EDI By the Numbers for Wholesale Distributors

Summary

The purpose of this article is to detail the important EDI transactions that can be used by Wholesale Distributors or can be incorporated by All in One Solution Providers into All in One Solutions targeting the Wholesale Distribution market.

Author(s):   Matt Petersen

Company: SAP Labs, LLC

Created on: 12 March 2008

Author Bio

Matt Petersen is a member of the SAP Labs Wholesale Distribution Field Services Team based in Chicago. He has been working closely with standards bodies, industry organizations, customers, and partners in the Wholesale Distribution ecosystem since 2004.

Table of Contents

What is EDI?

Electronic Data Interchange is the transfer of business data between enterprises using private networks or the internet. The benefits of EDI include lower costs due to the more accurate and detailed messages being sent.

For many wholesale distributors, the idea of exchanging business information electronically has always had appeal, and those that serve larger customers might be getting some pressure from them to accept certain types of EDI messages. Enterprise SOA is the wave of the future for business to business communication, but EDI isn't going away any time soon. In fact, as SAP solutions become more available to small and mid market companies, many of the All in One Solutions now come with some of the most common EDI transactions pre-configured.

Which of these transactions are the most common, or most important? This document which contains information provided by the National Association of Electrical Distributors (NAED) provides a list and a description of the 25 most popular and beneficial EDI messages that a distributor can use to drive down costs and drive up operational efficiency.

Popular EDI Messages for Wholesale Distributors

EDI 214: Transportation Carrier Shipment Status—EDI transaction used to report the status of a shipment to the shipper, consignee, or third parties, from pickup to final delivery.

EDI 810: Invoice—EDI transaction that is an electronic version of a paper invoice. It communicates the specific items, price, and quantities shipped and the amount that must be paid.

EDI: 812 Credit Debit Adjustment—EDI Transaction used to request or notify a trading partner of an adjustment. An EDI 812 identifies and contains the details and amounts covering exceptions, adjustments, credits, or debits of goods or services.

EDI 820: Payment Order / Remittance Advice—EDI transaction used to receive remittance advice and send payments to vendors.

EDI 824: Application Advice—EDI transaction used to report at the functional group or transaction set level the results of an application system's data content edits of transaction sets; used to report acceptance, rejection, or acceptance with change of the transaction set.

EDI 830: Planning and Forecasting—EDI transaction used to transfer forecasting or material release information in the form a simple forecast. This forecast includes the buyer's authorization for the seller to commit resources, labor and materials, or a forecast used as an order release mechanism (which can eliminate the need for discrete purchase orders).

EDI 832: Price Sales Catalog—EDI transaction used to furnish the price of goods or services in the form of a catalog. The EDI 832 keeps internal item files up-to-date with accurate product and price information.

EDI 840: Request for Quotation—EDI transaction used to solicit price, delivery schedule, and other information from potential sellers. The EDI 840 can be used for a limited list of parts versus an entire catalog.

EDI 843: Response to Request for Quotation—EDI transaction that responds to the EDI 840: Request for Quotation and provides price, delivery schedule, and other information.

EDI 844: Product Transfer Account Adjustment (also known as a SPA Credit Request)—EDI Transaction used by a distributor to request credit for transactions covered by a manufacturer's preauthorized SPA Quotation.

EDI 845: Price Authorization Acknowledgement Status (May also be known as a SPA Quotation, but there are other uses)—EDI Transaction used by a manufacturer to provide a distributor with pricing or a specific SPA quotation.

EDI 849: Product Transfer Account Adjustment Response (also known as a SPA Credit/Discrepancy)—EDI Transaction used by a manufacturer to issue an SPA Credit or an SPA Credit Discrepancy Notice in response to a Distributor SPA Claim Filing.

EDI 850: Purchase Order—EDI transaction that is an electronic version of a paper Purchase Order.

EDI 852: Product Activity Data—EDI transaction that reports the movement of material in and out of a supplier consigned inventory on a daily or weekly basis, depending on the need.

EDI 855: Purchase Order Acknowledgement—EDI transaction that is an electronic version of a phone call, fax, or hard copy of a purchase order acknowledgement. The EDI 855 can also be used in conjunction with the EDI 852: Product Activity Data as an initiation of a VMI Order.

EDI 856: Ship Notice Manifest—EDI transaction sent when product is shipped that is an electronic version of a printed packing slip.

EDI 857: Shipping and Billing Notice—EDI transaction that combines the EDI 856: Ship Notice/Manifest and EDI 810: Invoice. The EDI 857 is used to reduce EDI costs when shipment and purchase order accuracy is high.

EDI 860: Purchase Order Change Request—EDI transaction used (1) by a buyer to request a change to a previously submitted purchase order; or (2) by a buyer to confirm acceptance of a purchase order change initiated by the seller or by mutual agreement of the two parties.

EDI 861: Receiving Advice Acceptance Certificate—EDI transaction used to notify the trading partner of the initial receipt or verified receipt quantity for a shipment of goods.

EDI 864: Text Message—EDI transaction used to transmit messages, contracts, explanations, or other one-time communications in some human readable form, for people, not for computer processing.

EDI 865: Purchase Order / Change Acknowledgement—EDI transaction used to convey acceptance or rejection of changes to a previously submitted purchase order by the seller or to notify the buyer of changes initiated by the seller to a previously submitted purchase order by the seller.

EDI 867: Product Transfer and Resale Report—EDI transaction used to 1). report information about product that has been transferred from one location to another (inter-branch transfer and/or transfer from a Regional Distribution Center to a branch); 2). Report sales of product to an end- customer; and/or 3). Report lost orders, i.e., demand beyond actual sales.

EDI 869: Order Status / inquiry—EDI transaction used to request information about all or part of a purchase order or for all or part of the items on order, whether shipped or unshipped.

EDI 870: Order Status Report—EDI transaction used in response to the EDI 869: Order Status Inquiry, to report on the current status of a requirement forecast, an entire purchase order, selected line items on a purchase order, selected products/services on a purchase order, or purchase orders for a specific customer in their entirety or on a selection basis. This transaction set can also be used to

report on the current status of single or multiple requisitions. This transaction set may also be used to update the supplier's scheduled shipment or delivery dates.

EDI 997: Functional Acknowledgement—EDI transaction that confirms that a specific transaction set has been received and is structured correctly according to accepted standards and definitions for that transaction set.

Copyright