

E-Commerce & Digital Marketing

Unit-IV

2. What are the pre-requisites of EDI?

Pre-requisites in EDI implementation are:

1. Identify organizational needs for EDI
2. Weigh the cost and benefits of EDI
3. Identify EDI business partners
4. Obtain top management approval
5. Form an EDI project team
6. Education & training
7. Decide on EDI standards
8. Decide on the connection options
9. Implementation planning.

Identify organizational needs for EDI:

- First, study the company's existing work flow and how it can be improved using EDI.
- This study should attempt to cover the whole range of data and information flow through the entire company and not be limited to know EDI applications.

Weigh the cost and benefits of EDI:

- After identifying the areas where EDI implemented, weigh the benefits of EDI against the costs of setting up the system.
- The cost of EDI implementation goes beyond startup costs of acquiring the EDI s/w and h/w components and training.
- Ongoing costs such as VAN charges, maintenance and support costs need also to be taken into account.

Identify EDI business partners:

- In this phase, identify the business partners with whom to implement EDI.
- Upon identification of business partners, discuss with them about the possibility of establishing an EDI link.

Obtain top management Approval:

- EDI implementation is a strategic business issue. Obtaining top management approval of the EDI implementation ensures that the EDI implementation is an overall company objective.
- Top management will also have the authority to approve the necessary resources required for the implementation.

Form an EDI project team:

- EDI implementation involves those personnel who are experts in their business areas.
- An EDI project team needs to be formed to ensure that the requirements of all parties are addressed.

- EDI project team can be headed either by an in-house expert (with IT & EDI experience) or by external consultants.
- The project team will coordinate overall project activities, plan the implementation

Education & Training:

- Training & education programmed can also be used as a power tool to demonstrate senior management support of EDI.
- EDI training programmed nearer to the date of implementation could cover specific areas of user operation & how to use the system.

Decide on EDI standards:

- It is necessary for organizations to adapt a common set of standards for communications.
- The set of standards to be adopted in EDI implementation needed to be agreed by you and the businesses partners.

Decide on the connection options:

- Decide building a own proprietary network or selecting a third party VAN.
- Identify the appropriate VAN.

Implementation planning:

- After VANs are identified, and the EDI applications prioritized implementation planning comes next.
- At this stage, decision will be taken to implement and which approach should be taken for full implementation.

3. Explain about various issues of EDI. (or) Explain Legal, Security and Privacy Issues of EDI.

Legal Issues:

In EDI, Trading is done between countries and corporations.

- In EDI, legal issues and computer security are important.
- Companies that deal with EDI should take the services of a lawyer during the design of EDI applications to implement safeguards.

There are 3 types of communications when considered for EDI issues:

1. Instantaneous: – If the parties are face to face or use an instantaneous communication medium such as telephone.
2. Delayed with postal service: – The mailbox rule provides that an acceptance communicated via postal service mail is effectively communicated when dispatched or physically deposited.
3. Delayed with non-postal service: – EX: – Couriers

Note: Postal Service is referred as U.S.P.S.

Cyber laws governs the legal issues of cyberspace. Cyber laws includes laws relating to:

- Electronic and Digital Signatures
- Computer Crime
- Intellectual Property
- Data Protection and Privacy
- Telecommunications Laws

Security Issues:

A full EDI security system should include three levels of security:

Network level security: This level of security basically screens users accessing a particular network. With a set of account/user identification codes coupled with the corresponding passwords, authorized users will be able to log into the network and to perform transactions (that is, sending and receiving of EDI messages) across the network. This level of security ensures that users not registered in the EDI network are not able to gain access to its facilities.

Application level security: Beyond network security, application level security can also be put in place. This level of security is usually controlled by the individual front-end EDI application (or software). In any given EDI application or software, there might be some data you are not allowed to see, some you can see but not alter, some to which you can add information and some where you can change existing information. Application level security makes use of passwords to admit different categories of users to the different levels of application to which they can gain access. For example, a clerical staff may only be given authority to key in data in an electronic purchase order but not the authority to send the EDI document to the supplier. A higher level managerial staff may hold a password which allows him to view the data keyed in by the clerical staff, make the necessary corrections and send the document out. A system administrator is usually appointed to oversee the EDI application to maintain a system that both identifies the data and monitors which password holders shall be given and to decide on the kind of access to the system.

Message level security: Message level security can also be put in place to combat unauthorized disclosure of message content, non-bona fide messages, duplication, loss or replay of messages, deletion of messages and repudiation of message responsibility by its sender or its receiver.

Privacy Issues:

Many nations have enacted legislation relating to **data protection and privacy** within their jurisdictions'. It is pertinent to note that due to the nature of the Internet and the amount of information that may be accessed through it, such legislation is critical to protect the fundamental rights of privacy of an individual. Privacy Laws would probably play a vital role, as the dependence on insecure networks such as the Internet grows further. Every EDI application has privacy policy statements.

Some of them are:

- We don't ask you for personal information unless we truly need it.
- We don't share your personal information with anyone except to comply with the law and develop our products and services.
- We don't store personal information on our servers unless required for the ongoing operation of our site.