

A JITTERBIT GUIDE

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# Getting Started with EDI





# Who Is This Guide For?

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**You'll find our guide helpful if:**

- ✓ You are a brand or supplier and must comply with EDI
  - ✓ You assist brands or suppliers with their EDI
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## What Is EDI?

Electronic data interchange (EDI) is a common protocol for information sharing between a supplier and a retailer selling that supplier's products. When the two parties exchange documents, EDI automates the translation of the data into a standardized format.

## A Standard EDI Transaction

Let's take a look at a typical transaction in which your company is supplying goods to a retailer requiring EDI.

To begin, the retailer sends your company an EDI purchase order (PO) which goes into your ERP/accounting system. You respond with an EDI acknowledgement, letting the retailer know that the order will be fulfilled. Next, you send an EDI advance shipping notice (ASN) containing information about what will be sent, when, by whom, and more. Shipping department packs the product in containers or pallets depending on how the vendor/retailer wants you to ship the product and to where.

Finally, you send an EDI invoice to the retailer. To confirm payment, the retailer's accounting team will generate and send you an EDI remittance advice document.

## Who Uses EDI?

In 2021, EDI was the largest channel for business to business (B2B) electronic sales; nearly 80 percent of B2B digital transactions occurred via EDI. EDI will continue to be an industry standard for years to come.

To begin or continue supplying your product to retailers and online marketplaces, your company will likely need to use EDI.

## Why Use EDI?

Amazon, Home Depot, Target, Walmart, and many other big-box retailers either require or strongly prefer EDI. But that's not the only reason to use EDI. In a highly competitive market, one misstep—an inaccurate inventory count or lack of adherence to guidelines—can result in customer attrition or penalties from retailers. EDI integration is key in meeting the demands presented by today's rapidly changing digital landscape.

## The Benefits of Using EDI

With EDI, back-and-forth transactions between retailers and suppliers happen electronically. That means Costco can track purchase orders, ASNs, invoices, and inventory—all without calling your warehouse.

The ability to exchange documents via EDI comes with a wide range of benefits, including:

- ✓ Boosting efficiency through transaction automation
- ✓ Lowering cost per document by 90% compared to manual processing
- ✓ Decreasing overall transaction costs by up to 35%
- ✓ Reducing transactional error by up to 40%
- ✓ Speeding order-to-cash cycle time by more than 20%

## Common EDI Documents and Retailers

### The most frequently exchanged EDI documents include:

- Purchase Order 850, which communicates the items and quantities a retailer would like delivered
- Invoice 810, which is the electronic version of a paper invoice or bill
- Product Activity Data 852, which reports inventory counts and changes
- Purchase Order Acknowledgement 855, which indicates that a purchase order will be filled as requested
- Advance Shipping Notice 856, which describes the contents of a shipment to retailer

### Well-known retailers requiring EDI include:



## Setting Up and Testing Your EDI

To set up EDI, you can team with a trusted vendor for the integration and mapping work. An experienced provider can quickly and expertly connect your EDI with your other e-commerce systems.





To verify your capabilities with a potential trading partner, you then submit test orders, ASNs, and other documents to ensure that your EDI is working effectively. When testing is complete, you are ready to work with your new trading partner.

## Retailer EDI Requirements

### Frequently used EDI documents include:

- EDI 753: Request for Routing Instructions
- EDI 754: Routing Instructions
- EDI 810: Invoice
- EDI 846: Inventory Advice or Update
- EDI 850: Purchase Order
- EDI 852: Product Activity Data
- EDI 855: Order Acknowledgement
- EDI 856: ASN
- EDI 860: Purchase Order Change Request
- EDI 865: Purchase Order Change Seller
- Different Amazon channels require different data formats, including ANSI X12, Flat Files, and EDIFACT

## Why Jitterbit for EDI?

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**No technical expertise necessary.** We don't bother suppliers with technical details or insist that they understand a specific coding language. We just eliminate the burden.
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**Automated bi-directional data flow.** Our enterprise-grade integration platform sends data bi-directionally between your trading partners and your back-office ERP or accounting system, saving you time while helping you comply with strict retail EDI requirements.
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**Worry-free connections across platforms.** EDI is not the only thing we can integrate for you. Our cloud-based solution can easily connect e-commerce, CRM, and other business-critical systems to your existing integration.
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**Flexible, future-proofed integration.** Whether it's e-commerce orders, EDI documents, or CRM updates, our platform processes data with ease. When you need to add a new system or EDI retailer, your integration solution is ready to scale.

