



Electronic Communication

Supplier Guide



Harnessing *technology:*

Use it to lower costs and improve service.

Dot 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, the Dot Expressway, 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 reduce transaction costs.

Our experience has shown that communicating electronically can lower costs and improve service.

Q & A

Q. *What is electronic communication?*

A. Sending and receiving basic business transactions electronically with business partners. Some of these transaction sets are purchase orders, confirmations, advance ship notifications, invoices, pricing, item maintenance, and sales reporting.

Q. *What is the difference between receiving my sales reporting via EDI or via the Dot Expressway?*

A. With EDI, you automatically receive detailed sales information that you can integrate into your sales reporting system and create reports in your own customized formats. With the Dot Expressway, you manually download detailed sales information into a spreadsheet format that is e-mailed to you in Excel format which you can then modify to suit your needs.

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, consider outsourcing your EDI needs to a third-party provider or industry exchange. Dot Foods will provide a list of these third-party providers and exchanges if you are interested in researching this option.

Electronic *Communication*

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, brokers and buying groups. We send and receive basic business transactions electronically, including sales reporting, 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!

Getting started with EDI

There are two options to consider when you want to begin using EDI: (1) purchasing software to do EDI transactions in-house or (2) outsourcing your EDI needs.



Option 1: Purchase EDI Software

To get started with EDI, you'll 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.

Some suppliers use a back office system that offers an EDI module. This module can be purchased separately but usually includes integration with your software. Check with your back office software provider to find out what they offer – ask if their EDI translation software package would require you to handle integration on your 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 2 different methods: Value Added Network (VAN) 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 our VAN. VANs usually charge a monthly mailbox fee and a per-character fee on the data sent.

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). No VAN charges are incurred with AS2, but you'll require more technical support to troubleshoot communications issues.

Option 2: Outsource Your EDI Needs

If you are a small to mid-size company with limited technical resources, it may make sense for you to outsource your EDI needs. There are two ways to outsource EDI: (1) to a third-party provider or (2) to an industry exchange.

THIRD-PARTY PROVIDERS

Third-party providers are an easy alternative to purchasing EDI software yourself. Dot Foods simply sends our outbound documents such as sales reporting or purchase orders to the provider via EDI. The third-party provider then translates the data into a format you can use.

For example, if we were sending sales reporting, we would send it to your third-party provider via EDI. The provider would then post it in your inbox on the provider's website. You could then open and view the sales data, or archive it for creating weekly or monthly recaps. The provider could also provide this data to you in other formats (such as a flat file or PC file) that you could then modify or feed into your back office systems.

If we sent you a purchase order, you could open the PO on the provider's website. You could then modify it to send us back the confirmation, advance ship notice and invoice -- all in EDI format.

Additional benefits of third-party providers:

- You can communicate electronically with Dot in as little as 1 week.
- You do not have to be EDI-capable to join.
- You do not have to hire technical support staff.
- Your costs will be low -- most providers require a one-time activation fee, low monthly maintenance fee, and possibly some transaction fees. These fees are less expensive than purchasing EDI software yourself.

INDUSTRY EXCHANGES

An industry exchange is similar to a third-party provider, except that exchanges are geared to the industry in which they are operating. They may also offer more value-added services. At the time of this printing, Dot Foods is not currently trading EDI documents with suppliers through industry exchanges, but it is likely to be an option down the road.



Electronic Business Transactions

Sales Reporting

You now have the option to receive sales reporting electronically via EDI or the Dot Expressway.

EDI - 867 - Product Transfer & Resale (Sales Reporting)

With EDI, you receive detailed sales data on a daily basis. The sales data can be integrated so it does not have to be manually entered -- increasing accuracy and improving cycle time. Use your existing report formats, or create customized formats that are more flexible than hard-copy reports. You can keep in touch with customers who are buying your products from Dot, and get details on the items they are purchasing.

Dot Expressway

You can easily download sales data from the Dot Expressway (www.dotfoods.com). Our system allows you to run detailed sales reports showing customers' purchases during the date range you specify. The sales reports are e-mailed directly to you within minutes and are in Excel format so the format can easily be modified to suit your needs.

Data Synchronization

Data synchronization is the automated exchange of product information (such as product ID, description, color and dimensions) between you and customers. Data synchronization helps trading partners reduce errors involved in pricing, purchase orders, product delivery and scanning.

As product data changes, new information can be communicated quickly and accurately in a standardized format. Additionally, data synchronization can help you take new products to market faster, and help you and customers locate one another quickly, regardless of location.

Currently, Dot Foods offers you one method of communicating price and item information electronically: via EDI using the 879 Price and 888 item maintenance transaction sets. The benefit to you in sending this information via EDI is that you can set

up an automatic process to pull the information from your item and pricing files versus communicating this information manually.

However, if you are not EDI-capable or do not support the 879 and 888 transaction sets, there will soon be another method of communicating price and item data to Dot Foods. This method will be in the form of a template in .csv file format that you can fill out and return to Dot. The file will then be automatically uploaded into our system files.

Another means of doing data synchronization is through data pools. Data pools act as a repository for item and price information. You send item/price data to the data pool; customers go to the data pool to retrieve that information. Dot Foods is not currently a member of a data pool, but may join one in the future.

Order Cycle Transactions

You can trade other electronic documents with Dot Foods via EDI: purchase orders, purchase order acknowledgments (confirmations), advance ship notices and invoices. Here are the transaction sets available:

850/875 – Purchase Order

Sends Dot orders to you electronically. If integrated, this reduces your labor costs, improves accuracy, and reduces cycle time.

855 – PO Acknowledgment (Confirmation)

Eliminates manual notification of pricing discrepancies and quantity adjustments. Pricing discrepancies are identified early in the process, translating to fewer deductions. Also provides early notification of unfilled orders.

856 – Advance Ship Notice (ASN)

Eliminates manual notification of shortages and product weights on variable weight items.

810/880 – Invoice

Eliminates mail delays, ensuring timely receipt of invoices.

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Delivering supply chain solutions to the food industrySM