



HIGH LEVEL SUMMARY Ariba CAPABILITIES AND PROCUREMENT CHANNELS

INTEL IS MOVING TO THE Ariba NETWORK

Topic	Description
What is Ariba	<ul style="list-style-type: none">• Why Intel is moving to the Ariba Network
What does this mean for me (Supplier View)	<ul style="list-style-type: none">• Description of what changes are coming for doing business with Intel
Procurement Paths Overview	<ul style="list-style-type: none">• Different Procurement paths available on the Ariba network
Procurement Path Details	<ul style="list-style-type: none">• Understanding how each of these procurement paths work

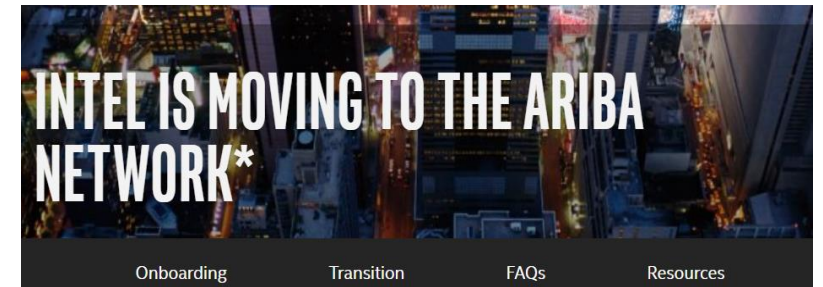
THE ARIBA NETWORK

What it is

New standard platform to improve and streamline Intel's procurement and invoice collaboration between Intel and our suppliers.

Why it's Important

- Key benefits to your company:
 - Receive electronic notifications for PO's and other documents
 - Removes the need for order confirmation via phone/email
 - Enable catalogs
 - Reduce paper invoices and administrative overhead
 - Online visibility into your Intel transactions
 - Simple to use
 - There are **no fees** for you to transact with Intel on the Ariba Network
- Replaces Intel's WebSuite for new PO's:
 - New platform is available now to those suppliers who have completed registration and account setup
 - More information can be found Supplier.Intel.com
 - WebSuite will EoL when all functions are supported on the Ariba Network and all suppliers have been transitioned



WHAT DOES THIS MEAN FOR ME?

A SUPPLIER VIEW OF ARIBA EXPECTATIONS

Level of Effort

- There will likely be a change to the current PO / Invoice processes as Intel will now execute these via the Ariba Network
- For partners already familiar with the Ariba Network, the change will be easier
- New functionalities will be deployed such as Service PO's, Invoice against contract (No PO's, supplier just invoices in system against line items)
- Ariba Network ID's (ANID's) will need to be created and tied to your current supplier ID
- Documentation and step-by-step instructions for all of these events will be provided if a contract is signed

Cost

- Intel will be covering all transaction costs – therefore there is no system cost burdened put on suppliers for Intel transactions
- Ariba suppliers have seen 62% decrease in late payments, 15% reduction in customer retention, 30% growth in existing customer accounts, 64% reduction in manual intervention, 60% average reduction in operating costs (2018 Ariba Data)

New Purchasing / Invoicing Paths

- There are several new capabilities brought by Ariba technologies that Intel is excited about – all designed to provide flexibility for the Supplier and Intel
- Each of them is described in detail in this deck – all executed through the Ariba portal

WHAT DOES THIS MEAN FOR ME?

A SUPPLIER VIEW OF ARIBA EXPECTATIONS

Timing

- Intel is rolling out these capabilities regionally across the globe, as a result, suppliers in some areas may have to straddle both of our Procurement tools (Websuite & Ariba)
- This is an unfortunate result of the ever changing and dynamic business that Intel strives to be – we have taken great pains to provide incredibly detailed information to help manage this process for our contracted suppliers

Potential for Integration

- Similar to all companies, Intel prefers to integrate with suppliers directly via B2B in cases where XX amount of PO/Invoices are transacted in a given year

PROCUREMENT PATHS

1 Release



- Intel will be setting up some goods/service contracts so that services are cut with a Purchase Order (no different than today)
- All Purchase orders will flow through the Ariba Network to a Supplier's portal on the Ariba Network

2 No-

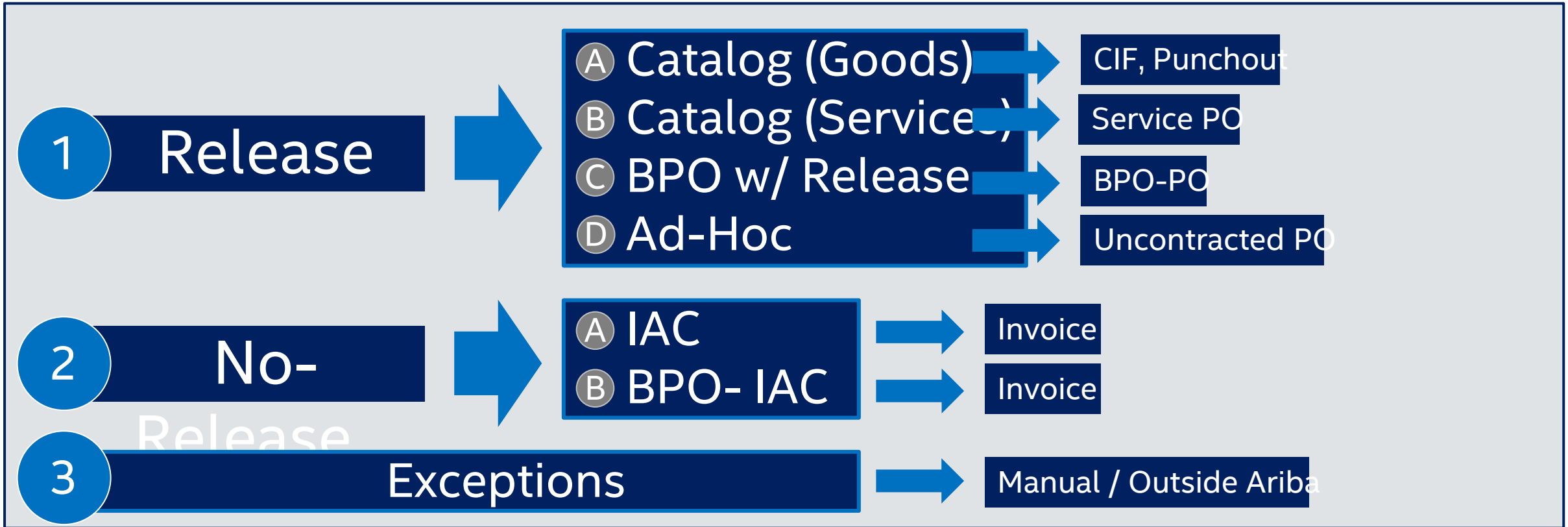


- In some cases, Intel will determine the supplier relationship does not need a PO to transact on the contract – these are very common in Vendor Managed Inventory scenarios or where service quantity cannot be determined upfront (amount of hours/goods that will be utilized)
- Intel digitizes the contract pricing in the Supplier portal and the supplier simply bills Intel for what is consumed

PROCUREMENT PATH CHARACTERISTICS

Capability		Procurement Path Characteristics
Release	Catalog (Goods)	<ul style="list-style-type: none"> Intel Shoppers make selections from a gallery of items from file provided after contract negotiations. There are two methods: CIF and punch-out. CIF catalogs are embedded in Ariba (supplier uploads on Ariba network, Intel preferred method); punch-out catalogs are linked to the suppliers website and brought back into Ariba for checkout
	Catalog (Services)	<ul style="list-style-type: none"> Same concept as a goods catalog but these are typically published rate cards from negotiated contracts. This procurement method provides the supplier flexibility to add hours consumed, additional material goods that may have been needed to perform services
	BPO w/ Release	<ul style="list-style-type: none"> Purchases are made against a specific scope of work (SOW) crafted for a project, duration, and amount
	Ad Hoc	<ul style="list-style-type: none"> Ad Hoc: Shopper creates free-text/custom PO as a demand signal, likely with a quote provided by supplier
No Release	IAC (Invoice Against Contract)	<ul style="list-style-type: none"> Contract terms are digitized (Rates for services / goods) and supplier logs into their portal and bills against those rates based on Intel consumption – there is no PO!
	BPO w/ IAC	<ul style="list-style-type: none"> Blends BPO w/ release capabilities with Invoice against contract capabilities - Purchases are made against a specific scope of work but supplier bills against the digitized line items – there is no PO!
	Exceptions	<ul style="list-style-type: none"> In the unlikely event that parts of supplier contracts do not qualify for Ariba enablement we will be utilizing an Exception Process (Utilities, Credit Card bills, Mortgage/Rental payments etc) through other billing avenues

PROCUREMENT PATH CHARACTERISTICS



PROCUREMENT METHODS ENABLE CAPABILITIES, WHICH ENABLE FUNCTIONAL PURCHASING ACTIVITIES