



B2B Messaging/EDI Buyer's Guide

GET STARTED >

Introduction

Even in a world where companies expect real-time information at the tip of their fingers, the message is still what matters. Enabling ERP systems to communicate with each other is exactly what EDI connectivity does. The messaging is error-free, standardized and automated.

Although EDI is invisible to most people within an organization, it has been around for over 50 years.

EDI is continually delivering value and leading to the success of companies that opt for EDI as a strategic part of their digital transformation efforts.

It effectively enables companies to make strides in efficiency, cost savings and process optimization, allowing them to focus on the heart of their business. The question is: how do organizations know what to buy and why? This buyer's guide will advise you along your buying journey and help you decide on the best EDI solution to suit your specific requirements.

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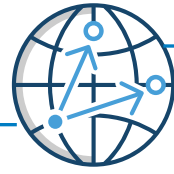
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What type of information is exchanged with EDI?

Electronic Data Interchange or EDI is the general term for the standardized exchange of business documents from computer system to computer system. The most frequently exchanged messages include orders, invoices, dispatch advices, transport orders and status messages. By using standards in the exchange of information, the data can be automatically fed into internal systems.

It is important to distinguish EDI from data communication. EDI concerns the standardized exchange of business information between organizations, while data communication is about the actual exchange of information from computer to computer.

What are the benefits of EDI?

Companies can save time and money by reducing manual data entry, which also greatly decreases the level of human errors. Efficiency gains are a proven benefit of automating and standardizing B2B messaging: processes run more smoothly and information is instantly available. An optimal EDI connection will help improve customer satisfaction. Suppliers who use EDI have a stronger competitive position compared to peers who have not yet adopted EDI. Finally, EDI reduces the use of paper or even eliminates it, which decreases a company's ecological footprint.

What industries use EDI?

EDI is used in all industries. Industries with a high EDI adoption rate include retail, e-commerce, manufacturing, distribution and logistics.

In certain market segments, the use of EDI has been given an extra boost by standardization organizations, such as GS1 in retail and IATA in the air industry. Sometimes companies will also require their suppliers to engage in EDI and it becomes mandatory in order to qualify as a vendor. In addition, there are quite a few government agencies such as customs and port authorities that demand declarations to be sent electronically via EDI.

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How do EDI and digital transformation fit together?

When embarking on the digital transformation journey, organizations use digital technologies to establish new or optimize existing business processes through automation. EDI lets businesses efficiently share electronic data. EDI is fast and reliable. It eliminates manual work, errors and double effort, freeing up employees' time for more value-added tasks that benefit key areas of the business.

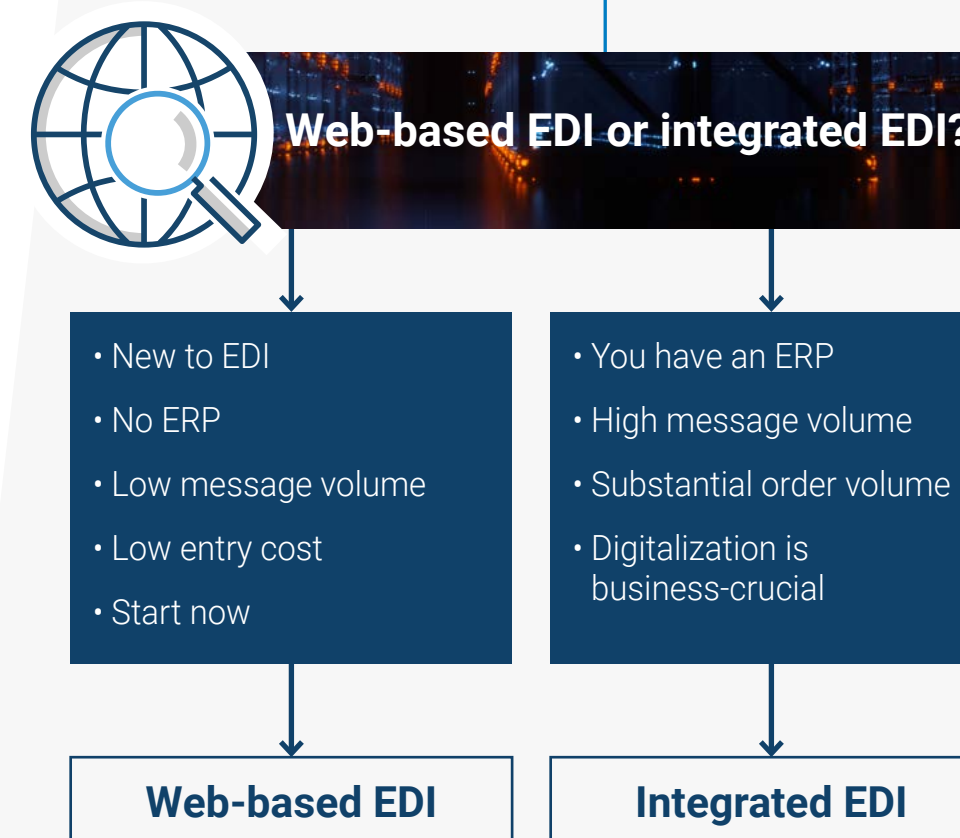
By streamlining commercial, B2B and logistics messaging, organizations gain insights into all aspects of their business and transactions. With the real-time data available to them, they not only increase their operational efficiency and save costs, but they also achieve the agility to respond instantly to changing supply chain requirements and customer expectations. As such, EDI seamlessly fits in with today's 24/7 always-on economy. Additionally, Electronic Data Interchange provides a common business language that enables organizations to easily enter new markets and territories, onboarding new trading partners anywhere in the world.

EDI software and solution options

There are typically two options for setting up EDI for B2B messaging: web-based EDI and integrated EDI. Here's how you determine which one is right for you.

Web-based EDI is an easily accessible and user-friendly web solution for exchanging EDI documents with your trading partners. It lets users manage their EDI from anywhere with an internet connection. The software is continually updated and backed up in the cloud, so there's no need for new software installations.

Integrated EDI provides a value-added service for trading partners directly connecting business systems such as ERPs. It combines document translation and exchange enabling streamlined communication between trading partners.



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Cost considerations



How to define your business case?

So, you have to calculate what kind of investment your company is looking at when deciding to use EDI? No need to feel overwhelmed: with the information below you will be in the driver's seat. To determine what kind of budget you need for your EDI project, these are the key areas to take into consideration:

Elements affecting cost:

- Number of trading partners to connect
- Number of transactions
- Required message types
- In-house or outsourced EDI management

ROI elements:

- Time and resource savings by reducing manual work
- Improved data accuracy and productivity
- Reduced error rate leading to fewer fines, charge backs and less rework
- Reduced information cycle times

As you can see, it's not only a question of what pricing model is the best for you, but also what are the specifications for your particular project.



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How to build your budget?

These are the typical sections in your budget:

- Fixed setup costs
- Monthly messaging fee (depending on message volume)
- Support and maintenance fees

How to get your management team's buy-in?

The most surefire way to guarantee your management team is onboard is to demonstrate how the use of EDI aligns with your company's digital transformation strategy and goals. Your most powerful arguments are process optimization and cost reduction through automation, which you can highlight with a convincing ROI based on the key benefits of EDI.

Also, it is important to demonstrate that you are getting value for money with EDI while protecting business operations. Therefore, selecting a service provider with a track record as a reliable partner is the best way to reduce the risk and ensure a smooth EDI implementation. Use your service provider's customer success stories to highlight the added value companies in your industry are already leveraging from the adoption of EDI. Customer testimonials provide valuable insights as to the project approach, duration and the impact on daily business. Last but not least, your management is probably very interested in seeing how EDI will help them gain a competitive advantage. Show them how, with the right service provider, EDI helps them easily connect with trading partners. Explain how a provider with a large number of connected trading partners on their network facilitates business expansion.

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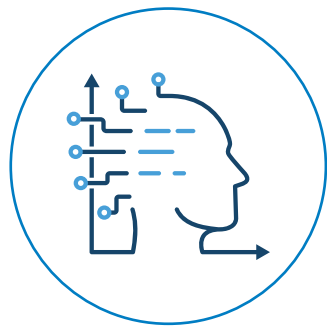
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What to look for when purchasing an EDI solution?



By now you have a fairly good idea of what EDI is and what benefits it can bring to your organization. You know about the solution options and what they entail. Now, it is time to consider what vendor is right for your EDI project. The key differentiators below will help you to compare EDI providers and select the best partner to manage your project.



Expertise

How long has the provider been active in EDI? Have they worked with companies of comparable size? Do they have references in your industry? Do they understand your industry's specific requirements? What is the expertise level of the project team?



Size of trading partner network

Make sure you choose a provider with an extensive network. The larger the number of trading partners on the provider's network, the easier it will be to connect with your trading partners and their respective partners.



Solution features

Look for a provider with a secure SaaS solution, who is up to speed with any compliance requirements in your industry, has the necessary message translation capabilities, etc.

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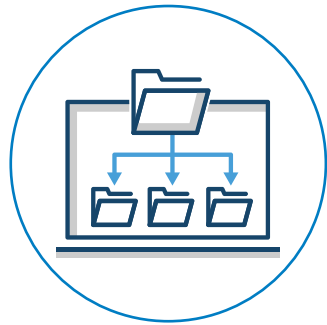
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Scalability

When selecting an EDI solution, it's essential to ensure it's scalable, so you can effortlessly on-board additional trading partners when you need to. It's also better to opt for an EDI provider that offers multiple supply chain solutions such as warehouse management, transport management, and e-commerce solutions. Choosing a provider with a wide range of solutions will save you the trouble of dealing with multiple vendors for extra integrations.

Pricing models

Look for a provider that offers flexibility in terms of pricing. Pricing is influenced by several criteria such as the number of transactions per month, trading partner onboarding cost, updates and upgrades, etc. Make sure your provider looks at the model that best fits your specific situation.

Trustworthiness

When selecting a service provider, security is paramount. Check for certifications and auditing reports to ensure that the company meets industry standards for data protection. Specifically, check for security certificates, and make sure they are up-to-date, to ensure that your business documents and sensitive information are treated with the utmost care and protection.

Integration

Ensure that your EDI provider has a proven track record of integrating with ERPs or other relevant business systems. Anticipate future changes in your ERP and check whether your EDI provider can handle a switch without causing significant disruption to your processes.

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Service levels & customer support

When selecting an EDI partner, ensure the service level provided meets your business requirements. Preferably, choose a provider with in-house or global customer support and ask about contact methods, proactive monitoring, managed services and escalation procedures.

Sustainability

In today's world, sustainability is a mandatory consideration for most industries. EDI enables environmentally sustainable practices in various ways. By automating and simplifying the order-to-cash and procure-to-pay processes, EDI eliminates paper, improves order accuracy, and reduces reorders and returns. As a result, there is less need for shipping, leading to lower fuel consumption and reduced emissions during transportation.

Local presence, global coverage

Selecting an EDI provider in your area can offer benefits such as shorter communication lines, quicker responses, and easy access. However, choosing a provider with a global organization offers several advantages. A global organization reduces the risk of your vendor going out of business and grants access to a vast network of global trading partners. Furthermore, such a provider has familiarity with worldwide compliance requirements and other regulations.

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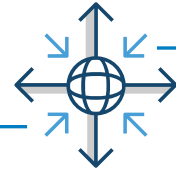
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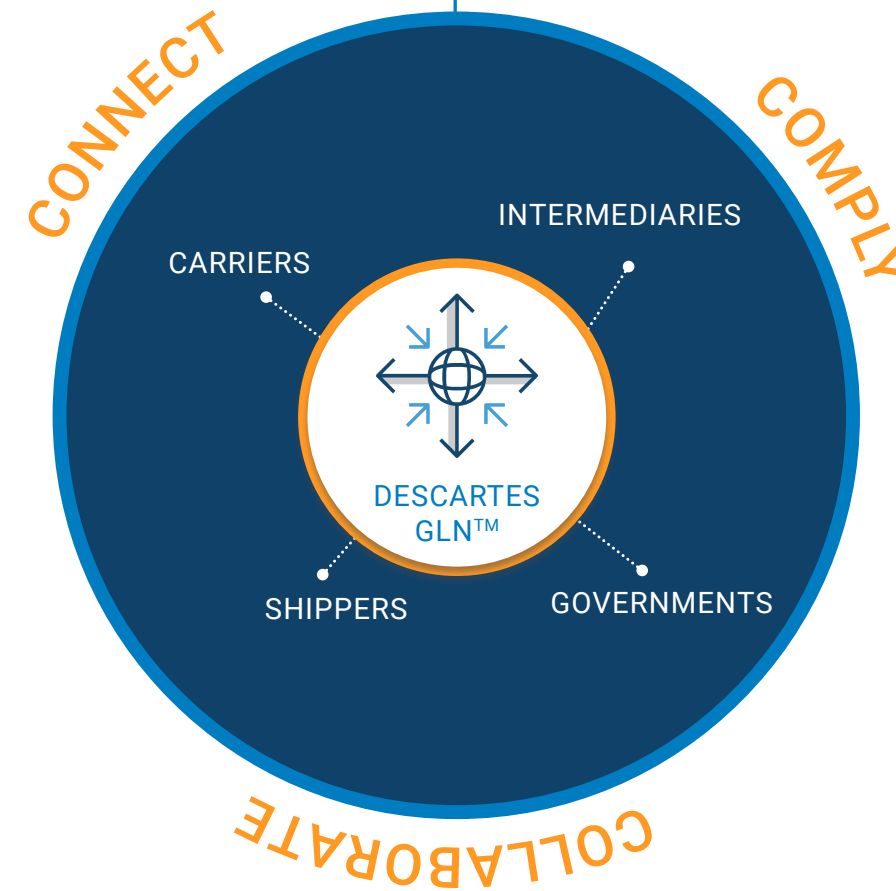
The Descartes Global Logistics Network™

The Descartes Global Logistics Network™ (Descartes GLN™) manages the real-time flow of commercial, logistics, customs and product information. It connects hundreds of thousands of logistics and transportation, manufacturing, distribution, retail, government, and e-commerce businesses in over 160 countries.

We help standardize, digitize and automate multi-party buy-sell-ship-pay processes. These complex supply chain processes are conducted across diverse geographies and technical platforms and involve a wide range of communication protocols and business documents that span across various entities, including buyers, sellers, transportation providers, logistics intermediaries, and customs authorities, and other supply chain participants.

The Descartes GLN™ enables organizations to

- Connect trading partners faster through standardized connections
- Meet unique data and processing requirements
- Improve data timeliness and completeness
- Increase the value of information moving throughout the enterprise



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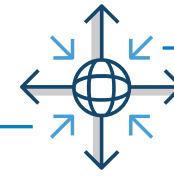
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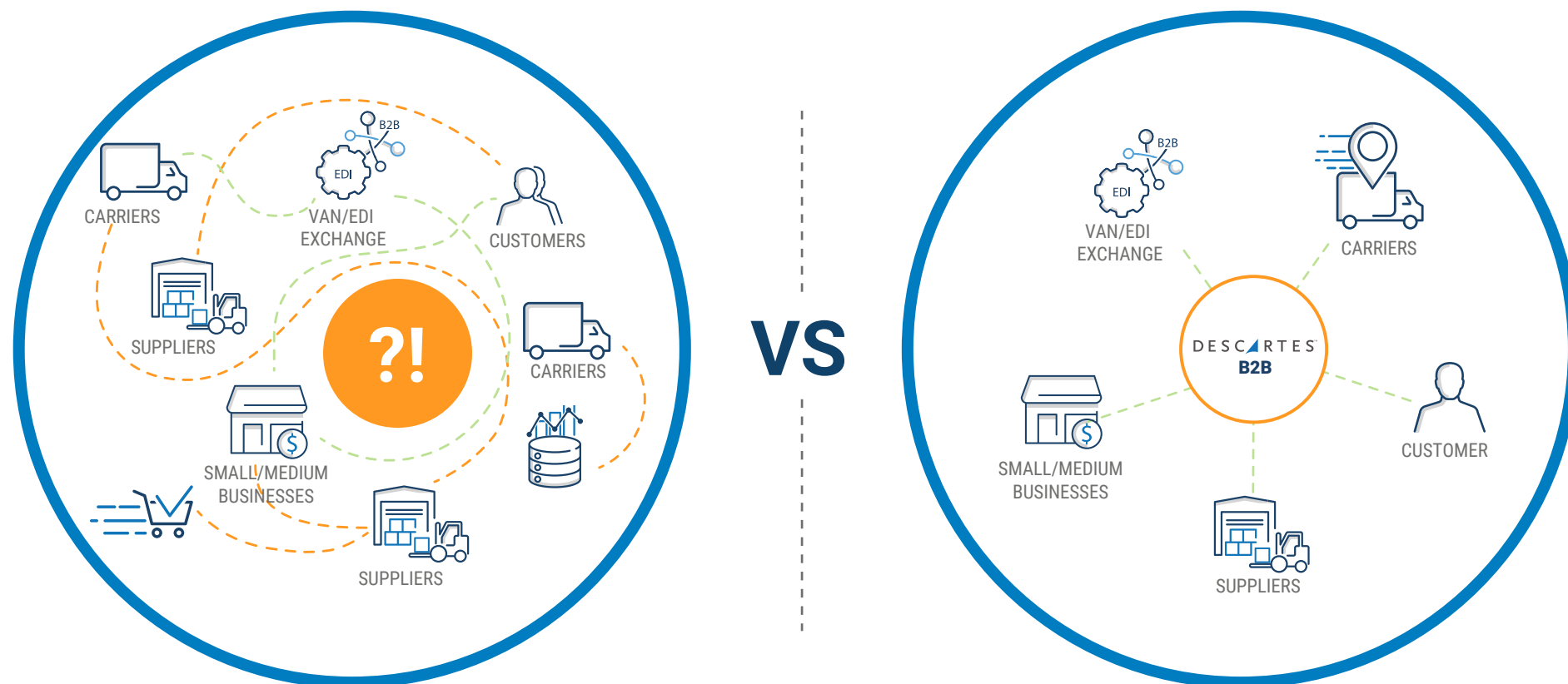


Descartes' B2B Messaging/EDI

Many market factors, such as e-commerce, are increasing the pressure on enterprises to digitize their multi-party business processes. Descartes' B2B Messaging/EDI enables companies to seamlessly connect to customers, suppliers, logistics service providers and other trading partners to better manage the flow of data, documents and goods.

- Order-to-cash: automating and accelerating order management and accounts receivable processes
- Procure-to-pay: digitizing the purchasing life cycle to improve visibility and control from purchase order creation to goods receipt and payment
- Supplier compliance: monitoring performance across suppliers to enhance inventory management and delivery reliability
- Integrated EDI services: our goal is to establish a long-term partnership with you to handle all of your logistics processes. Our flexible service offerings enable us to scale and evolve alongside your business.

The result is a simplified and reliable exchange of electronic data:



WITHOUT B2B solution by Descartes

WITH B2B solution by Descartes

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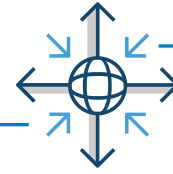
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As your strategic partner, Descartes offers a menu of services to help reduce cost across the supply chain:

- EDI services for supplier/carrier connectivity
- third party freight optimization
- freight audit/settlement services
- inbound supply chain visibility and event management
- inbound carrier score carding
- dock door scheduling
- yard management
- global customs management etc.



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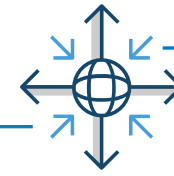
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Why Descartes?



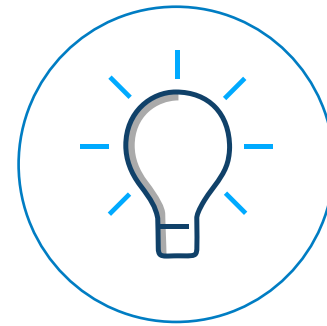
Focus on customer success

Companies in diverse industries worldwide are proud to share how Descartes supply chain and logistics solutions have contributed to their success, optimizing operations all along the supply chain journey.



Multimodal, Multiparty and Global

The Descartes Global Logistics Network™ (Descartes GLN™) manages the real-time flow of commercial, logistics, customs and product information. It connects hundreds of thousands of logistics and transportation, manufacturing, distribution, retail, government, and ecommerce businesses in over 160 countries.



Leading Technology Innovator

Descartes leads the industry in innovation investment offering scale, stability and the most comprehensive footprint of logistics management and supply chain solutions.



Operational & Financial Strength

With 24,000+ customers worldwide, over \$424m of annual revenue and 1,800+ employees, Descartes is a stable partner for your logistics and supply chain projects.

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How does Descartes' EDI integrate with your existing technologies?



Descartes offers a standardized integration approach for all ERP systems. With the Descartes setup, you no longer need to worry about the EDI standards and versions used by the different trading partners.

Rely on Descartes' expert team for a hassle-free integrated EDI solution.

Below are logos of some of the ERP systems we integrate with (non-exhaustive list).



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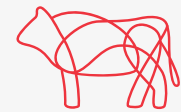
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What are users saying about Descartes' EDI solutions?



Descartes is committed to providing added value to our customers. Our goal is to make your lives easier and help your operations run smoothly. EDI is an enabler for efficient B2B message exchange and thus optimized order-to-cash and procure-to-pay processes. However, don't take our word for it. Instead, below are some of the comments we hear in interviews with our customers.



VANDEBogaERDE FOOD GROUP
VANDEBogaERDE - Neco - Fraco
- SINCE 1910 -

“Although EDI is the norm, every retailer has specific requirements within EDI communication. Here too, Descartes' EDI Messaging supports us by translating such specific message traffic to our various partners.”

Kristof Coysman,
Responsible IT & Administration at
Vandenbogaerde Food Group



“Any company that wants to introduce a new warehouse management system must also evaluate and optimize all interfaces and processes. For Lagerhäuser Aarau AG, outsourcing the EDI part to Descartes has proven itself. Setting up and managing customer interfaces requires a lot of know-how that we no longer need to have in-house. And it's just faster, which of course contributes to increased efficiency.”

Jasmin Serifovic
Chief Logistics Officer at
Lagerhäuser Aarau AG



“Amedis processes several hundred pallets of goods per week. For this, it is necessary to handle the processes quickly and error-free. The installed interface helps Amedis to check the batch information, expiration date and delivery note number, which are sent directly by the supplier and displayed as a template. In addition to the process efficiency, this is another security mechanism that prevents incorrect entries.”

Management of Amedis-UE AG



“The benefits of time savings, accuracy of the data and the fact that we can optimize processes after analyzing the data definitely outweigh the initial investment.”

Tom Kumpen,
IT Manager at TDL Group

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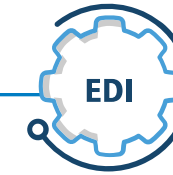
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6 steps to a successful EDI implementation



Implementing the exchange of EDI messages, fully integrated with an ERP system, is a complex endeavor, which requires not only the right technology but also the commitment of all internal and external stakeholders. Essentially, it is not an IT project, but an organizational one. A rollout of EDI is a full-fledged, multifaceted project with a variety of interdependent activities and tasks.

Since a project involves multiple parties and mutual alignment, appropriate planning and overall coordination are prerequisites for success. Also, before you can start an EDI implementation, information concerning the desired message content and message exchange method to be used between the trading partners must be available.

Customers often ask us: “when can you start?” and “how long will it take?”. Well, the best advice we can give you is to start on time and come well-prepared: collecting all the data, informing your IT partners, defining the scope of the project and getting everyone involved takes time. The sooner you have everything ready, the sooner we can start your project. But, because we have so many trading partners on our Global Logistics Network™, we will then have you up and running quite fast.

A structured, project-based approach is required to make a success of any implementation project whether it is a greenfield or a migration situation. An abbreviated version of Descartes’ six steps for a successful EDI implementation is shown in the image.

For more details on every step, please refer to the **e-book “6 steps to a successful EDI implementation”**.

Step 1
Involve all stakeholders
Form a project team with representatives from all stakeholder groups.



Step 3
Develop an integrated strategy
Think about how to convince trading partners, how to communicate with them, timeframe etc.



Step 5
Go-live support
After go-live, the project team will remain on stand-by for several days. We provide instruction and documentation.



Step 2
In-depth analysis
Perform an in-depth analysis of all the elements of the required message set. Focus on both internal and external information.



Step 4
Test the system
Make sure that you put all business scenarios to the test. Afterwards, adjustments can be made and it is easier to connect other trading partners.



Step 6
Use, manage, migrate
As EDI is available as a cloud solution, your organization can fully focus on the business. Rely on the implementation consultant for the technical setup of trading partners.



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Let us assist you



Are you ready to move forward with EDI? Have you received a request to use EDI with your trading partners? Not sure how to start the project?

If you'd like us to help you, reach out to our experts for advice on your specific EDI project or for additional information. We look forward to partnering with you to answer your questions and help you determine which EDI solution is the perfect fit for your organization.

Contact us via info@descartes.com or call our local office listed on our [website](#).

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Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at [Descartes.com](https://www.descartes.com) and connect with us on [LinkedIn](#) and [Twitter](#).

DESCARTES

The Descartes Systems Group Inc.
www.descartes.com | info@descartes.com

Uniting the People & Technology
That Move the World



Network.



Applications.



Content.



Community.



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