

## Benefits

- Manage payables and cash 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
- Expand discount penetration across targeted suppliers, spend, and invoices
- Strengthen supplier relationships and their financial stability with innovative tools such as prorated and dynamic discounting

## Results

With the Ariba Discount Professional solution, customers have been able to:

- Increase early payment discount capture from 35% to > 90%
- Expand supplier discount participation to 20% of Ariba Network suppliers, with average discount of 1.95%
- Capture \$3 million in early payment discount savings for every \$1 billion in targeted spend, including dynamic discounts on 4% of that spend

Optimizing working capital between buyers and suppliers is often a challenge. While you prefer to hold on to cash, your suppliers would like to get paid sooner to improve their cash flow. You can increase your company's earnings and bolster your suppliers' liquidity by capturing more early payment discounts. But those opportunities are often lost in a sea of paper invoices, or bypassed when prevailing cash management strategies ignore early payment discount opportunities that deliver double-digit annualized returns with no risk.

Ariba Discount Professional offers a simple way to bolster your supply chain by funding suppliers' short-term cash flow needs. You can fully automate early payment discount management from initial offer to agreement, including transactions involving prorated or dynamic discounting that deliver annual returns far greater than any other short-term investment. You can automate settlement processes, too, make sure everything happens on time, and maintain complete control over the amount of cash to apply, and suppliers to target, for discount programs. And with the Ariba Discount Professional solution's tight integration with the Ariba® Network—the world's largest web-based trading community—supplier participation, management, and collaboration are a breeze.

## Features

**Technology:** Collaborative finance management solution delivered in a flexible Software-as-a-Service (SaaS) model for more intelligent financial decisions and greater process efficiencies, allowing buyers and suppliers to improve their cash flow and optimize their working capital

**Community:** World's largest web-based community of buyers, sellers, and financial institutions for the most effective and efficient commerce collaboration, enabling new opportunities to manage cash that reduces supply chain risk

**Capabilities:** Working capital management experts assist you in developing a payment terms strategy that balances discount income capture and working capital improvement. Our team of experts can design and assist in deploying a complete program that includes segmented supplier targeting, education and outreach, along with promoting the value of Ariba Discount Professional to increase adoption.

## Why Ariba Discount Professional

The Ariba Discount Professional solution complements the speed and efficiency of Ariba e-invoicing, enabling new forms of collaboration that help you and your suppliers better manage cash. Comprehensive discount management features fully automate the process of offering, negotiating, and agreeing on early payment terms with your suppliers, and include:

- **Prorated discount terms** that enable discount capture after the discount due date on a sliding scale; for example, a "2%10 Net 30 Prorated" discount gives you a two percent discount for paying within 10 days of the invoice date, or a prorated discount rate over the remaining days.
- **Dynamic discounting** that lets suppliers control the acceleration of payment on approved net term invoices (e.g., net 60) on an ad-hoc basis in exchange for a discount. Ariba Discount Professional can automatically present discount offers to suppliers whenever an invoice from a particular supplier or group of suppliers is approved. At that point, the supplier can choose to accelerate payment simply by clicking a button. The Ariba Cash Flow Optimizer™ feature lets suppliers rapidly determine cash flow needs, identify invoices that qualify for early payment discounts, then select those they wish to accept.
- **Supplier groups** to let you easily manage groups of suppliers and related spend for discounting all of the time, some of the time, or never according to your unique business requirements. Ariba Discount Professional lets you automatically present a list of standing early payment discount terms to suppliers or supplier groups during enablement, including suppliers that never offered discounts before.
- **Discount program reports** that track many valuable metrics such as discount volume, average discount rate, transaction volume and supplier growth rates compared to previous periods, supplier-specific discount metrics, and much more.
- **Discount management experts** that can work with you to conduct the up-front work needed to prepare your organization for an effective program and design/deploy a supplier adoption campaign that maximizes discount income in the shortest amount of time.
- **Ease of use** from an early payment portal for suppliers that aggregates all supplier opportunities for discounting and cash flow financing in one location. Automated alerts and notifications immediately inform suppliers of discounting or financing offers.

## About Ariba, Inc.

Ariba, Inc. is the world's business commerce network. Ariba combines industry-leading cloud-based applications with the world's largest web-based trading community to help companies discover and collaborate with a global network of partners. Using the Ariba® Network, businesses of all sizes can connect to their trading partners anywhere, at any time from any application or device to buy, sell and manage their cash more efficiently and effectively than ever before. Companies around the world use the Ariba Network to simplify inter-enterprise commerce and enhance the results that they deliver. Join them at: [www.ariba.com](http://www.ariba.com)

With Ariba Discount Professional, you can achieve savings of more than \$3 million in early payment discounts for every billion dollars of targeted spend. In addition, you control the internal rate of return, the amount of cash to use, and which suppliers to include in this program. Furthermore, with collaborative finance management from Ariba, you realize additional benefits that are just not possible when processing paper invoices.

## Earn better returns on working capital

The Ariba Discount Professional solution coupled with our deployment expertise and advisory services will help you capture pre-negotiated discounts, identify new discount supplier candidates, and benefit from a new class of dynamic discounts that dramatically expand your return on cash.

## Secure discounting with minimal effort

With Ariba Discount Professional, you can eliminate slow, error-prone, manual processes and accelerate the cash conversion cycle, saving time and money for you and your suppliers. Equipped with a predefined discount/working capital strategy, you can set parameters once and capture the savings. And you can eliminate supplier inquiries with automated notifications about early payment offers and approvals.

## Easily get suppliers on board

An intuitive user interface and early payment dashboard provide suppliers with control over cash acceleration options and visibility into payment status, improving their planning and forecasting. Now you can entice suppliers with liquidity options that bypass costly and often difficult-to-obtain bank financing.

## Precisely target supplier groups for best results

Ariba working capital management experts can help you organize and categorize your suppliers based on their predisposition to discounting. In all cases, you set the business rules to ensure that all discounts captured meet your required internal rate of return.



## Ready to get started?

Ariba Discount Professional is the better way to manage cash. It lets you increase your return on cash and optimize your working capital, while helping your suppliers remain financially strong. To learn more about how Ariba can help you maximize discount opportunities and improve management of working capital, visit <http://www.ariba.com/solutions/workingcapital.cfm>, where you'll find numerous informative resources like white papers and case studies. Or, contact your account executive.

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## Ariba, Inc.

910 Hermosa Court, Sunnyvale, CA 94085  
Toll-free (USA): 1 866 772 7422 | Outside USA: +1 650 390 1000  
[www.ariba.com](http://www.ariba.com)

