

3. Value Added Network Services

3.1 Introduction

Value-Added Networks (VANs) are, first and foremost, communications systems that exist primarily to deliver EDI messages; they perform an important role in making EDI easy and cost-effective to implement and operate. In almost all cases, the use of a VAN reduces EDI start-up costs and creates a more favourable environment in which to establish trading partnerships.

3.2 What Services Do VANs Provide?

When explaining VANs, it is useful to compare EDIs that operate both with and without a VAN. EDI without a VAN is normally called *direct connect* or *point-to-point*. Within such a system, direct communication connections are required between all trading partners (**Figure 2**). To send a series of EDI messages, the following communications would occur:

1. Trading Partner A's computer prepares many EDI messages destined for Trading Partners B and C.
2. A's computer then calls Trading Partner B's computer, using the public long distance telephone or common carrier network, and transmits the EDI messages destined for B's computer, which must be available to receive incoming calls. Moreover, the computer communication systems of A and B must be compatible.
3. A's computer then calls Trading Partner C's computer, using the public long distance telephone network and transmits the EDI messages destined for C's computer, which must be available to receive incoming calls. Again, the computer communication systems of A and C must be compatible.
4. The entire process works in reverse when either B or C send messages to A.