

# DataInterchange

an Epicor solution

## How EDI Drives Real Business Value

*Understanding the Benefits of  
Modern EDI Solutions*





## **03** Are You Getting the Most From Your EDI?

## **14** Multiple Ways to Win With EDI

## **04** How EDI Delivers Value Within Your Business

- 04** Increasing Document Accuracy
- 05** Empowering Teams
- 06** Enhancing Customer Satisfaction
- 09** Embracing Sustainability
- 11** Strengthening Trading Partner Relationships
- 12** Bolstering Data Security
- 13** Enhancing Business Intelligence

## Are You Getting the Most From Your EDI?

EDI has been around for over 50 years and remarkably still handles [70% of B2B transactions today](#). However, as the digital landscape continues to evolve, driven by shifting customer expectations and rapid technological advancements, the capabilities and benefits of modern EDI systems have expanded far beyond their original scope.

The question that businesses must ask themselves is no longer simply about having an EDI system in place, but rather whether they are truly maximising its potential. Are your current EDI solutions merely meeting the basic requirements, or are they actively leveraging opportunities to drive substantial business value?

In this eBook, we dive deep into the real value that EDI delivers, from its fundamental role in supporting B2B transactions to its potential for process optimisation, data analytics, operational efficiency, and, ultimately, generating more profit for your business.

You'll gain valuable insights into why advanced EDI platforms are critical for companies that aim to optimise their operations, extract actionable insights from their data, and enhance their competitive edge in an increasingly dynamic market.

Armed with this knowledge, you'll be well-equipped to make an informed decision about whether your business should adopt a new EDI system or focus on improving your existing setup to harness even greater benefits and maximise your return on investment.

**Let's get started.**

# How EDI Delivers Value Within Your Business

## Increasing Document Accuracy

The manual handling of orders, invoices, and other critical documents inevitably leads to costly errors over time. Error costs can be as much as five times the cost of processing a document correctly in the first place, according to [Union Pacific](#). This may not seem significant at first glance. However, when scaled up to encompass hundreds or even millions of complex documents, the impact becomes substantial.

In the context of EDI, manual errors pose a significant threat to revenue, often manifesting in the form of chargebacks and fines imposed due to inaccuracies or non-compliance with EDI standards. The financial losses stemming from poor EDI integrations can be staggering, ranging from thousands to even millions annually for enterprise-scale companies.



### The Role of EDI in Mitigating Manual Errors

Advanced EDI solutions offer a range of features designed to catch errors and maintain strict data integrity. These include:

- 1. Automated Data Exchange:** By automating the exchange of business documents between systems, EDI effectively eliminates the need for manual data entry. This automation reduces human error by an impressive **30 to 40%**, ensuring a higher level of accuracy and consistency across transactions.
- 2. Standardised Formats:** EDI enforces the use of standardised data formats, minimising ambiguity and errors in data exchange. This standardisation not only supports compliance efforts but also helps businesses avoid costly chargebacks that arise from data inaccuracies.
- 3. Error Detection and Alerts:** Sophisticated EDI systems come equipped with alert capabilities that quickly identify errors, empowering businesses to correct issues before they escalate into failed transactions or chargebacks. This proactive approach to error management saves time, money, and valuable business relationships.

# Empowering Teams

EDI solutions have evolved to strike a balance between simplicity and sophistication. These advanced platforms are designed to streamline complex transactions while maintaining a user-friendly interface.

This user-centric approach facilitates personalisation and scalability, allowing businesses of any size to tailor the technology to their needs. Intuitive graphical interfaces, workflow builders, and seamless API integrations with existing systems make it easy for companies to manage supply chain communications on their own terms.

## Three Benefits of Having a User-Friendly EDI Solution

### 1. Self-Serve Transactions:

User-friendly EDI solutions empower staff to self-serve simple configuration changes, data reviews, and troubleshooting. This reduces dependence on technical teams for routine requests.

### 2. Accelerated Onboarding:

The simplified design of modern EDI platforms enables new hires to grasp EDI processes much faster. Less training time is required, saving money and allowing new staff to contribute sooner.

### 3. Address Labor Issues:

Intuitive self-service EDI capabilities reduce over-reliance on scarce technical skills. Process automation and managed services open EDI to a wider range of skill sets, sustaining growth.

“With little time, insufficient information and more than a modicum of risk, Data Interchange delivered a robust capability in a few months when many said it could not be done. **You are to be congratulated on your planning and delivery.**”

Nick Gaines, [Volkswagen Group UK](#)



# Enhancing Customer Satisfaction

In an era where digital commerce and remote sales are taking center stage, swift order processing and fulfillment have become critical for effectively serving both trading partners and end customers.

Recent [supply chain research reveals](#) the significant impact of shipping delays on consumer behavior. Strikingly, 70% of consumers have experienced shipping delays without any explanation from the vendor, and 90% of those affected are less likely to make future purchases from the same brand. Furthermore, 29% are more inclined to post negative online reviews after encountering these issues.

**With the products and services from Data Interchange we have all the possibilities of EDI connectivity and the maximum capacity of integration with our ERP.**

[Eusebio Lluesma](#), EDI Manager at SMR

Modern EDI platforms streamline order processing and fulfillment, directly impacting customer satisfaction and business growth. Faster processing times, accuracy, and real-time visibility create a superior customer experience, encouraging repeat business and positive word of mouth.

## The Role of EDI in Accelerating Order Cycle Time

Order cycle time is the average time between when a customer places an order and when the order ships out for delivery. Over 60% of EDI users [report accelerated order cycle time as a leading benefit](#). Here's how EDI makes a difference:

- 1. Automated Processing:** By transmitting documents immediately upon creation, EDI eliminates the wait times associated with mail and email delivery. This enables orders to be processed, fulfilled, and shipped much more quickly, meeting the growing demand for fast and efficient service.
- 2. Real-Time Visibility:** EDI provides real-time visibility into order, inventory, and shipment status, empowering businesses to respond quickly to issues or changes in demand.
- 3. Risk-Free Scalability:** Whether adapting to a steady increase in transaction volumes or accommodating a sudden large order, EDI ensures that speed and accuracy are maintained throughout the process.
- 4. Extensive Transaction Set Support:** Comprehensive EDI systems offer access to a wider range of transaction sets, including production planning and shipping schedules. This extensive support gives companies greater control and flexibility over their order processing and fulfillment workflows, enabling them to optimise their supply chain operations and better serve their customers.

## Turbocharging Operational Efficiency

Modern EDI solutions give ambitious companies the tools to achieve enhanced company-wide operational efficiency. By streamlining processes from order management and inventory control to invoicing and payments, EDI supercharges productivity and enables employees to prioritise high-impact strategic initiatives.

Notably, while EDI alone drives transformation, its impact is amplified when integrated with other digital innovations. A McKinsey & Co. article titled "[Supply Chain 4.0](#)" depicts a future where EDI combined with Big Data, predictive analytics, and integrated planning processes create tightly orchestrated, data-driven supply chain workflows. The result: 30% lower costs and 30%-50% fewer forecast errors—tangible results from digital transformation.

While traditional EDI platforms struggle to "play nice" with emerging tech, more sophisticated solutions use APIs to facilitate deep integration across ERP and other business systems, laying the foundation for supply chain innovation. With the right solutions in place, ambitious organisations can build supply chains fit for the digital future.

## Transforming Days Into Seconds

EDI revolutionises the way businesses exchange information by automating the instant transmission of critical documents between systems. Through eliminating the need for manual data entry, EDI accelerates workflows, resulting in significant time and cost savings.

Joe Chadwick, Quality Manager at [Tom-Cin Metals](#), experienced the transformational impact of implementing Data Interchange, an Epicor Solution first-hand:

**“The old way of doing things was very manual. We had employees scanning, picking, and logging material by hand, a very labor-intensive experience...After deploying Data Interchange, Tom-Cin Metals’ total first-year and ongoing year-over-year savings were \$70,800, and overtime was reduced by 80%.”**





# Embracing Sustainability

Sustainability has evolved from a niche concern to a central focus in global business operations. Far beyond mere compliance, sustainability offers companies a unique opportunity to outpace their competitors.

This competitive edge is why [88% of publicly traded companies](#), 79% of venture and private equity-backed companies, and 67% of privately owned companies have implemented ESG (environmental, social, and governance) initiatives. Companies are paying [\\$500,000 annually](#) to boost their sustainability ratings, with those delivering on these goals enjoying [superior shareholder returns](#).

EDI can reduce a company's environmental impact. Paper products comprise [26% of landfills](#), and implementing EDI can substantially curb this waste by eliminating the need for physical documents. By enabling the digital exchange of business data, EDI reduces the demand for paper production, thereby decreasing energy usage and carbon emissions.

## The Business Case for Sustainability

Companies recognise that the benefits of investing in sustainability extend beyond meeting environmental demands. The strategic shift toward EDI and paperless processes offers a multitude of economic benefits.

One significant advantage is reducing operating costs. U.S. businesses waste **\$120 billion every year** on printing forms that become redundant after just three months. The average worker consumes an astounding **10,000 sheets per year**. By converting paperwork to electronic documents, EDI offers savings across an enterprise. Without piles of files and reports to store or mail, companies can reclaim valuable office real estate while cutting costs related to supplies and postage.

In addition to reducing operating costs, other benefits include:

### Access to Capital

Companies with strong ESG performance often have better access to capital as investors increasingly prioritise sustainability in their investment decisions.

### Partnership Opportunities

By embracing sustainability, companies can align themselves with forward-thinking, leading organisations that have their own ESG initiatives to comply with.

### Attracting Top Talent

Over **68% of potential employees** want to work for companies prioritising environmental sustainability. This sentiment is most pronounced among Millennials and Gen Z.

### Regulatory Compliance

Companies that proactively address environmental and social risks are better positioned to avoid potential legal, regulatory, and reputational challenges.

# Strengthening Trading Partner Relationships

For modern companies, success depends on a complex ecosystem of external partnerships, which can be strained by disjointed processes over time. EDI strengthens these bonds by enabling rapid, accurate transactions and tight alignment between partners.

Effective collaboration within the supply chain begins with seamless integration and onboarding. Platforms like Data Interchange offer effortless partner onboarding, providing a significant advantage over alternatives that require lengthy manual work to establish new trading partners in the EDI system.

Faster transaction processing, enforced compliance, and effortless scalability (the ability to handle a vast number of transactions at a moment's notice) all contribute to enhanced customer satisfaction and long-lasting business relationships.

Rapid integration and smooth, efficient data transfer foster trust and collaboration among partners. [60% of EDI adopters](#) report that investing in the technology has "improved their external relationships," ranking as the third most significant benefit after increased document accuracy and efficiency.

**“The biggest benefit we have received is that Data Interchange’s software has given us the invaluable capability of building a high level of trust, both within our business and with our customers.”**

[Paul Bower](#), Head of IT at Fenmarc

# Bolstering Data Security

In today's digital landscape, cyber threats pose an existential risk to businesses, with the average cost of a data breach soaring to over **\$4.35 million**, marking a nearly 3% increase year-over-year. Small-to-medium-sized businesses (SMBs) are particularly vulnerable, with **60% facing bankruptcy** within just six months of experiencing a severe cyberattack or data breach.

Research indicates that businesses are especially susceptible to “phishing” attacks, in which malicious actors manipulate employees into divulging sensitive information or unwittingly installing malware on their systems. This insidious practice is responsible for **16% of all cybersecurity incidents**, with an average cost of \$4.91 million per breach.

The relationship between data security and EDI becomes apparent when considering that traditional manual methods, such as paper processing and email, are often the weakest links in a company's security chain. When B2B transactions are handled across disparate systems and credentials are shared company-wide, it creates opportunities for data theft and leaks. EDI provides a powerful solution to mitigate these risks.

## Encryption and Secure Transfer

EDI safeguards businesses by unifying transaction processes into a single secure gateway protected by robust encryption. This reduces exposure to damaging cyberattacks and data breaches that could prove financially devastating.

EDI achieves this level of security through specialised networks known as Value-Added Networks (VANs). VANs create a secure, private space for EDI transactions, where data integrity is maintained through rigorous authentication and encryption processes.

For securely transferring large data files, EDI relies on the Secure File Transfer Protocol (SFTP), designed to handle bulk data securely. Additionally, EDI utilises protocols like AS2, specifically crafted for EDI transactions to encrypt data in transit, and use digital certificates for authentication. Digital certificates certify that the data exchange was successful and uninterrupted, which is vital for compliance and cybersecurity.

The security imparted by EDI is a leading reason why major retailers, such as Amazon, Ford, and Walmart, mandate its use. Sophisticated EDI solutions prioritise top-level security and are continuously updated, adding a valuable layer of protection to seal gaps and neutralise threats.

# Enhancing Business Intelligence

Modern EDI platforms have developed to offer detailed analytics and reporting tools, enabling businesses to capitalise on their precious data for improved decision-making. Intuitive dashboards make detailed insights accessible to a broader range of non-technical users across different departments, from accounting to fulfillment.

## Identifying Errors and Inefficiencies

Reporting tools within EDI systems are instrumental in identifying and rectifying transaction errors and inefficiencies. For example, are you responding to order change requests (ORDCHG) fast enough? What about issuing ASNs or responding to POs? Robust EDI solutions equip businesses with such insights, enabling them to act proactively on inefficiencies before trading partners raise complaints.

## In-Depth Supplier Analysis

EDI data allows businesses to meticulously evaluate supplier performance, covering aspects such as adherence to delivery schedules, compliance with order specifications, and overall reliability. This offers valuable visibility into supply chain responsiveness and performance.

## Streamlining Order and Payment Processes

The analysis of EDI data over time can inform automation and improve processes on the procurement side. Efficiencies can be gained in demand planning, inventory management, and accounts payable through optimisation based on structured insights from inside the EDI platform.

## Accumulating Useful Transactional Data

The ongoing aggregation of EDI data equips businesses with deeper insights into their transactions. This enables both retrospective analysis of long-term trends as well as predictive modeling of what might happen in the future.

John Mitterko, Vice President of Information Technology at World and Main, describes the usefulness of EDI data: “We’ve started delving into POS data from our customers so that we can do reordering,” he says. “Just to be able to accumulate that data is a win in itself because now we can see what we sold at the customer level, where it’s being sold, and how much [it’s being sold for]. We can do sales projections and other things we just didn’t have access to before. And we can mine that data for valuable insights.”

# Multiple Ways to Win with EDI

The true value of EDI extends far beyond its fundamental role in facilitating B2B transactions. As we have explored throughout this eBook, advanced EDI platforms offer a multitude of benefits that can positively impact your company's bottom line and competitive edge.

From reducing costly manual errors and enhancing customer satisfaction to improving operational efficiency and strengthening trading partner relationships, EDI has proven to be a powerful tool for businesses across various industries. Moreover, its ability to bolster data security and help provide valuable business intelligence further underscores its importance in today's digital landscape.

To realise EDI's full potential, it's crucial to select a robust and scalable platform tailored to your specific needs. Modern EDI solutions come in various forms, including cloud-based platforms that simplify B2B processes and reduce costs. These enterprise-grade platforms are accessible anytime, anywhere, helping ensure flexibility and convenience.

For businesses new to EDI, agile solutions enable rapid setup of trading partners and transactions, while powerful on-premises solutions provide complete control. Some providers also offer

managed services, allowing businesses to outsource EDI complexities to experts, enabling them to focus on innovation and growth.

As you embark on your EDI journey or seek to optimise your existing EDI processes, remember that the right EDI solution can be a catalyst for transformative change within your organisation. Investing in a robust EDI platform is a strategic decision that pays dividends for years to come.

Discover how [Data Interchange](#) can help your business thrive.



# DataInterchange

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We're here for the hard-working businesses that keep the world turning. You're the companies that make, move, and sell the things we all need. Trust Epicor to help you do business better. Your industry is our industry, and we understand you better than anyone. By working hand-in-hand, we get to know your business almost as well as you do. Our innovative industry solution sets are carefully built to fit your needs and respond flexibly to your fast-changing reality. We accelerate ambitions, whether you want to grow and transform, or simply become more productive and effective.

*That's what makes us the essential partner to the world's most essential businesses.*

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