

WHITEPAPER

# EDI Modernization



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# Introduction

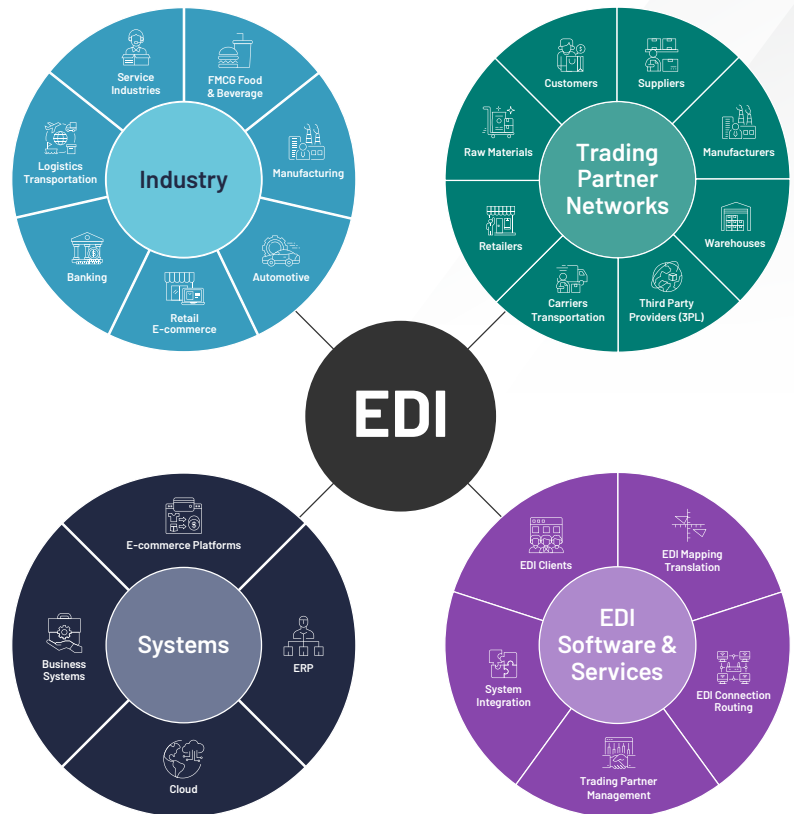
Electronic Data Interchange (EDI) got its start in the transportation industry in the 1960s as a way for businesses to exchange information electronically, rather than in hard copy.

The idea was that by moving from a paper-based exchange of business documents to one that was electronic, businesses would enjoy reduced costs, faster processing speeds, fewer errors and improved relationships with their trading partners.

Successful EDI depended on complying with a series of exacting document and messaging standards. If you did, your electronic documents—invoices, manifests, purchase orders, and other documents from your computer applications—would be immediately readable and actionable by your trading partners' computer applications. Conversely, if your EDI transactions didn't comply, the transaction would stall and require manual handling. EDI managers and other EDI-savvy IT specialists evolved to run the EDI infrastructure.

Fast forward nearly 60 years—and several generations of technology later, including the mainstreaming of the internet and the web in business—EDI is still a foundation of business-to-business communication, used by more than 200,000 organizations worldwide, according to Gartner Research.

## EDI Matters A Lot



EDI remains fundamental for businesses that produce, ship, purchase and sell goods, or provide services that involve big supply chains with lots of trading partners and lots of transactions. Retailers, manufacturers, insurers, healthcare providers, and airlines use EDI daily. Organizations have strict compliance policies for their own EDI standards, to the point of maintaining compliance “score cards” for trading partners.

Although it’s a mature technology, EDI (mostly) continues to do its job: speeding up logistics timelines and eliminating many manual errors of business-to-business (B2B) communication automation. But increasingly, EDI is proving useful in new forms of B2B automation, including supply chain automation and business process automation.

Decades of investment are sitting in EDI operations. But at what cost, both monetary and opportunity? And is it still sufficient?

Customers and trading partners today expect reliable digital connections on their terms. This means complying with their mandates in processing orders and delivering consistent, predictable, and reliable service to them. Every transaction has to be better, faster, and cleaner. Every EDI process does as well, from onboarding trading partners, to routing confirmation or status messages, to identifying and troubleshooting problems.



# What is EDI modernization?

EDI modernization involves extending business-to-business (B2B) integration and automation beyond classic EDI—the land of Value Added Networks (VANs) and other, more “hardwired” connections—to meet modern business requirements. Modern B2B integration reflects changes in the way companies connect, automate business processes, and exchange data to reduce the cost and complexity of partner onboarding and operations.

## The fundamentals of EDI modernization include:

- 1** A multi-protocol, multi-network platform that consolidates EDI operations
  - Routing and monitoring of all EDI communications
  - Acknowledgement and reconciling of all EDI transactions
  - Mapping, translation, and compliance checking
- 2** Automated, easy connection of EDI and non-EDI-enabled vendors
- 3** Browser-based views of daily activity for authorized users, which they can define (by doc, plant, customer, and so on)
- 4** Event- and non-event-driven alarms and alerts
- 5** Error and exception notifications based on business-defined requirements
- 6** Open, flexible, and scalable enough to meet changing business requirements
- 7** Bullet-proof security and availability



## The benefits of modernizing EDI include:

- ✓ Streamlined, any-to-any format transformation, data mapping, and integration
- ✓ Automated, easy connection of EDI and non-EDI-enabled vendors
- ✓ Process orchestration for intelligent automation
- ✓ Asynchronous, synchronous, and real-time transactional capabilities
- ✓ Visibility and analytics that let you use EDI to improve operations and exploit business intelligence
- ✓ Extensive, simplified integration with both on-premises and cloud applications, systems, data, and partners

Digital transformation is happening throughout many organizations, using technologies like cloud, APIs, browsers/alternative user interfaces, DevOps, analytics, SaaS models, and internet connectivity to speed and simplify business processes that involve people. EDI—a mature but critical part of your supply chain infrastructure—must keep up. It only makes sense. Industry can harness these tools of the trade to make EDI management more functional, simplified, accessible, and cost-effective.

# Why modernize now?

## Common catalysts for EDI modernization include:



Pressure from trading partners to comply with EDI mandates



ERP and other related system changes becoming overwhelming



M&A activities and system/vendor rationalization pushing for lower costs



EDI costs—operating, staffing, opportunity—growing out of control

## Businesses often struggle to respond, because...

1

An in-house-developed system is showing its age. Common symptoms are slow and/or costly partner onboarding, functional limitations, escalating maintenance cost and effort, or the inability to scale with business growth. Ongoing development costs are high and staffing difficult, particularly given aging or laid-off workforces.

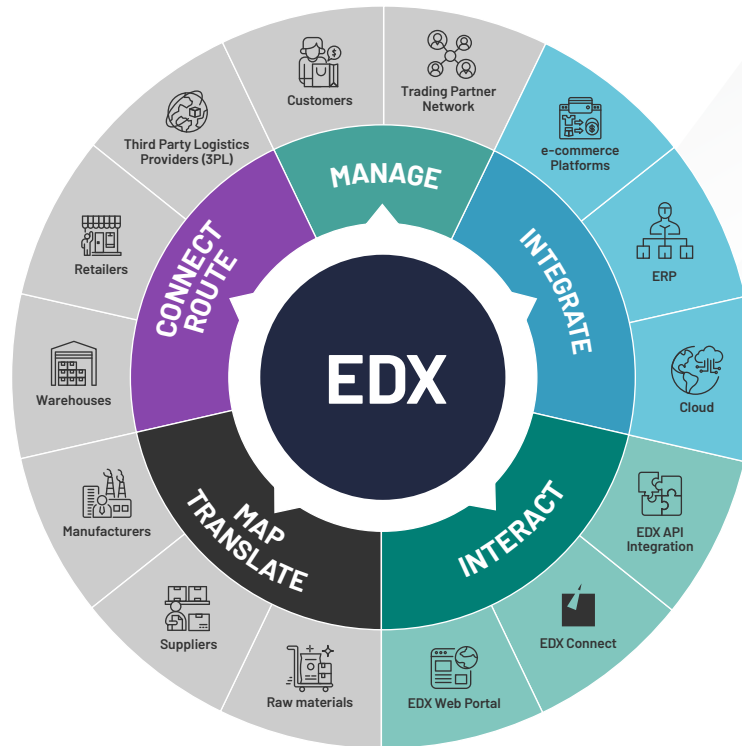
2

An on-premises, third-party-run system is suffering many of the same problems, and you're seeing unpredictable or escalating costs as a result.

3

A SaaS EDI solution hasn't lived up to its promise. Chargebacks and penalties due to EDI errors are increasing, or you're seeing poor service, escalating costs, and an inability to control, quickly change, or optimize your EDI operations.

If you're new to EDI, you need to get there quickly so you can grow in the markets you serve. However, where and how to start can seem overwhelming.



# Introducing EDI Management as a Service: Rocket EDX

A new approach, EDI Management as a Service, takes advantage of the cloud, the internet, web interfaces, modern security, and analytics in building out multi-tenant services that securely and efficiently serve many organizations based on their individual needs. Cloud-based EDI solutions can save an average of 25-75% in upfront costs, plus 50-75% in long-term expenses like software updates and hardware upgrades over non-cloud solutions.

Rocket® EDX is a pioneer in EDI Management as a Service, delivering the fundamentals of EDI modernization mentioned above—and more.

Rocket EDX lets you confidently outsource all your global EDI requirements, day-to-day tasks, and change management to proven EDI experts, while you retain complete visibility. There's no need for you to invest in hardware, software, storage and communications technologies (and related IT management expertise and staff) for hosting and running your EDI management, nor in understanding the nuances of EDI protocols and connections.

Web dashboards let your authorized users and EDI stakeholders easily monitor, manage, and respond to daily EDI transactions, in real time.

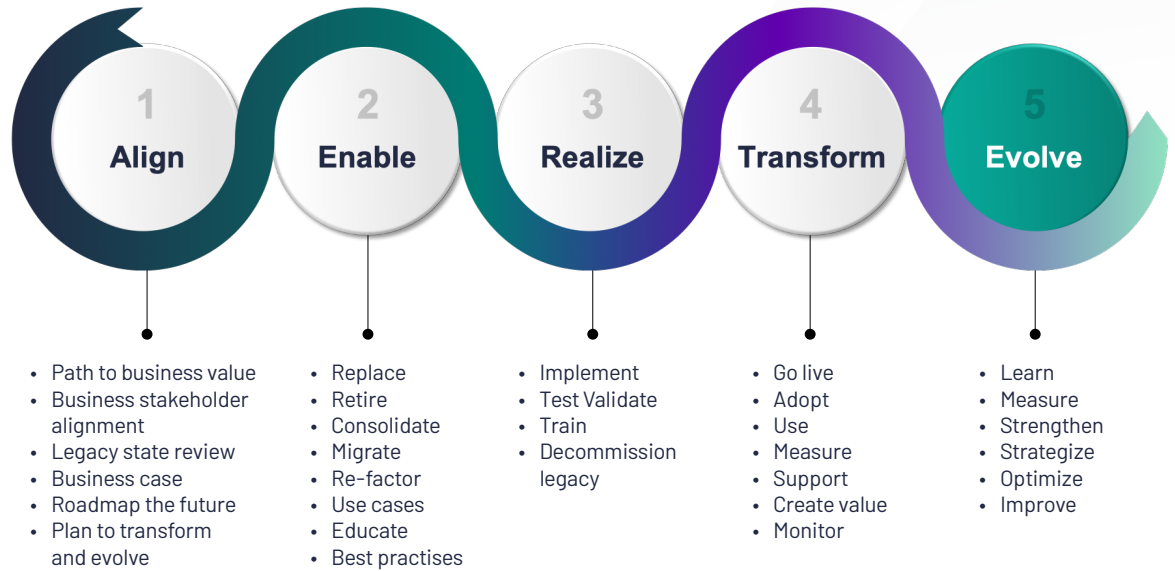
Rocket EDX was created and is operated by EDI professionals with decades of hands-on experience in running modern "EDI Ops" in multiple industries. A key advantage of Rocket EDX is the ability to easily scale your EDI Ops up and down with business growth, KPIs, and other changes. Rocket EDX currently serves hundreds of customers with its highly secure, reliable, and available network. Best practices, standard documents, and an established Trading Partner network created from our accumulated experience can speed deployment of your EDI management service, onboarding of trading partners, and more.

Whether you're transitioning your EDI from a current on-premises or SaaS EDI solution, or you're brand new to EDI, Rocket EDX will get your critical EDI processes modernized safely and expeditiously. Our EDI Process Modernization methodology (see Figure 1) has been honed over many successful deployments. It's the engine behind every Rocket EDX customer deployment.



Figure 1

# EDI Process Modernization



As long-time users of EDX, it has become an essential daily tool for Evco Plastics. It is easily modifiable for our constantly evolving business needs by Rocket's experienced customer service team. The EDX team is there for us when we need them, always, and adapts EDX to our specific EDI requirements. This enables us to quickly on-board and work with more trading partners in a timely manner as the EDX team is well versed with nuances of EDI. //

*David Wollin*  
Software Application Specialist, Evco Plastics.

## Are you ready for EDI modernization?

With EDI Management as a Service, EDI modernization is easier than you think. Contact Rocket Software for a complimentary EDI Modernization Review.

✉ [info@rocketsoftware.com](mailto:info@rocketsoftware.com)

[LEARN MORE](#)

## If your enterprise leverages EDI, Rocket Software offers other B2B integration products that may support your enterprise's goals:

- **Rocket® Eurex-c®** can help bring coherence and confidence to the chaos. Eurex-c is a centralized, secure system that automates, controls, and manages all your file exchanges, integrates easily with your B2B integration processes, and is OFTP2- and AS2-certified.
- **Rocket® TRUfusion™ Enterprise** is a simple, cost-effective complementary solution for companies using a PLM system such as Siemens® Teamcenter® or PTC Windchill®, allowing you to easily and securely manage exchanges of CAD files and related product design data from within your PLM system.
- **Rocket® TRUcentrix™** is a comprehensive collaboration and process automation solution that streamlines data exchange and collaboration scenarios across corporate IT boundaries. From simple Managed File Transfer (MFT) transactions to complex multi-organizational workflows, TRUcentrix provides a single, secure and proven B2B platform that offers rapid return on investment.
- **Rocket® TRUexchange®**, a highly secure Software as a Service (SaaS), allows your organization to easily exchange files and documents of any type and size quickly and securely. Organizations can leverage Rocket TRUexchange to connect and share with business partners in any geography, regardless of time zone or system configuration.



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