

XML Vs. EDI

The first initiative to solve this problem was a standard called *Electronic Data Interchange*, or EDI. While the goals of EDI were lofty, the implementation was less than perfect. For many companies, implementing EDI in their processes was not something that yielded much in the way of results. The same issues of differences in hardware and software still existed. Differences in data representation between organizations was another major hurdle. Having a standard for content modeling that could be interrogated by software was not part of the EDI model. This required that the software that would use the EDI output would have to understand its content model inherently. Each company had one or more content models that it would create for different things (e.g. purchase orders, proposals, etc.) . Things got real complicated real fast. A good analogy is that of the telephone. The problem with EDI was that each company that wanted to talk to each other had to reinvent the telephone for each type of discussion they wanted to have. Needless to say, EDI was not the panacea that many envisioned it to be.

XML addresses these issues in the way that it was designed. It is platform independent, it is structured, and it has a mechanism for strict content modeling that can be interrogated by any software using a standard XML processor. The result is that companies can communicate with each other using XML and engage in business to business e-commerce without having to worry about hardware and software platform issues, or content modeling issues.

Many large organizations are now using XML for such things as requests for proposals, purchase orders and transaction records to name a few. Since XML is designed for use with Internet protocols, the Internet has become the medium for transferring this XML data back and forth. The Internet is becoming the ideal place to do business to business e-commerce.