# GRACEBLOOD
## ELECTRONICALLY LINKING THE SUPPLY CHAIN

**WHITEPAPER**

# EDI Partnerships Deliver Value to ERP Solution Providers

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# A Brief Introduction to the EDI and ERP Relationship

Chances are good if your clients need ERP, then it's highly likely they also need EDI or supply chain integration capabilities because connectivity permeates almost all industries – from CPG, to perishable food, automotive and everything in between. Some ERP solution providers can and want to offer a 'complete' solution, inclusive of peripheral capabilities (such as EDI), but don't necessarily want to dilute their ERP prowess by also owning or building skills in these complimentary and likely crucial areas. This whitepaper focuses on how you can form an impactful relationship with an EDI integration partner, concentrating on what you do best and leaving EDI to the experts. Not every ERP will play nice with EDI and vice-versa. Allowing an EDI integration partner to solve complex integration challenges leaves you free to focus on more strategic endeavors – close more business and give your client the best possible outcome – **everybody wins.**

## SECTION 1
# The Impact of Doing Nothing

## Clients Left to Fend For Themselves

For years, decades even, ERP and EDI stayed in their respective lanes. Most organizations that were large enough to have an ERP solution would separately purchase an EDI platform and the two solutions would be integrated by an EDI solutions provider. And for those who were still on QuickBooks, there was always Web EDI. Then around 2015 or so, everything aaS (SaaS, iPaaS, etc.) began to flourish. Suddenly, Microsoft Office CDs were replaced by Office365, every household had Netflix (while Blockbuster went out of business) and even Panera Bread joined the fun with their coffee subscription. Before this, ERP solution providers could simply do their thing and EDI was not their problem.

Shortly after the migration to …aaS came the ERP solution providers who lumped in EDI with their overall solution. No longer would distributors and manufacturers need to go elsewhere for EDI – ERP was now a one-stop-shop. Never mind that it wasn't flexible or scalable. Or that these one-stop-shops typically had neither the bandwidth nor the expertise to support enterprise level EDI requirements. It was convenient and perceivably cost-effective, and that was more important. But not every ERP solution provider wanted nor needed to provide EDI to prosper. So a challenging gap opened when competing with the one-stop-shop ERPs. No matter how often they told a prospect that EDI is better coming from those who eat, drink, and breathe it, they still found themselves losing business to the one-stop-shop. So the need remained, how do they focus on what they do best, while not leaving their client to twist in the wind on EDI and integration matters?

## Integration Disasters

While traditional ERP providers were losing business to one-stop-shops, another startling trend was lone-wolf or prior platform EDI providers attempting to integrate with new ERP platforms with limited expertise, leading to poor outcomes. These kinds of failures mean massive losses – wasted time, customer attrition and unrecouped outlay. Is it your responsibility to protect your client from those lone-wolf EDI providers? Perhaps not but consider the vulnerable state of your client recovering from an integration disaster. Your competitors are just waiting for the opportunity to sell them a one-stop-shop solution.

The organization most susceptible to the lone-wolf scenario is one that is growing quickly, big enough to swim in the deep end but small enough that resources are spread thin. This company might be in the $10-50M range and their need to integrate EDI is mission critical. They are working with a solid ERP partner, but they fell for the low cost, slick sales pitch for their EDI solution. Their ERP solution partner had very little input on what to suggest for EDI. Nine months later they still are not in production with their EDI provider and they are out $15K for the upfront cost. They are also not meeting SLAs with their customers and suppliers because they can no longer keep up with the manual processes. They are now desperate.
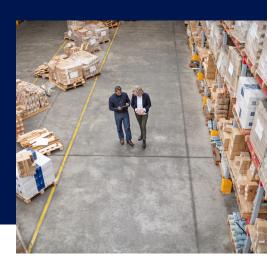
## Client Disillusionment With Technology

Your client is not only vulnerable to one-stop-shops and the lone-wolves, they are now distrustful and wary of technology all together. That boomer in the corner office will be talking about fax machines again. The progress toward automation made at this organization just reversed 5-10 years. Even if you have not lost your customer, any recommendations toward modernizing their supply chain will be met with doubt and objections. If you're lucky, you have at least one champion at your client site who will continue to push against the cynics. If not, you have your work cut out for you.

Recovery is difficult. You must work to quantify and promote how your platform is helping your client to meet their goals. Measuring and tracking KPIs may further your position as a trusted technology partner. Once you break through the disillusionment and deliver measured and demonstrated ROI, you'll be able to advise your client on their next steps with their tech stack from ERP to EDI, and improving their entire supply chain process.

**SECTION 2**
# The Partnership Proposal

## Purpose

As a trusted technology partner, your client is looking to you to provide guidance and insight for their supply chain roadmap. Have you researched what EDI platforms and/or providers are successfully integrating with your solution? Reaching out to current clients who are successfully integrating your ERP system with an EDI platform is a great way to compile information. Ask for names and referrals and be sure to ask your client the right questions. How is the support level? Do they meet their promised timelines? Do they have expertise in integrating with your ERP?

Now that you are armed with information, it's time to meet with some potential EDI partners. This partnership should be a symbiotic relationship resulting in benefits for both parties, including financial compensation, cross-marketing opportunities, and lead referrals. Retailcandy.com reported that 86% of consumers believe that word-of-mouth is the most trusted form of marketing. Crafting a formal agreement helps to align interests and will also reduce confusion about responsibilities.

## Roles

As you begin to work with mutual clients and build the relationship it is important to define roles early. First and foremost, the line between ERP-facing tasks and EDI-facing tasks must be clear. Sometimes it is obvious but other times it is not, such as when you get into BOMs and labeling issues. The client will not always know who to contact based on their issue so having a consistent and defined support process will provide a good point of reference for the client as the partnership matures.

Cultivating strong relationships between support teams and between account managers will help to further understand and support each organization's role in the client's supply chain process. If the client contacts their EDI account manager and the issue resolution needs to start with the ERP account manager, the EDI person and ERP person can consult with each other and quickly determine the next steps, which might turn out to include support from the 3PL. With so many moving parts, it's critical for all technology partners to have a deep understanding of the client's environment for optimal productivity and efficiency.

## Expectations

Setting expectations must be a primary component of the partnership. This is especially important if you have multiple partnerships. What are the rules of engagement? If you toss a lead to your EDI partner, is that lead now protected from other EDI partners? Will you even have multiple EDI partners? Conversely, if your EDI partner tosses you a lead, is that lead protected from their other ERP partners? If financial compensation is part of the agreement, be sure to meet the commitment to build trust. You should not entrust your client to an organization that does not deliver on promises and vice versa.

What about transparency? Does your client know about your partnership? Should they know and/or how much should they know? Best practices dictate that your client should not be privy to the confidential nature of your partnership agreement. Speaking of confidentiality, does your EDI partner have visibility to your fees? Be honest with both your EDI partner AND your client about your expectations about sharing sensitive information. All expectations should be clearly defined on a written agreement that both parties sign.

*"As a trusted technology partner, your client is looking to you to provide guidance and insight for their supply chain roadmap."*

# Solution Implementation

## Introduction and Discovery

Once roles and expectations are clearly defined, the fun begins. As the ERP partner introduces new prospects for EDI/B2B integration projects, those prospective clients will rely on the EDI provider to provide the best guidance and recommendations. The ERP partner should seek to establish trust during the handoff and discovery, clarifying that EDI is what we do all day, every day. Highlighting the trusted partnership between the ERP partner and the EDI provider adds to the success of the project. Once the introduction is made, the ERP partner can then step back to allow the EDI partner to design a solution, and the ERP partner can return to the project as-needed for ERP-facing questions and tasks.

During this phase, it will be important for the ERP and EDI providers to present a united front. The more the client perceives its tech partners as a collaborative team, the better the outcome for not only the current project, but also the long-term relationship. Additional partners that may be needed for collaboration could include 3PLs, eCommerce partners and eProcurement platforms. As discovery progresses, visibility to these moving parts and working with the client to understand how they align is an important piece of the puzzle so the appropriate technology solutions can be matched with the business objectives. Furthermore, a good mix of client representatives from both the business unit and the IT group should be involved in the discovery process.

## Proposal

Once the proposal is complete, it should be presented to the decision makers on the client side with representatives from both the ERP and EDI partners present. The proposal should have clear pricing, deliverables, and an expiration date if applicable. This allows the EDI partner and client to build a relationship which will set the foundation for the partnership moving forward, while at the same time illustrating to the client that the ERP and EDI partners are united.

We have now entered the negotiation stage where a united front is critical. Both the ERP partner and EDI provider must be on the same page and be prepared to support one another when overcoming objections and handling pricing questions. You must be cognizant of not stepping on each other's toes so roles and responsibilities will also be important here. There will be times when the ERP partner is attempting to sell their platform at the same time as the EDI provider. The negotiation stage is where you can provide thought leadership and act as a reference for each other, providing a level of comfort to the client not otherwise achievable.

## Execute

The contracts have been signed, but the relationship is still green. The EDI provider is now gathering information (specifications, Trading Partner contact names, etc.) to prepare for the onboarding. At this point, the EDI provider may be operating in the background while the ERP solution is implemented (if applicable). Other times, if the ERP platform has already gone live, then the client will work closely with the EDI provider to prepare for a successful implementation. Regardless of where the client is in the ERP timeline, the ERP partner will need to be available to assist and answer questions that may arise regarding ERP-facing topics.

As the implementation progresses, the client will realize they made a sound decision because their technology partners are working as a team and understand each other's platforms and methodologies. From ground-zero to go-live, everyone who is part of the technology partner team will consistently demonstrate to the client they collaborate efficiently and professionally in the client's best interest not only when things are working, but also in how they respond to issues and challenges. Acknowledging responsibility when appropriate and celebrating each other's successes will further cement these partnerships.

# Ongoing Support

While it's true EDI adheres to standards and has been around a long time, there are nonetheless many variables in the data stream from point A to point Z. There will always be exceptions, map updates and new partners that need to be onboarded. Once again, how well the ERP partner and EDI provider interact with each other will make addressing these ongoing support issues and new projects so much easier for the client. The client may not always understand what type of issue they have so it will be up to their technology partners to point them in the right direction. As a client would you rather get this response, "Hello Susie, this is not our issue. Please reach out to your ERP partner."; or this response, "Hello Susie, this appears to be an issue on the ERP side. I have cc'd your ERP partner's support desk along with the issue background so they can assist."

There will be times when it's not immediately clear where the issue is so in those instances, maintaining transparency and being responsive while troubleshooting is of paramount importance. Most clients do not expect immediate resolutions, but they will expect open dialogue and clear communication with their technology partners. The more this type of partnership can show the client that they have a solid team working for them, the more likely they will be to spread the word. There is no better referral than from a happy client.

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**SECTION 4**
# Benefits to ERP Provider

## Focus on Core Product

Perhaps the number one reason why ERP partners should seek out EDI partnerships is because they prefer to focus on their primary product line.

Often, only a few internal staff know EDI and it becomes too much to manage when multiple clients are opening support tickets for EDI issues. This is especially true when faced with complicated maps like multi-tiered (shipment-order-tare-pack) ASNs. Why not partner with a solution provider that does EDI and only EDI? This allows the ERP partner to shine in what they do best, leaving EDI the experts.

Being able to focus on your core product by partnering with an EDI provider will strengthen your client relationships because not only are you doing a better job supporting your platform, you are also providing them with a level of EDI expertise that would not otherwise be available. Clients who feel supported in their tech stack mean more cross-selling opportunities, lower attrition rates and a nice pool to pull from for use-cases and marketing collateral. You would not want a plumber to install your electrical outlets so don't offer ERP experts to your clients to develop and support mission critical EDI processes.

## Cross Marketing Opportunities

Another huge benefit to an ERP/EDI partnership is the almost limitless opportunities for cross-marketing. From webinars and case studies to blogs and eBooks – both companies can realize huge returns on teaming up to develop marketing content. Cross-marketing content should include both ERP and EDI specific use-cases as well as branding from both companies. This kind of content can be used by both companies for inbound marketing and for use during a sales cycle, keeping mind your audience (i.e. decision makers, influencers, etc.) in order to achieve maximum impact.

Always be open in including clients in such marketing efforts. Upliftcontent.com reports that 75% of B2B buyers say case studies had more influence than any other type of content. Most clients are delighted to be asked to participate, provided they have the resources to contribute. Transparency is significant here as the client should be made aware that marketing efforts are benefiting both the ERP and EDI partners. Lastly, flexibility will also serve you well as some companies may not want names, rather titles only. Be respectful of your clients' preferences.

## Referral Programs

Some partnerships can include lucrative referral programs which incentivize both parties to actively participate in the partnership. Any referral program should be agreed to in writing prior to any referring any prospective clients. Other rules of engagement should incorporate parameters such as not referring prospects to competing entities and not disclosing to the client the terms of the referral program. As long as the ERP partner and EDI partner are on the same page, there is no reason why a referral program should not be successful. There will always be EDI clients looking for ERP and vice versa.

The exact terms of the agreement can vary depending on the company's margins, whether sales people will be commissioned and the type of sale (one-off versus subscription). In one-off scenarios, sometimes a flat-fee may be appropriate, whereas in a subscription scenario, a percentage of profit for 12 months may be suitable. Another question that should be addressed is frequency of referral payments – monthly, quarterly, etc. Again, this matter should be addressed in writing so all parties know what to expect.

# PLEASE REACH OUT—



If you have any questions about our ERP partnerships or would like more information, please contact us.

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