



Electronic Communication

Distributor Guide



Harnessing *technology:*

Use it to lower costs and improve service.

Dot Foods developed the redistribution concept in the food supply chain, and has worked hard to become the industry leader. Since 1960, we have been harnessing new technologies to provide better service to make food manufacturers and our distributor customers more profitable.



We grew to #1 by innovating, particularly in information technology. Our e-commerce website, www.dotexpressway.com, was one of the first in the industry to allow customers to search for item information and pricing. We also lead the industry in electronic communications, using industry exchanges and electronic data interchange (EDI) to help distributors reduce their transaction costs.

Our experience has shown that electronically communicating orders with vendors can lower your costs and improve service to your customers. If you want to grow and compete, start ordering and communicating with vendors electronically.

Q & A

- Q.** *What are some of the ways to communicate electronically?*
- A.** Electronic Data Interchange (EDI), websites like the Dot Expressway, and industry Exchanges such as Amphire and ITN/EFS. (Email does not apply.)
- Q.** *What are the benefits of ordering electronically from vendors?*
- A.** Increased accuracy and efficiency, administrative cost reduction, lower overall purchasing costs, and increased sales.
- Q.** *Can I receive my Dot Foods order guide electronically?*
- A.** Yes, you can receive your Dot order guide via email or EDI 888/879 transaction sets. You can also download your order guide from the Dot Expressway website.
- Q.** *What is the difference between EDI and the Dot Expressway?*
- A.** With EDI, you create a PO in your own system, and it is electronically transferred to Dot. With the Expressway, you create a PO in Dot's system on the Expressway.
- Q.** *What if I am interested in EDI but not EDI-capable?*
- A.** Check with your software provider to find out how to make your back office system EDI-capable. Or join an industry Exchange, such as Amphire and ITN/EFS. Dot is a member of both. Exchanges help companies that are not EDI-capable communicate electronically without purchasing additional software or having EDI expertise in-house.

Electronic Data Interchange (EDI)

Electronic Data Interchange (EDI) is the computer-to-computer exchange of business documents in a standard format. EDI allows businesses to exchange information electronically, which is fast and accurate. With the magic of EDI, non-compatible computer systems “talk” to each other.

Dot uses electronic data interchange (EDI) to communicate with distributor customers, suppliers and brokers. We send and receive basic business transactions electronically, including purchase orders, confirmations, advance ship notifications, invoices, pricing, and item maintenance. EDI is the fastest, most efficient way to communicate this information – we encourage all of our business partners to start using it!

WHAT EDI DOES FOR YOU:

Improved accuracy - eliminates manual keying errors when placing orders. Fewer errors mean higher fill rates.

Better communication - shows your item numbers on all documents, reports and communications.

Buyer efficiencies - lets your computer automatically match Dot confirmations to your PO so your buyer only has to review discrepancies.

Current data - transmits automatic item and price updates on a nightly or weekly basis.

Faster unloading - saves time to receive and put away your Dot load with an EDI Advance Ship Notice.

Lower administrative expenses - eliminates repetitive tasks like opening mail, separating invoices by due date, and performing basic checks and comparisons. EDI invoices also guarantee that Dot's invoice will be in your system the same day it is billed -- giving you more time to make payments in time to receive cash discounts.

Increases sales - EDI makes it easier for you to participate in our new Virtual Storefront program. You can set up all 25,000 Dot stock items in your system via EDI, and offer them to your customers without having to slot the items in your warehouse.

Getting started with EDI

There are two options to consider when you want to begin using EDI: (1) an industry Exchange or (2) purchasing software to do direct EDI transactions yourself.



Option 1: Industry Exchanges

Exchanges are an easy alternative to purchasing EDI software. There are two industry Exchanges: Amphire and ITN/EFS. Both convert your flat files into EDI data, so you can receive the benefits of EDI without actually having to be EDI-capable.

Exchanges function like VANs. They help two different parties communicate electronically. But Exchanges don't require customization for each party as EDI does. You go to the Exchange and work in whatever format you desire – the Exchange does all the translation.

With Exchanges, there are no ongoing costs for transactions, as there are with direct EDI through a VAN. And you don't need to purchase software. Both ITN/EFS and Amphire have plans to offer value-added services that a regular VAN cannot: contract management, communicating with operators, and forecasting. For these reasons, Dot strongly recommends that you explore an Exchange before investing heavily in EDI.

Amphire

- > Allows you to communicate electronically with Dot in as little as 2-3 weeks.
- > You do not have to be EDI-capable to join.
- > Requires one-time activation fee and a low monthly maintenance fee.
- > Offers web portal for distributors who are not able to integrate electronic confirmations and invoices. The portal allows distributors to view the purchase orders, confirmations, ASNs and invoices.
- > Contact Amphire at 208-336-8316.

ITN/EFS

- > Owned by ITN (ItradeNetwork).
- > You do not have to be EDI-capable to join.
- > Requires one-time activation fee plus monthly subscription fee.
- > Offers web portal for distributors who are not able to integrate electronic confirmations and invoices. The portal allows distributors to view the purchase orders, confirmations and invoices.
- > Contact ITN/EFS at 925-447-9950.

Option 2: Direct EDI

PURCHASING EDI SOFTWARE

To get started with EDI, you need to purchase EDI translation software and integrate that software with your back office systems. Your IT department or consultant will need some knowledge of EDI mapping and standards. Cost depends on your computer system:

- Implementing PC-based EDI software will cost approximately \$2,500.
- For an AS/400 with a fairly large processor, the cost will be \$50,000 or more.
- You also typically pay about 18-20% of the software purchase price for software maintenance each year. This gives you unlimited technical support calls plus an annual standards upgrade at no additional charge.
- Software version upgrades are usually included in your initial cost, but can cost extra if the software vendor makes a major change to the package.
- Once software is purchased, you will need to do programming in-house to integrate EDI with your back office systems.

Some customers may use a back office system such as Retailix that offers an EDI module, which can be purchased separately but usually includes the integration to their software. Customers should check with their back office software providers to find out what they offer prior to purchasing a separate EDI translation software package that they would have to integrate on their own.



TRANSMITTING EDI DATA

Once you have EDI translation software in place, you'll need to choose a method for transmitting EDI data to Dot's computer system. We support 3 different methods: Value Added Network (VAN), File Transfer Protocol (FTP) and AS2.

Value Added Network (VAN) – A VAN allows trading partners to connect by methods such as dial-up or FTP, and deposit data into a “mailbox.” A VAN is a secure connection -- data encryption is not required. The advantage of using a VAN is that it troubleshoots any communication issues and offers flexible data storage. All major VANs interconnect, so you can select any of them. Your VAN would transmit data to the Dot “mailbox” on ICC.Net (the VAN Dot uses). VANs usually charge a monthly mailbox fee and a per-character fee on the data sent.

File Transfer Protocol (FTP) – This option is best for EDI-capable companies that do not want to go through an Exchange or pay VAN charges. FTP is not considered as secure as AS2, since the data is not encrypted. But it does not usually require any specialized software and is much less complex than AS2.

AS2 – AS2 technology is more complex than a VAN. You will communicate directly with Dot over the Internet rather than using a VAN account. To use AS2, you'll need to purchase additional software to encrypt data and provide security. The price of this software is usually based on the number of licenses (or trading partners) and starts around \$2,000. No VAN charges are incurred with AS2, but you'll require more technical support to troubleshoot communications issues.

EDI Transactions for Distributors

Here are the EDI transaction sets that Dot currently supports:

879 – Price Information

Customers can receive prices for new items and price changes on a daily or weekly basis. Customers can automate price changes in their system.

888 – Item Maintenance

New items, changes to existing items and deleted items are sent on a daily or weekly basis. Customers can automate new item set-ups and catalog updates.

850/875 – Purchase Order

Customers place orders through EDI. Better order quality. No manual keying.

855 – PO Confirmation

Dot confirms quantities and prices through EDI. Customers can automate PO and confirmation matching so their buyers only have to review discrepancies.

856 – Advance Ship Notice (ASN)

Dot sends an ASN when the truck is loaded, detailing the contents of that truckload. Customers can use the ASN to automate their receiving processes.

810/880 – Invoice

Customers can receive their invoices through EDI, which would allow them to automate the PO and Invoice matching process.

Placing orders on the Dot Expressway

If you prefer to begin ordering electronically on the Dot Expressway website, there are two easy ways to do so:

Ordering by Dot Item Numbers

After logging in, click the blue *Orders* box at the top. On the dropdown menu, click *Order Worksheet*. The majority of your orders will be placed from this section of the Expressway. On the worksheet, simply enter the Dot item number of the desired product and the quantity. You can enter up to 100 items on each worksheet.

When you have entered in all of the items and quantities you need, click the *Add to Order* button. You'll then see a detailed breakdown of your current order. From here you have several options: you can clear your order, make changes, call up another order worksheet or continue shopping on the Expressway.

When your order is complete, click the *Submit Order* button. We will send you via e-mail or fax an initial order confirmation. We'll also send an additional confirmation of the items to be shipped.

Ordering by Individual Item

Use the Expressway *Search* function to find the item you need. The results of your search will appear along with information about the product. If you would like to order the product, simply click the *Add to Order* button. You'll then see a detailed description of your current order. From that page, you can continue shopping for other items, or submit your order. Just like placing an order by Dot number, you will receive a confirmation of your order.

Oklahoma Distributor Uses Exchange to Save Money and Manpower

Mid-America Wholesale in Enid, Oklahoma, was spending 5 hours a week to manually match the items on their purchase orders to the items on Dot's delivery receipts while receiving full truckloads from Dot.

Mid-America joined Amphire and began using the exchange's electronic order entry system. The process was easy: Mid-America transmitted POs to Amphire via FTP, and Amphire sent the POs via EDI to Dot. Dot then provided Mid-America with an electronic Advance Ship Notice (ASN), detailing the exact contents of the truckload. The ASN included the Mid-America item numbers and eliminated the need for the lengthy matching process.

According to Mid-America Marketing Manager Ken Owens, "The savings potential was amazing...the hidden time and payroll savings were huge. A minimum of 260 management man-hours a year would be saved. That's 6 1/2 weeks a year freed up!"

*To learn more about electronic communication,
contact: Dot EDI Coordinator Sean Ketcham at
800-366-3687, ext.2428
sketcham@dotfoods.com*

*For help with the Dot Expressway,
call our Expressway Help Desk:
866-712-2763
www.dotexpressway.com*



Dot Foods, Inc.

1 Dot Way
P.O. Box 192
Mt. Sterling, IL 62353
800-366-3687

www.dotfoods.com

Delivering supply chain solutions to the food industrySM