



# Ariba® Working Capital Management Solutions

## Benefits

- Manage payables, cash, and DPO with greater precision, control, and visibility
- Maximize returns and reduce investment risks on your short-term capital
- Enforce pre-negotiated contracts and discount terms established by procurement
- Optimize discount penetration across targeted suppliers, spend, and invoices
- Strengthen supplier relationships and their financial stability with innovative tools offering greater cash visibility and liquidity

Traditional working capital management strategies can strain trading partner relationships. As buyers focus on maintaining or extending Days Payable Outstanding (DPO) and increasing cash returns, suppliers often face extended Days Sales Outstanding (DSO) and cash flow pressure.

Ariba Working Capital Management solutions provide new and collaborative approaches that serve the needs of both buyers and suppliers. While providing you with the controls you need to optimize cash use and to realize high-yield, risk-free returns on your payables, Ariba Working Capital Management also provides your suppliers with the visibility and control over their receivables to better manage their cash flow. These features help suppliers get early payment at much lower rates than traditional market resources without incurring debt—and provide greater leverage for you to extend payment terms or negotiate reduced prices.

## Features

**Technology:** Market-leading, integrated solutions delivered in a flexible and low-risk Software-as-a-Service (SaaS) model for more-intelligent financial decisions, greater process efficiencies, better cash control, reduced fraud, and accelerated results

**Community:** World's largest web-based community of buyers, sellers, and financial institutions for the most effective and efficient commerce collaboration and the broadest portfolio of financing and settlement options

**Capabilities:** Award-winning global services for rapid enablement, more complete process automation, maximum adoption, and faster results

## Why Ariba Working Capital Management

Ariba Working Capital Management features a complete suite of solutions that allow you to achieve your working capital objectives and reduce your supply chain risk.

**Ariba® Discount Professional™:** Comprehensive discount management features fully automate the process of offering, negotiating, and agreeing on early payment terms with your suppliers, and include:

- **Supplier groups**, to easily manage sets of suppliers and related spend for discounting all of the time, some of the time, or never according to your business requirements
- **Invoice automation** to capture virtually 100 percent of pre-negotiated early payment terms and contracts
- **Prorated discount terms**
  - Capturing discounts after the discount due date on a sliding scale (e.g., “2%10 Net 30 Pro”) gives you a two percent discount for paying within 10 days of the invoice date, or a prorated discount rate over the remaining days.
  - Ariba also offers the industry's only sliding-scale term that takes full advantage of invoice automation and trading partner collaboration over the Ariba Network. For example, “3% Net 30 Pro” is a true time-value-of-money term that offers a 36.5 percent APR regardless of when the invoice is paid over the life of the term.
- **Dynamic Discounting** lets suppliers control the acceleration of payment on approved net term invoices (e.g., Net 60) in exchange for a discount. You control the internal rate of return, amount of cash to use, and which suppliers to include in the program.

## About Ariba, Inc.

Ariba, Inc. is the leading provider of collaborative business commerce solutions. Ariba combines industry-leading software as a service (SaaS) technology to optimize the complete commerce lifecycle with the world's largest web-based community to discover, connect and collaborate with a global network of trading partners and expert capabilities to augment internal resources and skills, delivering everything needed to control costs, minimize risk, improve profits and enhance cash flow and operations – all in a cloud-based environment. Whether you're buying, selling or managing cash, you can do it more efficiently and effectively in the Ariba® Commerce Cloud. More than 1,000 companies, including 94 of the Fortune 100, use Ariba's solutions to drive more efficient inter-enterprise commerce. Why not join them? For more information on Ariba commerce solutions and the results they deliver, visit [www.ariba.com](http://www.ariba.com).

**Trade Financing:** These tools eliminate supply chain risk by giving vendors a fast, easy way to obtain the cash they need at below-market rates without debt.

- **Payables Financing** offers you a cost-free way to let suppliers sell their receivables to third-party lenders at much-lower rates than traditional sources such as factoring, asset-based lending, or credit lines. You can then leverage this benefit to request extended payment terms or lower prices, shortening your cash conversion cycle and freeing up working capital.
- **Receivables Financing** enables organizations to submit receivables for sale through an online marketplace. Participating capital providers bid on these receivables. The competitive auction process earns better returns than similar liquidity options, and is one of the reasons suppliers are incented to collaborate with you over the Ariba Network.

With these innovative working capital solutions, you gain valuable business advantages that include:

### Increased Efficiency, Greater Accuracy, and Lower Costs

Automation eliminates slow, error-prone manual processes, accelerating the entire capital management cycle and saving time and money for you and your suppliers.

### Greater Liquidity and Higher-Yield Returns on Short-Term Cash

By automating your payables and setting up early payment discount programs with your suppliers, you realize a much higher return on cash compared to extending payables and earning interest on the float.

### Reduced Supply Chain Risk

Ariba Working Capital Management solutions provide many ways to remove high borrowing costs and significantly reduce risk in your supply chain.

### High Supplier Adoption

Convenient self-service features and a simple user interface make Ariba Working Capital Management solutions easy for suppliers to use, maximizing their participation and incentive to transact with you over the Ariba Network.



## Ready to Get Started?

To learn more about Ariba Working Capital Management and the benefits it can deliver to your organization, visit <http://www.ariba.com/solutions/workingcapital.cfm> or contact your account representative.

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