

Self-test 2.3

Before adopting any purchasing technology and in this case, EDI, an organisation should:

1. Ensure that exchanging information electronically supports the overall organisational strategy.
2. Consider the cost and ramifications of EDI standard tools and techniques, including implementation, software maintenance, manpower, and participant training and how to promote systems and applications integration.
3. Consider whether the organisation has the volume to justify the investment in EDI. Calculate the cost per transaction with EDI versus faxing and manually performing the task. The more the data is processed and reprocessed, the more room there is to save time and money.
4. Consider the organisational and process changes involved and whether the organisation is ready for the change.

Self-test 2.4

The following are some of the indicators of a reasonable opportunity for the application of EDI in the procurement environment:

1. A high volume of paperwork transaction documents
2. Numerous suppliers and many of which are willing to use EDI
3. A long internal administration lead time associated with the procurement cycle
4. A desire for personnel reductions, new hire voidance or both
5. A need to increase the professionalism of Procurement function