



## AFT NEWSLETTER FEATURE

### **'Using FTP to slash EDI delivery charges'**

*An Article by Mark Lancaster, Technical Director at AdvanceFirst*

If you use a VAN based EDI service, and if you are a company operating in the UK, you will know that for each EDI file you send to your customers and/or suppliers you or they are charged a fee for its receipt. The rate per kilobyte of data is based on the **high cost of bandwidth and storage** when these services were first setup in the mid 1980's but these days both of these are so cheap they **are virtually negligible**.

As bandwidth costs have reduced however, the EDI VAN charges have not been reduced accordingly. In relative terms they have increased. **As a result companies are now questioning the amount of 'value' they get from the value added networks in general.**

A while ago we were asked by one company, a major high-street jeweller, to re-implement their EDI system in a way that **reduced or eliminated the cost of moving EDI data from one place to another.**

The obvious first option to consider was AS1 and/or AS2 which are both very well established and reliable methods of moving data securely. The disadvantage of these is that they require everyone involved to run some (occasionally costly and complex) software in order to achieve the benefits. In many cases, especially with smaller trading partners, what is needed is something that can be implemented at minimal cost while still delivering the main benefit of AS1/2 and the avoidance of VAN charges.

The solution we delivered, and which has been live running for well over a year now, involved setting up a **secure FTP server** that the trading partners could connect into. This allows them **to download their incoming files and upload their outgoing files for virtually no cost** instead of sending and receiving them via a costly EDI VAN.

This was a real case of 'everybody wins' as many of the suppliers only traded electronically with that one jeweller. **They could therefore cancel their VAN subscriptions completely.** The others saw a substantial reduction in their VAN charges.

From the jeweller's point of view, the migration from the EDI VAN to secure FTP was performed on a partner-by-partner basis over a period of time so there was none of the risk involved with a 'big bang' type change. The jeweller's copy of Advance Business Collaborator (ABC) simply managed the flow of data according to whether each partner was "EDI VAN" or "FTP". **Either way, the flow of data between ABC and the jeweller's back-end systems was unaffected allowing the switchover to be managed at a single central point of control**



The software that the suppliers use to connect into the secure FTP server can be any of the many that support the appropriate secure FTP standard, many of them are completely free although in my opinion it is worth spending a relative pittance on a commercial FTP product in order to get proper technical support and access to useful features such as FTP automation.

**We are now seeing more and more companies making the switch from VAN to FTP, far more than we see switching to AS1/2.**

***This makes perfect sense as FTP is widely understood, familiar, very quick and easy to implement and above all, cheap.***

Secure FTP does not offer ALL the benefits of VAN or AS1/2 based communications but when those benefits don't justify the costs, it is an obvious and increasingly popular choice.

Drop us a line at [enquiries@advancefirst.com](mailto:enquiries@advancefirst.com) if you'd like to know more about this.

***Mark Lancaster, Technical Director***

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If you are interested in hearing more on how you could reduce VAN charges at your company, or to find out more about our Advance Business Collaborator suite of products, then please call **Tim Weaver** on: **+44 (0) 1932 753 462** or email him at: [\*\*timothy.weaver@advancefirst.com\*\*](mailto:timothy.weaver@advancefirst.com).  
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