# What is Electronic Data Interchange (EDI), and How Much Can It Save My Local Government?

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## What does EDI Do?

*it translates all data that is on the left hand side of a purchase order into specific places on an EDI document that allows computers to communicate with out human interaction.*

## What are the Benefits?

- Reduces human error
- Speeds up ordering process
- Exchange transactions happen in minutes rather than days
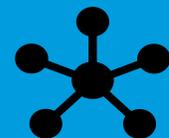- Reduces cost from $35-$138 using traditional methods to $2-$8 using EDI

## How do you Implement EDI?

- Have a Finance or ERP system of exporting PO data & importing invoice data
- Commitment from leadership
- Training
- May require full or partial cost of development
- Create timelines for implementation (could range 6-12 weeks)

## What is the Minimum Requirement for an Organization to Adopt EDI?

- The organization has to be rooted in a system based in purchase orders, other wise EDI is pointless

## How would EDI Benefit a Small Municipality?

EDI will speed things up for the organization, regardless of size. For larger organizations, the vendor may pay the EDI fees, but a small organization may have to cover their own costs. There is likely to be a cost savings using EDI though.

**What are the "Paper Trails" like using EDI & how do Open Record Requests and Disputes Fold into the Mix?**
It depends on state and local law– but so far state legislation appears to recognize e-documents to be as valid as paper forms. EDI has satisfied all audit requirements to date.

**Will the Level of Detail Needed on Purchase Orders Increase because you cannot simply say "Per Quote"?**

- No, you can use "per quote" so long as you have the original quote in an archive that can be retrieved if needed in cause of an audit

**Why not have the Vendor Initiate the Order by using the Vendor's Quote?**

- Most finance organizations require a PO in the system prior to initiating an order with the vendor. There are more efficiencies created on the invoice side using EDI

**Why have the Cloud outside the Firewall?**

- By definition, the cloud is outside the firewall. You do not want unverified data inside your firewall. An EDI environment ensures that the data is valid and verified.

**Where is EDI Heading?** EDI is a standard for the data, and it is unlikely to change going forward. The transmission of the EDI data however, is what is likely to change. Although Blockchain isn't ideal for EDI communication, that type of innovation is likely to be the next change.

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