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EDI Invoicing Checklist

A checklist of key points for any EDI project - contrasting traditional and modern approaches.

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Introduction

EDI presents a fantastic opportunity to improve efficiency and accuracy in the transmission of invoicing data. However, traditional EDI implementations are expensive and complex. At Corcentric, we work with global businesses who need the benefits of EDI without the complexity, high costs, or limitations.

This checklist provides an at-a-glance look at the steps required for traditional EDI implementation, and a similar list for EDI enablement via Corcentric. Each step is then explored in more detail later in the document.

Use these steps to shape your approach to an EDI invoicing project. Explore the differences between the traditional approach and the more flexible, modern approach offered by Corcentric.

Traditional EDI Steps

1. Scope the need for EDI
2. Obtain management buy-in and identify sponsors
3. Develop a timing plan for the project
4. Establish a project team
   - Who are the EDI business contacts?
   - Who are the EDI technical contacts?
5. In-depth review of:
   - Internal systems
   - Business procedures
   - Communications equipment
6. Survey trading partners' needs
7. Determine the specific data to be exchanged via EDI
8. Determine the partnership identification scheme to use
9. Identify any high-priority transaction sets of data for preferential handling
10. System design
11. Develop interface to in-house systems
12. Establish translation software configuration
13. Determine which network provider to work with – including any additional services
14. Implement translation software
15. Implement network connection
16. Testing phase 1 – translation and network
17. Testing phase 2 – trading partners
18. Set go-live date for switch-over
19. Implement

EDI Steps Using Corcentric:

20. Scope the need for EDI
21. Obtain management buy-in and identify sponsors
22. Develop a timing plan for the project
23. Establish a project team
    - Who are the EDI business contacts?
    - Who are the EDI technical contacts?
24. In-depth review of:
    - Internal systems
    - Business procedures
    - Communications equipment
25. Survey trading partners' needs
26. Determine the specific data to be exchanged via EDI and any other communication media outside of EDI

27. Determine the partnership identification scheme to use
28. Allow Corcentric access to develop interface to in-house systems
29. Determine which additional services are required
30. Testing phase 1 – translation and network
31. Testing phase 2 – trading partners
32. Set go-live date for switch-over
33. Implement

Traditional EDI Steps – in Detail:

Scope the need for EDI

+ What needs are driving you to consider EDI?
+ Are there specific trading partner requirements to meet?
+ Which financial documents and/or data will be transmitted by EDI?
+ What are the expected savings per document?
+ What are the efficiency improvements you are seeking to make?
+ How will the benefits of EDI provide a return on investment (ROI) for the business, and in what timeframe?

Obtain management buy-in and identify sponsors

+ Identify and involve all departments that will be impacted by the implementation of EDI.
+ Ensure needs and goals of each department are taken into account.
+ Establish an executive sponsor to ensure the project achieves senior management buy-in and becomes a business priority.
+ Establish a financial sponsor to ensure the project is adequately funded and ROI calculations are thoroughly considered.

Develop a project plan

+ Develop a plan of work, breaking the project down into milestones, critical path, specific deliverables, and tasks within each stage.
+ Estimate approximate timings.
+ Estimate the need for internal resources.

Establish a project team

+ Liaise with departments to establish availability of resources.
+ Allocate suitable team members to accomplish each task.
+ Who are the EDI business contacts, what are their responsibilities, and is there a hierarchy? This can include trading partners and EDI solution partners.
+ Who are the EDI technical contacts, what are their responsibilities and is there a hierarchy? This can include trading partners and EDI solution partners.

In-depth systems, procedures, and communications review

+ Conduct in-depth procedural and systematic account of current document creation and flow
+ Survey involved systems and departments to establish points of interface.
+ Determine and scope how EDI will integrate with these systems and procedures.
+ Identify existing and proposed communications network and protocol.
+ Identify hardware types and roles in existing and future system – computers, mainframes, emulators, and other connected systems hardware.
+ Establish contact names and associated details at trading partners.

Survey trading partners' needs

+ Identify specific EDI standards, and any subsets thereof, to be used.
+ Determine systems integration requirements at each partner.
+ Beyond the standard EDI requirements, are there additional

data or formatting considerations to take into account?

- Planning for change – are there changes in communication requirements expected in the next five years?
- Who are the contacts at each partner, how should they be contacted and what are their roles?

Determine the specific data to be exchanged via EDI

- Map data fields against the chosen EDI standard – identify any additional data requirements to supplement existing data and meet requirements of the standard.
- Identify optional data elements to discuss with trading partners.

Determine the partnership identification scheme and product information to use

- Set out any product identification and information requirements for each partner.
- Determine the most appropriate scheme for partner identification and ensure this data is held for each trading partner.

Identify any high-priority transaction sets of data for preferential handling

- If data is to be prioritised by handling priority, establish the appropriate methodology to enable this.
- Outline different pathways and technical considerations for variations in handling.

System design

- Create a design of the EDI system
- Typical elements to include:
    - Data flow diagram
    - Inputs and outputs
    - Processing
    - Controls
    - Functional analysis
    - General systems analysis
    - Impact on associated facilities
    - Back-up, restart, and disaster recovery specifications
    - Security specifications
    - Specifications for programs on all systems hardware
    - Specifications of the data formats
    - Specifications of communications mechanisms
    - Operational procedures

Develop interface to in-house systems

- Develop programs to extract data from internal applications and present to the translation software for translation.
- Test across the full range of variables and content extremes.
- Establish error handling protocols.

Establish translation software configuration

- Determine whether the translation software will run on the mainframe computers or be outsourced and run as part of the network connection.
- Determine whether the translation software will be developed and/or managed in-house or outsourced to a partner.

Determine which network provider to work with – including any additional services

- This is where traditional EDI projects run into limitations and compromise. Unless all of your trading partners use the same EDI network, the decision to opt for one network over another will make you less easy to do business with and incur additional costs to enable out-of-network transactions in the future (if even possible). Consider

Corcentric EIPP for a more flexible, lower-cost alternative.

- If opting for an EDI network, discuss your trading partners network preferences – try to match with your most important partners and ensure you can establish workarounds for those opting for an alternative network.
- Establish additional services required as part of your EDI network deal. These can include services for compliance checking, reporting, or other valuable areas.

Implement translation software

- Commence the implementation of the translation software – either using internal resources or working with an external partner.
- Ensure data and systems are available and connected to test this.
- Ensure time and resources are available for implementation, testing, and fixing any implementations errors.

Implement network connection

- Working with a network service provider will require the loading of their software and testing for proper installation.
- Request the ability to send test transmissions through the network and receive a response from the network to validate the transmission data.

Testing phase 1 – translation and network

- Sending documents:
  - Test and refine transmissions for all extremes of data
  - Translate internal documents/ data into EDI standard
  - Receive acknowledgement and validate response (if applicable)
  - Test exception handling
- Receiving documents:
  - Test and refine receipt of all extremes of data
  - Translate documents/data from EDI standard to internal system format
  - Generate and send an acknowledgement (if applicable)
  - Test exception handling

Testing phase 2 – trading partners

- Test sending and receiving of documents to/from all trading partners
- Validate life-cycle of document generation, translation, transmission, and processing to/from all trading partners
- Send/receive an acknowledgement (if applicable)
- Test exception handling

Set go-live date for switch-over

- Create and process a sign-off document to be agreed and completed by all participants in the project.
- Allocate a reasonable amount of time for refining the implementation during and after the testing phase. Set a go-live date after this.
- Ensure all trading partners are in agreement of go-live date and their requirement in cooperating with this.
- Ensure all contracts are signed and complete ahead of go-live.

Implement

- Once testing is complete and problems are completely ironed out, switch over according to the agreed go-live date.
- Monitor performance closely for the initial few months. Ensure resource is available to act on any anomalies.
- Record and demonstrate initial savings and performance improvements.

Steps for EDI via Corcentric – in Detail:

Scope the need for EDI

- What needs are driving you to consider EDI?
- Are there specific trading partner requirements to meet?
- Which financial documents and/or

data will be transmitted by EDI?

- What are the expected savings per document?
- What are the efficiency improvements you are seeking to make?
- What other communications media and protocols could be used to support EDI implementation – ensuring a greater range of interoperability with partners and becoming easier to do business with?
- How will the benefits of EDI provide a return on investment (ROI) for the business, and in what timeframe?

Obtain management buy-in and identify sponsors

- Identify and involve all departments that will be impacted by the implementation of EDI.
- Ensure needs and goals of each department are taken into account.
- Establish an executive sponsor to ensure the project achieves senior management buy-in and becomes a business priority.
- Establish a financial sponsor to ensure the project is adequately funded and ROI calculations are thoroughly considered.
- Introduce Corcentric at an early stage to assist with the development of a business case and plan, as well as to ensure steps are taken to deliver the project as smoothly and cost-effectively as possible.

Develop a project plan

- Develop a plan of work, breaking the project down into milestones, critical path, specific deliverables, and tasks within each stage.
- Estimate approximate timings.
- Estimate the need for internal resources.
- Work with Corcentric to identify areas of highest risk, and areas where additional support can be used to expedite and safeguard progress.

Establish a project team

- Liaise with departments to establish availability of resources.
- Allocate suitable team members to accomplish each task.
- Introduce Corcentric contacts to contacts within the business and at trading partners.
- Who are the EDI business contacts, what are their responsibilities, and is there a hierarchy? This can include trading partners and contacts at Corcentric.
- Who are the EDI technical contacts, what are their responsibilities, and is there a hierarchy? This can include trading partners and contacts at Corcentric.

In-depth systems, procedures, and communications review

- Conduct in-depth procedural and systematic account of current document creation and flow.
- Survey involved systems and departments to establish points of interface.
- Hand-off to Corcentric to determine and scope how EDI will integrate with these systems and procedures.
- Establish contact names and associated details at trading partners.

Survey trading partners' needs

- Identify specific EDI standards, and any subsets thereof, to be used.
- Determine systems integration requirements at each partner.
- Beyond the standard EDI requirements, are there additional data or formatting considerations to take into account?
- Planning for change – are there changes in communication requirements expected in the next 5 years?
- Who are the contacts at each partner, how should they be contacted, and what are their roles?

Determine the specific data to be exchanged via EDI

- Map data fields against the chosen EDI standard – identify any additional data requirements to supplement existing data and meet requirements of the standard.
- Identify optional data elements to discuss with trading partners.

Determine the partnership identification scheme and product information to use

- Set out any product identification and information requirements for each partner
- Determine the most appropriate scheme for partner identification and ensure this data is held for each trading partner.

Allow Corcentric access to develop interface to in-house systems

- Allow Corcentric access to extract data from internal applications for translation and transmission.

Determine which additional services are required

- Establish which additional services are required as part of your Corcentric EIPP deployment. These can include services for compliance checking, reporting, or other valuable areas.

Testing phase 1 – translation and network

- Test and refine transmissions for all extremes of data
- Translate internal documents/data into EDI standard
- Receive acknowledgement and validate response (if applicable)
- Test exception handling

Testing phase 2 – trading partners

- Test sending of documents to all trading partners
- Validate life cycle of document generation, translation, transmission, and processing to/from all trading partners.
- Receive an acknowledgement (if applicable)
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Next Steps

Using this checklist to evaluate the key points for consideration in your EDI project is the first step. Next, you need to progress through each stage outlined here. Get in contact with the Corcentric EIPP team to see how we can help you accelerate this process, avoiding pitfalls and roadblocks along the way.

Our team have extensive experience in rolling out EDI invoicing for global businesses, so let us talk you through how we ensure success, streamline workflow, and save costs with every EDI invoicing project. Let's get started today.

About Corcentric EIPP

Corcentric EIPP is a managed service dedicated to streamlining, automating and enhancing business invoicing, from delivery, through to payment. Corcentric EIPP ensures accurate and efficient delivery of invoices to your customers in the medium which suits them.

Beyond saving time and cost through invoice automation, Corcentric EIPP enables a risk-free and seamless shift towards electronic invoicing, reducing errors and driving down DSO.

Corcentric EIPP also removes the classic challenges of document storage and retrieval for auditing and compliance. Businesses depend on Corcentric EIPP to provide secure online access to their document distribution history, facilitating ease of reporting, performance analysis and proof of delivery along with a range of other document management functions.

Headquartered in the United States, Corcentric helps more than 2,000 of the largest companies leverage smarter technology and services to reduce operating costs, improve cash flow, and unlock the hidden value within their enterprise.

15 global office locations - US and Europe

$245 Billion in invoices sent each year

2,000+ customers and growing

Spend smarter, optimize cash flow, and drive profitability.

Corcentric is a leading provider of procurement and finance solutions. We help companies reduce costs and improve working capital by optimizing the way they purchase, pay, and get paid.

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CONTACT:
E-Mail: eipp@corcentric.com
Phone: +44 20 3868 0216

corcentric.com