

Green Supply Slashes EDI Costs 90 Percent by Moving EDI from a VAN to CData Arc

Helping retailers succeed both online and in brick & mortar stores, Green Supply is a wholesale distributor of 45,000+ hunting, fishing, camping, and sporting goods from a network of 300 top manufacturers.

Through solid customer service, good pricing, and deep inventory beyond the standard big box products, Green Supply's focus is supplying retailers, ecommerce businesses, and dropshippers the products they need to grow their businesses. Green Supply uses a combination of advanced technology and EDI to provide its customers added value. Green Supply supports:

- Dropshipping for dealers
- "Just Arrived" inventory
- Order status notifications
- Wish Lists
- And more

But EDI wasn't always a strategic asset for Green Supply.



The Background: Starting with a Value Added Network

In 2011, Green Supply had its first experience with EDI when it received a request from a major customer, SCHEELS All Sports, which is one of the nation's largest sporting goods retailers. Like many Green Supply customers at that time, SCHEELS was faxing purchase orders (POs), but SCHEELS wanted to standardize exchanges with Green Supply and requested a move to EDI.

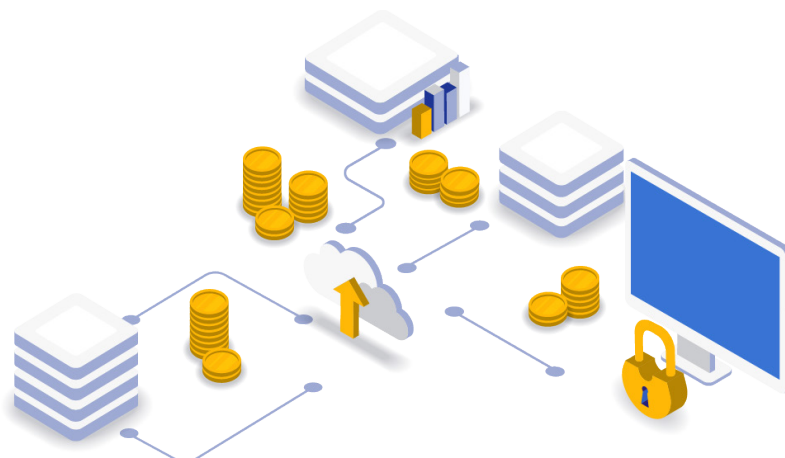
Being entirely new to EDI at the time, Green Supply needed a platform and service-provider to minimize technical setup.

Green Supply started off with SPS Commerce, which is a value added network (VAN) that handles EDI processing through a web portal. Green Supply's team and its partners, such as SCHEELS, would load documents into the VAN portal, manually adding information into a web form. The VAN would then transmit documents between Green Supply and its partners.

For 7 years, Green Supply used the SPS Commerce VAN with data entry into web forms. Though it was manual, the process worked well enough at the start; however, as Green Supply grew and added more customers who required EDI, the structural drawbacks of processing each document through a service-provider became too much to ignore.

The Challenge: High Costs & Manual Processes with a VAN

In early 2018, Green Supply found itself processing more than 20,000 EDI messages a month while manually sending and receiving messages through a web form on the SPS Commerce VAN EDI. This high-touch, manual process not only took significant time and energy to manage, but each one of those 20,000 messages incurred a transaction fee as well.



"In the beginning it made sense, but we were getting to where the bill was about \$100,000 a year through SPS Commerce," said David Kurz, National Accounts Manager (and former IT Director) for Green Supply.

Three factors were driving costs sky high:

- **Volume:** Green Supply was sending more documents as they added EDI partners, and the VAN charged a per-document fee.
- **Limits:** The VAN added a fee for exceeding transaction volume limits.
- **Eroding Profit Margins:** Sales orders required several document exchanges (at a cost of 30 cents/document), which ate up profit margins for smaller orders.

"We broke down what we were spending per document," said Luke Patchett, Technical Lead for EDI at Green Supply. "In some cases, based on profit margins, we were actually losing money to process through EDI."

Then, there were technical difficulties.

As Green Supply moved more of its transactions to EDI, the company started processing large-scale orders and found that it was sending so many SKUs that the EDI transactions weren't getting properly processed. Green Supply had to start splitting files into pieces, which slowed down the whole process and created a backlog of EDI transactions.

The pileup of unprocessed transactions directly impacted how much inventory Green Supply would stock at any given time.

"I just see it as a natural evolution. Go to a VAN, they hold your hand, then, you move on to running your own stuff."

— David Kurz, National Accounts Manager, Green Supply.

"We were in a situation with some customers," Patchett said, "We were in low stock quantities because we couldn't keep up with EDI."

The SPS Commerce VAN platform was a good fit for Green Supply when the company began with EDI, as Green Supply had minimal EDI volume, and its

customers had varying requirements.

But due to the high costs and technical challenges of processing high transaction volumes, Green Supply had simply outgrown VANs. Green Supply needed a more robust, cost-effective EDI solution that could scale with it.

The Solution: An Automated, Easy-to-Use EDI Solution

In 2018, Green Supply started searching for a software solution and tested out a whole list of

options that met several key criteria. The solution needed to:

- have been tested & proven for years.
- be able to get Green Supply up and running in a timely manner.
- work seamlessly with the FTP, CSV-based system Green Supply used for non-EDI customers.
- significantly reduce EDI transaction costs.
- come with exceptional support.

After conducting thorough testing on a whole list of options, Green Supply found that one solution stood out from the rest. Green Supply ultimately selected CData Arc and worked with a systems integrator to quickly get CData Arc fully operational for Green Supply's EDI processing.



The Results: Efficiency in the Supply Chain

Green Supply now has a functional EDI system built to handle its full suite of EDI needs.

Green Supply now uses CData Arc to translate and map documents from all of the major EDI standards its partners use, and Green Supply can receive documents via a variety of messaging protocols such as AS2. CData Arc also integrates with Green Supply's FTP, CSV-based system, which simplifies Green Supply's processing on the back-end.

"Now, we translate everything into a format that our system understands. People can send any kind of document to us, X12, plain text files, CSVs" Patchett said.

Additionally, CData Arc's support has more than met Green Supply's needs.

"CData Arc seemed to be a breath of fresh air. When mistakes were made (during initial setup), they were quickly addressed," Patchett said "The customer is always right at CData Arc."

Green Supply has enjoyed rapid implementation, completing two CData Arc integrations in a month each with Amazon and Amazon Dropship, which are two of Green Supply's biggest sources of EDI transactions. This is warp speed compared with the VAN.

"We've finished two major EDI transaction platforms in 1 month each, as compared with the 3-4

months it took to set up similar projects through SPS Commerce,” Patchett said.

Today, CData Arc handles 90-95 percent of EDI traffic at any given time. The VAN is only used for low-EDI-volume customers. In addition to saving time on a manual process via seamless integration, CData Arc directly cuts Green Supply’s EDI costs.

“We’re going to start saving about \$90,000 annually,” said Kurz.

That’s a savings of over 90 percent on EDI.



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