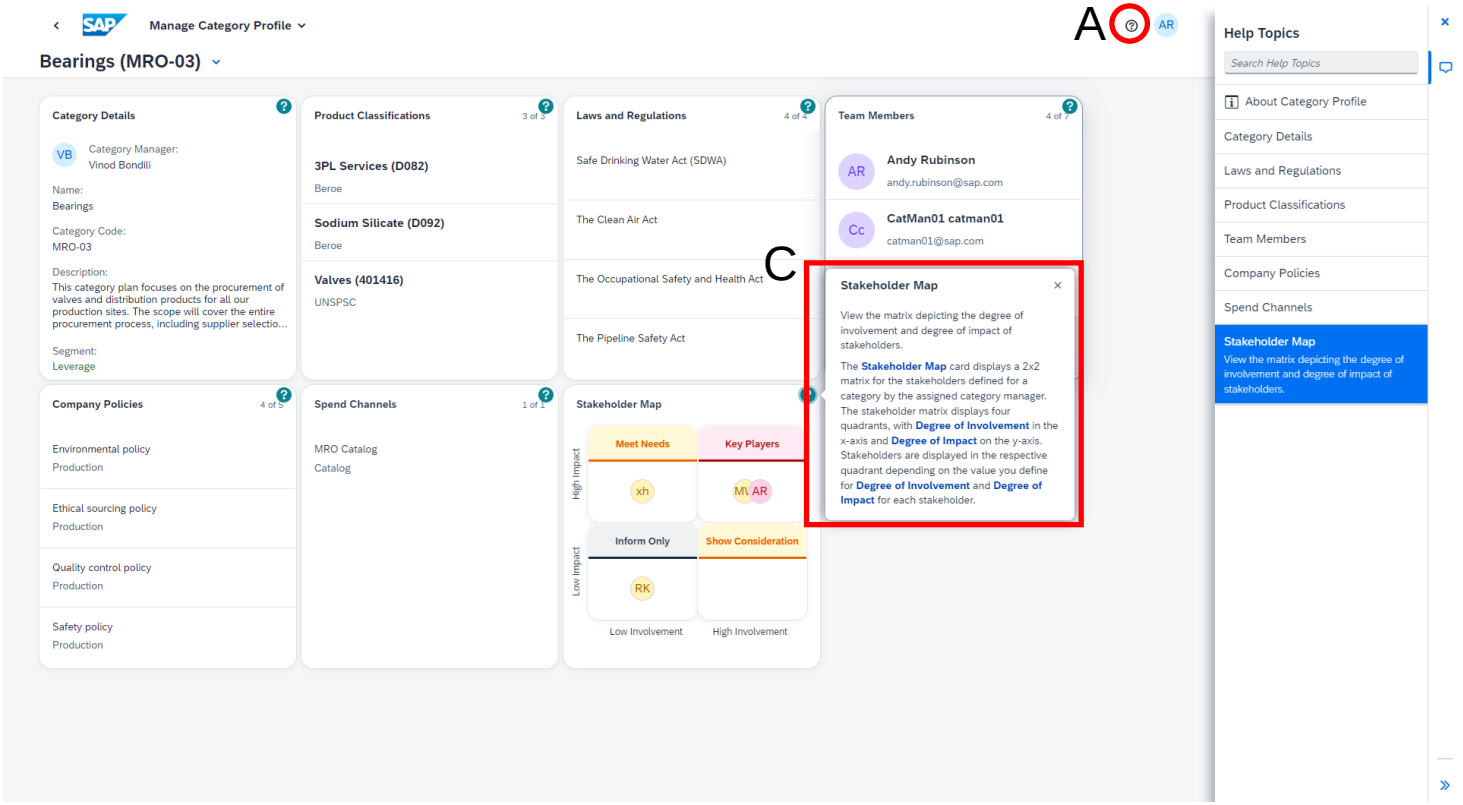
SAP Ariba Category Management | Help Guidance with SAP Companion

A. Clicking on the question mark triggers the SAP Companion in-app help

B. Help topics are context-sensitive and change as new pages are accessed

C. Click on the help tile to launch a description of the functionality on the screen

D. Ability to customize content is not currently available on BTP applications.



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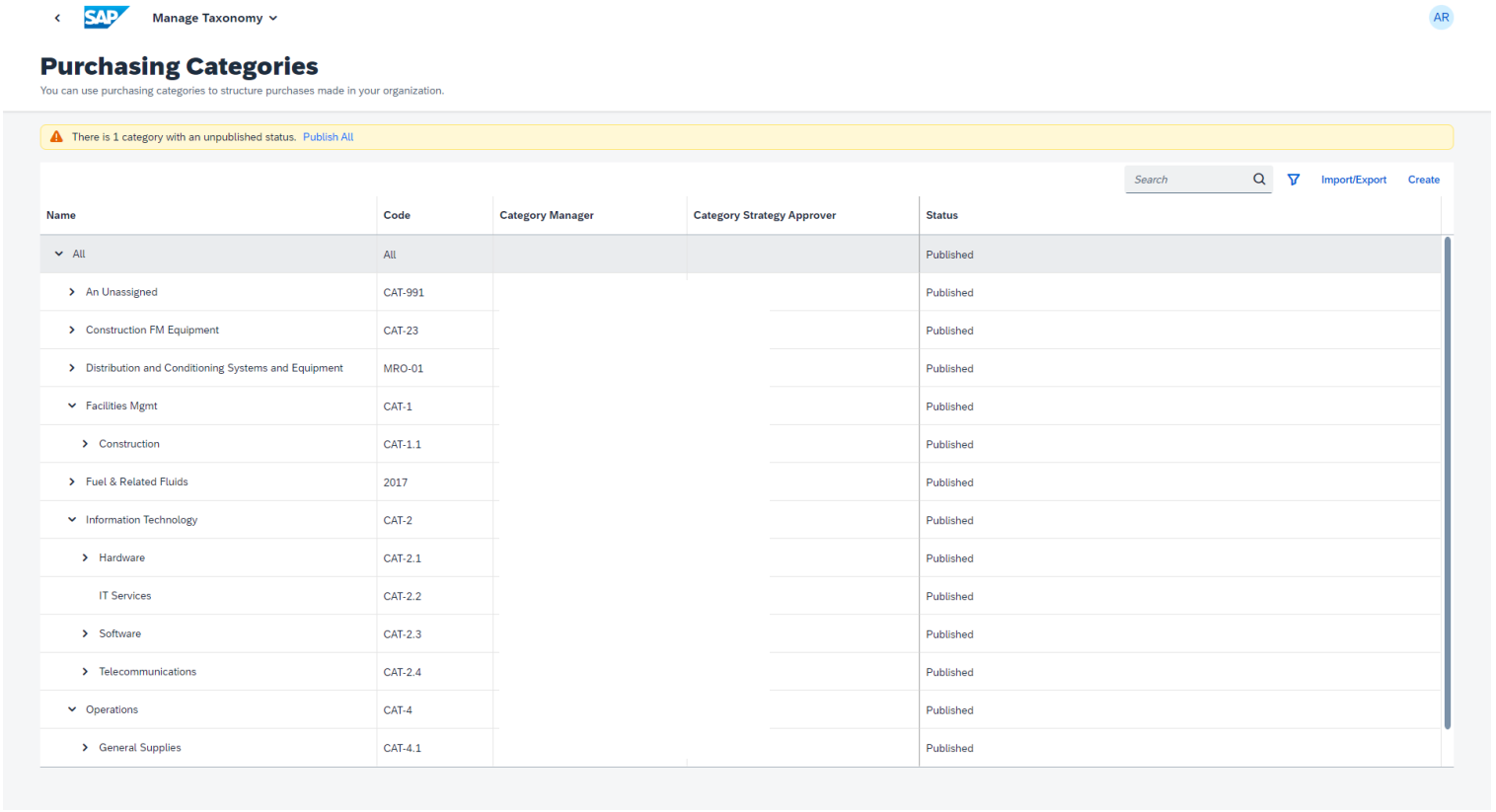
SAP Ariba Category Management | Taxonomy Management

- Allows category management administrators to define and manage system purchasing categories, including:
  - Upload
  - Create
  - Update
  - Delete
  - Publish
  - Monitor



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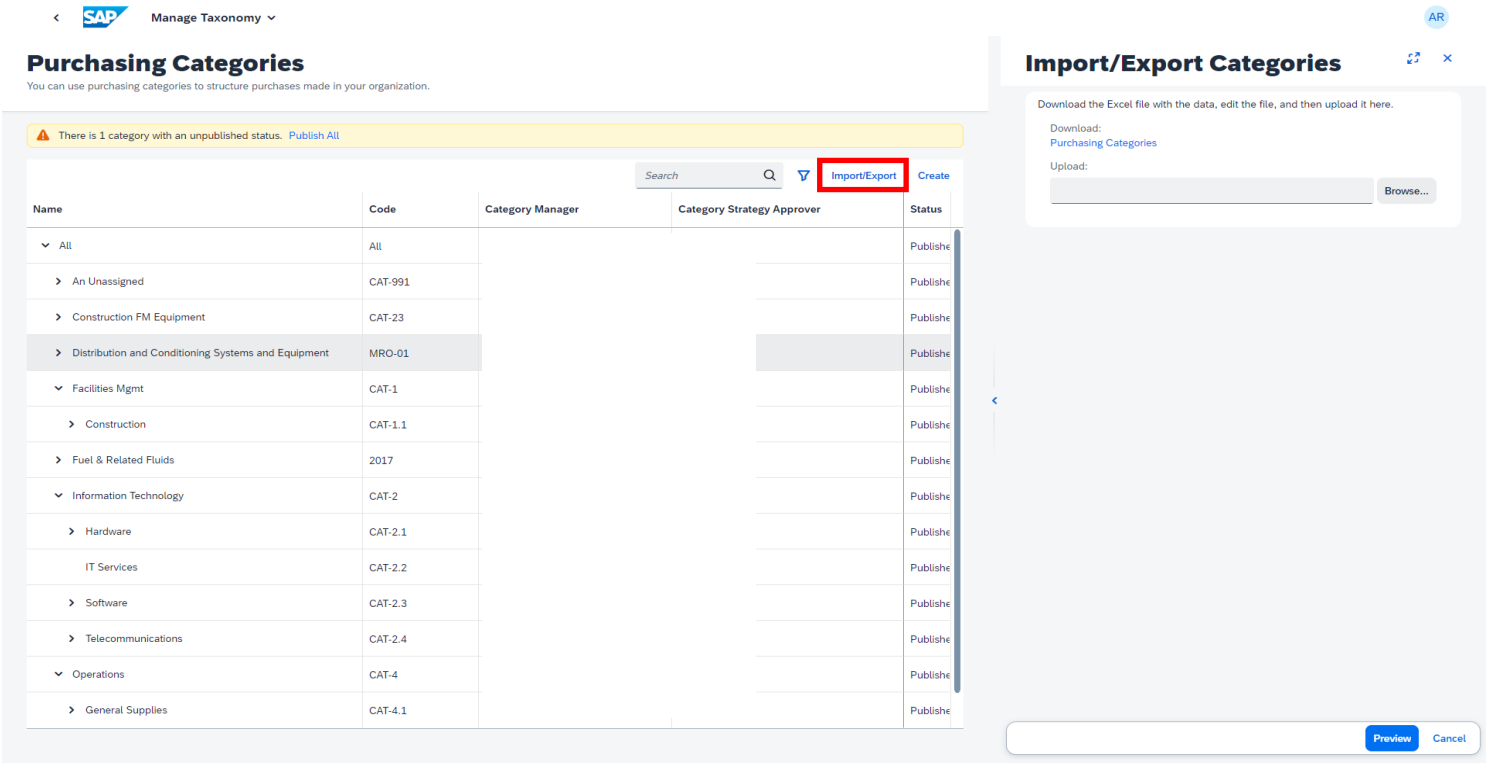
SAP Ariba Category Management | Taxonomy Import

- Category management administrators can import purchasing categories to SAP Ariba Category Management by using an Excel file
- Download the Excel template from the UI
- Must contain a unique category name and category code for every purchasing category and subcategory.
- Also possible to associate product classifications



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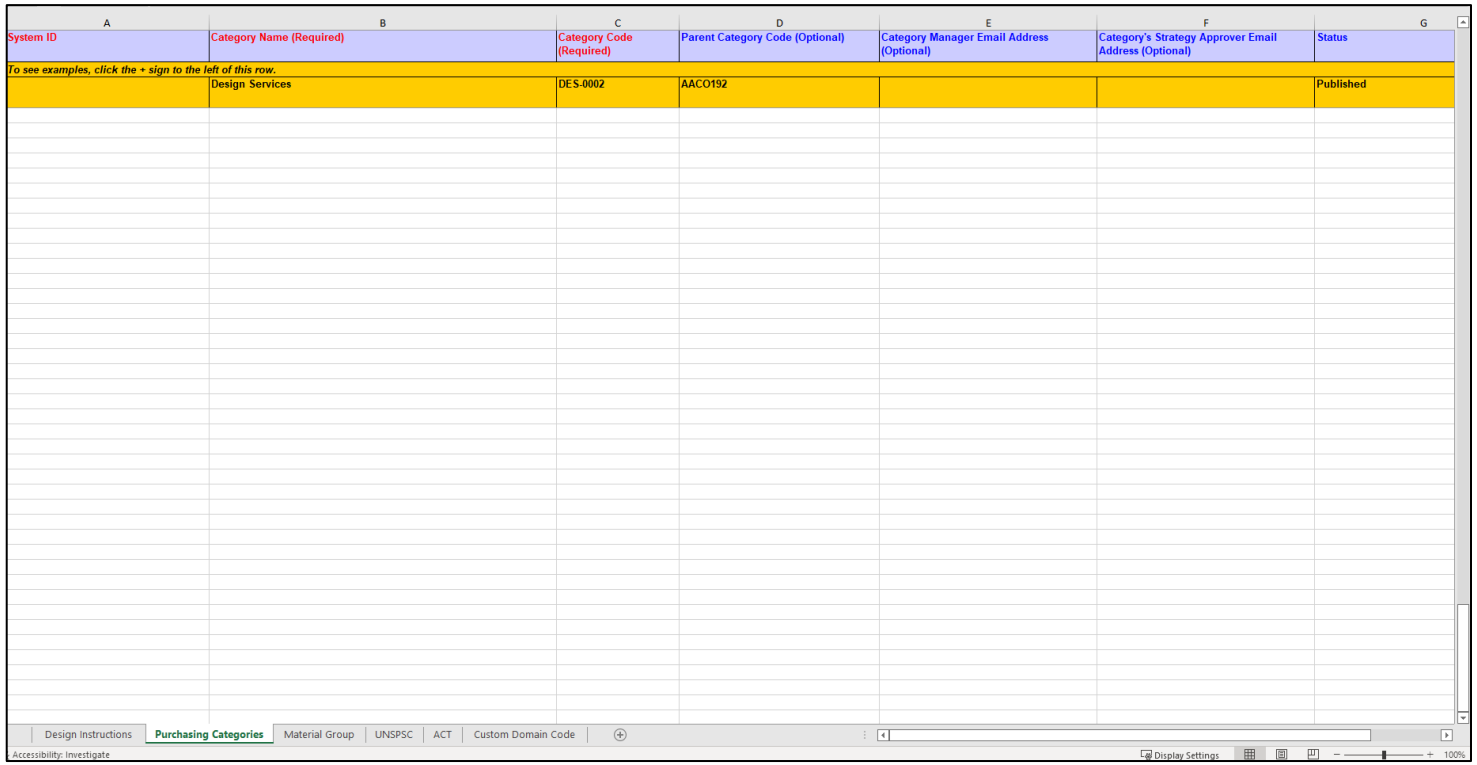

A	B	C	D	E	F	G
System ID	Category Name (Required)	Category Code (Required)	Parent Category Code (Optional)	Category Manager Email Address (Optional)	Category's Strategy Approver Email Address (Optional)	Status
To see examples, click the + sign to the left of this row.						
	Design Services	DES-0002	AACO192			Published

Design Instructions | Purchasing Categories | Material Group | UNSPSC | ACT | Custom Domain Code

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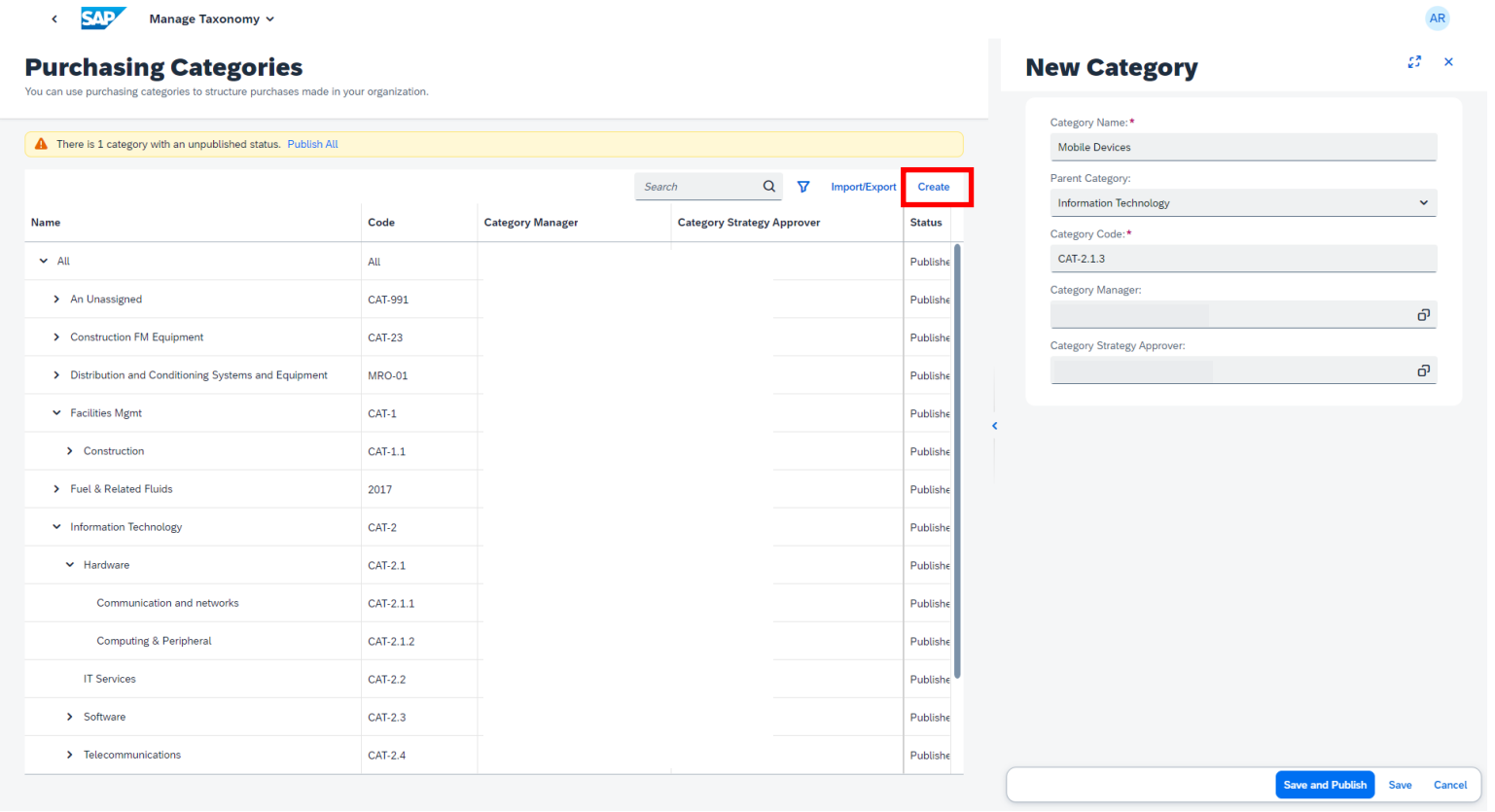
SAP Ariba Category Management | Purchasing Category & Sub-Category Creation

Workflow | **Taxonomy** | Category Profile | Opportunity Analysis | Strategy Plan Development | Strategy Execution

- To add new categories directly in the UI, click Create
- Enter information for the following fields:
  - Category Name
  - Category Code
  - Parent Category
  - Category Manager
  - Category Strategy Approver



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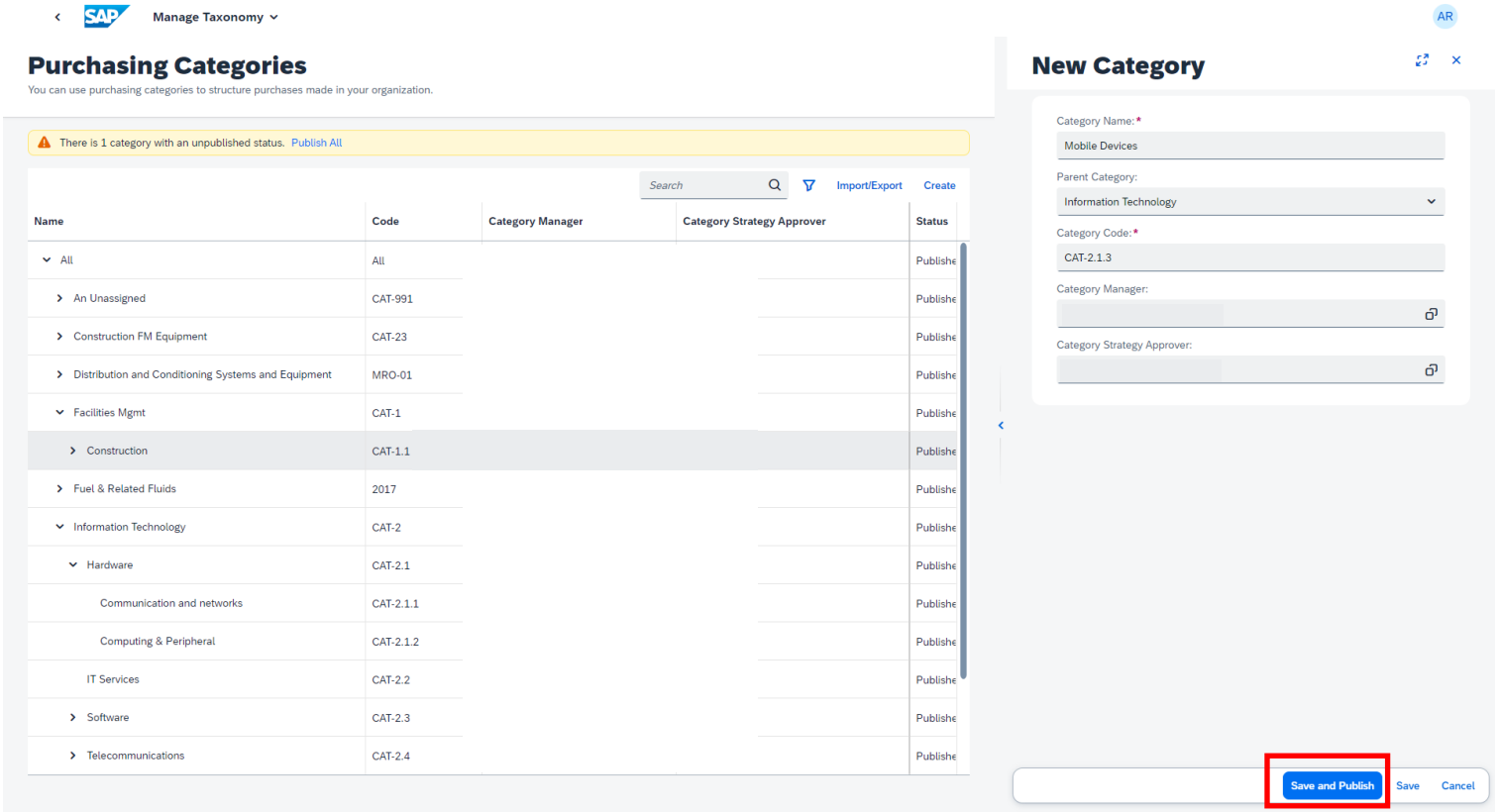
SAP Ariba Category Management | Purchasing Category Publishing

- After entering the necessary information, click Save and Publish



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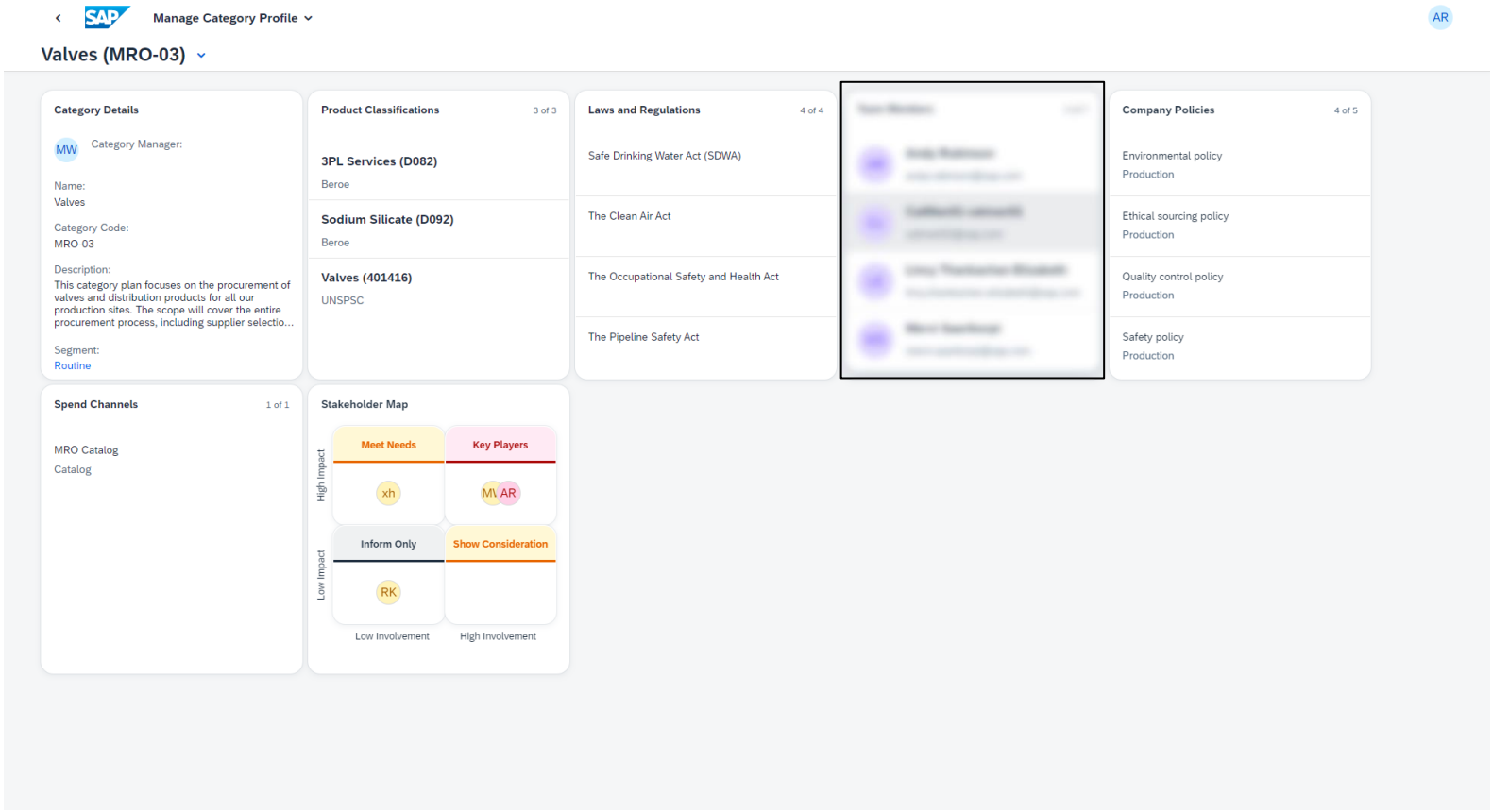
SAP Ariba Category Management | Category Profile

- Category managers can define additional information for their assigned categories, including:
  - Laws and regulations
  - Spend channels
  - Company policies
  - Stakeholders

  to comply with the defined standards during the category procurement process.



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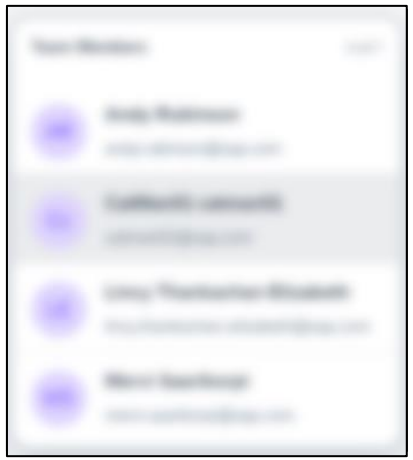
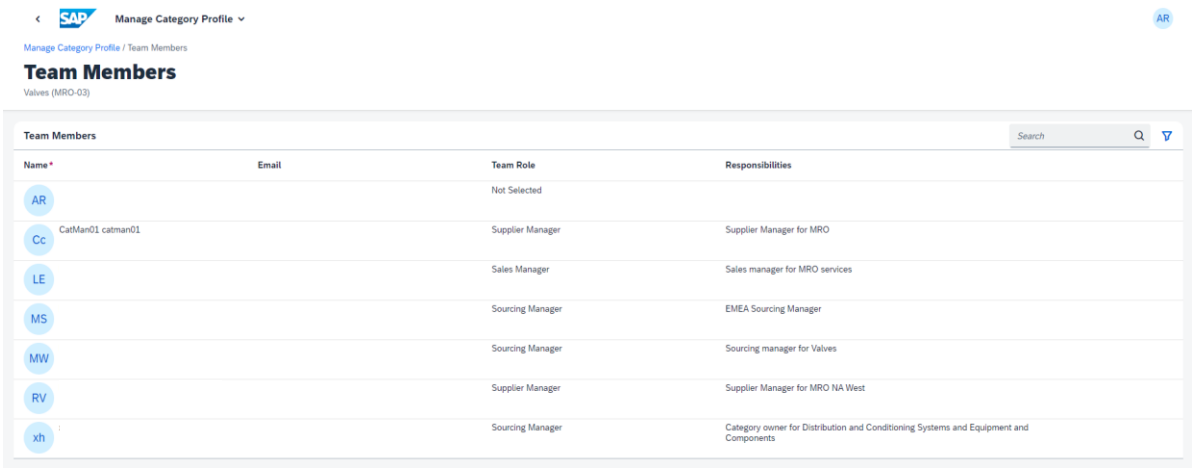
SAP Ariba Category Management | Category Profile – Team Members/Stakeholders





- Category managers can add, edit, and delete internal team members to their categories.

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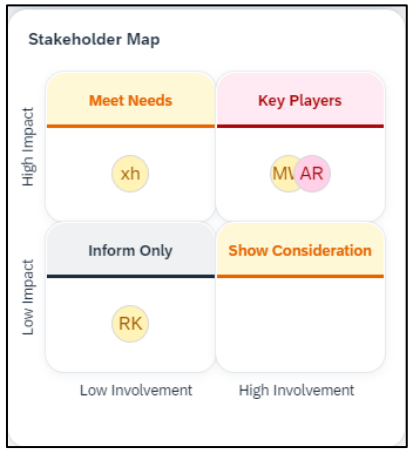
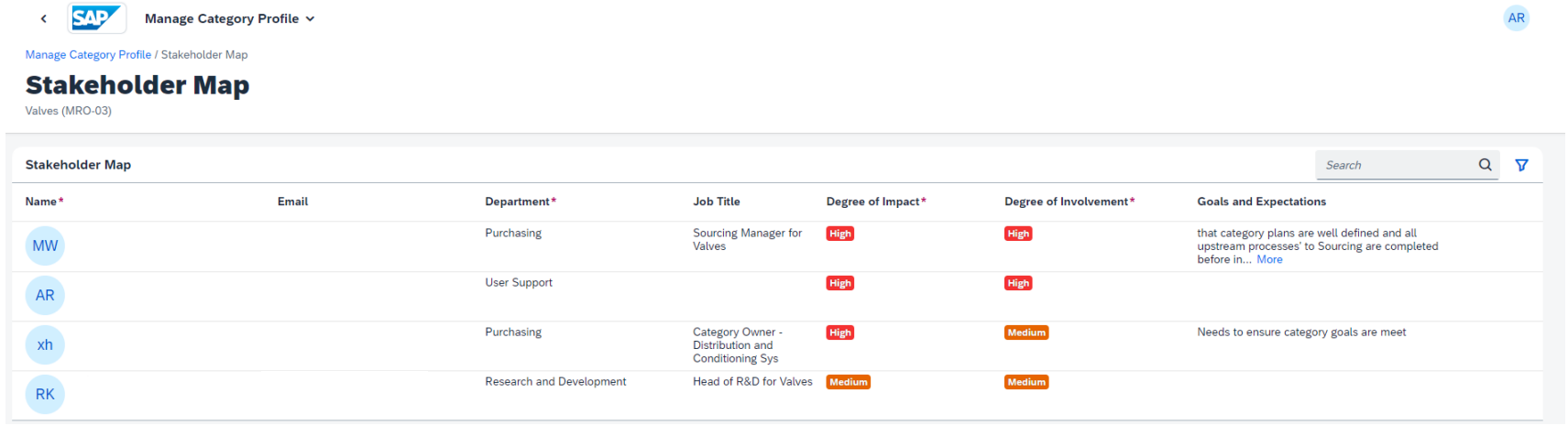
SAP Ariba Category Management | Category Profile – Team Members/Stakeholders





- Category managers can add, edit, and delete internal team members to their categories.
- The stakeholder matrix displays four quadrants, with Degree of Involvement in the x-axis and Degree of Impact on the y-axis. Stakeholders are displayed in the respective quadrant depending on the value you define for Degree of Involvement and Degree of Impact for each stakeholder.

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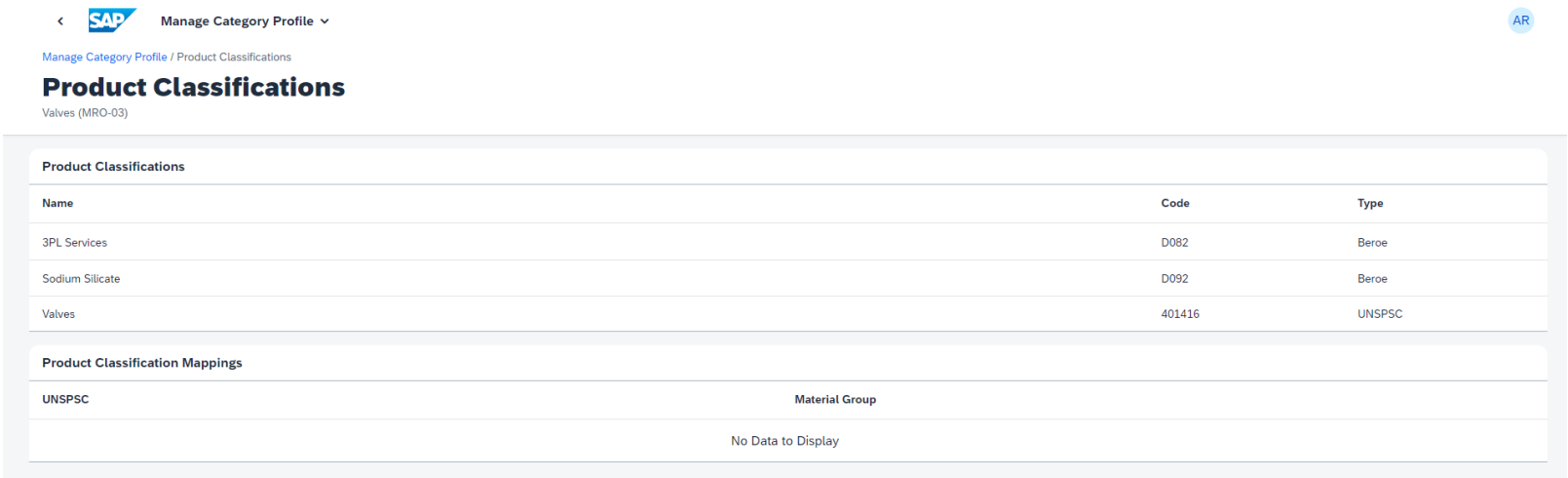
SAP Ariba Category Management | Category Profile - Product Classifications

- The Product Classifications card displays the UNSPSC, ACT, and Material Group mappings defined for the category.
- Category managers can only view the product classification details from the Product Classifications card.
- Product classifications for categories are defined by category management administrators.



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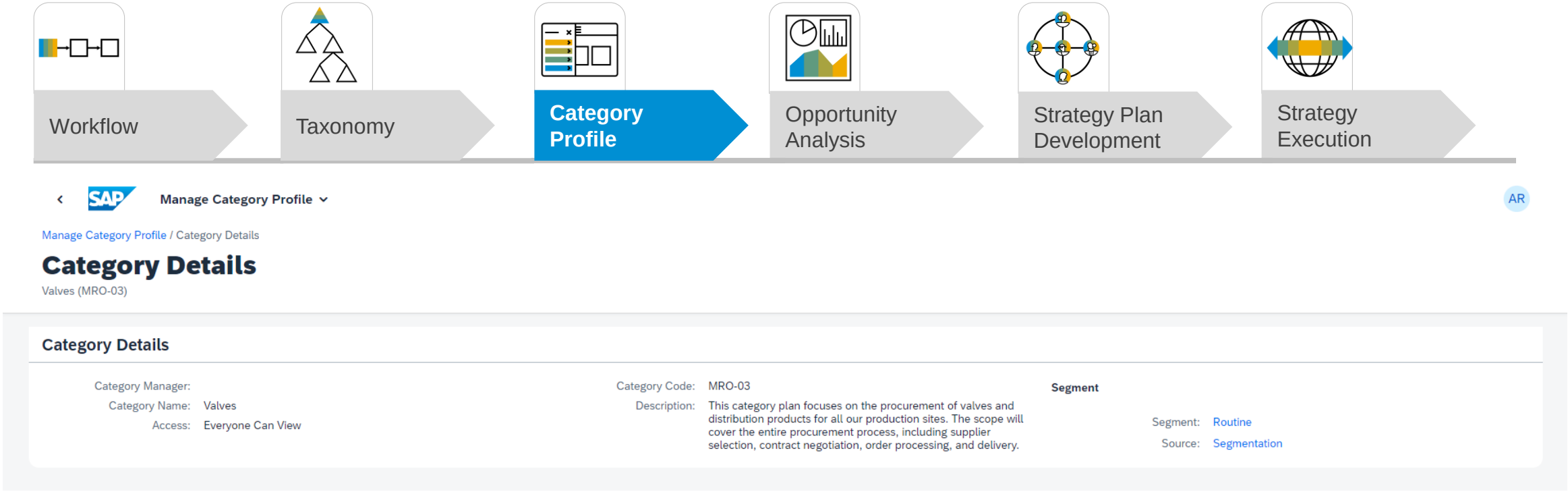
SAP Ariba Category Management | Category Profile - General Information



- The Category Details card displays information about the category such as category name, category code, category manager, and category description, defined by the category management administrator.
- Category managers can add or edit the description of the category and edit user permissions.

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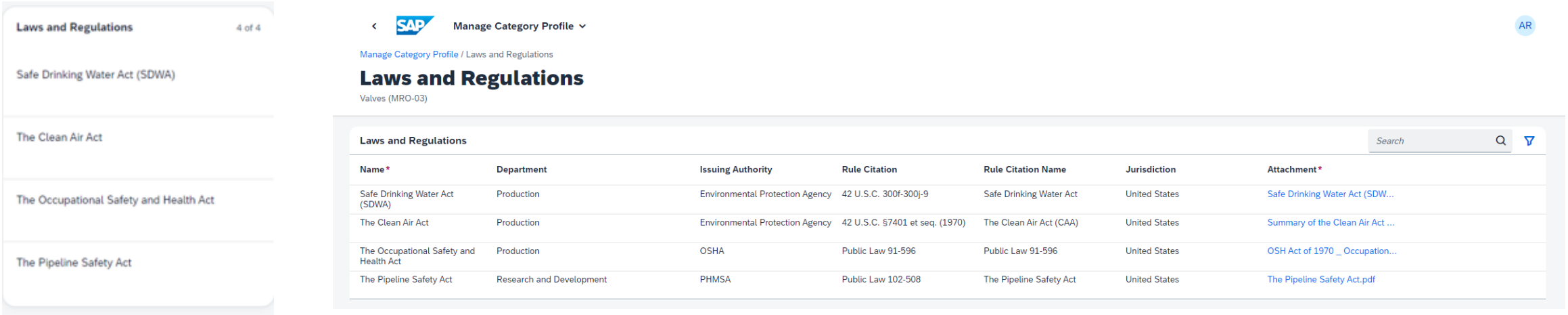
SAP Ariba Category Management | Category Profile - Laws and Regulations



- Displays the list of laws and regulations defined for a category.
- Category managers can define the laws and regulations that have a direct impact on the purchasing process of the category.
- Click the card header to view, create, edit, and delete laws and regulations

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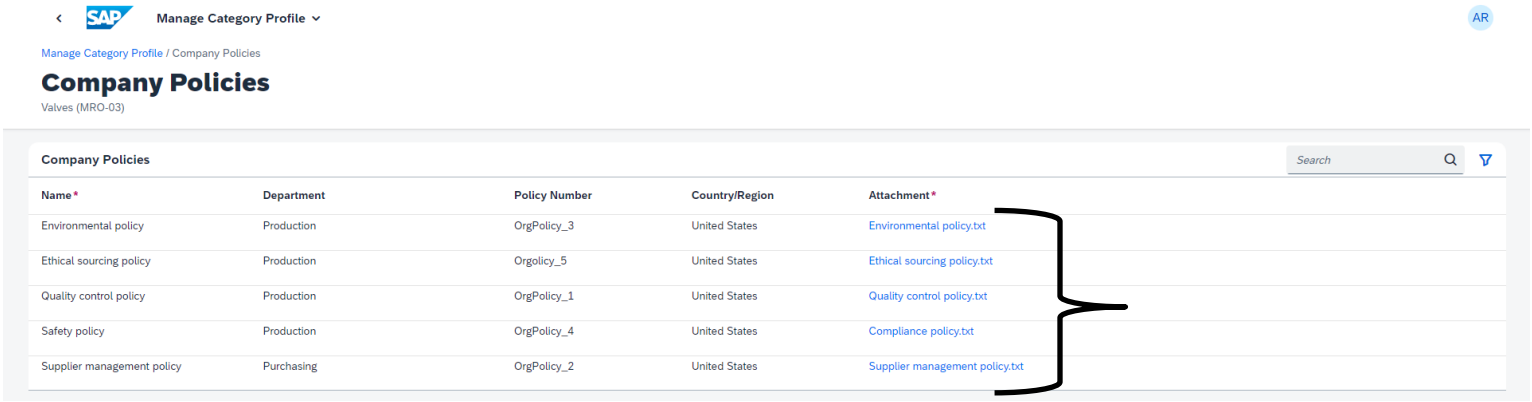
SAP Ariba Category Management | Category Profile – Company Policies

- List of company policies defined for a category by the assigned category manager.
- Category managers can define the internal company policies that have a direct impact on the purchasing process of a category.
- Search and filter are available.
- Attachments may be downloaded by clicking on the attachment hyperlink.



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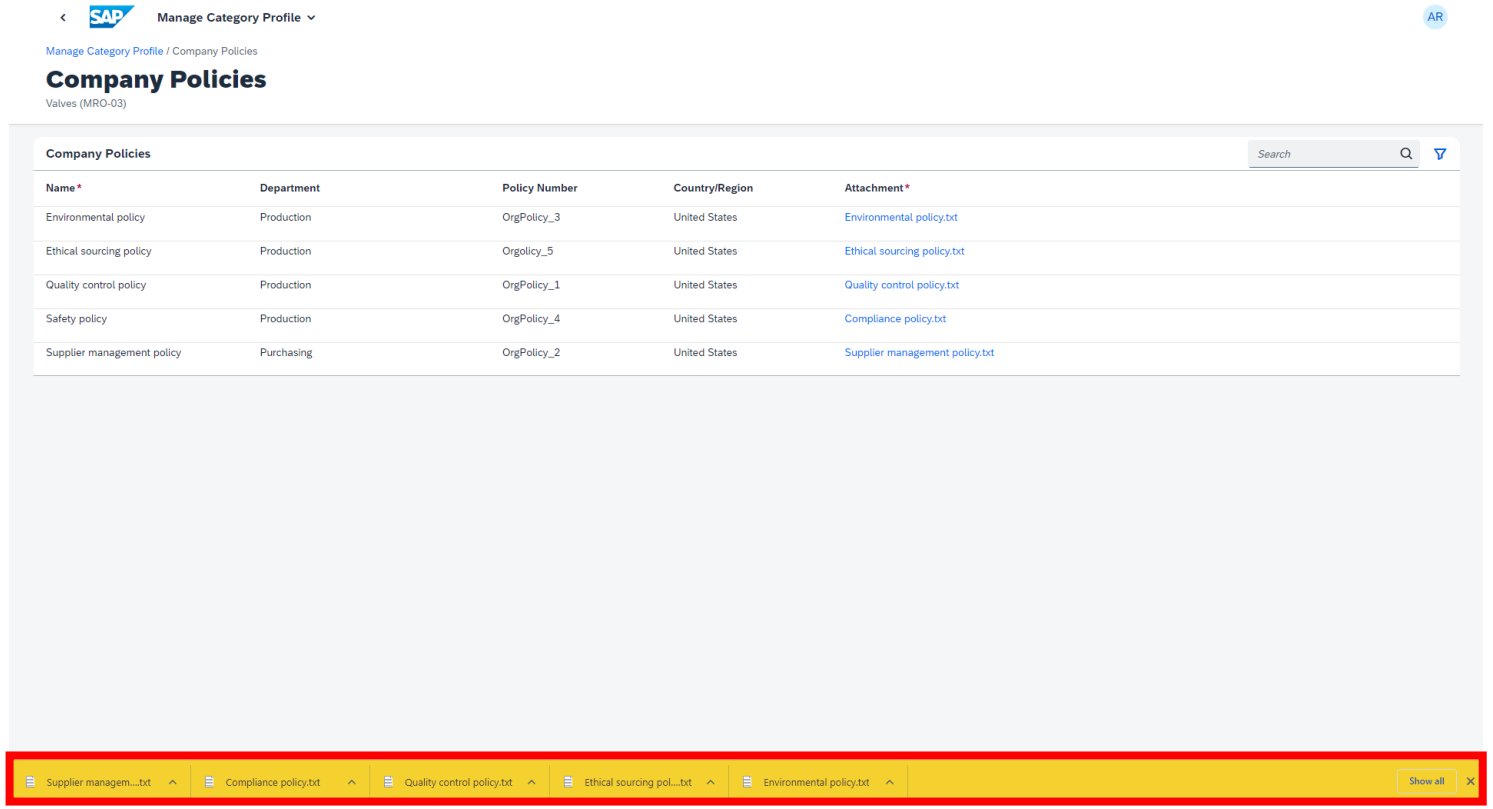

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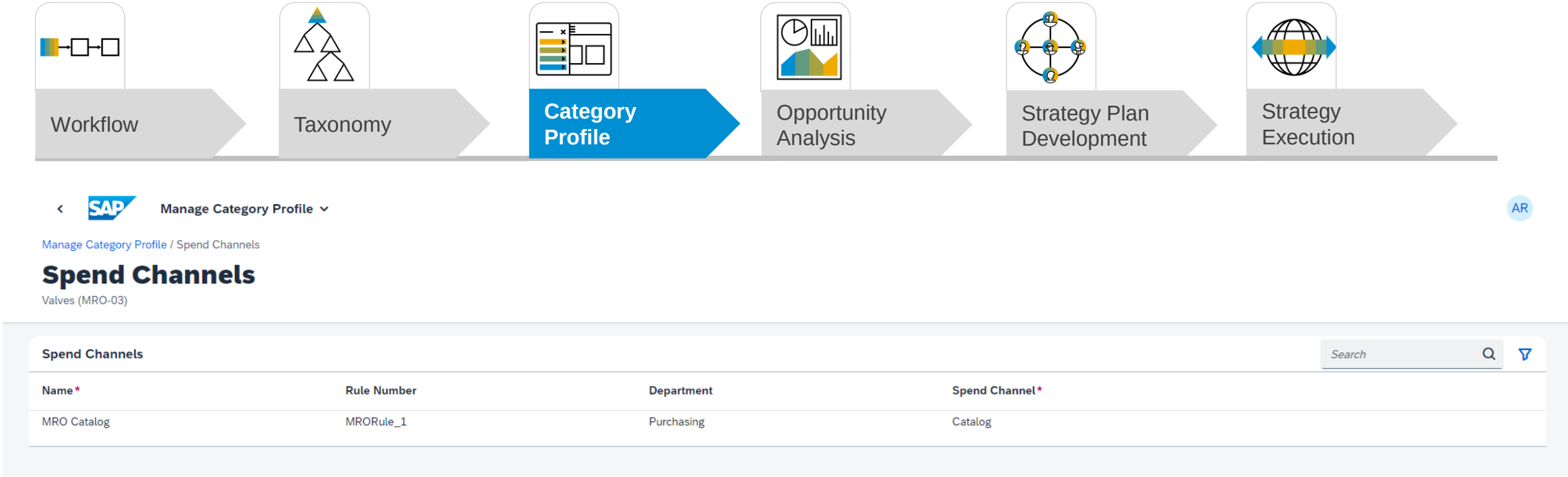
SAP Ariba Category Management | Category Profile – Spend Channels



- Displays the list of spend channels defined for a category by the assigned category manager.
- Category managers can define spend channels that have a direct impact on a category's purchasing process.
- Click the card header to view, create, edit, or delete the spend channels associated with the category

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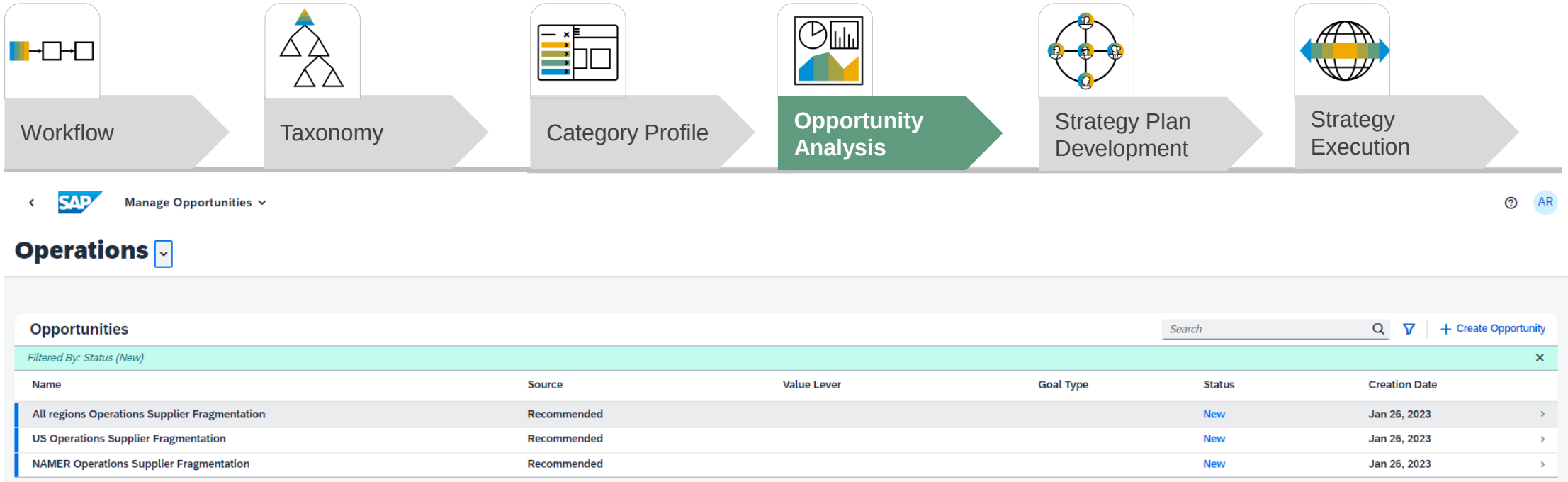
SAP Ariba Category Management | Intelligent opportunity analyzer



- Automatically recommends opportunities for categories based on spend data available for categories in SAP Ariba Category Management. These recommended opportunities can be accepted or dismissed.
- Category managers and strategic sourcing professionals can also create new adhoc opportunities by analyzing spend data, tracking market conditions, reviewing expiring contracts, and other activities.
- Category managers can manage and monitor opportunities and initiatives. Strategic sourcing professionals can also convert opportunities to initiatives or guided sourcing projects.

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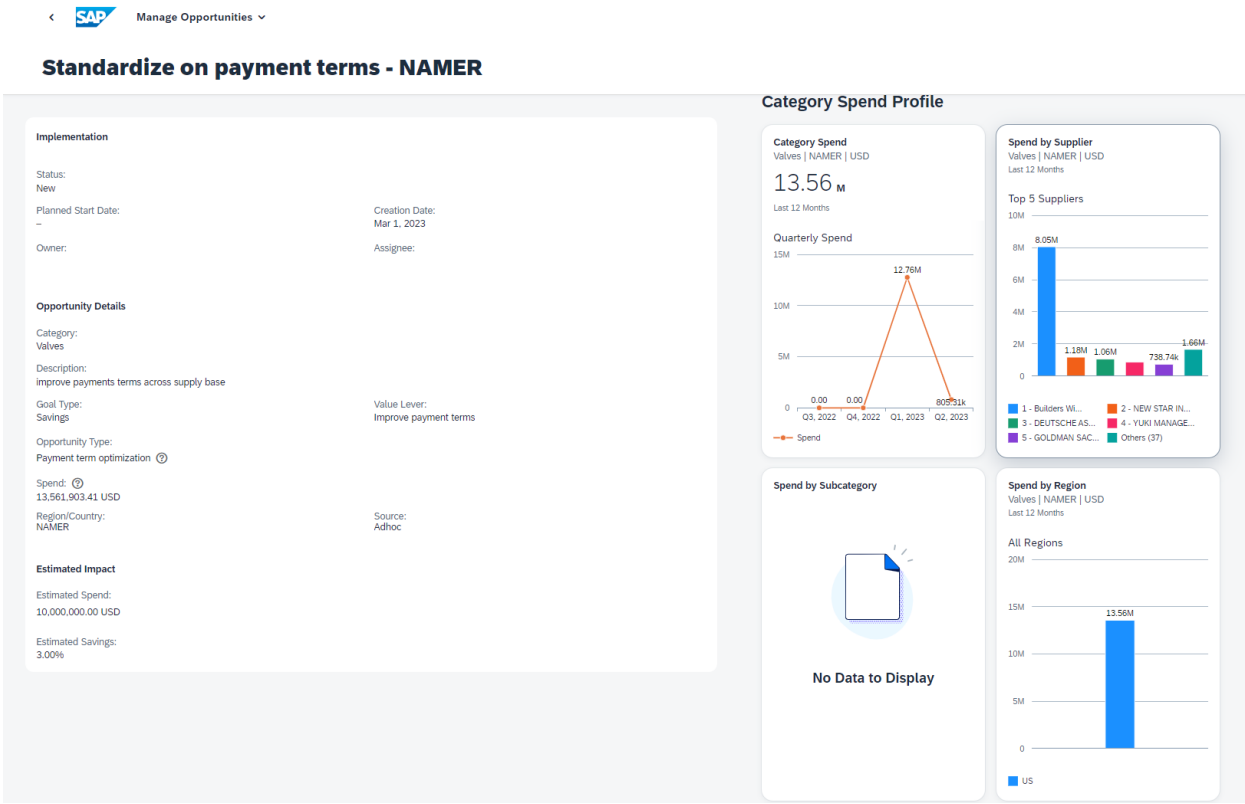
SAP Ariba Category Management | Manage Opportunities

- The intelligent opportunity analyzer extensively uses historical spend data to provide data visualization charts for category spend data using embedded SAP Analytics Cloud.



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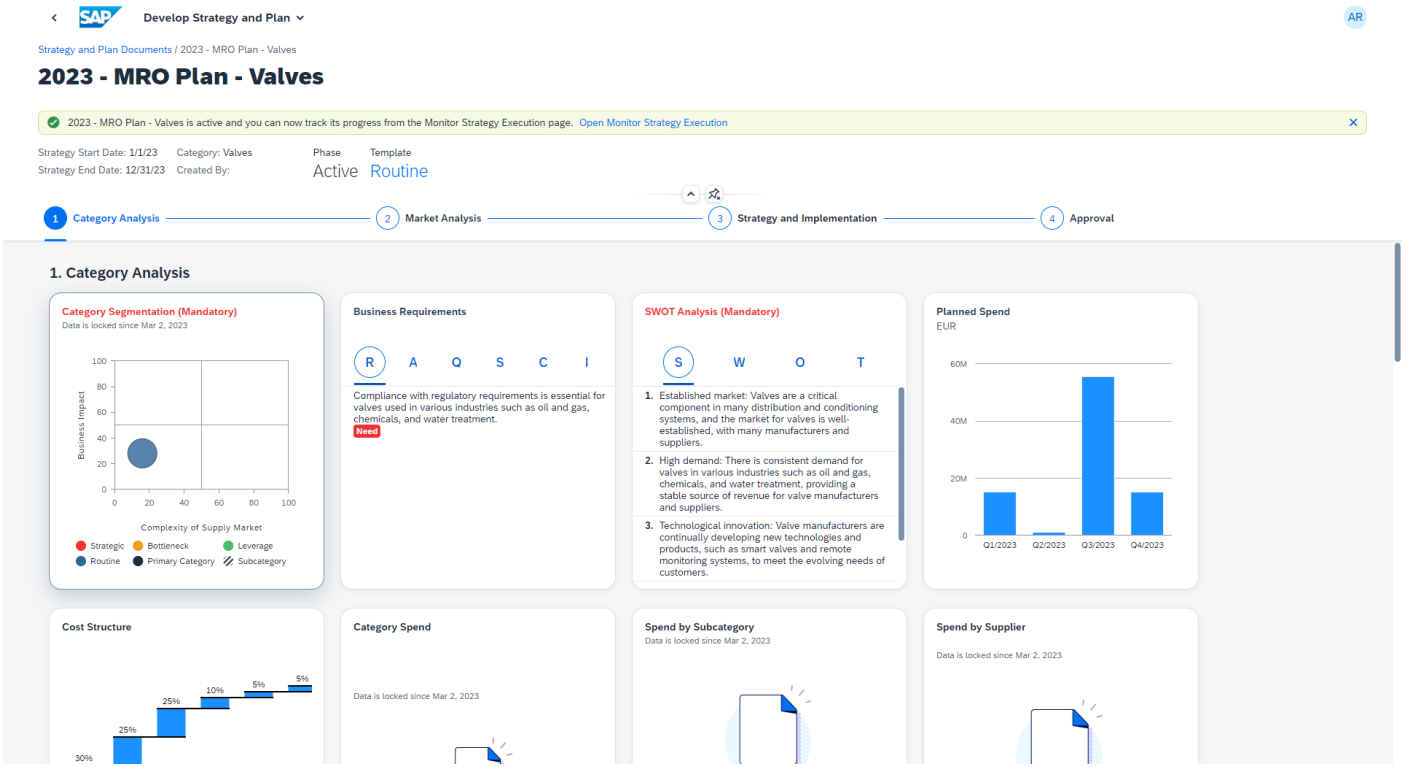
SAP Ariba Category Management | Strategy Development Processes

- Using the strategy and plan documents, category managers can define a plan to implement and monitor a category's strategy.
- Category managers can create multiple strategies for each category, but only one approved strategy and plan document can be active at a time.
- Mandatory tools are configured by category management administrators. Tools such as Category Segmentation, Goals, Initiatives, Category Spend Profile, and Value Levers are configured as mandatory tools by default.
- Optional tools can be added to a strategy and plan document by category managers.



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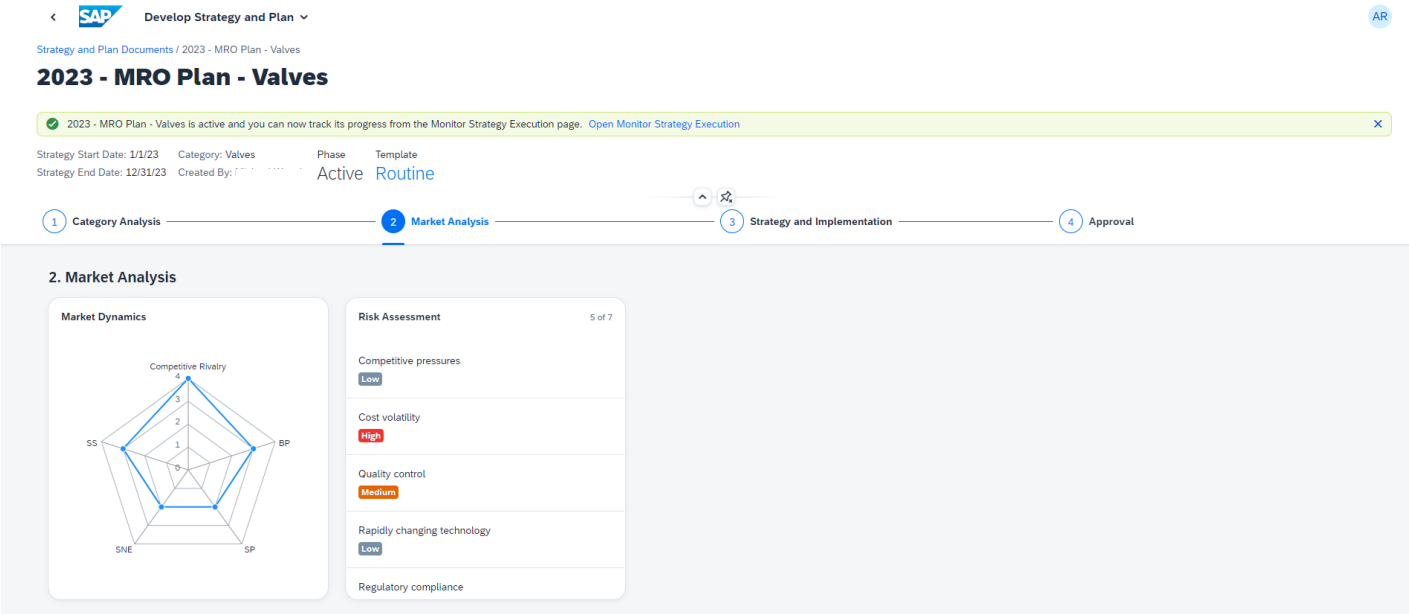

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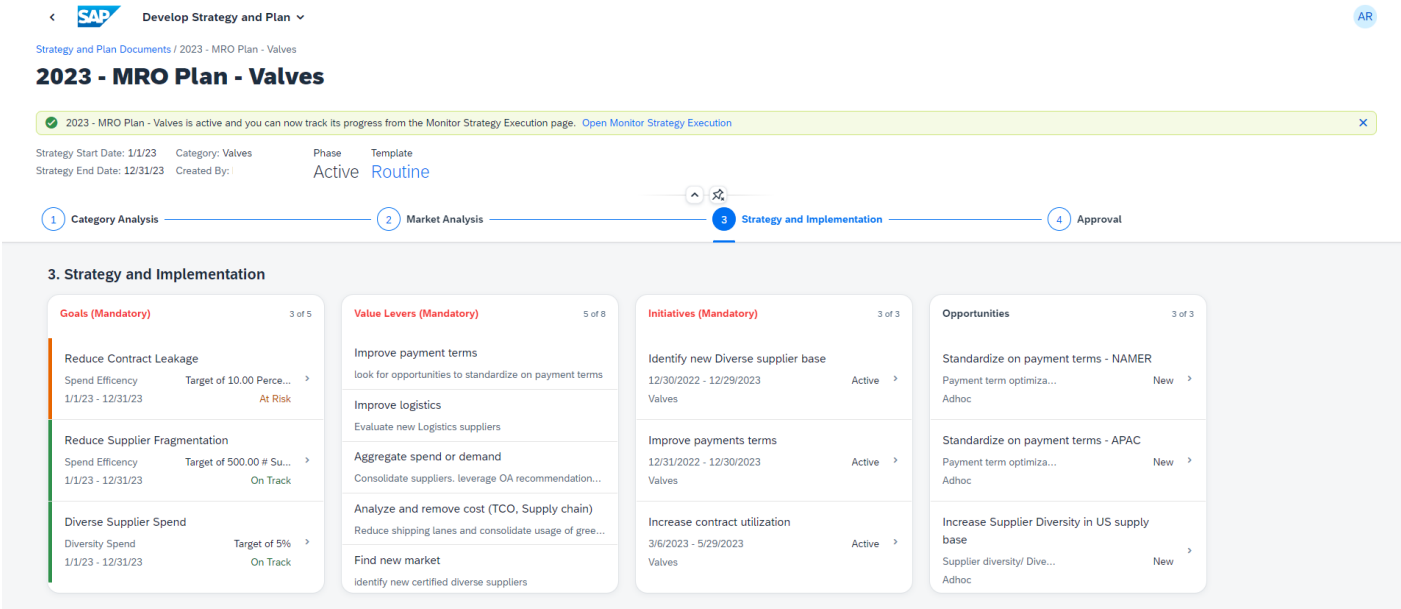

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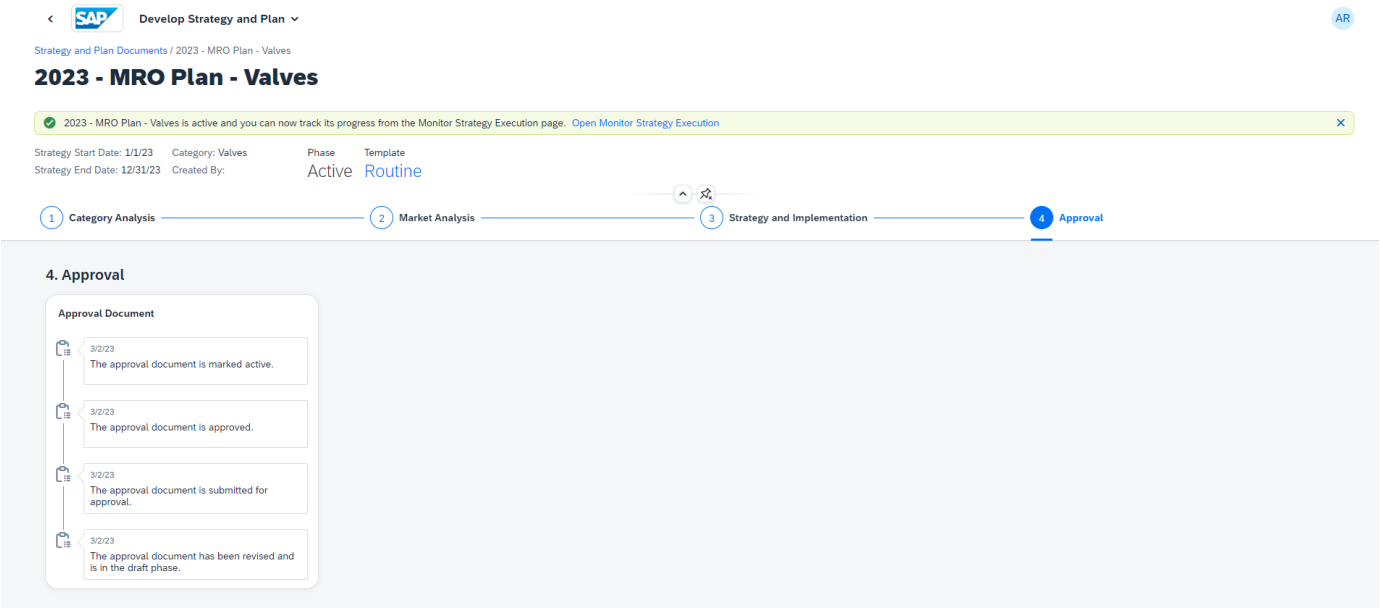
- Optional tools can be added to a strategy and plan document by category managers.



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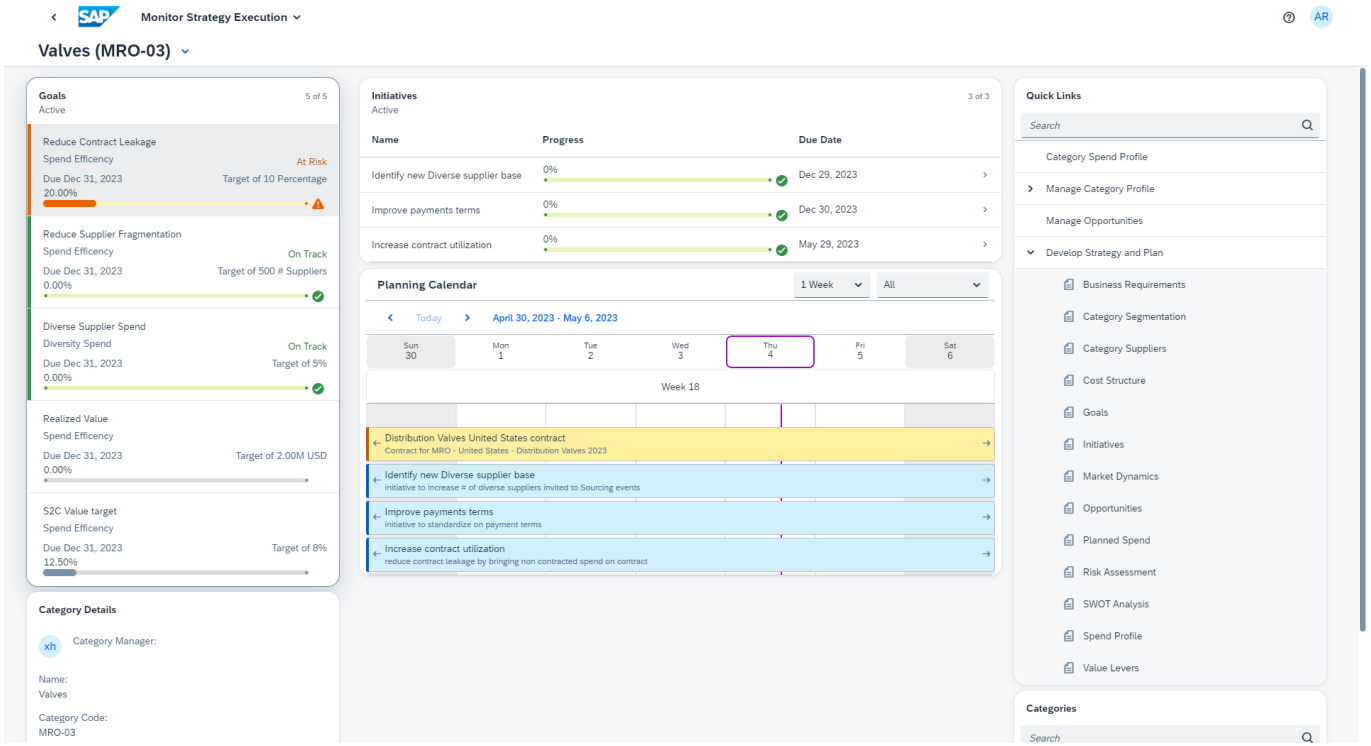

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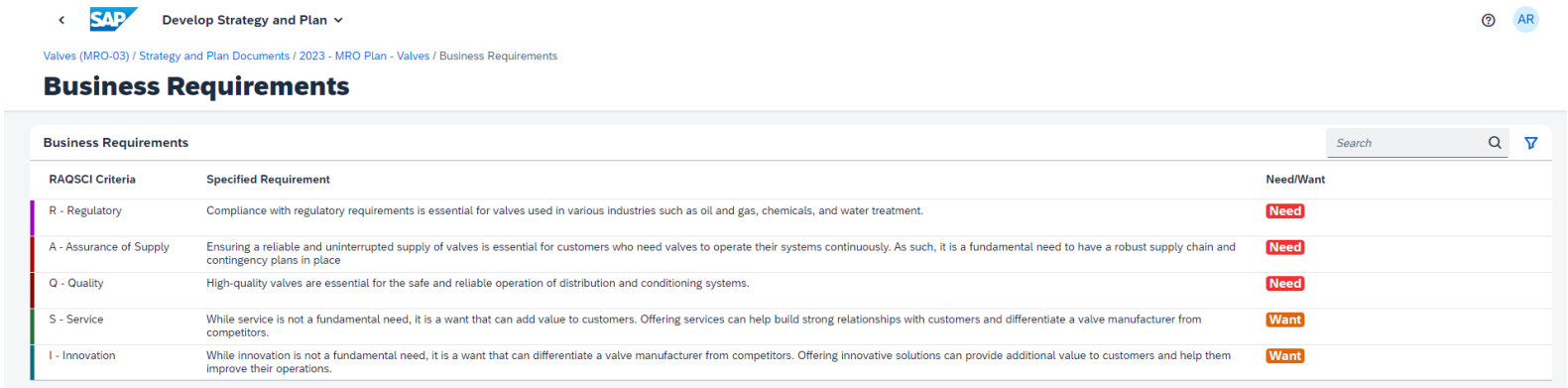

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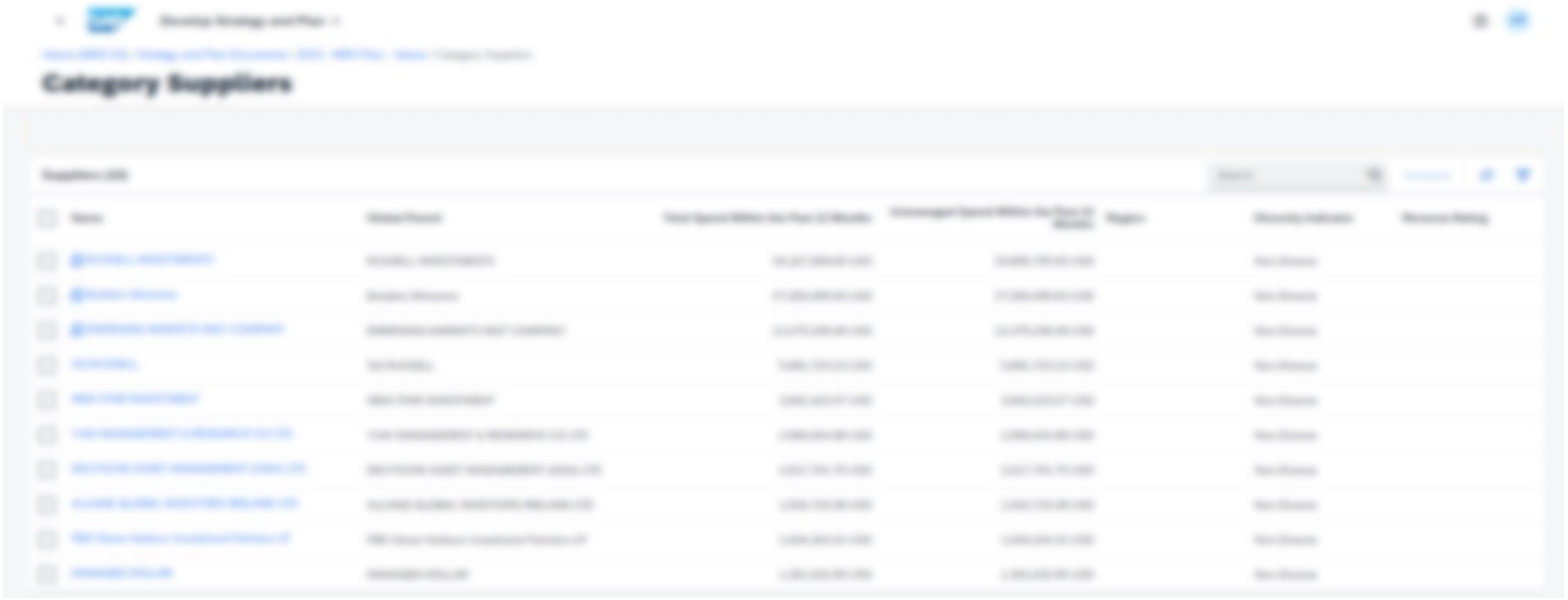

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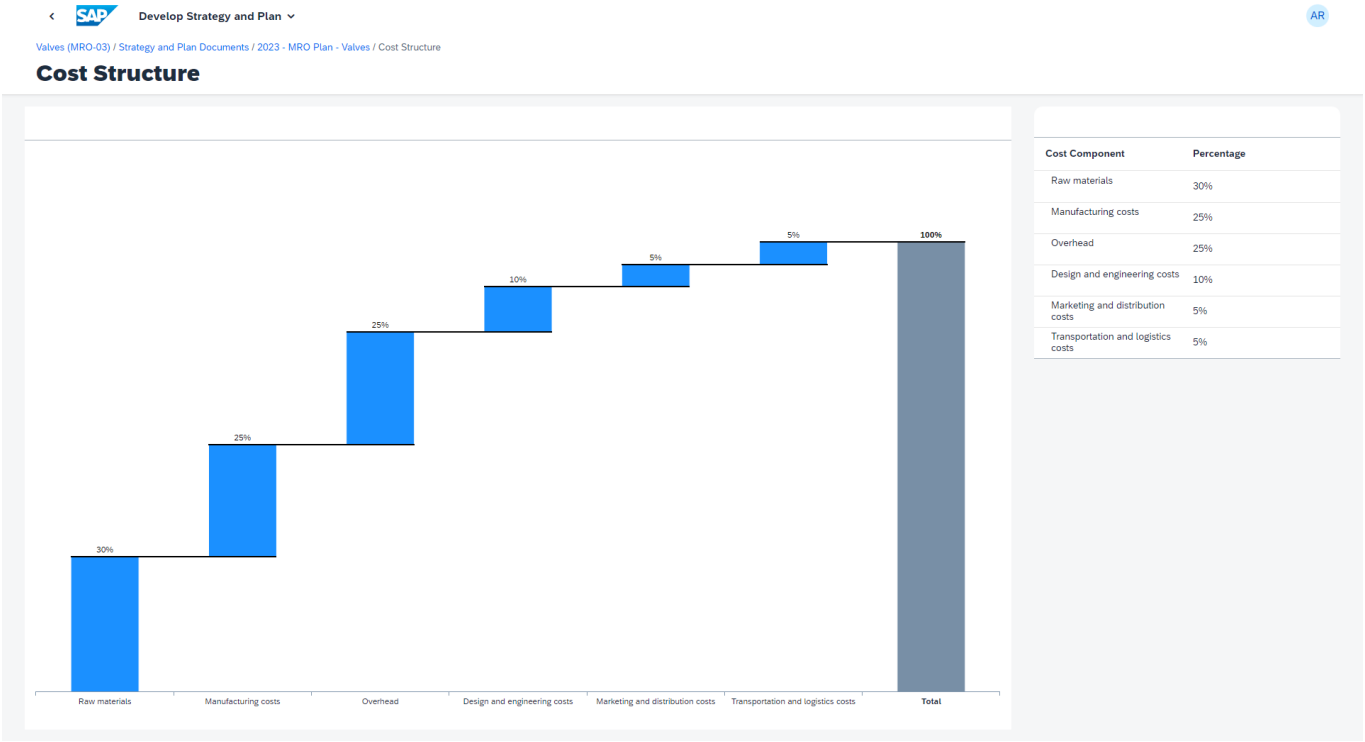

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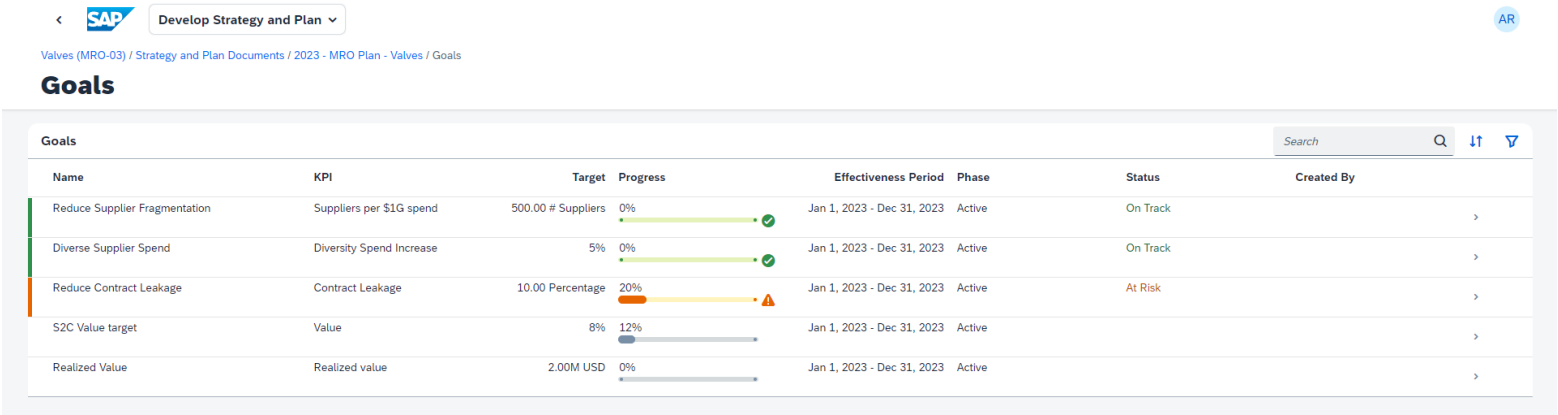

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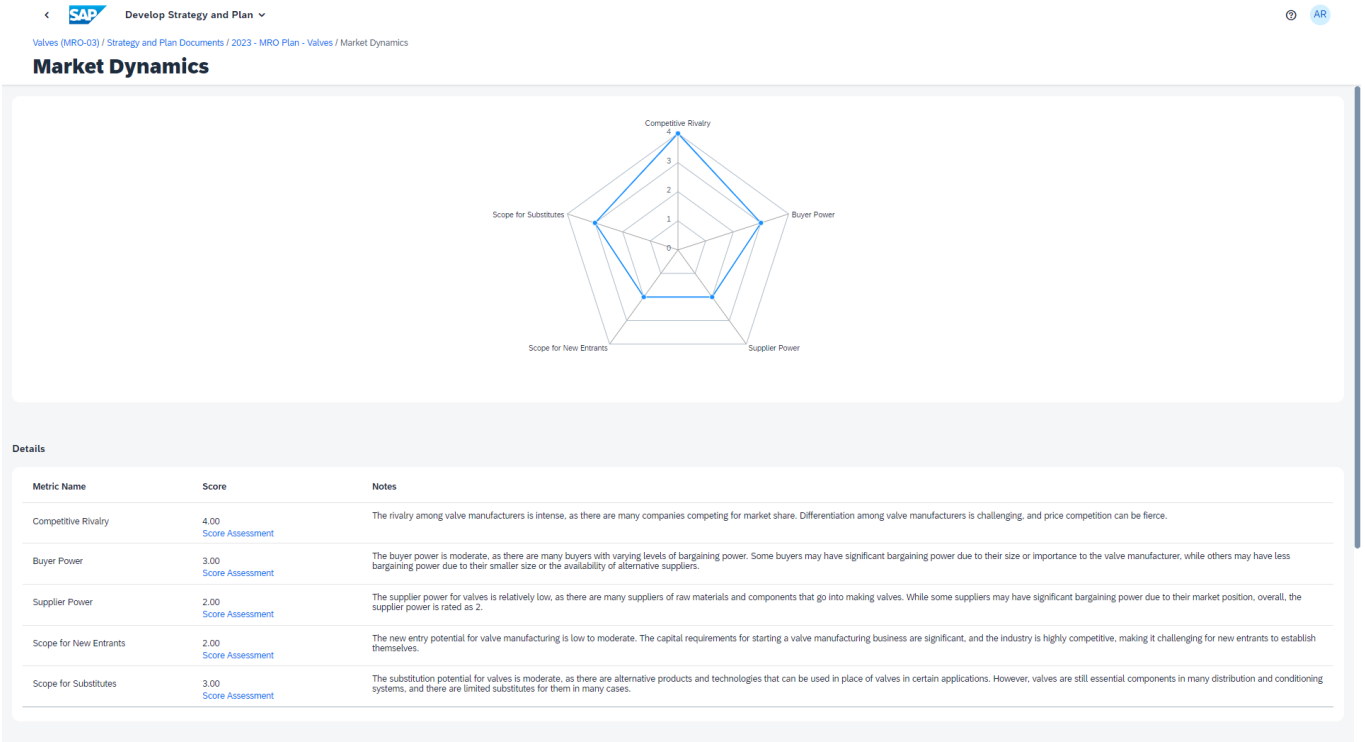

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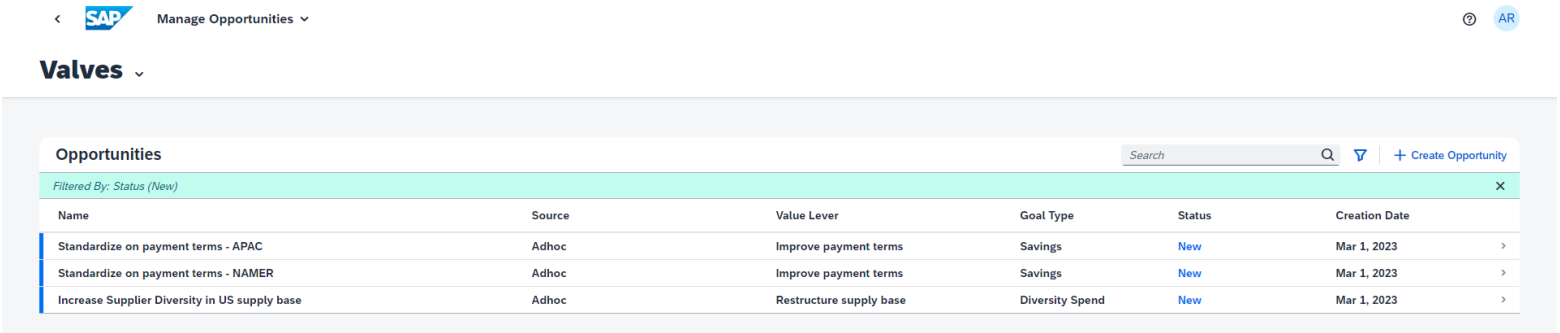

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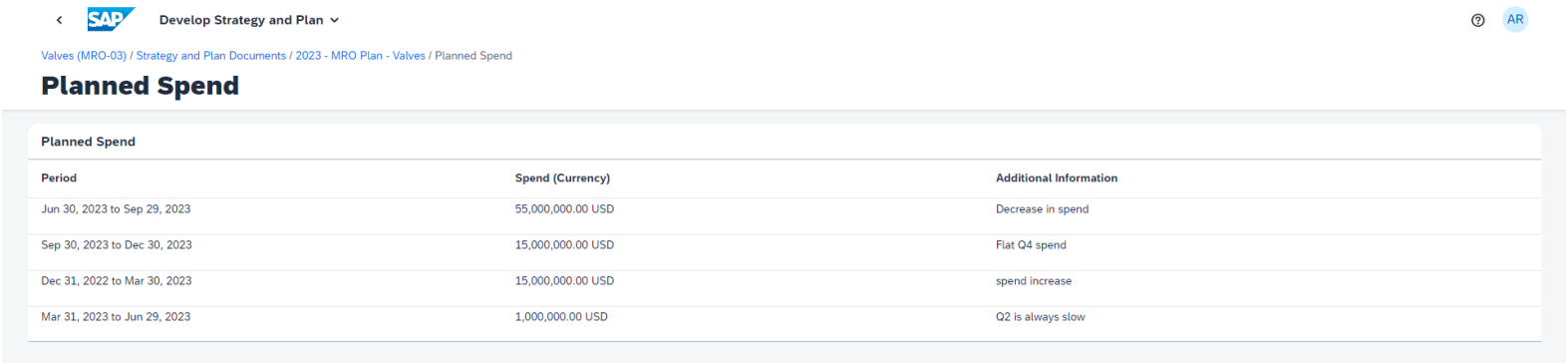

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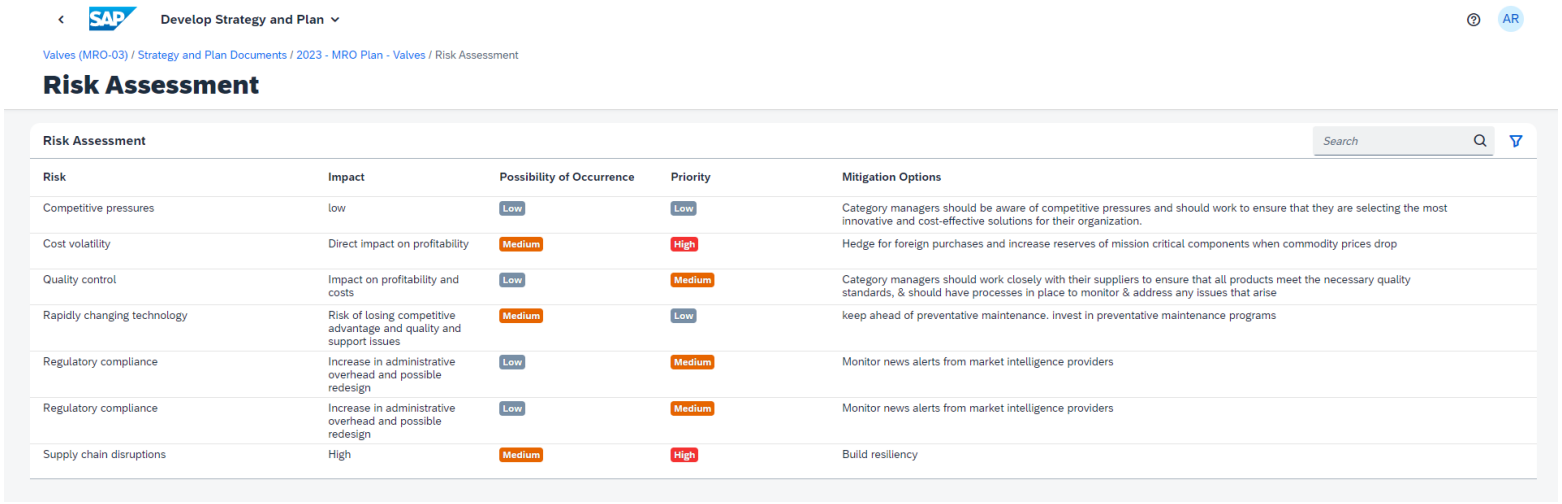

Risk	Impact	Possibility of Occurrence	Priority	Mitigation Options
Competitive pressures	low	Low	Low	Category managers should be aware of competitive pressures and should work to ensure that they are selecting the most innovative and cost-effective solutions for their organization.
Cost volatility	Direct impact on profitability	Medium	High	Hedge for foreign purchases and increase reserves of mission critical components when commodity prices drop
Quality control	Impact on profitability and costs	Low	Medium	Category managers should work closely with their suppliers to ensure that all products meet the necessary quality standards, & should have processes in place to monitor & address any issues that arise
Rapidly changing technology	Risk of losing competitive advantage and quality and support issues	Medium	Low	keep ahead of preventative maintenance. Invest in preventative maintenance programs
Regulatory compliance	Increase in administrative overhead and possible redesign	Low	Medium	Monitor news alerts from market intelligence providers
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Supply chain disruptions	High	Medium	High	Build resiliency

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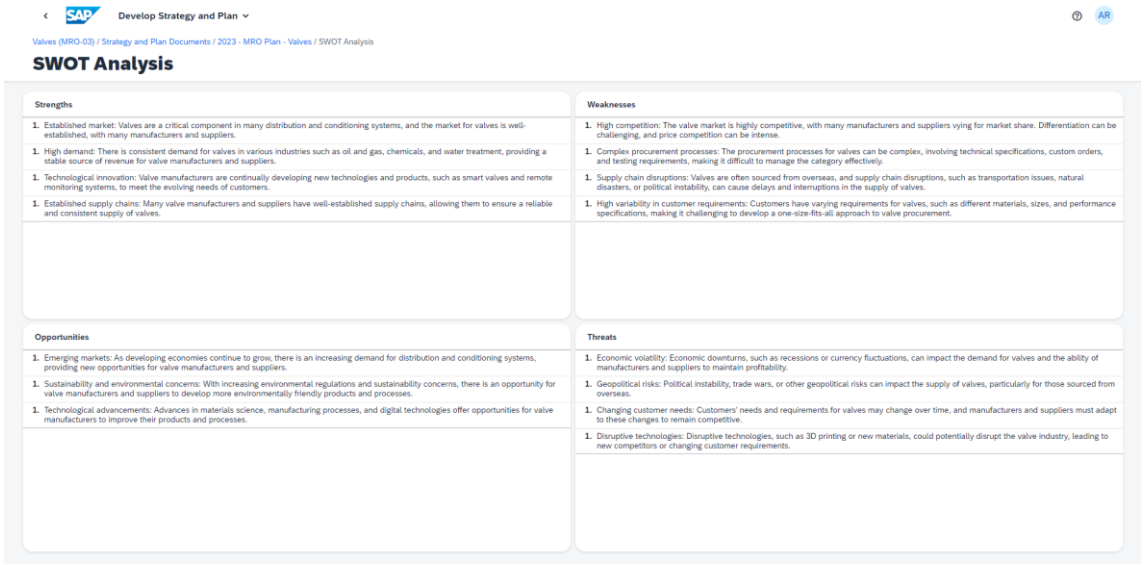

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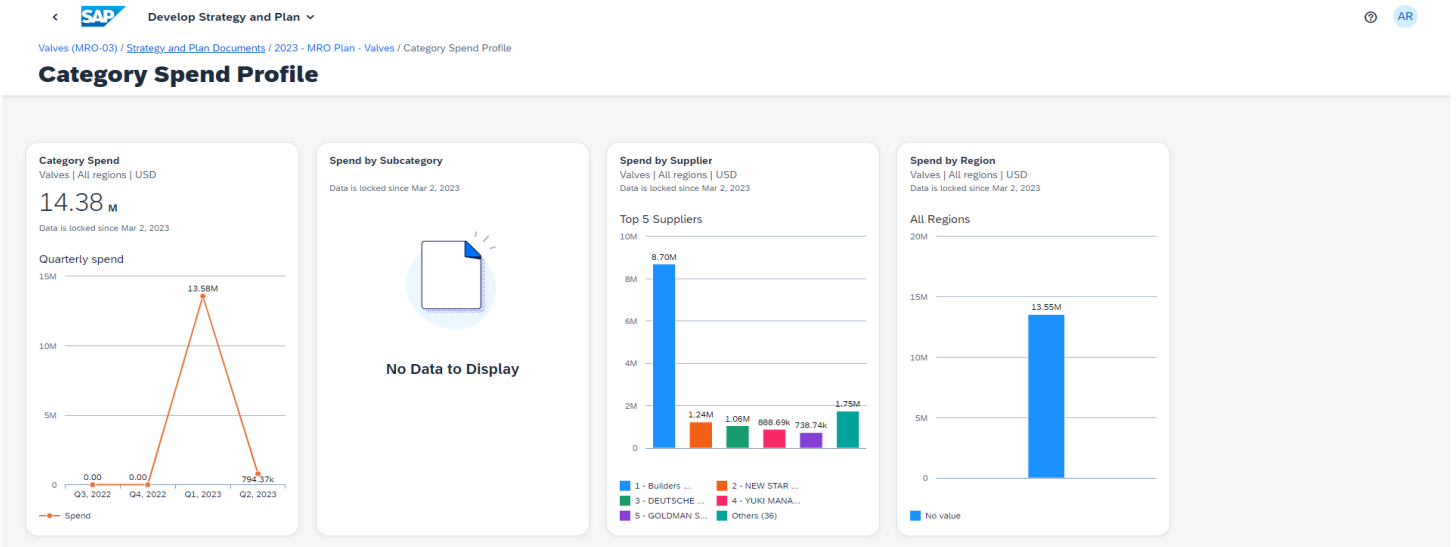

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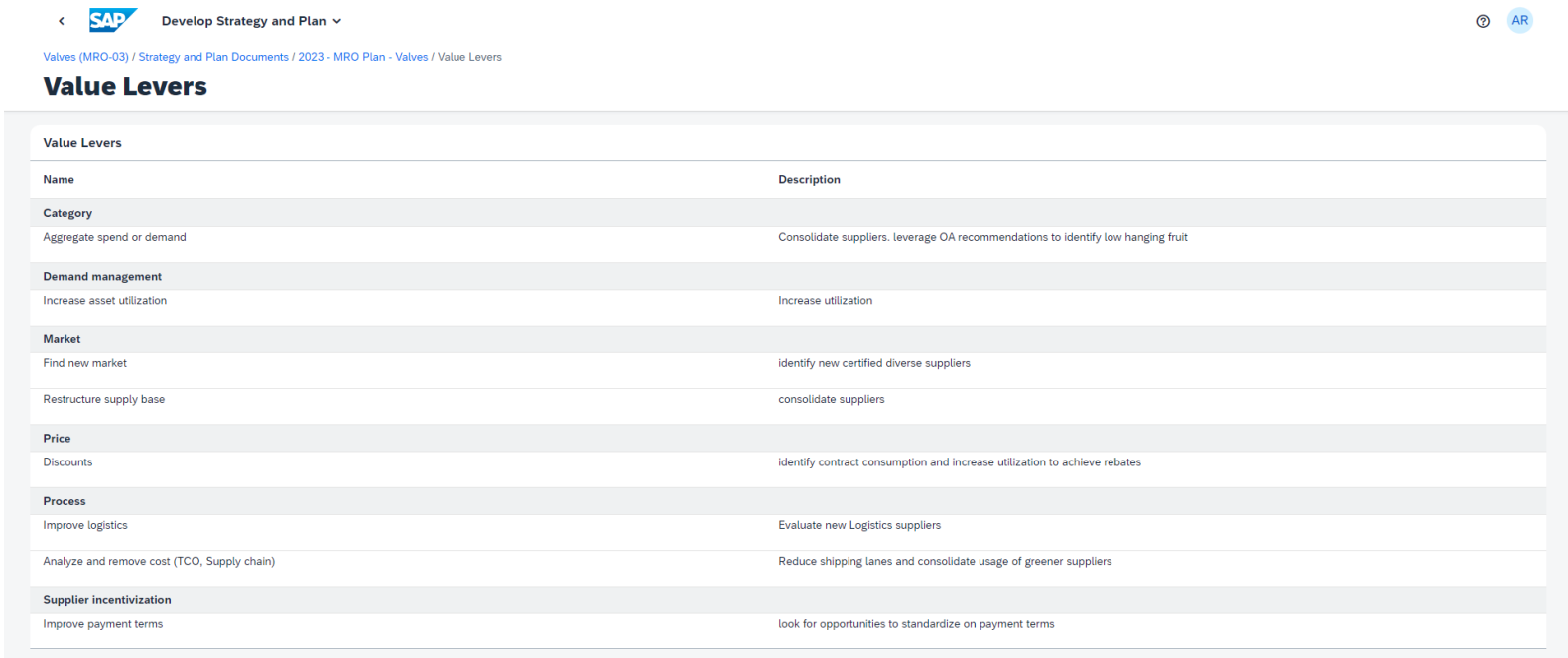

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SAP Ariba Category Management | Category Strategy Versioning

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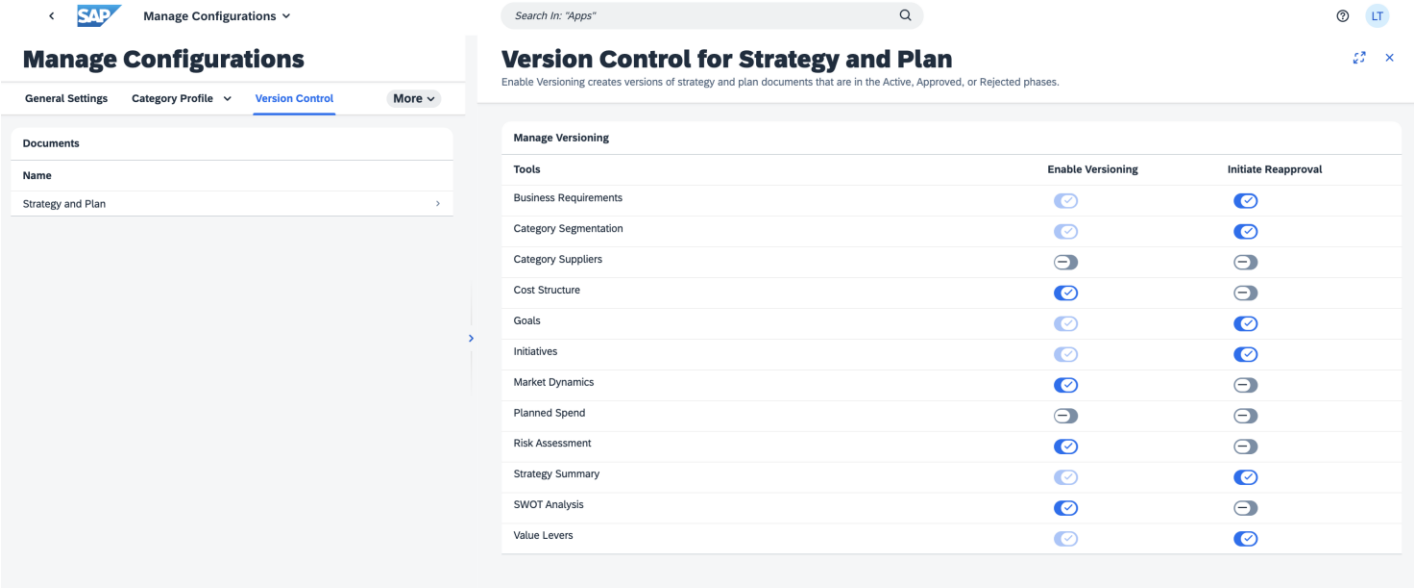

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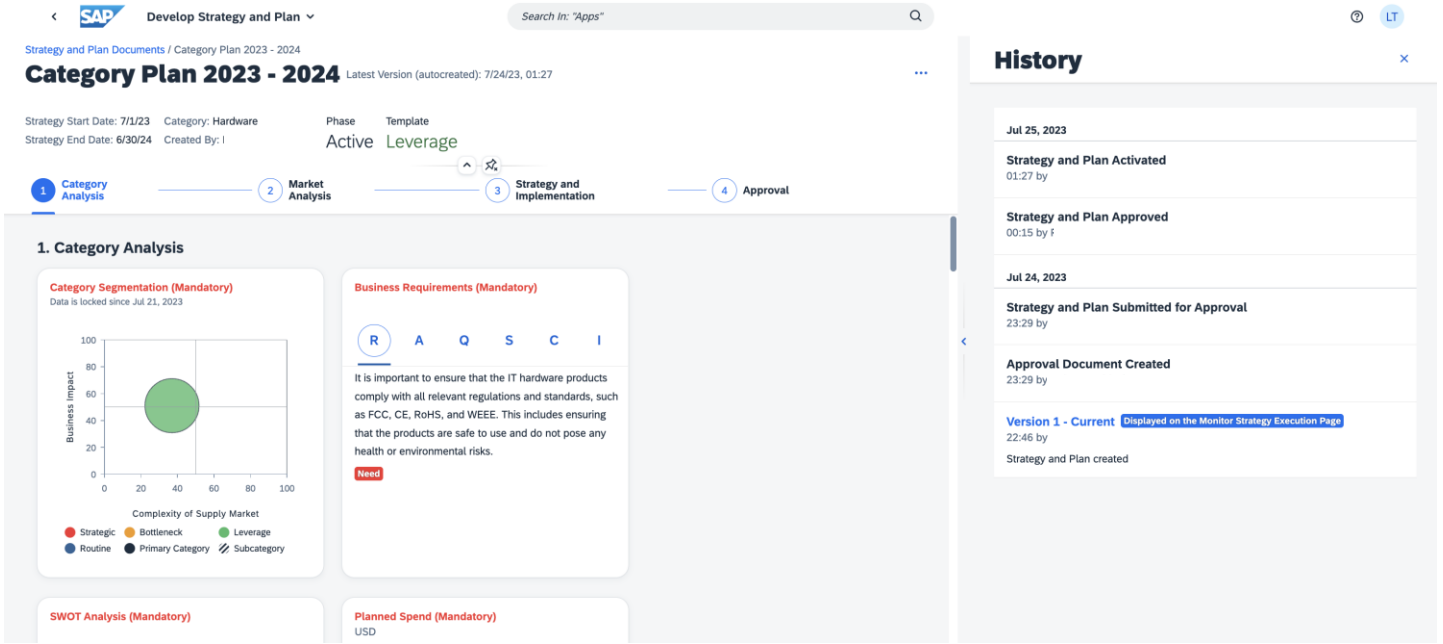
- Configure versioning for strategy and plan documents by enabling or disabling the Enable Versioning and/or Initiate Reapproval attributes for strategy and plan tools.
- A new version of the strategy and plan document is created when the category manager edits the data in the tools of a strategy and plan document.



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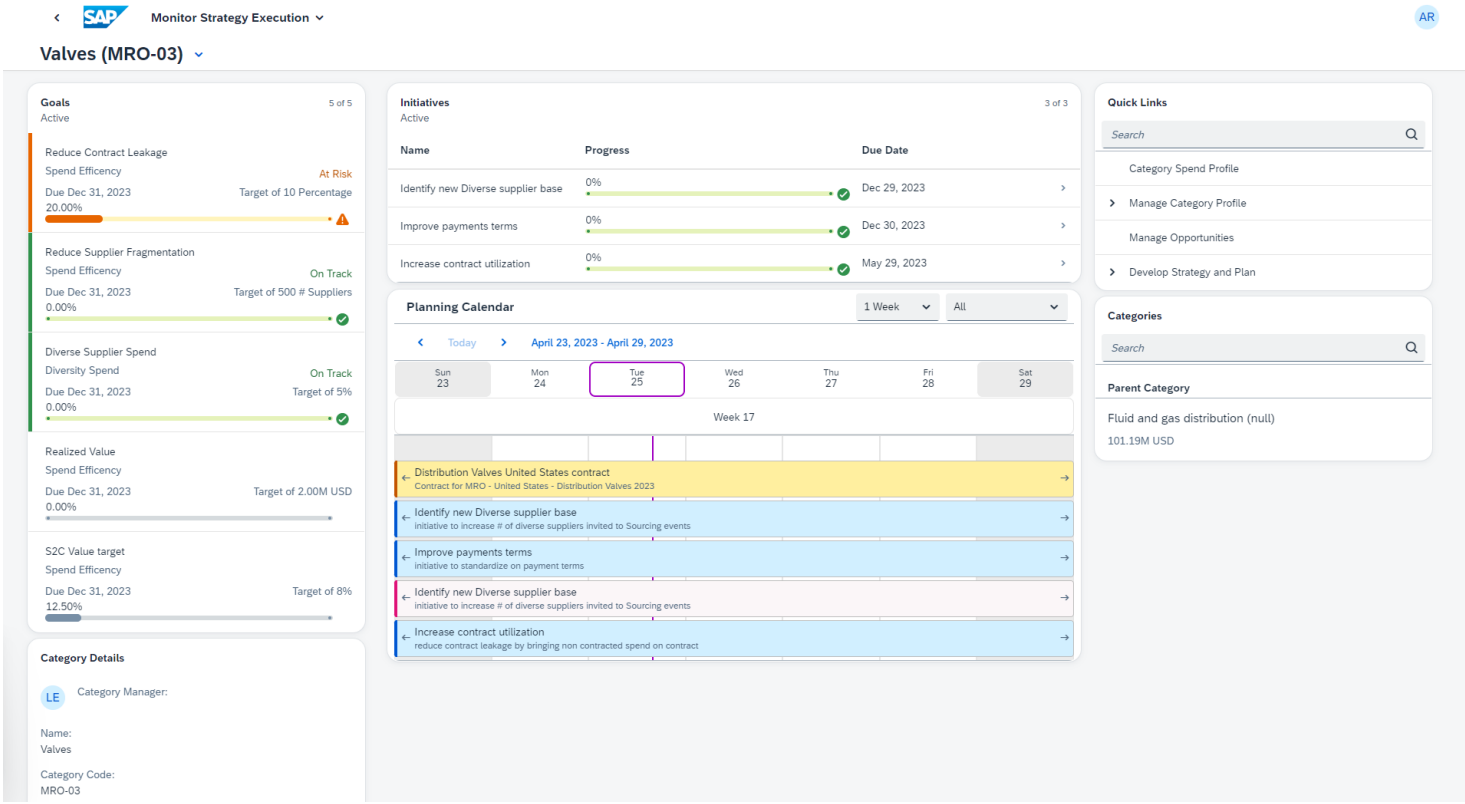
SAP Ariba Category Management | Strategy Execution and Tracking

- Monitor Strategy Execution workbench provides an overview of the category, including:
  - Goals
  - Initiatives
  - Category Details
  - Calendar with links to sourcing project and contract information
- Quick links provide fast access to many components of the strategy



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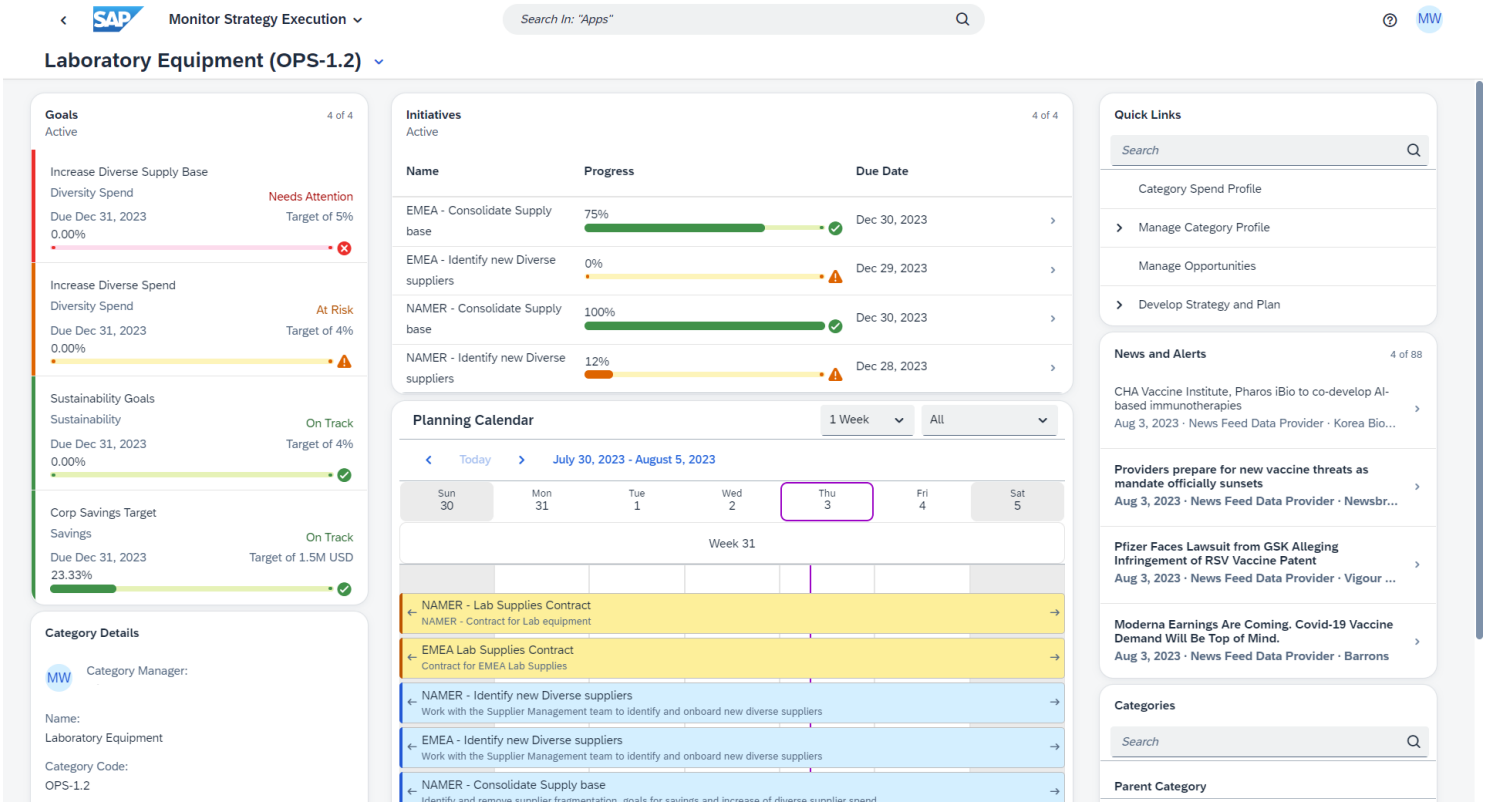
SAP Ariba Category Management | 3rd Party Market Insights

- Integration to 3rd party provider of category specific newsfeed, market dynamics and cost structure information.
- A subscription is required in order to take advantage of this feature.
- Additional 3rd party data providers will be added to the SAP Store in the future.



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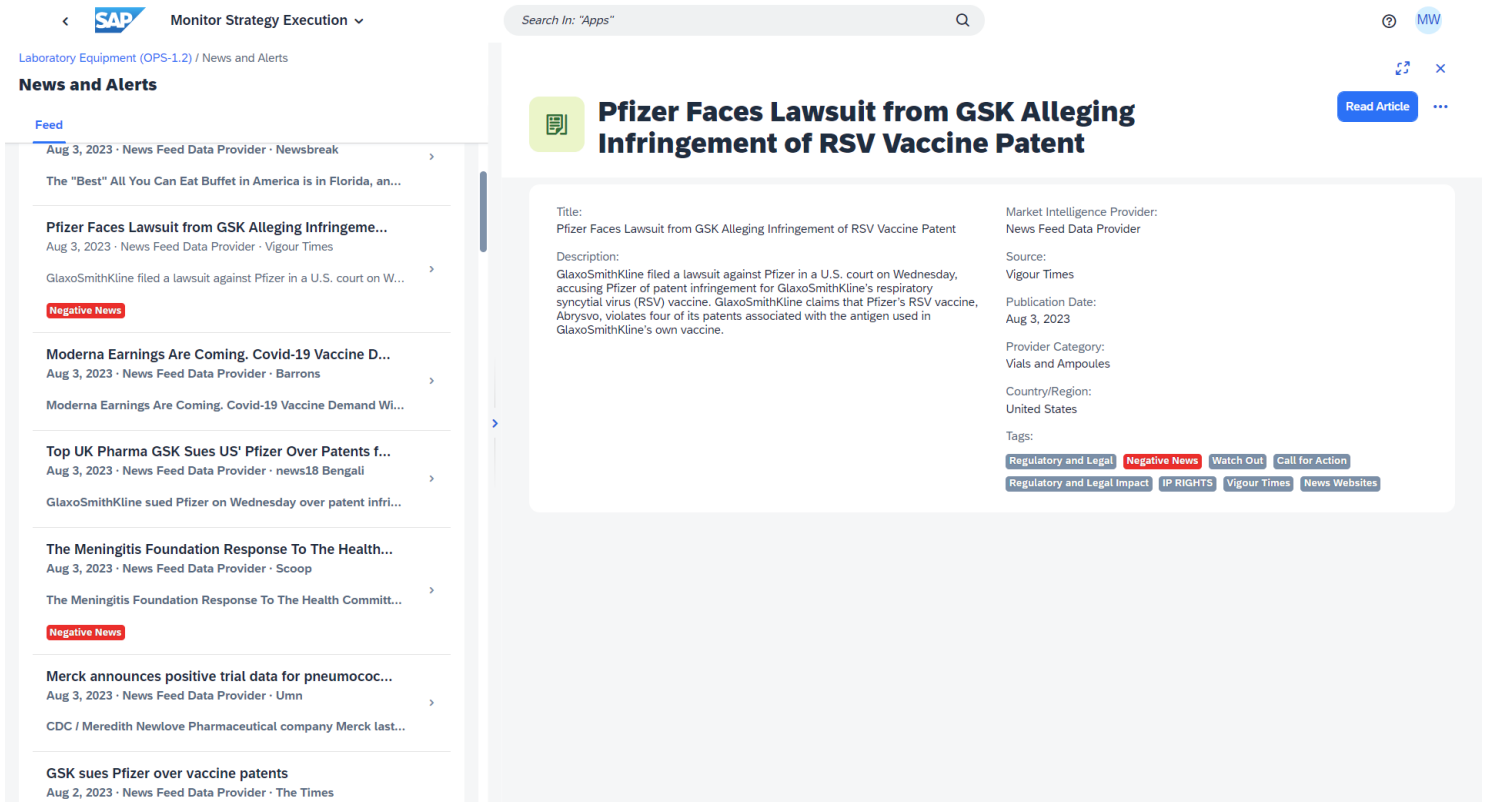

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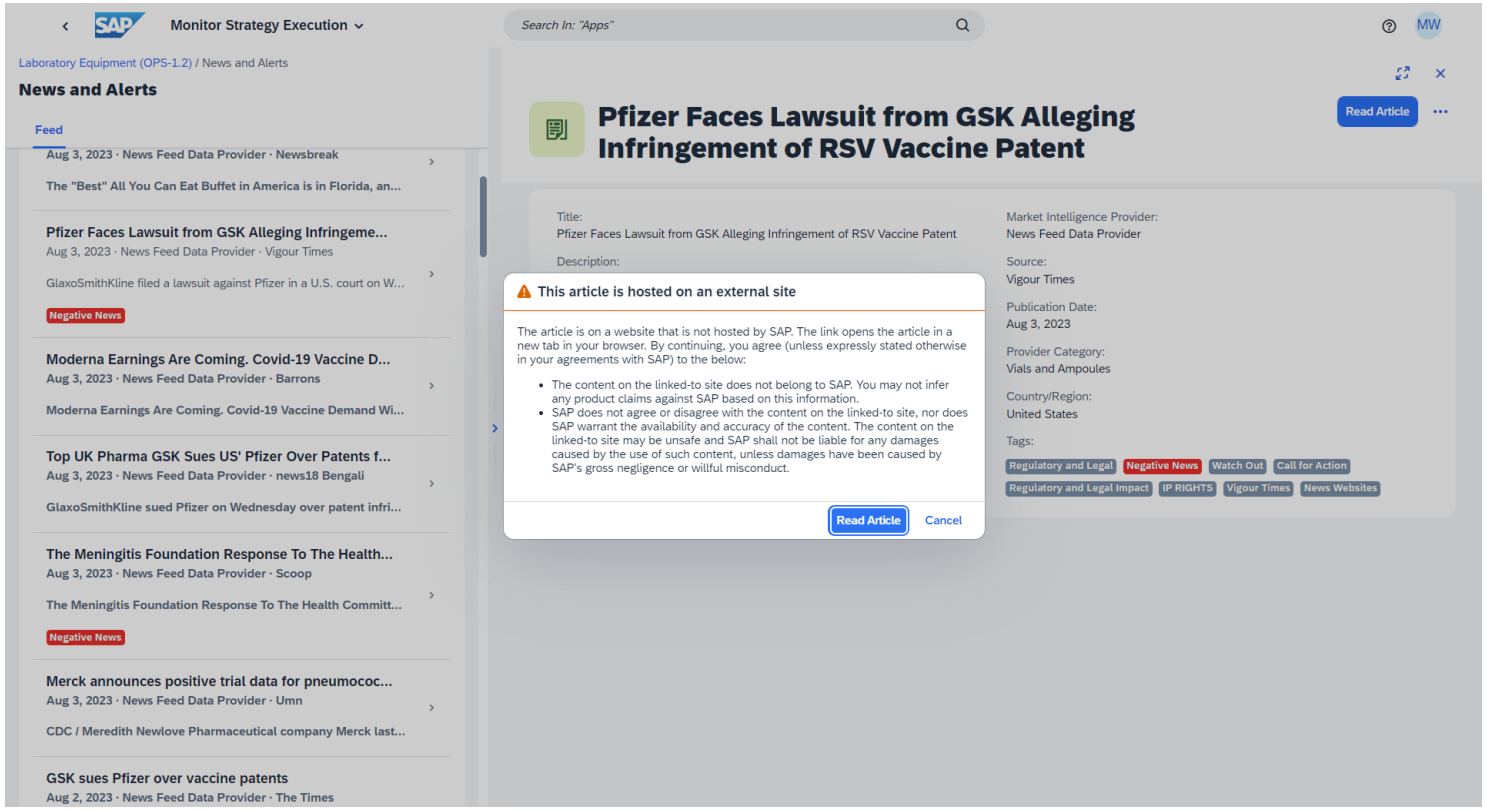

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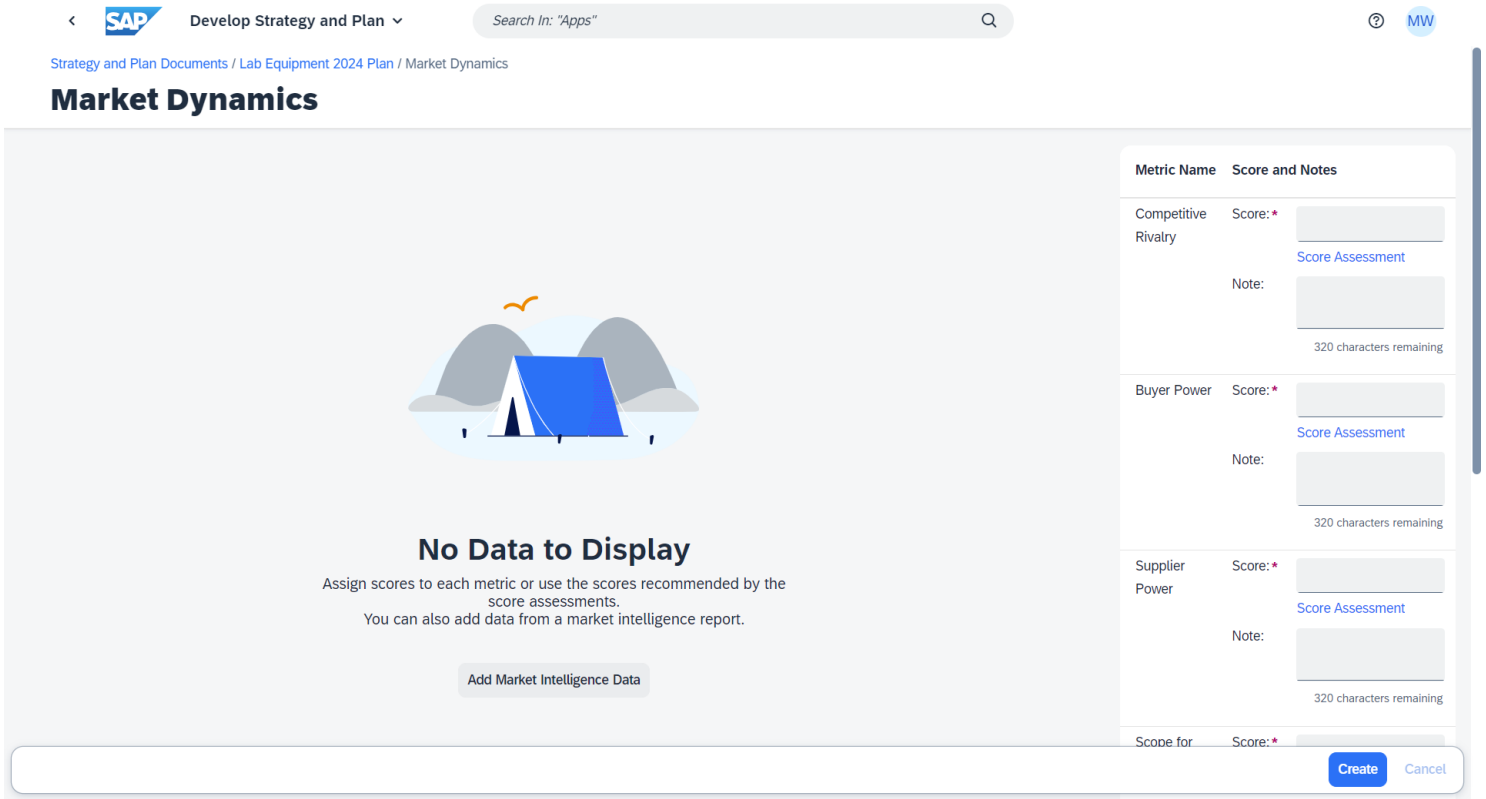

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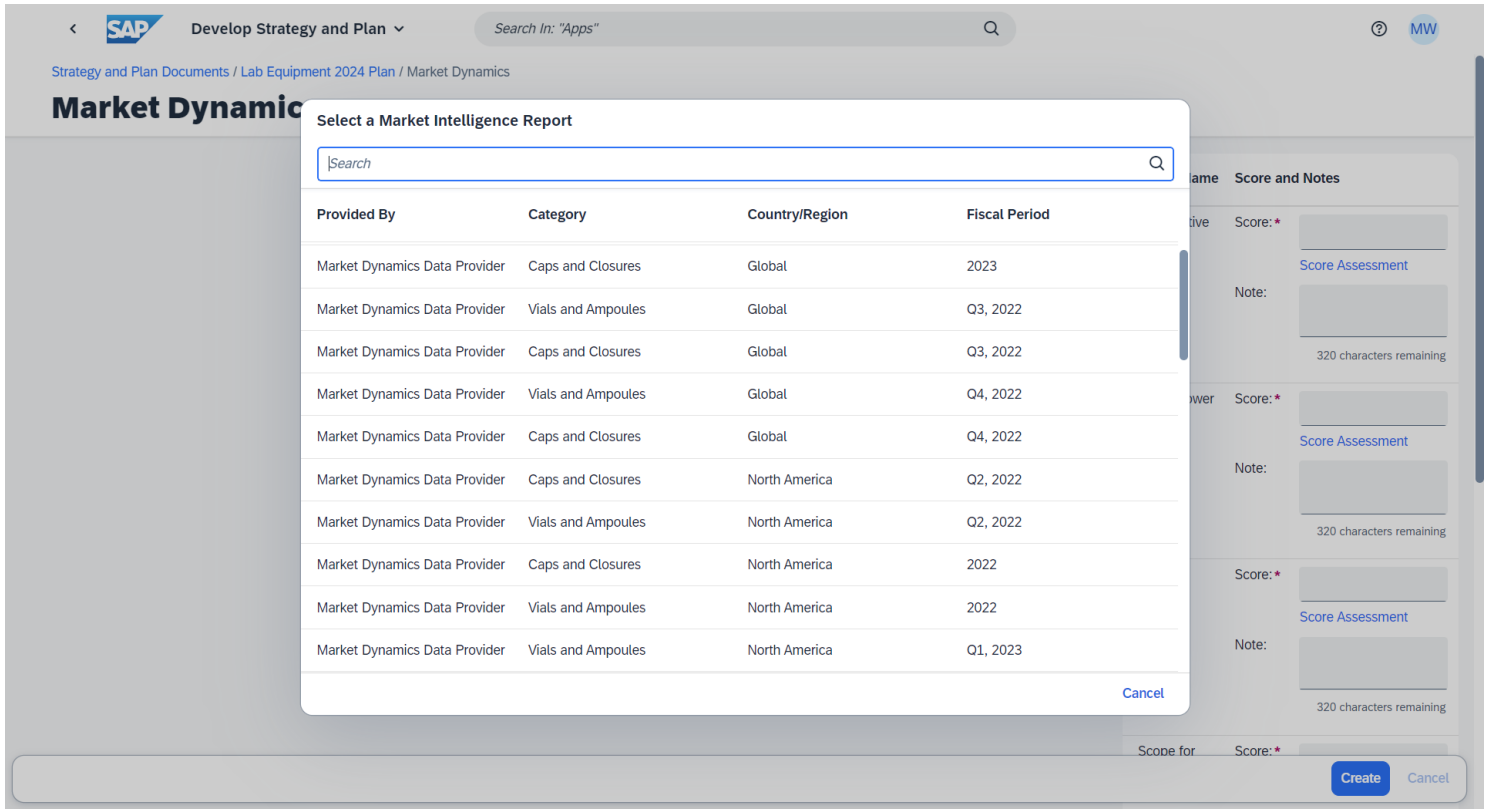

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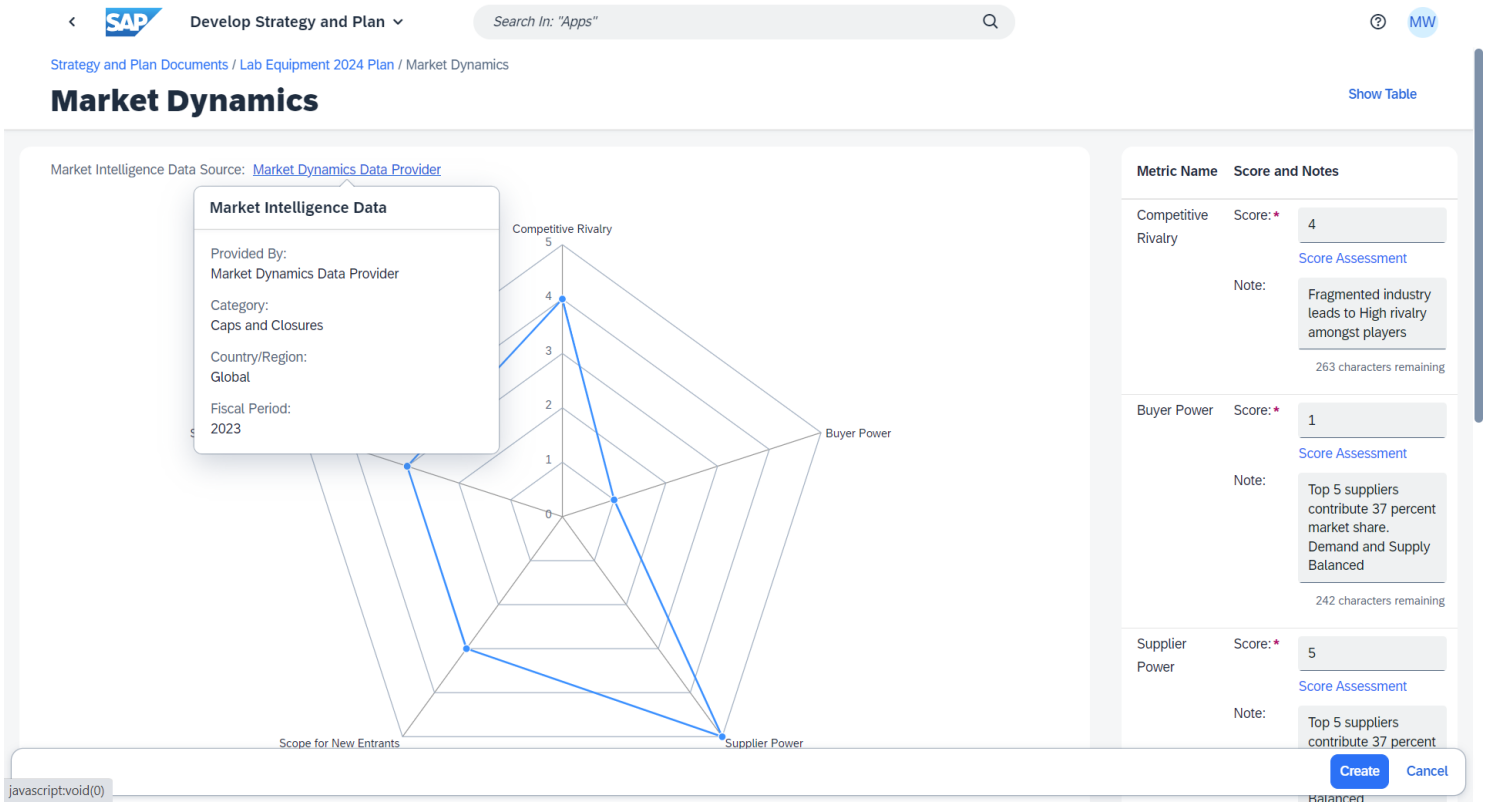

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