

EDI implementations

Aleksei Dobrõšman

Business Development
Manager

“Complicated business process”

- As long as there is a systematic approach, any document flow can be formalized
- Other parties can be brought into the exchange of EDI documents. Factoring companies, logistics providers, etc.
- Local logic of order fulfillment and invoice issuing can be introduced if clearly described and worked after by the user

Why EDI?

- Staff shortage
- Need for the routine operations formalization
- Retail chains are the “anchors” of the EDI communities
- Higher quality of service needed – errors reduction

Main challenges

- Companies use own codes to identify partners
- Companies use own codes to identify products
- Companies use logistics partners, factoring companies
- Companies have own logic of order formation and invoices issuing

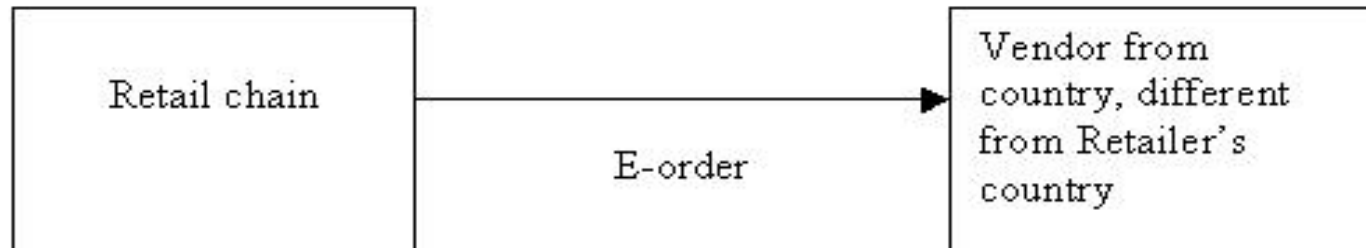
Global Location Number

- A thirteen digit number used to identify parties and physical locations.
- The GLN is generally used in electronic commerce transactions.
- Comprises a GS1 Company Prefix, a Location Reference, and a Check digit.
- Owing to this fact electronic documents can move freely across the borders.
- NOT registration codes or VAT codes are used, but GLNs

:

GLN case

- Latvian Retail Chain is ordering direct from Lithuanian and Estonian suppliers.
- Documents routing takes place according to the GLNs of Buyer and Seller. No need to
- Match vendor code by buyer and vice versa



Delivery location GLN

- Good thing about GLN is that it is unique not only for every company but for every location of the company.
- In case of Retail Chain – it has many locations (stores) thus it is easy to identify for the vendor, where to deliver the goods to, no matter which country the customer is located in.
- Large producers may also have few locations (more than 1 production site). <ShipFrom> field

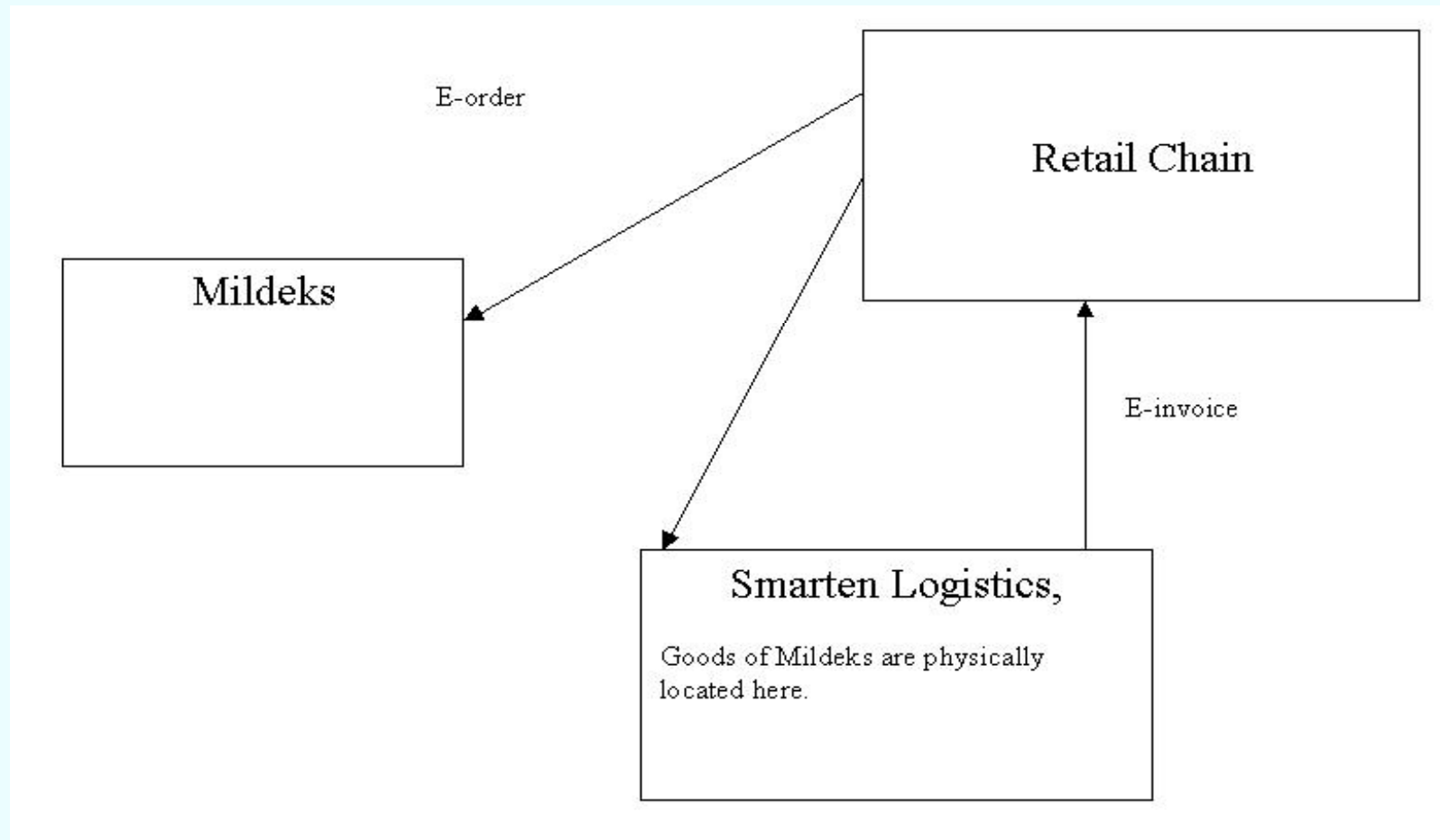
Sample of document header

```
<Document-ReceivingAdvice>
<ReceivingAdvice-Header>
<ReceivingAdviceNumber>TUS306</ReceivingAdviceNumber>
<ReceivingAdviceDate>2008-10-28</ReceivingAdviceDate>
<GoodsReceiptDate>2008-10-28</GoodsReceiptDate>
<BuyerOrderNumber>35279</BuyerOrderNumber>
<DespatchNumber>TUS306</DespatchNumber>
<DocumentFunctionCode>O</DocumentFunctionCode>
</ReceivingAdvice-Header>
<Document-Parties>
<Sender><ILN>9961096303004</ILN></Sender>
<Receiver><ILN>4770119000050</ILN></Receiver>
</Document-Parties>
<ReceivingAdvice-Parties>
<Buyer><ILN>4770119000005</ILN></Buyer>
<Seller><ILN>9961096303004</ILN></Seller>
<DeliveryPoint><ILN>9961096303028</ILN></DeliveryPoint>
<ShipFrom><ILN>9981501596111</ILN></ShipFrom>
</ReceivingAdvice-Parties>
```

3PL case study

- Estonian retail chains order from the supplier Mildeks, which does not have a warehouse, buying the logistics service from its 3PL provider – Smarten Logistics.
- Order is taken into Mildeks's system, followed by copy to Smarten's system, further order is assembled by Smarten and then invoice is issued by Smarten to the Buyer on behalf of Mildeks.

3 PL formalization



Sample of e-documents header

```
<Document-Invoice>
<Invoice-Header>
<InvoiceNumber>34005</InvoiceNumber>
<InvoiceDate>2008-11-03</InvoiceDate>
<InvoiceCurrency>EEK</InvoiceCurrency>
<InvoicePaymentDueDate>2008-11-03</InvoicePaymentDueDate>
<InvoicePostDate>2008-11-03</InvoicePostDate>
<Delivery>
<DeliveryLocationNumber>4751008570649</DeliveryLocationNumber>
<DeliveryDate>2008-11-03</DeliveryDate>
<DespatchNumber>34005</DespatchNumber>
</Delivery>
</Invoice-Header>
<Document-Parties>
<Sender><ILN>4743035000008</ILN></Sender>
<Receiver><ILN>4740636000000</ILN></Receiver>
</Document-Parties>
<Invoice-Parties>
<Buyer><ILN>4740636000000</ILN></Buyer>
<Payer><ILN>4740636000000</ILN></Payer>
<Seller><ILN>9961006675009</ILN></Seller>
</Invoice-Parties>
```

Factoring

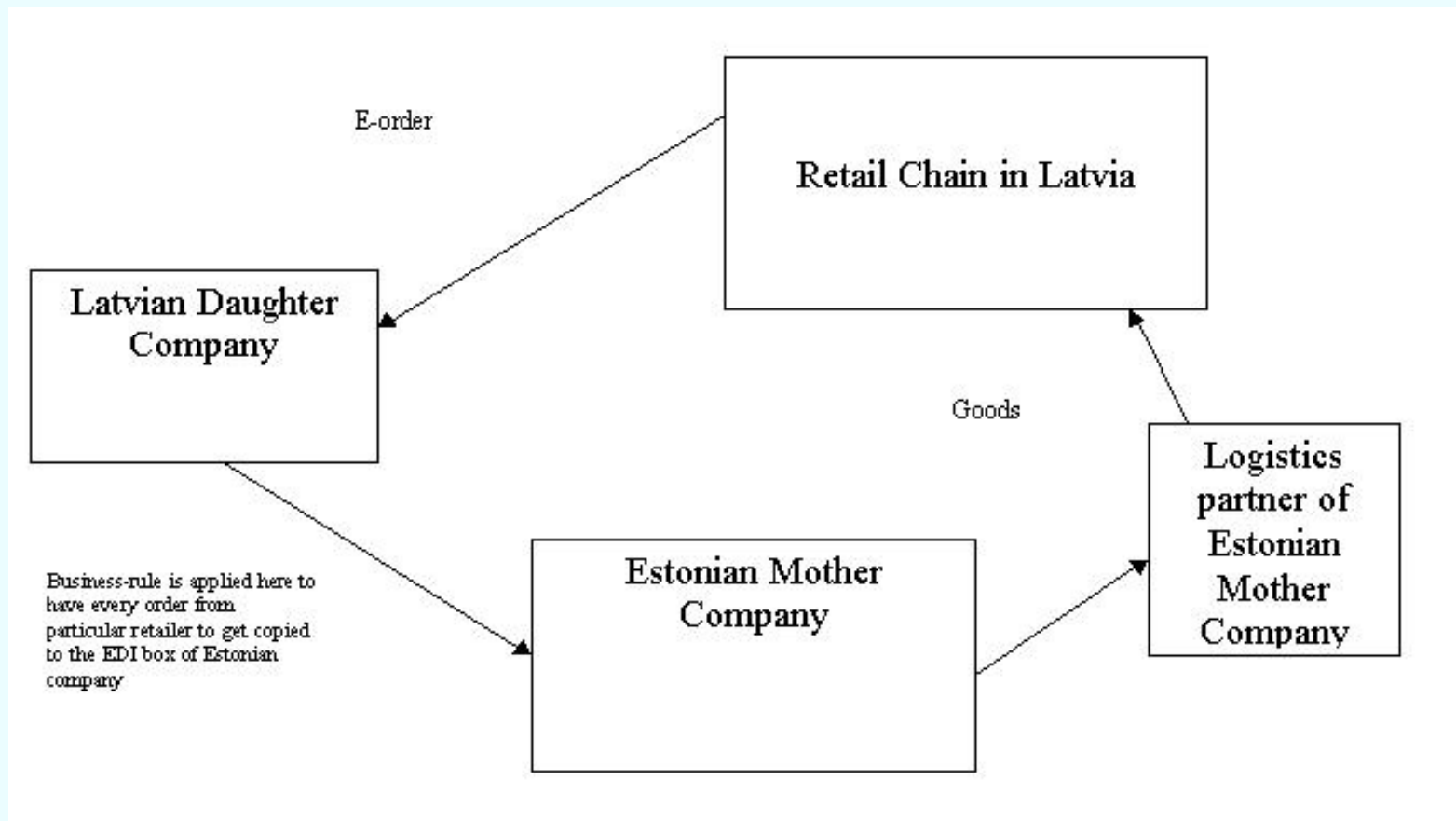


- Can be also perceived as one of the 3P cases, since there are Seller, Buyer and Factor. 3 parties.

4PL – case study

- Daughter company of Estonian producer in Latvia is selling its products to the Latvian Retailer, whereas Estonian producer is warehousing its assortment at its logistics partner of frozen storage.

4 PL formalization



Intelligent data import

- Since the exchanged data is formalized Purchase order can be assembled by vendors desired criteria
 - unique warehouse address of every article – sorting. Dairy and confectionary producers in Estonia
 - gross weight and volume – how much fits into the truck. Breweries

email2edi

- Vendor has a customer with over 200 locations. Every location is sending in an email with order attached to it
- Vendor has to detach order, print it out and then manually enter into the system
- Implementation of email2edi formalizes the detachment, converting and import of orders data straight into the vendors system
- Monitoring is enabled, every order is archived and can be traced, retrieved, etc.

Benefits of EDI user

- Code-matching is automatic for goods and parties
- Data export and import is done automatically
- Errors are reduced
- Operations are more effective since there is no manual punching of data

Aldaris 1

- Average per day Aldaris takes in 10 orders
- Issues per day 10 invoices
- Average order is 30 lines long
- Order taking and invoice preparing processes employ 2 persons (telesales, sales agent)
- Many mistakes in order taking process – manually work (involve 2-3 persons; human mistakes)
- Business logic is similar in the other companies of Carlsberg group

Aldaris 2

- Use approximately 1 day:
 - Sign agreement
 - Software installation
 - User training
 - Questions – answers
- After EDI implementation order taking and invoice preparing processes employ 1 person (telesales)
- No mistakes and misunderstanding about orders

Aldaris 3

- Reliability and high service level parameters
- Support in multiple markets (throughout Baltics)
- Large number of Key Accounts
- Flexible messages standard. Applicable for multiple business applications and other companies of the group
- Security

Thank you!

- Aleksei Dobrõšman
- Edisoft Baltic OÜ
- Business Development Manager
- 372 6 519 806
- aleksei@edisoft.ee



ECR *Baltic*
Efficient Consumer Responce

**Efficiency through EDI and Automatic Data
Processing**

