

# How Siemens Fixed What Was Causing Thousands of EDI Order Errors and Solved a Long-Standing Industry Problem in the Process

An IDEA Exchange Case Study

# Introduction

Siemens is a global supplier focusing on the areas of electrification, automation and digitalization. For more than 170 years, Siemens has pioneered building infrastructure and industry solutions. It is one of the world's largest producers of energy-efficient, resource-saving technologies, including automation, electrical and HVAC products.

## Challenge

The Siemens team was experiencing hundreds of costly EDI order errors each month from many of their manufacturer's representatives. As the sales force for manufacturers, manufacturer's agents interface with distributors, managing orders and customer service, while manufacturers handle the billing function. As a result, this process is highly important to Siemens. It impacts a manufacturer's ability to fulfill orders and bill distributor customers.

These errors were connected to the EDI translation function within the ERP software that many of their sales agents were using to manage their business functions.

"I had calculated thousands of duplicate orders over a six-month period, and that didn't include syntax errors and missing files," said Ann Sadlowski, Senior Developer at Siemens. "When you consider that each duplicate order takes one customer service person 5-to-10 minutes to review and verify, it became hundreds of Siemens staff hours to manage and manually fix these issues."

Siemens' challenges with the manufacturer representatives' EDI orders errors included:

- Thousands of duplicate orders, syntax errors and missing files
- Hundreds of hours spent by Siemens' customer service staff to fix errors
- Automated process disrupted by necessary manual interventions
- Product distribution and delivery slowed by order errors

## Solution

Siemens reached out to IDEA Exchange, their EDI provider and Value-Added Network (VAN), to find a solution. Siemens is a charter member of IDEA and has been an IDEA Exchange customer for over 20 years.

## Solving an Industry-Wide Issue

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The EDI order errors were not only impacting Siemens. It was an industry-wide issue, since it was related to the legacy ERP software, IRIS, that many manufacturer's reps used to manage their businesses. IRIS was in the process of being replaced by the Trade Tech Platform, but it still had many manual interventions and was producing malformed EDI messages and duplicate orders.

"The whole ordering process is dependent on EDI messages. If it fails at some point, then it delays the whole process of fulfilling and billing the order," said Sadlowski.

## Managing EDI Translation

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IDEA Exchange's team worked with Siemens to set up mapping to translate flat files to EDI messages for the Trade Tech software. IDEA Exchange now manages the translation process of messages to EDI, both in and out of the Trade Tech system.

"Improving the EDI translation has had a really big impact. When IDEA Exchange took over the mapping, it helped the majority of the problems we were having," said Sadlowski.

## Improving Processes, Industry Collaboration & Training

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According to Sadlowski, solving the remaining challenges involved industry collaboration and training. Key people at IDEA Exchange, Siemens and Trade Tech gathered for a series of meetings. They identified the issues that were causing manual effort, and then worked together to clean up and streamline processes. This also involved Trade Tech software training for the manufacturers' agents to prevent duplication and missing files.

## Results

Within months, IDEA Exchange had implemented a new EDI translation solution for the Trade Tech platform for Siemens and other manufacturers. This, along with industry collaboration and training, resolved the systematic EDI order errors that were so costly for Siemens.

As a result of this initiative, Sadlowski reports that Siemens is now saving several hundred staff hours each month, plus a business critical manual process is now automated.

“It’s a tremendous improvement from where we were before,” said Sadlowski. “Things are good, with just a few open issues on the table. Since IDEA took over the EDI translation, the process is automated without constant manual intervention to solve errors and duplicate orders.”

In addition, Siemens’ relationship with its manufacturer representatives is improved. Both the manufacturer and the rep can trust the data and entire order cycle, which results in better communication, sales support and faster order fulfillment.

Sادلowski explains that IDEA Exchange’s background and experience in the industry is critical in solving important business issues.

“IDEA Exchange understands distributors and manufacturers and the dynamic between them,” she said. “When you combine that with the team’s extensive knowledge of EDI and EDI standards, you get customer service that’s tailored around your needs.”

The Siemens IT team can now focus on mission critical projects and trust that sales orders from manufacturer representatives are being processed and fulfilled correctly.

“IDEA was a catalyst to improve the entire EDI order process between Siemens and our agents. Their team was instrumental in getting all of our needs met,” said Sadlowski. “I’ve worked with other third-party providers before, and IDEA Exchange sets the bar for how all customer service should be handled. The team’s fast response time far exceeds any other customer service I’ve dealt with in the past.”