

Delivering data

How EDI fulfills tech-driven demands among today's logistics customers

As customer demand for real-time information continues to heighten in the ever more dynamic world of logistics, the need for tailored data synchronization through EDI implementation has become more apparent than ever before.

In its simplest terms, EDI, or electronic data interchange, is essentially defined as the structured transmission of electronic data from one trading partner to another. With its ability to automate and integrate processes including tracking and tracing, status messaging, reporting and invoicing, EDI gives logistics providers the flexibility to craft creative solutions for their customers.

"Contending with today's industry challenges warrants sales professionals to extend the depth of their knowledge base well beyond advising customers on how to schedule a pickup or track a shipment," says Ray Fennelly, director of business development for AIT Worldwide Logistics, Inc. "Customers now require a flexible technology infrastructure tailored to the data distribution of their supply chain, and sales representatives must be able to deliver more than just a canned IT solution to drive those demands."

Smart Business sat down with Fennelly to discuss how EDI has transformed sales and supply chain relationships.

What are the major benefits of EDI?

Humanizing our business in the age of gadgets and gizmos cannot be underestimated — after all, we are not just moving boxes from point A to point B. In addition to being logistics consultants to our customers, we must also serve as communications and IT consultants.

While it's imperative not to remove the personal aspect from the business, juggling various phone calls, faxes and e-mails can be extremely difficult to manage and lead to major miscommunications or disruptions in delivering information and product on time.

Furthermore, customer service representatives can't be held accountable for remembering every last nuance of each customer relationship; Web-based solutions facilitate this process.

Unfortunately, the industry is not infallible — delays do occur and mistakes will be made. However, a comprehensive tech-driven solution can dramatically reduce those setbacks by automating data



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transmission, minimizing potential for human error, and providing increased work flow and communication efficiencies.

In essence, sharing data in an integrated environment allows customers to view their supply chain as a 'glass pipeline' of sorts: At any point along the life cycle of their shipments, they receive instant visibility to shipping activity, lane segments, trade profiles, on-time percentage and financial data.

Describe the potential pitfalls that can occur with EDI implementation.

Mutual commitment to resources required — particularly in terms of money, training, manpower and time — is, without a doubt, one of the largest concerns. Make no mistake; getting two IT platforms to speak to each other can be a time-consuming, costly, highly involved process. Can both organizations dedicate the proper internal resources until the information exchange environment has been successfully and accurately implemented?

EDI hinges on cooperation and collaboration. If set up properly, its short-term expense results in significant long-term savings for both parties. However, the

value of EDI's flexibility is lost if expectations between the two companies are not properly communicated, understood, mutually agreed upon or executed.

While it is important for you and your customer to engage in detailed discussions and plot project road maps and flow charts, it is ultimately your responsibility to generate results for your customer based on its prioritized business needs and efficiencies.

How do you determine whether or not it is a sound business strategy to apply EDI to a customer relationship?

Because of its perceived complexity, EDI can seem imposing and overwhelming to customers, especially those with whom you have been doing business for years or even decades. In encouraging them to move from paper to electronic processes, those concerns are certainly legitimate. From a cost-of-implementation and training standpoint, in today's economy, especially, you can't and most certainly shouldn't expect a customer to implement EDI unless it makes sense for the data flow of its supply chain.

It should never be the goal on a sales representative's first visit to set customers up with EDI; you can't automatically presume they need it. After all, their definition of the term might radically differ from yours. You must first become attuned to the customer's shipping trends and volumes to analyze the data flow of its supply chain.

Oftentimes, the need for EDI doesn't present itself until long after the maturation of your customer relationship, when trust has been ascribed and the foundation of the partnership has been established.

At the end of the day, it is incumbent upon logistics providers to take a consultative approach in sitting down with their customers, mutually deciding on the most beneficial Web-based solution for their business and delivering value to their supply chain based on those demands. <<

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