ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT
Centre for the Facilitation of Procedures and Practices for Administration, Commerce and Transport (CEFACT)
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REPORT FROM THE AD HOC WORKING GROUP ON SIMPL-EDI AND FORMS AND WEB-BASED EDI (SIMAC)

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Submitted by the Chair of SIMAC*

This document contains an interim report to the CEFAC'T Plenary on the activities of SIMAC. It is for information and noting.

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GE.98-
Introduction

1. In accordance with the decision taken during the third session of the United Nations Centre for Facilitation of Procedures and Practices for Administration, Commerce and Transport (UN/CEFACT), an ad hoc group was established with a lifespan of no more than 12 months, which would make proposals to UN/CEFACT on how to make progress on the issues of SIMPL-EDI and specifications for a harmonised Electronic Form in support of international trade facilitation in order to identify the common ground and possible work items for progression by UN/CEFACT and its working groups.

2. In the Terms of Reference of the SIMPL-EDI ad hoc group (SIMAC group) approved by the UN/CEFACT Steering Group at its meeting of June 15-18, the deliverables were stated as follows: an interim report shall be produced by the end of August 1998 and a final report by the end of 1998. The reports shall also be made available to the Plenary and to the working groups.

3. The scope of the work as defined by UN/CEFACT was for the group to consider and recommend how SIMPL-EDI and its related work items can be efficiently and effectively developed within UN/CEFACT’s structure. In addition, the group was asked to detail the deliverables and time scales (taking existing work-programme items of the working groups into account). Work program items might include recommendations for best practice, the interface with Internet technologies such as dynamic HTML, Java, and XML and the relationship of SIMPL-EDI messages, forms and other Electronic Commerce developments with more effective trading and administrative processes.

Procedures

4. In line with TRADE/R.650, paragraph 64, the ad hoc working group has lodged its procedures with the UN/ECE secretariat.

Working group activities

1. The SIMAC ad hoc group held its first session in Geneva on 19-20 June 1998, under the chairmanship of Mr. Alexander de Lijster (Netherlands). The list of participants is attached as Annex I to the current report.

2. The agenda items (document SIMAC / 98N001) were discussed after approval of the agenda.

3. The terms of reference were discussed whereby the members of the group indicated that it should be very clear and that it is extremely important that the work is done within the boundaries of the existing UN/EDIFACT standards and maintenance process. The emphasis should, however, be on the simplest possible solutions in line with best business practice.

4. Mr A. Whittaker was elected as the Vice Chair by the group.

5. Document TRADE/CEFACT/1998/4 SIMPL-EDI summary document was discussed and it was indicated that the full document would be made available electronically for all members of the group to enable comments and remarks in between the sessions. It was stated that SIMPL-EDI is not intended for all businesses, but applies the 80/20 rule, companies willing to review and simplify their processes will be able to use SIMPL-EDI for 80% of their transactions automatically. A suggestion was made to use a bottom-up
approach to cater for the various requirements, this will need to be further discussed. The intention, however, is to first serve a clearly defined business scenario with the most simple solution to cater for a further integration and aligning of processes and information in a global environment. One of the fundamental obstacles mentioned was successful data alignment and establishment of master databases such as electronic catalogues. The concept of master data and a logistical approach was seen as being key to the success. For the application of SIMPL-EDI it was stated that this concept is not going to replace UN/EDIFACT but will look at core subsets for parties with simplified clear processes.

EAN International will make available to the group the outcome of a project on data required to populate catalogues and master databases. It was suggested that the recommended business approach could be: clean the data, simplify business scenarios, define core data. The separate work items should contain subjects such as: examine the need for the definition of a minimum subset, examine the need for the multi-functional use of messages, develop recommendations and scenarios for the exchange of master data and the simplification of business practices. The use of the EAN numbering system was discussed and it was decided that whilst the EAN numbering was unique and unambiguous, which was seen as a key requirement for a virtual enterprise, users would decide which coding system is applicable for their specific environment. The choice should be made with maximum benefit throughout the supply chain in mind.

The various work items will be in the work plan.

6. UN CEFACT/1998/CRP.16 was reviewed and it was understood that some work had already been done on using the UNLK (Recommendation 1) as a basis for specification for a harmonised electronic form (E-form), especially in relation to the UNTDED. Information about this work will be distributed to the SIMAC working group.

7. There remains a huge need for all parties involved to clearly understand the various issues and to identify the respective challenges. To cater for this need the group has provided a descriptive list with some definitions and an indication of the various relationships between the terms used. This list is attached as Annex II to the current report. The Electronic commerce ad hoc group is asked to insert the word "standardisation" in their definition of EC and also to add ‘automated data capture using bar-code methodology’ in the parentheses.

8. XML/EDI: the group was informed about the developments around this initiative. The areas which should be of concern to the group are strategic issues such as the need for a global repository in line with simplified business processes. It was indicated that ISO in its ISO BSR project is currently working on a global repository. There is also a request in the US from X12 to the XML group to do research and to come back to the X12 Steering Committee. A decision concerning XML/EDI has not yet been taken by X12. It was seen as very important that any repository should take into account the work already done in the UN/EDIFACT environment. As there are definite aspects of ownership, e.g. UN/EDIFACT directories, it is important to sort things out. The key issue is again simpler processes steered by a well-defined information flow. It was indicated that there exists an apparent urgency for action to prevent proliferation. It was decided that a clear problem statement should be drafted and that the group would recommend to UN/CEFACT to make a statement -in a certain time frame- regarding the need for further global alignment of data reducing the danger of a proliferation of proprietary repositories. UN/EDIFACT directories are seen in this context as being a prerequisite. It was agreed that whilst XML/EDI is one of a number of technologies available for SIMPL-EDI, the work of the SIMAC group should focus primarily on ratifying the concept of SIMPL-EDI, making the necessary recommendations for endorsement by the group, and then
examine how to implement the concept using existing applications and future technologies such as XML/EDI.

9. The first draft of the working programme has been made. It was pointed out that this was a living document which would be updated in the course of the work and can be found in TRADE/CEFACT/1998/25/Add.1.

10. During the various discussions it was emphasised that the work of the group and of UN/CEFACT, as well as their respective products, needs to be marketed in a correct and efficient way to advance international (global) recognition and support.

11. The need to work in between sessions using the dedicated server was emphasised to enable the group to deal with the very tight time frame set.

12. The next meeting will be on the 18th and 19th of September 1998 in the Palais des Nations in Geneva.

The Chair would like to thank all delegations for their expertise and valuable input.
Annex I

Ad hoc working group on SIMPL-EDI and forms and web-based EDI (SIMAC)

Attendance: meeting of 19-20 June 1998

Chair
Alex De Lijster P&O Nedlloyd

Vice Chair
Andy Whittaker ANA UK

Attendees
Mike Adcock APACS
Dennis Hill ISO
Christian Lenoir GENCOD EAN France
Slavcho Manolov EDIBUL Bulgaria
Irene Navarro US DOD/DISA/CFS
Gerry Owens EAN International
Carsten Pedersen Danish EDI-Council
Nail Pekgor Representative of Turkey
Sue Probert EDS
Dick Raman EDI-TIE
Anton J. Said METCO Malta
Herbert E. Thomas EDI Austria
Nick Wadsley Nestle

In Attendance
Jean Kubler

Apologies
Ray Battersby, Peter Blanchard, David Dobbing, Barry Keogh, David Marsh, Klaus Naujok, Emile Peters, Arie van Bellen.
Annex II

Ad hoc working group on SIMPL-EDI and forms and web-based EDI (SIMAC)

Definitions and developments

Electronic business, Electronic commerce, Simpl EDI, Lite EDI, XML/EDI and Web-EDI

Value Chain Management Definition

Maximising total performance and added value across an entire process by reviewing each internal and external operation, and the links between these operations. The process will be reviewed in a systematic and standard way in order to optimise speed, certainty, and cost effectiveness for the parties involved. The process review can be achieved through established procedures and existing techniques such as value chain analysis and activity based costing.

Supply Chain Definition

A sequence of events, which may include conversion, movement or placement, which adds value

Simplification Toolkit

Collection of tools to enable simplified implementations of structured electronic commerce techniques such as, electronic data interchange, electronic funds transfer, automatic data capture, barcode technology and unique product identification schemes.

Electronic Commerce

The definition as agreed in the CEFACT ad hoc group for Electronic Commerce:

“Electronic Commerce is doing business electronically. This includes the sharing of unstructured or structured business information by any electronic means (such as electronic mail or messaging, World Wide Web technology, electronic bulletin boards, smart cards, electronic funds transfers, and electronic data interchange) among suppliers, customers, governmental bodies and other partners in order to conduct and execute transactions in business, administrative and consumer activities.”
Figure 1

BUSINESS PROCESS (Full Functionality)  ---  BUSINESS DATA

| TRADITIONAL EDI (Full Functionality) |

SIMPLE BUSINESS PROCESS  ---  CORE BUSINESS DATA

VALUE CHAIN

SIMPLIFICATION TOOL KIT

| WEB-EDI |
| SIMPL-EDI * |
| LITE EDI |
| XML-EDI |

Other initiatives

SIMPLE ELECTRONIC BUSINESS
Simple Electronic Business (SEB) Definition

Simple Electronic Business is the application of simplified business processes, using core application data, and new and existing standardised techniques which support paperless and efficient operations. Simple electronic business encompasses existing approaches such as Simpl-EDI, Lite-EDI, WEB-EDI, providing a comprehensive set of tools to support companies of all sizes.

Tools and initiatives to support electronic business include techniques such as:

- Use of core application data
- master data exchange
- master data alignment
- forms based interfaces
- business scenarios and modelling
- unique numbering and identification
- automatic data capture techniques
- application integration
- best business practice recommendations
- UN/EDIFACT
- Value Chain analysis
- security

Other tools will be added as required.

Simpl-EDI

Simple Electronic Business defines simplest processes and their required core data allowing the exchange of the minimum data to effect a business transaction electronically.

Simpl-EDI is a set of EDI messages that have been defined from the requirements of simplified basic business processes, and the core data to support the processes.

Simpl-EDI allows the linking of improved processes and procedures, organised with the maximum use of simple standard procedures and standard EDI with the maximum use of applicable coding systems and standard IT systems.

The underlying principles are:
- application to application processing
- no manual intervention
- prior exchange of master data
- data alignment
- adoption of 80/20 rule i.e. 20% of the data to enable 80% of the business transactions automatically, with exceptions handled manually
- simple processes
- simple to understand and to use
EBES/EWOS Lite EDI

The EBES / EWOS documented description of Lite EDI is a framework for Electronic Commerce solutions with a focus on small and medium enterprises.

It deals with issues such as
- interoperability
- simplicity
- robust security
- robust reliability

It is based on current technologies, not re-engineering, often based on forms mostly Internet and relies on best practice more than formal standards.

Web EDI / Forms EDI

At this moment there are quite a few developments using the image of a document sometimes based on the UN Layout key to generate information via the Internet translating this information into EDI messages to be entered into the required computer application.

Electronic Commerce XML/EDI

The interchange of data of EDIFACT messages between SME’s and their business partners using XML (Extensible Markup Language) document type definitions for a sequence of related messages covering a number of predefined business processes.

XML is a subset of SGML (ISO 8879) which covers the function of HTML. The reference web site address is [http://www.geocities.com/WallStreet/Floor/5815/](http://www.geocities.com/WallStreet/Floor/5815/)

Object-oriented Approach

The development of classes of business objects may support and have an impact on the development of EDI and its standards. A business object is a true representation of a tangible concept stemming from real business usage.

Directly involved CEFACT Working Groups:

Business Analyses Working Group

Analysing and understanding the key elements of international transactions and working for the elimination of constraints.
Techniques and Methodologies Group

To research and identify techniques and methodologies which could be utilised by CEFACT and its working groups to enhance the process by which its deliverables are produced and integrated.

EDIFACT Working Group

To develop and maintain UN/EDIFACT, the support of harmonised implementations and the use of multilingual terminology.

Electronic Commerce Ad Hoc Working Group

To analyse the applicability of the CEFACT work programme to the Electronic Commerce environment and to identify areas of contributions by CEFACT.

Codes Working Group

To oversee the development, maintenance and use of a coherent set of procedures and underlying processes to govern the production, quality control and publication of CEFACT code sets and code structures.

International Trade Procedures Working Group

To undertake trade procedures work by means of identifying best practice in private and public sector international trade procedures and make them as far as possible into an example for other existing procedures.