SAP runs Ariba – Early Payment Program

Frequently Asked Questions

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1.1 What is SAP's Early Payment Program?

The Early Payment Program is part of our ongoing initiative to automate our procurement and invoicing processes. By making our invoice process more efficient, we are now able to offer our suppliers Early Payment Terms. The Early Payment Program delivers faster invoice payment in exchange for an agreed upon discount deducted from the gross invoice amount. This also may be referred to as Discount Management, Accelerated Payment Offer or Dynamic Discounting.

1.2 How will this program benefit my business?

Some of the benefits to participating in SAP's Accelerated Payments Program include:

- Accelerated Cash Flow – Participating suppliers can expect to accelerate turning receivables to cash
- Reduced Days Sales Outstanding (DSO) – By accelerating conversion of receivables to cash, participating suppliers will reduce DSO and free up working capital for other needs
- Control over Payment Timing – Participating suppliers have the opportunity to request automatic early payment on all invoices upon full approval to pay, or ASAP payment on individual invoices as cash flow needs dictate

1.3 Do I need to change the way I invoice to participate in the Early Payment Program?

If you are already participating in SAP's eInvoicing program and are transacting via the Ariba Network, you are ready to start taking advantage of early payment offers.

1.4 How is the discount calculated?

The discount is calculated by determining the number of days between when the payment is initiated and the ordinary net due date of the invoice. The system then applies a discount in accordance with the terms agreed upon. This discount may be a set percentage of the face value or a sliding scale discount, depending on the early payment offer that is accepted. For example, an accepted early payment offer with terms of 3% 15 net 60 would equate to a 3% discount as long as the invoice was paid on or before the 15th day after the invoice was received.

1.5 Is the discount fixed?

If you accept a standing early payment offer without a sliding scale, then it is fixed until such a time that you and SAP's Procurement Organization agree upon new terms. If you accept a standing term early payment with a sliding scale, the discount amount is prorated depending on the date of the payment.

If you opt to accept Dynamic Early Payment offers, then by nature the early payment offer is dynamic and may change with the specific invoice opportunity. With this type of offer, you have the opportunity to review early payment offers for each invoice and must accept them before early payment is initiated.

1.6 What is the difference between Standing Early Payment and Dynamic Early Payment offers?

Standing Early Payment offers apply to all invoices that you submit that are approved to be paid within the parameters of the agreed upon terms. If you have agreed to a Standing Early Payment term, early payment will be executed automatically and immediately upon an invoice being fully approved to pay without any further intervention by you or SAP.

Dynamic Early Payment terms are ad hoc offers initiated by SAP's Procurement Organization that apply to a specific invoice or group of invoices.

1.7 I only want to review Dynamic Early Payment offers if they meet certain parameters. Is there any way to set filters or automate my review of these offers?

Yes. If there are certain calendar dates and/or early payment terms that you would always like to accept or reject, the Ariba Network enables you to define those rules within your Ariba account. Once rules are defined, only those early payment offers falling outside of those parameters will need to be manually reviewed by you in order to take effect.

1.8 What happens if I do not review an Early Payment offer?

Nothing. If you do not review or choose not to take action on an early payment offer whether standing or dynamic, invoices will be paid according to each invoice's net terms.

1.9 Understanding when payments will be made is important to my business. Is there a way for me to gain visibility into my invoice status and payment schedule?

Yes. This is a great benefit for our suppliers of SAP's e-Invoicing initiative. If you are registered and send your invoices to SAP through the Ariba Network, then your invoice status and settlement date are displayed within your account for your convenience. Additionally, you can use Ariba's Cash Flow Optimizer tool to identify and define which invoices will be paid when to meet specific cash flow needs you may have.

1.10 I do not need to be paid early all the time, but my business does have periodic needs for accelerated cash flow. Does this program accommodate that?

Yes. From time to time, SAP may make a Dynamic Early Payment offer for a particular invoice or set of invoices to you which you can review and choose to accept or not based on your business needs at the moment.

Due to various payment schedules within SAP entities, you can either choose Monday or Wednesday as Dynamic Early Payment offer depending on the SAP entity you are making business with. Below see the payment schedules per entity:

Monday	**Wednesday**
SAP SE	SAP America Inc.
SAP Deutschland SE & Ko.KG	SAP Canada
SAP France	SAP Schweiz
SAP UK Limited	SAP Finland

1.11 What is a "sliding scale" discount?

A sliding scale discount is an early payment term where the amount of the invoice discount decreases the closer the early payment comes to the net term due date. A sliding scale discount takes into account the variable timing of invoice approval and enables you to receive early payment regardless of when the invoice is approved to pay.

1.12 What if I get paid via check now? How do I sign up to get paid electronically?

In order to change your payment method, please contact sap_gpo@sap.com.

1.13 Who do I contact with questions regarding this program?

SAP contact: sap_gpo@sap.com

Ariba Supplier Enablement Help Desk: 1 (800) 974 4899 from 8:00 AM to 5:00 PM EST Toll Free (USA)
Ariba Network Support (Post-Enablement):

- 1-866-312-7422 – Toll Free (USA)
- 00 800 222 227 422 – Toll Free (France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland & UK)
- 00 44 (0) 20 7187 4185, 00 31 (0)20 797 9060 – Toll Free (Europe, Middle East and Africa)

+++ Ariba runs the Early Payment Program on behalf of SAP. +++

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