The Future Direction of EDI Internationally

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DI - Electronic Commerce and Beyond

Agenda

★ The International e-commerce Market

★ Business Needs

★ The Traditional EDI Approach

★ The current state of EDI

★ The 100% EDI Approach

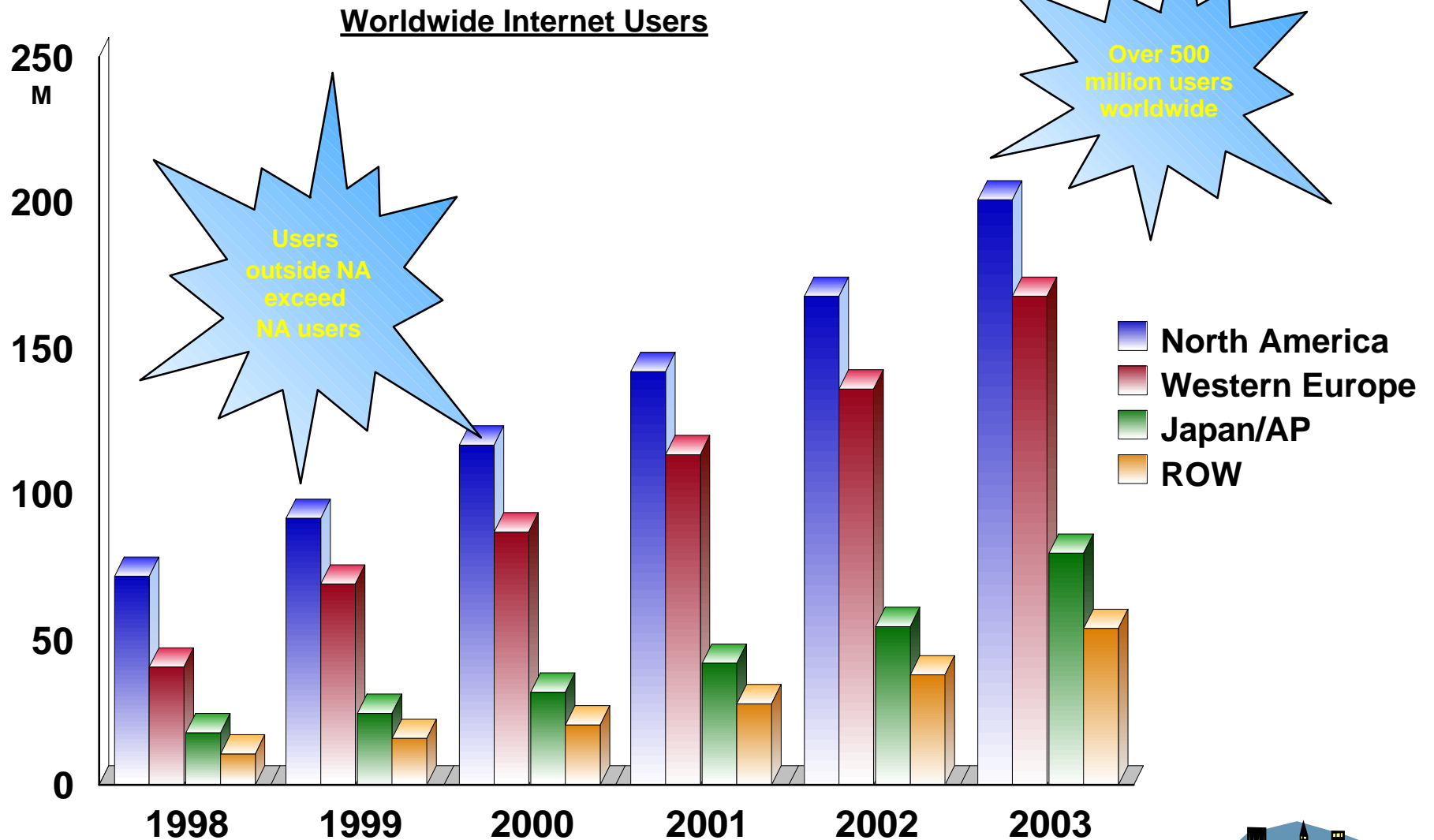# The International e-commerce Market

★ **Forrester Research, Inc.,** estimates that volume of e - commerce worldwide will reach between $1.4 and $3.2 trillion in the year 2003

★ **IDC** - EDI's Internet Transformation - By 2001 the majority of EDI-based procurement dollar volume will run over the Internet

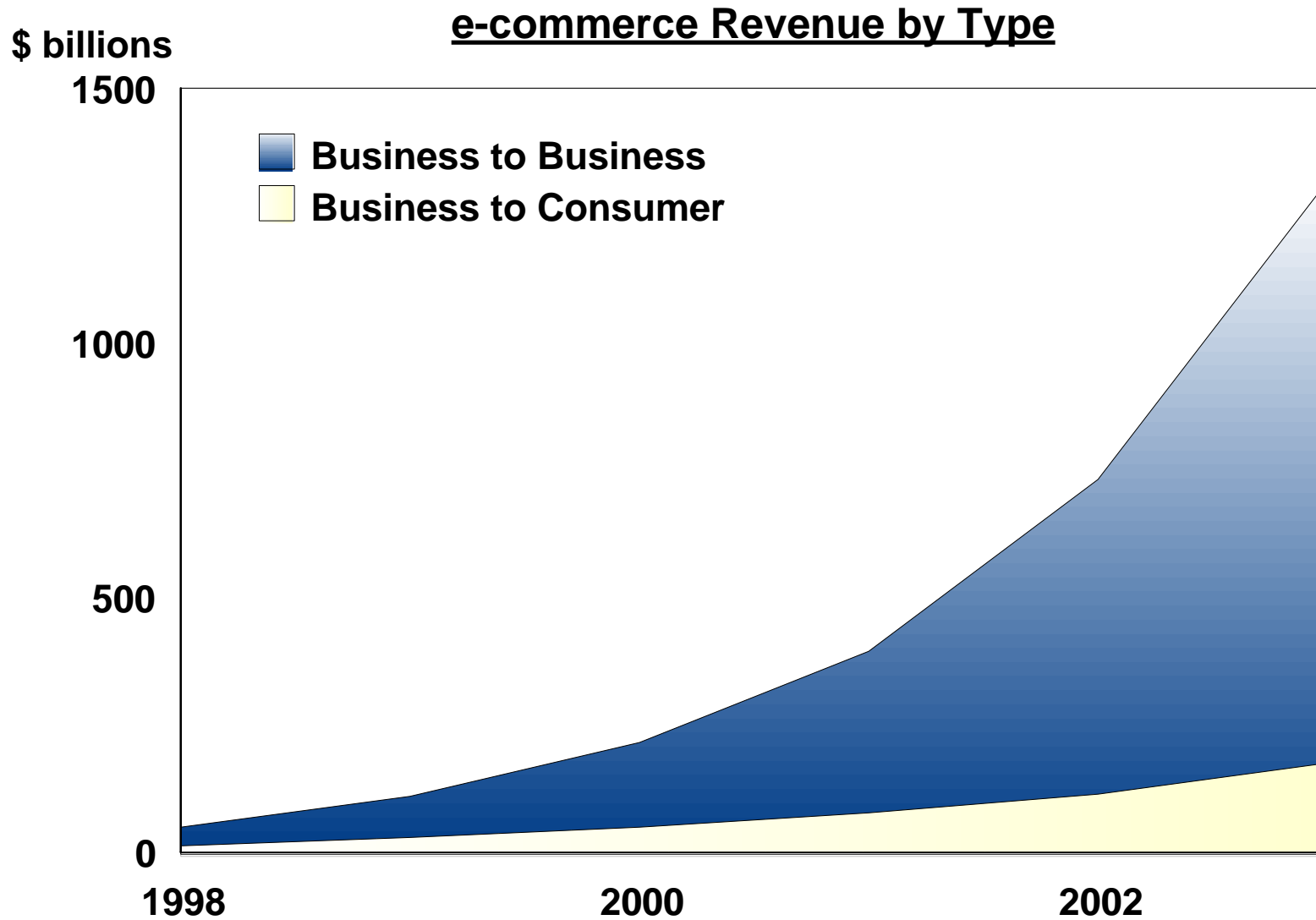★ **Ovum** - The European EDI market is 850 Million Dollars in 1999 and will exceed 1.7 Billion Dollars in 2003

The Importance of the Internet

Worldwide Internet Users

250
M

200

150

100

50

0

Users outside NA exceed NA users

Over 500 million users worldwide

■ North America
■ Western Europe
■ Japan/AP
■ ROW

1998   1999   2000   2001   2002   2003

Source: IDC 1999

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Business to Business Commerce is Driving the e-commerce Boom

e-commerce Revenue by Type

$ billions

Legend:
- Business to Business
- Business to Consumer

Y-axis values: 0, 500, 1000, 1500

X-axis values: 1998, 2000, 2002

Source: IDC 1999

DI2016

Trends in Electronic Data Interchange

OO-EDI

XML-EDI

2001

Forms EDI / Web based EDI

1998

EDI Translation Service

Extranet

EDI -lite

1995

Int. Cross Industry Standards

Internet / Intranet

1985

Nat. Industry Standards

VANS + Interconnect

1980

X.400

Individual

VANS

1975

Point to point connection
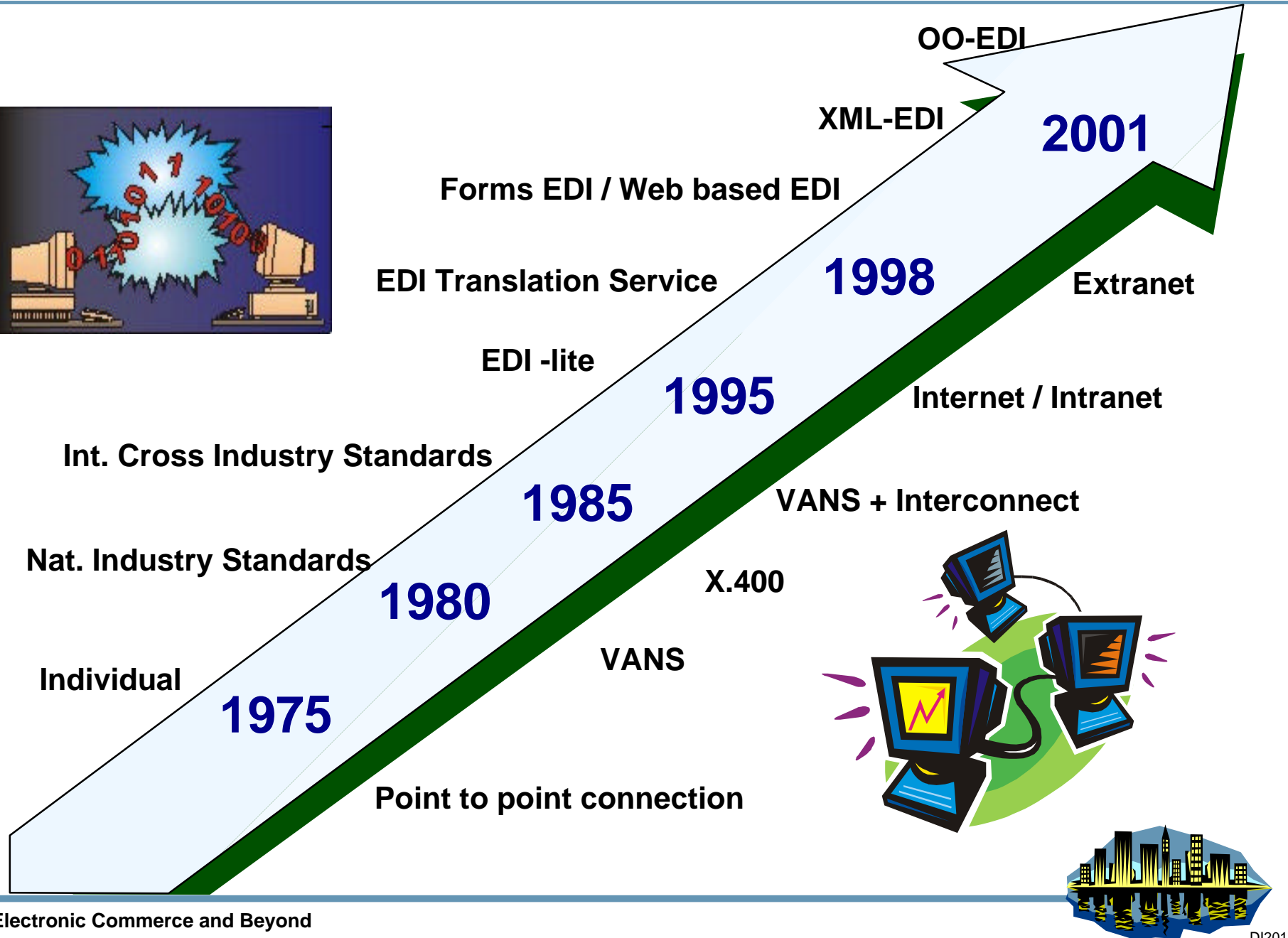
The European e-commerce Environment
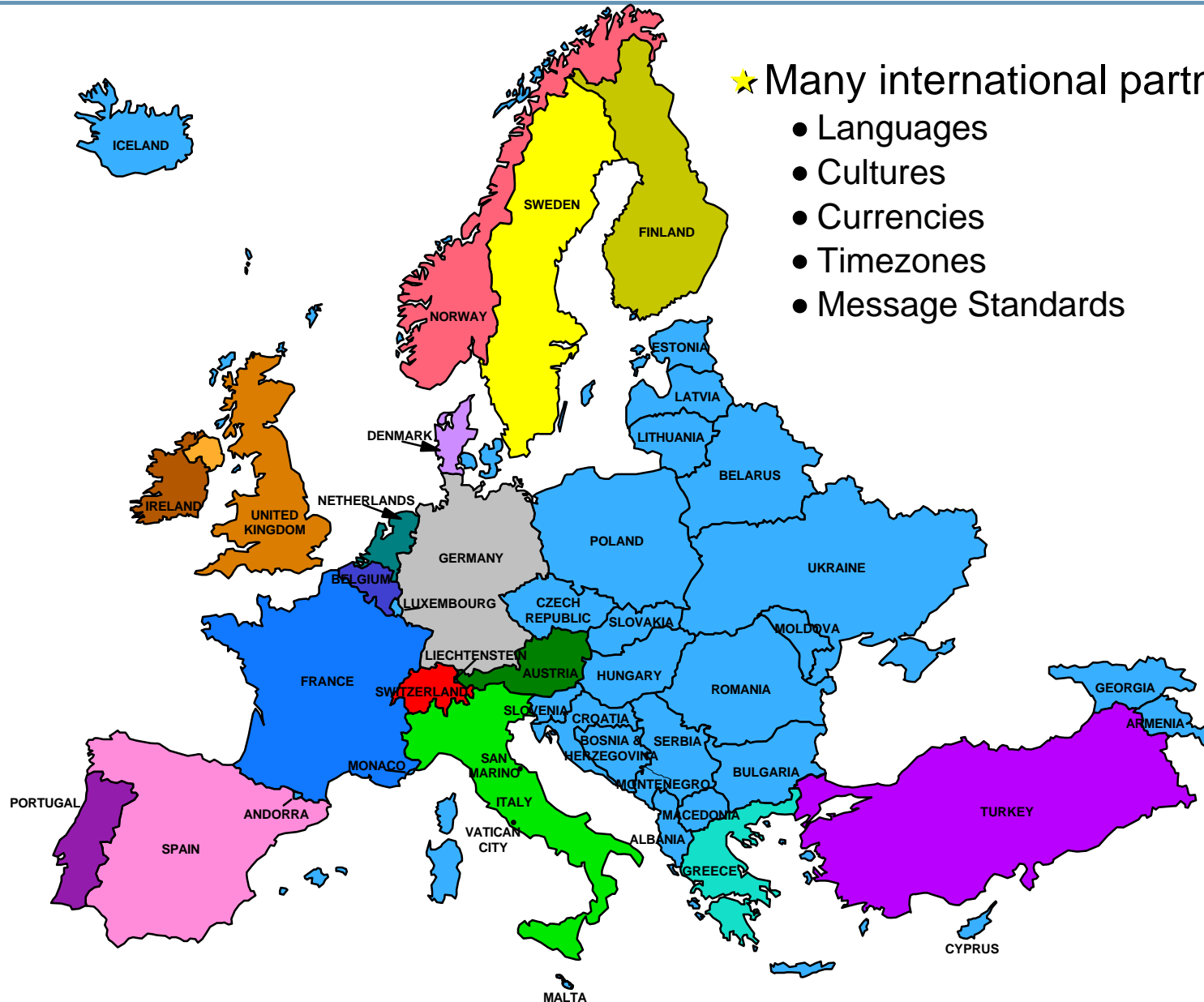
★ Many international partners with different
- Languages
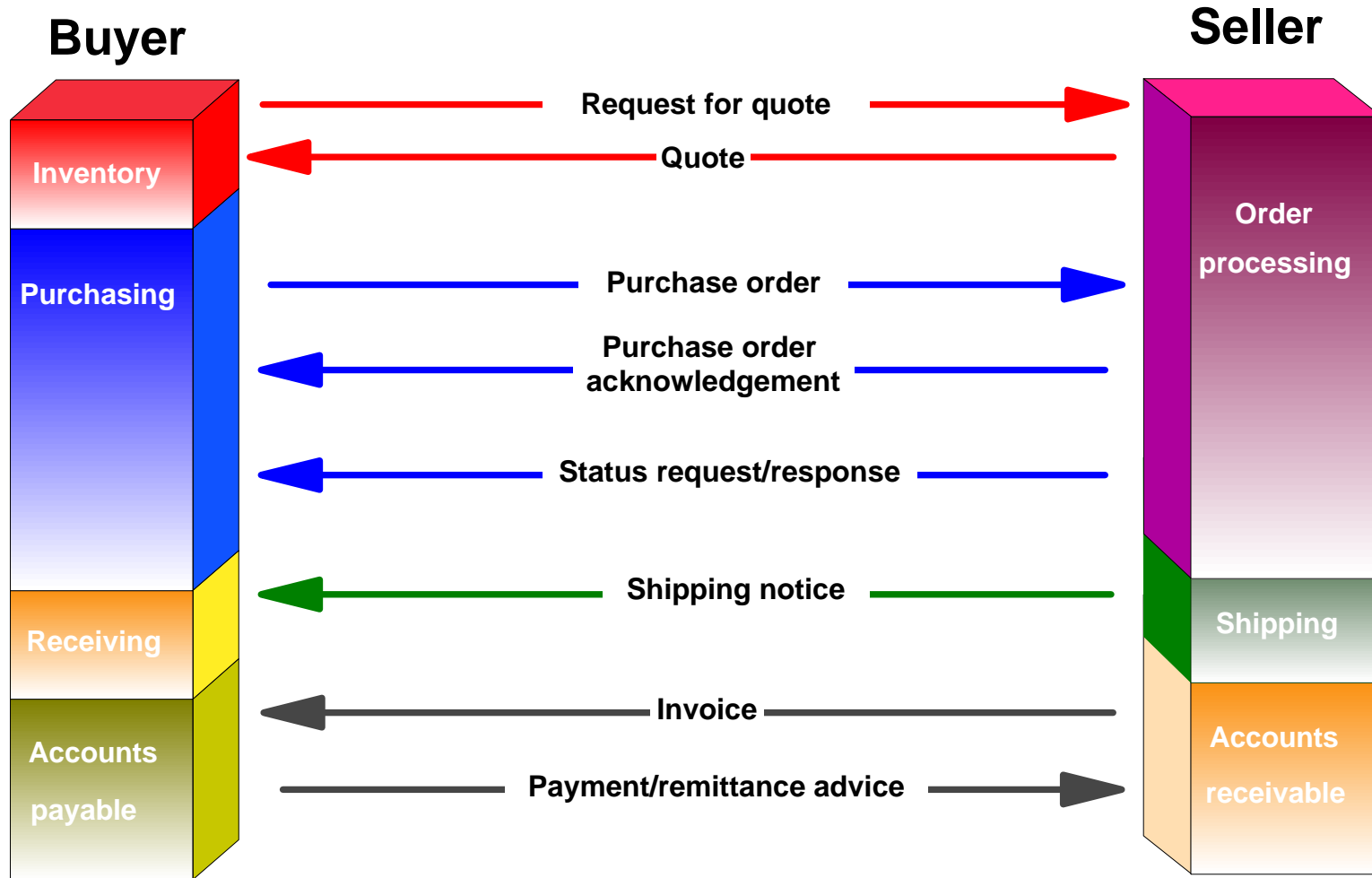- Cultures
- Currencies
- Timezones
- Message Standards

Map labels: ICELAND, SWEDEN, FINLAND, NORWAY, ESTONIA, LATVIA, LITHUANIA, BELARUS, DENMARK, IRELAND, UNITED KINGDOM, NETHERLANDS, GERMANY, POLAND, UKRAINE, BELGIUM, LUXEMBOURG, CZECH REPUBLIC, SLOVAKIA, MOLDOVA, FRANCE, LIECHTENSTEIN, AUSTRIA, HUNGARY, SWITZERLAND, SLOVENIA, CROATIA, ROMANIA, GEORGIA, MONACO, SAN MARINO, BOSNIA & HERZEGOVINA, SERBIA, ARMENIA, PORTUGAL, ANDORRA, ITALY, MONTENEGRO, BULGARIA, SPAIN, VATICAN CITY, ALBANIA, MACEDONIA, TURKEY, GREECE, CYPRUS, MALTA

Business Needs

★ Trading of wares for non-production and production processes internationally

★ Production processes need to be very effective

- High reliable
- Fast - time critical - "just-in-time"
- Secure
- Integrated

★ Non-production processes need to be efficient
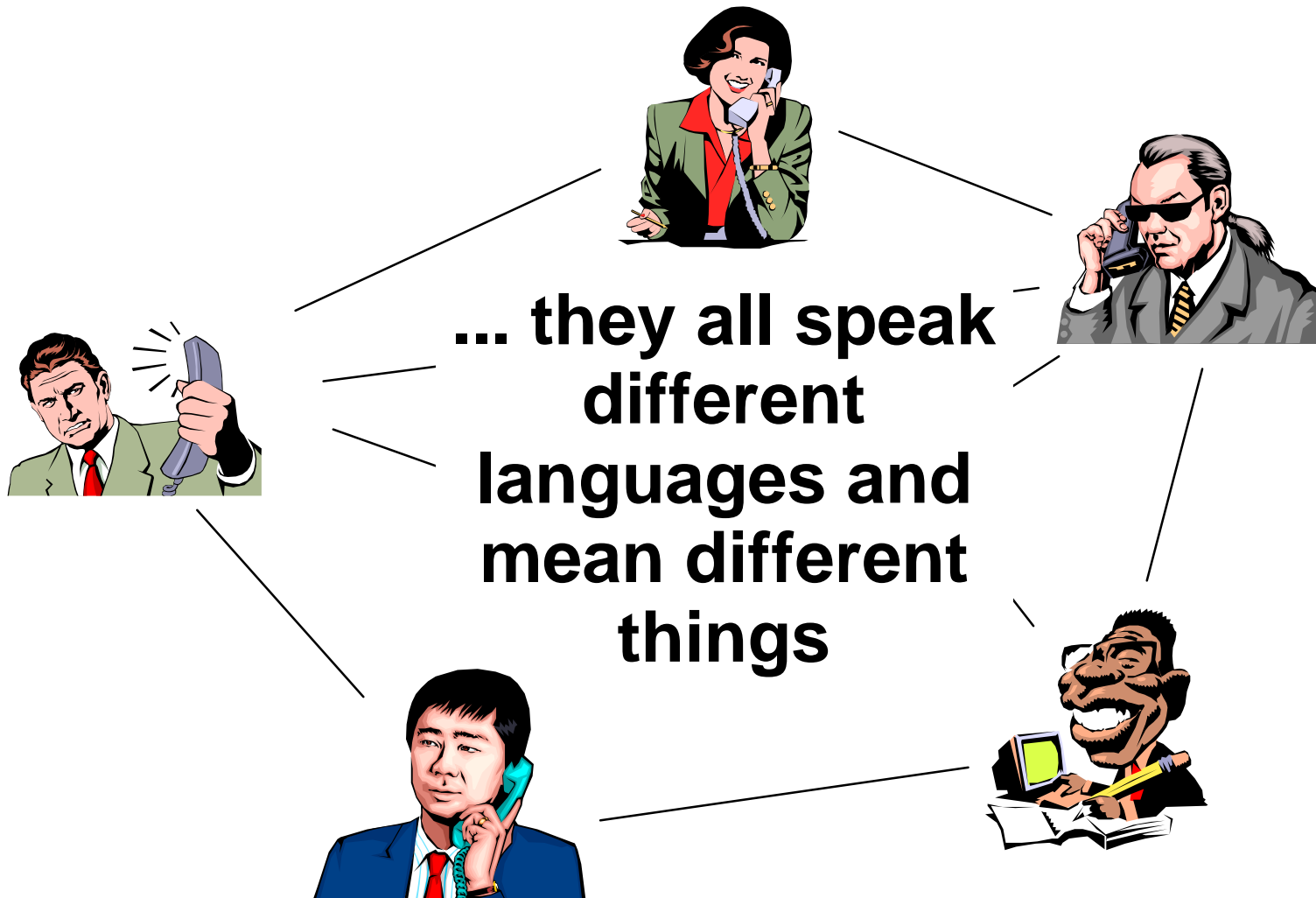
- Reliable
- Integrated
- Low cost

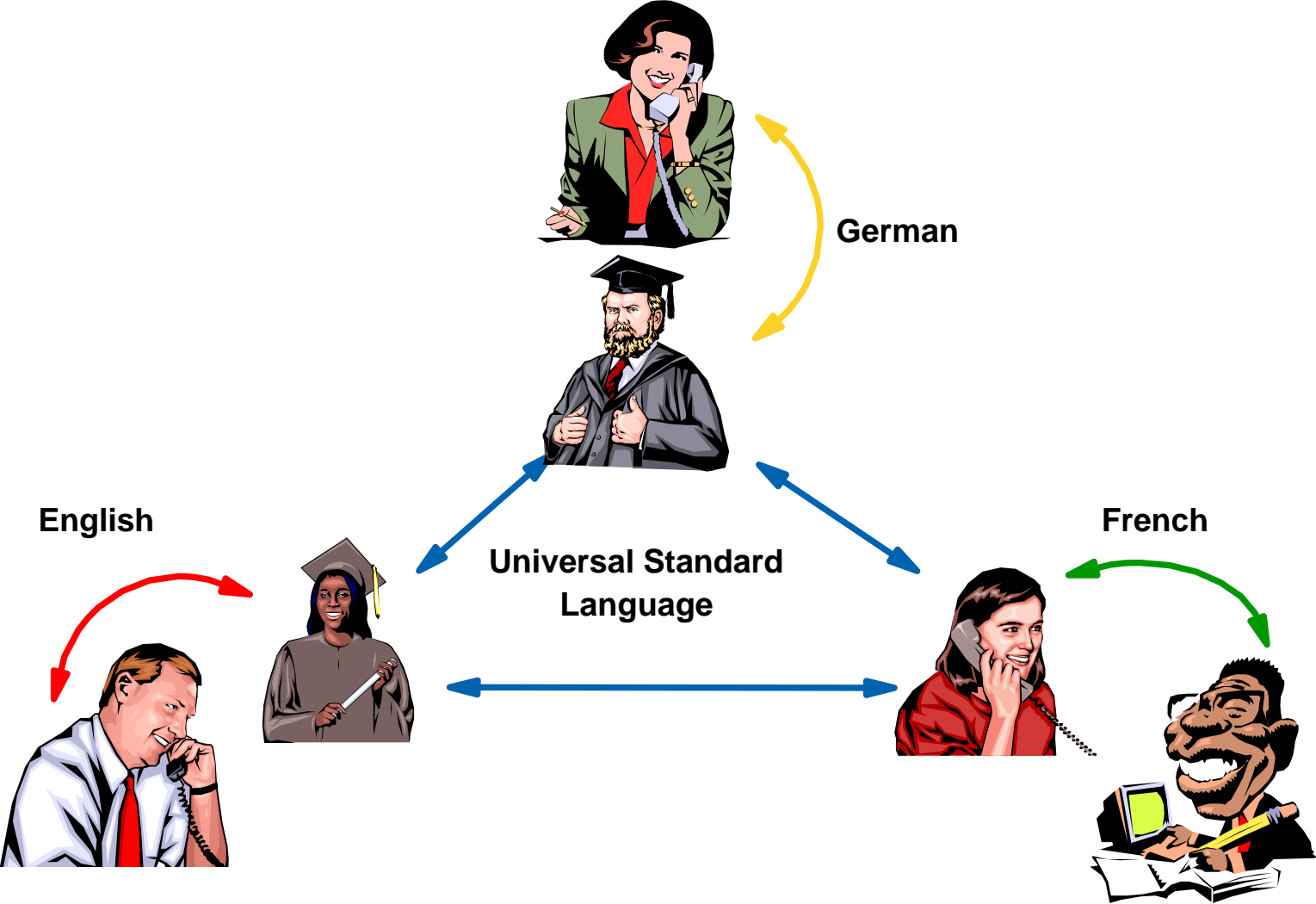# B2B Communications are Needed for any Kind of Trading

Buyer

Seller

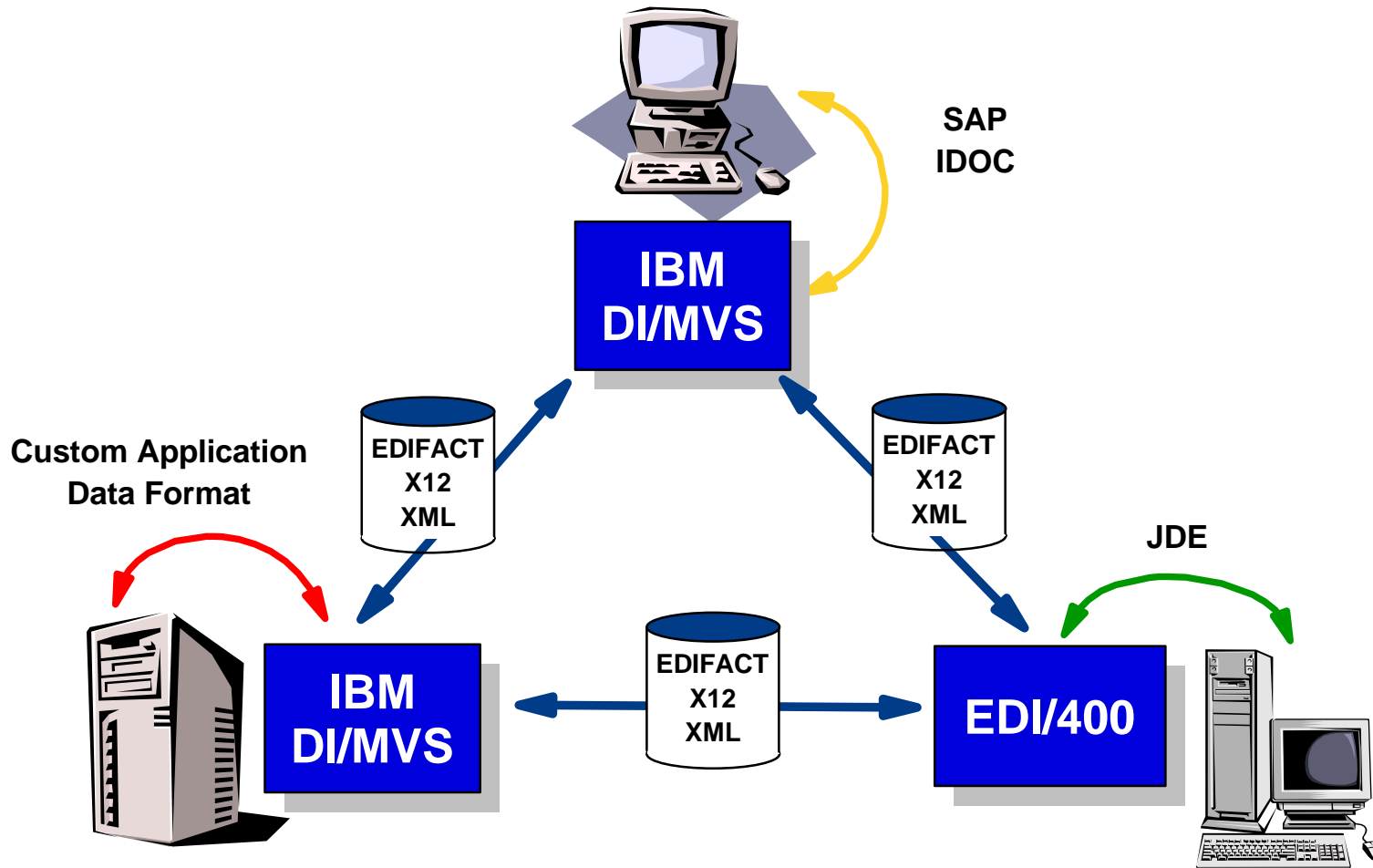|	
Inventory	
Purchasing	Order processing
Receiving	Shipping
Accounts payable	Accounts receivable

Request for quote →

← Quote

Purchase order →

← Purchase order acknowledgement

← Status request/response

← Shipping notice

← Invoice

Payment/remittance advice →

Example for a procurement process

Computers Have the Same Issues as Humans

... they all speak different languages and mean different things

Solution: Everyone Hires a Translator

German

English

Universal Standard
Language

French

The Traditional EDI Approach

SAP IDOC

IBM DI/MVS

Custom Application Data Format

EDIFACT X12 XML

EDIFACT X12 XML

JDE

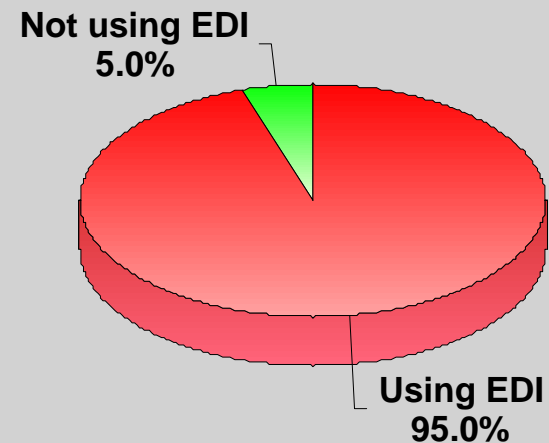**IBM DI/MVS**

EDIFACT X12 XML

EDI/400

Everyone runs his own translation software

The Current State of EDI Worldwide

- Most effective and efficient way to communicate
- High reliable
- Full integrated
- Fast
- High return of invest
- Significant cost reduction

Fortune 1000 Companies

Not using EDI
5.0%

Using EDI
95.0%

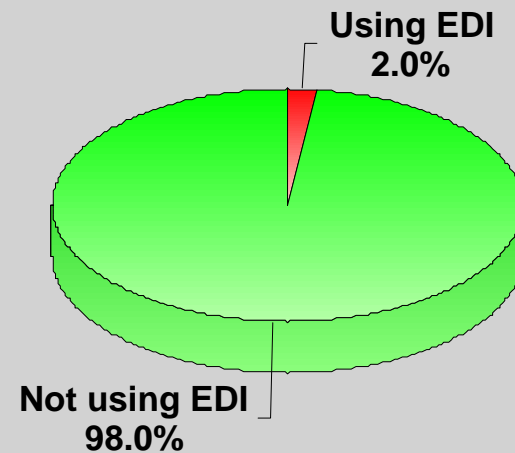Using EDI Not using EDI

Source: IDC

The Current State of EDI Worldwide (cont.)

⭐ Low message volumes don't justify investment in EDI

- Hardware
- Software
- Communication
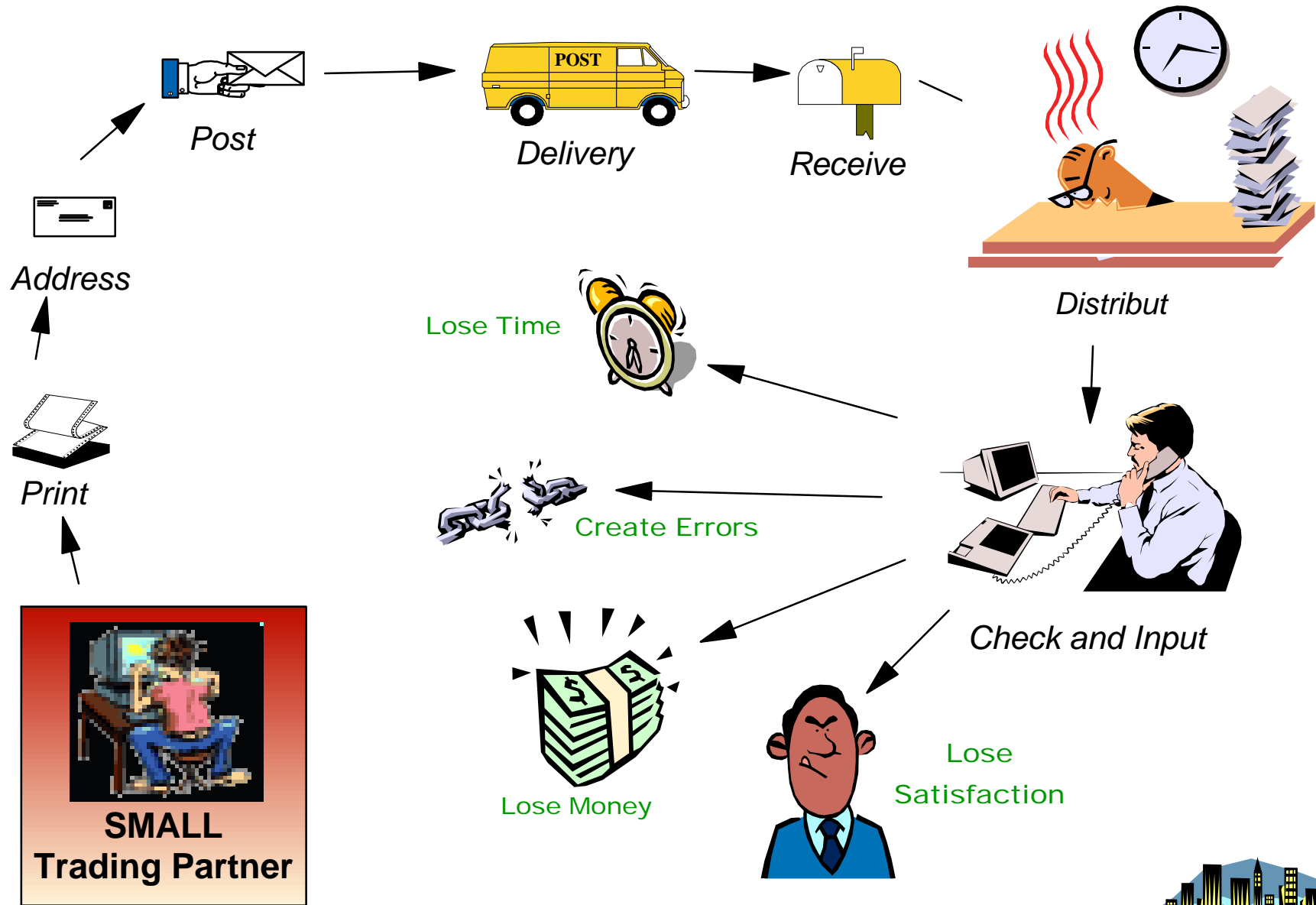- Skills
- Operation

ALL Companies

Using EDI
2.0%

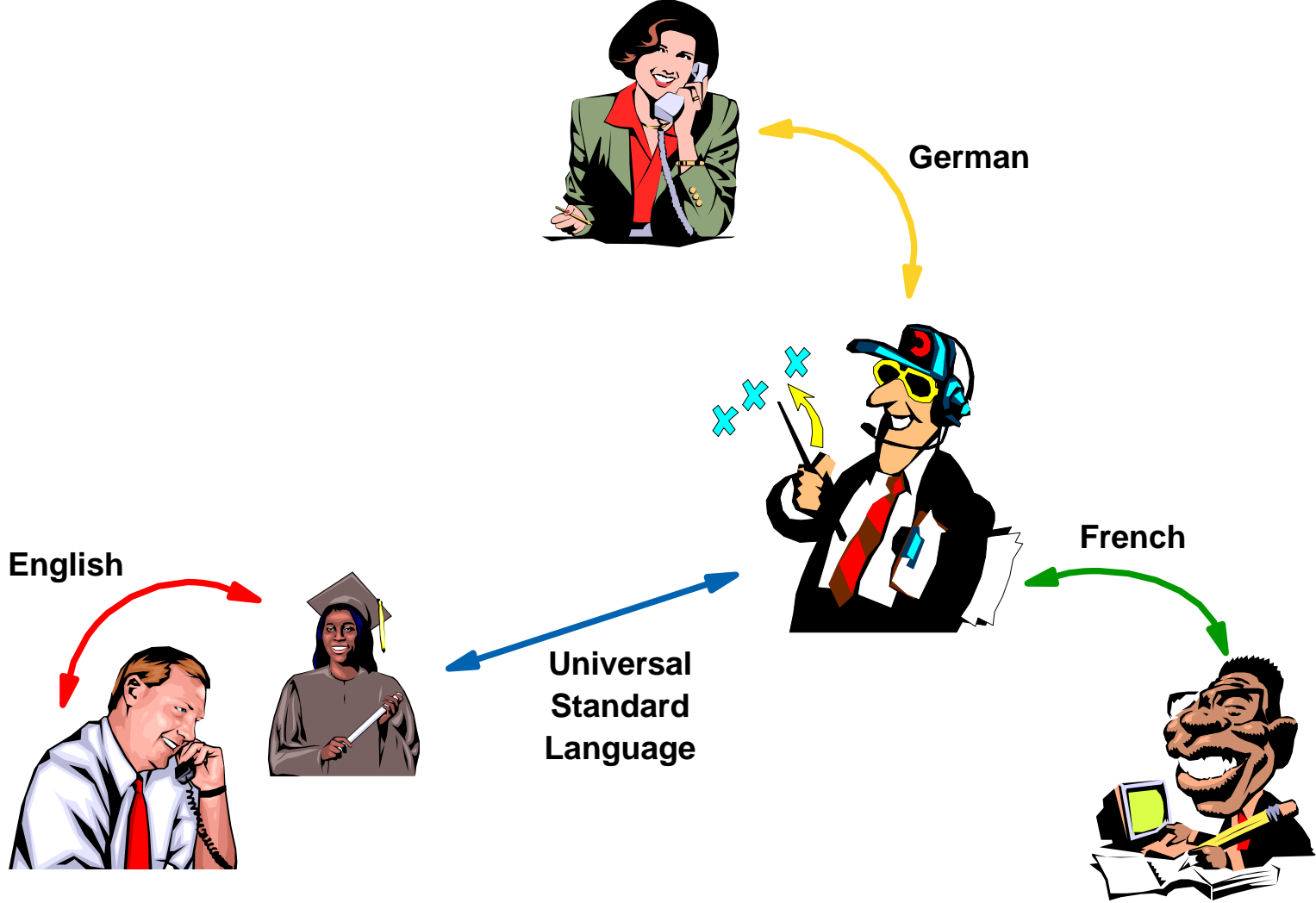Not using EDI
98.0%

| Using EDI | Not using EDI |

Source: IDC

The Reality Still Looks Like This

Address

Print

Post

Delivery

Receive

Distribut

Lose Time

Create Errors

Lose Money

Check and Input

Lose Satisfaction

SMALL Trading Partner

Making the Step into EDI Easier For Small and Medium Companies ...

German

French

English

Universal Standard Language

... by sharing the translator !

Medium Sized Companies use a Shared in-network Translation Service

Full Application Integration

SAP/IDOC

Any App. Data Format

Data Transformation

ADF

EDI

Custom Application Data Format

EDIFACT X12 XML

IBM DI/MVS
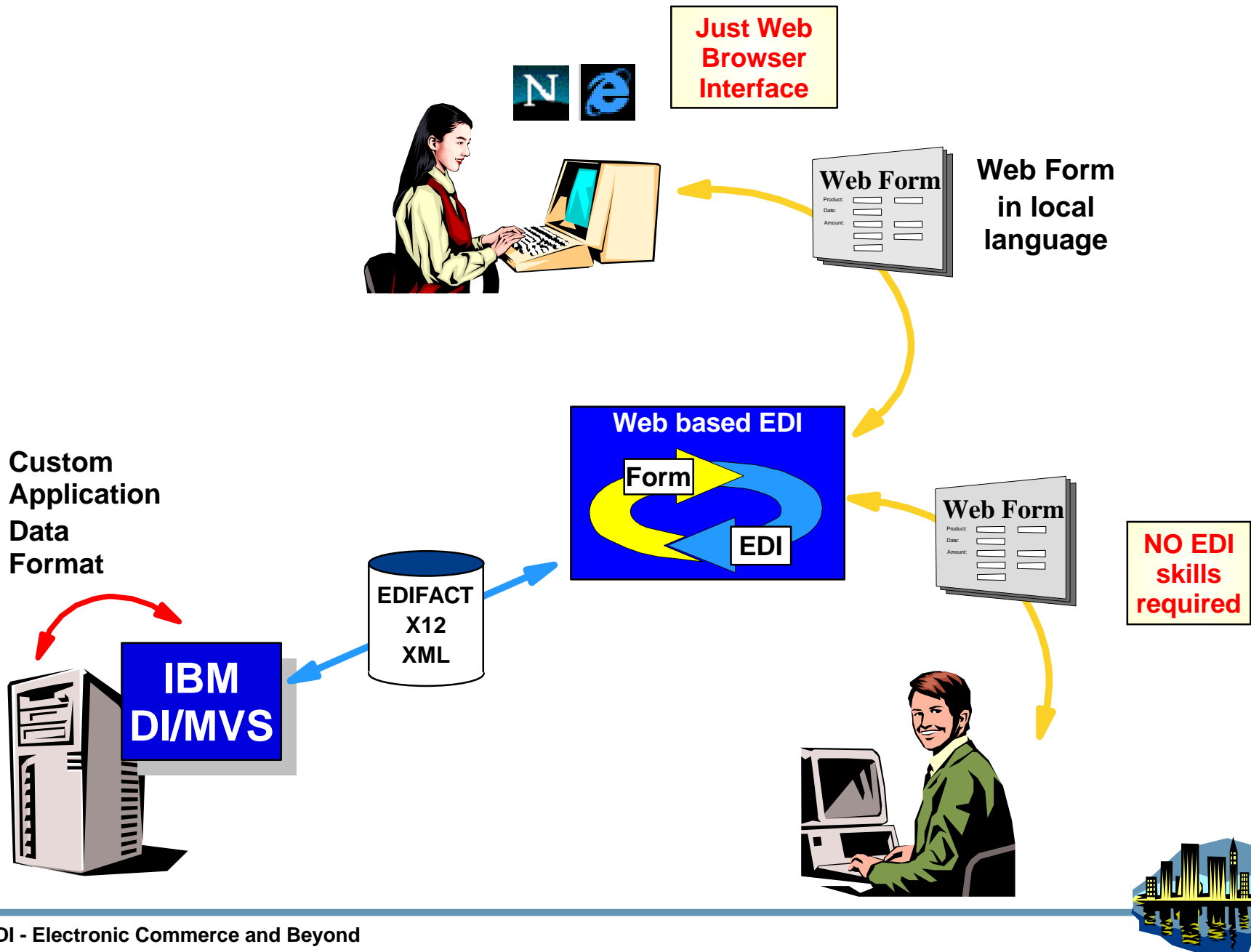
Any App. Data Format

Sage

NO EDI skills required
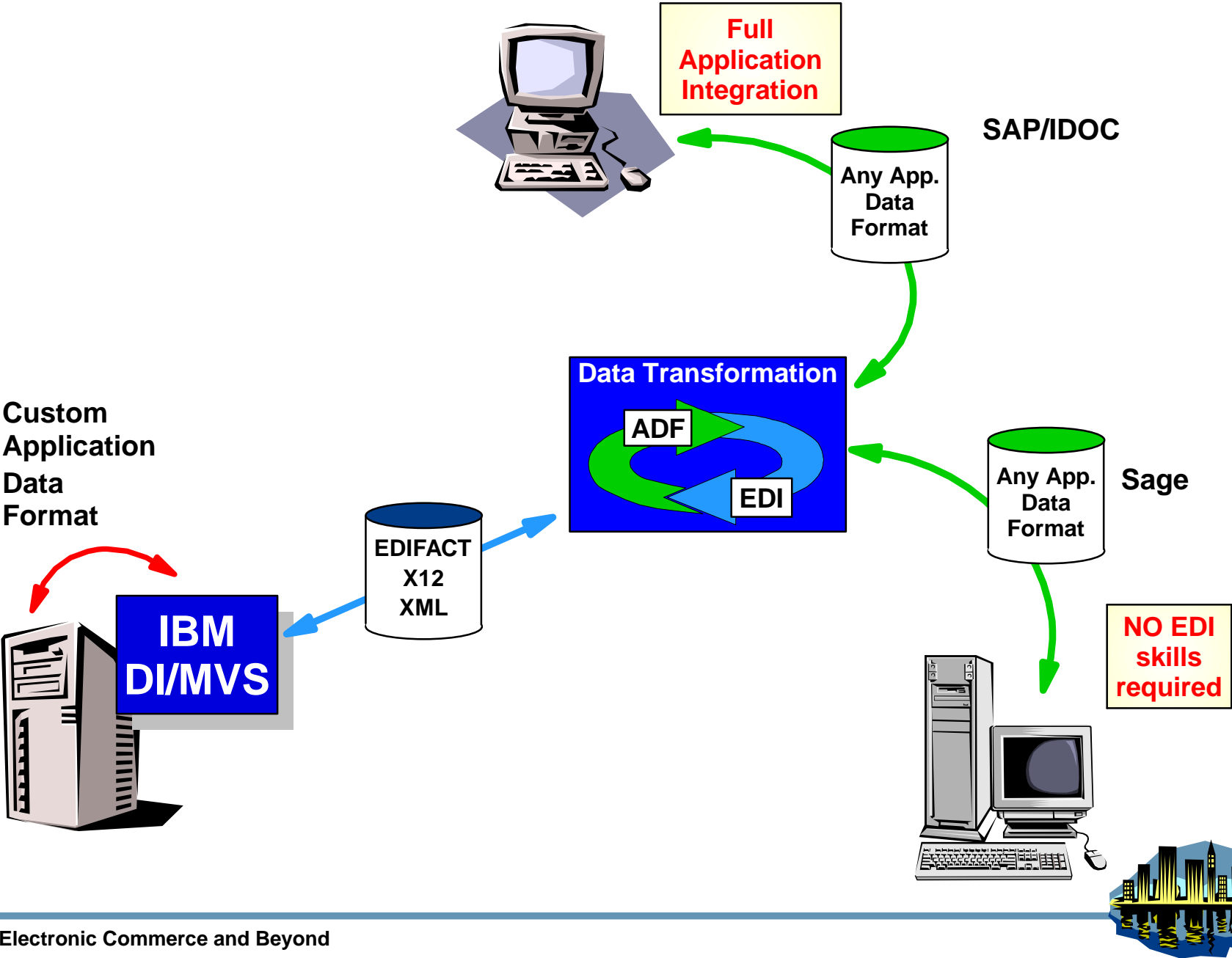
Why Should Medium Companies Sign on to a Data Transformation Service

⭐ Make business communications faster and more reliable

- e.g. get invoices payed faster
- Get better conditions from partners

⭐ World wide business relationships

⭐ Quick and easy implementation

- No EDI software required
- No EDI and connectivity skills required
- Full application integration

⭐ 24/7 service hours

Smaller Companies use a Shared Web Forms Service

Just Web Browser Interface

Web Form in local language

Web Form
Product:
Date:
Amount:

Custom Application Data Format

Web based EDI

Form
EDI

EDIFACT
X12
XML

IBM DI/MVS

Web Form
Product:
Date:
Amount:

NO EDI skills required

Why Should Small Companies Sign on to a Web Based EDI Service

⭐ **Make business communications faster and more reliable**

- ● e.g. get invoices payed faster
- ● Get better conditions from partners

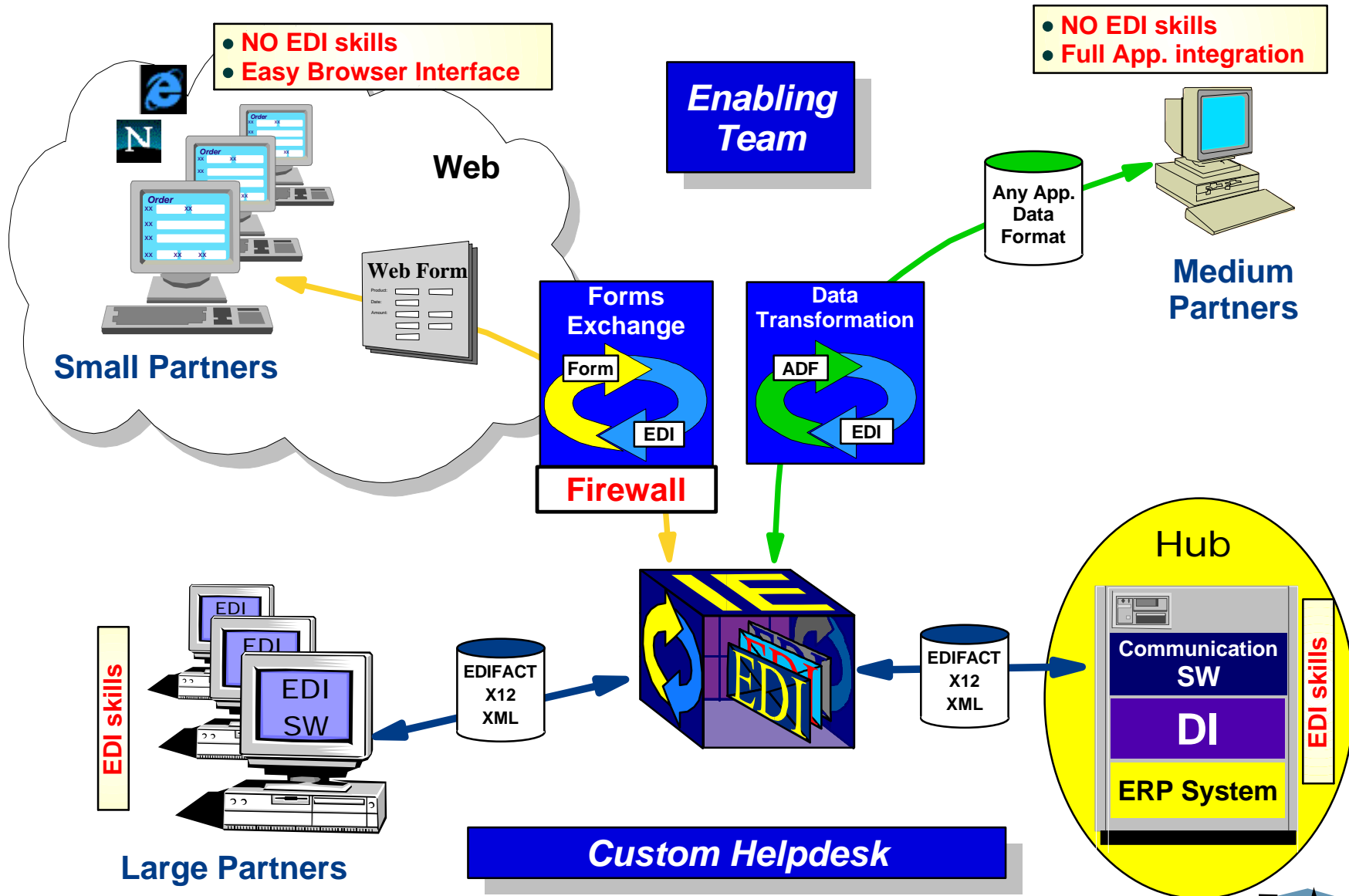⭐ **World wide business relationships**

⭐ **Very quick and easy implementation**

- ● Just easy to use and familiar Web Browser interface required
- ● No additional HW, SW, skills etc. required

⭐ **24/7 service hours**

The 100% EDI Approach

- **NO EDI skills**
- **Easy Browser Interface**

Enabling Team

- **NO EDI skills**
- **Full App. integration**

Web

Web Form
Product:
Date:
Amount:

Small Partners

Forms Exchange
Form
EDI

Firewall

Data Transformation
ADF
EDI

Any App. Data Format

Medium Partners

EDI skills

EDI
EDI
EDI
EDI SW

EDIFACT X12 XML

EDI

EDIFACT X12 XML

Hub

Communication SW

DI

ERP System

EDI skills

Large Partners

Custom Helpdesk

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Questions Please ??

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