

EDI and VAN Explained



Understand the role of EDI in a modern VAN



Learn the business benefits of implementing an EDI VAN



Discover how to optimize an existing EDI VAN setup





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Introduction

Most actors come and go, but there are a few – Morgan Freeman, Betty White, Michael Caine – who have passed the test of time. They were popular when younger but as the years have gone by, they've reinvented themselves and are more popular than ever.

Similarly, while most technologies don't age well, some become indispensable for far longer than predicted. This explains the enduring appeal of electronic data interchange (EDI). A mainstay of business for well over half a century, each new year brings confident announcements of its imminent demise. And, every year, the trend is bucked and EDI goes from strength to strength.

Over the years, it's been said that the XML programming language would be the end of EDI, the advent of the internet would see it off and now, application programming interfaces (APIs) will make EDI redundant

Of course, this hasn't happened. So, what has?

We now have EDI for AS2, EDI for AS4, web-based EDI and mobile EDI to name just a few variations. Organizations haven't seen APIs as an alternative to EDI but as a complement, which can create fast and cost-effective integrations for their existing EDI infrastructure. EDI has survived due to its reliability and its adaptability.

Add more value to your network with EDI VAN

A case in point is the EDI value-added network (VAN). The EDI VAN began as a way for organizations to connect with a third-party network to send and receive business documents with trading partners. Its great benefit was the provider's ability to handle the communications needed to trade with a range of partners that use a wide variety of standards and document types.

However, the original EDI VAN providers delivered very little value. They could notify you that documents had been sent and received, and they had some basic audit and reporting functions, so you knew how your EDI system was performing.

Today's EDI VAN has exponentially evolved from the basic network service that grew to popularity in the 1990s. EDI VAN providers who have continued to invest in innovative capabilities over the years, now reap the benefits.

Those providers offer a comprehensive portfolio of sophisticated capabilities in addition to the basic digital exchange of information. Community management, supply chain visibility and advanced AI and analytics are all features to watch for on powerful and secure cloud-based EDI integration networks.

All of this led Forbes to proclaim, “EDI is cool again” in 2019, before clarifying that it’s “not all EDI, just EDI based on value-added networks (VANs).”¹

So, what exactly is an EDI VAN? What benefits can you expect from this kind of service? How do you get started with an EDI VAN? And, how do you know which EDI VAN provider is right for you?

Who should read this guide?

EDI and VAN Explained provides you with a handy book full of everything you need to know to get more from your EDI investment. Written with senior management in mind, it’s ideal for anyone who wants to know how EDI can help drive digital transformation within your business. You’ll also discover how to optimize your existing EDI VAN infrastructure to increase the performance of your business and your supply chain, while improving the experience of trading partners and customers.

Chapter 1

The evolution of EDI

In this chapter

- Learn about the development of EDI
 - Understand the different types of EDI
 - Discover the role of an EDI VAN
-

From its inception, EDI has enabled digital collaboration with customers, suppliers and partners. It has helped automate key business processes, such as procure-to-pay (P2P) or order-to-cash (O2C). Today, EDI has evolved from just exchanging business documents to driving organizations’ digital transformation initiatives.

As the capabilities of EDI and its prevalence in businesses have grown, so has the complexity of managing EDI connections. This encouraged the development of the EDI value-added network (VAN), which simplifies connectivity and trade with as many partners as you like, anywhere in the world.

In this chapter, you’ll learn about the development of EDI, the introduction of the EDI VAN and how today’s business environment is demanding a new type of EDI VAN.

What is EDI?

Conventionally, business documents exchanged, such as purchase orders and invoices, were paper-based and had no standard format. The information it contained would have to be manually entered into internal business systems, which was time-consuming, resource hungry and error prone.

The solution was to develop a digital standard for documents that could be securely exchanged with very little human input. The entire process became faster, more efficient and more automated.

With EDI, key business documents, such as purchase orders and invoices, which were traditionally communicated by paper, are now digital with clear benefits to all parties in a supply chain.

The benefits of EDI

- **Reduces costs** of personnel, supplies and office and storage space by automating traditional manual processes
- **Improves data quality** by eliminating the need to retype the contents of paper- or email-based documents
- **Saves time** through automation and information accuracy
- **Improves data security** by enabling data encryption and system to system transmission
- **Improves traceability** and reporting to support process visibility and analysis
- **Improves customer satisfaction** through better communication and product/service delivery

And, of course, the range of business documents is huge. The most common documents exchanged via EDI are purchase orders, invoices and advance ship notices. But when you exchange any type of business document with partners, EDI can help standardize the format and allow it to become digital. For example, many companies exchange documents such as bill of lading, and documents containing information about customs, inventory, shipping status and payment.

Today, research had found up to 86% of organizations use EDI within their supply chain², 86% exchange EDI documents with retail partners, more than 60% deploy EDI for e-commerce platform integration and more than half communicate with warehousing and logistics partners through the technology.³

How EDI works

An EDI document is based on standards that define how the data is formatted. This simplifies exchanging digital information between two partners that support the same standard.

An EDI document can hold a complex set of data. For example, an EDI ASN (advanced shipping notice) may include shipping details, information about contents with standardized product numbers and quantities and a timeline for delivery. An ASN may also provide barcoded ID numbers for shipping labels.

Several different EDI documents are used daily, worldwide. There is also a growing number of EDI standards, each with its own set of documents. For example, more than 300,000 companies in North America use the ANSI ASC X12 standard, while European organizations prefer UN/EDIFACT. For optimizing retail or healthcare supply, GS1 is a commonly used standard.

In addition, specific industries have developed their own EDI standards, such as ODETTE and VDA in automotive and Tradacom and VICs in retail.

Organizations often decide to customize the EDI standard to fit with their work practices or the business processes of their major customers. However, as organizations extend their supply chain and look to trade digitally with more suppliers and partners, they are faced with the complexity of supporting more document types, standards and communication protocols that may vary from partner to partner.

It is estimated that as many as 95% of EDI implementations have been custom built.⁴

The different types of EDI implementation

There are two basic models for EDI implementation: direct connection or networked. Let's briefly look at each:

Direct connection model

In this approach, you and your trading partner connect directly via the internet using an agreed upon EDI standard, communications method or protocol. This provides a flexible and high-performance model when dealing with a small number of large customers.

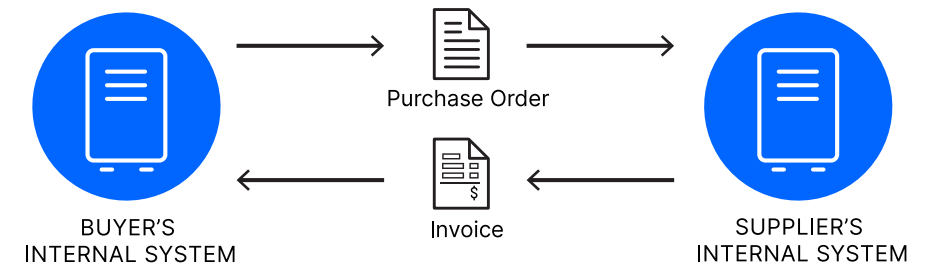


Figure 1: Direct connection model

To implement the direct connection model, you will need to purchase a software package that enables you to use the agreed upon protocols. Common direct connection protocols include AS2, SFTP, and FTPS.

However, as your trading community grows, the direct connection approach becomes more complex and less attractive. Often, each trading partner will prefer using different document standards and protocols and there is a great deal of work and cost involved in the onboarding of new partners to include setup and testing of changing formats to ensure that document exchange will run smoothly.

Networking model

The alternative to a direct connection model is to select an EDI network service provider that shields you from the complexities of varied supporting communications protocols required by different business partners.

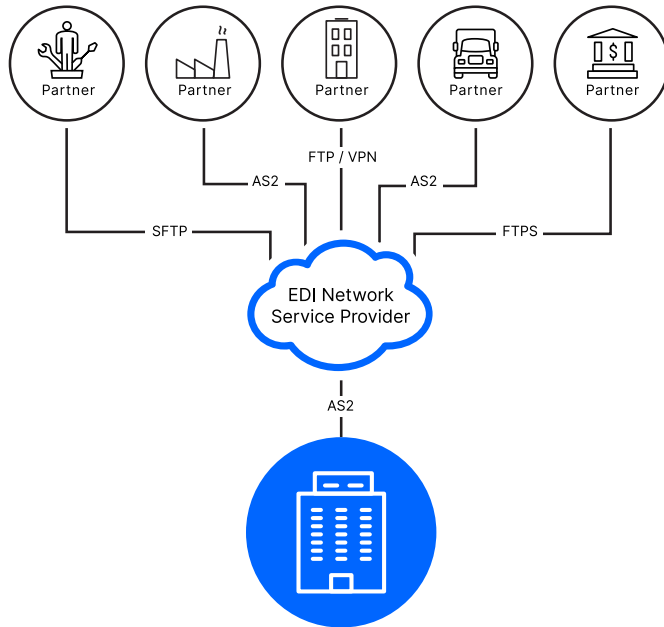


Figure 2: Networking model

In the network model, you have a single connection to the provider for all your EDI transactions and all your trading partners, using whatever protocol you prefer. As any number of organizations also connect to your provider, it is very easy to start trading with new partners. In addition, where a potential customer or supplier uses a different provider, it's the providers' jobs to make the connection.

While the types of EDI implementation can be categorized into these two general implementation models, the variety of EDI options as well as other types of electronic exchange have expanded to meet technology developments. We've seen a recurring pattern emerge: whenever a new technology or communication protocol appears, certain experts announce that the new method will replace EDI, only for EDI to adapt and integrate the new developments into EDI capabilities.

The result has proven both the flexibility and resilience of EDI and an increased focus on EDI VANs to help accommodate a wide range of EDI formats and capabilities.

Additional EDI options

EDI via AS2/AS4

AS2 and AS4 are internet communications protocols that enable data to be transmitted securely over the internet. These options deliver the functionality of EDI across the cloud.

EDI via FTP/VPN, SFTP, FTPS

FTP over VPN, SFTP and FTPS are commonly used communication protocols for the exchange of electronic documents securely via the cloud.

Web EDI

Unlike EDI via AS2, Web EDI conducts EDI using a standard Internet browser. Organizations use different online forms to exchange information with business partners. Web EDI makes EDI easy and affordable for small- and medium-sized organizations and companies that have only occasional need to use such a service.

Mobile EDI

Mobile EDI systems allow organizations access to EDI data from mobile applications. As work becomes more remote and less office-bound, this option enables the use of EDI from the user's preferred device, which is also ideal for scenarios such as warehousing or field sales and services.

EDI Outsourcing

EDI Outsourcing, aka EDI managed services, is a fast-growing option that enables companies to use external specialist resources to manage their EDI environment on a day-to-day basis (See Chapter 5).

The rise of the EDI VAN

The traditional view of the supply chain as a linear progression has been replaced with a digital ecosystem of buyers, suppliers and partners. This ecosystem relies on the speedy and effective transfer of data at each stage in the chain. Crucially, the data generated must be available to create supply chain visibility and improve business performance and decision-making.

EDI VANs are responsible for the bulk of EDI transactions today. The EDI VAN allows organizations to connect with trading partners of all sizes, shielding companies from the complexities of various EDI protocols and versions, while adding value-added services that help a company manage their supply chain effectively.

Traditionally, an EDI VAN delivers a basic range of services, including:

- **Secure communications:** The EDI VAN allows for seamless and automated communication channels between trading partners.
- **Full mailbox service:** Messages are automatically routed to the correct mailbox. Business partners connect to the EDI VAN to retrieve their messages.
- **Inspection and authentication:** The EDI VAN will verify the identity of the business partner and validity of the message.
- **Full audit trail:** All EDI messages are tracked and recorded
- **Message notification:** Business partners are notified when a message enters their mailbox
- **Ancillary services:** EDI VAN providers offer an extensive range of services including data backup, disaster recovery and compliance

The 'value add' came from the extra validation, security and auditing capabilities that the EDI VAN provider delivered. In a modern business environment, this is no longer enough. Today, organizations expect more from their EDI VAN provider.

In addition, organizations expect EDI VAN providers to move from an expensive private network to the power, scalability, resilience and security of a cloud-based EDI service.

Chapter 2

The EDI VAN redefined

In this chapter

- Understand what's changed in a modern EDI VAN
 - Discover the key trends driving EDI VAN adoption
 - Learn core capabilities of a modern EDI VAN
-

The global EDI market is expected to double in the next six years⁵ to almost \$3.5 billion.⁶ The bulk of this growth will be through EDI VANs as organizations look to digitally connect with their trading partner communities. Digital trade is a foundational pillar of broader digital transformation. In this chapter, you'll learn how the EDI VAN has been redefined to meet the challenges of today's digital business.

Digital transformation has been at the top of every CIO's priority list and the COVID-19 pandemic served to turbo-charge transformation programs and initiatives in virtually every geographic and industry segment.⁷

As organizations quickly pivoted to remote working and serving customers digitally, paper-based, manual business processes were not adaptable to this new reality. The global supply chain was one of the areas most affected. Extended and dispersed communities of partners experienced disruption and complete breakdown as the pandemic hit.⁸

Building the required resilience into the supply chain can only be achieved through automation, visibility and adaptability across every part of operations. Many organizations were already using EDI for information exchange with suppliers and customers. However, the EDI VAN requires more than connectivity and basic value-added services to effectively support digital supply chains to adapt to the new normal.

EDI and Healthcare

Healthcare is one of the key industries driving EDI growth. The secure transfer of sensitive information between healthcare providers, physicians, insurance companies and partners is at the heart of building a patient-centric healthcare system. In addition, it is estimated that automating healthcare information sharing through EDI can save up to \$13 billion annually.⁹

During the COVID-19 pandemic, EDI played a vital role in helping the industry rapidly adopt telemedicine and telehealth practices. It provided the basis to exchange needed documents efficiently and with integrity. Healthcare organizations looked to their EDI VAN to help quickly connect and collaborate with new partners such as testing labs or regulators.

How the EDI VAN has changed

EDI VAN is primarily a service provider network that connects all supply chain participants – such as buyers, sellers, logistic providers, banks and suppliers – to exchange digital data and documents and to automate many of their key business processes.

The secure exchange of business information is not sufficient to achieve the full potential of a digitally enabled supply chain. While supply chains have increasingly digitized, they have also moved from a 'cost of business' to a core strategic function for many organizations. Not only can a highly digital supply chain boost business performance and customer satisfaction, but supply chain data can also improve decision-making in many aspects of business from inventory levels, new product development, supplier performance and cashflow and budgeting.

Many traditional EDI VANs lack the capabilities needed to meet changing business requirements. Only few have evolved into what IDC has described as a 'multi-enterprise supply chain commerce network' (SCCN) that facilitate visibility and collaboration among disparate supply chain partners or supply chain processes. According to IDC, "In today's fast-paced, highly analytical supply chain, the use of networks to facilitate commerce and collaboration can mean the difference between meeting supply chain performance goals and not meeting goals."¹⁰



What they say

EDI VANs "are collaborative solutions for supply chain processes built on a public cloud, many-to-many architecture to facilitate better decisions and collaboration. In short, these are many-to-many supply chain networks."¹¹

Forbes



The EDI VAN is being redefined by the complementary services that the provider builds around core information exchange, such as:

- Business partner enablement
- Community management
- Back-office integration
- Process automation
- Supply chain analytics

EDI VAN adoption has been turbulent. Providers have undergone a massive transformation to cloud-based services replete with complementary capabilities. At the same time, the need for connectivity and collaboration has increased for organizations worldwide.

Trends driving the modern EDI VAN adoption

There are several significant trends leading to greater adoption of EDI VANs, including:

Supply chain visibility and resilience top the agenda

Supply chain executives regard resilience as their top priority, according to the Association for Supply Chain Management (ASCM).¹² There are two levels of resilience, operational and strategic, that handles currency shocks and disruptions and also how to meet uncertain future trading conditions. For example, one feature of a resilient supply chain is the capability to proactively sense shifts in demand. To achieve these goals, the organization needs visibility into every aspect of the supply chain. Modern EDI VANs capture data on all information and transactions within the network to deliver end-to-end visibility and facilitate supply chain resilience.



EDI sees steep growth in small business

In its report on EDI software, Fortune Business Insight suggests that growth within small-and medium-sized businesses (SMBs) is the leading driver for the market.¹³ For many companies, the only way forward is to expand their digital capabilities, with many requiring an easy way to become digital for the first time. SMBs must operate on tight budgets, yet are mandated to trade digitally, especially with large customers. Lacking the in-house skills or infrastructure, companies are turning to cloud-based EDI VAN services to connect and trade quickly with trading partners throughout the world.

EDI has big role to play in ecommerce

In 2019, EDI accounted for 78.4%—\$7.00 trillion—of all B2B electronic sales.¹⁴ 2020 onwards, online B2B sales skyrocketed and continues to grow. The two sales channels, EDI and B2B ecommerce, are becoming more interconnected as EDI has been optimized for many of key business processes. It helps not only with purchase and invoicing but throughout the production and supply chain processes in a way few technologies can match. In addition, modern EDI VANs combine EDI and B2B ecommerce capabilities to provide data and insight into these key processes.

Healthcare is a strong sector for EDI

The global healthcare EDI market is anticipated to grow at a rate of more than 7.8% by 2027.¹⁵ The increase in regulations such as HIPAA (Health Insurance Portability and Accountability Act) to ensure data privacy and security continues to foster growth in the market. In addition, a significant increase in end-user spenders, such as pharma and medical device companies, are taking advantage of the benefits of EDI VANs, including secure data exchange, product traceability and shortened delivery times.

Peppol continues to go global

Peppol began as an EU-funded project to establish standards for electronic public procurement within Europe.¹⁶ It's an EDI protocol designed to simplify the purchase-to-pay process between government bodies and suppliers. Since its inception in 2012, it has achieved widespread adoption in Europe and been adopted in countries including Singapore, New Zealand and Australia. Driven by the need to combat tax fraud, eInvoicing mandates have resulted in more countries worldwide adopting the Peppol protocol. Leading EDI VAN providers are adding Peppol-related services and becoming Peppol Access Points¹⁷ to help organizations adopt the protocol and integrate it into other EDI activities.

The capabilities that make a modern EDI VAN truly value-added

EDI is still sometimes viewed as conventional technology but it's simply not true to say EDI VANs don't offer the latest digital capabilities. Far from it. Let's quickly look at what a modern EDI VAN has to offer:

Pre-built trading partner community

One of the biggest advantages of an EDI VAN is access to a trading partner community and the ability to seamlessly send business documents and information. COVID-19 has shown that successful organizations were able to adapt their supply chains while identifying and onboarding new partners quickly. However, establishing connectivity is only a small part of the capabilities you need when managing a flexible trading partner community. Modern EDI VANs offer automated community management features – a centralized partner communication tool and partner directories enhanced with company profiles – to ensure relevant partnerships.

Unified B2B integration platform

Ideally, an EDI VAN should support all B2B formats, standards and protocols. However, there's more to B2B integration today. The leading EDI VANs deliver integrations with your key enterprise applications. You'll find platforms with libraries of pre-built connectors and, increasingly, customized API development to increase your integration reach (See Chapter 6).

Automated business processes

Since COVID-19, the need for automation is at the top of the CIO priority list. Using a cloud-based EDI VAN allows you to automate more of your B2B processes, smoothing secure digital business throughout your trading partner community.

Real-time visibility

With increased automation comes the need for increased visibility. You need to know the status and performance of all your transactions. Real-time data visibility isn't prevalent in many EDI VAN solutions. The modern EDI VAN will let you drill down into your B2B data to see at a glance exactly what's going on. With this level of granularity and control, you can apply advanced analytics to drive better business decisions.

Performance, availability, scalability

Many EDI VANs in operation today lack the robust physical infrastructure needed to deliver the required levels of performance, availability and scalability. Modern cloud-based EDI VANs remove these challenges by providing a flexible, scalable platform tuned to your business needs and delivering business continuity as part of the service.

From standardization to customization

Historically, one of the major benefits of an EDI VAN was to bring standardization to B2B transactions. As we move towards digital business, standardization can be an impediment. Instead, the best EDI VANs evolved from offering strictly standard services towards greater degrees of customization. Your provider should be able to tailor a wide range of digital capabilities to your specific business needs. Unlike internal EDI customization that adds complexity and cost for your IT management, the provider takes care of all customizations to ensure smooth connectivity with others on their network without passing on the cost or complexity to you.



Chapter 3

The business benefits of a modern EDI VAN

In this chapter

- Learn the reasons for adopting a modern EDI VAN
 - Discover the business benefits of an EDI VAN
 - Understand how EDI VANs address the EDI skills shortage
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Organizations can achieve many benefits by implementing an EDI VAN. Becoming EDI-enabled and using an EDI VAN helps both buyers and suppliers to connect and conduct business productively and profitably. This chapter looks at the reasons for adopting this approach and the benefits that you should expect.

Benefits of a modern EDI VAN at a glance

- Reduce cost, increase business efficiency and improve employee productivity
- Digitize communications with 100% of the trading community
- Automate and optimize business processes such as order-to-cash and procure-to-pay
- Connect enterprise applications to automate data consistency and multistep processes
- Empower users and trading partners with managed APIs for accessing applications and data
- Gain near real-time visibility into your business processes and trading partner relationships

Why select a modern EDI VAN?

There are many business drivers that lead organizations to partner with an EDI VAN provider. Let's look at some of the most common reasons.

Reduce B2B trading costs

If you're still using manual processes (phone, fax or email) to conduct business transactions, moving to an EDI VAN provides a simple way to significantly reduce your trading costs. Research says this shift can reduce your transaction costs by 35%.¹⁸ In addition, EDI transactions help eliminate human error, which leads to inaccurate orders and poor delivery.

Using an EDI VAN means that you can get a great deal of your business activities, such as purchasing, product delivery and invoicing, right the first time, reducing the chances of penalties and chargebacks.

Support growth with a wide range of business documents

When it comes to business transactions, it's easy to focus on orders and invoices, but a variety of other business documents are commonly exchanged between businesses. Without an EDI network provider, it is time-consuming and complex to expand with additional business documents needed to exchange with partners. It's likely that different partners will require different documents transmitted using different standards, which can be difficult to accommodate. Some large organizations mandate the form of EDI they require from their suppliers and may change the format with little or no warning.

An EDI VAN allows you to expand your EDI capabilities and introduce new documents quickly, regardless of format, EDI standard or protocol. An EDI VAN will help you stay up to date with trading requirements of your partners, as well as industry or regional regulatory compliance.



What they say

*"OpenText has become a strategic supplier for us and key to our commitment to communicate in the best, most efficient way possible with our partners. The company has proven to be very good in ensuring we can exchange a wide range of documents with our partners regardless of their technical capabilities or geographic location."*¹⁹

Autoliv



Reduce your order-to-cash and purchase-to-pay cycles

We all want to get paid as quickly as possible, and EDI transactions have been proven to reduce your business cycle times by more than 60%.²⁰ Within your order-to-cash cycle, an EDI VAN can help you reduce the time to payment by 20%, while improving your relationship with your customers. By establishing the connection and communication, an EDI VAN can enable end-to-end processing of EDI information directly from your back-end system to those of your suppliers or customers.

Optimize your inventory levels

By sending EDI transactions, you can shorten the order processing and delivery times so that inventory levels can be reduced. A higher percentage of accurate orders means there's a lesser need to carry excess stock in your supply chain.

In addition, EDI VAN providers record all transactions running over its network, allowing analysis of the performance of your supply chain and of your suppliers to better plan your optimum inventory levels. This will prove to be a significant benefit as inventory optimization is a top priority for many supply chain organizations.²¹

Improve visibility and transparency

In a KPMG survey, 93% of supply chain executives put end-to-end supply chain visibility at the top of their priority list.²² Trading digitally is the minimum requirement to achieve supply chain visibility. It is imperative to know the real-time status of transactions. Real-time visibility into transaction status enables faster decision-making and improved responsiveness to changing customer and market demands.

In addition, customers increasingly demand ethical business operations from their vendors. This begins with supply chain transparency. By implementing an EDI VAN, you not only gain visibility into over all B2B transactions, but also access analytics tools that many modern EDI VAN providers offer, to obtain a clearer understanding of what's happening at every level of your supply chain.

Accelerate supply chain modernization

Over the next five years, IDC expects to see an increased focus on supply chain modernization, network "rightsizing" and asset optimization.²³ A core part of these modernization initiatives is dependent upon seamless trade and collaboration with your trading partner communities.

Many organizations have established EDI solutions dating back many years. These legacy services 'just work' but they can't deliver the types of capabilities needed to support supply chain modernization. Upgrading to a modern EDI VAN is necessary to leverage advanced automation, collaboration, integration and community management features.

Key business benefits

There are numerous benefits of implementing a modern EDI VAN. Let's walk through some of the major ones.

Improved agility and resilience

The pandemic has shown that resilience must be constructed around two elements of your relationship with partners:

- You must be able to identify and onboard new partners quickly wherever they are in the world
- You must be able to effectively conduct digital business, removing paper-based, manual processes and automating as much of your workflow and connections as possible

Even the best product or service in the world will struggle to operate efficiently to meet increasing customer expectations without a digital supply chain. By joining a global EDI VAN with a large community of pre-connected trading partners, you would reduce the time, cost and complexity of building your digital ecosystem of suppliers and customers.

Improved partner relationships

Large customers value reliability from suppliers that can work to their standards and processes. They expect to receive an excellent experience with perfect deliveries and few errors or issues.

The EDI VAN does more than provide the infrastructure for information exchange and communication. It provides auditing and reporting to ensure you're meeting customer KPIs and industry standards. Additionally, an EDI VAN gives you greater control and visibility into your supply chain to guarantee your standards and requirements are met by your suppliers.

Improved cash flow and reduced cycle times

Getting paid on time and in full has never been quite as important as it is today. Faced with an uncertain global economic outlook and volatile demand, even new investment decisions can be reliant on your cash positions. This means that many organizations are taking advantage of innovative financing options. For example, some large buyers will have up to 90-day payment terms that only kick in once the goods have been delivered. If products take 30 days to be delivered, then it could be 120 days before you get paid. Organizations are looking to facilitate PO-less invoicing, vendor invoice management (VIM) or dynamic discounting to shorten these payment cycles. EDI is foundational for these approaches and an EDI VAN can help implement preferred approaches across any number of trading partners.



What they say

*"We have seen an EDI growth of 61% in the past three years and OpenText™ Trading Grid™ Messaging Service has enabled us to easily scale to meet this growing demand."*²⁴

Dixons Carphone



Improved reliability and availability

An EDI VAN has long been considered the gold standard for EDI communications. The leading EDI VAN providers offer the security and data management facilities to meet the most stringent government and industry standards. They have developed global infrastructure for high availability and business continuity. In fact, some providers can deliver 99.99% uptime. All this is guaranteed by flexible SLAs that let you select the level of reliability and availability you require. In addition, modern EDI VAN providers are continually upgrading their network to the latest technologies, providing performance and security that few organizations could achieve through their own IT infrastructure.

Improved business strategy

By capturing data on all activity on its network, the EDI VAN enables real-time visibility into transaction status. This in turn enables faster decision-making and improved responsiveness to changing customer and market demands. In some instances, organizations have been able to adopt a demand-driven business model rather than a supply-driven one. The data available can help shorten the lead times for product enhancements and new product delivery.

Using an EDI VAN to quickly identify connections with new suppliers and customers worldwide, streamlines your ability to enter new territories and markets. EDI provides a common business language that facilitates business partner onboarding anywhere in the world.

Improved ethical and sustainable business practices

Finally, as ethical and sustainable business practices become increasingly important, the EDI VAN helps you in two ways: First, simply replacing paper-based processes with digital equivalents saves money and reduces your carbon footprint. More importantly, these digital transactions let you gain greater visibility into the performance and activities of your supply chain partners. Leading EDI VAN providers now deliver partner directories as part of their service (See Chapter 6) so you can see at a glance which companies meet your ethical and sustainability standards.



Chapter 4

Selecting an EDI VAN provider

In this chapter

- Consider what you need from an EDI VAN
- Discover core components of a modern EDI VAN
- Use a quick elimination test to quickly refine your search

Finding the right EDI VAN service provider can be time-consuming and costly, including drawing a list of potentials, researching and finding out if they suit your need. This chapter provides some helpful tips to speed and refine your selection process.

Some considerations when selecting an EDI VAN

No two EDI VAN services are the same. Each has a specific set of skills and capabilities with the best providers customizing these to your specific business requirements. There are several things to consider when selecting your EDI VAN partner.

Choose a cloud-based EDI VAN

Traditionally, EDI VANs used private networks, but this is being replaced by cloud-based VAN services. Access to the latest cloud infrastructure enables the provider to deliver high performance and secure services with almost limitless scalability. A cloud infrastructure also delivers anytime, anywhere access while forward-thinking providers are not only facilitating the integration with other enterprise applications but are also innovating with disruptive technologies such as IoT and AI-driven analytics (See Chapter 6).

Look for flexible pricing options

EDI VAN providers have different pricing models. Some charge per transaction or document, some per volume and others charge on a relationship basis. Essentially, it depends on your EDI needs. Do you transact with trading partners globally, using various region or industry-specific protocols? What is the frequency of onboarding new partners into your community and how much does your trading partner community change over time? Which value-added capabilities are included and which require an extra charge? Once you understand your current and future EDI needs, you should find an EDI VAN provider that can tailor their pricing to your requirements.

Look for contract flexibility

Those tailored requirements should be built into your contract but there are more areas to consider before you sign. The length of the contract, whether it auto-renews, how contract penalties are activated and the ease of termination and moving your business elsewhere. The contract can either be the foundation of a healthy partnership or a straitjacket. Make sure you negotiate a contract you can live with.

Understand their technical and program capabilities

As the breadth of service within a modern EDI VAN has expanded so has the need for more skills and resources to create and deliver these services. Do ensure that the provider can properly resource your program at both, technical and program level. For international trading, check for the technical infrastructure, skills and expertise to support both you and your partners in that region.

Investigate their industry experience

It may seem that business transactions are similar across industries, but it is advisable to select an EDI VAN with experience in your sector. They understand the standards and regulations that govern your operations, which is essential in highly regulated sectors, such as healthcare, financial services and utilities. In addition, it's very likely that, if the provider has in-depth industry experience, many of the organizations that you are either already working with or looking to connect with are already part of the network. Ask about industry experience and industry references.



What they say

*"OpenText provides us with a network that has global reach and high service availability levels. All of our partners are onboarded properly so everything works the first time and, of course, service levels on availability are essential for us. OpenText is a strategic partner for Technicolor that consistently delivers the highest level of service and commitment. There is no doubt that a message sent via OpenText Trading Grid Messaging Service will be successfully delivered."*²⁵

Technicolor



5 critical components of a modern EDI VAN

On top of the basic capabilities, you should be aware of the five features of a modern EDI VAN that facilitate supply chain resilience and agility.

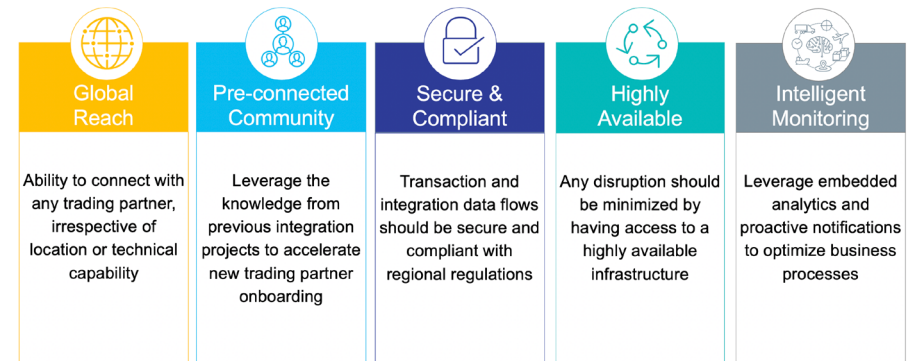


Figure 3: 5 critical components of a modern EDI VAN

Global reach

It shouldn't matter whether your company already has international operations and connections, having access to a global network is crucial for every business. A global reach includes support for regional communications protocols and document formats, but it is equally important to have access to skilled staff who can offer support in the local language and understand regional differences.

Pre-connected community

Having a connection to a large global network is not enough. Your EDI VAN provider should be equipped to find and onboard new partners very quickly.

Security and compliance

Security should be the key concern for any EDI VAN provider. They should have systems in place that ensure users have relevant privileges and limitations to access only the applications they need within the network. A global service with data centers spread across the regions allows organizations to manage information usage and privacy to ensure data is only transferred and stored in line with the correct regulations.

High availability

IDC identified the ability to minimize downtime as a key challenge for supply chain resilience. A modern EDI VAN provider should have a worldwide infrastructure of data centers to allow for system redundancy and fail overs for business continuity. COVID-19 and natural disasters have shown the extent of global supply chain disruptions. Being able to seamlessly switch to another data center means the provider can ensure availability to continue trading with existing partners and, when necessary, quickly identify and connect with new partners.

Intelligent monitoring

Leading EDI VAN providers now have visibility and analytics embedded in the network. These can include best-in-class, real-time visibility tools with data visualization, drill-down capabilities, ability to manage by exception and configurable dashboards to quickly surface actionable insights and deliver them to the relevant people.

The elimination test

You can shorten the initial stage of your EDI VAN selection process through a simple elimination test. Ask your potential providers the following questions, and if the provider answers no to any of these questions, you can safely move on.

Take a look at these questions:

- Does the provider have a global infrastructure equipped to allow quick and easy connection to customers and suppliers anywhere in the world?
- Do they continue to invest in their infrastructure to ensure security and high availability?
- Do they continue to invest in building out new features to keep up with innovative capabilities and support for the latest communications standards?
- Do their visibility tools provide real-time data and notifications that enable you to manage by exception?
- Do they have technical capabilities for initial implementation, change management and ongoing support in all the regions that you operate?
- Is their support available in the native languages of your customers and trading partners?
- Does their EDI integration platform facilitate local trading law and regulation compliance?
- Can you scale your service upwards and downwards quickly?
- Is their service cloud-based with points of presence (POPs) throughout the world?
- Can they guarantee availability, disaster recovery and business continuity as part of their Service Level Agreement?

Chapter 5

Optimizing investment in an EDI VAN

In this chapter

- Understand the drive towards EDI VAN consolidation
 - Learn about EDI outsourcing with managed services
 - Discover the benefits of taking a managed services approach
-

EDI VANs deliver an effective and reliable means to trading digitally with a wide range of partners. However, it does represent significant business investment. The chapter looks at two areas where you can optimize your investments via EDI VAN consolidation and EDI outsourcing with managed services.

EDI VAN consolidation

For many organizations, EDI has been a part of daily business for years. Often, this has led to a fragmentation of services. Organizations have introduced a new EDI VAN to meet the requests of new customers. Business divisions too may implement their own EDI VAN solution. Merger and acquisition activities bring new EDI VAN relationships that seem too daunting to integrate into the current environment.

The result is a patchwork of services, each with its own pricing, support and service levels, that fail to provide the optimum performance or allow you to benefit from economies of scale. Consolidating all your EDI VAN instances onto a single provider's network can appear intimidating but offers major benefits over a multi-vendor approach.

5 benefits of consolidating your EDI VANs

The key benefits you can expect from consolidating your EDI VANs include:

Greater control

Managing and monitoring multiple VAN solutions and relationships is not efficient. You have the management overhead of several different contact points and connection points causing a drain on your own internal resources. A single relationship and point of contact gives you much greater control.



What they say

"Centralizing B2B operations and adopting OpenText Trading Grid as the standard network for B2B ecommerce connections allows the company to reduce costs of maintaining disparate EDI networks around the world." 26

Hella



Shorter resolution times

With multiple EDI VAN providers, you will likely have several duplicate functions, such as:

- Support desks
- Web portals
- Reports
- Service/SLA reviews

These duplicated functions make it complex and tedious to identify where an issue originated and less likely you'll be able to mitigate the issue before it impacts your business. A single EDI VAN speeds resolution and improves productivity.

Reduced costs

Having multiple VAN providers means supporting each with operating, maintenance and support costs. Having all your business transactions and documents passing through the network of a single provider is also beneficial from a pricing standpoint. This gives you more leverage than negotiating multiple smaller contracts. A single EDI VAN contract can help achieve the economies of scale inherent in your total EDI workload.

Better use of internal resources

A single service simplifies management and administration of day-to-day activities. For example, with multiple providers, it becomes difficult and time-consuming to run a comprehensive report of all transactions. Each EDI VAN provider has its own report and way of interpreting performance. Making it no easier to consolidate different reports and merge them. This hinders visibility into the performance of your entire trading community.

Improved provider relations

Managing multiple providers increases the chances of important matters being overlooked. Different service levels across different processes lead to clunky and inefficient services that can impact your business performance and customer experience. Managing only one supplier means building a stronger relationship with them, making business a lot smoother. You can move from the traditional supplier relationship to a partnership where risk and reward is shared.

EDI outsourcing

Implementing and managing an EDI platform can be daunting as an organization grows in complexity. It requires access to a broad range of skills and capital investment in hardware and software that few organizations can sustain.

Exploring an outsourcing approach to EDI, aka EDI managed services, has been gaining popularity for years. In fact, EDI outsourcing is more lucrative than outsourcing other areas of IT, as it covers connectivity and collaboration not only within your own organization but that of your customers, suppliers and partners.

Leading EDI outsourcing providers deliver a repeatable, proven people-process-technology model that extends the IT team and ensures operations stay current with EDI integration trends and requirements, while optimizing business process.

Using EDI outsourcing, the provider assumes the management of day-to-day operations, from systems management to integration to partner on-boarding and transaction monitoring. This allows you to focus on core competencies, accelerate technology adoption and future-proof against unknown technology and economic changes. EDI outsourcing ensure organizations are:

- **Connected:** A flexible, programmable and configurable digital backbone through cloud-based EDI integration connects people, systems and things through a range of cloud services or a hybrid integration leveraging on-premises EDI gateway software.
- **Collaborative:** Applications and services allow interaction with trading partners through their preferred method to improve day-to-day operations with trading partners.
- **Intelligent:** Real-time business performance insights identify and flag risk and opportunity to allow you to respond in an intelligent and timely manner.

The EDI integration platforms used by service providers receive continuous investments in specialized technologies and skilled professionals. These environments typically allow you to integrate with both legacy and next-generation technologies across the extended partner ecosystem, from paper and fax to EDI and APIs.



Benefits of EDI outsourcing to managed services

There is a wide range of cost, business and operational benefits from outsourcing your EDI capabilities to EDI managed services. These include:

Lowering your investment risk

By moving from capital expenditure (CapEx) to Operational Expenditure (Opex) EDI managed services ensures that the cost of your EDI operations become a predictable expense, through monthly subscription fees that are usually clearly linked to the volume of transactions being processed or network capacity used or through relationship-based pricing based on your total workload.

Shielding yourself from EDI complexity

EDI integration standards constantly evolve, business partners refresh their technology according to their own schedules, your business wins new customers and you work with new suppliers. EDI outsourcing to managed services insulate you from this continuous technical complexity and change of working with new trading partners.

Minimizing infrastructure costs

EDI managed services let you leverage the existing infrastructure of your chosen provider. This means there's minimal capital investment in technology or new staff and skills when developing or expanding your EDI capability. Leveraging the provider's infrastructure also delivers the bottom-line benefits of your EDI integration program, such as savings on transaction handling costs and fewer errors in transactions, within months rather than years.



What they say

*"OpenText™ B2B Managed Services is a great fit because we can stay focused on core business and also meet our goals for digital transformation. Implementing OpenText has increased our efficiency and helped drive down costs. And we have met our number one goal of helping key staff focus on the business, so we continue to grow, innovate and get our sales teams what they need in the field."*²⁷

Solenis



Getting paid faster

EDI outsourcing to managed services and ongoing change of paper-based documents with digital business process and increases visibility across your supply chain. By reducing the errors and accelerating the exchange of key business documents, you can speed up your order-to-cash and procure-to-pay processes to get paid faster and boost revenues.

Improving customer satisfaction

By reducing errors, ensuring on-time and accurate orders, improving inventory management, EDI managed services enhance your customer experience. It allows you to better serve your customers and build lasting, profitable relationships.

Outsourcing time-consuming integration projects

The provider augments an operations team for day-to-day systems management, enterprise integration, partner onboarding and transaction monitoring, allowing you to focus on developing your core business. EDI outsourcing make it unnecessary to deploy in-house IT resources to time-intensive integration projects or to hire additional skilled EDI professionals from an already shrinking talent pool.

Accelerating new technology adoption

Leading managed services providers leverages powerful cloud integration platforms to support messaging, integration, workflow, visibility and intelligence across multiple industries. The provider delivers in-depth skills and expertise in connecting external supply chain operations with modern data and application integration technologies to enable a true business-to-anything (B2A) integration capability using a single platform.

Grow your business with scalable and flexible EDI managed services

Its unique combination of state-of-the-art integration technology, expert integration resources and powerful self-service features all packaged into a single solution, makes outsourcing to EDI managed services easy to operate, provides comprehensive visibility into key service metrics and enables efficient collaboration between you and the provider.

Chapter 6

The future of EDI VAN

In this chapter

- Look at the disruptive technologies shaping the modern EDI VAN
 - Understand how EDI and APIs work together
 - Examine some of the use cases driving EDI VANs
-

The evolution of the modern EDI VAN has evolved from the exchange of digital transactions to an integration platform that improves business productivity and supply chain effectiveness. It has become critical that EDI VANs continue to broaden the range of services they offer customers. This chapter looks at how EDI VANs are addressing the development of new digital technologies and some of the emerging use cases.

How disruptive technologies are shaping the modern EDI VAN

Disruption is the key to digital transformation. Innovation and business agility don't necessarily come from replacing manual with digital and otherwise changing nothing else. Innovation comes from taking advantage of new digital technologies that can automate and disrupt traditional practices. For EDI VAN providers, some of the most relevant disruptive technologies include:

Data visibility

Data visibility enables accurate and timely insights on business operations that are critical for operational efficiency, delivering improved service and finding new sources of customer value. Traditional EDI VANs often led to siloes of information preventing full visibility of business operations. Many platforms were primarily transaction-based and focused on moving data, but they offered limited capabilities that tap into the real value of that information. Modern EDI VANs now have advanced data visibility and analytics built into the service. This allows you to gain end-to-end visibility of your B2B and application-to-application (A2A) data flows as they pass over the provider's network.



AI and machine learning

Artificial intelligence (AI) and machine learning are beginning to have a significant impact on EDI capabilities. These related technologies are introducing features that go far beyond what has been possible in previous generations of EDI VANs. A few of the new capabilities include:

- **Automation:** AI detects patterns in data, such as invoices, purchase orders and ASNs that allow it to intelligently and automatically route, enter and process data across your enterprise systems and those of your partners.
- **Validation:** AI learns as it goes and becomes more accurate and better at validating documents over time. For example, it learns what to look for within the contents of an invoice by comparing it with other invoices and documents relevant to the transaction.
- **Exception management:** As it learns, AI begins to recognize when something is wrong. When this occurs, the system can either seek to rectify the situation if the remedy is simple, or route it as an exception to a human. This brings the organization one step closer to truly being able to manage by exception, increasing the speed and quality of its processes.

For an EDI VAN, machine learning enhances the abilities of AI. It picks up on human activities, so that over time, it can predict actions and execute them with little or no human interference.

Intelligent capture

Intelligent capture automates non-digital content intake, speeding up the process of manual re-keying of information. Combining standard capture features, such as optical character recognition (OCR), with powerful machine learning, extracts information from content and automatically routes it to the right user and right lead system.

For an EDI VANs solution, this enables the provider to handle business documents in a wider range of formats, such as mobile images of PDFs. These enhanced intake capabilities provide an entry point for intelligent process automation (IPA) by removing unnecessary steps from users. Using intelligent capture, you can automate processes for standard documents, such as financial accounts payable and accounts receivable, or complex documents, such as contracts or partner requests that require actions based on the document's content.

IoT integration

The Internet of Things (IoT) has rapidly become an essential technology in industries including manufacturing, retail, utilities and the public sector. In the supply chain for example, IoT-enabled devices provide real-time location data, delivering real-time visibility into the status and condition of goods in transit. As we know, the majority of supply chains are operated with EDI, so IoT data is another input that the EDI VAN needs to accommodate. Adding IoT data to EDI can help improve supply chain planning and minimize risk by understanding exactly what's happening at every link in the chain.

Community management

Achieving 100% trading partner enablement is distinct from making the most of your supplier and customer relationships. Many organizations still struggle to communicate and collaborate effectively once they have established basic transactional connectivity. Contact and credential management, new business partner registration, partner onboarding, dispute resolution, risk management and many other processes are still often executed using manual, resource-intensive methods. The modern EDI VAN provides a range of community management tools that automate many of these processes, while arming you with the information you need to improve supplier performance and drive exceptional customer experience.

Some EDI VAN providers provide enhanced profiles with additional information on the organizations active on their network. This goes beyond business and financial details to cover their ethical and sustainability policies and practices. The providers have global directories that make it simple to quickly identify and onboard new trading partners with a level of assurance that they meet your business, operational and CSR requirements.

Use cases for the modern EDI VAN

With an armory of new technologies to work with, modern EDI VAN providers are now addressing a wider set of uses cases. These include:

Demand planning and forecasting

The COVID-19 pandemic exposed major vulnerabilities in widely used business models. For industries across the world, standard approaches such as just-in-time and build-to-order were found wanting. To build resilience and agility, the focus has turned to demand planning and forecasting to better match inventory to actual customer requirements.

EDI VAN providers are exploring the option to incorporate AI and machine learning to improve inventory management and demand forecasting. This begins with having accurate visibility across stock orders. It is advisable to be aware of the thresholds showing when there's a shortage of stock, when stock needs reordering, and where there are too many stock risks that could occur through supply chain disruption.

With advanced demand planning and forecasting, you can be much more effective at operating with the required levels of inventory stored at the right locations. This involves applying AI and machine learning to transactional data and documents flowing in your supply chain.

The results are impressive. According to McKinsey, AI-powered forecasting can reduce errors by 30 to 50% in supply chain networks. The improved accuracy leads up to a 65% reduction in lost sales due to inventory out-of-stock situations, while warehousing costs decrease around 10 to 40%.²⁸

Customer experience

In addition, companies require agile B2B processes to map a successful journey for customers. It not only reduces partner onboarding time but also resolves transaction issues. Simply put, modern EDI solutions can help companies accelerate business processes to make customer interactions more agile, delightful and result-driven. Let's see how.

Modern EDI VAN solutions enable organizations to encourage accuracy and speed up key business processes through automation. The service will ensure accurate mapping of processes to the customer journey while minimizing human touchpoints necessary for customer interaction.

Research from Harvard Business Review demonstrated that fewer touchpoints result in higher customer satisfaction and loyalty.²⁹ This was further reinforced by McKinsey. The consulting firm found industry leaders could achieve operating margins up to 6% higher by improving customer experiences using EDI integration. Plus, companies witnessed reductions of 10-20% in cost to serve and up to 15% growth in revenue.³⁰

EDI and sustainability

From primary manufacturers to global retailers, transportation providers to warehousing services, ethical business and sustainability are considerations that must feature in any serious business plan, budget or purchasing policy created today.

Retailers and suppliers can positively affect their bottom lines – and the environment – by using proven EDI technology to streamline supply chain operations, reduce overall spend and make doing business more efficient.

Using an EDI VAN can support ethically and environmentally sustainable practices in several ways:

- **Data quality reduces process inefficiencies:** By virtually eliminating human error, EDI improves order accuracy so there are fewer reorders and returns that must be processed. Fewer returns and reorders mean fewer shipments in transit.
- **Large customers demand sustainability:** It is evident that poor ethical and sustainability practices can have a negative impact on brand reputation and share price. Sustainability is rapidly becoming a cost of business for every size of company as they look to function within a large manufacturer or retailer supply chain. The modern EDI VAN can provide proof that a supplier meets the standards set by its vendor and their customers.
- **Less paper means a smaller carbon footprint:** Another major environmental contribution that EDI promotes is a reduction in paper, ink and other damaging printer consumables. By eliminating the need to mail business documents, there is less demand for postal and logistics services, too.

By encouraging smaller suppliers to connect with their EDI VAN, larger companies can begin to drive ethical operations and sustainability through all levels of their supply chains. They can use the information and data flows on the network to monitor performance more closely at all levels and act quickly to protect their reputation.

For all players within a supply chain, the adoption of a modern EDI VAN is an excellent step towards developing business practices that are both ethical and sustainable.

E-invoicing

E-invoicing is perhaps one of the major use cases for the adoption of EDI VANs. Billentis, the specialist e-invoicing research consultancy, estimates that e-invoicing can help the buyer achieve 62% savings and supplier savings of 57 compared to processing paper invoices.³¹

However, the market for e-invoicing is being driven by governments worldwide as they look to tackle the “tax gap” and reduce lost revenues. Today, more than 60 countries worldwide have some form of mandate governing B2G and B2B invoicing,³² with Latin America and Europe leading the way.

It’s now vital for organizations, especially those that trade in many regions of the world, to have e-invoicing capabilities. The challenge is managing all the different e-invoicing variations from across the globe. It would be complex and time-consuming for even the largest of organizations.

Implementing a modern EDI VAN is the best option for most organizations as they move to e-invoicing. Not only does it speed the connection with organizations and authorities that require the invoices, it gives you access to the skills and expertise to ensure that you are in compliance with all the e-invoicing regulations in the regions where you trade.

Peppol

Launched in 2008, the Pan-European Public Procurement On-Line (Peppol) protocol was designed to harmonize and simplify electronic procurement processes between government agencies across Europe and their suppliers. It was designed to remove the barriers to cross-border trade so that companies use a single protocol to exchange key business documents.

Today, Peppol adoption is increasing across the globe and it has moved beyond business to government (B2G) to increasingly encompass B2B and B2C transactions. While the first focus of Peppol was on e-invoicing, it now covers most other common business transactions.

Like an EDI VAN, Peppol provides a common network where partners can exchange business data and documents without worrying about which document format either is using. Organizations are shielded from the complexity and can achieve low-cost data exchange.

However, Peppol is not likely to become an alternative to an EDI VAN. Instead, many EDI VAN providers are becoming certified to deliver Peppol connectivity as part of their service offerings. Services can include:

- **Peppol Access Points** that allow you to communicate with trading partners on the Peppol network in the same way as you would with any B2B or EDI protocol.
- **Peppol translation and validation services** that enable the translation to or from the Peppol format into any EDI or B2B format.

As Peppol adoption continues to accelerate, the EDI VAN provider is ideally suited to help you take full advantage of the trading opportunities with governments and suppliers in Europe, Latin America and, increasingly, worldwide.



Chapter 7

Top tips for achieving EDI VAN success

In this chapter

- Understand how EDI fits within digital transformation
 - Discover the importance of planning for tomorrow
 - Set goals and objectives for working with your EDI partner
-

This chapter presents 10 handy tips to help you get the most from your investments in an EDI VAN.

EDI is part of digital transformation

It can be said that EDI was the first technology to digitally transform businesses. However, since it has persisted, it is essential to daily business for so many organizations that it's easy to overlook its importance. The COVID-19 pandemic has demonstrated the need to improve digital communication and collaboration with suppliers and customers. Modern cloud-based EDI VANs can help facilitate digital transformation success, which has proven difficult for many organizations.³³

EDI VAN drives your business strategy

In the past, many organizations have viewed EDI as a business enabler. Its simple purpose was to exchange documents digitally. Modern EDI VAN offers a lot more capabilities to help drive business strategy. For example, many manufacturing organizations are looking to their supplier base to assist with product innovation and development. Suppliers will manufacture sub-systems that the major manufacturer then assembles. This requires different ways of working and new levels of information sharing. The EDI VAN has the great benefit of delivering a known, reliable service that can be extended to meet new business requirements.

Build success...one document at a time

Most companies begin to deploy EDI for their purchasing and invoicing processes but there are several different EDI documents available. The EDI VAN partner you select should be able to handle any document type using any EDI standard or communications protocol. Once your invoicing is digitized and automated, you can expect beneficial results of EDI in supply chain operations, customer management, treasury operations – almost any part of your business. Leading EDI VANs will enable you to introduce any new EDI documents your business or customers demand.

Implement for today, plan for tomorrow

Like any major investment, selecting an EDI VAN takes careful consideration and planning. Current requirements should be clearly established to ensure the provider not only has the correct levels of skills and experience, but will also be providing contracts and pricing tailored to your needs. However, the EDI VAN should be considered for the long term, so your provider should be equipped to stay future-proof. Ask to see their service and technology roadmaps and discuss the plan when deciding what the future looks like for you.

Not all EDI VAN providers are created equal

Surprisingly, many EDI VAN providers still only offer a very basic EDI service. They are great at handling the complexity and security of information exchange between partners but lack the ancillary services that add value. Consider modern EDI VANs where real-time visibility and community management are a part of the package.

In addition, your provider should have both global reach and intimate local knowledge. They should be able to demonstrate compliance with EDI VAN and industry regulations and standards in the locations where you do business today or plan to in the future.

Take a partnership approach from the start

Working with a provider needs to be a long-term relationship, otherwise you won't fully realize the cost and efficiency benefits that forms a competitive business. That relationship must be an open and honest partnership, where trust flows both ways. Find a provider with whom you're comfortable and are happy to share information and risk.

Use your service provider as a consultant

Your EDI VAN service provider should use best-of-breed technologies and processes, providing an up-to-date service. This includes knowing the latest EDI trends and having experience from working on many similar programs how to deliver success. Don't miss out on using this valuable information.

Don't get locked in

The EDI VAN service you select must evolve over time as predicted. You'll be faced with more data and new ways of working with your partners. The investment made in an EDI VAN can't represent a point in time. Equally, if the EDI VAN you have is failing to keep pace with your business needs, you must be able to switch providers with minimum disruption to your business.

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OpenText Trading Grid is the industry's only unified integration platform, delivered as a managed service, to help companies connect, optimize and grow their business.

Whether you are looking to integrate between internal business applications or connect with external trading partners across your digital ecosystem, Trading Grid can provide the foundation to digitize information flows across people, systems and things.

For more information, please visit
businessnetwork.opentext.com/edi-value-added-network





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EDI and VAN Explained is a handy book full of everything you need to know to get more from your EDI investment. Written with senior management in mind, it's ideal for anyone who wants to know how EDI can help drive digital transformation within your business. You'll discover the ways an EDI VAN can increase the performance of your business and your supply chain, while improving the experience of trading partners and customers.

Inside:

- The evolution of EDI
- The EDI VAN redefined
- The business benefits of a modern EDI VAN
- Selecting an EDI VAN provider
- Optimizing investment in an EDI VAN
- The future of EDI VAN
- Top tips for achieving EDI VAN success



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