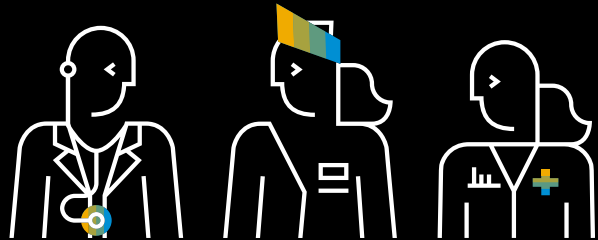




**Are your trading partners worth
more than a spreadsheet?**

6 reasons to access mission-critical supplies on a network.

Let's say you're a neurosurgeon.



Do you want your nurses and support staff to be in close connection, with instant, effortless, and flawless communication?



Or would it be okay if they collaborated through email, passing around improvised spreadsheets and homemade documents?

60% of companies aren't using any tools (or are relying on improvised Microsoft Office tools) for key procurement- and supplier-management activities.¹

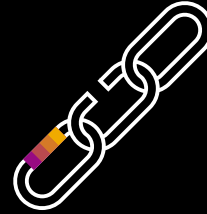


Naturally, this is an extreme example. But when you're talking about your mission-critical trading partners — suppliers, contract manufacturers, co-packers, logistics providers, and others who deliver the direct materials, parts, ingredients, components, and services on which your company depends if it hopes to make a product or a profit — how critical is that communication?

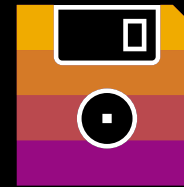
How critical are these trading partner connections when on-time delivery is essential to your supply chain, your customers' level of satisfaction, and your organization as a whole?

Collaboration among trading partners, can substantially reduce lead times, and long lead times can add 20-30% to product cost.² For every five days of lead-time reduction, companies can also reduce one day of safety stock.³

The current CONUNDRUM:



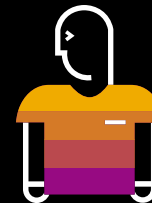
Trading partner communication is often decentralized, relying on spreadsheets, notes, and emails – and the errors, delays, and processing costs that go with them.



Multiple legacy systems manage different processes and varying types of spend – like indirect, direct and critical spare parts.



Applications are modified and remodified to the point of unmanageable complexity, resulting in downtime and rising costs — and they cannot easily or affordably be updated to meet digital demands.



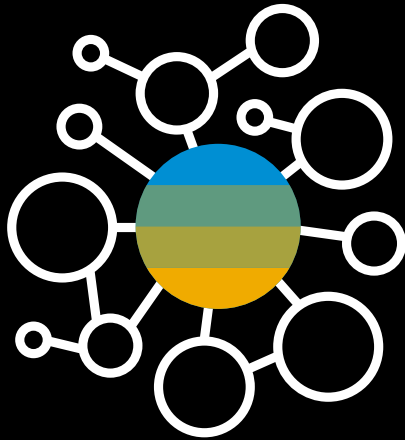
It's a people-based system, and people tend to do things their own (and imperfect) way.

The average supply chain is less than 50% digitized,⁴ and only 33% of procurement leaders are using technologies like predictive analysis and collaboration networks.⁵

Legacy software increases the likelihood of disruptions, and the average disruption costs \$1 million.⁶

Switching trading partner collaboration to a single network changes everything.

You've used networks for years — every organization does — it's how you manage relationships with indirect suppliers and keep track of high-volume, low-value, non-mission-critical spending.



The motivator here is what you can gain by moving major supplier collaboration to this level, creating dynamic, digital connections with your most important trading partners.

You can have all your spend — direct, indirect services, T&E, and critical spare parts — on one, easy-to-manage system. And because it's a single network, you can collaborate at scale across all your trading partners, integrating data and process with your existing systems. And you only have to manage one network.

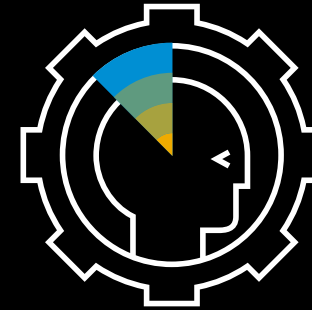
So, what happens when that happens?

1 Your supply chain gets SMARTER.

When all your transactions, communication, and critical collaboration exist on a single network, all your data is all in one place. So you can communicate with all your trading partners at once. You can standardize the process from sourcing to delivery collaboration to payment. And while you're easily managing these interactions, you're gathering data on supplier risk, financial viability, and other deciding factors.

Analytics in a smart network can help procurement departments save 3-8%.⁷

Smart networks can also reduce supplier-discovery times by over 30%.⁸



- Networks dismantle siloed systems and give you full visibility into your supply chain.
- You get a single, clear view into order status, deviations and confirmations, delivery updates, quality information, stock levels, supplier-managed inventories, and subcontracted and multi-tier processes.
- Efficiency and focus increase, because you can process order confirmations en masse.
- You can collaborate on production, planning, and operations insights to create a better customer experience and improve on-time in-full performance.
- AI and machine learning cut manual steps out of the process and ensure everything progresses automatically.

2

Your supply chain gets more ADAPTABLE.

More than 50% of companies have suffered a supply-chain disruption in the last 12 months.⁹

More than 50% of these disruptions originate in higher-supplier tiers.⁹

65% of procurement leaders have limited or no visibility beyond their tier-one suppliers.¹⁰

As your supply chain spreads around the world

— as you outsource more manufacturing, more packaging, more everything — things become increasingly complex. And these multi-tier supply chains are far more susceptible to disruption: Think of changing tariffs, economic sanctions, political unrest, weather, or rapidly spreading diseases.

- In this world, you have to see what's going on at every level; and because half of all disruptions originate from tier-two, tier-three, or higher-tier suppliers, you can't simply collaborate with your top-tier.
- Manage every tier on a network, and you'll not only be able to anticipate these changes, you'll be able to adapt to them — finding new sources when necessary and improving both the reliability and resiliency of your supply chain.

3 Sustainability becomes, well, SUSTAINABLE.

Perhaps more than any other part of your organization, your supply chain has a dramatic social and environmental impact. But with your trading partners on one network, you can more easily track and manage that impact.



- Stay on top of your suppliers' — and your suppliers' suppliers' — social and environmental performance.
- Track, benchmark, and address issues that don't align with your priorities.
- Show your organization (and all your audiences) that you're delivering products as responsibly as possible.

More than 25% of investments globally are made considering environmental, social, and governance factors.¹¹

4 Trading partners get **MORE VALUE.**

No one likes manual, disconnected processes, least of all your trading partners. And what they like even less is feeling like they're not valued. But that's exactly what they get if you give them bad data, complex processes, or inferior experiences. In return, they'll give you higher prices or simply show you the door.

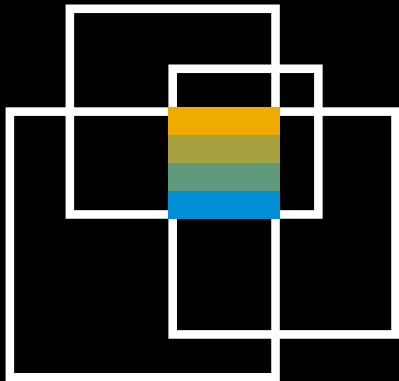


Collaborating via network, however, proves how much you value them because it makes their lives easier, too. They can build a stronger relationship with you, while gaining greater control over their cash.

- On a network, you can consistently and accurately share forecasts and collaborate on planning.
- Suppliers can see and track POs, deliveries, inventory levels, invoices, and payments all in one place.
- They can take advantage of financing options and offer simple discounts in return for early payments.

5 WIN-WINS happen more often.

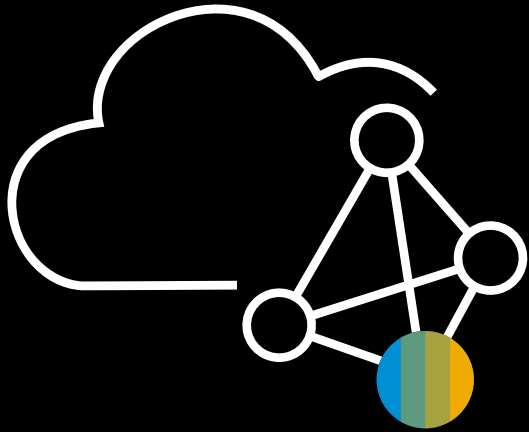
The closer you collaborate with your trading partners, the easier it is to identify and take advantage of mutually beneficial opportunities.



- Bring network consistency to processes, pricing, and transactions, and you'll not only see more control, your suppliers can cut the cost and complexity out of serving you.
- By providing more accurate information on inventory and forecasts, trading partners can improve efficiencies from changeovers to conversions — because they know what you need well in advance.
- This also helps trading partners reduce costly inventory — the more information they have, the less they need a buffer to cover *your* uncertainties.
- They can also take advantage of early payment discounts to get paid faster and improve cashflow.
- And you and your trading partners create a better experience for the end customer, improving fill rates and on-time delivery.

6

Things get a little **EASIER** for IT.



Customized solutions for collaborating with suppliers means added complexities for your IT team. They have to manage it, after all, and that takes their minds off other problems they could be solving.

- Eliminating these customized “solutions” liberates IT from managing changes or dealing with service issues. And remember, every time a supplier has a problem or forgets a password, IT has to fix it. In a networked world, however, suppliers are supported throughout your partnership and without your IT team.
- And with one network, integration with your ERP and other systems is easier — IT does the work once, processes flow automatically, and data is always up to date.
- This alleviates stress and uncertainty across your team, from the planners to the warehouse.

Businesses that focus on supply chain collaboration achieve (on average):

- 12% improvement in inventory turns
- 23% fewer revenue losses due to stock outs
- 5.7% higher on-time delivery
- Significantly faster time-to-market¹²

You've got more than enough reasons to move to a collaborative network. But where do you go?

Naturally, the goal is to make things easier for your company, but by switching to an entire network of trading partners, you're making things easier all along the chain.

Smarter, sustainable, responsive resources save you the hassles of disruption while saving your suppliers the headaches of guessing what you'll need and when you'll need it. Your suppliers will know you have their back and will therefore have yours.

Ariba Network makes this possible by providing an ecosystem of suppliers — indirect, direct, and spare parts suppliers from tier-two to mission-critical — everywhere you do business. And because it's one, simple system, it's easier to communicate, it's easier to coordinate, it's easier to manage the relationships with your most important resources: Your trading partners.

In the life of your business, nothing is more critical than that.

Learn more at Ariba.com/Network

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12 SAP Benchmarks