

Why Ariba Sourcing Expertise Solutions

Ariba's experience and category knowledge has been gained through executing more than 40,000 sourcing projects for business valued at over \$80 Billion in annual volume across various industries. As a trusted advisor to more than half of the Fortune 500, we provide lessons learned and the ability to avoid market pitfalls. Our category knowledge extends to all aspects of the procurement process, ranging from spend analysis and sourcing to contract implementation and order processing.

With resources centralized in Centers of Excellence located around the world, Ariba equips companies with information about supply categories, spend management processes, and organizational infrastructure that help to remove common barriers as they plan and execute a spend management program.

To stay competitive, companies today must find savings to enable a lower cost structure. Simply running online sourcing events is no longer enough. Continuing to "push the envelope" to maintain sourcing as a competitive advantage is an absolute necessity.

As one of the world's largest sourcing organizations, Ariba has a unique perspective on both the benefits and challenges of online sourcing.

As important as it is to have the right online sourcing technology, the real sustained value comes from how you use online sourcing. How the solution is used in the field determines whether you can make online sourcing a true competitive differentiator, and doing this takes specialized knowledge and expertise. But for many companies, this specialized knowledge doesn't reside in-house and would be too costly to bring on-board on a permanent basis.

How do you obtain flexible and cost-effective access to the intelligence you need to make sure that you're getting the best results in online sourcing?

Answer: Ariba Sourcing Expertise solutions.

The primary challenges that companies face in optimizing their online sourcing programs generally fall into the following areas:

Category Knowledge

Companies are often faced with conflicting priorities of trying to manage day-to-day business activities and focusing on strategic planning to impact long-term growth. Often, companies manage the urgent instead of the important. This is particularly true for non-core spend areas where they lack the deep category knowledge required to drive sustainable value.

Key challenges for most companies include:

- Coverage – Generally only 50 percent of their categories are covered with specialized personnel
- Prioritization – Identifying the starting point and building a pipeline of opportunities
- Best Practice Implementation – Best contract structure, demand management techniques, and Service Level Agreements
- Negotiation and Sourcing Strategies
- Centralization – Consolidating knowledge capture on key categories for large Procurement organizations where team is either geographically dispersed or decentralized
- Compliance – Eliminating rogue buying and driving process consistency

Supplier Discovery and Qualification

- Difficulty identifying suppliers in a niche category or specific region
- Formulating an appropriate RFI to qualify the suppliers
- Validation of supplier facilities and capabilities where no in-country resources exist
- Prohibitive costs, both travel and opportunity, of sending personnel to supplier sites
- Lack of native language capabilities or familiarity with local customs and travel logistics

Online Sourcing Process and Strategy Expertise

- Applying sourcing strategy to an online sourcing event
- Determining the right online sourcing format for a particular category
- Establishing bidding rules, lotting scenarios, and bidding parameters

To address these challenges, you need agile online sourcing expertise that provides the capabilities you need, when and how you need them. Ariba has developed a modular sourcing expertise infrastructure that can fill gaps in your knowledge infrastructure. It can be customized to your specific needs or you can engage on one of several primary configurations:

- Category Management
- Category Playbooks
- Supplier Enrichment
- Supplier Site Assessment
- Sourcing Support Desk

Category Management

Features

- Category strategies serve as the operational roadmap for activities that will optimize value, service, efficiency and cost for a given category, including:
 - Data collection and analysis (spend, contracts, and suppliers)
 - Market assessment
 - Stakeholder interviews
 - Benchmarking of procurement and sourcing practices versus "best-in-class" from Ariba's customer experience
 - Prioritized list of savings opportunities

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.

Benefits

- Access to vast experience in strategic sourcing across many sectors and categories
- Customized plan based on business, sector, and categories
- Actionable plan designed to be implemented immediately and revisited quarterly or annually

Category Playbooks

Features

- A comprehensive collection of explicit knowledge and tools developed to help sourcing professionals to build and execute an effective sourcing strategy and obtain sustaining savings, including:
 - *SupplyWatch*
 - Strategic Sourcing Process Templates
 - Category Perspectives
 - Category-specific RFI (Data) Templates
 - RFQ/P Templates
 - Cost Breakdown/Item Templates
 - Data Collection Template

Benefits

- Systematically source smaller spend items that fall "off the table" or that are not being controlled centrally and that don't allow for outsourced sourcing activity due to low ROI potential
- Always-on access to category expertise and content
- A scalable knowledge solution to strategically approach spend management and allow less-specialized resources to be more effective
- Shared process allows continuous improvements and incorporation of best practices across industries, categories, and geographies

Supplier Discovery

Features

- Ariba Supplier Enrichment identifies and validates a new base of suppliers for a given category. It includes targeted supplier identification, information delivery, and outreach that leverages Ariba's supplier expertise and globally deployed teams of supply specialists.

Benefits

- Enables inclusion of new spend categories in sourcing efforts
- Allows expansion of sourcing efforts to include low-cost countries

- Accelerates recruitment of previously unknown suppliers
- Updated supplier information for internal systems

Supplier Site Assessments

Features

- On-site assessment of supplier facilities and programs, including digital pictures and a formal site report

Benefits

- High-level site audit of suppliers
- Verification that suppliers are what they say they are, driven by RFI responses and basic ISO auditing methodology

Sourcing Support Desk

Features

- On-call sourcing professionals provide buyers with general global supply management coaching and best practice advice, an RFQ template to get project started, and specific project feedback including a section-by-section RFQ review

Benefits

- Assists with identifying issues to consider when configuring projects
- Validation of RFQ content and structure before distribution
- Provides project reviews of a variety of buyers to check for consistency and best practices

With Ariba Sourcing Expertise solutions, you can employ the power of online sourcing in more categories, improve the results from each project, and make sure that you're using the right approach for the job.

Let Ariba help you turn your online sourcing efforts into an even-bigger value center for your organization.

Ready to get started?

To learn more, visit the Ariba website at www.ariba.com or contact your account executive or Ariba Global Services account lead.

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