



SEVEN QUESTIONS TO ASK YOUR DATA INTEGRATION PROVIDER

You've taken the steps to prepare for your data integration project, having identified the vital metrics that will drive the process. Armed with executive support, you search for the right team to help you achieve your goals. To help you navigate through the selection process, DiCentral has ranked the top seven questions we have received from prospective clients and partners.

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INTRODUCTION

The concept of data integration is not a new one. Organizations have been using data integration to maximize key business processes for decades. From empowering financial drivers like order-to-cash cycles, to creating the foundation needed to deploy critical strategies like business intelligence, integration is at the core of creating a modern infrastructure that allows data to become a key driver for the organization, instead of a cost

center. As organizations embark on data integration projects and strategies, the first step is often learning where to go for help.

While providers of data integration software and services for organizations are widely available, deploying these tools can be challenging, due to cost constraints, length of deployment, and lack of transparency into the process.

Over the course of more than twenty years of experience managing data integration projects, DiCentral has received a variety of questions from prospective customers and partners. The best questions have laid the framework to review our own offerings, taking steps to innovate and improve our services to provide the solutions our customers needed to scale their supply chain operations. Other questions helped clarify the process and what was expected of both provider and customer, ensuring that there were no surprises for either party during the integration process.

We've compiled the top seven questions, and encourage organizations to use them when searching for a data integration provider.

QUESTION 1. CAN YOU HELP US UNDERSTAND WHAT IS REQUIRED FOR OUR DATA INTEGRATION PROJECT?

The first step of selecting the right data integration provider is determining what your organization needs. Start by identifying internal challenges that you're currently experiencing, whether a result of inadequate hardware, software, EDI personnel, poor supply chain visibility or the introduction of new business or revenue models. Next, estimate the savings to you if those risks were eliminated. This will give you the KPIs to drive your data integration, and ultimately determine the success of your project. These can range from reducing overall costs, improving visibility, improving your service level agreement, or reducing the labor costs and errors of manually entering data into your ERP or back-office system.

Define Your Goals

Identify internal challenges that your organization is currently experiencing, then estimate the savings to you if those failures were eliminated. This will give you clear goals to set and KPIs to track the success of your data integration project.

Seven Qs Continued

Beware of Misinformation

Providers often tout a large number of retailers on their network as a competitive advantage for your organization. However, being on the different network will not affect integration.

As you discuss data integration strategies with potential providers, you need to explore how those providers will help your organization in identifying the key processes that will be impacted by your data integration design and deployment.

Businesses can possess a high level of flexibility and responsiveness, but also suffer from a lack of expertise that's helpful when embarking on a daunting months or years-long data integration deployments. It's no wonder then that a recent Standish group report found that over 80% of data integration projects either failed or were completed well over budget and well beyond the timeline originally conceived.

Understanding how your business processes will be impacted by your data integration project is critical to ensuring that your project will be a success. The reason for this is fairly simple: As you begin your data integration strategy you are most likely replacing either legacy data integration or replacing manual data entry with an automated workflow. In either situation the success or failure of the data integration project is going to be heavily dependent on your understanding of how your orders are received and processed, what data is required by your ERP or accounting system, what data must be handed off to a warehouse management system or 3PL provider, and how the process is affected at the other end. Not having access to this information can cause project delays and increased costs.

QUESTION 2. HOW QUICKLY CAN YOU RESPOND AND DELIVER?

A study by research firm TDWI found that over 70% of respondents rated "performance and scalability" as their top concern for "critical features" that would be required in any data integration solution. In this era of multi-core, multi-Ghz desktop computers that are available to even entry-level consumers, the question of performance might seem moot. However, the truth is that having a scalable, high performance data integration solution has never been as critical as it is today. A report by the Aberdeen Group on business intelligence found that over 70% of respondents reported data growth of over 40% over the previous year. The proliferation of tools for managing operations coupled with the ever-decreasing cost per megabyte of storage has meant that companies are beginning to store ever-increasing amounts of data on all aspects of their operations.

Do you provide live phone support or just email queries? What's the average response time? How long does it usually take to resolve issues?

Seven Qs Continued

High performance is a critical aspect of selecting a data integration vendor. But how fast is fast enough? It's critical to ask the provider for parameters of their performance specifications. What kinds of tests were run to achieve the results quoted? What type of systems were involved? How were they configured?

Speed and performance of systems is not the only element you'll have to contend with when partnering with a third-party provider. You'll also need to consider how quickly your provider responds to technical queries. The best tools and solutions can be rendered useless if orders are piling up because you can't get quick answers to your technical questions.

QUESTION 3. WHAT IS REQUIRED ON OUR END?

The TDWI report on data integration also found that over 33% of respondents were concerned about their lack of IT data integration skills. This concern about the organization's ability to successfully use and deploy a data integration strategy is common. At DiCentral, the vast majority of our customers rely on us to perform most of the data integration work for them. As your organization embarks on a data integration project, one of the first questions to answer is where the domain expertise will reside for performing the data integration work. Does your IT staff have the ability to perform the work? Will you need an in-house domain expert after the project has been completed? When discussing your options with your provider, make sure that you find out what options are available to you. Will the provider work with you to design some of the initial maps required as a learning process for your IT staff? Does the provider have the resources to take over the entire data integration project? Will you be able to come back at a later time and change your mind?

Having the right level of flexibility is paramount for businesses where IT resources may be stretched thin. Having a provider by your side that is capable and ready to take on the majority of the work will be a critical aspect of selecting the right partner.

QUESTION 4. HOW CAN YOU ENSURE COMPLIANCE WITH BUSINESS RULES OUTSIDE THE EDI SYNTAX?

Organizations mandate supply chain compliance rules to their trading partners in order to coordinate processes, avoid supply chain failures and maintain consistency in order fulfillment and delivery timelines. Some of these compliance rules require trading partners to invest in automation to streamline the supply chain process, increase operational flexibility, enhance collaboration and ensure scalability. Without automation there's an increased risk of operational disruption which would lead to diminished profit margins. Managing thousands of unique business rules is a challenge for any ERP, order management, transportation management or manufacturing replenishment system.

Seven Qs Continued

During the provider selection process, ask prospective partners how their solutions help you proactively surface supply chain exceptions to alert your team of pending violations before they occur. Whether you represent a buying organization or a manufacturer, you'll want to understand how the provider will help you identify and quarantine pending violations before they are transmitted to your trading partners or your organization's ERP or accounting system. Ask the provider to walk you through how your specific trading partners' business rules can be tracked, and how the appropriate individuals within your organization are alerted in the event of a pending violation.

These processes can help both buyer organizations and suppliers ensure smoother automation as your organization scales, helps prevent violations and related chargebacks, and improves trading partner relationships. With a firm understanding of how to set business rules, resolve exceptions, keep score, and leverage the expertise of your entire team, your organization can develop a winning game plan for business rules management.

QUESTION 5. WHAT DOES 'MANAGED SERVICES' REALLY MEAN?

All managed services should rest upon a foundation of the necessary infrastructure to store and manage your data, support data privacy standards, such as GDPR, and include a plan for disaster recovery in the event of software failure. But as competition amongst data integration providers increases, some have taken to repackaging data integration managed services to improve perceived value, either by naming it something else, or including fewer services in their contracts, which forces the customer to pay extra for additional services. It becomes difficult to discern what you can really expect from managed services, beyond the foundational elements of infrastructure, privacy standards and disaster recovery. This is why it's important to have a good general understanding of what managed services entails, and why it's the preferred solution for outsourcing your data integration:

- **Enterprise Systems Integration:** Many providers outsource WMS/MRP/ERP integration to third-party vendors, which has a tendency of delaying projects and increasing costs. Always ask potential data integration providers how many of their services are outsourced before you sign a contract. Lack of in-house expertise can cause expensive problems in the future.
- **B2B Community Management:** For buyers, your data integration provider should enable efficient vendor onboarding, compliance testing and management. For suppliers and manufacturers, your provider should identify each customer's requirements and respond to ongoing mapping, communication, and business rules changes.

Is it really inexpensive?

With pricing methodologies that often hide fees in complicated agreements, it's easy for even the most sophisticated organization to become entangled in contracts that ultimately prove to be significantly costlier than was originally thought.

Seven Qs Continued

- **Data Translation Services:** Integration providers should have extensive understanding of both domestic and international EDI standards, enabling them to handle all mapping activities required for your B2B initiatives, to allow you to seamlessly expand your business relationships globally. Data Translation Services include development and integration of mapping from pre to post-production, map maintenance and changes, and tools to assist you in the future if migration to an in-house model is desired.
- **Cloud Communication Services:** Hosting connectivity on the cloud provides enhanced security, which is especially critical when managing a large community of partners that need to communicate with your organization. Rather than allowing members to login to your ERP or granting access to your firewall to third parties, cloud communication services provide a gateway which enables you and your trading partners to build a community without having to agree on a common protocol format, encryption, time of connectivity or security format. All of these options can be selected and customized by each user, but still allows for the exchange of data.
- **Professional Services and Delivery Backed by SLA:** Your integration provider should offer enterprise-grade service level agreements (SLAs) that set expectations, and a global cloud platform to arm you with the confidence to meet and exceed your business goals. This includes delivery timeliness, transparent service performance, industrial security and high availability.
 - **Business Rules Analytics & Exception Management:** For suppliers and manufacturers, modern AI tools are programmed with each partner's business rules, and protectively search for exceptions, alerting you when one is found, with instructions for how to handle the issue before it disrupts the supply chain or incurs chargebacks. This benefits buyers as well, keeping the supply chain operating on schedule and without costly delays or manual intervention for business rule violations.
 - **Dashboard with Analytics and Reporting:** Your online dashboard should enable your staff to filter real-time information based on their roles and preferences, and easily generate customized reports with that data.
 - **Customer Support:** When there's a problem with your order or inventory systems, time is of the essence. 24/7 support (including live chat and phone support) should be part of any managed services contract, but be sure to inquire about average response and resolution times. Good support must also be fast support.

QUESTION 6. WHAT'S THE TRUE COST OF OWNERSHIP?

The single largest determining factor when selecting a data integration solution provider is total cost of ownership (TCO) and license and support fees. The question of cost, however, must be taken far deeper than simply looking at licensing and support fees. With pricing methodologies that often hide fees in complicated deployment and support agreements, it's very easy for even the most sophisticated organization to become entangled in contracts that ultimately prove to be significantly costlier than was originally thought. This is why it's critical that you get a clear understanding of provider fees in various hypothetical (but common) scenarios. For example, what will happen if the project is not finished in the time projected? What will be covered by the support and maintenance agreement and what won't? Get as clear a picture as possible of all the costs associated with a data integration deployment to create a true total cost of ownership (TCO) picture that can be used when selecting your provider of choice.

Data integration providers should have a clear strategy for all projects, wherein a timeline is established and the order of tasks is set. For example, DiCentral utilizes the DEFINE methodology, which outlines the integration process from initiating and agreeing upon terms (determining ownership, developing a schedule and deadlines) to running systems checks and sending compliance letters to your trading partners. Whatever the strategy, it should be approved by both parties and regularly reviewed to ensure proper progress is being made.

QUESTION 7. CAN WE WALK AWAY IF WE NEED TO?

As you embark on the search for a data integration provider, it's important to keep in mind one critical factor – not all vendors are good at all things. Choosing a provider with a high degree of focus is critical. Providers that are willing to take on any project, regardless of their expertise, are more likely to get bogged down in “learning as they go” – making the process slower and far more error prone than it should be. Regardless of how much expertise your provider of choice has in your type of data integration, it's important to explore what their boundaries are. Even though they may be experts at the type of data integration project you present, their willingness to take on too many projects will ultimately impact their ability to provide you with the resources needed to complete your work on time and on budget.

Some data integration providers will charge a premium for having a large number of retailers on their network, claiming that being on the same network will somehow provide an advantage for your organization. While it is beneficial for the provider to have established trading partner maps in place, you don't need to use the same data integration provider as your trading partners in the same manner that you don't need to be on the same cellular network as a friend to call them. As with any service, remember to keep a keen eye out for claims that seem vague, inflated, or too good to be true.

If your data integration provider is sending out red flags, or if you're unsure of your compatibility, walking away early is your best bet. While this can feel like taking two steps back, getting locked into a contract with the wrong data integration provider can set your entire organization's supply chain back for months or years to come.

SUMMARY

Selecting the right data integration vendor can be a daunting task. While total cost of ownership is certainly a key in making the right decision, it should not be the only one. By asking the right questions, and arming yourself with information, you're more likely to have a successful data integration, instead of becoming one of the 80% of companies that end up abandoning their integration goals altogether.

ABOUT DICENTRAL

Founded in 2000, DiCentral is a leading global provider of supply chain integration services headquartered in Houston, Texas, with 11 offices worldwide supporting customers in over 33 countries. DiCentral's services and solutions are singularly focused on B2B integration and used by many of the Fortune 1000, processing over \$200 billion in transactions for over 30,000 organizations worldwide. The company's vertical expertise transcends Automotive, Retail, Distribution, Manufacturing, Pharmaceutical, Health Care, Energy, and Financial Services.

DiCentral provides turn-key Cloud based B2Bi Managed Services, which allows organizations to connect and exchange critical business documents with their trading community. The core components of the Managed Services offering include: ERP Integration, Secure B2B Communications, Data Transformation, Artificial Intelligence-Driven Business Rule Analytics, Inventory Management and Trading Partner Community Management.

DiCentral's 20+ proprietary ERP adapters enable customers to automate fulfillment, shipping and receiving processes, respond quickly to business process and ERP changes and improve supply chain visibility. The company develops and markets a complementary suite of supply chain applications, including on-premise enterprise application integration (EAI), mapping & translation, inventory management, vendor managed inventory, managed file transfer, warehouse management, and point of sale (POS) analytics.

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