

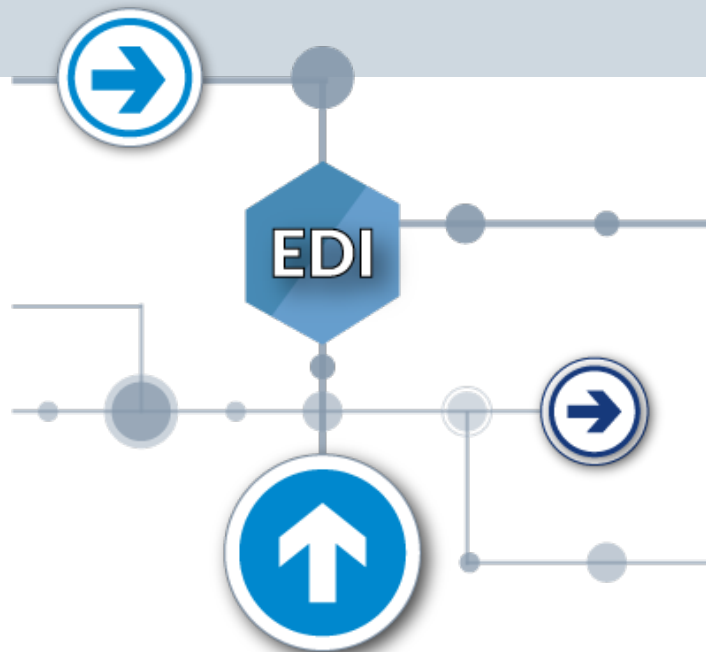
MANAGED EDI SERVICE PROVIDER

12-Step Selection Criteria

So, you are in the market to explore the possibility of moving away from an internally managed and capitalized EDI infrastructure over to a completely managed EDI solution.

Any company that approaches managed EDI services like a traditional software or hardware evaluation will not be looking at the full spectrum of what constitutes a credible managed EDI service provider and risk managed solution.

The following report provides a simple 12-step approach that should be used in conjunction with any technical evaluation process currently used by your IT staff.



1

Define Your Parameters

Simply asking or itemizing which EDI standards and documents the EDI provider handles is insufficient. Virtually every EDI provider maintains the ability to translate every EDI standard and document, but very few can handle the pre, post and custom processing that you currently provide and inject within your EDI processes.

2

Documented Support & Services Record

No matter how big, technically capable, impressive or even how well your potential managed EDI provider may have performed traditional EDI services in the past, without a tangible track record of success in the arena of managed EDI services, your venture into managed EDI services will come at significant risk.

So, how do you separate the proven service providers from the pretenders?

Very simple:

In addition to asking them for a complete list of references, you should focus on the customers that have left the provider's managed EDI services during the past five years and find out why. Also, determine if any potential customers were turned away because the provider felt they could not adequately handle their custom EDI requirements.

3

Determine the Type of Managed EDI Solution Offered

Because the vast majority of EDI sales professionals are unaware of the differences between managed EDI solutions from one vendor to the next, they will assume that they can handle whatever your unique situation is. There are four primary managed EDI service models in existence today. The one that's right for you depends entirely on your needs. The more complicated those needs, the more experienced and evolved methodology you will require.

4

High Level of Customization Capability

As previously stated, because each company has unique EDI requirements, processes, checks and balances, and/or transmission schedules, it is imperative that your managed EDI service provider have the capability to quickly and economically handle these company-specific situations.



5

Demand a Reliable and Flexible Value Added Network

For standard logging features and store-and-forward data capabilities, the traditional VAN is still very effective. However, a Value Added Network that will enable you to capture all elements of an EDI transmission and thereby provide complete data visibility and manipulation will offer you more.

6

Redundancy, Security and Disaster Backup/Recovery

A high-quality managed EDI service provider will provide redundant systems, software, processes, communication protocols, ISPs, etc. In addition, not only should the Value Added Network be secure, but the internal systems hosting your maps and processes should all be secure as well. The need for quantifiable disaster backup and recovery is critical.

7

Commitment and Focus on Managed EDI Service

When selecting an EDI provider, you will want to be sure they will focus on your EDI processes. If providing managed EDI services is not the primary function of your provider, you might struggle to be heard and serviced.

8

Experience, There is No Substitute

Your managed EDI provider must have a long, tangible and proven track record providing managed EDI services. In addition, there must be verifiable technical and business staff used to run your EDI business processes on a daily basis. Remember, you are looking for much more than someone who graduated from the provider's internal EDI mapping school or a reassigned EDI software developer. You will need resource(s) that can interpret the business of EDI as well as the syntax and looping structures of EDI. The level of experience offered by both your provider and your dedicated resource(s) will save you time, money and frustration.



9

History of Successful Conversions

As you are undoubtedly aware, one of the most critical and unavoidable requirements of moving to a managed EDI solution is the need to transition all internal EDI maps and processes over to the selected provider's hosted environment. Remember, 75 percent of the process is straightforward, quantifiable and easily tested.

There is no need to fear the initial configuration of your managed EDI solution, if you choose a provider who has a reliable history of meeting timetables within budget. Due to the quantifiable scope of the EDI process, you should expect your conversion to be done on a fixed-bid basis. It is also a good practice to find out from some of your potential provider's recent conversions just how well it went. A sure sign that a provider is inexperienced in the business of managed EDI services is when the transition phase is quoted with an open-ended hourly consulting contract.

10

Price

At the risk of stating the obvious, the cost of conversion and the ongoing cost to manage your EDI needs are important elements but should not be the sole criteria for selection. Because managed EDI services are a relatively new offering for many providers, you may find inconsistent pricing models and proposals.

We recommend you start with an honest analysis of what EDI is costing you today, including everything tangible and intangible -- right down to the phones, desks and space used within your facility. Once this is done, you will be prepared to evaluate a provider based on what they will do for you. You'll be able to accurately compare the cost or, more appropriately, the value you will receive. This is a much better approach than comparing one provider against the other based on cost alone.

11

Profitability

Is the managed EDI service provider you are considering profitable? Have they ever been profitable? Will they be profitable in the near future?

The sad fact is that many EDI providers today have a long history of consistently operating in the red. The profitability or longevity of your vendor is always important, but even more so when selecting a managed EDI service provider.

12

Guarantee

Your proposed managed EDI service provider must be willing and ready to guarantee all services and transmissions to be performed and delivered on time. GUARANTEES eliminate excuses.

