Cloud and EDI – The Ideal IT Mélange

Yes, cloud computing is a great “mélange” (mix) with EDI;

We know what EDI is, so what is ”cloud computing”?

From Wikipedia, the free encyclopedia:
“Cloud computing is Web-based processing, whereby shared resources, software, and information are provided to computers and other devices (such as smart phones) on demand over the Internet”.

WOW! An on-demand, cloud computing model for EDI/B2B, removes the limitations of IT budgets, IT staffing, EDI expertise and EDI systems. It is a pay-as-you-need-it concept. It takes the system from the in-house business and makes it just a hook-up, not another IT project.

The term "cloud" is used as a “symbol” for the Internet. You remember the “cloud” drawing used to represent the Internet in computer network diagrams? Cloud computing providers deliver common business applications online that are accessed from another Web service or software like a Web browser, while the software and data are stored on servers.

Cloud computing becomes important when you think about what IT always needs: a way to increase capacity or add capabilities on the fly without investing in new infrastructure, training new personnel, or licensing new software. Cloud computing encompasses any subscription-based or pay-per-use service that, in real time over the Internet, extends IT's existing capabilities.

Cloud computing is in a growth mode, with numerous providers delivering a menu of cloud-based services, from full-blown applications to storage services to spam filtering. Utility-style infrastructure providers are part of the menu, but so are SaaS (Software as a Service) providers such as Salesforce.com. Today, for the most part, IT must plug into cloud-based services individually, but cloud computing aggregators and integrators are already emerging.

Many of us have scratched our heads and thought; what is so different from in-place concepts like outsourcing, Web site hosting, and browser-based applications, and even ASPs (Application Service Providers)?

Let's make a list of cloud computing attributes:

VIRTUAL: IT resources in the cloud can be assembled with drag-and-drop ease. Cloud service providers let you assemble software, Web servers, operating systems, storage, and networking, then manage them as virtual servers.

SHARED: To achieve economy of scale, service providers process multiple customers onto the same physical machines. This is unlike outsourcing and hosted data centers.

SIMPLE. Most cloud services providers let you sign up and configure resources in a few minutes, using an interface (like a “dashboard”) that you don't have to be a system administrator to understand.

WEB BASED: It is all about browser access to hosted data and resources.

OFF-SITE: You are accessing IT resources that are in a data center that's not your own. That means you don't buy the servers and storage, someone else does.

SUBSCRIPTION STYLE: Usually month-to-month deals, often payable by credit card, rather than annual contacts where everybody always seems to be paying a different price.

ON DEMAND: In the cloud, you can add and subtract resources, including number and type of processors, amount of memory, network bandwidth, gigabytes of storage. You ramp up when you need more, and ramp down when you need less.

I love to study history. Well over a hundred years ago, electricity first began to be used in manufacturing. Factories built their own electrical generating power plants. Then utilities became available on the street. Factories connected to the service as it was an ideal "shared service" and the costs of building, operating and maintaining the infrastructure could be shared by the community.

Now, the $64 question: anybody in the EDI world using it? Yes: suppliers, customers and vendors.

Babelway is a start-up that is doing B2B Integration on a cloud-based infrastructure (and they are betting that there is a market for companies that need to exchange all kind of electronic data and that don’t want to handle the infrastructure and know all the file formats). They think that customers still want to know what’s happening (and not get just a black box from their EDI provider). So they have a web interface showing the messages that went through the communication channels and a visual mapping tool (you can do your mapping visually with a drag-on-drop tool directly from your browser) to set up your communication channels. They have even convinced some big names with their solution: Carrefour, the Sears + Wal*Mart of Europe.

For a long time, well before “Cloud” was in vogue, we expected any managed services provider to include certain communications services such as HTTP, FTP, SMTP, etc. For some reason, X12.56 has been walled off from the services we have come to consider as essential and included by default with our purchase of services. Since the routing of EDI messages is administered by electronic commerce services providers (VANs, internet commerce hubs), we have some routes that simply require :interconnects’, explicit agreements between VANs or ECSPs to get x12 or EDIFACT messages to and from trading partners. Loren Data Corp operates a hosted routing cluster for EDI messages that provides just such a service. For SaaS and PaaS (Platform as a Service) vendors, they offer ECGridOS, a web services API that grants X12.56 routing and account authority to client platforms. These services are available through other providers such as JWH EDI Services.