

Why Legacy EDI is not Enough

Why Traditional EDI no longer meets today's business or IT needs, and why companies need to look at broader business integration

EDI (Electronic Data Interchange) is an immensely useful standard and process, and has become nearly universal over the course of several decades. Traditional EDI, however, no longer meets today's business or IT needs. There are multiple reasons for this, including an increased need for interoperability, broader business process support and real-time interactions.

"Enterprises need to enhance their B2B capabilities beyond EDI in order to achieve business agility," said Ken Vollmer, principal analyst with Forrester Research Inc, during a recent Webinar on the subject.

There are three key ways in which conventional EDI falls short for today's enterprise requirements:

1. Many standards, but not interoperability
2. Document integration, but not process integration
3. Batch exchange, but not real-time interaction

Among nearly all industries, we have seen increased complexity in IT systems and interoperability requirements across companies needing to exchange information. It is no longer realistic to assume or expect your suppliers, customers or other partners to adhere to a single standard or business process for information exchange.

Also, companies want to do more than just exchange documents. They want the exchange to be part of a broader business process and fit into key initiatives, such as business process management and service oriented architecture (SOA). Companies require more sophisticated process work flow, business rules, security policies or compliance management. These lie outside the realm of traditional EDI.

Finally, static document exchange, such as sending and receiving an 850 purchase order is rarely enough in today's global, "real time" economy. In addition to sending a PO, you may want to query the vendor's inventory levels, delivery time or current pricing. This requires real-time interactions that traditional EDI does not support.

These challenges and other issues have led to the development of powerful new generation of EDI integration solutions that provide agility, reliability and scalability with comprehensive business-to-business integration processes.

New Solutions for Advanced EDI

There is a new breed of vendors with business integration platforms designed specifically to accommodate the complexity, needed interoperability and real-time business exchange required by companies across all industries. The most agile of these solutions are cloud-based platforms typically delivered with a range of expert services to help manage the integration and the business communities.

These advanced EDI solutions provide multiple benefits. Most importantly:

- **Complete interoperability:** Today's solutions provide any-to-any support across multiple standards, protocols, formats and applications. Maybe you use Ariba, while your partners use PeopleSoft and Oracle; you might be using HTTP while they use FTP; you may have standardized on ANSI X12 while they've chosen EDIFACT. Best-of-class advanced EDI solutions support all these standards and more, and mediate transparently between them.
- **Business process support:** Advanced EDI solutions connect business processes between companies, not just documents.
- **Real-time information exchange:** Your IT solutions must support the real-time nature of business transactions. Advanced EDI solutions, particularly those that leverage cloud computing, enable real-time, on-demand information exchange.
- **Advanced security:** Today's solutions offer improved compliance, security and policy management. Leading integration solutions provide assurance of security over the entire transaction, including encryption (for data at rest and in motion), access controls, authentication, security policy mediation and key brokering and management. Look for vendors that adhere to strict security compliance mandates, such as PCI DSS or SAS 70 Type II.
- **Flexible consumption models:** Today's cloud-based integration solutions offer all the benefits of software-as-a-service (SaaS), going far beyond the services provided by traditional EDI VANs. These include cost-effective subscription pricing, the ability to start

small and scale as needed, expert managed services to manage the community on-boarding and changes, and deep knowledge of integration, technologies and industries.

Case Study: Making the move from traditional EDI to B2B Integration in the Cloud

The consumer products division of one of the world’s leading networking companies had built a traditional EDI environment. However, as the division faced fast globalization and an expanding distribution base and supply chain, along with an overall IT upgrade of its ERP and other back-end systems, it was not able to scale or address their vast partner connections and formats.

The company’s legacy EDI implementation had the following challenges:

- IT team managed all connections internally, which was becoming increasingly complex and time consuming
- Needed multiple solutions, including EDI translators, EDI VANs, gateways and other products, to handle disparate formats and connections
- Strong investment in Oracle not being leveraged fully
- Each partner/connection required different business rules and logic, requiring custom coding
- No real-time information exchange
- Key knowledge resided within select individuals
- Costs were escalating as connections and environment grew

As the IT department evaluated the situation and its own core competencies around integration, the decision was made to outsource its B2B integration to Hubspan, an integration service provider with expert personnel and a proven cloud platform for integration. Hubspan built the integration industry’s first true cloud integration platform delivered as a service (SaaS model). Thousands of companies worldwide and millions of transactions and business processes leverage the Hubspan platform for secure, cost-effective and reliable multi-enterprise integration.

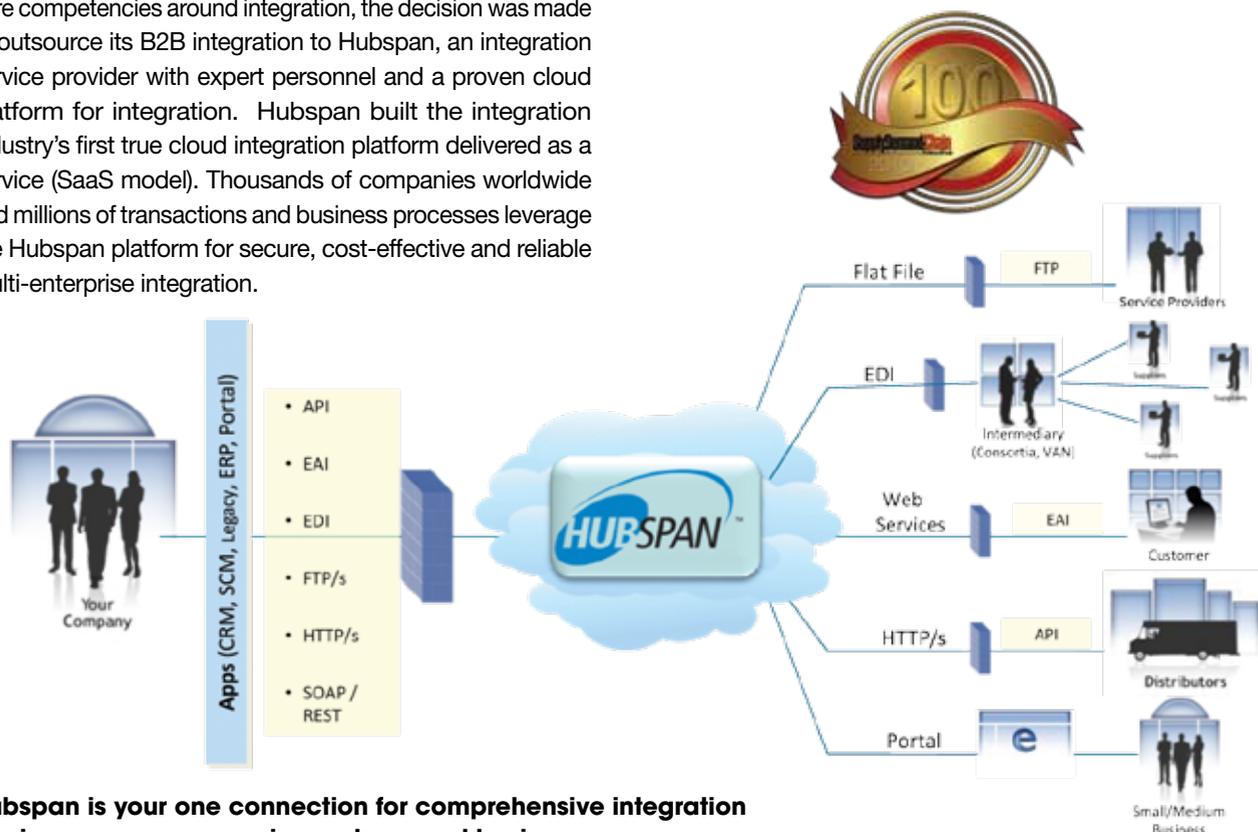
In using Hubspan, the firm was able to consolidate multiple solutions and retire others, and they achieved seamless integration across back-end ERP and logistics applications for information exchange and real-time queries. Perhaps more importantly, the IT team that was previously managing EDI connections and mapping was placed on more strategic IT projects and started managing partner relationships.

The results were significant and quickly realized, including:

- Complete interoperability across all partner and company applications and Internet protocols
- Net savings of 2+ FTE (did not have to hire new staff just for EDI)
- FTE role change (IT moved to more strategic and visible IT projects)
- Tens of thousands of dollars saved in development and infrastructure costs
- Predictable, monthly subscription – no per transaction cost
- Can always say “yes” to partners and customers
- Easily scaled (up or down as needed)
- Integration on demand
- Almost “ZERO” human intervention required

The company did not have to install any new hardware or software, and the new integration solution provider was able to quickly on-board partners in a matter of weeks.

For more information, go to www.hubspan.com or email webspan@hubspan.com.



Hubspan is your one connection for comprehensive integration services across companies, systems and business processes.