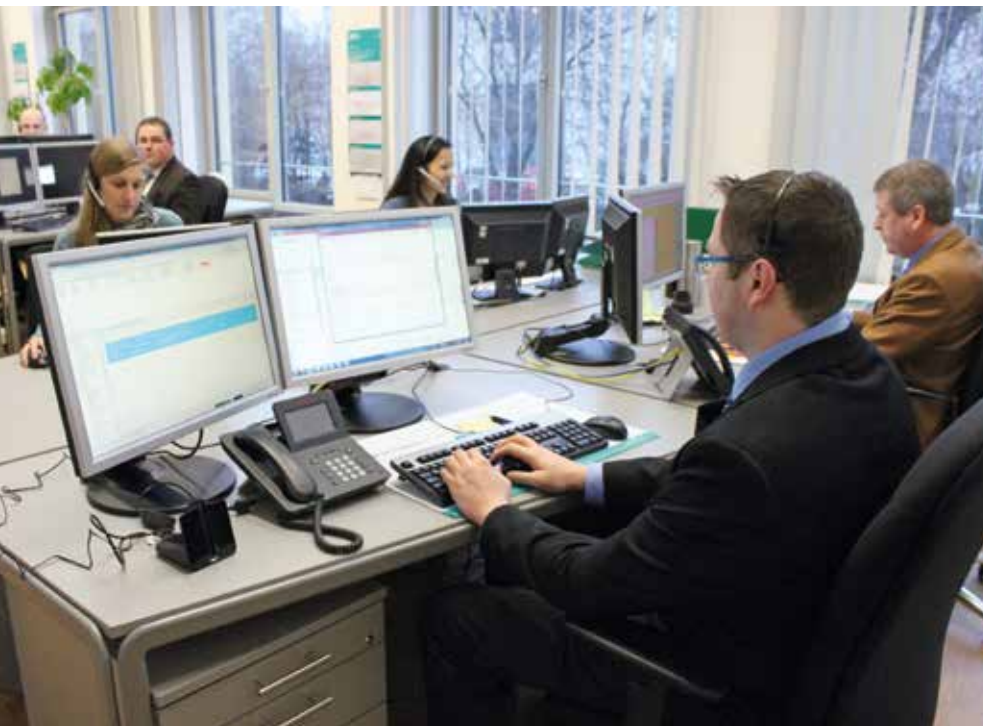




Well-informed and optimally connected at all times via Electronic Data Interchange

By Jan Seeger, Technical Director of Formel D Group.

The global economy is currently experiencing a period of increased and unprecedented activity in which the worldwide exchange of goods and services gives rise to supply relationships with far-reaching economic impacts.



Formel D provides professional email and hotline support to all participants.

Worldwide communication between, and integration of, suppliers is required in order to meet all present-day requirements of a corporation acting globally. As a competent service provider, Formel D handles communication with partners with regard to the rollout of technically sophisticated customer IT requirements for the use of communication platforms, internet applications or other IT tools for certain defined business partners. The objective is to roll out the new requirements to all parties via professionally established hotline and email support with the aim of ensuring that productive benefits arise on the user side.

Uniform basis

For the purposes of fully electronic communication between business partners, EDI (Electronic Data Interchange) provides the basis for precisely scheduled delivery by suppliers, including just-in-time and just-in-sequence production. This method saves time and money and is especially popular in the automotive industry. In addition, it ensures that resources are spared and stocks are reduced.

There are various different reasons for EDI rollouts such as the one which

Formel D has now performed for a German automobile manufacturer. Significant changes to the inherent OEM IT structure such as SAP reorganisation, modification of processes etc. require partners (suppliers and shipping companies) to adapt their IT systems. These changes need to be explained, implemented, tested and established. Another reason for EDI rollout could be that new business partners require first-time access to the IT systems and must be connected to the EDI structure of the OEM if they wish to participate in fully electronic communication in the future.

EDI rollout in close-up

During a rollout, Formel D functions as an interface between the IT departments of its customers and the responsible contacts on the partner side in order to guarantee sustainable communication between the OEM and its various suppliers, in particular with respect to large-scale projects.

At the outset, Formel D contacts the suppliers as well as the shipping companies and informs them of the customer's project-based IT requirements. In addition, the service provider agrees with the partners on timelines assigned to the project and supports them during implementation. EDI guidelines determine changes and modifications performed by the supplier, and these are additionally validated by Formel D during a test phase. After successful conversion of the partner and integration into the live system, Formel D monitors regular communication. Also, the service provider ensures that the transfer of information as validated in the test

will also work in daily business. By the time all messages have been sent and processed correctly and fully automatically in both directions, Formel D hands the responsibility for the project over to the customer. The latter then takes care of functional areas such as the continuity of operation and maintenance.

During the connection process, Formel D handles the entire communication with suppliers and shipping companies. This is possible because, as a service provider, Formel D is familiar with the professional and reliable handling of sensitive data - after all, the company has access to relevant EDI systems and OEM databases. As a consequence, Formel D is able to monitor the transfer of information at any time, manually create and send test

IT structure of the automotive manufacturer. "Projects on this scale generate a huge need for communication," says Jan Seeger, Technical Director of Formel D. "First and foremost, the successful integration of all partners into the EDI rollout process and the guaranteeing of communication between them and the OEM requires specialised staff who combine considerable flexibility with the necessary communication skills as well as good project management, and these can only be provided by an external expert."

Ideal conditions

To connect the partners on behalf of the automotive manufacturer, Formel D first established an external data link



During EDI rollout, Formel D ensures communication between OEM and partners.

messages and make the necessary corrections. Additionally, Formel D assists the partners via telephone (supplier hotline) and email during the connection process, whereas experts provide support, answer all enquiries made by suppliers and shipping companies and offer extensive individual assistance as well as various different approaches to solving problems.

Challenging project

Proximity to the customer requires a maximum of flexibility allowing a company to react to customer needs as quickly as possible. As a matter of course, major projects such as an EDI rollout include challenges too. First of all, the service provider needs to constantly adapt to new situations in the ongoing projects and integrate these situations into the rollout strategy drawn up in cooperation with the partners. IT infrastructure projects in particular can cause unplanned changes or delays, and suppliers and shipping companies have to react to these in a flexible way. Also, the connection strategy predefined by the OEM often encounters very different system requirements on the supplier side, so an individual response to the partners' needs is required at all times. In the instance described here, the service provider connected several thousand suppliers worldwide to the

to the customer and became familiar with its EDI systems and the available tools. Thanks to Formel D's short reaction times, it was possible for it to meet project-specific requirements such as initial familiarisation with just-in-time/just-in-sequence processes at short notice before the start of the project. The completed EDI rollouts usually include delivery schedules, orders, shipping advice and electronic shipping notification etc. in the EDI formats EDIFACT, Odette, VDA and ANSI.

Full service from Formel D

Formel D acts as a single point of contact between an OEM and its suppliers. This experienced service provider focuses on problems as well as obstacles to implementation and - after consulting the customer - offers the business partners individual demand-orientated solutions. In addition, Formel D ensures that all suppliers and shipping companies affected by the IT project are effectively connected to the EDI systems and that all relevant systems are tested and documented. Besides saving time and money, the customer profits from automated, error-free data exchange with its suppliers. After successful integration, direct communication between the various systems allows a more rapid flow of information with virtually no errors in transmission.

Worldwide standard

Electronic communication in the automotive industry is to be constantly improved. In cooperation with its members in the context of a working group, the VDA is currently working on a new automotive EDI standard with the goal of worldwide acceptance. The VDA format, which is currently widespread in Europe and Asia, will gradually be replaced by the EDIFACT GLOBAL format over the next few years. Besides increased flexibility in the message text, this facilitates international exchange with the NAFTA (North American Free Trade Agreement) regions too - areas in which the ANSI standard applies to this day.

Future perspectives

The conversion process allows all companies involved to achieve great competitive advantages and realise their full potential. Formel D is at all times capable - within the scope of the agreed rollout plan - of individually organising global communication and supervision with regard to partners in order to ensure that regular business of customer and suppliers is not affected by the EDI rollout. Although the unification of EDI standards is still in progress, entrusting the implementation of a rollout to an experienced expert still proves to be an efficient and effective method for a limited resource-intensive IT communication project of this kind. ■



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