WARE|PAK

A Guide to EDI for Publishers

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Publishers are being put under a great deal of pressure by the big distributors, such as Amazon, Baker & Taylor, and Border's, to implement EDI transactions. There is a lot of confusion about what an EDI transaction is. This white paper is meant to help explain some of these technical terms.

EDI: What it stands for and what it really is

EDI, or Electronic Data Interchange, is computer-to-computer communication of business documents, in a standardized format, between two companies.

Although it has a technical-sounding name, EDI is fundamentally a business initiative that has been developed over the past thirty years. It was pioneered by the transportation, retail, and grocery industries in an effort to increase quality and customer service, and offer long-term cost benefits. EDI also represents a major step in creating a paperless office.

By replacing paper documents, such as purchase orders or invoices, with their EDI "equivalent" (a computer-readable EDI document), **four** key benefits are realized:

1) Accuracy is increased because human intervention (the acts of entering and re-keying data) is eliminated.
2) Timeliness is increased (the electronic transmission of forms eliminates the delays inherent in conventional mail, or even Fax).
3) Customer service process is automated.
4) Bottom line costs are reduced for the trading partners.

Definition of EDI Explained

"Computer-to-computer" means that the data you send or receive from a bookstore (the most common examples are invoices or purchase orders) is communicated via electronic transmission, without human intervention or interpretation.

"Business documents" means that EDI will be used for the exchange of specific documents only, such as purchase orders or invoices.

"Standardized format" is at the heart of EDI and causes much confusion among publishers. EDI requires you to follow standards that define the format and content of your business documents. When you start using EDI, PO's and invoices will be converted by the EDI translation software program into the exact same format as those used by all the other publishers using EDI. (The publishing industry EDI standards have been set by the BISAC - recently renamed BASIC - committee of the Book Industry Study Group). This means that each purchase order, invoice, or pack slip will be completely readable by any computer used by any bookseller using EDI.

In Summary:

When you do business via EDI, you send business documents directly from one computer to another, the documents are in a machine-processable format, the exchange is limited to documents, and the document exchange is governed by standards.

Other Useful Terms You Need to Know

EDI has created a vocabulary of specific terms you will need to be familiar with. Here is an English version of those technical terms:

Purchase Order Acknowledgments	A POA tells the bookstore the status of their Purchase Order: what books were shipped, back-ordered, cancelled, the list price, and discount.
Transaction Set	A transaction set is the EDI term for a business document. Each transaction set has a standard three-digit numerical code that identifies it. The four most common transaction sets are: **850:** Purchase Order (PO) **855:** Purchase Order Acknowledgement (POA) **856:** Advance Ship Notice (ASN) **810:** Invoice IMPORTANT NOTE: Your first two EDI transaction sets must be Purchase Orders and Purchase Order Acknowledgements. Future transaction sets are your choice.
ANSI X12	This cryptic term refers to the overall set of standards governing the use of EDI documents by all industries in the U.S. It is the protocol that makes sure all items on a document land in the right spaces. Usually called "X12."
Translation software	The program that takes an EDI standardized X12 document and converts, or translates it, into a format that your Order Processing computer can recognize.
Communication software	The program that allows you to connect to your EDI mailbox.
EDI Mailbox	This is the place where EDI documents are sent to and received from, via electronic transmission between computers. Each bookstore trading partner and each publisher maintains its own EDI Mailbox. Depending on your volume of sales, your bookstore trading partners will send you EDI orders on a daily or weekly basis. It is up to you and each trading partner to decide when you will connect to your mailbox and process orders from that trading partner. To access the mailbox, you connect to a VAN, or to a network managed by an EDI Provider
VAN	Stands for Value Added Network, or "third party service provider." A VAN takes EDI documents, and moves them into mailboxes.
EDI Provider	EDI Providers manage and support the networks over which electronic transactions are delivered. Management Information Systems Group (MISG) manages the Pubnet EDI system, which is accessed over the Internet. Using the Internet instead of dial-up modems will lower your telephone costs. You sign up with Pubnet by contacting MISG.
Trading Partners	This term refers to companies with whom you are exchanging EDI documents. Major trading partners include Ingram, Barnes & Noble, Borders, Baker & Taylor, and Pubnet.
Pubnet	Pubnet is a membership organization that provides you with access to more than 3000 bookstores. While Pubnet provides you access to its entire membership, Pubnet itself is considered a SINGLE trading partner. It's easiest to think of the service as a "consolidator" - they consolidate all the purchase orders from all the bookstores, and put them in your own EDI mailbox, so you can get them with just one mouse click. In addition to many college bookstores and other retail bookstores, you also will be able to receive Purchase Orders from Amazon.com, Barnes & Noble College Division, Rittenhouse, J.A. Majors and others. Pubnet is the organization name; Pubnet is the name of the EDI service. MISG is the EDI Provider. To be fully EDI-capable, you need to sign up with both QRS and Pubnet. They are complementary, not competing. The choice is not which to choose, but which to sign up with first. All Pubnet bookstore members send Purchase Orders and require that you send back Purchase Order Acknowledgements (POAs). Some Pubnet bookstore members, including Amazon.com and Baker & Taylor, will accept electronic invoices at this time. The expectation is that you will be paid more quickly if you can submit electronic (EDI) invoices.

Summary of Benefits of EDI

Faster processing of orders - your books get to the bookstore shelves faster

Fewer mistakes, saving customer service time and penalty fees

Better-informed bookstores - leading to increased customer satisfaction. POAs allow bookstores to know immediately if a book will be shipped, back-ordered or cancelled

More accurate data - bookstores can independently resolve data conflicts for your items in their database (i.e. wrong list price or discount)

Better relations with your bookstore trading partners

Increased sales due to ease of ordering

Lower labor costs for the trading partner

Increased profitability and **greater customer satisfaction**

For More Information

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