



Ariba Supplier Fee Awareness

Project SKYE
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ARIBA SUPPLIER ACCOUNTS : Light Account (Standard) vs Full Account (Enterprises)

FEATURES	STANDARD ACCOUNT ENABLEMENT	ENTERPRISE ACCOUNT ENABLEMENT
Access	Only through e-mail notification. Supplier need to be registered at first access, inserting own user and password	Online Dashboard
Company profile	✓	✓
Purchase Order, Order confirmation (full & partial), Ship Notice, Service Entry Sheet, (Non-PO) Invoice, Credit Memo	✓ Everything is sent through e-mail and supplier uses it to execute the activities	✓ Everything works on Dashboard
Electronic Catalogues	✗ Excel Catalogues must be uploaded by Syngenta in Syngenta buying (procurement application)	✓ Excel Catalogues + Punch-out upload is supported by SAP Ariba in the Ariba Network
Invoice	<ul style="list-style-type: none"> • PO e-Invoice • Non-PO Invoice and Credit Notes 	<ul style="list-style-type: none"> • Outbox access (→ unlimited online access) • CSV based invoice upload • P2P Contract Invoicing
Invoice Status	<ul style="list-style-type: none"> • Invoice Status notification • Payment Proposal • Remittance Details 	Banks provide track and trace and 3 way matching on AN only with Ariba Pay
Legal Archive	E-mail notifications (with cXML and PDF Invoice) to be used for local archiving	<ul style="list-style-type: none"> • Long-term invoice archiving for global compliance (Regional restrictions apply) • Capability to mass download invoices for local archiving (Zip Invoice)
Ariba Support	Online Help Centre	<ul style="list-style-type: none"> • Support via phone, chat, or email • Direct access to enablement experts for onboarding assistance • Technical support for configuration and integration assistance • Online educational training courses
Integration	✗	cXML, EDI, fax, CSV (future: PDF e-mail or upload)
Reporting	✗	✓
Multi users	✓	✓
Ariba Mobile App	✓	✓
Fees	Free	Depending on transactions volumes

Benefits of the Ariba Network

- The following slide were not created by either Syngenta or Ariba. It was created by an independent company while looking at the benefits on suppliers being on the Ariba Network
- As such the facts and figures are not based on Syngenta's supply base but based on industry standard figures. Please keep this in mind when going through the slides.

Supplier benefits

The Ariba Network helps the supplier **SELL MORE** and **GET PAID FASTER** with **LESS EFFORT**:

1. SELL MORE :

- a) Even if you engage in just a handful of purchases; primary benefit come from timely, predictable payments which are most likely free of charge. (refer earlier slides for pricing)
- b) The more purchase orders and invoices you exchange with them, the greater their time and cost savings from improved accuracy and efficiency.
- c) If Syngenta is accessing catalogues through the network, suppliers have a higher profile among Syngenta “users”, boosting sales. In turn, by being on the network, the supplier is exposed to a premium pool of buying organisations who are ready to transact (see next slide).

2. MORE BUSINESS: Buyers on the AN (Ariba Network) are mostly top tier organizations (including 90% of the Fortune 100 companies) and will favor suppliers who are already members of the AN since they know that ‘Ariba Ready’ suppliers are easy for them to transact with. This represents a significant opportunity for all but the largest suppliers.

3. GET PAID FASTER: Ariba’s SMART invoicing ensures that the invoices suppliers submit are validated by the Buyer’s rules before it reaches the buyer, dramatically decreasing the risk of exceptions occurring during invoice reconciliation which often result in rejected invoices or credit memos and impact heavily on the supplier’s DSO (days sales outstanding).

The value of the Ariba Network

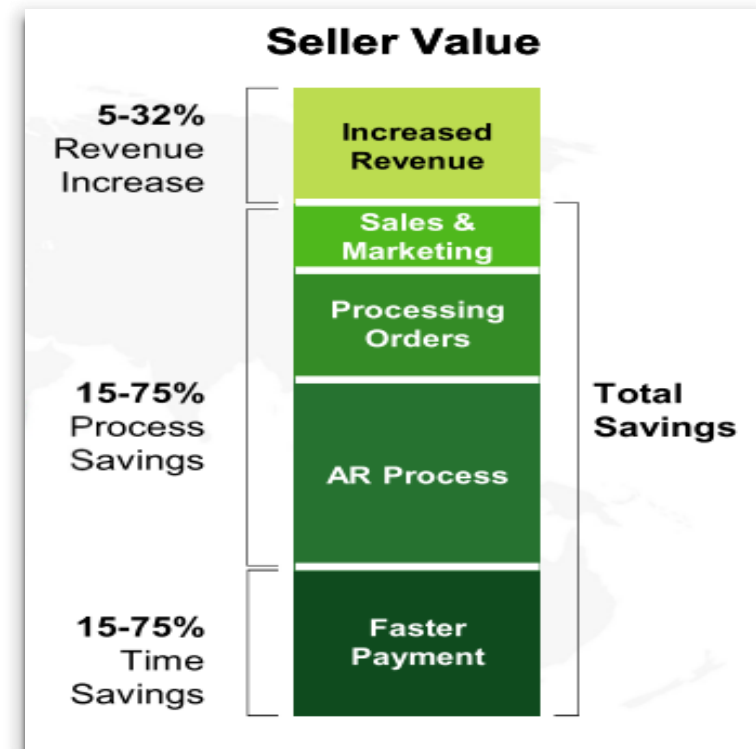
The power of the Ariba Network has shown to deliver the below benefits to the current 1million+ Sellers collaborating on the network

5-32% Revenue Increase through the ability to **SELL MORE** with existing buyers or new ones found On Ariba Discovery

15-75% Process Savings

- Sales & marketing
- Processing orders
- Accounts Receivable process

15-75% FASTER PAYMENT



Ariba Network ROI Examples

Using Ariba's Network ROI Calculator we can show the benefits to a supplier for a low, medium and high spend customer relationship based on a number of assumptions

Low total spend, low volume (No Ariba Fees):

Process Costs	Documents Migrating to Ariba B2B (cXML, PunchOut)	Your Estimated Process Costs Current State	Your Estimated Process Costs Future State (AN)	Net Benefits
Orders/Confirms/Ship Notices	20	\$242	\$121	\$121
Invoices	30	\$288	\$159	\$130

Medium total spend, medium volume (0.155% invoice value charged):

Orders/Confirms/Ship Notices	500	\$6,058	\$3,029	\$3,029
Invoices	750	\$7,212	\$3,966	\$3,245

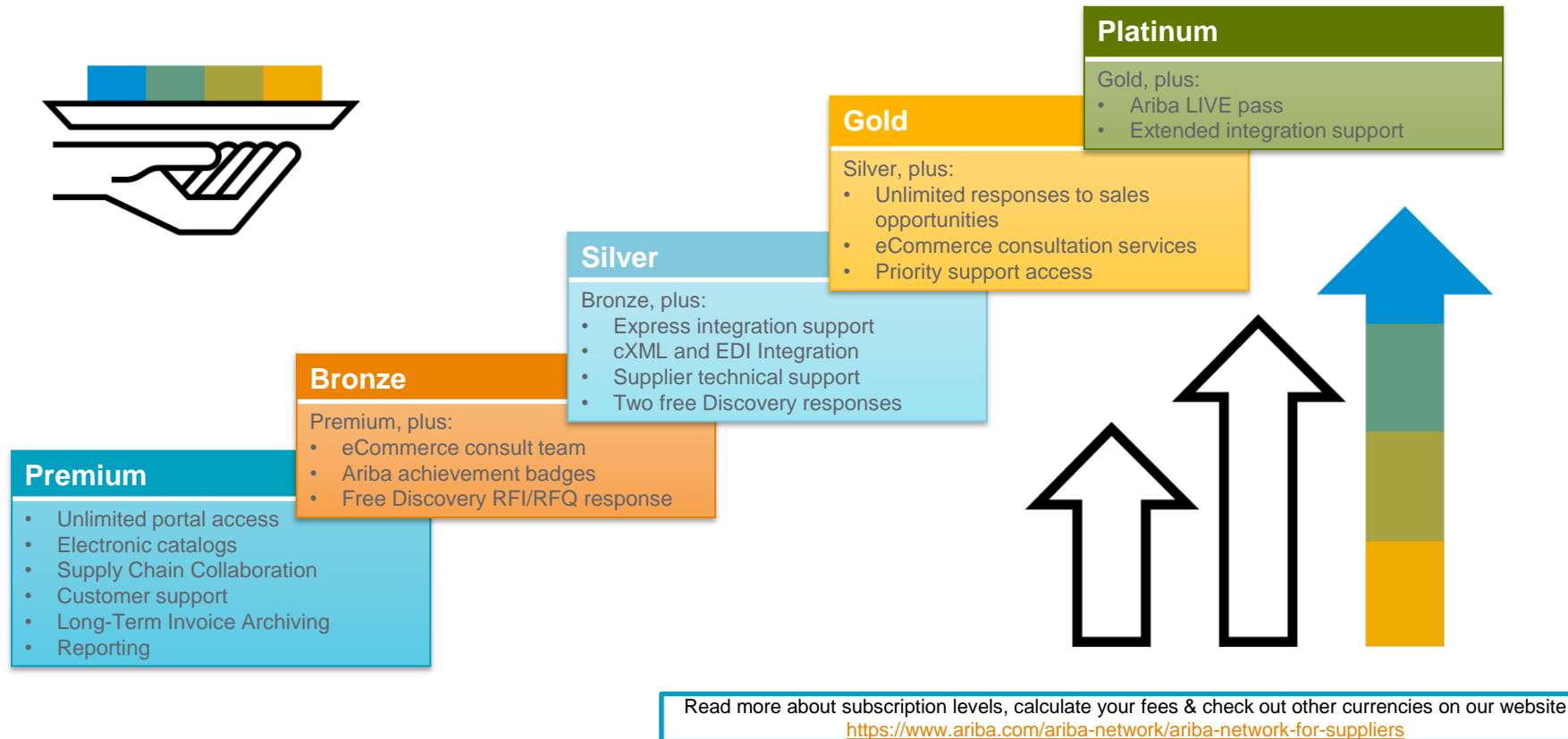
High spend, high volume (fee capped at £13,200)

Orders/Confirms/Ship Notices	2,000	\$24,231	\$12,115	\$12,115
Invoices	2,500	\$24,038	\$13,221	\$10,817

These benefits are based solely on invoice and PO processing efficiencies and are based on industry average data for the manual costs of this.

These benefits do not include savings made through receiving payments earlier, reduction of AR queries or benefits of increased business opportunities

Subscription Levels



Supplier Fee Schedule



- Transaction fees (billed quarterly)

Less than 5 documents* OR less than USD 50,000	FREE usage
More than 5 documents * AND more than USD 50,000	0.155% of transacted volume for relationships without Service Entry Sheets
	0.35% of transacted volume for relationships with Service Entry Sheets
	Capped at USD 20,000 per customer relationship
*only POs, invoices, service entry sheets, and service entry sheet responses	



Subscription fees (billed annually)

Annual Document Count across <u>all</u> customer relationships	Subscription level	Annual Fee
Up to 4 documents	Premium	USD 0
5 to 24 documents or < USD 250,000	Bronze	USD 50
25 to 99 documents and > USD 250,000	Silver	USD 750
100 to 499 documents and > USD 250,000	Gold	USD 2,250
500 and more documents and > USD 250,000	Platinum	USD 5,500

For most recent Info : Read more about subscription levels, calculate your fees & check out other currencies on our website <https://www.ariba.com/ariba-network/ariba-network-for-suppliers>

Supplier Fee Schedule



- Transaction fees (billed quarterly)

Less than 5 documents* OR less than CHF 49 500	FREE usage
More than 5 documents * AND more than GBP 49 500	0,155% of transacted volume for relationships without Service Entry Sheets
	0,35% of transacted volume for relationships with Service Entry Sheets
	Capped at CHF 19 800 per customer relationship
*only POs, invoices, service entry sheets, and service entry sheet responses	



Subscription fees (billed annually)

Annual Document Count across <u>all</u> customer relationships	Subscription level	Annual Fee
Up to 4 documents	Premium	CHF 0
5 to 24 documents or < CHF 247 500	Bronze	CHF 50
25 to 99 documents and > CHF 247 500	Silver	CHF 740
100 to 499 documents and > CHF 247 500	Gold	CHF 2 200
500 and more documents and > CHF 247 500	Platinum	CHF 5 450

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Supplier Fee Schedule - EUR

Transaction fees (billed quarterly)

Less than 5 documents* OR less than 43 250 EUR	FREE usage
More than 5 documents * AND more than 43 250 EUR	0,155% of transacted volume for relationships without Service Entry Sheets
	0,35% of transacted volume for relationships with Service Entry Sheets
	Capped at 17 300 EUR per customer relationship
*only POs, invoices, service entry sheets, and service entry sheet responses	



Subscription fees (billed annually)

Annual Document Count across <u>all</u> customer relationships	Subscription level	Annual Fee
Up to 4 documents	Premium	€0
5 to 24 documents or < € 216 250	Bronze	€45
25 to 99 documents and > € 216 250	Silver	€670
100 to 499 documents and > € 216 250	Gold	€2 000
500 and more documents and > € 216 250	Platinum	€4 900

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How Supplier is Billed

Lets use this example to show how the supplier will be invoiced from Ariba

$$\boxed{\$200k \times 0.155\% = \$310} + \boxed{700 \text{ documents} \text{ *Bronze Level | } \$50} = \boxed{\$360}$$

Suppliers are billed every quarter, starting 3 months from the first transaction date. We will assume that the transactions are spread evenly across the year to make the example simple. For the suppliers first Bill the membership level is calculated by multiplying the transactions by 4 to estimate the level.

The Membership fee is based on all business done with supplier across the Network, not just the business with Syngenta



Calculating Supplier Fees

Transaction Fees
(0.155% or 0.00155 of Sales Volume)

Subscription Fees
(Annual Chargeable Doc Count)

Annual Fees

$\$59k \times 0.155\% = \cancel{\$91.45}$
\$0

+

4 documents
Premium Level | \$0

=

\$0

$\$400k \times 0.155\% = \620

+

499 documents
Gold Level | \$2,250

=

\$2,870

$\$200k \times 0.155\% = \310

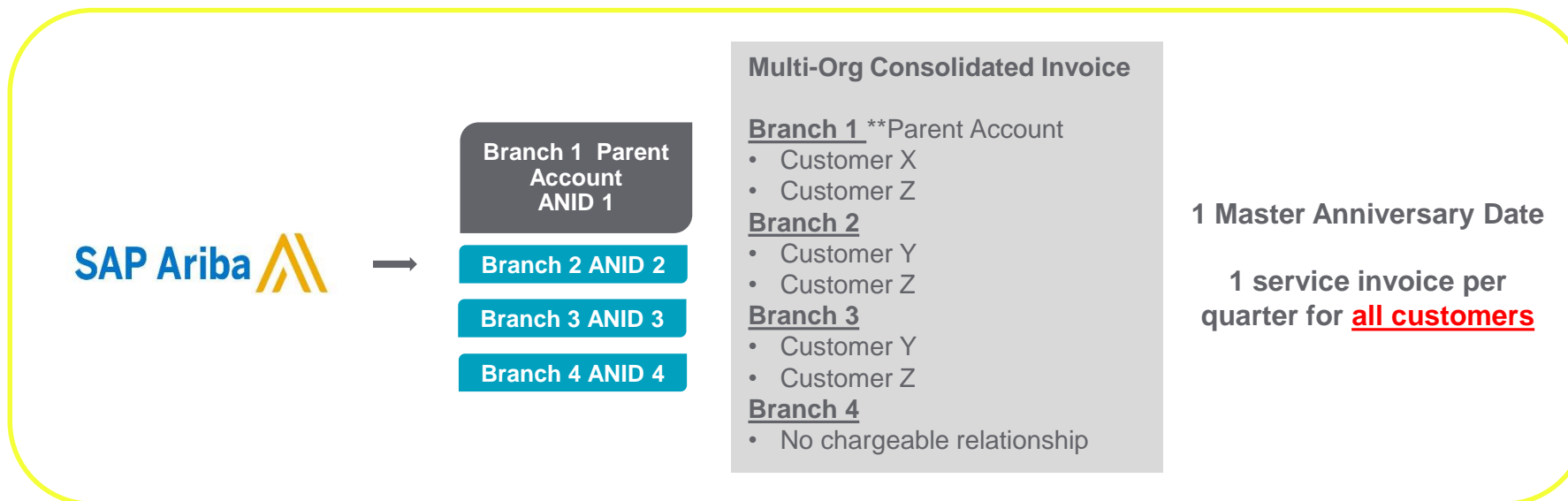
+

700 documents
*Bronze Level | \$50

=

\$360

Consolidate Your Bills Through a Multi-Org



Ariba offers invoice consolidation and synchronization for customers with several accounts

- Fees will be invoiced only to the parent account with the payment cycle synchronized for the entire group.
- The parent account will receive one single invoice every three months for all customer relationships and for all linked accounts.
- This consolidation is related only to invoices issued by Ariba to the supplier, the business operations of each account are still independent.



Participate in a Multi-Org Guidelines

- The supplier needs to designate a **Parent ANID** under which the invoice will be viewed.
- The selection of the parent ANID determines the currency of the Multi-org invoice and the billing dates.
- The supplier should also have confirmed list of child ANID's to be included on the invoice.
- A Multi-Org is NOT:
 - A way to merge accounts.
 - A way to get a discount on Transaction Fees.



Structure Your Multi-Org



1. **Register** all accounts which will be included in the Multi-Org.
2. **Create** a list of all ANIDs and designate the parent account.
3. **Wait** until the first ANID becomes chargeable.
4. **Contact Customer Support** through the Help Center and inform them of your need for the Multi Org.



Link Accounts Via an Account Hierarchy



Linkage between individual accounts for account management purposes

The administrator of the Parent account can log into the child account and take the following actions:

- Change settings on the child account and complete the company profile
- Publish catalogs
- Check the status of payment for the Ariba invoice and pay the invoice
- Upgrade to a higher Subscription package

The administrator of the Parent account cannot take following actions:

- View buyers on the Child account
- Create any documents (PO confirmations, Ship Notices, Invoices)
- Run Reports



Create an Account Hierarchy



1. From the **Company Settings** menu, click Account Hierarchy.
2. To add child accounts click on Link Accounts.
3. The **Network** will detect if there is an existing account with corresponding information.
4. On the next page either log in as an Administrator or send a request through an online form as a Not Administrator.
5. Once the request is confirmed by a child account administrator, the name of the linked account is displayed on the Account Hierarchy page.

The screenshot displays the 'Account Settings' page. The top navigation bar includes 'Customer Relationships', 'Users', 'Notifications', and 'Account Hierarchy'. The 'Account Hierarchy' tab is active. The main content area shows 'Account Status: No Linked Accounts' with a sub-message: 'If your company has multiple accounts, you can link them. Manage.' Below this is a blue button labeled 'Link Accounts' with a red circle containing the number '2' next to it. On the right, the 'Company Settings' sidebar is visible, with 'Account Hierarchy' highlighted in blue and a red circle containing the number '1' next to it. Other items in the sidebar include 'Company Profile', 'Service Subscriptions', 'Account Settings', 'Customer Relationships', 'Users', 'Notifications', 'View All', 'Network Settings', 'Electronic Order Routing', 'Electronic Invoice Routing', 'Accelerated Payments', 'Remittances', 'Network Notifications', and 'View All'.



Frequently challenged points

1. Does Ariba charge suppliers in advance?

- No, the fees Ariba charges sellers are invoiced only after they meet the two thresholds and begin to see value from the Ariba Network. This enables sellers to experience the incremental benefits of electronic transactions before paying any fees

2. Why do suppliers need to pay fees when this is the buyers' initiative?

- We strategically invest in new functionality and services that deliver value to all parties. By charging sellers to use the Ariba Network, Ariba collects revenue that is then reinvested back into the Ariba Network to deliver greater ROI to sellers and enable them to service their customers faster and more efficiently.

3. Why does the supplier need to change their processes to support the buyers initiative?

- B2B e-commerce is a major business trend that is here to stay, and sellers should view it as an opportunity to position themselves for positive, continued growth as B2B e-commerce adoption continues. Your buyers are getting the benefits of changing to e-commerce, why shouldn't you?

4. Do transaction fees take both POs and invoices into account?

- A PO and the related/flipped invoice is treated as one transaction. Transaction volume is defined as the value of spend transacted over the Ariba Network. Our standard practice is to calculate this by adding up the value of purchase orders received plus non-PO-based invoices sent across the Ariba Network. PO-based invoices generated and sent through the Ariba Network are not included in transaction volume so that transactions are never double-counted.

Frequently challenged points

7. I don't want to do double data entry from my invoicing and/or order management system to the systems running on the Ariba Network

- Ariba gives sellers the option to upgrade to server-to-server integration using cXML or EDI—and at no extra cost. When this is in place, manual data entry is reduced significantly at your business, and errors are nearly eliminated. For sellers unable to engage in B2B integration, Ariba offers productivity tools, such as PO-Flip, that reduce most of the data entry activities.

8. What's the value for high-spend-volume suppliers?

- A key value Ariba provides to high-dollar-volume sellers is the speed at which Ariba helps move money. Therefore, your sellers' high-dollar documents are the most mission-critical and benefit the most from Ariba's reliability, security, and visibility. The reason for this is similar to the reason wire transfer (which typically costs \$20-\$30 per "document," while ACH is free) is often selected over ACH: because it's simple, safe, irreversible, and fast. Companies look at the cost of the wire versus interest gained over the one to two days saved, and what they gain generally exceeds the amount they pay. This is another example where high-value transactions deliver the greatest benefit

9. What's the value for small suppliers?

- Small sellers benefit from the opportunity Ariba provides to drive new revenues and increase exposure through optional programs and resources such as Ariba FastTrack Invoice and Ariba Discovery , which give them exposure to thousands of buyers currently using the Ariba Network. They also have the opportunity to increase wallet share within their accounts; sellers on the Ariba Network have reported up to 32% increases in sales and wallet share. In addition, Ariba continues to offer sellers the opportunity to develop their B2B e-commerce capabilities, enabling them to differentiate their offerings