

Introduction to EDI

Electronic Data Interchange (EDI) - a definition.

‘Transfer of **structured data**
by **agreed message standards**
from **one computer to another**
by **electronic means**
with a **minimum of human**
intervention’.

Essential elements of EDI

- Structured data
 - ◆ Not free format
- Standards
 - ◆ Syntax, Rules, Data Dictionary
- Direct application to application communication
- Use of data communications
 - ◆ Not diskette, tape, etc
- Minimum to NO human intervention

Company A



In-House Application

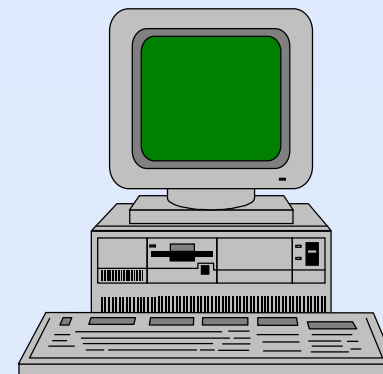
Conversion / Translation

EANCOM Message

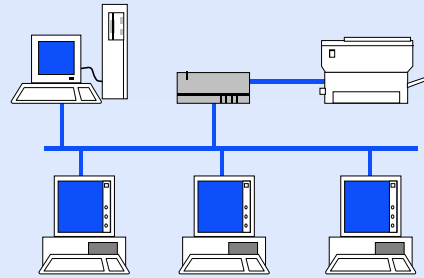
Conversion / Translation

In-House Application

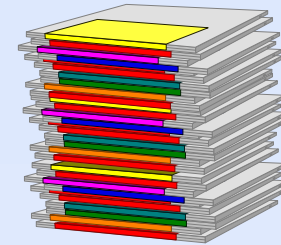
Company B



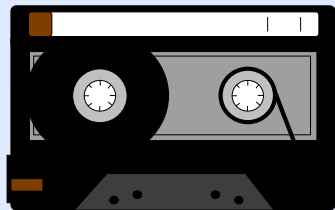
Not EDI !



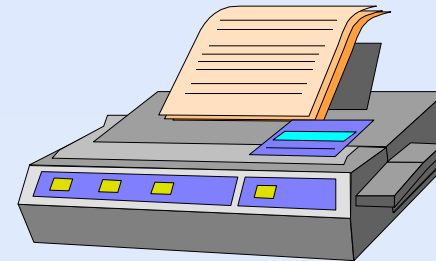
E-Mail



Diskette transfer



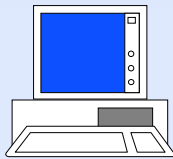
Tapes



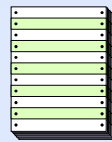
Fax

Traditional paper based business cycle

BUYER



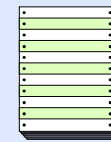
Key in Order



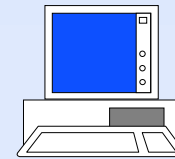
Print Order



Fax Order



SUPPLIER

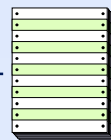


Key in Faxed Order

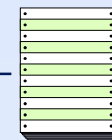
Goods Despatched



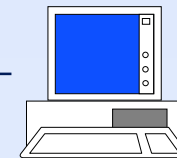
Key in Mailed Invoice



Mail Invoice



Print Invoice



Key in Invoice

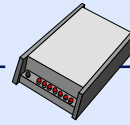
EDI applied to the business cycle

BUYER



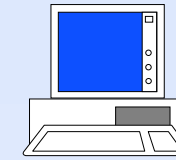
Key in Order

Translate Order
into EDI
message



Communicate
Order

Translate EDI
order for
integration



Integrate Order
into order processing
application

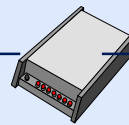
SUPPLIER

Goods Despatched



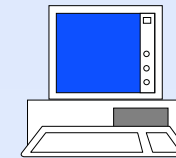
Integrate Invoice
into invoice
processing application

Translate EDI
invoice for
integration



Communicate
Invoice

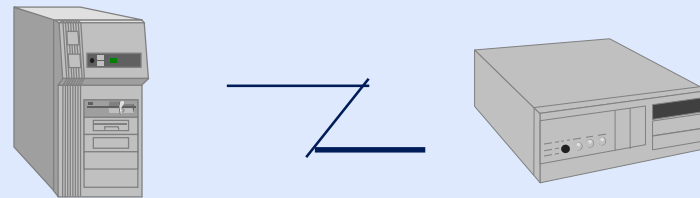
Translate Invoice
into EDI
message



Generate Invoice
using basic
order data

EDI and Electronic Commerce

- EDI is application to application



- Electronic Commerce

- ◆ Human to Human (e.g., E-Mail)
- ◆ Human to Application (e.g., Database services)

Electronic Commerce..

preferred definition..

.. combination of technologies that exchange data (e.g., EDI, e-mail), access data (shared databases, electronic bulleting boards - BBS), and automatic data capture (bar coding, magnetic/optical character recognition).

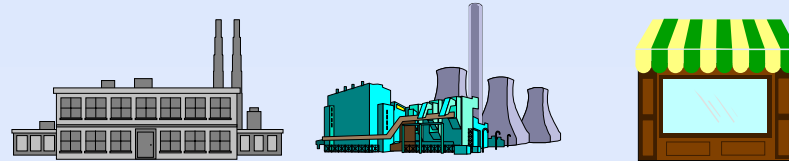
Source: EC World - A forum for the 21st Century

EDI Benefits

- ✓ Increased accuracy
- ✓ Higher speed
- ✓ Reductions in stock, lead times, etc
- ✓ Increased customer satisfaction
- ✓ Savings

Scope of EDI

- All areas of trade

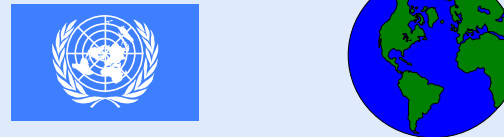


- Trade related activities, e.g..
transport, finance.



- Multi-sectorial

- International



- No pre-defined boundaries

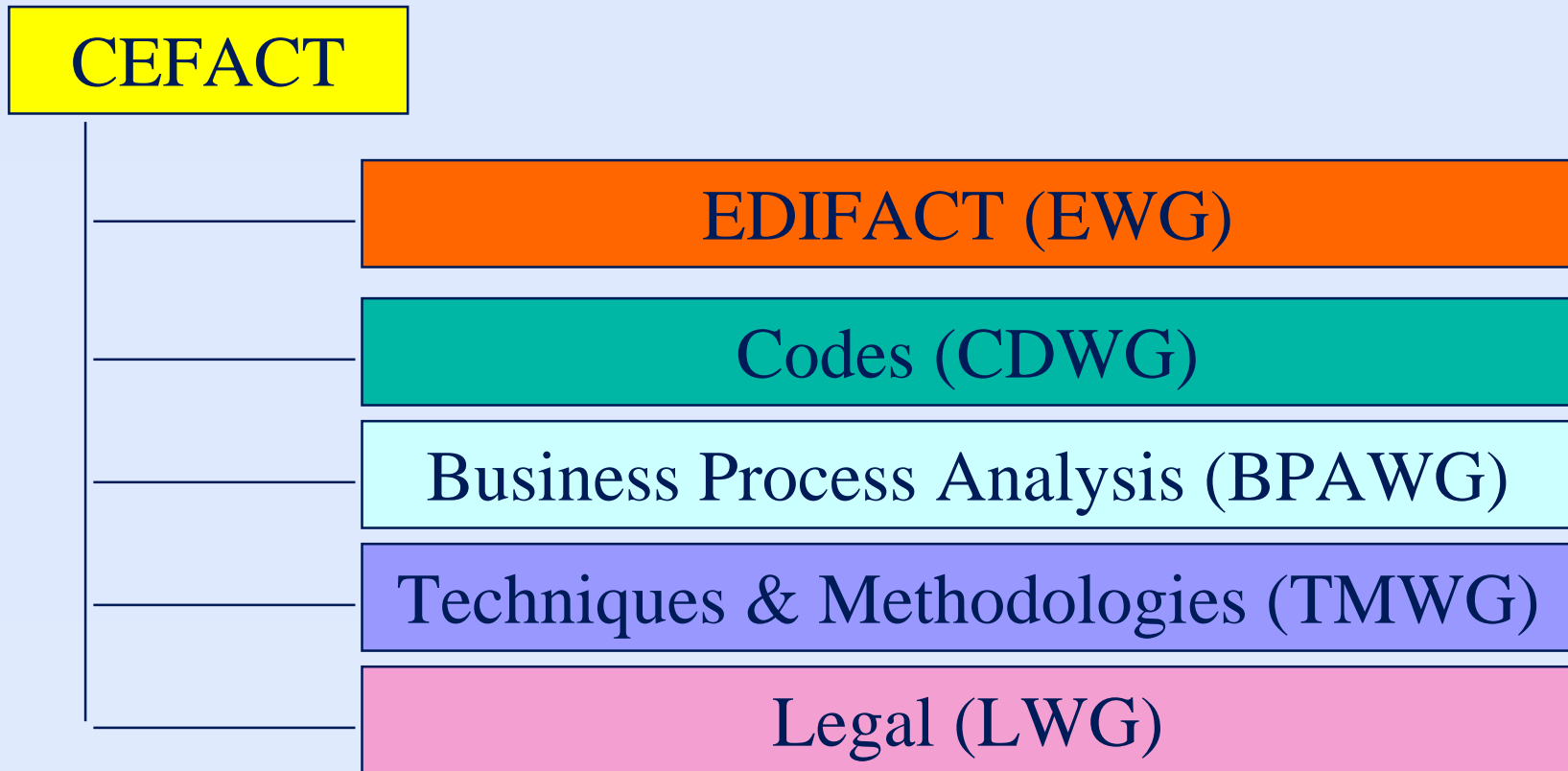
EDIFACT History (Continued)

- 1987
 - ◆ EDIFACT syntax (ISO-9735)
 - ◆ Rapporteurs for North America, Western Europe, Eastern Europe appointed by UN
- 1990 Rapporteurs for Australia/New Zealand and Asia Pacific appointed
- 1994 Rapporteur for Africa appointed

CEFACT

Centre for Facilitation of
Administration, Commerce, and
Transport

CEFACT Structure



CEFACT

International user groups

- EAN International - Retail & Distribution
- CEFIC - Chemical industry
- EDIFICE - Electronics industry
- ODETTE - Automotive industry
- EMEDI - Health sector
- EDITEX - Textiles industry
- etc

EAN International participation in CEFACT

- EAN active in most regions
 - ◆ Western Europe / Pan America / Asia
- EAN activities cross sectorial
 - ◆ Members of European groups
 - ◆ Trade, Transport, Finance, and Public Procurement
- EAN provides 80 man days per year support to the EDIFACT process