True℮**Commerce**™ | Do business in every direction

TrueCommerce EDI Buyer's Guide

As supply chains become more complex, EDI offers the technology you need to connect your systems, trading partners, demand channels and customers. Finding the right provider, however, is essential to scaling your business and achieving your goals. In this guide, we'll cover what you need to know about EDI, how different EDI offerings work, and what to look for in a provider. There are also links to additional educational resources, and a printable checklist you can use when evaluating different EDI vendors!

WHAT IS EDI?

EDI is an acronym for Electronic Data Interchange, which is a standard protocol that allows disparate business systems & revenue channels to communicate end-to-end, automatically. Essentially, EDI creates a bridge between your internal systems, your partners' systems, and a variety of sales platforms, such as online marketplaces or eCommerce storefronts. By automating the transfer of data between these systems, EDI can quickly process large order volumes, eliminate errors and delays, and streamline communications across your supply and demand channels.

WHO NEEDS EDI

EDI has been around since the 1980s, but as the push for digital and agile supply chains increases, EDI has become an integral part of the business landscape. In 2019 alone, EDI transactions accounted for nearly 80% of all B2B electronic sales.

Some businesses need to use EDI because it's required by major retailers like Walmart and Target. Others choose to use EDI to accelerate their order processing and scale their business operations. EDI is used by both B2B and B2C businesses, including manufacturers, suppliers, distributors, wholesalers, retailers and others.

Wondering if EDI is right for your business? If any of the conditions below apply to you, you're in the right place:

➤ My product just got picked up by a major retailer who requires EDI

➤ Time-consuming manual processes are stopping my business from growing

➤ I'm frustrated by having to retype every order from one system into another

➤ I need to be able to manage my orders remotely

➤ I'm overwhelmed by emails, PDFs and faxes

➤ I want to make my business more efficient and productive

TYPES OF EDI SOLUTIONS

This list touches on several popular EDI software and solution options. However, many vendors offer a combination of approaches to better serve their customers.

Learn About Our Web-based, End-to-End Integrated EDI Solution

EDI NETWORKS

Multienterprise Commerce Networks (One-to-Many)

These networks emerged most recently, in the last decade. They provide a modern, unified approach to support omnichannel and the growing need of enterprises to connect with many supply and demand channels, including EDI, eCommerce, online marketplaces, suppliers, retailers and more.

See How Our Foundry Platform Can Connect All Your Channels

Single Channel Networks (One-to-One)

This type of network generally supports EDI only, with few exceptions, and provides all the components required for EDI, such as mapping, translation, and connectivity to trading partners. As companies expand to sell via multiple channels, such as digital commerce marketplaces and drop ship programs, they may find that single-channel networks restrict their omnichannel growth.

Value Added Network (VAN)

VANs are a more traditional connectivity method through which a business sends transactions between multiple trading partners. VANs use a virtual mailbox to manage incoming documents, which must be manually checked and processed by the receiving party. These networks are becoming less popular as new connectivity methods are adopted by trading partners, such as AS2, AS3, FTP, SFTP and others.

EDI SYSTEMS

EDI in the Cloud (Web EDI)

Web-based EDI uses the cloud instead of physical on-premises servers. In addition to reducing IT needs and hardware and software costs, web-based EDI lets users manage their EDI from anywhere with wi-fi. Because the software is continually updated and backed up in the cloud, there's also no need for costly new software installations.

End-to-End Integrated EDI

This type of EDI solution enables streamlined communications between trading partners by eliminating the need for multi-vendor solutions. End-to-End EDI combines a value added network with trading partner maps and an EDI system that directly connects to demand channels and business systems such as ERPs.

On-Premises EDI

On-Premises solutions use physical, on-site servers to deploy EDI software, offering businesses complete control over their solution, including security and data access. Business can choose to house their servers on-location, or use a "hosted" solution, where the servers reside in a third-party data center. Businesses choosing to maintain their own servers will need to invest heavily in IT, while those using a third party may split maintenance and security responsibilities.

On-premises EDI is generally deployed by companies with significantly high transaction volumes, up to millions per month, which justifies investment in internal IT and mapping resources instead of outsourcing EDI needs. However, this option is becoming less popular as alternative fully managed service EDI solutions are offered.

How Can EDI Benefit My Company

BENEFITS OF INTEGRATED EDI

#1: Eliminate Manual Effort and Errors

Integrated EDI facilitates the translation and transmission of order data, so you don't have to waste time with retyping. In addition to accelerating order processing and fulfillment, integrated EDI also speeds invoice and payments processes, so you can quickly recognize revenue.

#2: Reduce Lead Times and Inventory Levels

EDI allows you to send and receive documents in a fraction of the time, which can drastically reduce delivery turnaround times. Plus, EDI documents like Advance Shipping Notices help you stay informed of incoming deliveries, so you can get ahead of stock shortages.

#3: Improve Supplier Relationships

No more lengthy phone calls or back-and-forth emails. EDI provides automated, accurate trading partner communications to ensure the right shipments get to the right locations, on time, all while reducing chargebacks.

#4: Cut Costs

EDI enables your business to scale while simultaneously reducing overhead, personnel requirements and time spent managing orders. With electronic document processing, you won't need to spend on paper, document storage, or postage.

#5: Position Yourself for Success

Hundreds of top retailers and e-tailers require EDI documents from their vendors. By using automated, compliant EDI, you'll be able to offer better service at lower prices, making you more attractive to new trading partners.

"EDI makes order processing much faster and easier because all our order data is handled automatically, which also reduces the potential for errors."

Blast Zone

COMMON EDI CODES

There are hundreds of EDI codes used for a range of order processing communications, but most businesses will use only a small subset of them regularly. The codes listed here are some of the most used EDI transaction sets across all industries.

➤ EDI 850 – Purchase Order

➤ EDI 855 – Purchase Order Acknowledgement

➤ EDI 856 – Advance Ship Notice

➤ EDI 810 – Invoice

➤ EDI 846 – Inventory Inquiry/Advice

➤ EDI 940 – Warehouse Shipping Order

➤ EDI 945 – Warehouse Shipping Advice

➤ EDI 997 – Functional Acknowledgement

Learn More About EDI Transaction Codes

WHAT TO LOOK FOR IN AN EDI PROVIDER

At this point, you understand what EDI is and how it can help your business. You're thinking about the types of EDI solutions that will work best for your business and exploring your options. So, how can you tell which EDI provider is right for you? Use the key elements below when judging different vendors, so you can feel confident in your final choice.

You can also use this list to re-evaluate a current provider who may not be providing exactly what you need!

1. Experience

How long has your provider been offering EDI? Have they worked with companies of your size, in your industry? If you're choosing EDI to meet a trading partner mandate, have they worked with that partner before? Can they show proven success for a business like yours? Make sure the providers you're considering understand how to address the specific needs of your business.

Learn About TrueCommerce's Background and Expertise

2. Total Cost of Ownership

To ensure you're getting the best value, you'll want to find an EDI provider with flexible options that can meet your current and future needs. Keep in mind that while some vendors might have higher up-front costs, others will require more long-term spend. We recommend calculating the total cost of ownership based on 3-5 years of use to get the best understanding of different solution prices.

While most EDI providers will allow (and encourage) upgrading, many will not allow downgrades during slow periods; a provider who offers both can help you manage costs through market shifts. Additionally, many EDI customers are surprised by hidden fees, so it's essential to review the fine print of your SOWs and contracts to see what services are or are not included. Here are a few fees to look out for:

➤ What is the price per transaction, both included in the allotment and more importantly, the fee per transaction when you go OVER your allotment? *This is an area companies are hoping you don't catch as you pay a huge overage charge once you exceed your allotment.*

➤ How much does the provider charge per trading partner per month?

➤ Per document subscription charges.

➤ User or labeling subscription charges.

➤ Upgrades and updates that are either not included or do not include services to assist with the migration.

➤ Network Transaction Plans that don't allow you upgrade, or more importantly downgrade until the end of a yearly agreement.

3. Integrations & Connectivity

If you use an accounting or ERP business system, storefront or marketplaces, make sure the EDI provider you choose has a proven history and understanding of your ERP technology. You should also ask potential vendors about their support system. The best vendors handle all their integrations in house, but others rely on third-party consulting firms, which can be a hinderance when dealing with technical questions and concerns.

Your ERP needs may change as your business evolves, so you should ask about the process if you want to switch or upgrade other systems. You want a solution that can fit into your existing model but can also transfer to other systems with minimal disruption.

4. Solution Features

Your business needs may be very different from someone else's, so it's imperative to know what kind of features each EDI solution has. Here are a few examples of EDI solution features you might find important:

➤ A Network of trading partner maps that are automatically updated to stay compliant

➤ Reporting and Advanced Analytics

➤ Support for translating PDF and Emails into EDI

5. Security

Whether you choose a hosted or cloud-based EDI vendor, security is key to protecting your business transaction documents and sensitive information. Features such as at-rest encryption, SOC certifications, GDPR compliance and data retention/disaster recovery help keep your data safe.

6. Scalability

Maybe you're just starting with EDI, or maybe you have a host of demand channels and supply chain processes on your mind. Choosing a provider with multiple supply chain solutions enables you to easily expand your integrations, without needing to juggle multiple providers. Common products/services EDI providers also offer include:

➤ eCommerce/Marketplaces Integrations

➤ Shipping Software

➤ Product Information Management

➤ Drop Shipping

➤ Vendor Managed Inventory

7. Customer Support

When something goes wrong, you need an EDI partner who will answer the phone, ready to help. Some vendors outsource their support; between limited hours, hold times, transfers between operators, and a lack of specific technical knowledge, this makes it difficult and frustrating to resolve issues. Instead, we recommend finding a provider with in-house customer support, in which the employees are directly experienced with your systems and can answer your questions and concerns quickly.

Ask prospective vendors about their support systems, including availability and contact methods. You'll also want to inquire about proactive monitoring and updates that can sniff out and solve problems before you even see them.

8. Reputation & Recognition

Unfortunately, you can't rely on a business's website or sales representatives to give you a holistic view of their business. To understand how a company measures up against the competition, you'll want to look at accredited third-party, independent websites and research organizations for more details. These can range from in-depth reports, to product comparisons, to verified customer reviews.

See What Gartner, IDC, TrueCommerce Customers, Peers and Respected Industry Publications Have to Say About TrueCommerce

Here's a list of established, third party evaluation and review sites you can use to see how industry experts and customers feel about your prospective vendors.

➤ Gartner, Inc. — Independent Research Firm with Reports on Different Vendors

➤ IDC, Inc. — Independent Research Firm with Reports on Different Vendors

➤ G2 Crowd — Highly Respected Software-Focused Review Site

➤ Capterra — Highly Respected Software-Focused Review Site

➤ Better Business Bureau — Customer Reviews and Complaints Center

EDI PROVIDER EVALUATION CHECKLIST

Finding the right EDI provider is a complex process—in addition to price, you'll need to consider service models, software deployment, integrations and more. This checklist is designed to help you compare different providers in key product and service areas. Make sure to add your own business-specific questions in the blank spaces at the bottom for a personalized checklist.

Selection Criteria	TrueCommerce	Vendor 2	Vendor 3	Comments
Number of employees	550+			
Headquarters	Pittsburgh, PA			
Locations	United States, UK, Ireland, Denmark, China			
Years of Experience	25+			
Customer & Analyst Reviews				
BBB Complaints	None			
G2 Crowd Rating	4.5/5			
Capterra Rating	4.5/5			
Gartner Peer Insights Rating	4.6/5			
Gartner Magic Quadrant	✔			
IDC Marketscape	✔			
Software/Platform Features				
Pre-Mapped Trading Partners	92,000+			
Supported Transaction Types	All Transaction Types			
Supported Transaction Standards	EDI, XML, CSV, PDF			
Communication Type	As1, AS2, FTP, sFTP, FTPS, HTTPS			
Multi-User Support	✔			
Cloud-Based Architecture	✔			
Advanced Analytics and Reporting	✔			
Asynchronous Processing	✔			
Alerts	✔			
Events Scheduling	✔			
Data Retention	✔			
Mobile Devices Support	✔			
Exception Management	✔			

Selection Criteria	TrueCommerce	Vendor 2	Vendor 3	Comments
Integrations				
Even if you aren't choosing an integrated solution, we recommend you look into vendors' integration capabilities, which may become important as your business grows. Integrations can range from cloud platforms like marketplaces and eCommerce storefronts, to back-office systems such as accounting, ERP, WMS, TMS, OMS and IMS systems.				
ERP/Accounting Systems	Acumatica, Microsoft Dynamics, Sage, QuickBooks, NetSuite, SAP and 200+ more			
Online Marketplaces	100+ connections, including Amazon, Ebay, Rakuten, Houzz, Walmart and Target			
eCommerce Platforms	Shopify, Magento, WooCommerce and BigCommerce			
Services				
Implementation Provided by Vendor or Third Party	Provided by TrueCommerce			
Remote/On-Site Implementation	✔			
New Partner Mapping	✔			
Trading Partner Testing	✔			
EDI Testing	✔			
Integration Testing	✔			
Integration Capabilities				
EDI solutions come with a variety of integration features that offer data control and efficiency. Consider each vendor's ability to provide these functions, which may be helpful as your business scales.				
API and Service-Based Integration	✔			
File Integration	✔			
Item Translation	✔			
Price Validation	✔			
Customer Creation	✔			
Sales Module	✔			
Purchasing Module	✔			
3PL Module	✔			
Inventory Module	✔			
In-House or Third-Party Integration Development	In House			

Selection Criteria	TrueCommerce	Vendor 2	Vendor 3	Comments
Support				
24/7 Support Availability	✔			
Regional and Global Support	✔			
Included Maintenance	✔			
Proactive Mapping Updates	✔			
Proactive Transaction Monitoring	✔			
Chat Support	✔			
Knowledge Base/Self-Training Tools	✔			
Optional On-Site Service	✔			
Defined SLAs	✔			
Solution Evaluation				

When discussing your EDI solutions with key stakeholders, consider use cases and how each provider executes on those needs. Use the space below to evaluate your use cases.

Use Case #1	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	
Use Case #2	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	
Use Case #3	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	
Use Case #4	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	
Use Case #5	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	Met ☐ Not Met ☐ Work Around ☐	
Cost of Ownership				

Different EDI providers have different up-front and monthly fees. To accurately compare them, we recommend looking at the total cost for the first 3 years.

Year 1				
Set-Up Fees				
Recurring Fees				
Year 2				
Set-Up Fees				
Recurring Fees				

Selection Criteria	TrueCommerce	Vendor 2	Vendor 3	Comments
Year 3				
Set-Up Fees				
Recurring Fees				
Total 3-Year Investment				
Additional Products/Services				
eCommerce Platform	✔			
Product and Catalog Management	✔			
Packing, Shipping and Drop Ship Solutions	✔			
Security				

Protecting the confidentiality and integrity of both your and your partners' data is essential. Make sure the vendors you consider can both protect your data from outside influences and recover it in the case of an emergency.

Encryption at Rest	✔			
Two-Factor Authentication	✔			
User Activity Log	✔			
SOC Certification	✔			
GDPR Compliant	✔			
SOC-Certified Data Centers	✔			
Disaster Recovery	✔			
Your Questions				
1.				
2.				
3.				
4.				

*TrueCommerce fields Updated July 2020.

ABOUT TRUECOMMERCE
TrueCommerce is the most complete way to integrate your business across the supply chain, integrating everything from EDI to inventory management, to fulfillment, to digital storefronts and marketplaces, to your business system and to whatever comes next. That's why thousands of companies across various industries rely on us.

**TrueCommerce.
Do business in every direction.**

THE TRUECOMMERCE TEAM IS HERE TO HELP!
If you have any questions regarding TrueCommerce, or how our solutions apply to your business, our passionate, customer focused team is here for you.

Call us today at 888.430.4489

www.truecommerce.com

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