

## Inventory -Technology 3 – EDI

Electronic Data Interchange, EDI, is the intercompany communication of business documents in a standard format. Instead of using paper-based documents like purchase orders or invoices, EDI enables the automated exchange of information electronically. By automating these transactions, companies can save time and reduce errors caused by manual processing. In the DMC use case, EDI is being used to maintain inventory stock levels and process customer orders.

Pros	Cons
<ul style="list-style-type: none"> <li>• Realise more sales opportunities.</li> <li>• Lower operating costs.</li> <li>• Production material available when needed.</li> <li>• Reduce human error and improve accuracy.</li> </ul>	<ul style="list-style-type: none"> <li>• Suitable for long-term partnerships with suppliers and buyers.</li> <li>• Specialist skills required to configure and maintain.</li> <li>• Implementation and training costs can be high due to the complexity of some systems.</li> </ul>

**Technology Cost range:** \$50,000 - \$150,000, depending on the complexity of the use case, number of external systems being integrated to, manual processes being automated and cyber security considerations.

**DMC Technology Cost:** \$100,000

### DMC Cost Assumptions:

- Limited to 3 ingredient/material suppliers and 2 customers.
- Suppliers and customers are large organisations with mature ERP systems.
- Automate existing known manual processes for ordering ingredients and materials.
- Automate existing known manual process for processing customer orders into our ERP system.
- Internal costs for end user staff involvement have not been included.
- Single design and build iteration.

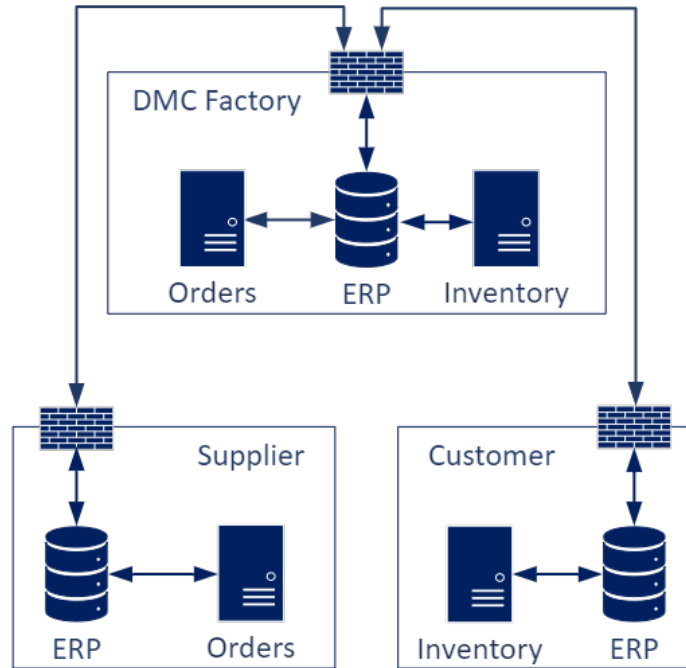
**What situation would this technology usually be adopted in?** Long term supply contracts in place with generally stable products. High frequency orders from a stable customer base. International trade.

**RoI Considerations:** The cost of poor quality if the wrong materials are used during a production run. The cost of customer complaints and resolution. Business process changes, hardware, development and training costs.

**What skills are required to implement & run this tech?** Business system analyst, IT skills, Cyber Security skills.

**Pre-requisites for successful adoption:** Agreed long term partnerships with suppliers and customers.

## Typical Tech Stack



## Who can help with this technology?

- Specialist EDI service providers.
- Business consultants.

## What to google when researching this technology?

'EDI services nz'

'what is EDI'