EDItEUR
EDI Implementation Guidelines
for Trade Book Supply

Issue 1, Version 1.1
ORDERS to INVOICES

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EDI Implementation Guidelines for Trade Book Supply

Issue 1, Version 1.2
ORDERS to INVOICES

September 2000

EDItEUR EDI Implementation Guidelines for Book Trade Distribution

ORDERS TO INVOICES: Issue 1.2

This issue of the *EDItEUR EDI Implementation Guidelines for Book Trade Distribution* covers the use of EDI messaging to handle orders, order responses and other order-related messages, delivery notifications and invoices/credit notes. The contents are as follows:

T.1	**Overview**
T.2	**Structure of an EDIFACT transmission**
T.3	**Using the Purchase Order for book orders**
T.4	**Using the Purchase Order Response for order responses and reports**
T.5	**Using the Purchase Order Change for order cancellations**
T.6	**Using the Order Status Enquiry for order chasers**
T.7	**Using the Despatch Advice to notify deliveries**
T.8	**Using the Invoice for invoices and credit notes**
T.9	**Examples of ordering and invoicing cycles** *(to be added)*

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ISSUE AND VERSION NUMBERING

Each time Issue 1 of the *EDItEUR EDI Implementation Guidelines for Book Trade Distribution* is updated, it will be given a new version number, eg 1.1, 1.2 etc. A new Issue will occur only when there is a major general revision.

CHANGES SINCE THE LAST VERSION

The following is a list of changes from Version 1.1 dated March 1998. Although it may seem rather lengthy, most of the changes are minor corrections or revisions to code values resulting either from new official EDIFACT codes having become available or from inconsistencies having been identified during the process of revising the overall EDItEUR Code Lists.

Section T1   No substantive change

Section T2   No change

Section T3

COMMENTS, QUERIES AND CHANGE REQUESTS

Comments, queries or requests for changes or additions to these *Guidelines* will be welcomed. They may be sent to the EDItEUR Secretariat (email *info@editeur.org*) or via the EDItEUR website.

T.1 OVERVIEW

This "business cycle overview" is an outline of the logic underlying the exchange of messages from order through to invoice and credit note.

Two alternative business cycles are outlined, one of which uses a delivery notification to identify the content of a delivery, with invoices issued on a periodic basis, while the other is based on the more traditional book trade practice of using an invoice both to notify the content of a delivery and to charge for it as it is sent.

It should be noted that the equally traditional book trade practice of using the invoice also to carry an order response in respect of items not supplied is NOT supported in EDI trading.

T.1.1 Trading cycle with delivery notification

The full EDI trading cycle order/order response/delivery notification/invoice has been adopted by larger publishers and bookselling groups in preference to the book trade's traditional procedure in which a paper invoice serves also as order response and delivery advice. This approach may in due course lead to the introduction of self-invoicing based on deliveries.

An EDI transaction begins when the customer sends an order message (ORDERS) to a supplier.

The supplier replies immediately with an EDI order response (ORDRSP) detailing order lines which cannot be supplied from stock, in full and in accordance with the terms stated in the order. The order response lists all such items, even when the variation from the terms stated in the order falls within tolerances agreed between the trading partners to allow the order to proceed without further authorisation from the customer. It shows the reason for non-fulfilment and, where applicable, the terms on which the item can be supplied; and it shows what action the supplier is taking. It does not list those items which can be supplied in full in accordance with the order.

Items which can be supplied are packed and despatched, and an EDI delivery notification is sent to the customer. This may be sent either as a DESADV message or as a version of the INVOIC message coded 38D in BGM DE 1001 to indicate that it is in effect a fully priced delivery notification, and not an invoice against which payment is requested. The delivery notification lists all lines which are being supplied in whole or in part. It does not list lines which are not part of the consignment to which it refers. Items from a number of separate orders may be batched into a single consignment and be listed in a single delivery notification.

It follows that all lines from an order message should appear on either an order response or a delivery notification which refers to the order and is sent by the supplier as soon as the order has been processed. Lines which are being supplied in part, or which are being substituted by an alternative title, will appear on both messages.

Where the supplier indicates that there will be a delay in supply and that a backorder or "due" has been recorded, the customer may choose to cancel the order by sending an order change message with message function code 1 in BGM DE 1225.

It is normal book trade practice, particularly but by no means exclusively with dues, to consolidate items from a number of orders into a single package for delivery. The delivery notification message can handle a consignment of this nature, and will carry references to each original order message in turn.

Where delivery notifications are used, invoices are generally issued periodically by agreement between the trading partners. Each invoice carries references to both orders and delivery notifications which it covers.

A simplified book trade EDI trading cycle: with delivery notification
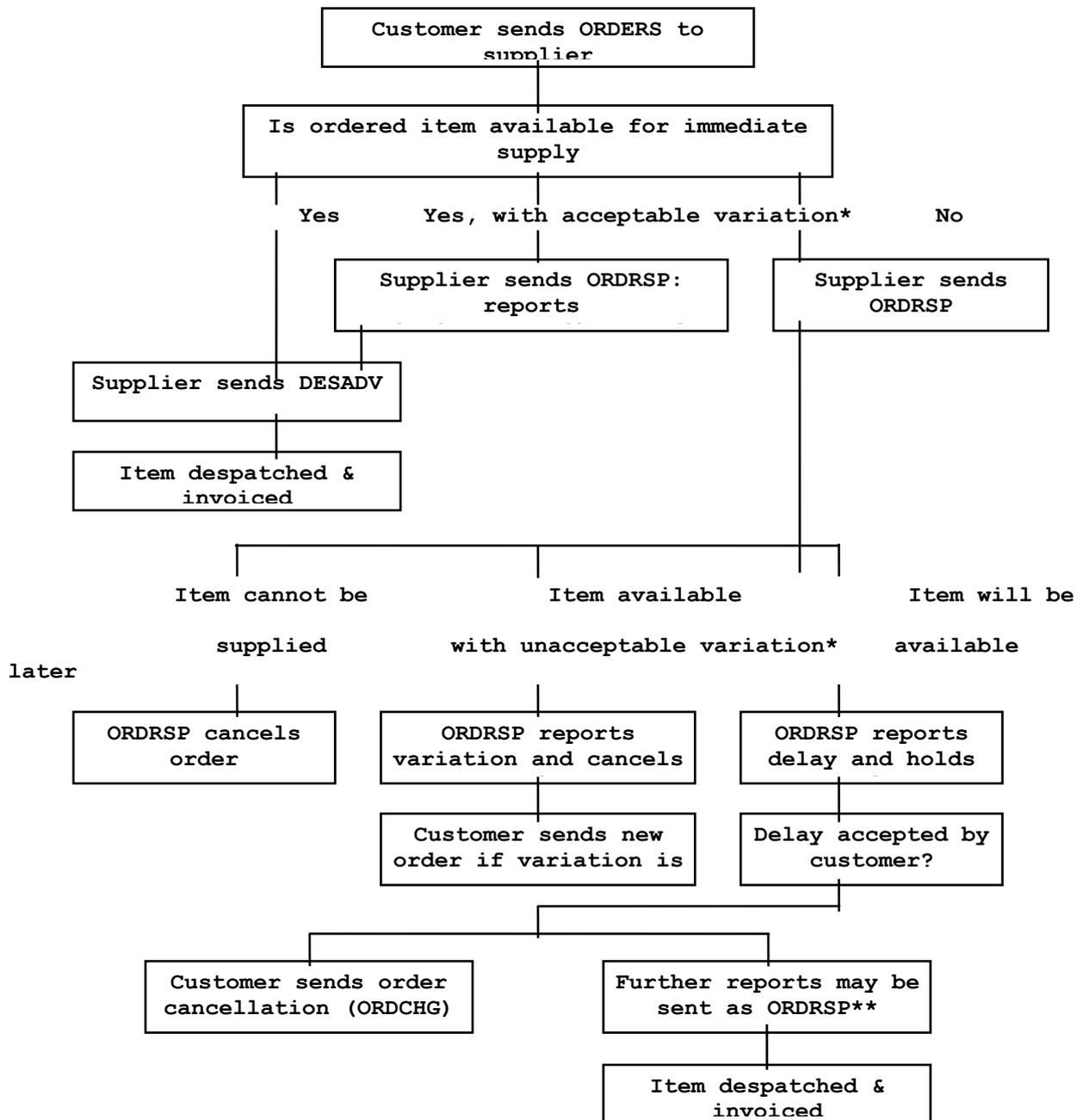
```
                    ┌─────────────────────────────┐
                    │   Customer sends ORDERS to   │
                    │          supplier            │
                    └─────────────────────────────┘
              ┌─────────────────────────────────────────┐
              │ Is ordered item available for immediate  │
              │                 supply                   │
              └─────────────────────────────────────────┘

        Yes       Yes, with acceptable variation*        No

                    ┌─────────────────────┐     ┌────────────────────┐
                    │ Supplier sends ORDRSP:│     │  Supplier sends    │
                    │      reports         │     │      ORDRSP        │
                    └─────────────────────┘     └────────────────────┘

    ┌─────────────────────────┐
    │  Supplier sends DESADV   │
    └─────────────────────────┘

    ┌─────────────────────────┐
    │    Item despatched &     │
    │        invoiced          │
    └─────────────────────────┘
```

Item cannot be   Item available   Item will be

supplied   with unacceptable variation*   available

later

```
    ┌─────────────────┐   ┌─────────────────┐   ┌─────────────────┐
    │ ORDRSP cancels  │   │ ORDRSP reports  │   │ ORDRSP reports  │
    │     order       │   │variation and cancels│ │ delay and holds │
    └─────────────────┘   └─────────────────┘   └─────────────────┘

                          ┌─────────────────┐   ┌─────────────────┐
                          │ Customer sends new│  │ Delay accepted by│
                          │ order if variation is│ │    customer?     │
                          └─────────────────┘   └─────────────────┘

        ┌─────────────────────┐       ┌─────────────────────┐
        │ Customer sends order │       │ Further reports may be│
        │ cancellation (ORDCHG)│       │  sent as ORDRSP**    │
        └─────────────────────┘       └─────────────────────┘

                                      ┌─────────────────────┐
                                      │  Item despatched &   │
                                      │      invoiced        │
                                      └─────────────────────┘
```

*   "Acceptable" variation means a change in terms which falls within tolerances agreed between the trading partners. "Unacceptable" variation means a change which falls outside such tolerances so that the supplier cannot proceed to meet the order without first obtaining the customer's acceptance of the change.

** Further reports on an outstanding item may lead to the order being cancelled by the supplier (if it is now placed outside of agreed tolerances on price or delivery time) or by the customer (if unwilling to accept further delay).

The previous page shows a broad graphical representation of a transaction cycle with delivery notifications. This is a simplified schematic, and makes the assumption that, for items which are currently unavailable but which will be available later, dues are recorded.

T.1.2 Trading cycle without delivery notification

This approach is the electronic equivalent of the book trade's traditional paper trading cycle. The EDI invoice message serves as both delivery notification and invoice. Unlike the usual book trade paper invoice, however, an EDI invoice cannot and must not be used to carry details of order lines which are <u>not</u> being supplied as part of the delivery to which it refers.

A separate order response message must be used to respond to the customer on order lines which cannot be supplied in full, and in accordance with the terms of his order, within a normal supply cycle.

It is a fundamental principle that within the normal supply cycle time all order lines in a customer order message should have received a response, either by an order response message or by their appearance in an invoice message.

An EDI transaction begins when the customer sends an order message to a supplier.

The supplier replies immediately with an EDI order response detailing order lines which cannot be supplied from stock, in full, and in accordance with the terms stated in the order. The order response lists all such items, even when the variation from the terms stated in the order falls within tolerances agreed between the trading partners to allow the order to proceed without further authorisation from the customer. It shows the reason for non-fulfilment and, where applicable, the terms on which the item can be supplied; and it shows what action the supplier is taking. It does not list those items which can be supplied in full in accordance with the order.

Items which can be supplied are packed and despatched, and an EDI invoice is sent to the customer. The invoice lists all lines which are being supplied in whole or in part. It does not list lines which are not part of the consignment to which it refers. Items from a number of separate orders may be batched into a single consignment and be listed in a single invoice.
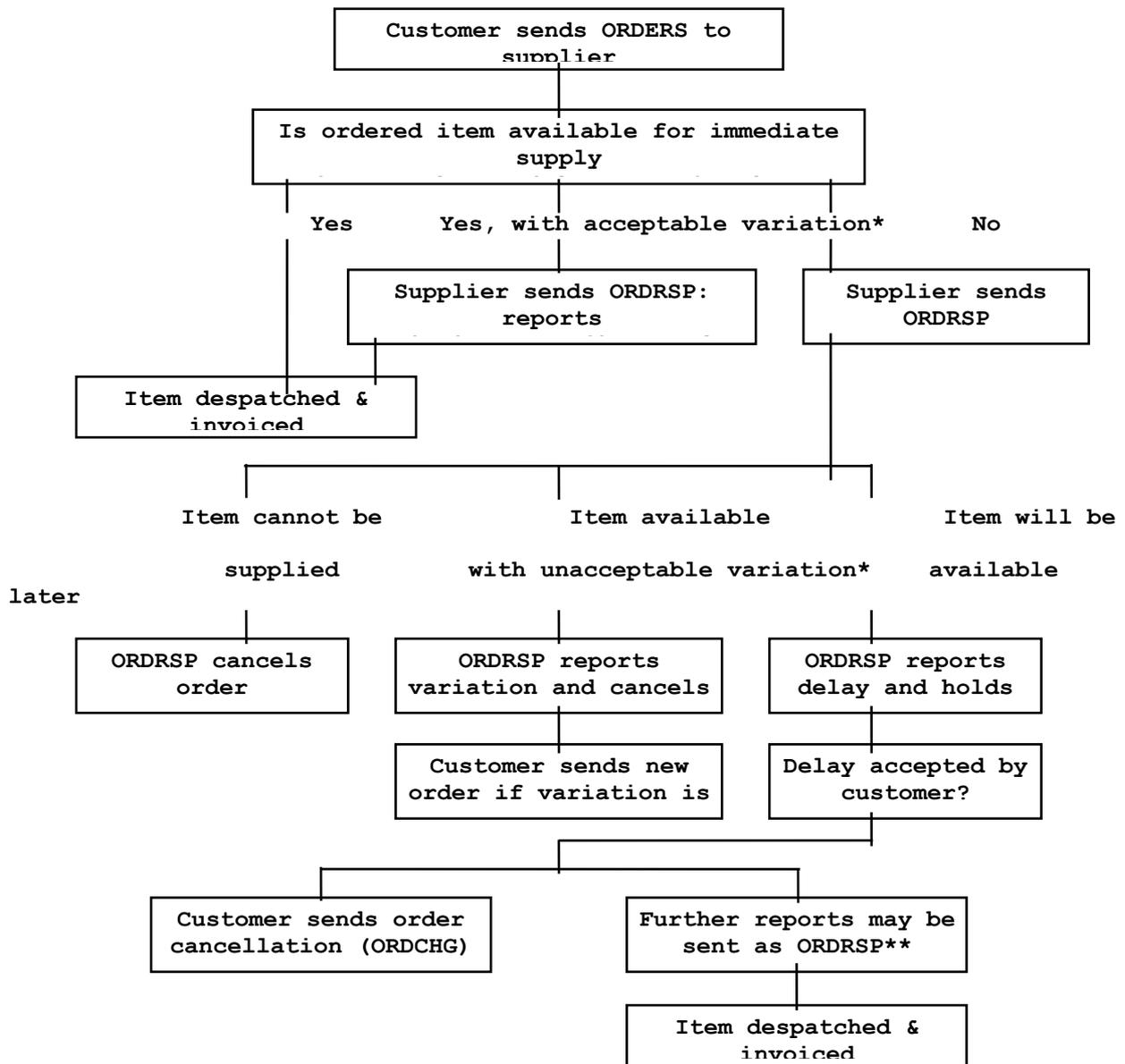
The supplier's order response will show the order line as cancelled if the item cannot be supplied at all, or if it cannot be supplied within the tolerances on price and expected delivery time agreed as part of the trading relationship with the customer.

The customer may then issue a new order if the cancelled item is still required, or may cancel an order which has been recorded as a due by sending an order change message with message function code 1 in BGM DE 1225.

When a due is eventually supplied, it will of course be accompanied by the sending of an EDI invoice message.

The next page shows a broad graphical representation of a transaction cycle without delivery notifications. This is a simplified schematic, and makes the assumption that, for items which are currently unavailable but which will be available later, dues are recorded.

A simplified book trade EDI trading cycle: without delivery notification

```
                    ┌─────────────────────────────────┐
                    │   Customer sends ORDERS to      │
                    │   supplier                      │
                    └─────────────────────────────────┘
                ┌─────────────────────────────────────────┐
                │   Is ordered item available for immediate│
                │   supply                                 │
                └─────────────────────────────────────────┘

        Yes           Yes, with acceptable variation*        No

                    ┌─────────────────────┐    ┌──────────────────┐
                    │ Supplier sends ORDRSP:│   │ Supplier sends   │
                    │ reports             │    │ ORDRSP           │
                    └─────────────────────┘    └──────────────────┘
      ┌────────────────────┐
      │ Item despatched &  │
      │ invoiced           │
      └────────────────────┘
```

Item cannot be   Item available   Item will be

supplied   with unacceptable variation*   available

later

```
  ┌──────────────────┐    ┌──────────────────────┐    ┌──────────────────────┐
  │ ORDRSP cancels   │    │ ORDRSP reports       │    │ ORDRSP reports       │
  │ order            │    │ variation and cancels│    │ delay and holds      │
  └──────────────────┘    └──────────────────────┘    └──────────────────────┘
                          ┌──────────────────────┐    ┌──────────────────────┐
                          │ Customer sends new   │    │ Delay accepted by    │
                          │ order if variation is│    │ customer?            │
                          └──────────────────────┘    └──────────────────────┘

  ┌──────────────────────┐    ┌──────────────────────┐
  │ Customer sends order │    │ Further reports may be│
  │ cancellation (ORDCHG)│    │ sent as ORDRSP**     │
  └──────────────────────┘    └──────────────────────┘
                              ┌──────────────────────┐
                              │ Item despatched &    │
                              │ invoiced             │
                              └──────────────────────┘
```

*   "Acceptable" variation means a change in terms which falls within tolerances agreed between the trading
partners. "Unacceptable" variation means a change which falls outside such tolerances so that the supplier
cannot proceed to meet the order without first obtaining the customer's acceptance of the change.

**   Further reports on an outstanding item may lead to the order being cancelled by the supplier (if it is now placed
outside of agreed tolerances on price or delivery time) or by the customer (if unwilling to accept further delay).

T.1.3 Reporting on outstanding orders

The purchase order response message can be used not only to reply to an order but also to send reports on the status of outstanding orders. Suppliers are encouraged to use it in this way, thus minimising - or avoiding altogether - the necessity for order chasing (see T.1.5 below).

Depending on the agreement between trading partners, two approaches are possible:

(a)   Periodic reports on all outstanding orders, sent at agreed intervals, or

(b)   Reports on changes of status only, either as they occur or at agreed intervals.

T.1.4 Order changes and cancellations

In book trade practice, order changes are not encouraged.

Where the supplier cannot meet the order as stated, but can offer to meet it at a later date or on different terms, one of two situations may arise:

(a)   The change is within tolerances agreed between the parties as mutually acceptable. In this event, the supplier sends an order response which gives the buyer full details of the change, and indicates that supply will proceed in the normal way.

(b)   The change is outside any agreed tolerances. In this event, the supplier sends an order response which shows whether the ordered item can be supplied on other terms, and cancels the order. The buyer must send a new order - NOT an order change - if the item is still wanted on the changed terms.

Where the buyer wishes to change an outstanding order, the recommended approach is to cancel the outstanding order and send a new order incorporating the change.

It follows that the only recommended use of the EANCOM purchase order change message is to cancel an outstanding order. This is the only use which is documented in these guidelines (section T.4).

T.1.5 Order chasers

The EDIFACT order status enquiry message (OSTENQ) is available to be used for book order chasers. The recommended response to an order chaser is, however, an order response rather than the separate order status report message (OSTRPT), which is less suitable for book trade requirements.