EDI Buyers Guide

Discover all the factors you should consider when purchasing a new EDI system

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ISO 27001
INFORMATION SECURITY MANAGEMENT

The who, what, where of EDI

Introduction

Purchasing a new EDI system can often seem like a daunting prospect especially if you are replacing an existing platform which handles some of your most important trading relationships.

This guide will explain some of the most important items to consider when purchasing a new EDI system and will explain how to ensure you choose the best possible provider for your specific needs.

Who needs EDI?

EDI is usually used by B2B businesses who sell goods for resale. This is because these types of goods have set unit prices which can be calculated and automated through the solution whereas the service industry often employ more flexible pricing which can fluctuate depending on a multitude of circumstances.

With this in mind, EDI is most commonly used in the retail, manufacturing, CPG, pharma, wholesale, building and automotive industries.

The use of this technology is often driven by the retailer or wholesaler which is commonly referred to as the hub.

On the other hand, the suppliers to these buying organisations are often referred to as the "spokes" and are required to engage in EDI in order to become compliant with a retailers trading processes.

What is EDI?

EDI is a simple abbreviation of the term 'Electronic Data Interchange' which in itself is a technology used for the automated exchange of business documents from one computer to another in a standard electronic format.
It enables businesses to exchange purchase orders, invoices, advance shipping notices, and other business documents directly from one business system to the other, without the need for any human intervention.

EDI, like many other technologies, was originally developed for use in the military. In 1948, the Berlin Airlift required the movement of vast quantities of data in a structured format and EDI was developed to handle these military logistics. Once the technology was proven, Freight systems such as the London Airport Cargo EDP Scheme started taking advantage of the new innovation.

Choosing the right type of EDI

Portal EDI

Most EDI providers now offer a solution known as a portal, sometimes also referred to as web EDI.

This type of solution is the most basic form of EDI and was developed in order to make the technology accessible to all companies regardless of size and technological capabilities.

A portal solution provides a simple web interface within a browser which allows suppliers to receive orders and send invoices by utilising basic upload and download functionality.

Due to the restricted nature of this technology, it is only really efficient when used with one or two trading partners as any greater volumes can become an administrative nightmare.

EDI with your customers

The next level up from portal EDI is customer facing EDI. This comes in many shapes and forms depending on the EDI provider but essentially provides a full EDI platform for efficiently sending, receiving and monitoring the flow of orders and invoices with multiple customers.

This type of solution usually includes a number of integration options which further increase the efficiencies of the technology.

EDI with your suppliers

The final and most sophisticated EDI solution caters for retailers and large manufacturers who need a solution that encompasses all their suppliers.

This type of solution often facilitates the movement of orders and invoices as well as other documents with hundreds of suppliers. This allows all the data from these suppliers to be efficiently processed by the retailer/manufacturer with minimum human input.

Modern supplier facing solutions also usually include the provision of portal access for the smallest suppliers to maximise the onboarding process.

Cloud vs On Premise

Another consideration when purchasing EDI is whether to utilise a cloud or on premise solution.

On premise solutions describe when the platform is hosted locally on a server. This type of setup is rapidly dying out due to the risks involved with such a setup such as failover and downtime.

Cloud solutions eliminate these risks by employing sophisticated failover technology across multiple server clusters and physical locations.

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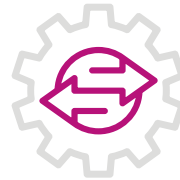celtrino

Connect the dots with integration

Who needs Integration

EDI integration provides a data link between your EDI solution and your business system (ERP) which enables the movement of order, invoices and other documents between the two platforms.

Without integration, the process surrounding EDI can be onerous with human intervention required to rekey data into the ERP.

This manual process is acceptable when only dealing with one or two trading partners but as the partners and volumes increase, this type of process quickly becomes very time consuming with whole teams sometimes being employed to transfer this critical data.

This is where EDI integration introduces efficiencies into the process. Establishing that data connection between the ERP and EDI systems instantly negates the need for any human intervention and ensures these business critical documents are delivered instantly.

Flat file vs API

There are two main types of integration that are widely employed across the EDI industry: flat file and API.

Flat file is a more basic form of integration that utilises export and import files to trasnfer the data from one system to another. This method is simpler to implement but is not as seemless as an API.

API integration creates a direct link to the ERP database and often also provides an interface directly within the ERP. This type of integration is often more robust, however, it is also requiries constant monitoring and mainteneance to ensure the integration is compatible with the new releases of the ERP software.

Service Levels & Security

Instant phone support vs endless support tickets

In recent years, EDI providers have been moving towards a managed service approach where the EDI provider takes care of the EDI infrastructure as well as any issues that arise in the EDI network. Although this has generally produced an improvement in overall service, there has also been a shift towards an over reliance on support ticket systems and email communications rather than phone which has led to growing frustration amongst EDI users.

With this in mind, when buying EDI, consideration should always be given to the type as well as level of service provided to ensure you get the help you need when you need it.

ISO 27001 vs SOC3

When it comes to security and compliance, there are two main accreditations that most leading providers adhere to: ISO 27001 and SOC3.

The main diference between SOC3 and ISO 27001 is their scope and depth. SOC3 focuses on customer data only and provides a high level report about the associated security controls. ISO 27001 is a much more comprehensive certification that audits an entire business and all it's processes.

If your business takes data security seriously then finding a provider is ISO 27001 should be a requirement.

Know Your EDI Provider

When dealing with your most important trading relationships, it's always worth checking the credentials of your prospective provider.

Even the largest EDI providers can sometimes have hidden financial discrepancies so a quick check on companies house is always a good way to provide peace of mind.

Support is key with an EDI provider and service levels can change over time so ask for references from other similiar sized customers to confirm an EDI providers performance.

EDI Provider Evaluation Checklist

SELECTION CRITERIA	CELTRINO	PROVIDER 2	PROVIDER 3
Company Credentials			
Headquarters	Local: Ireland		
Years of Experience	30+ Years		
Financial Stability	Healthy		
Customer Satisfaction	4.8/5		
Solution Features			
Pre-Mapped Trading Partners	200,000+		
Avg Time to Implement New Trading Partners	15 Days ⚡		
Supported Transaction Types	All Transaction Types		
Supported Transaction Standards	EDI, EDIFACT, XML, CSV, X12, Tradacoms		
Communication Type	AS1, AS2, AS4, sFTP, HTTPS		
Multi-User Support	✓		

EDI Provider Evaluation Checklist

SELECTION CRITERIA	CELTRINO	PROVIDER 2	PROVIDER 3
Solution Features			
Cloud-Based Architecture	✓		
Analytics & Reporting	✓		
Asynchronous Processing	✓		
Alerts	✓		
Event Scheduling	✓		
Data Retention	✓		
Mobile Device Support	✓		
Exception Management	✓		
Integrations			
ERP/Back Office System	Acumatica, Microsoft Dynamics, Sage, Quickbooks, NetSuite & More		

EDI Provider Evaluation Checklist

SELECTION CRITERIA	CELTRINO	PROVIDER 2	PROVIDER 3
Services and Support			
Implementation provided by EDI provider	✓		
Remote/On-site implementation	✓		
New partner mapping	✓		
Trading partner testing	✓		
EDI testing	✓		
Integration testing	✓		
Instant phone support	✓		
Proactive mapping updates	✓		
Proactive transaction monitoring	✓		
Chat support	✓		

EDI Provider Evaluation Checklist

SELECTION CRITERIA		CELTRINO	PROVIDER 2	PROVIDER 3
Security				
ISO 27001 compliance		✓		
Two factor authentification		✓		
GDPR compliant		✓		
Disaster recovery		✓		
Cost of ownership				
Year 1	Set-up fees			
	Recurring fees			
Year 2	Set-up fees			
	Recurring fees			
Year 3	Set-up fees			
	Recurring fees			

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Celtrino's SCC is a market leading cloud EDI platform that scales to meet all electronic trading requirements. With ISO 27001 certification and unparalleled instant phone support, Celtrino puts customer at the heart of all their operations.

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