RedTail Solutions Comments on SPS White Paper

Written by Patricia Meisner

Patricia Meisner, CEO of **RedTail Solutions, Inc.** comments on "Trading Partner Integration Centers: The SaaS Model for EDI," By Jim Frome, Chief Strategy Officer, SPS Commerce

Many thanks to Jim Frome at SPS Commerce for shedding more light on the ramifications of Software as a Service (SaaS) for EDI. This new software delivery model is the latest infatuation of the investment world and many companies have jumped on the SaaS band wagon hoping to benefit from the buzz. Using everything from "out-sourcing to "on-demand" to describe their product offerings, vendors have created a confusing array of acronyms that apply to the metamorphosis from traditional on-premise software to SaaS.

Technically speaking, the hallmark of a SaaS solution is its multi-tenant architecture, meaning that the delivery of the application is largely standardized so that one instance of the software and database is available to multiple customers. The software resides at a third party provider's site and a customer can access and manage the software over a network . The major benefit to the provider is the ability to scale this model over many customers. The win for the customer is the elimination of initial implementation, management and maintenance of the software on a global basis.

Jim has narrowed this concept somewhat to revolve mainly around the standardization and re-usability of maps, in what he refers to as Trading Partner Integration Centers or TPIC. The alignment of a trading relationship and its business processes are manifested in the transaction maps. This is a great place to introduce the concept of multi-tenancy as "super-map", since mapping is the cornerstone of EDI, and it is an illustration of SaaS that is not confusing. If the b2b architecture is expanded to include all of the data transformation and messaging, SaaS becomes a powerful platform through which multiple applications (e.g. warehouse management, transportation, point of sale) can begin to share data and provide business intelligence back to the customer.

Frome's 7 rules for evaluating SaaS provide a straightforward, empirical framework to help customers understand the differences and benefits of various solutions that are evolving into SaaS delivery. I think one of the most important points made in the paper is that SaaS models for EDI, and in general, give organizations the ability to assimilate technological change rapidly and keep pace with dynamic demands of the global supply chain. As he points out, it's not just about getting EDI done or out-sourced, but rather about building solutions upon which other value-added services can be layered.

Thanks again to Jim Frome of SPS Commerce and Scott Koegler of ec-bp.org, for providing a forum to educate and inform our community.

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