

Benefits of Adopting Electronic File Exchange for C-Stores

Prepared by



Introduction

Automating data exchange for common business processes creates business efficiency by eliminating time spent on paperwork and fixing errors from manually entered data. This in turn allows more time for store personnel to spend on store operation and management, as well as interaction with customers. Automation can be achieved through either NAXML or EDI specifications. This guide educates readers regarding the benefits of adoption of either NAXML or EDI at various points in the supply chain. As with any implementation, industry best practices should be followed for securing data and to meet Payment Card Industry Security Standards Council (PCI SSC) requirements.

Retailer Success Story: Kwik Chek

(38 locations across Texas and Oklahoma)

“We implemented EDI invoicing and pricebook with our main grocery supplier a few years ago. Doing this we saved the manager and office auditors about 60 hours a week of manual data entry. We are now able to use this time to better manage the store and audit by exception. We are able to get accurate numbers and use the information to manage our inventory and gross margin in a more timely manner. We have since set up one other supplier, but hope to have many others set up with EDI invoicing in the near future.”

Controller, Kwik Chek

Electronic File Exchange

While EDI (X12) has become synonymous with electronic file exchange, partners have a choice when it comes to a standardized file format.

Conexxus created NAXML as an alternative to EDI, with the purpose of reducing the technical capabilities required by EDI. Relying on XML (a coding language used to create schema that is both human and machine readable), NAXML is a more user friendly and readable format than EDI. Implementers of NAXML have greater flexibility and reduced infrastructure needs over implementers of EDI.

Retailer Success Story: E-Z Stop Food Marts, Inc. (22 locations in Eastern Tennessee)

“The benefits of electronic data, especially invoices and pricebook can provide tremendous savings and improve accuracy for retailers of all sizes. We are 22 stores, and just taking one DSD supplier, implementing electronic invoices provides approximately \$23,000.00 in manager labor savings. This time savings allows our store managers to focus more on the operational level issues and customer facing issues. The import also improves the accuracy of what is entered. We gain additional labor savings in the office by making less corrections to store paperwork, and not having missed invoices. Quite honestly, to sell the benefits of electronic data, I took one of our owners to a store and he scanned in a DSD supplier and then had to find the cost errors and correct them. Then I did the math for him across 22 stores on the time he spent getting that invoice in the system correctly. Implementing electronic invoices with our main grocery supplier provides even greater savings. Some c-level executives or owners may understand the benefits without that step, but I still refer to that experiment to illustrate what we can save our store managers in time. If a chain is larger, the savings on labor grows with the store count.”

Pricebook Manager, E-Z Stop Food Marts, Inc.

Quick Reference Guide

Benefits of Adopting Electronic File Exchange

Invoice

- ✓ Eliminates bottlenecks in business processes. For many businesses, 20% of the invoices generate 80% of the overall cost of processing. A large purchase may take a retailer longer to record manually than the rest of the day's bookkeeping tasks combined.
- ✓ Reduces paper consumption which further reduces resource costs for printing, sending, storing and destroying paper invoices. Electronic invoicing may play a role in reducing a retailer's carbon footprint and negative impact on the environment.
- ✓ Eliminates manual errors which increase the accuracy of the invoice detail. As a result, retail and cost inventories are more accurate. Accurate data for perpetual inventories leads to better suggested orders, higher inventory turnover and increased customer satisfaction. Reduced manual errors further means reduced manual corrections and exception handling.
- ✓ Reduces accounts payable labor costs.
- ✓ Simplifies vendor reconciliation. With electronic invoicing a retailer has more confidence in the details and can more accurately account for overcharges, shrink and unauthorized products. This results in better control over product cost and inventory.
- ✓ Increases business management opportunities. Immediate and accurate access to outstanding payables and receivables may help a business manage its cash flow better. Accurate inventory allows category managers to better understand inventory changes and analyze product turnover.
- ✓ Gives immediate visibility to multiple business areas. Paper invoices are limited to the person receiving the document.
- ✓ Ties directly back to what was ordered and identifies discrepancies.

Payment Advice

- ✓ Enables supplier to reconcile open invoices in accounts receivables.
- ✓ Saves time in matching payments to invoices.

Item/Price

- ✓ Increases visibility to item price changes.
- ✓ Eliminates manual errors increasing the accuracy of the item price data.
- ✓ Reduces invoice error correction and payment reconciliation.
- ✓ Increases current margin and inventory accuracy.
- ✓ Saves labor costs by eliminating keying item price.

Item/Promo

- ✓ Increases retailer visibility to price promotions.
- ✓ Eliminates manual errors increasing the accuracy of the promotional data.
- ✓ Reduces invoice error correction and payment reconciliation.
- ✓ Increases current margin and inventory accuracy.
- ✓ Saves labor costs by eliminating keying promotional data.

Predelivery Notice

- ✓ Expedites delivery by removing the need to scan or key in information during the time of delivery.
- ✓ Improves accuracy of data due to the elimination of manual input.
- ✓ Identifies any price and item discrepancies before delivery.
- ✓ Reduces accounts payable labor costs.
- ✓ Simplifies vendor reconciliation. With PDN a retailer has more confidence in the details and can more accurately account for overcharges, shrink and unauthorized products. This results in better control over product cost and inventory.

Purchase Order

- ✓ Allows better retail control over inventory.
- ✓ Eliminates manual errors increasing the accuracy of the PO data.
- ✓ Provides confirmation that the PO has been transmitted.
- ✓ Saves labor costs by eliminating manual order taking.

Retailer Success Story:

PAJCO (Rhodes 101)

(29 locations across Southeast Missouri and Southern Illinois)

“Currently we receive around 12,000 electronic invoices annually from four vendors automatically into our ERP system. A conservative estimate is over 2000 labor hours a year savings total across all 29 stores. There are also data accuracy benefits at the corporate level from not having to track down numerous errors that occur with manual entry. Electronic order transfer of these same orders has been another big tool in improving vendor order accuracy. We’ve basically eliminated order keypunch errors by using EDI and sending the orders directly into the vendors systems.”

Vice President, Information Management, PAJCO