



ELECTRONIC BILLING OVERVIEW

Electronic billing information is extracted from our system in several ways these include full EDI ('Electronic Data Interchange' automatically sent via a secure network) or EDI conversion (IEDIC).

Full EDI

EDI messages are streams of standard formatted data in an 'electronic envelope'. In our case the standard being observed is Tradacoms, as defined by GS1. The message contains the data of business documents: invoices, credit notes etc.

The messages are transferred between trading partners via a Value Added Network Service (VAN) provider. In our case the preferred network provider is Tradanet. The VAN provides an electronic post-box/mailbox for each partner and acts as the 'postman'.

For example, for a customer to receive our invoices:

- We would place the invoice messages into our Tradanet post-box,
- Tradanet then "delivers" it to the customer's mailbox (almost instantaneously)
- The customer will retrieve the message from their mailbox.

To enable this data flow to take place, 3 things need to have happened:

1. We each must authorise Tradanet to transfer data between our mailboxes. In EDI terms, we need to set up a Tradanet trading relationship;
2. We must be able to extract our invoice data, for example, from our computer system, structure it into an EDI message, and place it into our mailbox;
3. You must be able to retrieve the message from the mailbox and translate it into a format acceptable to your computer system.

Communication to the VAN mailbox is achieved using EDI-enabling software. There are several companies marketing such packages, including GXS. These packages will send management commands to your mailbox, transmit/retrieve data from your mailbox, and construct/translate data between your system format and the EDI format.

EDI is about "better business practice", both in the way a company manages its internal operations and more directly in the way a company manages its relationships with customers and suppliers.





EDI benefits may be separated into two main areas:

Strategic

Of crucial, long term significance to the functioning of the organisation. Strategic benefits include:

- Faster trading cycle
- The ability to adopt new business process
- The ability to win more business through improvements in business efficiency

Operational

Of major importance to the daily operations of the company, usually only impacting on certain departments. Operational benefits include:

- Reduced costs
- Paper and postage bills reduced
- Reduction in manual processing costs, such as the verification, keying, re-keying of documents and the cost of manual filing systems
- Improved cash flow
- Security and error reduction
- Timelines of information

SSE EDI Conversion (IEDIC)

This facility provides customers with billing data for internal use. It will convert an EDI file into a readable format that is user definable containing only the information that the customer requires.

Please refer to 'IEDIC – Comparison Guide.xls' for examples of the various layouts and headers which are available.

All EDI billing data by SSE conforms to the Tradacoms standards format for the 'Utility Bill File – Format 26' (Version 3)

GXS is our Service Provider, Tradanet is the software that enables us to send/receive EDI transmissions.

