

Exterior option specialist ABC INOAC shares its notes on managed EDI

INOAC has capitalized on a new emerging demand in the automotive world. The Midwest-based manufacturer produces the exterior options that attach to the car body to change its design profile. Car buyers want the spoilers, roof and body side moldings, and ground effects to make their cars uniquely theirs. Dealerships want the options in order to increase the marketability of a new car line.

The company recently encountered a common situation among in-demand automotive suppliers, the growing pains of EDI restructuring. Mergers and subsidiary spinoffs -- or in the case of INOAC's two facilities, a divestiture from their parent company -- can suddenly leave a large manufacturing operation facing an imminent cutoff of all electronic transactions.

According to INOAC Systems Analyst Annette Swartz, this looming cutoff meant starting from scratch with EDI in short order. "Previously, all our transactions to car makers went through our parent company," she says. "Headquarters performed the translation and transfers with each of our customers."

In-house EDI Translation vs. Managed Services

Duplicating the setup in HQ would have required the purchase of new in-house hardware, translation software, and rounds of testing to gain EDI approval with each automaker. In the worst case, the migration might also mean months of frustrating dialogue with an unresponsive value-added network (VAN) provider.

Fortunately, Swartz reports that now after the deadline for changeover, her department has no extra staff burdens, no new infrastructure to maintain, and reliable EDI transactions with all major automakers. Moreover, there were no outlays for the transition to the new scheme. "Our migration was extremely smooth," she reports.

The secret to this pain-free switch involves EDI managed services, where data transformation is handled not at INOAC's location but on a third party server.

Ed Cox is Manager, Implementation Services & Quality Assurance the Ann-Arbor, Michigan-based iConnect - INOAC's third party. Cox oversaw the INOAC plant transitions and says his company was positioned in a "sweet spot" for handling INOAC's situation. He and Swartz explain why:

1. All Automotive

"A large majority of our market is in automotive EDI," says Cox. He explains that iConnect has grown its customer base over a decade serving clients just like INOAC. iConnect supports EDI transport and translation between automotive OEMs and their suppliers internationally.

"We only work with the automotive industry," Swartz says. "We supply all of the Detroit Big 3 [Ford, GM, and Chrysler] as well as Toyota, Honda, Nissan, Mazda and Mitsubishi. iConnect is very strong in the auto industry. The team there knows our customer requirements."

Because iConnect already handles thousands of transactions every day with other clients to these same trading partners, its VAN connections are already approved and certified with each automaker. INOAC transactions simply piggyback on iConnect's established traffic.

Even after the switch, Swartz found confidence in the proactive way iConnect maintains its automaker data specs.

"Chrysler is revamping all its EDI for 2013," says Swartz. "Our customer representative at iConnect Kelli [Long-Sisco] goes to the meetings in Detroit and finds out what's going on. I don't have to worry about it, since iConnect is on top of the changes."

2. The Convenience of the Cloud

Rather than investing in a similar EDI framework with hardware and its own software data translator, the satellite INOAC facilities could just place all EDI data storage as well as the entire translation process "on the Cloud" -- the Cloud in this case being iConnect's data facilities in Royal Oak and Ann Arbor.

In going to the Cloud, Swartz does not have to pay for hardware and software upfront when establishing the facilities independent EDI connections. And her department also does not need to devote the extra staff time to administer, backup, and troubleshoot new in-house systems.

In fact, there wasn't even a fee for the transition. "There were no upfront costs at all switching to iConnect," Swartz says. "I know if we went with the corporate software, we would have had to invest tens of thousands of dollars just to get started."

Operating on the Cloud actually makes transaction records more accessible than through other VANs. "Now we use a website, iExchange, to look up our EDI information and were very happy with the amount of detail from iExchange. The speed is tremendous. We can send an ASN or an invoice and we can track it within a minute."

3. Trust in Transition

Migration from a system relied on for years to a completely new setup could be a stressful proposition for a substantial-volume supplier like INOAC. Swartz reports that although it took some extra planning the transition did not interrupt business as usual. And she says it was iConnect that did the heavy lifting in the migration.

"We were very happy with the smooth transition. iConnect worked closely with our consultants at RCM on the initial setup prior to testing at the plants. The results of the migration turned out excellent," she says.

"iConnect made it very seamless to us. We didn't have to supply iConnect with very much information about our partners or our flat files. They already knew what data they needed and where to find it."

The Takeaway

INOAC's migration experience proves that managed EDI services in the cloud can be an attractive option for automotive parts suppliers. If, that is, manufacturers put their trust into a third party operator who knows the automotive world, the benefits of cloud solutions, and the importance of customer support.

"I'd say the ongoing benefit of iConnect has been that its staff is very responsive to issues," says Swartz. "They're knowledgeable enough to resolve an issue quickly. And that makes all the difference."

Find out more about migrating your EDI to iConnect Managed Services.

More about INOAC's automotive accessories line: www.inoacusa.com/industries/automotive.php
([//www.inoacusa.com/industries/automotive.php](http://www.inoacusa.com/industries/automotive.php))

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