

The definitive guide to modernizing EDI

celigo

Introduction:

Why modernization is necessary

Today, while most legacy technologies have become obsolete or been replaced, electronic data interchange (EDI) remains deeply ingrained in the global supply chain.

However, despite its critical role, EDI has seen little innovation over the years. Businesses relying on traditional EDI face challenges like onboarding and managing trading partners and integrating EDI with enterprise systems to enable seamless business process automation.

These outdated systems create inefficiencies, delays, and rising costs, leaving businesses unable to adapt to changing demands or scale effectively. Without modernization, companies risk falling behind, struggling with cumbersome processes, and losing operational efficiency.

These challenges are not just operational inefficiencies—they come with significant financial risks. Non-compliance with EDI requirements can result in chargebacks of up to **20% of the invoice value**, cutting into profitability. Additionally, onboarding trading partners through traditional solutions can sometimes take **six months to a year**, potentially causing millions of dollars in lost revenue due to delayed time-to-trade.

A modernized approach to EDI is essential—one that simplifies implementation and management, reduces dependency on technical resources, and gives businesses greater control and visibility over their operations. This modernized approach—simplified self-service EDI on advanced iPaaS (Integration Platform as a Service)—combines the best of scalability, efficiency, and ease of use.

This guide explores the limitations of traditional EDI and how a modern solution can help businesses overcome them, empowering businesses to scale confidently while improving efficiency and reducing costs.



Why legacy solutions are bottlenecks to growth

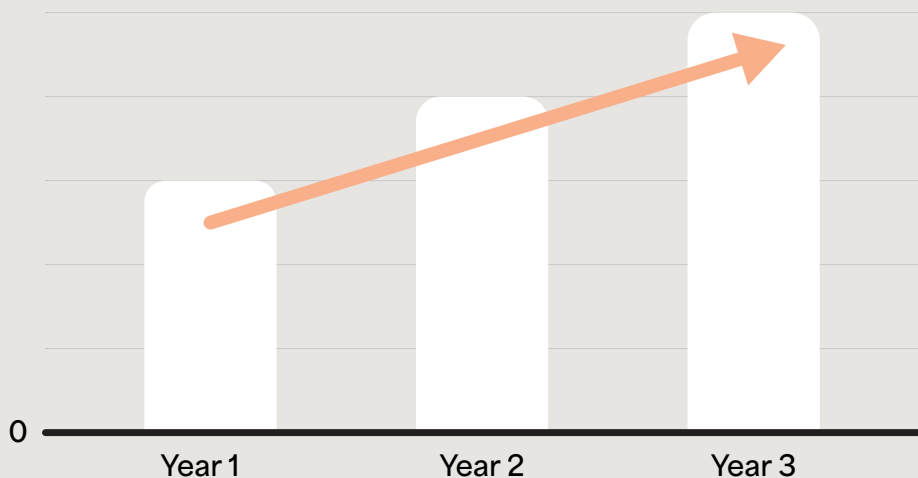
Legacy EDI solutions, whether fully managed or traditional self-service, often fail to meet the needs of modern businesses. These approaches, while foundational in the past, are no longer equipped to address the complexity and agility required in today's supply chain environments.

The problem with fully managed EDI

With a fully managed approach, businesses outsource their EDI processes to a third-party provider. While this reduces the burden on internal teams, it often comes at the cost of visibility and control. These solutions often function as “black boxes,” where businesses have limited insight into EDI transactions and integrations. This makes it difficult to monitor processes, identify errors, or resolve issues proactively. Even minor adjustments, such as updating trading partner configurations or correcting errors, require extensive back-and-forth communication with the service provider and provide no visibility into status updates. This dependence slows response times, reduces operational flexibility, and increases the risk of compliance penalties.

Onboarding trading partners through fully managed solutions often involves lengthy timelines that fail to accommodate unique business needs. For example, one sporting goods retailer reported that implementing a single trading partner with a fully managed EDI provider took over six months. The rigid processes and limited support for custom configurations delayed their time-to-trade, impacting their ability to meet growing customer demand.

These providers also typically charge on a per-transaction basis, with additional fees for changes or customizations, leading to unpredictable and escalating costs as transaction volumes grow. As businesses grow and supply chain complexity increases, these limitations make fully managed EDI an impractical choice for long-term success.



Fully managed vendor subscription

Diagram showing change in subscription costs with increasing EDI transaction volumes over the years

The problem with traditional self-service EDI

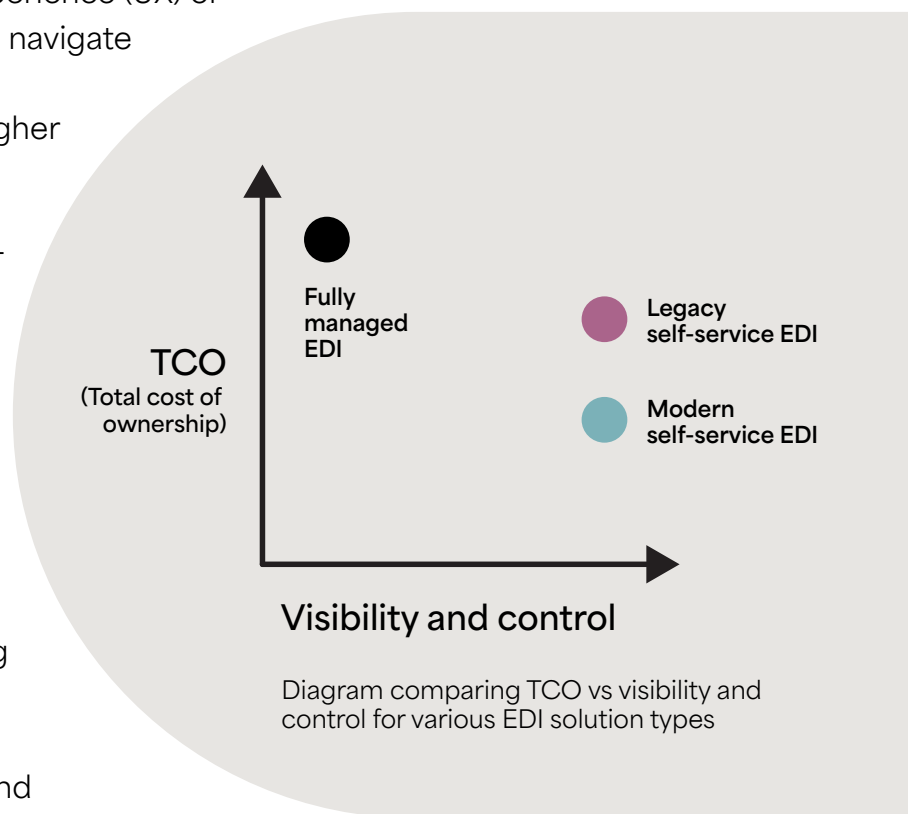
Traditional self-service EDI offers businesses more visibility and control by enabling businesses to build, manage, and monitor EDI processes in-house. While this approach eliminates reliance on external providers, it introduces significant challenges that make it inaccessible for many organizations.

The primary issue with traditional self-service EDI is its complexity. Building and managing integrations often requires deep technical expertise and dedicated developer resources to handle tasks like data mapping, trading partner configurations, and enterprise resource planning (ERP). For businesses without large IT teams or specialized knowledge, these demands can be overwhelming and impractical.

Legacy iPaaS platforms used for self-service exacerbate these challenges. These platforms were not designed with user experience (UX) or intuitiveness in mind, forcing businesses to navigate steep learning curves and create complex integrations from scratch. This results in higher implementation costs, extended project timelines, and inefficiencies. As trading partner networks expand, the burden on IT teams grows, leading to delays that hinder scalability.

Ongoing management of traditional self-service EDI also adds to operational costs. IT teams must constantly monitor and troubleshoot integrations, address errors, and maintain compliance with trading partner requirements. This ongoing resource allocation diverts attention from other strategic priorities, making it difficult for businesses to achieve cost-efficiency and operational agility.

For many businesses, the complexity and resource demands of traditional self-service EDI create a barrier to adoption, forcing them to default to fully managed solutions despite their own limitations. These challenges underscore the need for a modern approach that balances control, simplicity, and scalability without compromising efficiency.



The iPaaS advantage:

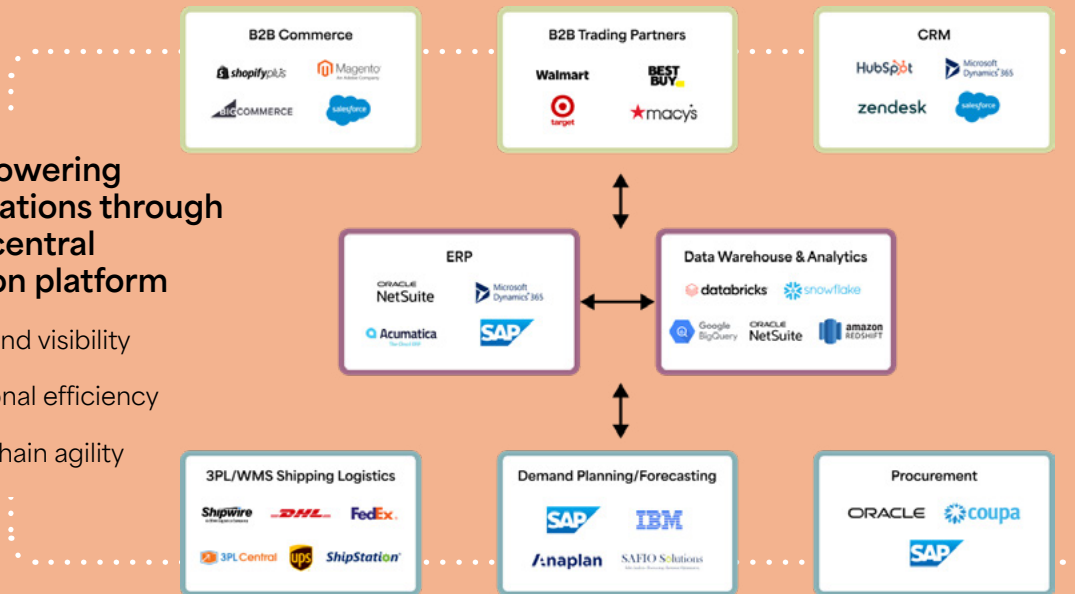
A single platform for all integrations - API, EDI, and beyond

In reality, when doing B2B trading, businesses will have B2B integration needs beyond EDI and some retailers or 3PLs will provide the capability to trade through API connections.

By choosing an iPaaS, businesses can centrally manage EDI-based B2B integrations, API-based B2B integrations, and enterprise-wide application-to-application integrations in a single platform.

Celigo: Powering B2B operations through a single, central integration platform

- End-to-end visibility
- Operational efficiency
- Supply chain agility



An iPaaS, provides business process automation capabilities beyond EDI trading and allows the automation of critical B2B commerce and supply chain processes across the organization. Here are some examples:

Quote-to-cash (QTC)

Seamlessly connect ERP and customer relationship management (CRM) to streamline order management, invoicing, and payment collection.

B2B ecommerce

Integrate your ERP with ecommerce platforms to automate product updates, order processing, and customer interactions.

Inventory & fulfillment

Connect your ERP to 3PL providers and warehouses for real-time inventory updates, efficient order fulfillment, and improved supply chain visibility.

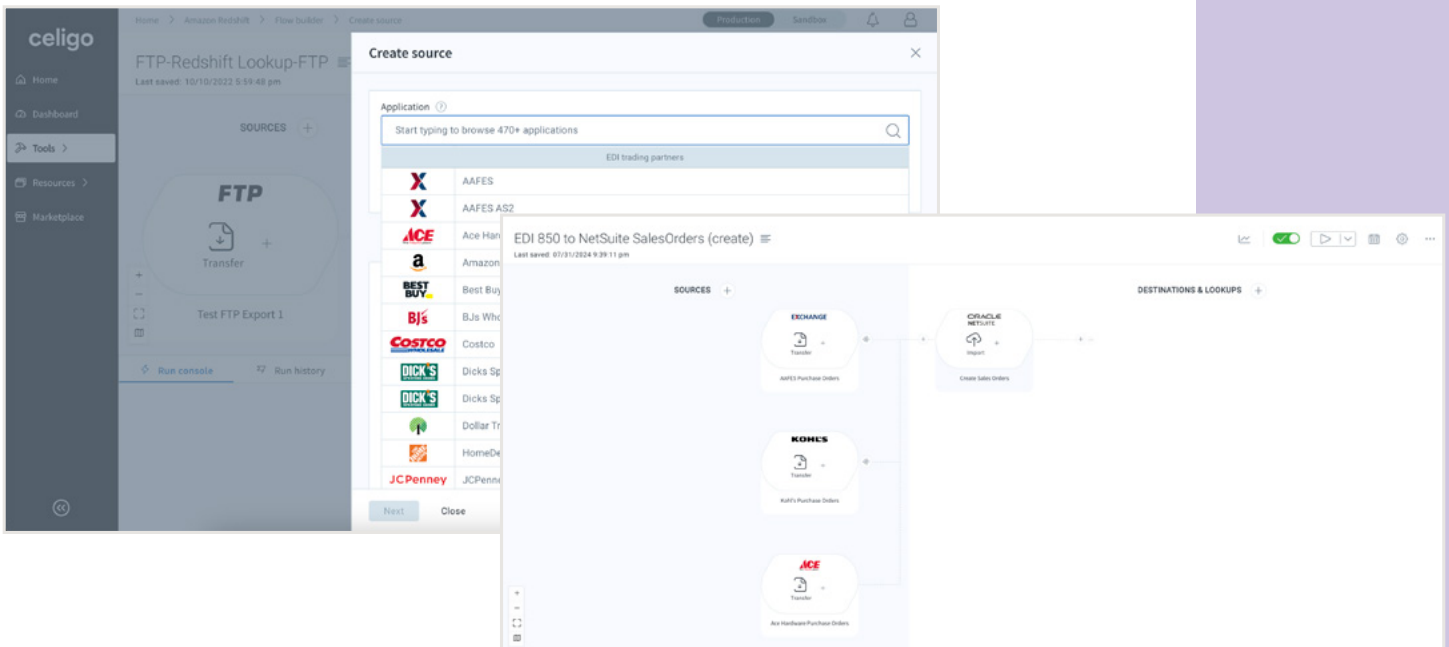
iPaaS powers end-to-end business process automation, enhancing efficiency, reducing errors, and enabling scalability. Additionally, it provides a unified platform with robust governance, enhanced security, regulatory compliance, and a scalable infrastructure.

A modern approach to EDI:

Celigo B2B Manager for simplified self-service EDI

Unlike legacy solutions, Celigo B2B Manager provides a modern approach that simplifies self-service EDI management, enabling businesses to independently manage their EDI integrations while reducing reliance on extensive technical resources and external providers.

It combines the flexibility of advanced iPaaS with intuitive self-service EDI capabilities, so that businesses can streamline trading partner implementations, improve visibility and control, and achieve significant cost savings. Here's how:



Streamlined trading partner integration

Prebuilt trading partners

Customizable, prebuilt connectors feature document types built to trading partner requirements and centralized EDI profiles with built-in rules for validation. This simplifies the implementation process, ensures compliance with trading partner processing requirements, and reduces the effort required to integrate new trading partners.

EDI - ERP integration accelerators

Fully customizable templates embedded with business logic support common use cases and automate EDI integrations end-to-end between trading partners and ERPs, eliminating the need for custom development projects.

Dashboard ⓘ

Running flows
Completed flows
EDI activity

Documents
Last 15 days

Results per page: 50
1 - 6 of 6
Refresh

Doc no.	Doc type	FA status ⓘ ⓘ	File type	Direction	Processed ⓘ ↓	ISA no. ⓘ	GS no. ⓘ	ST no. ⓘ	ISA sender	ISA receiver	GS sender	GS receiver
638	IN	Not Received	X12	Outbound	07/25/2024 12:58:47 am	1000000001	1000000001	0001	001695568GT	001695568GP	100045237NA1223	100231892SE1332
999833341	PO	Failed	X12	Inbound	07/24/2024 12:04:44 pm	000000001	000000002	0002	100045237NA	100231892SE	001695568GT1123	001695568GP1123
999982242	PO	Not Applicable	X12	Inbound	07/23/2024 9:52:46 pm	000000001	000000001	0004	100045237NA	100231892SE	100045237NA1223	100231892SE1332
739842341	PO	Accepted	X12	Inbound	07/23/2024 9:40:19 pm	000000003	000000003	0005	100045237NA	100231892SE	001695568GP1123	001695568GT1123
739822341	PO	In Progress	X12	Inbound	07/23/2024 9:15:15 pm	000000003	000000004	0006	100045237NA	100231892SE	001695568GP1123	001695568GT1123
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Enhanced visibility and control

Centralized EDI dashboard

Proactively fix issues by gaining real-time visibility into all transactions with B2B/EDI dashboard. Benefit from automated reconciliation, error notifications, and functional acknowledgements.

Self-service management

Empower IT teams to build, manage, and monitor integrations efficiently, enabling faster issue resolution.

Cost reduction

Lower total cost of ownership (TCO)

B2B Manager comes with a transparent and predictable pricing model based on the number of trading partners and document types.

Reduced EDI hours

Through efficiencies introduced into B2B management processes, your IT teams will spend less time managing day-to-day EDI.

Reduced chargebacks

Automated validation against trading partner compliance requirements helps lower chargebacks.

Scale IT/EDI resources

Optimize resources

Celigo B2B Manager is designed to reduce the burden on scarce IT and EDI resources by introducing efficiencies into EDI implementation and routine EDI management and monitoring processes, allowing you to grow your business with a smaller team of EDI experts.

Flexibility for growth

Whether you choose to build integrations in-house or outsource the implementation to an EDI-certified implementation partner while managing ongoing operations in-house, our platform supports your growth strategy by providing the tools and flexibility needed to scale efficiently.

Customer Story: La Sportiva



La Sportiva, a global leader in outdoor footwear and apparel, chose Celigo B2B Manager to overcome the limitations of their fully managed EDI provider. With their small operations team, they needed a platform that would allow them to resolve issues quickly, gain complete visibility into EDI processes, and maintain greater control over mapping updates. By consolidating all integrations onto a single platform, La Sportiva aimed to reduce dependency on multiple vendors, streamline operations, and better support their growth objectives.

“We were impressed by Celigo’s intuitive and user-friendly products and wanted greater visibility and control over our EDI. These were the two primary reasons why we chose Celigo B2B Manager. This decision also enables us to manage all our integrations using a single platform rather than dealing with multiple vendors.”

– Rebecca Carroll, Operations Director for La Sportiva



The future of EDI

As businesses face increasing supply chain complexities, the need for scalable, flexible EDI solutions has never been greater. Celigo B2B Manager empowers organizations to:

- Scale seamlessly as their trading partner networks grow
- Gain real-time visibility and control over EDI processes
- Reduce operational costs while improving compliance and efficiency

Next steps

Ready to modernize your EDI strategy? Explore how self-service EDI on advanced iPaaS platforms can simplify your processes and future-proof your business.

Check out Celigo's B2B Manager for EDI. Connect with an expert to learn more.

Celigo's purpose is to
blaze the trail for a tech-
empowered future. We create
software that thinks ahead,
keeps you connected, and
moves you forward.

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