EDI GLOSSARY

TERMS YOU NEED TO KNOW

EDI, or Electronic Data Interchange, is a standardized method of transferring data between computers. It establishes a protocol for communicating information in a variety of electronic documents, by defining their format, location, and length. It is an essential tool used by many large, established entities in a variety of industries. Manufacturers and sellers wanting to do business with these entities must conform to their EDI policies.

Learning the vocabulary used with any specific technology is half the battle to understanding how it works. This glossary will provide definitions and explanations for some of the most common jargon and acronyms surrounding EDI (electronic data interchange) and how they apply to e-commerce.

A

ANSI
American National Standards Institute. This group determines the EDI standards in North America.

ANSI Format
The format that electronic documents must follow when transmitted through EDI. It consists of transactions, segments, elements, identifiers, and delimiters.

AS1
Applicability Statement 1. An EDI specification using SMTP to transport data over the internet.

AS2
Applicability Statement 2. An EDI specification using HTTP to transport data over the internet.

AS3
Applicability Statement 3. An EDI specification using FTP to transport data over the internet.

ASC X12
Accredited Standards Committee X12. The committee within the ANSI organization that came up with the uniform standards for exchanging business documents.

Authentication
A method of verifying a sender and the integrity of an electronic transmission with the use of an electronic key or algorithm. May be called an electronic signature.

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C

Communication Protocol
The format agreed upon to transmit data between devices.

Compliance Checking
A process to ensure that a transmission complies with ANSI ASC X12 or EDIFACT syntax rules, as well as any separate protocols agreed upon between trading partners.

CPFR
Collaborative Planning, Forecasting and Replenishment. This information is shared between supply chain partners for the automatic ordering and replenishment of inventory.

D

Data Element (or Element)
This is the smallest piece of information in an EDI standard. It can be a qualifier, a number, or text with a predetermined length. The element contains a single data point or fact. For example, in an address, the house number would be one element, the street another, town a third, and so on. A group of elements make up a segment, which in this example is the entire address.

Data Element Reference Number
A code or number assigned to identify the contents of each data element.

Data Element Type
There are 6 types of data elements:
- numeric
- decimal
- identifier
- string
- date
- time

Delimiter
A character or symbol (such as *) used to separate data fields. EDI uses delimiters for segments, elements, and sub-elements.

Direct Transmission
A direct exchange of data between trading partners' computers without the use of a third-party VAN.

Document
An electronic file sent using EDI, representing a single transaction, for example an invoice, purchase order, or shipping manifest. It is made up of data segments.

E

EAN
European Article Numbering. This is the European version of a UPC number.

EDI
Electronic Data Interchange. This is the standardized protocol and format for exchanging business information and electronic documents between trading partners.

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E

Electronic Envelope
An electronic envelope is a grouping of transactions that is sent from one trading partner to the other. It contains sender and receiver information, as well as codes indicating the beginning and the end of the stream of data.

EFT
Electronic Funds Transfer. A method of transferring funds directly into a supplier's bank account.

Electronic Mailbox
Where EDI transmissions are stored within a third-party service's system. Individual trading partners may also have their own electronic mailboxes.

Electronic Signature
A method of verifying a sender and the integrity of an electronic transmission with the use of an electronic key or algorithm. Also known as authentication.

Encryption
The process of turning clear data into cipher text for security purposes.

F

FTP
File Transfer Protocol. A common way to transfer files on the internet.

H

HL7
A series of EDI standards used for the healthcare industry.

HTTP
Hypertext Transfer Protocol. A common way to transfer files on the internet.

I

ISO
International Standards Organization. An organization similar to ANSI, but responsible for standards in other countries.

L

Loop
A group of data segments that are related. For example, a loop may group segments that include client data such as name, address, and phone number.

M

Mapping
A process of linking and translating the language of EDI standards to the corresponding pieces of information within a trading partner's proprietary system.

Message
The entire data stream contained within an electronic envelope.

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O

ODETTE
Organization of Data Exchange by Tele Transmission in Europe. This is an EDI used specifically for the European automotive industry.

P

Proprietary Standards
A trading partner's or industry's own format for data. These might not comply with ASC X12 or other EDI standards. Mapping may be necessary to complete transmission of the data.

Q

Qualifier
A data element that identifies and defines the type of information in the segment.

R

RosettaNet
EDI standards used for logistics and supply chain data.

S

Segment Directory
A description of the format, order, and purpose of each element within a segment.

Segment Identifier
A unique combination of two or 3 upper-case letters that identify the segment.

Segment Terminator
A unique character or symbol that indicates the end of each segment.

Segment
A group of data elements. Several segments comprise an EDI document.

Sender/Receiver ID
A unique string of numbers, characters, or letters that identify a trading partner for the purpose of EDI communication.

Service Bureau
A third-party that can supply EDI services for a trading partner.

SMTP
Simple Mail Transfer Protocol. A method of sending email messages between computers.

Standard
EDI formats used by trading partners and agreed upon by ANSI.

Syntax
The language structure and grammar rules followed by EDI standards, and published by ANSI.

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T

TCP/IP
Transmission Control Protocol/Internet Protocol. A method of transmitting data over the internet.

TPA
Trading Partner Agreement. A contract between trading partners that details how they will both use EDI.

TRADACOMS
EDI standards used for domestic trade within the United Kingdom.

Trading Partner
Vendors, suppliers, and customers who have an EDI relationship.

Transaction
Standardized electronic documents containing business information sent between trading partners.

Transaction Codes
These are EDI codes that correspond with various pieces of information that may be transmitted. There is a specific list of codes that is used for various industry groups. Some examples:
- Transportation & Logistics: Code EDI 110 = Air Freight Details and Invoice
- Manufacturing & Retail: Code EDI 850 = Purchase Order
- Finance: Code EDI 155 = Business Credit Report
- Communications & Controls: Code EDI 242 = Data Status Tracking

(continued)

Transaction Codes
- Government: Code EDI 175 = Court and Law Enforcement Notice
- Healthcare & Insurance: Code EDI 274 = Health Care Provider Information

Translation Software
Software that allows EDI data to be understood by a company's proprietary system, and vice versa.

U

UN/EDIFACT
United Nations rules for Electronic Data Interchange for Administration, Commerce, and Transport. An internationally recognized EDI format.

UPC
Universal Product Code. A unique product identification code that can be read by barcode scanners.

V

VAN
Value-Added Network. A third-party service that acts as a facilitator for EDI communication.

VICS
Voluntary Interindustry Commerce Standards. A subset of ASC X12 standards used for general merchandise in the retail industry.