NewEDI

Don't Get Fleeced: Four EDI VAN Fees You Should Never Pay

Mini-eBook

TABLE OF CONTENTS

Overview

EDI VANs have been around for more than four decades and are now as ubiquitous as the Internet and cell phones. As technology has matured and competition has increased, though, EDI VAN providers have found it harder to charge high prices for standard services. In response, they have added fees and surcharges.

Look no further than the airlines for an example of this practice gone wild. You may pay next to nothing for a plane ticket but you'll be hit a variety of fees that can easily double your cost.

The same thing has happened with EDI VAN pricing. Many providers advertise low rates but they stick on fees for everything from adding a trading partner to failing to meet minimum volume. Taken individually, these charges don't seem too bad; together they can blow up your bill.

In this e-book, we identify and explain the four most common add-on fees and why you should never pay them.

Trading Partner Fees

If your business is growing, chances are you'll be adding trading partners. Each trading partner has unique EDI requirements, including the kinds of documents it can process and the specific way documents must be formatted.

Some EDI VAN providers charge a service fee every time you add a partner, even if that partner is already a member of your provider's VAN. Then you may be hit with a trading partner setup fee. And if the partner is not a member of your provider's network, there will be an additional 'interconnect' fee (more about that on the next page).

Finally, you may pay a fee (or several!) to drop a partner. While individual charges may not be high, together they could result in sticker shock when you get your monthly bill.

NewEDI does not charge to add or delete trading partners; in fact we have a seamless do-it-yourself option that enables you to make changes in less than five minutes.

Don't pay extra every time you want to add a new partner.

Interconnect Fees

If you're sending and receiving documents from trading partners who are already connected to your EDI VAN provider's network, great. If they're members of another VAN, your own VAN will communicate with the other network using what's called an 'interconnect.'

Most VANs add a surcharge to your bill for each interconnect, and you may not even realize it. There are typically two kinds of recurring interconnect fees:

• **Per document** – expect to pay around .20-.25 per document transmitted to a trading partner on another   network.
• **Per kilo-character** – in addition to a per-document fee, some providers add on a per-kilo-character surcharge for outgoing transmissions (characters sent, not received).

In addition to charging for individual trading partner interconnects, some providers also bill you for adding or deleting the interconnected VAN itself. We've also seen some VANs add more fees if the interconnected VAN has unusual communications requirements.

NewEDI has a relationship with all the major VANs, which means you'll pay ZERO in interconnect fees.

Overage Fees

Cell phone providers found out quickly that there's a lot of money to be made from overage fees. We've all heard stories about customers who 'roamed' outside their normal coverage areas or let their children watch videos on their cell phone, only to see huge voice or data overage charges on their next bill.

Common sense says that there's no such thing as a free lunch, so you'll find that most (if not all) EDI VAN providers charge for overages. Those who don't are probably making their profit from a higher-than-average per-kilo-character charge, so it's important to truly understand your monthly EDI VAN bill.

Tired of paying those huge overages? NewEDI offers economical, cost-effective tiered pricing so you can choose the plan that works best for you. **We guarantee that overage charges will never exceed $.04 per kilo- character.**

Setup Fees

One of the factors that makes EDI VAN out of reach for many small- and medium-sized businesses is the initial setup charge, which can be expensive. We've seen fees ranging from $500 to $3,000 or more to set up a small business with 1-5 trading partners and fewer than 20 transactions per month. For medium-sized companies, the initial setup can run from $10,000-20,000 for up to 15 trading partners and less than 200 monthly transactions.

Why does it cost so much to get started with EDI VAN? The truth is, it doesn't. Most Tier 1 EDI VAN providers have an expensive legacy infrastructure that requires them to cover high operating costs. They're passing that along to their customers.

We don't have that problem at NewEDI. Not only do we not charge you a setup fee, we assign you a dedicated migration specialist to work with you through the entire process.

Why Pay More?

With EDI VAN service, it's sometimes hard to know what you're really paying. At NewEDI, we make everything simple and affordable, from setup to support.

As a consolidator of world-class EDI VAN service, we offer high-quality Tier 1 solutions with no hidden fees, long-term contracts or surcharges. Our EDI solutions are flexible and scalable to meet your needs, from entry level to a full e-commerce solution, with:

- **Secure and reliable communication protocols and infrastructure**
- **99.99% up-time**
- **Secure AS2, FTP and sFTP connectivity**
- **Fully managed implementation service and 24×7 support**
- **No long-term contract**
- **No penalties for canceling**
- **Unlimited volume, trading partners**
- **No setup fees**
- **No charge to add or delete trading partners; no trading partner setup fees**
- **No interconnect fees**
- **Low overage fees**
- **Dedicated migration specialist**

NewEDI

Don't get fleeced by added fees. If you're paying too much for EDI VAN service, let NewEDI show you a better way.

Contact NewEDI Today:

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