

Flow Whitepaper

A Five Minute Guide to Investing in EDI

An update on EDI in New Zealand, provided by Flow Software - specialists in EDI and systems integration.

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EDI – The time is right

Surely EDI (Electronic Data Interchange) has been around for years? Definitely, but only recently have the savings and business efficiencies traditionally enjoyed by the larger corporations become available, affordable and practical for the myriad of SME's that are at the heart & soul of the New Zealand business community.

EDI is the ability for you and your key trading partners to exchange business transactions electronically and automatically - straight from your accounting package to their "supply chain" systems. Such transactions have traditionally included purchase orders and invoices, but increasingly now extend to ASN's and manifests for the transportation of goods. Need a mainframe? No. Nowadays a modern PC or server, a quality accounting package, good telecommunications, plus a great EDI application and you can be up and running in no time at all.

The benefits?

- ✔ Significant reduction in costs associated with keying data into your accounting software
- ✔ Avoidance of errors and costly "follow ups" associated with elimination of data entry
- ✔ Improved timeliness and availability of business data
- ✔ Reduction in administrative costs and improved sustainability e.g. reduced postage, paper, couriers
- ✔ Improved cash flow resulting from electronic transmission of invoices... with EDI your invoices can't "get lost in the post"!
- ✔ Improved business relationships with your trading partners

This last benefit should not be overlooked as an increasing number of national traders are now demanding that their suppliers undertake EDI, with financial penalties for those who do not oblige. EDI is therefore increasingly becoming a "must do" in preference to simply an option.

Where to start?

Identify your major trading partner from both a volume of orders and value of invoices perspective. Use Flow Software to automate their EDI processes for you, and start to measure and enjoy the benefits of reduced costs and improved payments - they should begin to materialize from the first day. Flow's consultants will lead you through the process and liaise with your trading partner to set everything up.

From there, simply look towards adding more of your trading partners to your EDI service based on either volume of work, or their EDI trading policies. You only need one copy of Flow, and can simply add more and more partners over a period of time.

Which national companies run and promote their EDI services? Just about all of them. In particular supermarkets, departmental stores, whiteware/electronics, electrical and plumbing suppliers, building products, transportation businesses, and a range of government/public sector organisations (Customs, Universities, Health Boards etc). Each organisation will offer different services, and work to different standards, but don't worry - let Flow take care of catering for their requirements, and making it easy for you to get up-and-running.

Finally, I know what you're now thinking! Therefore a few FAQ's:

Q. Do I need to upgrade my technology and accounting package to support EDI?

A. With Flow Software, invariably no.

Q. Is it hard to use?

A. No, it just sits on your server automatically doing what it has been instructed to process.

Q. How much?

A. Normally less than a cup of coffee and a donut a day!

Where from here?

EDI as a technology is far from revolutionary, however it is now for the first time well within the reach of even the smallest of SME's, and can be implemented in a highly cost-effective and painless manner. Flow Software supports a wide range of accounting packages, and has worked with just about every national trader.

Where to from here? Check out how many purchase orders and invoices per month you are currently manually processing in your accounting package, and if it's costing your business more than a 5 dollars a day, definitely pick up the phone.

Flow Software Limited is an innovative New Zealand software company that has designed and developed a software solution to address the need for information to flow between applications. Operating from offices in Auckland and now Sydney, Flow is utilized to undertake EDI with dozens of national traders and integrates seamlessly with all the popular accounting packages.

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