

INSIDER FACTS

On What Has Happened with the EDI Industry Over the Past Few Years



PROMETHEAN[™]
SOFTWARE SERVICES

Fact

The marketing efforts of most EDI providers have pushed a concept that *the only viable long-term EDI solution is to purchase, host and license their EDI translation software year after year*. The real reason they promote managed EDI services as a small company solution is that small companies cannot afford their software, and, therefore, are not a potential market in which to generate significant revenue from the sale of software.

The business of managed EDI services cuts significantly into the bottom line of virtually every EDI provider in the industry that relies on the sales and licensing revenue of EDI translation software. More interesting, the EDI industry understands that managed EDI services represent a better value and better strategic option for every one of their customers.

Fact

EDI vendors, who rely on software sales, view EDI services as a threat. Thus, within the past few years, every EDI provider has begun to offer a managed EDI solution as a “fail safe.”

Therefore, if you are investigating whether or not a managed EDI solution provides an opportunity for your company and IT department, you need to be aware of the false claims and see the EDI landscape clearly.

Fact

As the market demands managed EDI services in advance of the industry’s ability to adequately deliver these solutions, IT executives must use caution. They must understand the risks that will be associated with a particular provider’s experience servicing a managed EDI solution. Transposing an EDI provider’s success in developing and supporting EDI translation software into an assumption that they will be equally successful in the arena of managed EDI services is quite simply a leap of faith. IT executives should focus on the managed EDI service experience of a particular provider and NOT with that provider’s history of developing EDI translation software.

So, how do you make an informed decision with such a newly embraced EDI service solution? Honestly, because these types of services and the demands placed on them are so new, it is the subtle nuances and the not so obvious that really determine the success of the endeavor.