Ariba Contract Management System
(Scalable Solution)

“The only thing we know about the future is that it will be different.”

-Peter Drucker

Thomas Sek, MBA, PMP
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Agenda

• Optum story
• Paradigm shift
• Legacy vs Ariba
• Notable features
  o Ariba Framework
• Conclusion

“Whenever you see a successful business, someone once made a courageous decision.”

– Peter Drucker
Optum Story

• Conversion from legacy system to Ariba system
  – Challenges with internal business users and inflexibility/instability of system
  – Repository deployed on 7/15/13

• Ariba advantages
  – Ariba is the system of choice for United Healthcare enterprise-wide contract management
  – Process and time efficiencies, along with significant cost-savings
  – Dynamic and adaptable workflow/processes to meet evolving business requirements
  – Potential integration with upstream/downstream systems to better serve internal client needs
Paradigm Shift from Legacy System to Ariba

**Legacy**

- People
- Process: 244 steps
- Solution: Restrictive

**Optum Ariba**

- People
- Process: 12-steps
- Solution: Flexible

**Migration (2013)**

**Phase I**
- Repository (March 2013 – June 2013)
- Fast Track Authoring (March 2013 – June 2013)

**Phase II**
- Comprehensive Contract Authoring (July 2013 – June 2014)

**Phase III**
- Legal Wide Deployment (2015)
Comparison of Legacy and Ariba Processes

Legacy Workflow

Ariba Workflow

Contract Workflow

<table>
<thead>
<tr>
<th>Initiate</th>
<th>Negotiate</th>
<th>Finalize</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review Team</td>
<td>Attach exhibit documents</td>
<td>Final Approval &amp; Signature</td>
</tr>
<tr>
<td>Review Proposal &amp; Contract Requirements</td>
<td>Review Main Agreement (External)</td>
<td>Loop</td>
</tr>
<tr>
<td>Review Main Agreement</td>
<td>Review Main Agreement to Team Members</td>
<td></td>
</tr>
<tr>
<td>Review Main Agreement</td>
<td>Transmit Main Agreement to Customer</td>
<td></td>
</tr>
<tr>
<td>Review Non-Standard Contract Provisions</td>
<td>Publish</td>
<td>End</td>
</tr>
</tbody>
</table>
Notable Ariba Features

• Single Sign-On with UHG login credentials
• SMEs can quickly review and approve provisions, with system managed audit history and status updates
• Robust search functionality for contracts/provisions, with capability to export results to Excel
• Contract template and clause-level library
• Archive for related communications, attachments, and files relating to contract or transaction
• Efficiently modify workflow to adapt to evolving business needs
• Version control of active contracts (via DFS)
• Integration with Microsoft Word
• Advanced reporting capabilities
Ariba Framework

Template (Agreements)  Template

Template

- Team (security and access)
- Tasks (workflow)
- Documents (agreement)
- Clauses

Contract Workspace

- Team
- Tasks
- Documents
- Message Board

Contract Workspace

- Team
- Tasks
- Documents
- Message Board

Contract Workspace

- Team
- Tasks
- Documents
- Message Board
Conclusion

• Paradigm Shift

• Key functionality have exceeded expectations
  o Repository, contract request, contract workspace, contract template, reporting, security, integration

• Flexible solution that meets business objectives of Optum

• Empowers business users

• Efficiency + flexibility = cost savings

*Innovation distinguishes between a leader and a follower.*

- Steve Jobs
Contract Automation Road Map

Phase I
- Conversion of legacy contracts to Ariba repository
- OptumRx Privacy reporting
- Implement fast track workflow (amendments)

Phase II
- Conversion to Optum dedicated realm
- Design and implement 3 contract specific workflows
- Automate template and clause library
- Contract intake
- Deploy Knowledge Project resource library

Phase III
- Deploy to 800 users
- Convert 300,000 contracts
- Standardize contract workflow
- Integrate with upstream & downstream systems
- Advanced analytics

Repository (March 2013 – June 2013)
Fast Track Authoring (March 2013 – June 2013)
Contract Authoring (July 2013 – June 2014)
Legal Wide Deployment (2015)
Industry: Healthcare
Go-Live: November 2008
Location: Minneapolis, MN
Modules: Contingent & SOW
Cloud Suite Synergies

Total Workforce Management

Total Spend Management

Cloud Ops
Integrated Workflow Between Ariba and Fieldglass

Services Procurement Basic Process Flow – Ariba P2P, Fieldglass & the Ariba Network

Ariba Network

- Create request
- Approve request
- Review candidates/proposals
- Create work order
- Import pull of FG work order info. from Ariba & matched to work order
- Accept timesheet/receipt, matched against work order & invoice created
- Invoice created & matched (goods receipt)
- Invoice exported to AN
- Invoice received & matched against PO
- Invoice pushed to P2P
- Ok2Pay sent to ERP
- Reconciled invoice scheduled for payment

Fieldglass Network

- Create request
- Approve request
- Review candidates/proposals
- Create work order
- Fieldglass work order info. sent to supplier
- Timesheet/receipt submitted for approval
- Import pull of PO info from Ariba & matched to work order
- Invoice created & matched (goods receipt)
- Invoice exported to AN

Ariba P2P

- Import pull of FG work order into P2P to create requisition
- Approve Requisition & create PO
- PO sent to Ariba network
- PO arrives from Ariba P2P
- Ok2Pay sent to ERP
- Reconciled invoice scheduled for payment
- Invoice pushed to P2P
- Invoice received & matched against PO

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Q & A