

# CALS/IDE Program

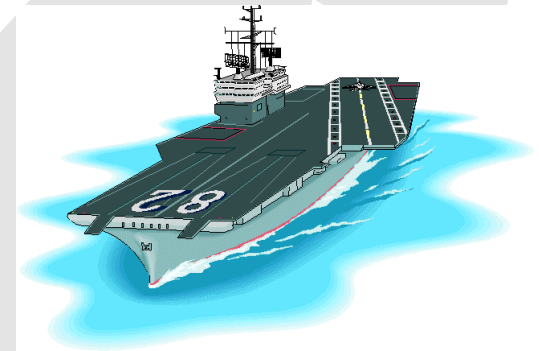
## Working Meeting: EDIFACT

### EDIFACT U.S. Industry Analysis

Fall 1998



UN/EDIFACT



Fairmont, WV



# EDIFACT Industry Analysis

- **Goal:**
  - Help the U.S. DoD develop a point of view regarding migrating to the UN/EDIFACT standard.
- **Approach:**
  - Survey various U.S. industries and industry associations to gather their thoughts on migrating to the UN/EDIFACT standard.



# Develop Questionnaire

- **1. Within the U.S., both industry and government are expressing interest in accelerating migration to, and alignment with UN/EDIFACT standards for EDI. In your opinion, from the perspective of an EDI professional, do you feel that your industry as a whole has committed to this alignment and are productively moving towards it?**
- **2. Are you currently using the UN/EDIFACT standard?**
- **3. If UN/EDIFACT is currently in use, what was the driving reason for the implementation of UN/EDIFACT over X12?**
- **4. If UN/EDIFACT is NOT currently being used, has there been discussion within your company of migration to the UN/EDIFACT standard? If so, what is your timeframe for completing the implementation and what are the driving forces behind this migration?**



# Develop Questionnaire

- **5. Due to the fundamental differences between the two standards, ANSI X12 and UN/EDIFACT, do you foresee a serious 'push' to reach this alignment among those companies that are currently EDI capable?**
- **6. Do you personally feel that this alignment has been temporarily 'side-lined' due to the potential problems associated with Y2K?**
- **7. May I use your name, your comments, and company name for this query?**



# Identify Target Industries

- **Industry Associations:**
  - 121 E-Commerce Related Associations from EC World
  - 6 EC/EDI Industry Group Contacts from DISA
  - 23 Integrated Business Communications Alliance Trade Association
  - 171 Industry Associations from Yahoo List

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**Isolated 10 Specific Industry Associations**



# Identify Target Industries

- **15 Specific Industries Targeted:**
  - **Automotive, Aviation, Banking and Finance, Communications, Consulting, Electronics, Energy & Utilities, Healthcare, Insurance, Petroleum, Publishing, Raw Materials, Retail, Software, Transportation**



# Industry Association Feedback

- **EIA Electronics Industry Data Exchange Association (EIDX)**
  - Patty Rusher, EDI contact, EIDX ([www.eia.org/eig/eidx](http://www.eia.org/eig/eidx)) is currently recasting version/release 4010 X12 transaction sets to EDIFACT messages.
  - EIA/EIDX has briefed Ms. Scottie Knott of the JECPO on these and related issues. EIA/EIDX is also working with ECRCs to see that DOD standardizes its EC/EDI practices.
  - EIA/EIDX is developing DELJIT (Delivery Just-in-Time) EDIFACT message implementation guidelines.



# Industry Association Feedback

- **AEROSPACE INDUSTRIES ASSOCIATION (AIA)**
  - The AIA ([www.aia-aerospace.org](http://www.aia-aerospace.org)) Vice President for Supplier Management, Mr. Bill Lewandowski, stated that the AIA is currently not considering the use of EDIFACT. AIA endorses the use of ANSI X12 and has a library of maps, etc. for the X12 standard.
  - It is interesting to note that some of the top issues facing AIA involve international trade relations (see link below).
    - [www.aia-aerospace.org/homepage/top1098.html](http://www.aia-aerospace.org/homepage/top1098.html)



# Industry Association Feedback

- **Automotive Industry Action Group (AIAG)**
  - Nancy Malo, EDI Program Manager, for the AIAG ([www.aiag.org](http://www.aiag.org)) stated that the AIAG does not have a position with respect to EDIFACT. She did mention that GM is currently implementing EDIFACT on a wide-scale and is mandating it for their suppliers.
  - Note that ANX ([www.anxo.com](http://www.anxo.com)) is an emerging project (VPN trading partner network) within AIAG that will support both X12 and EDIFACT (see General Motors strategy)
    - (see [www.gmsupplier.com/edifact/gmdirect.htm](http://www.gmsupplier.com/edifact/gmdirect.htm))



# Industry Association Feedback

- **AIR TRANSPORT ASSOCIATION (ATA)**
  - Kim Lambert, ATA Manager for Airline Industry Data Automation and chair of the U.S. Delegate Liaison Task Group (DLTG), stated that the ATA (<http://www.air-transport.org>) does not have a position regarding migrating to EDIFACT because various business processes within use have varying needs.
  - She stated that all of the passenger processing procedures utilizes EDIFACT exclusively. Four interactive EDIFACT messages (Reservation Request & Response, and Availability Request & Response) are currently in use by the airlines. Hotels, car rental agencies, railways, and ferries are following suite as well.
    - *(see Hertz Rental Car and the Saber System)*



# Industry Association Feedback

- **ATA (continued)**

- The SPEC 2000 initiative to link the world's airlines and suppliers embraces EDIFACT and that the ATA is currently working on an EDIFACT translation guide, which is slated to be released by 12/98. The Boeing Company (Tom DiMarco) is participating in this initiative. ARINC and SITA are currently two major aviation industry EDI communication networks. A goal of this initiative is to build a “complete bridge to EDIFACT”. SPEC 2000 EDI can be used exclusively, or in conjunction with other EDI standards (i.e., X12, UN/EDIFACT).

- See <http://www.spec2000.com>, <http://www.sita.int>,  
[http://www.arinc.com/Products\\_Services/NSD/apinslip.html](http://www.arinc.com/Products_Services/NSD/apinslip.html)



# Industry Association Feedback

- **Uniform Code Council**

- Jim Muenz, Sr. Director of Electronic Commerce for UCC and Chair of X12 (M), stated that UCC is currently investigating the use of EDIFACT for their user companies.
- The UCC feels that a single global standard is the way to go for obvious reasons. However, he feels that EDIFACT is about 4 – 7 years on the horizon.
- UCC does have a complete set of guidelines for X12, which will be geared to the domestic industrial and commercial sectors.
- A minimal set of EDIFACT guidelines are currently in development.



# Industry Association Feedback

- **American Trucking Association**

- Rich Curtis, EDI Coordinator for ATA and X12 (I) representative, stated that most trucking companies do not currently use EDIFACT because their shipping routes are within the U.S.
- Schneider National Carriers, Inc (one of the largest carriers) and some other large carriers do utilize EDIFACT for cross border deliveries to Canada and Mexico.
- ATA does have an EDI Task Group, which provides support for motor carrier industry representatives in ANSI ASC X12, as well as EDIFACT, and other industry associations as needed.



# Industry Association Feedback

- **Integrated Business Communications Alliance**
  - Rick Bushnell, administrator of IBCA, which represents 23 trade associations (wholesale, distribution, manufacturing, etc.), and founder of ISIT.com, stated that some industries are already embracing EDIFACT.
  - Mr. Bushnell mentioned that for industrial hard goods like HVAC, Plumbing, Fasteners, Paper products, Tools and Fasteners, Fluid power, etc., the EDIFACT standard is being used to facilitate trade with international businesses.
  - He mentioned that suppliers to GM for belts & hoses, power transmissions, plumbing, and various commodities are international EDIFACT users.
    - See <http://www.isit.com/IBCA>



# Industry Association Feedback

- **Bankers EDI Council**

- Priscella Taylor, Director of EDI Networking ([www.nacha.org](http://www.nacha.org)) and vice chair Finance D-6 in X12, stated that she feels that EDIFACT is at least for 2 – 4 years on the horizon.
- In the U.S., less than 1,000 financial institutions are utilizing EDI transactions, with less than 100 large banks in the U.S. currently utilizing EDIFACT.
- Since GM and their TPs are transitioning to EDIFACT and they deal with such financial institutions as Toronto Dominion, Chase, and First Chicago, this could create a business need for additional institutions to make the transition to EDIFACT.



# Government Perspectives

- **U.S. Government Policy**

- United States Electronic Commerce Policy Page

- <http://www.ecommerce.gov>

- Electronic Commerce Coordinating Council:

- <http://www.doc.gov/ecommerce/eccc.htm>

- Federal Electronic Commerce Program Office (FECPO)

- <http://ec.fed.gov>

- **U.S. Department of Defense**

- Mr. Jerry Smith is the EDISMC Chair

- Ms. Irene Navarro is the primary contact for all EC/EDI (both EDIFACT and X12)



# DoD Perspectives

- Department of Defense Electronic Commerce (EC) Requirements, Systems, and Implementation Strategy Report (Version 1.4 dated 17 October 1996)
  - Report states that “the X12 Standards Committee has agreed to begin a gradual alignment with the UN/EDIFACT standards to ensure interoperability. This alignment will begin in 1997 and will lead to the achievement of a single global EDI standard. Initial UN/EDIFACT support is not expected until Spring 1998 with the release of UN/EDIFACT Version D.98A.”
- Department of Defense Use of UN/EDIFACT Standards
  - A Readiness Study and Migration Strategy 1 May 1994
    - Report recommends that DoD vigorously support the UN/EDIFACT standards and that it adopt a policy now to develop the trading partner agreements, systems, and infrastructure it needs to migrate to UN/EDIFACT.



# International Development

- **World Customs Organization (WCO)**
  - The WCO RECOMMENDS that Members of the Council and all members of the United Nations Organization or its specialized agencies, and Customs or Economic Unions should apply the UN/EDIFACT rules as defined in the Annex to this Recommendation, and future updated versions of these rules for the preparation of electronic messages to be interchanged between Customs administrations and between Customs administrations and other trade users.



# International Development

- **United Nations Commission on International Trade Law**
  - STANDARDIZATION POLICIES
  - <http://www.unece.org/leginstr/cvstan.htm>
- **Trade Facilitation Web Sites**
  - [http://www.unece.org/trade/facil/tf\\_gates.htm#BODIES](http://www.unece.org/trade/facil/tf_gates.htm#BODIES)
- **World Trade Organization**
  - <http://www.wto.org/>



# Specific Industries

- **Automotive**
- **Aviation**
- **Banking and Finance**
- **Communications**
- **Consulting**
- **Electronics**
- **Energy & Utilities**



# Specific Industries continued...

- **Healthcare**
- **Insurance**
- **Petroleum**
- **Publishing**
- **Raw Materials**
- **Retail**
- **Software**
- **Transportation**



# Specific Industry Feedback:

- Airborne Express
  - Airborne Express ([www.airborne-express.com](http://www.airborne-express.com)) is in the process of testing EDIFACT with several customers.
  - They are migrating because they have customers who ship internationally.
  - They expect to move into an implementation phase sometime this fall (1998).



# Specific Industry Feedback:

- Texas Instruments

- TI ([www.ti.com](http://www.ti.com)) feels that the electronics industry in the U.S. is somewhat committed to embracing EDIFACT, but progress is slow and the commitment could be stronger.
- Effective January 1996, Texas Instruments Semi-Conductors has discontinued its participation and support of any further development efforts of ANSI X12 EDI Standards. All related resources and activities are being redirected towards a UN/EDIFACT focus.
- TI is a member of the EIDX. Most of the EDI development is in X12, although there is some in EDIFACT. TI has limited its involvement in EIDX in the area of EDIFACT message development. TI does review and ballot on X12 documents.



# Specific Industry Feedback:

- Texas Instruments (continued...)
  - TI stated that they find that more trading partners are interested in EDIFACT now than a year ago, however they only have two U.S. trading partners actively trading using EDIFACT. An additional eight trading partners plan to move to EDIFACT within the next year or so.
  - TI is currently using the EDIFICE guidelines ([www.edifice.org](http://www.edifice.org)) instead of EIDX when there is no EDI guideline available in EDIFACT. Their goal is to have one worldwide map per transaction for a trading partner regardless of the standard.
  - TI believes that many/most global companies plan to use EDIFACT eventually (2-10 years), but do not see non-global companies using EDIFACT in the U.S. until it is as pervasive as X12 is today.



# Specific Industry Feedback:

- Compaq
  - Compaq ([www.compaq.com](http://www.compaq.com)) uses EDIFACT because of global initiatives.
  - Currently using X12, EDIFACT, and TRADACOMS.
  - They want to support the EDI format that their business partners are most competent in using.
  - They deem themselves as "Customer-centric".



# Specific Industry Feedback:

- Stanford University
  - SU ([www.stanford.edu](http://www.stanford.edu)) stated that most libraries and vendors of library materials are committed to moving to, or developing a capability in, the EDIFACT standard.
  - This is driven by the fact that the libraries have international vendors who use, or will be using, the standard. Domestic vendors are also willing to work in the EDIFACT for the libraries.
  - According to SU, the library system is just now entering into the EDI realm, therefore there is no real migration.



# Specific Industry Feedback:

- U.S. Steel

- U.S. Steel ([www.ussteel.com](http://www.ussteel.com)) is a sub-tier supplier to GM.
- U.S. Steel is transitioning to EDIFACT primarily because of GM, but steel companies are also becoming increasingly global as well.
- U.S. Steel has not yet been approved by GM to use EDIFACT. They are targeting Fall of 1998 to be certified.
- There were no existing EDI standards / guidelines for the steel industry.



# Specific Industry Feedback:

- Automotive Contractor's View:
  - "The American 'Big 3' automotive companies have taken the direction of moving toward the use of EDIFACT. However, many of the import car companies in the U.S. have made no indication that they are considering the use of EDIFACT. When you have a major player such as GM, Ford, etc., and they tell you that you will do EDIFACT or else, then it causes the alignment to the new standards. Whoever is driving the EDI program has the power to make the decisions."
  - "GM has adopted UN/EDIFACT in order to deal with the Y2K issue and (this) has outlined their direction. Other companies will also look at the possible options and will either choose to do nothing, move to X12 version 4010 or move to EDIFACT."
    - (see [www.gmsupplier.com/edifact/gmdirect.htm](http://www.gmsupplier.com/edifact/gmdirect.htm))



# Specific Industry Feedback:

- EDI Consultant's View:
  - "We believe that the automotive industry is moving toward UN/EDIFACT. We don't believe most other industries are making major moves towards it (EDIFACT), especially for use within the domestic U.S. marketplace.
  - We don't see any move at all by X12-capable companies to switch to UN/EDIFACT, especially with U.S. based trading partners."



# Specific Industry Feedback:

- EDI Educational Instructor's View:
  - "Automotive and petroleum industries are both strong supporters of EDIFACT."
  - "X12 and EDIFACT are fundamentally SIMILAR but different. As for 'alignment', we think that corporations will be driven by their business requirements."
  - "We believe that it is easier for a company to support BOTH standards than to expend a great deal of effort migrating from one to the other. Between Y2K, implementation of enterprise systems (like SAP), and the introduction of the 'euro', MIS departments are currently overwhelmed. I think 'alignment' will have a very low priority."



# Summary and Conclusions

- **A single global standard is clearly needed for EDI.**
- **Y2K and pressure from international trading partners has triggered some very large U.S. companies to transition to EDIFACT. This will result in their sub-tier suppliers migrating as well.**
- **Version/Release 4010 of X12 has been a 'launch pad' for those re-casting / migrating to the UN/EDIFACT standard.**
- **Although it appeared that a U.S. migration to EDIFACT was going to occur, X12 transaction sets continue to be developed independently from EDIFACT.**
- **The DoD and Federal Government must adopt a stronger more unified position.**



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