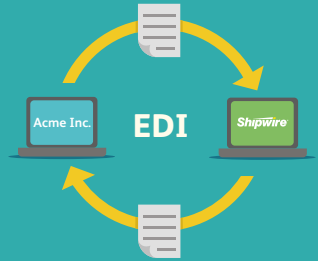


EDI Pricing

Charge Per Document vs. Charge Per PO?

EDI technology is the primary method of data exchange for many B2B suppliers and major retailers. In fact, over 90 percent of Fortune 500 companies are EDI capable. In this data sheet, learn about common EDI pricing methods.



Two EDI pricing structures

Typically, there are four pricing methods used by EDI providers: Charge Per Document, Charge Per PO, Charge Per Line Item, and Charge Per Inventory File.

This document addresses Charge Per Document vs. Charge Per PO pricing, the two most common methods used today.

Charge Per Document

As its name implies, Charge Per Document pricing attaches a cost to individual documents. At the time of its inception, this was the standard way to price EDI; However, as the number of documents has grown, so has the cost of Charge Per Document pricing.



Charge Per PO

Charge Per PO pricing groups all relevant documents required for an order into one Purchase Order (PO). The standardized nature of this method makes it a popular option. The number of documents in a given PO may vary, making Charge Per Document expenses hard to predict, whereas Charge Per PO costs are stable and easy to calculate.



Other data exchange methods

While EDI is commonly used, it is not the only method of data exchange.

In addition to EDI, Shipwire supports other methods of data transfer, including XML, CSV, and [API](#).

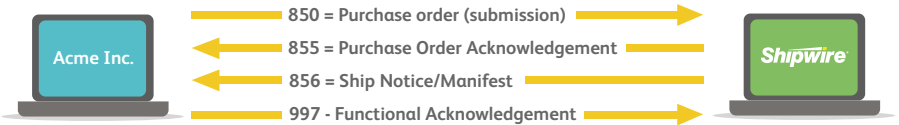
API technology is a no-cost option that is increasingly replacing instances of EDI due to its accuracy, easy implementation, and savings. For more information about using the Shipwire API, see our [free tutorials](#).



Pricing example

Below, see a comparison of Charge Per Document pricing vs. Charge Per PO pricing.

In this instance, imagine a company, Acme Inc., is processing a volume of 10,000 orders per month. For every order processed, the following four documents must be passed between Acme Inc. and its EDI provider: (850) Purchase Order, (855) PO Acknowledgement, (856) Advanced Shipping Notice, and (997) ASN Acknowledgement.



If Acme Inc.'s EDI provider used a Charge Per Document pricing method, Acme Inc. would pay for every document exchanged. Since each order necessitates 4 documents, that means Acme Inc. would be charged for 40,000 documents (10,000 orders x 4 documents/order); As you are starting to see, this pricing structure can be costly, especially as order volume increases.

By comparison, if Acme Inc.'s EDI provider used a Charge Per PO pricing method, Acme Inc. would pay for each PO, no matter how many documents it included (10,000 orders x 1 PO/order). The comprehensive cost makes expenses easy to predict and calculate.

Assume it cost \$.15 to exchange a single document and \$.40 to exchange a PO. Using these numbers, Acme's relative costs would be as follows:

Charge Per Document			Charge Per PO		
Document Quantity	Unit Price / Doc	TOTAL	Order Quantity	Unit Price / Order	TOTAL
40,000	\$ 0.15	\$6,000	10,000	\$ 0.40	\$4,000
					<i>Monthly Savings: \$2,000</i>

In this example, the Charge Per PO pricing method nets Acme Inc. a monthly savings of \$2,000; The savings only increase as order volume grows.

Shipwire supports EDI

Shipwire offers EDI support for Direct to Consumer (D2C) fulfillment. A Charge Per PO pricing method is used, and an implementation fee applies per retail channel integration. Please [contact us](#) for details.