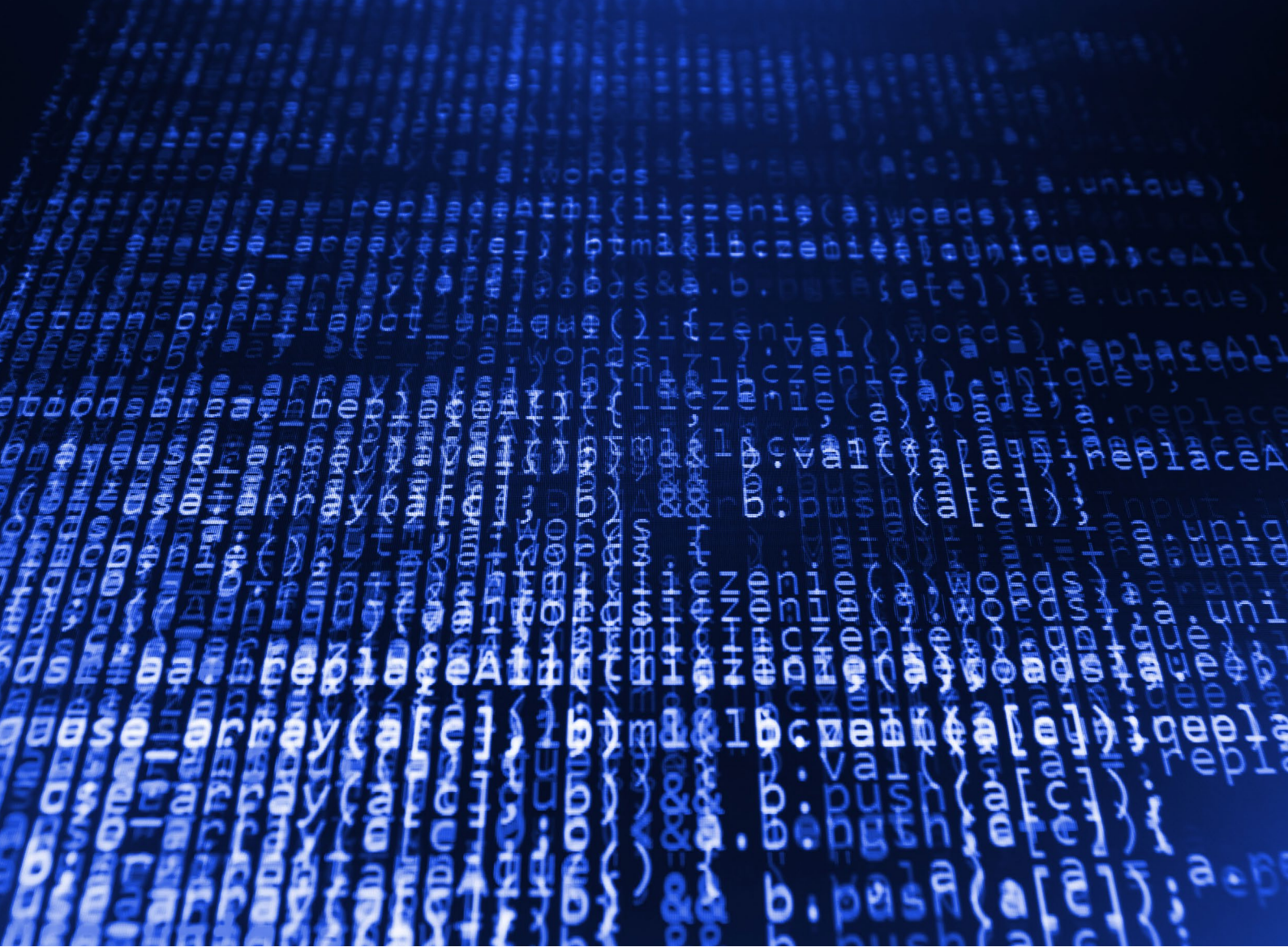




COMARCH

Onboarding Best Practices

How to successfully connect your B2B partners

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Introduction

EDI (electronic data interchange) refers to the exchange of documents between you and your business partners and is an alternative to traditional document exchange, such as paper or PDF by email. EDI serves as a secure, error-free and efficient method for exchanging **structured files**, that is, data which can be processed automatically by invoicing systems (XML, UBL, iDoc, EDIFACT, etc.). In many countries, EDI is already the only legally possible method for exchanging structured files. To move from the traditional to the electronic exchange of documents with your business partners, they must be integrated into your EDI system. This is called the **onboarding** process.

Partner onboarding is a critical step in any EDI project. One could even say that this is the most important part of the process, because a technically perfect EDI solution is of no value if the business partners are not connected and messages/business documents cannot be exchanged effectively. Given the complexity of the topic, this white paper describes what is meant by onboarding, what types of onboarding exist, and how the onboarding process works.

Types of Projects

Implementation projects

In projects in which an EDI solution is being implemented for the first time, **the challenges related to partner onboarding are greater**, especially if the majority of these partners are not yet using an EDI solution and you want to “force” the transition to EDI. When implementing EDI for the first time with your partner, you often have to convince them of the benefits of such a solution, explain how it works, or spend a lot of time to get information such as the formats or the communication channel they use. Well-organized onboarding will be absolutely crucial, especially in terms of communication.

Migration projects

Migration projects are less likely than new implementations to experience problems during the partner onboarding phase. This is because partners are **already exchanging EDI messages with you**. Therefore, the usual problems that occur in implementation projects do not arise because the partners are already convinced of the benefits of EDI, and their interfaces and formats are already known. The following onboarding strategies also apply during migration strategies.



Onboarding Strategies

The two most common onboarding strategies are **big bang** and **phased onboarding**. The choice of the most suitable strategy has a decisive influence on the success of the onboarding process.

Big bang

With this strategy, **a single go-live occurs for all partners and all types of messages at the same time**. Careful planning is essential if you want to avoid budget overruns and disruption to your business processes. You should keep in mind that escalations from your partners may occur with this strategy. Therefore, it is an advantage if your company is prepared for this and, if there are problems, your business partners will always be supported so that the connection process goes smoothly. Nevertheless, it makes sense to work with an EDI provider that can guarantee you a support desk and assist you in the process.

Phased onboarding

A phased strategy (**dividing partners into groups based on different criteria**) extends project duration but allows better control over the onboarding process, and greater flexibility and capacity for project progression. Indeed, corrections can be made after each phase to optimize the implementation of subsequent phases. To do this, several criteria can be considered. These include (but are not limited to):

- Geographical scope – country by country or entity by entity
- Volume – start by onboarding the partners exchanging the most documents
- Your business priorities
- Complexity of mappings to be implemented – first, connect partners for whom standard mappings can be applied, then those with many specificities
- Typology of messages – start with logistics messages, for example, then implement invoices.

It is also possible to mix the criteria. How you do it depends on your specific situation.



Onboarding Approaches

Choosing the right onboarding approach for your project depends on your goals, priorities, and relationship with partners. There are two main approaches to onboarding: the **aggressive** and the **soft** approach.

The aggressive approach

The aggressive approach involves you, as the company undertaking the project, **setting a deadline for onboarding the target partners**. This deadline must be fixed and final. In addition, the company leaves its partners with no alternative; from the chosen date, the old message exchange processes cease and the only mode of communication will be EDI. In the aggressive approach, you dictate to your business partners what you expect, and they have to adapt to your expectations. Typical industries with this approach are the retail trade and the automotive sector. Of course, such a method is not always possible to implement – it all depends on the relationship between the company and its partners.

In order to mitigate this approach and make it easier for the partners, it is advisable to give them the option to connect to the EDI solution via a web application, in case they are not ready for full integration on the due date. This will give these partners time to finish the internal changes necessary for such integration, while ensuring the implementation of EDI exchanges on time. The web application serves here as a backup.

With suppliers, you can charge an administration fee for the extra work involved in exchanging paper and PDFs. Sometimes this tactic is also used with customers, and these costs are included in the invoice.



The soft approach

The soft approach presupposes positive motivation of partners, with **no penalties** foreseen for those who are not onboarded in time. In addition, your partners have the opportunity to **postpone their onboarding timeline, or even to continue using other exchange processes**. This approach often results in a lower connection rate than with the aggressive approach.

It is of course possible to mix these approaches. For some business partners, the aggressive approach could be chosen and for others the soft one would be more appropriate.

Regardless of which onboarding approach you choose, your business partners should be aware of the **benefits** they are guaranteed by **being connected to EDI**. Take a look at Figure 1 for more information.



*According to customer survey 2019
Figure 1: EDI advantages

Ultimately, not only you, but also your suppliers and/or customers benefit from **cost reduction** and automation (see Figure 2). With direct integration or WebEDI there is a **reduction in effort** for the supplier, as they create each new document from previous ones (for example, a delivery bill from a purchase order, an invoice from a delivery bill, etc.). In most cases, the partner only has to fill out up to five fields to create a document.

The approach you envisage for your EDI implementation project is communicated directly to your business partners in Phase 1, the information and communication phase of the onboarding process. This will be explained in detail later.

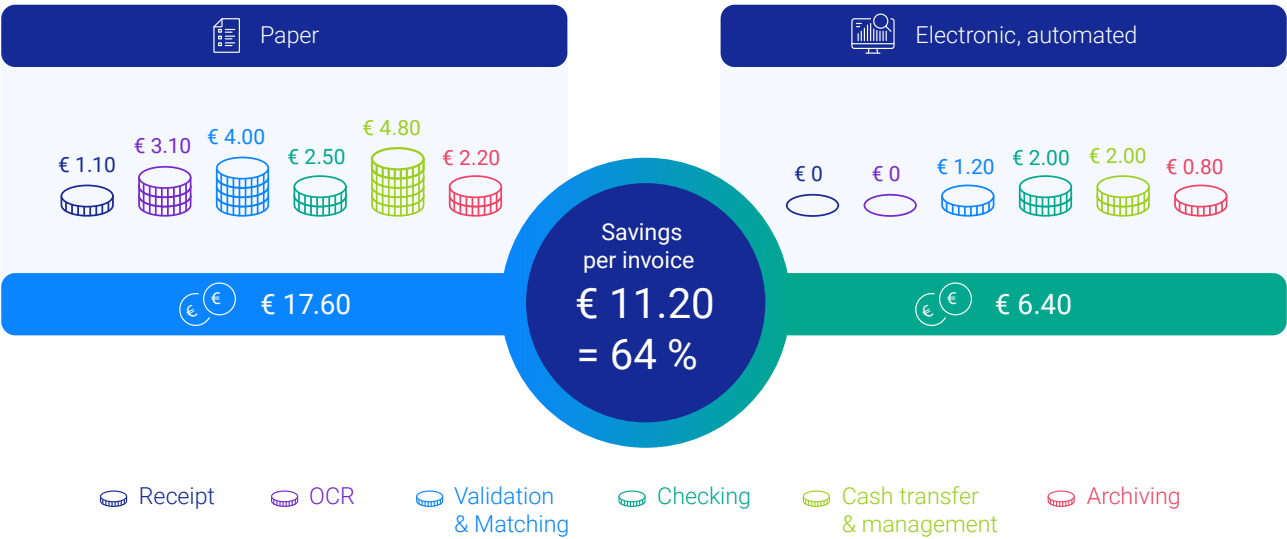
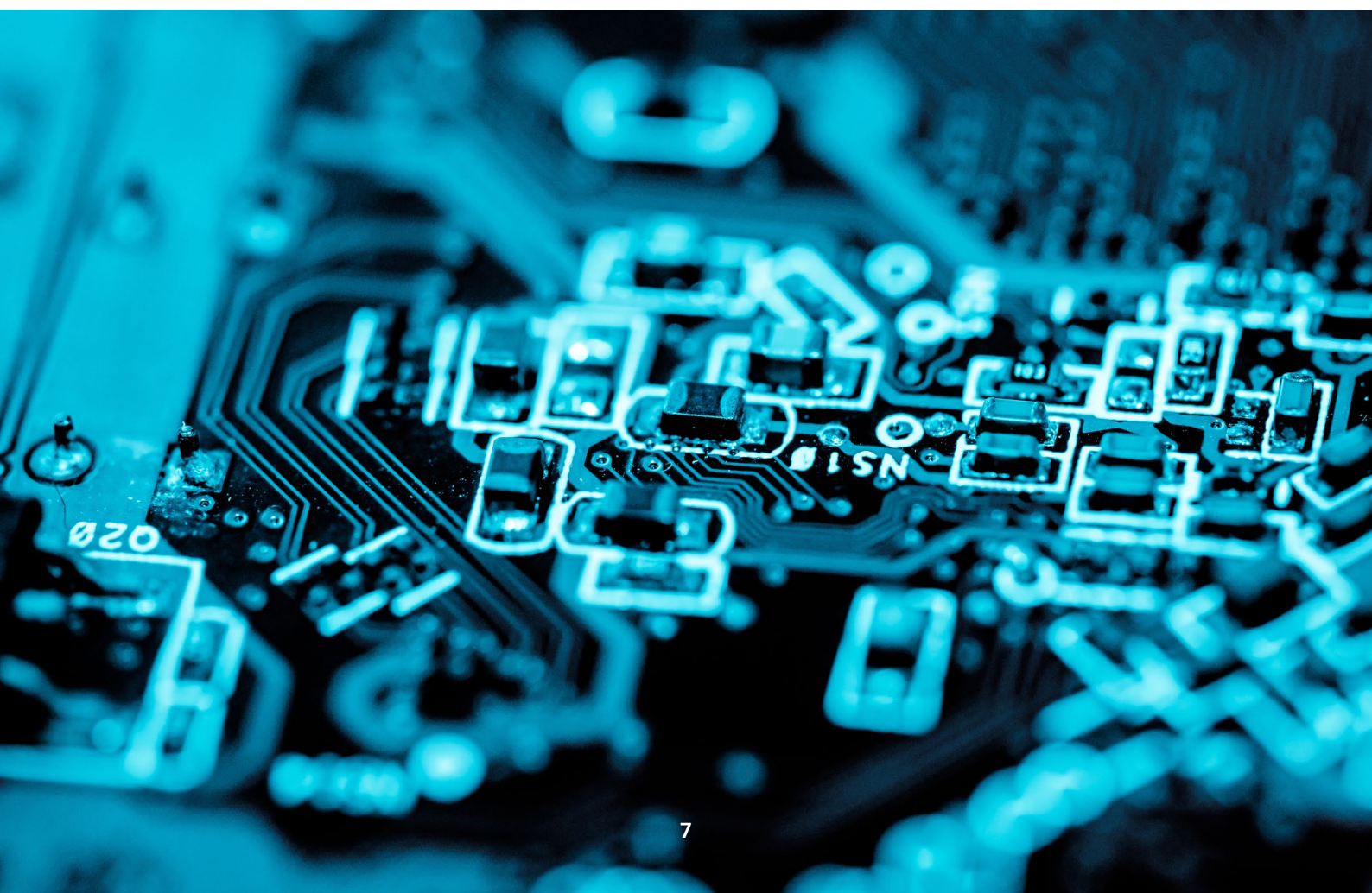


Figure 2: Cost of incoming invoices. Source: Billentis report



Business Models

The economic model proposed by your selected EDI provider can also play a significant role in the success (or failure) of the onboarding process. Overall, three types of models can be distinguished.

You bear the costs

The first model assumes that **all costs are your responsibility**, i.e., the responsibility of the company that wants to implement the EDI solution and manages the project. This model is very common in Western countries.

Your business partner bears the costs

The second model assumes that the costs associated with partner onboarding are **borne by the partners**.

Such costs could include the following:

- Configuration of the business partner's communication channel
- Onboarding process
- Creating mapping for the partner
- Recurring costs of exchanging EDI messages

Such a model may seem very advantageous for you, as it significantly reduces the cost of implementing the solution and recurring costs. However, it often hinders the success of the project, as partners who are already skeptical about switching to EDI are even less motivated if this involves costs. This model is typically preferred by Eastern European companies.

Sender of the outgoing documents bears the costs

In Central Europe, a mixture of the above models is often chosen. The costs are **borne by the party sending a given document**. For example, if your partner sends an order to you, they have to pay for the shipping. You, in turn, would pay for sending the invoice to the partner.



How Can all Business Partners and Processes be Covered?

There are several reasons why your business partners may not currently exchange documents with you electronically. They include:

- Unawareness that electronic document exchange is an option
- Limited technical support
- The number of documents exchanged with the business partner is very low, which is why direct EDI integration is not worthwhile
- The business partner is not at a technological level that allows interface connection
- The business partner is in the middle of a migration project or for other reasons does not have the IT resources that would be required for EDI direct integration

There is a solution for every type of business partner, regardless of size, technical status and number of documents exchanged.

We would like to show you what this can look like using Comarch solutions as an example. This will enable you to successfully digitize all business documents. Figure 3 shows an overview of the main Comarch EDI modules:

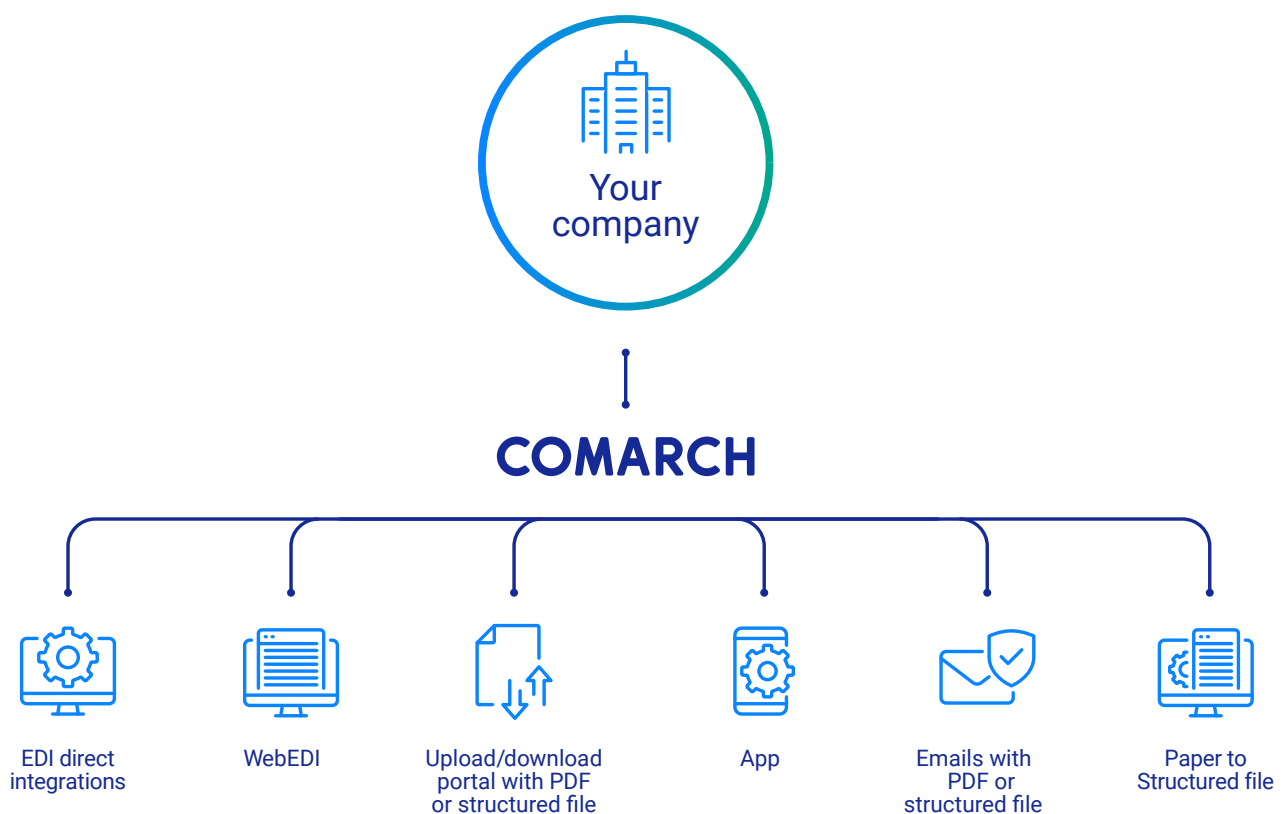


Figure 3: Comarch EDI main modules

Classic EDI (or EDI direct integration) is a **direct, invisible integration of two ERP systems**. Basically, the supplier sends a document directly from their ERP system to the customer's ERP system and vice versa via **interfaces**. The connection can be made visible via a separate interface (EDI portal/supplier portal/customer portal). Although this is the most expensive way to connect you and your partners to EDI in terms of initial effort, this direct integration guarantees you the **highest ROI in the long run**. Direct integration enables the automated exchange of data, eliminating the need to manually re-enter messages of any kind, such as purchase orders or invoices.

You benefit from:

- Greater supply chain transparency
- Faster order processing
- A shorter lead time

Our EDI specialists understand the needs and processes of companies and take care of translation methods and interface techniques that support EDI partner systems. You **always operate the same 1:1 interface to Comarch** regardless of the EDI tools and options you give your business partners to send and receive documents digitally.

Suitable for the following business partners: the relevant business partners support EDI connections and generally have a high level of technical maturity. This option is recommended for business partners with whom you exchange many documents.

Figure 4 shows document exchange between you and your business partners. You can check the status, type, etc. of document exchange at any time.

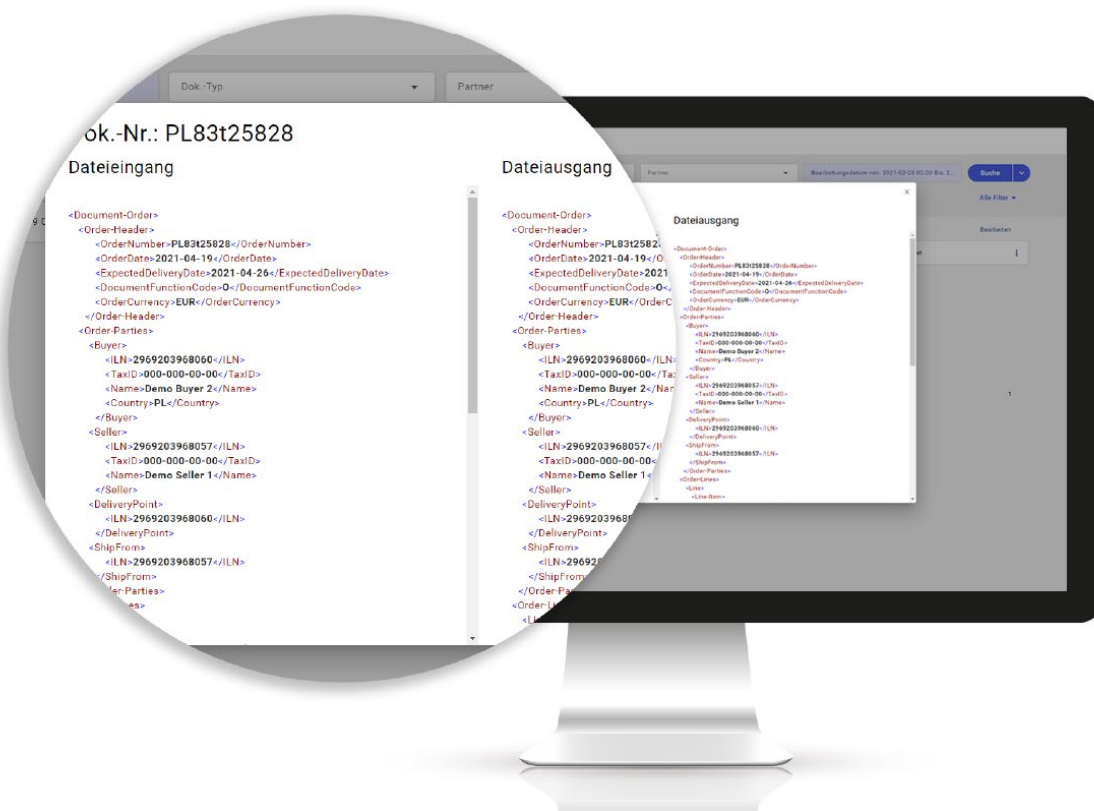


Figure 4: EDI Tracking - the app is used to track document exchanges between you and your business partners

WebEDI is an interface of the EDI platform through which documents can be received, created and sent, and is similar to email. See Figure 5 for an example.

Suitable for the following business partners: the business partners either have a **low number of documents** that are exchanged with you, which makes EDI direct integration not worthwhile, they have a low technical level that makes an interface connection impossible, or there may be other reasons they are transitionally **unable to set up an EDI direct connection**.

The screenshot displays the 'New invoice' form in the COMARCH WebEDI portal. The form is divided into several sections:

- Sender:** Demo SO 1
- Receiver:** Client Company KG
- Invoice header:**
 - Invoice number: INV20240507
 - Invoice date: 05.07.2024
 - Order number: 3213023
 - Invoice currency: EUR
 - Due date: 05.07.2024
 - Order date: 06.07.2024
- Invoice parties:**
 - Buyer:** Buyer Company, Street 1, Paris, 89000, France, GLN: 9853298372912
 - Seller:** Seller Company, Street 2, Berlin, 550000, Germany, GLN: 9851113712911
- Invoice lines:**

EAN	Article description	Quantity	Unit	Net price	Net amount	Tax category code	Tax rate
1			PCE		0,00	Standard rate	

Figure 5: The WebEDI portal - creating a new invoice

Upload/download: As another alternative, you can use WebEDI as an upload and download portal. Partners receive your messages and can **download them as PDFs or structured files**. Likewise, they can upload PDFs or ideally structured files that are sent to you.

The proof of delivery app: The classic digital document flow is primarily created, checked and monitored by employees in the office. However, solutions for mobile workers are also essential for many business models to access and capture all relevant information. The proof of delivery app (see Figure 6), allows **mobile workers to view documents on their smartphones** according to their permissions. Deliveries can **be checked on the go, and goods accepted or rejected via the app**. Photos of damaged products are easy to add.

Suitable for the following business partners: The app can be used by your **own employees, logistics partners, suppliers and customers**.

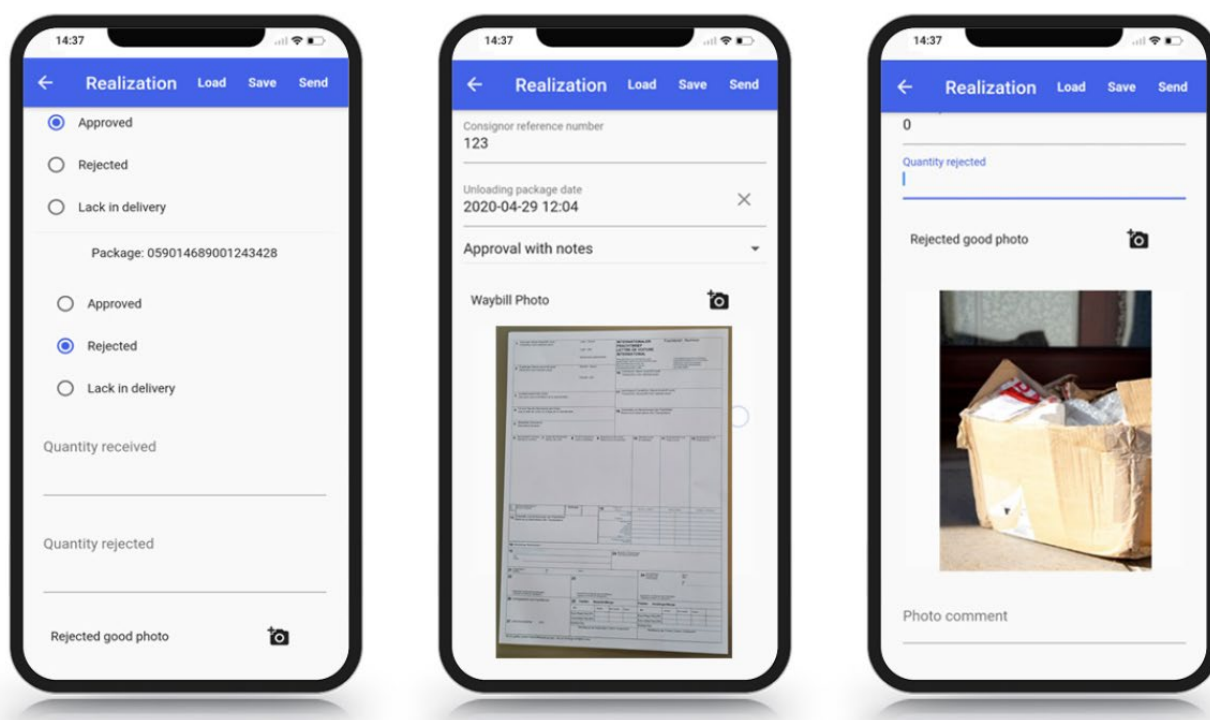


Figure 6: Proof of delivery app

Optical character recognition (OCR): if a document digitization agreement with the business partner is not successful, Comarch can provide OCR technology to **extract data from images**. This can be done from such sources as email, paper, a portal or an app. As a result, a structured file is created that you receive in your IT system.

Suitable for the following business partners: this technology is still used by companies that have digitized few processes so far. If your partners are not yet at the level of implementing an EDI solution, this is an alternative that allows structured files to be exchanged with you. However, in the long run OCR is costly and requires much more effort than EDI, so we advise your business partners rather to adopt EDI.

Email exchange: You can create documents in your IT system and send them automatically by email.

Suitable for the following business partners: for **material costs, low priority countries and government agencies**, companies often still use email exchange.

The goal of this technology selection is that you only need to run one integration with Comarch EDI Hub, and we take care of managing all the other tools. Despite this offer, it is also crucial to communicate and promote your options actively to business partners.

The Onboarding Process

Onboarding your partners is a process that consists of several phases. Depending on the EDI solution you choose (EDI direct integration, WebEDI, etc.), this process will look different.

Phase 0 - Strategic planning

First, define the **type of project**. Is it an implementation project or are you already using EDI solutions with your partners? List all your partners and determine your **strategy** - you can see the most important factors in Figure 7. Think about the approach and **business model** of the EDI project. Create a list of the **names and number of partners with a timeline and go-live date**. Define your **goals**, such as the percentage of your partners that should be connected. Consider the extent to which it is necessary for you to connect your partners to EDI. You can also give your business partner more leeway and let them decide for themselves whether and/or when to connect to EDI. Also decide what costs you would charge partners who do not want to use EDI. Consider in advance what problems might arise and create an **escalation plan** that defines time phases and determines what should happen in these cases. For example, if the partner is not responding, the partner manager needs to be informed, or if a partner does not have resources available for EDI, they will be offered WebEDI as an interim solution, etc.

If you don't have any experience here, **have your EDI service provider train and prepare you.**



Figure 7: Strategic planning of the onboarding

You need to **segment business partners** and decide which should be connected via EDI, by WebEDI or by other methods. There are various decision strategies for this. Here are a few examples:

- All partners who exchange more than X documents with us should primarily use EDI direct integrations
- Those partners with whom we exchange 80% of our documents should primarily use EDI direct integrations
- Identify strategically important partners who should primarily use EDI direct integrations, such as those for just in time deliveries, partners who exchange a high number of goods, and partners with high invoice values
- Customers or top customers should generally be presented with all options
- All business partners requesting EDI direct connections should be given the opportunity to do so

This table shows an example of how partner segmentation can look:

Category	Number of business partners	Supplier/client	Document type
<300 documents per month	800	Supplier	Invoice and dispatch advice
301-600 documents per month	2000	Client	Invoice and dispatch advice
601-1000 documents per month	...	...	...
>1000 documents per month	...	...	...
...	...	...	...



Phase 1 - information and communication phase

Contact all your business partners and **inform** them about the **document exchange changes** you want to make. Summarize all EDI options and information about offered formats such as **purchase orders or invoices**, as well as about the **contractual situation, purchasing conditions**, etc. Inform your partners about the advantages of EDI via your website and appealing **information sheets**, explaining, for example, about the easy connection setup or support desk assistance. Designate appropriate people in your company to be **contacts** for your partners' questions. The following points should be considered at this stage:

- Explanation of the reasons for the project and the expected benefits
- Description of the schedule and deadlines
- Introduction of the EDI provider
- Obtaining and reviewing contact information and, if possible, some basic technical information (for example, the type of communication channel to be configured)

Phase 2 - Analysis and discussion phase

In this phase, we focus on gathering information and planning EDI implementation with your trading partners. We're here to support you throughout the process. Together, we can:

- Determine the partner's **existing EDI infrastructure**, including their IDs (e.g., GLN, DUNS, or fictitious ID).
- Discuss **implementation options**, such as available formats and channels.
- Arrange **meetings with key partners and discuss them with the service provider**.

Phase 3 - Technical connection

This phase involves **entering the EDI IDs of the partners, creating the communication channels, and setting up the message mapping**. We can assist you with this process, so feel free to contact us for support. The self-care portal also offers an option for you to handle some aspects of technical connection independently. You can select preferred options and provide your partner's data within the portal.

Phase 4 - Test phase

During this phase, the **communication channel is tested**. The correct **sending and receiving of documents for each document type is also checked**. The **correctness of document exchange is tested** by sending documents in parallel by fax or email during the test phase. In the case of self-onboarding, testing is carried out by the user.

Phase 5 - Transition from the test to the productive environment

In the final phase, **the correctness and activation of the connection from test mode to productive mode is released**. The productive mode is enabled and the go-live is monitored. In the self-care portal, this phase takes place automatically.

If you want to onboard many partners at once, the whole **onboarding process can be very time-consuming and costly** for you. In this case, it is worth making use of our **self-care portal**, where each partner can **set up the EDI delivery channels themselves**. **Phases 2 to 5 are easily carried out via the portal**, with your partner following the relevant steps. This reduces your workload and gives your partners an instant overview of all the EDI options they can change without involving you in the process. To find out how your partners can onboard themselves, see the section of this document entitled Onboarding via the Self-care Portal (below).

Onboarding via the Self-care Portal

NOTE: This process can be customized depending on the company.

Onboarding can be done in a very convenient way via a self-care portal without being a burden on your time and resources. Here, all your partners receive a link to the **self-care portal**, where they have to **log in for the first time with the assigned login and password**. If you are an international company, it is of course possible to change the language of the portal at any time.

Creating the onboarding administrator account

Self-onboarding consists of three simple steps that can be done by thousands of your partners at once.

Step 1 - Channel selection

After successfully logging in, the user sees some master data of the business partner, which were given previously to the EDI provider. The first step is the **selection of the preferred exchange channel**. The choice is between the classic EDI by direct integration and the WebEDI.

Step 2 - Define EDI administrator

In the next step, the **master data of the EDI administrator are requested**. Name, surname, email address, telephone number, and preferred language for email notifications.

Step 3 – EDI routing

In the last step, the **routing ID** of your partner is requested. This is the number that uniquely identifies the company to which the electronic file is to be forwarded. This can be, for example, their GLN, DUNS or EU VAT identification number.

Finally, the user sends the created **questionnaire** and subsequently receives an email with an activation link, which must be confirmed. After confirming the link, the user only has to change the password and confirm the terms of use. After this, the partner's account is successfully created.



Setting up the EDI connection

Your partners can use the self-care portal to see **which document types are exchanged with you, define channels and formats, and track the status of onboarding.**

Electronic document exchange can be easily **configured and managed by the administrator via the portal.** Your partner **determines transmission channel profiles and manages electronic data exchange relationships** with you. They **create EDI connections, test them, and can make them live independently.** For example, Figure 8 shows how an AS2 channel connection can be created by the partner.

The screenshot displays the Comarch EDI portal interface. The left sidebar contains a navigation menu with categories: USER MANAGEMENT (Users, Profiles, Restrictions, Users report), PARTNERS MANAGEMENT (Supplier settings), MASTER DATA MANAGEMENT (Partner master data), PRODUCTS MANAGEMENT (Product catalog), TRANSMISSION MANAGEMENT (Transmission channel profiles, Transmission manager), VMI (Inventory management), Contracts, Silo levels, Create call-off, and OTHER (Partner notifications). The main content area is titled 'Transmission management' and shows a progress bar for 'Order (in) configuration' with steps: 1. Channel type (completed), 2. Test settings (active), 3. Document testing, 4. Transmission channel testing, 5. Production settings, and 6. Finish onboarding. A warning message states: 'If you change the previously entered data, it will result in the deletion of the currently existing relations.' Below this, there are two sections: 'Parameters for receiving documents' and 'Parameters for sending documents'. The 'receiving' section includes fields for 'AS2 ID' (TEST ID) and 'URL' (TEST URL), and toggle switches for 'Sign data' and 'Encrypt'. The 'sending' section includes a 'Sign certificate' dropdown (ServiceProviderCertificate (3).cer) and toggle switches for 'Sign data' and 'Encrypt'. At the bottom right, there are buttons for 'CLOSE', '< BACK', and 'NEXT >'.

Figure 8: Setting up the EDI connection - creating AS2 transmission profile

The portal is designed to be **user-friendly and intuitive**, so your partners can easily connect themselves to your EDI system without any involvement from you. This **saves time and costs** on your part and **contributes to faster implementation of electronic data interchange.** Of course, your partners will receive support during the onboarding process and in using the portal afterwards. The **support desk** is always ready to assist you and your partners in **numerous languages.**

The EDI portal from your perspective

The Comarch EDI Portal includes extensive tools and functionality to control and manage the onboarding process, for you and from your business partners' perspective.

Available functions for administrators

As an administrator, you have numerous functions at your disposal to manage and control the onboarding of all your business partners.

The **reporting feature** allows you to **control the overall onboarding status** of all your partners. You can see at a glance how many of them are at which **stage of self-onboarding**. You can also see **which type of connection** your partners have chosen. The filter function also allows you to check the onboarding progress of individual partners and in specific time periods. Supplier and customer managers can **view all previous onboarding actions and progress for each company individually**. You can see how the reporting functions are mapped in the portal in Figure 9.

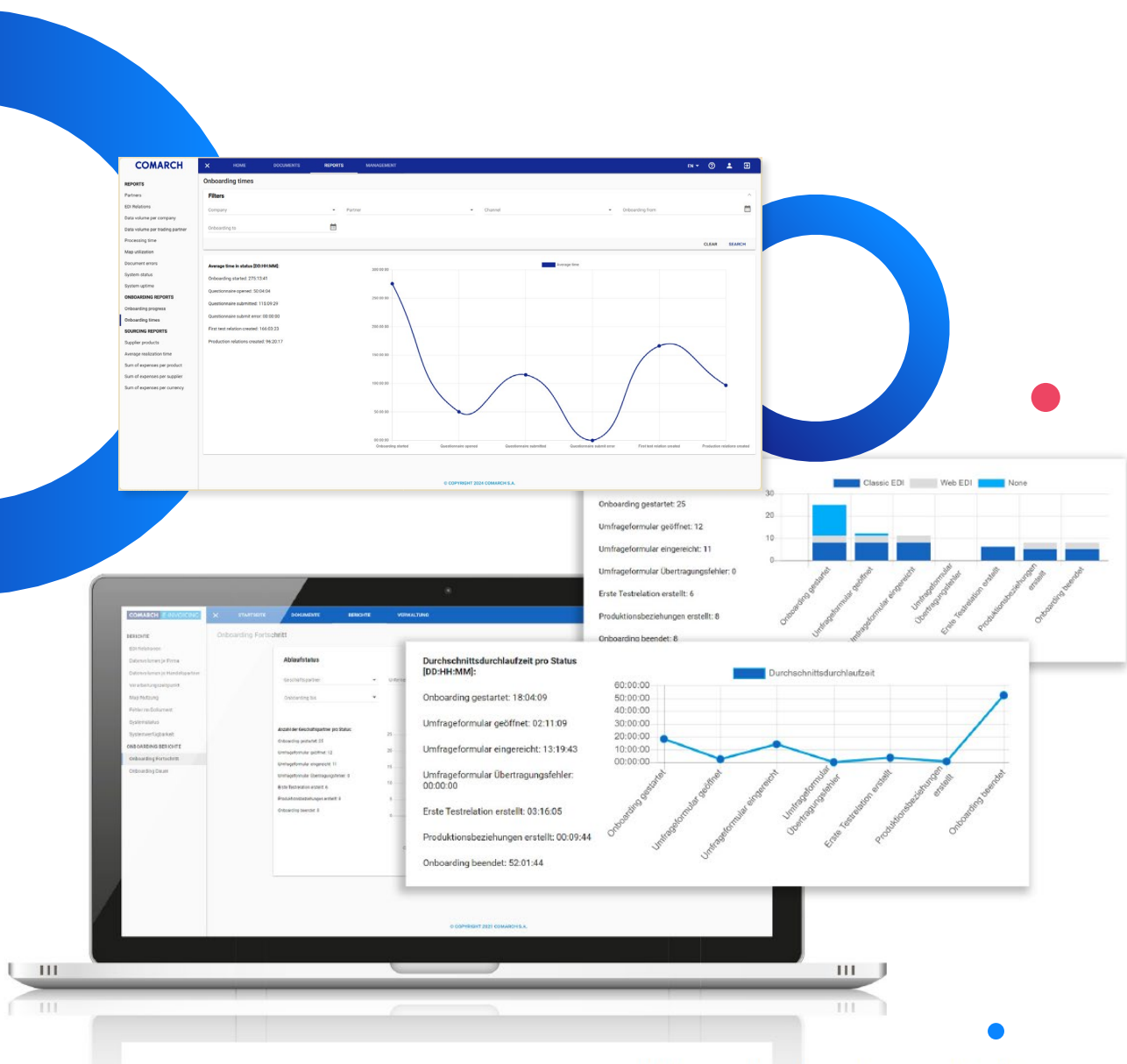


Figure 9: Onboarding reports - progress monitoring

Monitoring

In addition, you can observe **how quickly each step of the onboarding process is executed** in general and by individual business partners. This allows you to **easily monitor** if a process is taking too long with a business partner and **react promptly to the partner**. The overview of the reasons for delays must be available so that the **strategy can be adjusted if necessary**.

Outsourcing model

In this model, you **delegate** part or, if you wish, all of the business partner onboarding process to your **EDI provider**. Your responsibility at this stage is to **provide all the information** that will enable your EDI provider to proceed. This includes partner contact information, information about their EDI/IT manager, etc. All subsequent communication is handled by the provider. The advantage of such a solution is that you **do not have to commit resources to managing your EDI project**. The disadvantage is that your **partners do not know the EDI provider** and therefore are sometimes less willing to cooperate and provide the necessary information. Of course, you can still join the communication process at any time.

Languages and Support

An important point to consider when selecting an EDI provider is their ability to provide **onboarding services in the languages** that are part of the project scope. This is especially true for **international projects**, where your business partners may want contact and documentation in their local language. The ability to communicate with partners in the language of their choice **improves the quality of the relationship with the EDI provider and, most importantly, significantly reduces the risks of misunderstandings and errors**.

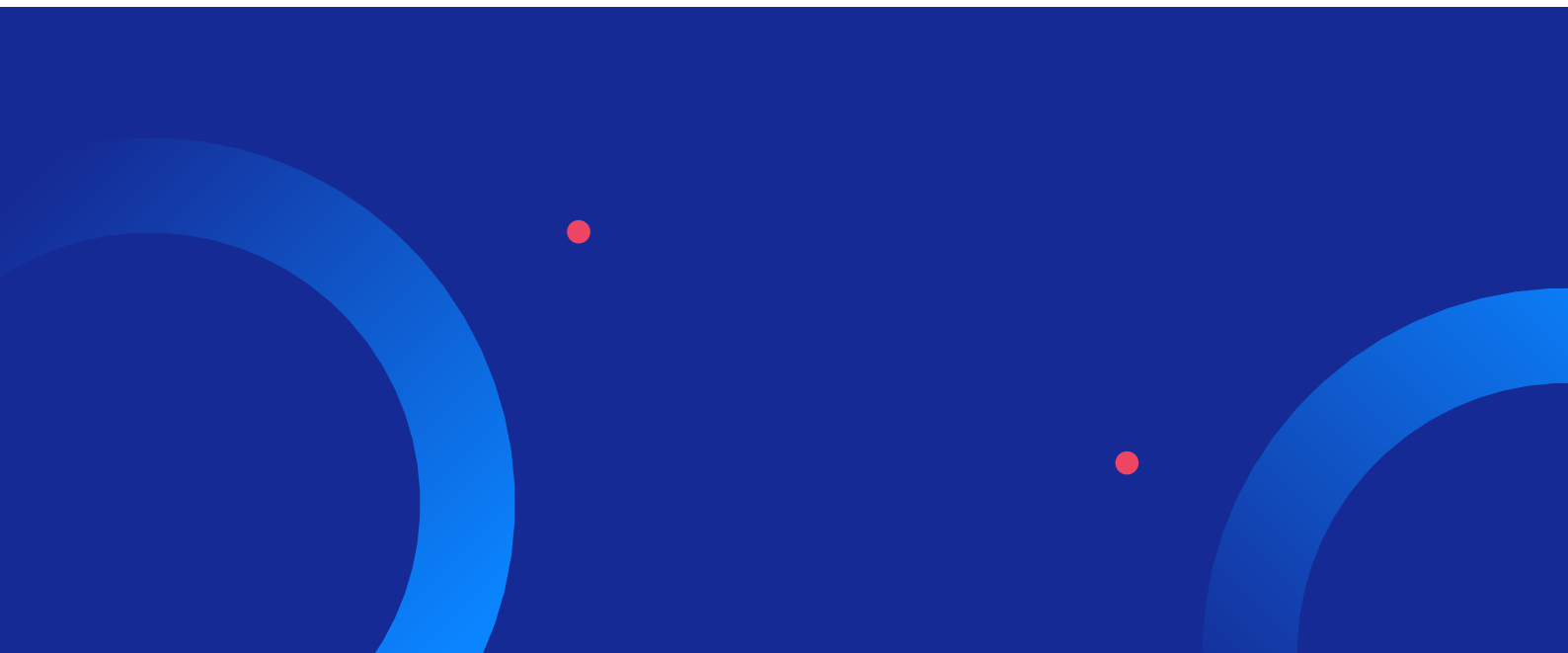
The scope of support services offered by the EDI vendor is also important. Indeed, in an international project, it is sometimes necessary that the **support is accessible to the partners in their language and in their time zone**.

Summary

In summary, the most important things for a successful partner onboarding project are early, clear and precise communication and a detailed division of responsibilities between you and your EDI provider. Also, it is important to choose the most appropriate onboarding strategy for your particular situation and create incentives (or disincentives) for partners, in order to motivate them to adopt the chosen solution.

If your project is a global one, you should choose EDI providers that have extensive international experience in this field. Choosing an EDI provider that already has a large, established EDI network will also reduce the cost of setting up your project. After all, if there are already some among your business partners who are connected to the chosen EDI solution, onboarding will be much faster and less expensive.

If you have any questions or suggestions regarding this white paper, or would like to contact us directly, please feel free to do so at any time at the email address: info@comarch.com. We are also available for a non-binding consultation appointment.



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Don't wait, find out how Comarch can help you **successfully onboard your B2B partners**

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About Comarch

Comarch is a global provider of IT solutions (ERP, CRM & marketing, BI, e-invoicing, EDI, ICT, financials, cloud solutions and many more) for SMEs, larger enterprises, small businesses, banking and insurance, telecommunications, and healthcare. More than 6,400 employees work for Comarch around the globe in numerous countries. Thanks to high investments in research and development, Comarch offers a comprehensive range of innovative IT solutions, which are highly regarded by customers and analysts.

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