

## Why EDI Is Such a Headache for Suppliers—and What You Can Do About It

### EDI Is Here to Stay. What's Your Next Move?

There's no getting around it: landing new retail clients for your consumer products business means building more electronic data interchange (EDI) connections. Here's another hard fact: building EDI connections is a time-consuming, costly, and frustrating process.

Since the 1960s when the first EDI messages were sent, this technology has become universally regarded as the most efficient and reliable way to exchange transaction data. But every trading partner has their own expectations for what an EDI transaction should look like and which specific data it should contain. When it comes to EDI, one size clearly does not fit all.

EDI technology itself doesn't generally pose a problem. The real headache of EDI is keeping up with the inevitable changes to transactions made by your retail trading partners. If this makes you wish for something better than EDI to handle your transactions with retailers, look at this alternative: focus on eliminating the waste of time and resources throughout the EDI process and get a greater return on your investment in EDI technology.

Before we can optimize EDI, let's identify the biggest bottlenecks typically found in building EDI connections.

### The Current Reality: Eight Steps to Building EDI Connections

1. Gather Requirements
2. Understand your ERP
3. Determine Triggers
4. Extract Data
5. Map Data
6. Notify Trading Partner about Testing
7. Begin Testing
8. Schedule the Go-Live

## 1. Gathering requirements

Building an EDI connection is all about meeting the data requirements of your trading partners. You need to develop a good understanding of how each partner will be using your data. You then must translate your data into their format.

As you've probably noticed, most retailers' data requirements aren't very clear. It's not entirely their fault—many use aging ERP systems built on outdated technology that was developed at a time when systems weren't expected to exchange data as freely as they do now.

Most retailers will provide their requirements in the form of a PDF document. Just as each retailer differs in their requirements, they also differ in the formatting of this document. Some of these documents haven't been updated in many years. Most are written in a way that makes sense for the retailer, but not for the partner. In any case, these documents generally tell you little more than how to build a flat file for transmission to the retailer.

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### Your retailer may require you to work with:

- A **value-added network** that has specific encryption requirements and offers a host of other features besides simple data transmission.
- **FTP**, which is typically used within a VAN to ensure adequate levels of security.
- **The AS2 protocol**, which secures data through digital certificates and encryption.

Multiply this process by your dozens, hundreds, or even thousands of trading partners, and you'll see why EDI has become such a drain on your company's time and resources.

## 2. Studying your ERP system

If you're building EDI connections for your business, your knowledge must extend far beyond the connections themselves. You'll also need to know how the data you're transmitting is going to be used in your system of record—whether that's an ERP, QuickBooks, or a more lightweight order management tool. Chances are good that even if your company uses a legacy system, you're not the person who originally wrote the system. Thus, you'll need to invest time in figuring out how the software actually works, how it expects data to be encoded for output, and how to make API sequences work well with it.

## 3. Setting triggers

Once you've figured out how to get data out of your system, your next challenge will be to decide what will make a document trigger for transmission. Will transmissions happen in real time based on specific events, or will you schedule them for transmission in batches at set times each day?

## 4. Extracting your data

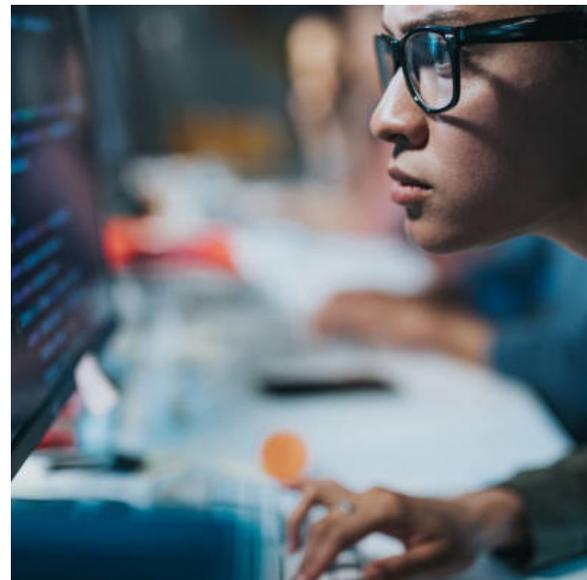
For many companies, data extraction is a hands-on effort that becomes more and more cumbersome as the business grows. Manual data extraction not only doesn't scale well, but is also error-prone and can only happen when a human is directly involved.

## 5. Mapping your data

The data payload that comes out of your ERP system will most likely be in XML or JSON format, which isn't the proper format for EDI transmission. You'll need to map it into an EDI format, creating a document that you can transmit to your retailer.

## 6. Notifying your trading partner about testing

Finished your EDI document? Good—now the real work begins. You'll need to contact your retailer to let them know you're ready to begin the testing process for this connection. Even when you're feeling certain that you've delivered on your retailer's requirements, you won't really know for sure until you send them a test file.



## **7. Beginning testing**

As you're testing your EDI connection, you face the challenge of maintaining your retailer's attention and working with them to guide your project to completion. Every retailer wants to offer their vendors a smooth, easy onboarding process. But most retailers—especially the largest ones—have many other priorities, such as helping their customers who are having production issues. As much as they might like to, they don't have the capacity to stop and help a small vendor who's having EDI connection issues.

Here's how the process typically runs: you serve an EDI file to your retailer and then wait to get a response. Based on the results, you adjust your connection and try again. Each iteration eats up several days—or longer if there's a significant problem that requires phone consultation.

## **8. Scheduling a go-live date**

Once your data has been accepted by your retailer, you can finally schedule a go-live date for your EDI connection. On that date, you'll switch over your coding from a development server to a production server.

Something as simple as transmitting transaction data shouldn't require multiple iterations and cause weeks of delays in business relationships. Every week you're not exchanging data with your retailers is a week you're not maximizing your revenue. If you're looking for a better way to enable EDI transactions, there's good news.

## **Automating EDI Enablement in the Cloud with Orderful**

For well over a decade, cloud computing has made it easier for businesses to exchange information and share computing resources. The principles of cloud computing have enabled companies in every industry to save time and money in their day-to-day activities. They can do the same for manufacturers, distributors, and retailers that rely on EDI to share transaction data.

Imagine a cloud EDI platform that has already formed connections with hundreds of leading retailers. To connect to these retailers, you wouldn't have to build individual EDI connections anymore—you could simply connect once to the cloud platform. This ease of connection would dramatically simplify your onboarding process.

**Here's how the Orderful cloud EDI solution can automate tasks throughout the eight steps in the process of building an EDI connection:**

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|--|---|
| 1. Gathering requirements: Solved          | 5. Mapping your data: Solved                            |
| 2. Studying your ERP system: Solved        | 6. Notifying your trading partner about testing: Solved |
| 3. Setting triggers: Needs Input from User | 7. Beginning testing: Needs Input from User             |
| 4. Extracting your data: Solved            | 8. Scheduling a go-live date: Solved                    |

**1. Gathering requirements: Solved.** Orderful is already connected to hundreds of trading partners in ways that meet their exact requirements. You no longer have to decipher what your trading partners really want—Orderful has done that for you.

**2. Studying your ERP system: Solved.** It's always good to be familiar with how your ERP system works—but with Orderful, you don't have to know your ERP intimately. That's because the platform provides you with a standard ERP integration pipe—a connector that knows where the relevant data lives and how to get it out.

**3. Setting triggers: Needs Input from User.** Every company has different needs when it comes to automating data. You should be able to configure your data automation based on how your company operates. Orderful makes this possible.

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**4. Extracting your data: Solved.** This step, too, is automated with Orderful. Your integration pipe will simply extract the data when the time comes. The connector will push and pull all necessary data for a specific transaction. You and your staff won't need to do a thing.

**5. Mapping your data: Solved.** With Orderful, there's no need to map your data payload to the EDI format. The platform will consume XML or JSON output, and will automatically map it to the required EDI format.

**6. Notifying your trading partner about testing: Solved.** Orderful enables you to self-service test with any trading partner requirement. This happens through an API service that validates your data before a trading partner receives it.

**7. Beginning testing: Needs Input from a User.** The testing process should happen on your own time. Instead of hopping on the phone with a trading partner, Orderful lets you self-service test against their requirements. This eliminates any unnecessary back and forth and enables your team to work efficiently.

**8. Scheduling a go-live date: Solved.** Once your EDI payload is accepted by Orderful, it will enable trading in just minutes.

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## Try Cloud EDI for Yourself

Following the steps above, you can see how much faster and easier EDI transmission would be if you were using a cloud EDI solution. Consider also that as you continue to add more trading partners, the process would only get faster and easier because your cloud EDI partner would already know your ERP system and understand your needs.

**The best news is that cloud EDI isn't just a pipe dream. It's already here.**

The Orderful cloud EDI solution helps bring EDI and B2B data trading into the modern age. It handles millions of EDI and B2B transactions each month for customers ranging from Fortune 500 to startups.

Orderful has finally removed the technical complexities of data trading. For your business, that means instant trading partner enablement, less code to maintain, and lower costs.

Can Orderful handle your EDI data? Can cloud EDI work for you? See for yourself. **Talk with an EDI Expert.**

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