



What is EDI and How Can it Benefit My Business?

Amongst the many changes that the internet has brought about, speed of communication is one of the biggest. Given how easily information can now be sent and received digitally, it's surprising how many businesses are still using paper-based forms of exchange.

Electronic Data Interchange (EDI) enables the exchange of documents between businesses in a standardised format. This brings many benefits and makes the process of document exchange between businesses much simpler.

Below are some of the biggest reasons you should be using EDI in your business.

Increased efficiency

By using EDI you can greatly increase efficiency in your business. When you send a document to a business partner, whether its an invoice, advance ship notice or customs document; you want to know that they're going to be able to open it.

Compatibility issues are a big problem when EDI isn't being used. Your business might be using one type of software while the business you're sending the documents to is using another. Having to go back and forth to try and correct the problem is a big waste of time and something that can be completely avoided with EDI.

Better decision-making

Because EDI enables you to have real-time access to vital information such as the transaction status of orders, you're able to make better and faster decisions - for example if an order needs changing at the last minute.

Better relationships with business partners

When dealing with other businesses, you want to maintain good relationships that are beneficial to both parties. If you're sending documents in a company-specific format, it's easy for orders to get delayed and for other mix ups to occur. This can very easily lead to disputes and can damage the reputation of your company as well as ruining business relationships.

EDI helps you to avoid this since the format of the documents being exchanged is decided by both businesses so there are no issues with compatibility.

It can save you money

A big benefit of using EDI that a lot of business owners don't consider is the money it can save you. Research has shown that on average, EDI costs just one third of what using paper-based exchange does.



There are many ways that using EDI saves your business money. Firstly there's the money saved on paper and postage, which can add up significantly, especially in larger organisations. There's also the fact that EDI saves you a lot of time when processing orders and sending documents back and forth.

Another way in which using EDI can save your business money is that it enables you to reduce inventory levels. Because the order processing and delivery time is shortened when using EDI, you're able to reduce inventory levels significantly. With inventory being the biggest cost by far when it comes to product costs, this is a very significant benefit of EDI.

There are various options to consider:

1. Developed with Microsoft Dynamics NAV / BC365

We have worked with various customers developing a tailored solution within your ERP software

2. Use of Third Party tools

We have experience with the following third party tools that can be used

- a/ Flow Software
- b/ Continia E-Documents
- c/ Data Masons

Acumen Consulting can talk through the various EDI options and can assist on deciding the most appropriate option for your business

We start by asking,

- Where is the data coming from?
- What data is mandatory for ERP transactions to flow through?
- Is there a push or pull for this data?
- How do we connect to the partner systems?
- What limitations are set by their security/firewalls?
- What type of integration am I looking to achieve – EDI, End-to-End transaction?
- What information/response needs to flow back and forth?
- What confirmations/documents need to be created?
- How much flexibility is there to update standard flows/processing and documents?
- What volumes (customers vs. transactions) are you processing?

If you'd like more information on EDI and how you can implement it in your business then don't hesitate to get in touch.