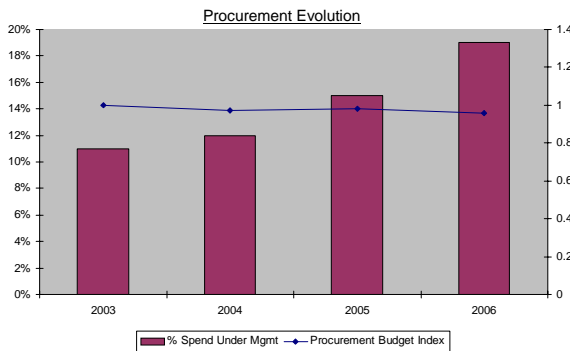


# Category Knowledge Program

## Market Trends

The past 10 years have seen dramatic investment and improvements in the corporate Procurement function. As companies consistently face greater global competition, the need to aggressively manage external supply costs has become a key component to managing profitability. While expectations for Procurement have increased, inflation-adjusted budgets have remained constant, requiring increased value per investment \$.



## Customer Challenges

In trying to get more value out of fixed resources, typical Procurement organizations face multiple core challenges:

- Lack of internal expertise in non-core categories, particularly indirect goods and services
- Limited resources to dedicate to tracking ever-changing market conditions
- Distributed stakeholders within a highly competent centralized procurement organization structure
- Limited insight into industry best-in-class category strategies

## Customer Case Study

### Customer Background:

- Fortune 100 global technology manufacturer
- Strong, globally distributed procurement teams
- Significant investment in procurement technology and personnel
- Increasing competition and slowing economy drive need to drive down cost structure to maintain profitability

### Customer Challenges:

- De-centralized procurement organization structure, with many resources residing in other business units
- Insufficient category knowledge across indirect and non-core categories
- Lacking Sourcing opportunity pipeline to drive committed savings targets

## Ariba Expertise

Ariba is the world's preeminent sourcing organization, with extensive experience across a broad range of categories. Highlights include:

- Expertise across 500 supply market categories
- Over 6,400 managed sourcing projects
- Over \$74B in annual contract volume sourced

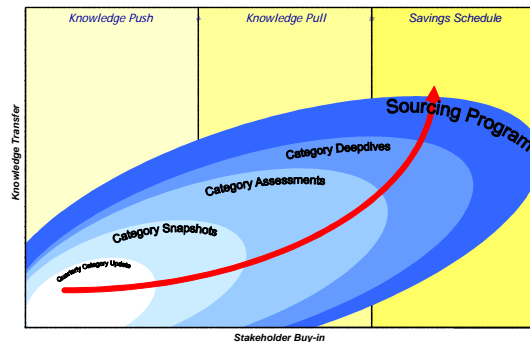
Ariba compliments extensive sourcing expertise with a diligent process for capturing, codifying and delivering category knowledge.

- World class knowledge repository system
- More than 450 Sourcing professionals
- More than 40-recognized Category Specialists

## Ariba Approach

Ariba provides customers with direct access to Ariba's extensive supply category knowledge

- Knowledge push – Ariba pushes supply market knowledge to customer stakeholders
- Knowledge pull – Customer requests spend assessment deep dives on core categories



### Ariba Solution:

Ariba developed a knowledge transfer program with three core components

1. Quarterly Category Updates – quarterly report on market conditions for top 100 customer categories based on Ariba's sourcing activity
2. Category Perspectives – documented spend management strategies and supply market implications across customers' top 30 spend areas
3. Category Assessments – Detailed customer spend profile reviews across top 10 customer-selected categories

### Impact:

- Implemented global process for sharing knowledge across distributed customer stakeholders
- Increased sourcing pipeline by 17% over initial 6 month time period