Electronic Data Interchange (EDI)
Invoicing

Implementation Guide

Produced by Accounts Payable
Intel Corporation

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WHAT IS EDI?

Electronic Data Interchange (EDI) is commonly defined as the application-to-application transfer of business documents between computers. Many businesses choose EDI as a fast, inexpensive, and safe method of sending purchase orders, invoices, shipping notices, and other frequently used business documents.

EDI is quite different from sending electronic mail messages or sharing files through a network, a modem, or a bulletin board. The straight transfer of computer files requires that the computer applications of both the sender and receiver (referred to as “trading partners”) agree upon the format of the document. The sender must use an application that creates a file format identical to your computer application.

When you use EDI, it’s not necessary for you and your trading partner to have identical document processing systems. When your trading partner sends a document, the EDI translation software converts the proprietary format into an agreed upon standard. When you receive the document, your EDI translation software automatically changes the standard format into the proprietary format of your document processing software.

WHY USE EDI?

Save Time and Money
EDI is a tremendous cost- and time-saving system. Since the transfer of information from computer to computer is automatic, there is no need to re-key information. With no data entry, the chance for error drops to near zero.

Improve Customer Service
EDI is also a method of improving customer service. The quick transfer of business documents and marked decrease in errors allow you to fill orders faster.

End Repetition
EDI documents are stored in a mailbox. You can look at the documents in your mailbox at any time. If your customer wants a copy of an invoice, instead of calling you they simply check their mailbox. Imagine the time savings from not having to copy and fax/mail copies of invoices or purchase orders.
What is Intel Doing?

Goal
The Accounts Payable organization’s goal is to setup EDI trading partners who transmit invoice data to Intel. The targeted results of this goal are that timeliness and accuracy of invoices are improved and costs reduced.

Current Status
A/P is seeking to add high invoice volume suppliers with EDI capabilities to its list of EDI partners.

Long Term Strategy
In order to remain competitive, A/P has chosen to adopt the most cost effective methods available for invoice processing functions. The advent of electronic data technologies are making possible the reduction of manual processes. EDI is a technology that when combined with others will pave the way for full cycle Electronic Commerce.

GETTING STARTED WITH INTEL

Supplier Criteria
Following are the minimum requirements for a supplier to be considered as a trading partner for EDI transactions:

- High volume of invoices
- Relatively low number of lines per invoice
- RAPID, IMACS, MAX or SAP PO type invoices are accepted
- Current invoices arrive ‘clean’
- 810 mapping used for invoices
- Supplier must have EDI capabilities
- Supplier VAN must have communication capabilities to Intel’s VAN
- Primary buyers must review and approve the conversion to EDI.
- EDI processing time must be equal to or less than paper processing time.
**Document Types and Versions:**
A/P currently supports release 3040 of the ANSI X12 Standards for all transaction sets. In the future, as we migrate to newer releases, we will support the previous release for up to six months. The responsibility will be with the trading partner to upgrade versions when required.

810:
A/P will use the 810 invoice transaction set for incoming invoice data. (See Technical guide).

997:
Intel will transmit a 997 Functional Acknowledgment for each functional group (i.e., group of invoices) transmitted. If a Functional Acknowledgment has not been received by the supplier within 24 hours of transmission it is the responsibility of the supplier to contact Intel to verify receipt of functional group.

824:
If an invoice is not acceptable to AP/FA application requirements, or A/P is not able to process, an 824 application acknowledgment will be transmitted to the supplier. (See Technical Guide).

**VAN (Value Added Network):**
Interconnect capability exists for most major VAN's.

**EDI ID's:**
ID's for testing will be assigned by an EDI Analyst as part of setup procedures for connectivity verification. Intel's ID should not be used until your Intel EDI analyst has contacted you to discuss connectivity for testing. Complete VAN sheet and return to A/P upon completion of mapping.

**Testing:**
The testing process involves the supplier sending invoices through the EDI process and A/P receiving, acknowledging, and updating their payment application. A/P requires that the invoices sent during test are previously paid supplier invoices. Upon successful completion of these steps, formal parallel testing may start.

**Parallel Test:**
Invoices are to be sent in parallel. This means that the supplier invoices must continue to be mailed and data on the EDI invoice must match the corresponding data on the paper original. Parallel testing occurs only after A/P has verified that initial test data has been successfully retrieved, processed and acknowledged.

As part of the verification process A/P will confirm that there are no discrepancies between the EDI and the paper version of the invoices.

The test period will be mutually defined, based in part on the number and frequency of invoices. Normally A/P looks to discontinue all paper following two weeks of parallel.
**Move to Production:**
Timing determined by A/P and trading partner to correspond to end of parallel testing. After production, all invoices will be transmitted via EDI - with no paper copy sent by the supplier.

Intel communication sessions run twice daily Monday through Friday.

**Additional EDI Transaction Sets:**
Intel is developing a growing number of transaction sets which will be available in the future. If you are interested in discussing a transaction set not mentioned in this implementation guide, please contact us.

**Components**

*EDI Vision Within Accounts Payable*
**Roles and Responsibilities of:**

**Electronic Commerce/EDI Coordinator**

The overall responsibility of the Electronic Commerce (EC/EDI) Coordinator is to assume the role of A/P contact for areas relating to invoice Electronic Data Interchange.

Partnering with Buyers include:
- Identify viable EDI suppliers.
- Provide buyers with analytical data to be used for terms negotiations.
- Work with the buyers during supplier implementation.
- Point of contact for technical problem resolution.
- Provide technical information to buyers.
- Relay information to/from other stakeholders

Partnering with Suppliers includes:
- Provide the implementation guide to suppliers
- Provide the technical guide to suppliers
- Assist during the implementation of EDI
- Ensure the invoice is mapped correctly to the 810 during testing.
- Ensure the 810 to RAPID interface operates correctly during testing.
- Ensure the 824 and 997 transactions are completed successfully during testing.
- Relay information to/from other stakeholders

Partnering with Accounts Payable includes:
- Point of contact for technical issues.
- Resource for supplier status.
- Relay information to/from other stakeholders
- Providing Vendor information for CSM updates.

Partnering with Technical Group includes:
- Ensuring data transfers occur within specified guidelines.
- Notification when data transfers fail
- Relay information to/from other stakeholders
- Provide vendor update information as appropriate.

**Buyers**

The role of the buyer is to remain the primary point of contact for normal purchasing activity. It is the responsibility of the Buyer to keep all purchasing groups informed when a supplier has been targeted for EDI implementation.

Partnering with the EC/EDI Coordinator includes:
- Identification of viable EDI suppliers.
- Work with the EC/EDI Coordinator during supplier implementation.
- Provide EC/EDI Coordinator with negotiated wins for tracking purposes.
- Provide feedback so that adjustments can be made to better the product and implementation process.
Suppliers
The primary role of the supplier is to provide accurate invoice information to the VAN in the correct format such that A/P is able to retrieve and read the data. Agreement to participate with Intel Corp. in an invoice Electronic Data Interchange partnership means that the former practice of vendors providing a mailed invoice will be discontinued upon approval by Intel.

Partnering with the Buyer includes:
- Provide the necessary data for all 810 transactions.
- Map the invoices to the 810 correctly
- Understand 824’s and 997’s
- Provide unit test data
- Successfully complete the parallel test phase.

Partnering with the EC/EDI Coordinator includes:
- Providing name of the suppliers VAN
- Providing VAN Identification number
- Providing VAN Qualifier number
- Contact for technical issues; name, phone number and e-mail address
- Must provide updated information as appropriate
- Information on whether Intel PO’s are received via EDI

Technical group
- Adhere to the Service Level Agreement.
- Ensure invoices are received accurately and in a timely manner.
- Ensure 997’s and 824’s are sent to and received by the VAN
- Ensure 810’s are picked up per the Service Level Agreement.
- Contact the EC Coordinator for vendor updates and technical issues.

Accounts Payable
- Ensure invoices are received daily
- Ensure invoices are processed in a timely manner.
EDI Contacts At Intel:

EC/EDI Coordinator: Phone 503-264-7851
Fax 503-696-3060
e-mail ec.coordinator@intel.com

Van Information
Van Name IBM Global Services
Version used ANSI X-12 3040
Alias Name: 047897855MAP (production mail box)
           047897855MAT (Test mail box)
Qualifier ID 14
Advantis ID IMAP
User ID IMAP001 (prod)
           IMAP002 (test)
### Glossary of Terms

**ANSI**  
American National Standards Institute. A standards setting body for X12 transaction sets.

**A/P**  
Accounts Payable.

**EDI**  
Electronic Data Interchange.

**Parallel Testing**  
The processes by which EDI invoice transmissions are tested while paper invoices continue to be used for processing and verification.

**Production**  
The state which exists once parallel testing has been successfully completed.

**Test Period**  
The period of time in which parallel testing occurs.

**Transaction sets**  
The mapping structures established by ANSI for data transmissions. Each transmission is regarded as a transaction set.

**Header**  
The beginning segments of a transaction set. Indicates the start of a transaction set and to assign a control number. Normally contains general company level information such as sender name, receiver name, remit to address, date, PO number...

**Detail**  
The section of a transaction set which contains line specific detail such as item number, quantity, price...

**Summary**  
The last section in a transaction set. Indicates the end of a transaction set and provides a count of transmitted segments.

**Trading Partner**  
A company which agrees to conduct business using EDI technology.

**VAN**  
Value Added Network. A company whose primary function is to receive, store, and transmit data to/from member companies.

**810**  
ANSI X12 standard invoice mapping format.

**811**  
Not available at this time

**824**  
ANSI X12 standard error report mapping format.

**997**  
ANSI X12 standard acknowledgment.