

**GENTRAN**

WHITE PAPER

## **Critical Issues — What to Consider When Selecting an EDI System**

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## The Definition of Twice

Once too often. That's how the American writer, Ambrose Bierce, defined twice.

Ask anyone who's had to implement an electronic data interchange (EDI) system twice because their first attempt fell short and you'll likely get a similar definition — with a few choice words thrown in for good measure.

The fact of the matter is, implementing any new technology — EDI included — demands a sizable investment in time, resources and effort. So, the last thing you want to do is select a system, install it, then turn around and do it all over again because the initial EDI solution you chose wasn't powerful enough, flexible enough, or simply didn't offer the service and support you needed to succeed. No, when it comes to implementing EDI, once is definitely enough.

For this reason, you want to make darn sure you get it right the first time. But how? How do you know if the EDI system you select has what it takes to meet your immediate needs as well as your future business goals?

This white paper will arm you with valuable information on how to select an effective EDI solution. By outlining the eight most critical issues to consider when selecting an EDI system, you'll discover what you absolutely cannot give up in terms of price, performance and design.

Keep in mind, these issues are valid and self-sufficient, regardless of vendor, hardware platform or business industry — by no means should they be considered “extras.” Indeed, they form an essential checklist that you should use to strictly measure how one electronic commerce (EC) provider stacks up against another. The EDI solution you select must include:

1. Vendor commitment to EDI
2. Support for multiple platforms
3. Smooth integration with your existing applications
4. Support for the most commonly accepted world standards
5. Integration with non-EDI messages
6. Scalability to effortlessly grow your EC system
7. Managed service offerings and education
8. Quality customer support



## 1. Vendor Commitment to EDI

Be careful. Just because a company merchandises EDI doesn't necessarily mean they're a focused electronic commerce solutions provider. As a result, you need to determine whether or not your vendor views EDI as a business or as a hobby.

A great way to separate the pretenders from the players is to review your potential vendor's financial information that shows, in detail, revenues derived from the sale of EDI software and services. Each company, whether privately held or public, should make this information available to you so that you can identify their strengths and their weaknesses.

For example, to evaluate the width and breadth of a proposed vendor's product set and vision for supporting EDI, take a look at their financial statements and pay particular attention to the number of employees they have dedicated solely to EDI, their research and development commitments (in dollars and as a percentage) and their technical resources allocated to product development and support.

## 2. Support for Multiple Platforms

To avoid falling into the EDI "money pit," it's imperative that your selected vendor is capable of providing EDI solutions across multiple platforms. As a potential EDI client, you should consider the ramifications of being tied to a single platform without exploring the options available to you.

And there's a lot to consider. For instance, how many times has the origin of application data changed at your company? Will corporate growth require you to distribute EDI translation and communications capabilities across multiple platforms? What happens if your company acquires another company with a disparate computing platform? How many times have other divisions or departments chosen a different computing platform or direction that you may ultimately support?

Without question, recognizing the need to expand, distribute, regionalize and reengineer business applications cannot be overlooked. Translation and communications should be a seamless process regardless of your platform directions. As a result, the vendor you choose must have the ability to support different computing platforms that protect your investment in EDI software.



### 3. Smooth Integration with Existing Applications

This is another area that, if overlooked, can wind up costing you a pile of money — not to mention, a heap of aggravation. Therefore, the EDI system you select should have the ability to interface with your existing business applications.

After all, you've invested a good deal of time and dollars in your current business applications and you shouldn't have to recreate them to fit an EDI product's format. This requires a vendor with solid relationships with leading enterprise resource planning (ERP) application providers, such as Baan, Oracle, J.D. Edwards, Peoplesoft and SAP.

More specifically, all EDI translator software packages must provide a means to take your application file definitions and transform or "map" these definitions into an agreed-upon standard. This integration is pivotal in allowing you to support your business requirements without numerous changes to existing application systems.

The translator package must also provide a comprehensive set of tools which allow you to easily define unique application code conditions (units of measure) or perform logic functions or arithmetic calculations. The translator should also provide a means to calculate accumulators and figure hash totals within documents. These features keep you from having to write and maintain costly pre- and post-process programs.

### 4. Support for the Most Commonly Accepted World Standards

The key word here is "world." Not national. Not international. But world.

One of the most remarkable benefits of EDI, after all, is that there are virtually no boundaries with whom you do business. Today, the scope of your trading community may be limited to companies in Milwaukee and Cincinnati; however, tomorrow you may be doing business with trading partners in Milan and Singapore. To tap into this "global market," the EDI strategy you select must be able to support a variety of world standards.

Standards, as you may know, are the agreed upon, accepted representations of what an application document will look like. The establishment of standards lets you and your trading partners exchange documents such as purchase orders, invoices, advanced ship notices, etc., with little effort while enjoying the efficiencies of a common language.



Any EDI translation software you choose should support all of the available ANSI X12, UN EDIFACT, TRADACOMS (and other) standards. ANSI X12 is predominantly used in North America, while EDIFACT is used in Europe and is seen as the emerging global standard. Ideally, your vendor should be able to certify these standards according to specific countries. This support not only provides a “global” approach to EDI processing, but it also shows the ability of the vendor to manage and support all the EDI standards you need today and may need to support down the road.

Your selected vendor should also provide updates to all existing standards as part of its normal maintenance charges on a software product. What’s more, the vendor you choose should show a willingness to support new standards versions within a specified period of time.

## 5. Integration with Non-EDI Messages

For years, some companies have opted to use proprietary formats other than traditional EDI to exchange business information. Various reasons prompted this including, ease of use, perceived difficulty and cost of EDI, direct application integration, and commerce partner requirements.

And right now, the Internet is transforming the way businesses conduct electronic commerce.

An example is eXtensible Markup Language (XML) , which represents a new and powerful syntax for electronically exchanging business information, via the Web.

With this in mind, your vendor should have a solution that offers a common gateway for exchanging between XML, traditional EDI, and proprietary formats. Specifically, the solution you choose should give you the ability and freedom to centrally translate, track, audit, archive, and transport all messages, regardless of format.

## 6. Scalability to Effortlessly Grow Your EC System

If you were forced to select just one feature listed in this white paper, scalability is arguably the one to select.

Fact is, technology today changes at a breakneck pace. It’s completely within the realm of possibility for a software program to thrive today, only to be rendered obsolete by the end of the month. As a result, you want to be confident your vendor can provide you a clear and safe path to emerging technologies — not lead you down a dead-end alley where your system is slowly strangled.



Keep in mind, scalability goes beyond a vendor's capacity to offer a solution that provides support for multiple platforms and standards. Scalability refers to a software's power to give you outlets for growth. Growth for upgrading your system. Growth for implementing new technologies. Growth for your company.

For instance, find out what it'll take to move to newer versions of software. Is it a simple process or will it require a Herculean effort? Discover if the vendor offers an Internet solution. Is it available today? Are there any companies actually using it to perform EDI? What impact is the Web-based solution having on their business?

In short, the vendor you give the nod to must do more than offer cutting-edge technology, they must ultimately deliver cutting-edge business solutions — because if their EDI system can't grow, your company can't grow.

## 7. Managed Service Offerings and Education

Since the move to electronic commerce may be the result of a trading partner requirement, the entire concept may be intimidating. This is especially true when your trading partner has been doing EC just long enough to forget what is really involved in establishing an electronic link, translating documents into accepted EDI formats, and managing the entire inbound/outbound process.

Associated deadlines may make matters worse; if keeping trading partners happy means being prepared by a certain date, a stack of software manuals and a CD are not likely to be enough to get you over the learning curve in time. For this reason, the vendor you select must be able to back its product offerings with a full complement of flexible, packaged and custom services. Moreover, these services should be delivered by professionals who will help you implement EC in the least amount of time and with minimal disruption to your staff, your customers and your day-to-day operations.

Integration is perhaps the greatest challenge you face. Deriving the time value of your EC investment means integrating it smoothly with both legacy and packaged applications. You need to make sure your services provider is a veteran at this, especially when it comes to critical ERP packages such as those from SAP, Oracle and Peoplesoft.

Finally, you should expect your chosen vendor to offer a wide range of services. They should include a variety of EC training and education courses tailored for all levels of understanding. Likewise, courses should be available at times and locations that are convenient to you.

While there are independent consultants willing to take on this risk, most companies new to electronic commerce are leery of adding another layer to the process. When questions arise — and you can bet they will — you need answers, not another phone number.



## 8. Quality Customer Support

Implementing a new technology like EDI without a solid support structure is like walking a tightrope high above the ground without any safety net. There's a chance you'll make it across, but it comes with a dangerously high risk.

Not surprisingly then, choosing a vendor that can provide not only quality support, but levels of quality support, is essential to your ongoing EDI success. At a minimum, you should expect a toll-free phone number and production-down support seven days a week, 24 hours a day.

As the customer support representative will be your most frequent contact with the vendor, you should also expect extended hours of availability for general support and questions and issues. Ask your prospective vendors about the size and organization of their customer support center. A vendor with strong support will have clear, user-set priority levels, fast response rates and published support policies.



## Get It Right the First Time

From improving customer service to saving time and money to creating new selling opportunities, EDI is a tool that can definitely sharpen your competitive edge. But be warned: all EDI systems are not created equal.

As a result, deciding which EDI system to implement is just as important as deciding to implement EDI at all. Because while the benefits of EDI are remarkable, the backlash of a wrong choice can be equally devastating.

Face it, business is moving fast and you simply don't have time to go back and fix what should have worked well out of the blocks. You must choose a vendor and solution that gets it right the first time. So do your homework. After all, finding the right vendor now can mean the difference between implementing EDI once and for all — and implementing EDI once too often.

## Want to see how it all stacks up?

Use the enclosed checklist below to tabulate the offerings of different EDI vendors, and determine which solution provider is right for you.

VENDOR CHECKLIST	VENDOR 1	VENDOR 2
1. Vendor stability and commitment to EDI	<input type="checkbox"/>	<input type="checkbox"/>
2. Support scalable products native to your platform of choice	<input type="checkbox"/>	<input type="checkbox"/>
3. Support for the most commonly accepted global standards	<input type="checkbox"/>	<input type="checkbox"/>
4. Smooth integration with existing business systems	<input type="checkbox"/>	<input type="checkbox"/>
5. Integration with Non-EDI message	<input type="checkbox"/>	<input type="checkbox"/>
6. Scalability to effortlessly grow your EC system	<input type="checkbox"/>	<input type="checkbox"/>
7. Managed service offerings and education	<input type="checkbox"/>	<input type="checkbox"/>
8. Quality customer service	<input type="checkbox"/>	<input type="checkbox"/>



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