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Introducing Electro-Federation Canada's

2019 Supply Chain Conference

Shorter | Faster | Smarter

November 25-26, 2019
Pearson Convention Center - Toronto

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Moving The Industry To EDI

Raising The Bar On Transactional Automation

Rick Pozniak
Rexel Canada
Nov 26, 2019

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Agenda

1. Introduction
2. The Current State of Transactions in our Industry
3. Walmart Supply Chain
4. Options for Data Transfer – EDI vs API's
5. What needs to change
6. Accelerating that change
7. The Future is NOW
8. Protecting your competitive advantage
9. Panel Discussion – Q & A from 4 Industry Users of EDI

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Introduction – Rick Pozniak

- Canadian Electrical Industry lifer with experience in the Sonepar and Rexel organizations
- Experience in Sales, Marketing, Industrial Automation, Business Development and Ecommerce
- Recently graduated from University of British Columbia's Digital Leadership program
- EFC experience on Research and Supply Chain committees

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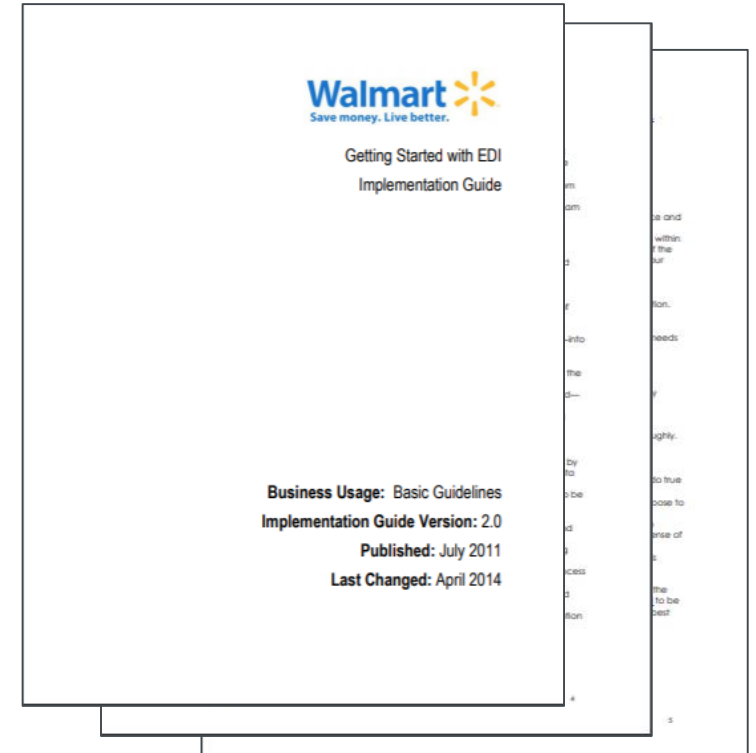
Introduction – Rick Pozniak
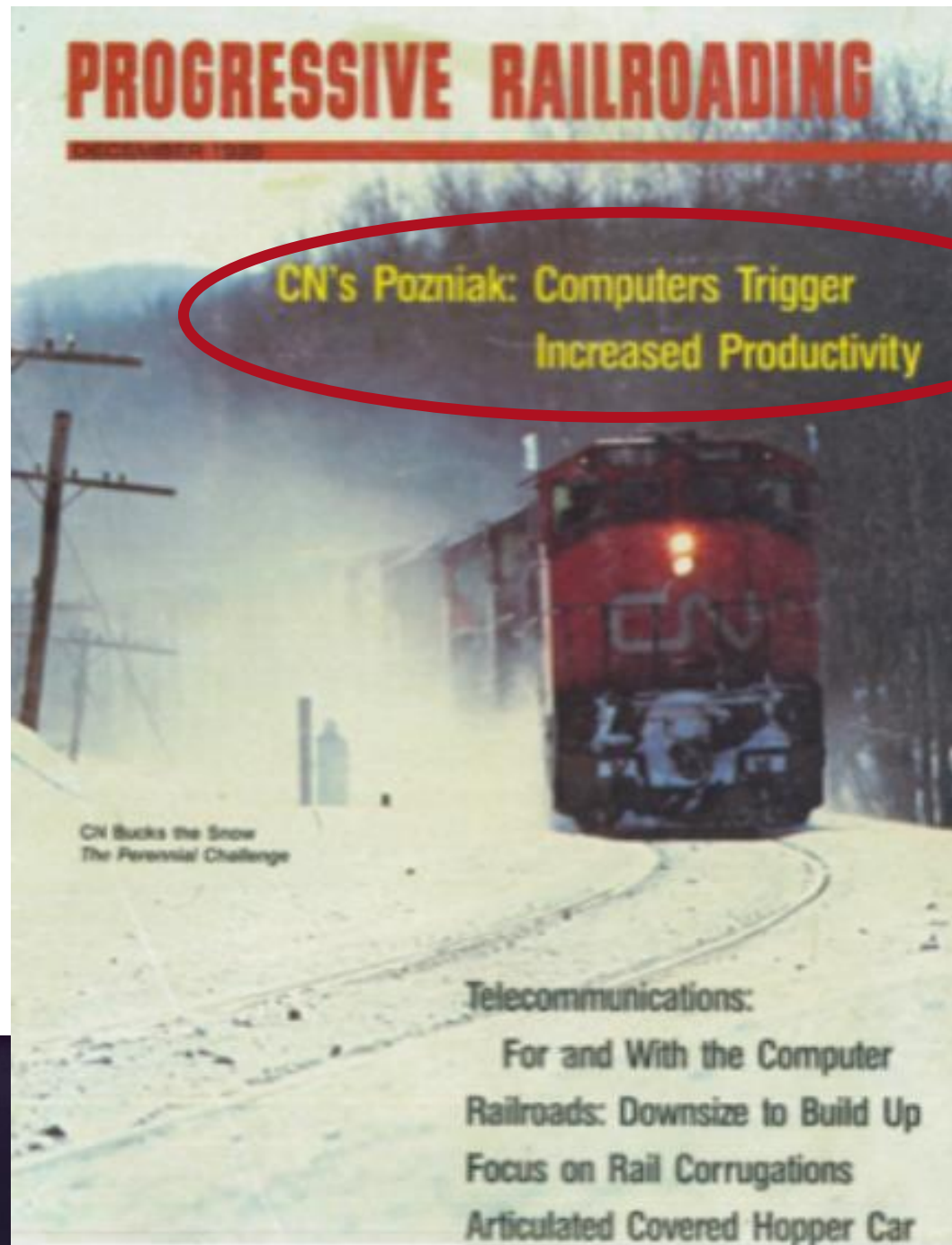
Current State and Challenges of Transactions in our Industry

- Our current ordering paths – still a reliance on the keyboard
- Cost of human processing – failing to consider the costs
- Stock vs Custom – make products as easy to automate as possible
- Need for metrics - organization and industry
- Preparation for the increasing demands of our customers

Walmart Supply Chain

- Recognized globally for their gold standard Supply Chain Management
- The #1 criteria/requirement listed in the Walmart Supplier Guidebook is "You must be EDI capable"
- Expected from all suppliers - global, national and regional
- EDI documents expected from Suppliers
  - 810 Invoice
  - 812 Claim
  - 816 Address Listing
  - 820 Remittance
  - 850 Purchase Order
  - 864 Text Message [for invoice errors]
  - 997 Acknowledgement

Walmart
Save money. Live better.

Getting Started with EDI
Implementation Guide

Business Usage: Basic Guidelines
Implementation Guide Version: 2.0
Published: July 2011
Last Changed: April 2014

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Digital Options for Supply Chain Data Transfer

- It's hard to imagine an effective supply chain management solution that doesn't rely on EDI and/or API's
- Both allow you to quickly and securely exchange data from system to system, which is a huge part of the supply chain management process
- So which should we try to run with for transactional automation in our industry?

EDI		API's
Partner-oriented	✓	Application-oriented and user-oriented
Industry standards based	✓	Technical standards based
Business application friendly	✓	Mobile device friendly
Medium length deployment		Fast deployment ✓
Standardized message formats (orders, invoices, shipment notices) Driven mainly by standards bodies	✓	Ad hoc message formats. EDI formats can be used in principle, but only applicable for basic implementations. Driven mainly by the service implementer
System of records		System of engagement
Partner on-boarding requires a technical and business workflow		Partner on-boarding is typically simpler ✓
Services are well defined and do not evolve regularly	✓	Services are defined via APIs, they require a full-fledged lifecycle management
Business agreements are often required	✓	Usage conditions are defined unilaterally by the APIs
SLAs are commonplace		SLAs are not a top of mind issue
Typically used for order-to-cash and similar supply chain cycles, as well as multi-chain interoperability	✓	Typically used for data and service exposure
Value is in efficiency in partner relations	✓	Value is in both partner relationship as well as service monetization
Owned by supply chain and IT departments	✓	Owned by Chief Digital Officer and IT departments

What needs to change in our industry to make this happen?

- Manufacturers currently engaging in EDI transactions with distributors – Switch from "Nice to have" to "Must"
- Manufacturers currently not engaging in any EDI transactions must begin allocating resources and planning for transitioning to incoming EDI orders and invoices, consider interim solutions like EDI conversion platforms
- Distributors not doing EDI start with one pilot with and "experienced manufacturer" currently transacting via EDI
- Distributor currently doing EDI need to expand suppliers and transaction sets
- Promote a cost calculator for transactional automation
- Measure your orders transmittal via channel % (manual vs automated)
- Must develop change accelerators

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Accelerating Change
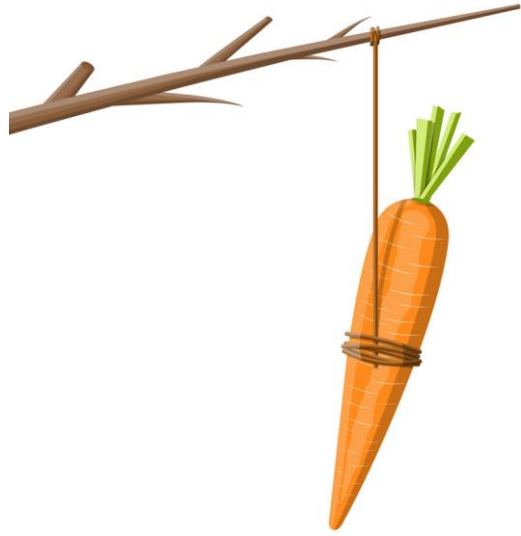
Incentives VS **Penalties** VS **Fear**

The Future is Now

- We must collectively set an <u>aggressive target and timeline</u> for the industry to move down this path
- Need to automate the transactions for the "low-hanging fruit" – warehouse/stock business that is comprised of set part numbers and pricing
- A big onus on our manufacturers to make this happen

Maintaining Your Competitive Advantage

Panel Discussion

David Brady
WESCO

James Wakelim
Ideal Supply

Dexter Chin-Yee
CGI Consulting

Mark Djerrahian
ABB

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