

EDI 103 Guide

Introduction to EDI for Manufacturing

CROSS-PLATFORM

DataInterchange
an Epicor solution



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Chapter 1

Introduction

Welcome to our EDI 103 guide, introducing you to the fundamental features and benefits of utilising EDI within the manufacturing industry. In this guide we will go over what EDI is and how to get started communicating your B2B exchange through EDI. We will then go through the types of standards used within the manufacturing industry and the transaction sets that are required to begin initiating EDI. Let's get started!



CHAPTER 2

Key Benefits of EDI within the Manufacturing Industry

When you start to communicate utilising EDI, you will see immense benefits within your internal departments, such as: accounting, customer service, shipping, receiving and your complete supply chain. As a manufacturer you know the benefits of JIT (Just-In-Time) and Lean Manufacturing, once you begin using EDI with your trading partners you will see drastic efficiency improvements and a seamless transition from historical B2B communications, improving your complete supply chain.

Seamless Communication

Improved communication with your trading partners and suppliers through an EDI translator that allows direct communications.

Error Alerting

Within your translator you will have a dashboard that provides transparency for errors and alerting when sending and receiving documentation. This will keep you aligned with your most valuable business documents and ahead of any and all issues that may occur.

Paperless Environment

Attain a paperless environment by moving away from manual paper documentation and integrating with your backend ERP to provide visibility to additional team members in accounting, finance, and receivables. This also benefits your IT team allowing them immediate visibility to fix issues and your accounting team to improve overall operational costs.

Quicker Turnaround

Decreased turnaround times between your vendors, suppliers, and trading partners by utilising your translator and having all transactions on one interface.

Better Customer Relationships

Improved trading partner relationships when working with large partners that communicate via EDI. You and your trading partners can create and send a high volume of documents and transactions, improving your business continuity.

Automation

When utilising an EDI translator, it allows automation for your most valuable trading partners and transactions. This is done through automating the exchange of EDI documentation between trading partners within your EDI translator, giving you more IT resources for other critical projects.

EDI Visibility

Real-time visibility when utilising EDI. All transactions will be displayed in your dashboard allowing you to see all transactions at all times. Keeping you ahead of any errors or issues that may arise.

Help Reduce Order Process and Delivery Times

When utilising EDI, you create a seamless communication channel which helps reduce the order processing and delivery times for both your organization and your trading partners.

Business Growth

EDI within manufacturing is also critical for your business since it allows you the ability to sell in more places with many more trading partners.

JIT Support

Manufacturing and EDI go hand in hand and it's important to know that EDI supports and helps improve Just-in-Time (JIT) manufacturing, because it provides important details for shipping requirements and creates a cadence for our transactions.

Flat Rate Transactions

Within manufacturing, transaction fees can be expensive. EDI gives you the advantage of flat rate transactions regardless of volume, helping reduce expenses for your accounting and finance departments.



Chapter 3

What is EDI?

EDI stands for “Electronic Data Interchange”.

EDI is the computer-to-computer exchange of business documents in a standard electronic format between business partners (Trading Partners). EDI relieves you from paper-based processes within your orders, invoices, advices, and functional acknowledgments.

In today’s manufacturing environment, EDI is a fundamental method of conducting B2B document exchange. EDI is expected to be utilised when beginning a business relationship, since time is crucial and in manufacturing expenses can add up quickly. EDI has become a key to success for business continuity, while providing immense benefits to both organizations utilising EDI. Once EDI is in place your production lines will rely on and benefit from your seamless exchange of B2B documents between your company and your suppliers.

*Forrester Research has provided reports showing **41%** of companies utilise EDI as a primary messaging format and that number is growing rapidly.*

*Companies send over **20 billion** B2B documentations a year using EDI.*



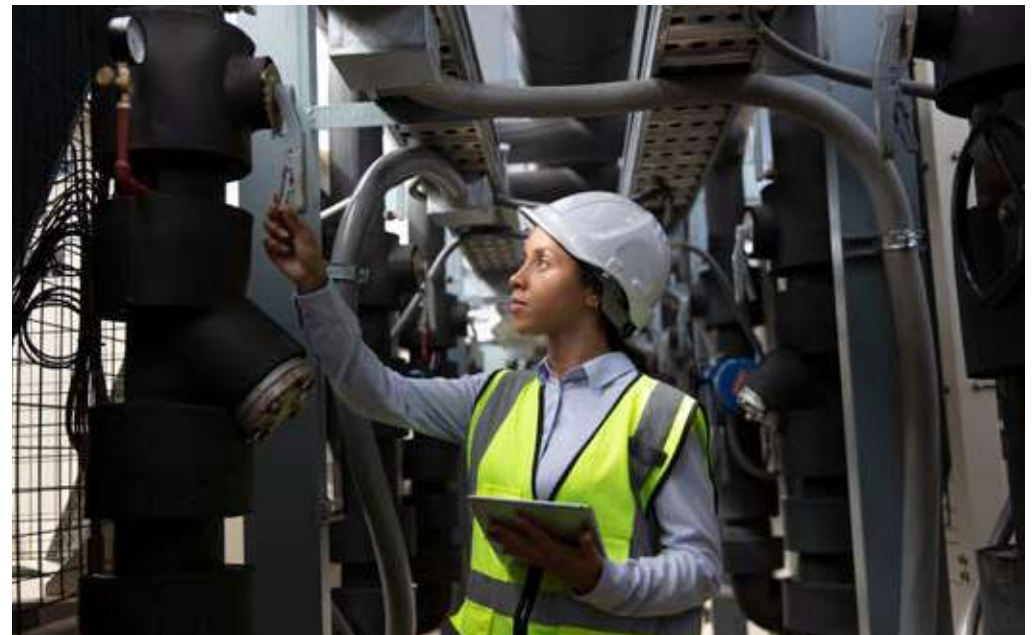
Chapter 4

How to Start Utilising EDI

To begin realising the benefits of EDI there are a few steps and actions needed to get you up and running efficiently and effectively.

1. Reach out to your trading partners to have them provide their specific EDI implementation Guide. This guide is key for defining your electronic business documents, their structure and communication method.
2. Begin to research and purchase an EDI software package also known as an B2B Integration solution. The integration solution is used to map your documents and helps transform your accounting system data into the required format of your trading partner.
3. EDI software solutions differ depending on the size of your organization, volume of transactions, number of trading partners and other factors as well. See examples of how we (Epicor Data Interchange) offer solutions for these factors below.
 - Our primary software platform and integrator is known Odex Enterprise. Odex is our complete B2B integrator for mid-sized to enterprise sized organizations that require backend integration and desire complete control of their EDI.
 - When researching EDI solutions, you may also find that your mid-sized or enterprise sized organization needs to outsource EDI. This is accomplished through a managed EDI solution and can be integrated with your backend systems.
 - If your organization is a small business starting EDI with one or several trading partners, then you may only need a standalone Order Processing solution for your EDI. This is an easy-to-use, simple to understand, and quickly implemented solution for EDI communications without the technical background needed for more in-depth software. Our example of this solution is our Darwin software.

4. Now that you have your software and your implementation guide you and your trading partner will test the transactions and communications between both translators.
5. Always test with your partners and with your EDI solution providers to validate that your translator communicates correctly and that you and your trading partner both receive your required business documents.
6. Lastly, migrate away from historical forms of communication, such as paper documentation and perform any parallel document transaction that may still be required to be sent through another communication method.





Chapter 5

EDI Standards

UN/EDIFACT standards drive EDI business processes globally. The EDIFACT standards are published by the United Nations for the Electronic Data Interchange For Administration, Commerce and Transport.

UN/EDIFACT defines the standards and each party must comply with these parameters. EDIFACT standards cover transaction sets of documentation to transmit and communicate with. In addition to EDIFACT, there are other standards some organisations may use when doing EDI transactions globally. These include ANSI X12 in the US, with VDA, Odette and Tradacoms in Europe.

Typically, the trading partner will designate the EDIFACT version to be used and create their implementation guide around those standards for you to begin creating EDI documents. This is the primary standard and version of the EDI standard you will utilise with your trading partners. Some of your trading partners may use different versions of EDIFACT, and it is important to remember that each trading partner will provide a unique implementation guide for you to begin EDI transactions.

Chapter 6

Most Common T-Sets within Manufacturing

Below you will find the most common manufacturing EDIFACT transaction sets and the relating X12 code set.

DELFOR (830)

Delivery forecast (DELFOR) messages serve as a means of conveying information regarding the expected delivery dates, quantities, and other relevant details of goods or services to be supplied. These messages are typically sent by the buyer or recipient to the supplier, providing them with advance notice of the expected demand and delivery schedule.

DELJIT (862)

Delivery Just-In-Time (DELJIT) messages provide the ability for a customer to convey precise delivery sequence and Just In Time schedule requirements to a supplier. These are typically issued to firm the schedule demands, supplementing the DELFOR message.

DESADV (856)

Despatch Advice (DESADV) messages serve as the advance shipping notice from supplier to buyer, stating the goods despatched or ready for despatch. It includes detail such as order information, product description, packaging types, markings and carrier information.

INVOIC (810)

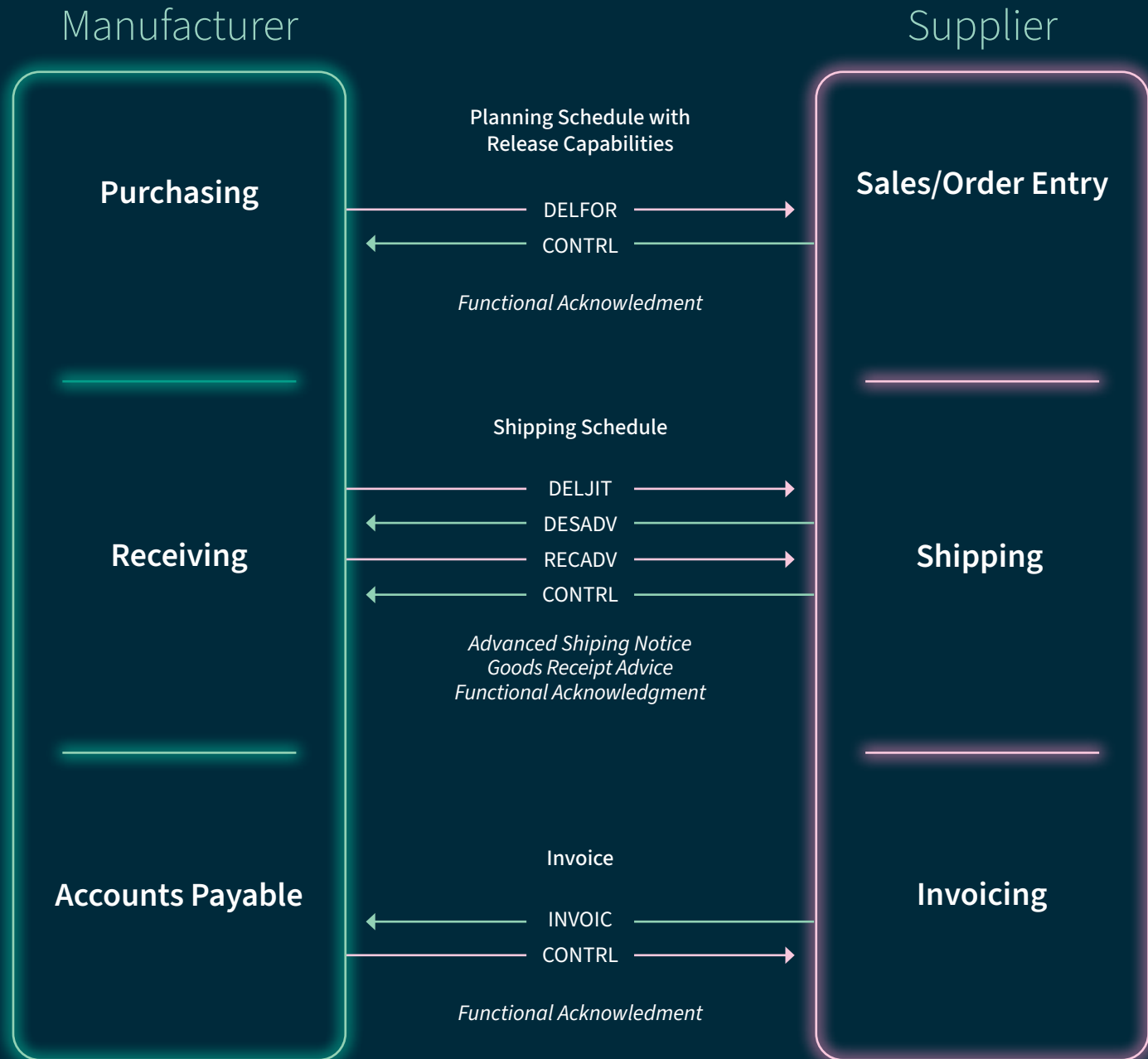
Invoice (INVOIC) messages are the electronic version of the paper-based invoice document. It is typically sent following a Shipping Notice as a request for payment once the goods have shipped or services are provided.



Chapter 7

EDI Process Flow

When engaging in EDI within the manufacturing industry, you will see the below B2B exchange of EDI documents for the complete lifecycle of your planning schedule and shipping schedule ending with the supplier's invoice.



Data Interchange Solutions

If you plan to be working with trading partners within the Manufacturing industry, Data Interchange provides customizable and scalable solutions for your needs no matter your organisation's size.

Odex Enterprise

If you are a large organisation with multiple trading partners looking for an enterprise solution with complete EDI visibility, control, mapping and translation, our Odex Enterprise solution is for your needs.

Xlate Evolution

Any-to-Any EDI data translation that gives companies of all sizes the ability to integrate internal systems and applications with trading partners. Our EDI mapping tool can be integrated with our Xlate product, providing greater control and visibility of the entire mapping process.

Darwin

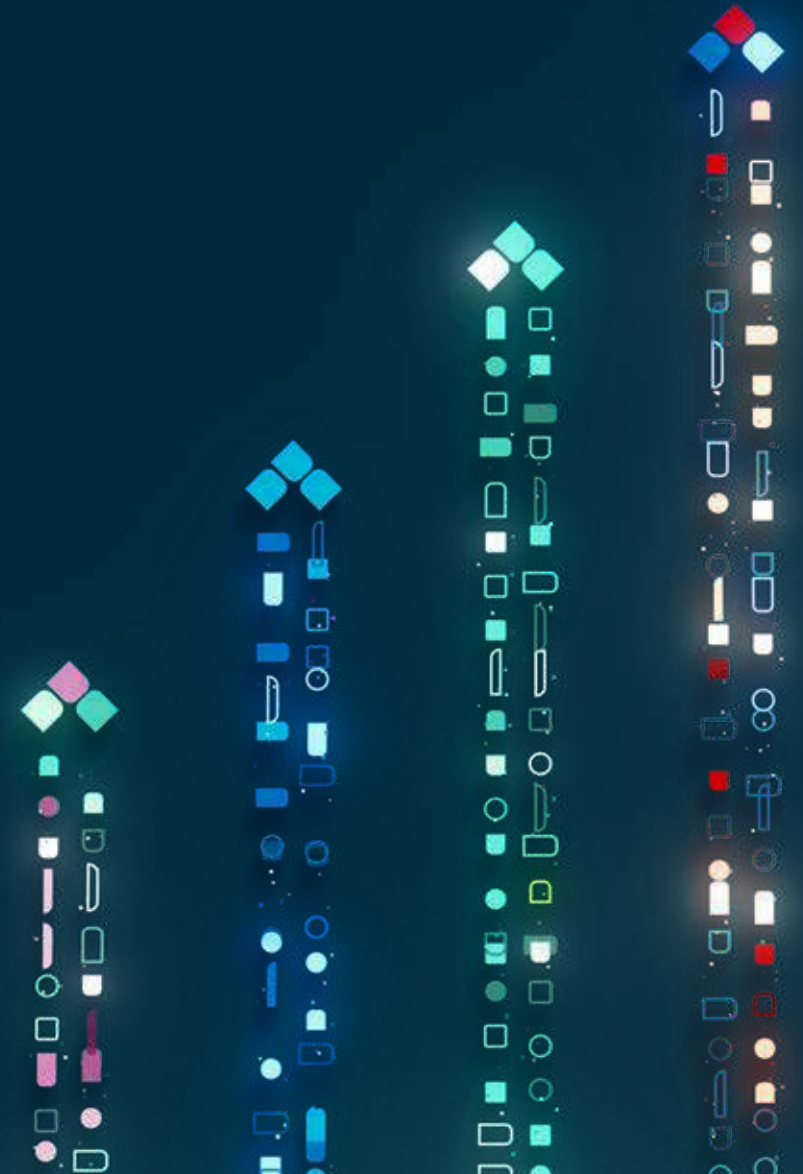
If you're a small organisation just beginning with EDI with a large retailer trading partner or more, our Darwin Order Processing solution is for your small business needs and allows you to scale with your trading partner.

DiNet VAN

Our world-class Value Added Network (VAN) allows you to trade with thousands of businesses globally. By consolidating your EDI into a single connection using our DiNet VAN, you can reduce both risk and costs, while simultaneously increasing efficiency throughout your supply chain relationships and revenue.

Managed EDI

If you're interested in having your EDI fully managed, we provide both business and enterprise managed solutions with complete backend integration through our cloud-based platforms.





Ready to Get Started?

Data Interchange is here to help you not only learn EDI, but also provide the expertise, experience and solutions that will help your business grow. We have a full suite of EDI software and solutions for your unique business needs. Whether you choose a web-based, managed, installed or cloud-based EDI solution, we have a product that will exceed expectations. We also provide communication, integration and migration services to help complete your solution. If you have questions about EDI, or you're ready to get started, contact us and we'll walk you through what EDI option is best for you and be your guide through the entire implementation and beyond. In no time at all, EDI will become a natural part of your business. And through our ongoing training, you can learn as much or as little as you'd like about the solution, process and ways to maximize success.

Discover more

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