

Getting More Bang for Your Bucks

Freight transportation networks within the United States move billions of tons of goods, worth trillions of dollars. The carriers who move these goods often issue lengthy, complicated, and confusing bills for their services. To ensure shippers pay those freight bills on time—the amount they owe, but no more—many turn to third-party freight bill audit and payment service providers. Here's a look at the benefits, and some of the leading providers in the segment.



Getting More Bang for Your Bucks

“Freight bills are not straightforward,” notes Nicholas Fisher, director of sales with AR Traffic Consultants, a New York-based provider of advanced transportation management software and third-party logistics. “Like in the airline industry, no two shippers pay the same price.”

Two companies shipping the same commodity from the same city, at the same weight, using the same carrier, and going to the same destination can pay different amounts. The variances arise from differences in the overall volume each shipper provides a carrier, their negotiating abilities, and the accessorial charges assessed, among other factors.

Not only do rates vary between companies, but many rates change regularly. Most carriers modify their rate base annually. They also adjust rates, sometimes weekly, as fuel costs rise or fall.

Assessing Accessorials

Accessorial charges can be particularly difficult to research and check, as they often aren’t known until after a shipment is completed. Say a carrier arrives at a facility ready to unload, but no personnel are available to accept the load and the carrier must return the next day. Many carriers charge for the additional time and work.

In addition to checking that bills are accurate, a growing number of shippers rely on freight pay firms to help analyze freight spend, with an eye toward reducing costs and optimizing the supply chain.

“Years ago, good audit savings were sufficient,” says Keith Snaveley, senior vice president, global sales at nVision Global Technology Solutions, Inc., a global freight bill audit and payment provider based in McDonough, Georgia. While audit savings remain important, the focus has shifted to using

the data for business intelligence.

After all, providers of freight audit and payment services already capture information such as the cargo volume each shipper sends to different locations and the transportation modes they use to get it there. By examining and analyzing this data, freight audit and payment providers can help shippers streamline transportation and cut costs.

“The goal is to gain insight that can create a competitive advantage,” says Shannon Vaillancourt, president of RateLinx, a Madison, Wisconsin-based provider of customized shipping and

While audit savings remain important, the focus has shifted to using data for business intelligence.

logistics management software tools and consulting.

While shippers have long been interested in analyzing and optimizing freight spend, several factors make this exercise even more critical now. One is the pace of change.

“For many shippers, changes result from e-commerce and omnichannel,” says Chris Connell, CEO of Memphis-based Veraction, which provides transportation spend management solutions. “But change is spinning faster now than ever before.”

Most shippers are looking for better ways to control transportation costs. “Supply chains are longer, and lead times are shorter,” Connell says. The result? Freight costs account for an increasing portion of overall expenses.

Moreover, a growing number of shippers—most notably in retail—must move their goods not just to stores, but directly to consumers. These shipments

typically travel by parcel, which is significantly more expensive than bulk freight.

“Our customers are looking for a way to avoid an unfavorable hit to the bottom line,” says Rick Erickson, global director of freight payment solutions with Minneapolis-based U.S. Bank. “They are turning to their freight payment process to unlock working capital either through improved operational efficiencies or improved cash flow.”

To add further complexity, many consumers expect their purchases to ship for free. “With free shipping, companies need a pulse on what’s happening with their transportation spend. It means the difference between making money or not,” says Harold Freidman, senior vice president, global corporate development with Data2Logistics, a Fort Myers, Florida-based provider of supply chain logistics, cost management, and freight payment services.

Along with these changes, transportation capacity is tightening, which is also driving up costs. “The old strategy of yelling at your carrier to lower rates doesn’t work anymore,” Vaillancourt says. Instead, companies need to use data and gain visibility to the strategies that will unlock savings.

Going Global

Until recently, it was primarily companies in North America that had access to and interest in freight spend data. Now, a growing number of companies around the world are interested in using this information to optimize their supply chains.

Moreover, no matter where they’re located, more companies expect to be able to analyze freight spend across all modes and regions of the world. “They’re able to leverage the data to make better business decisions,” says David Wedekind, senior director,

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global operations for enVista, a global supply chain consulting and IT services firm with global headquarters in Indianapolis, and EMEA headquarters in Liverpool, UK.

Companies that provide these services need to understand and handle differences between regions and countries. "There's a wide disparity between what constitutes a valid audit in the United States and Europe, and by country in Asia and Latin America," notes Alan Chute, senior vice president, solution design with Trax Technologies, a global logistics and freight audit and payment firm based in Scottsdale, Arizona.

Taxing Differences

The differences often derive from tax regulations. For instance, in Europe, companies typically can't adjust an invoice without getting a credit note from the invoice provider. "The tax authorities want the amounts on both buyers' and sellers' books to be consistent," Chute says. The added scrutiny reflects the fact that transportation is subject to a valued-added tax (VAT) across much of Europe.

Reconciling the documents often requires deeper manual processes than might be required stateside. "It goes beyond just determining if charges have been billed correctly," Chute adds.

Shippers looking for experts who can audit, analyze, and process their freight bills can turn to a range of firms, including these leaders.

A3 Freight Payment

A3 Freight Payment provides managed, customized freight payment solutions to large-volume shippers. "We focus on shippers spending at least \$20 million to \$30 million on freight annually, with complex processing requirements," says Ross Harris, CEO. They typically seek a high degree of customization, exceptional customer service, reliable processing, and minimum resource involvement in managing their solution.

One key to serving these companies is A3's Resolve application, which



"You can't do everything well. We decided to focus on freight invoice process and payment."

Ross Harris, CEO, A3 Freight Payment

combines both technology and processes to efficiently handle exceptions. It brings together customers, carriers, and A3's professional staff to propose adjustments and find the root cause of exceptions, minimizing the likelihood they'll recur.

Harris compares that to the traditional exception handling model. Say a carrier submits a bill for \$1,000. The shipper thinks the bill should be \$900 and sends that amount, along with an explanation. The result often is an endless loop of balance due notices. "It muddies the data and causes consternation with the carriers," he says.

The Resolve solution requires reengineering the process flow, and that can meet with resistance, Harris notes. However, it also eliminates balance and past due invoices, and enables the parties to correct errors proactively by identifying the root cause and working within a closed loop process.

Fire Prevention

Another point of differentiation is A3's use of dedicated account management teams. "We don't have a customer service or carrier service department," Harris says. Any issues are handled by

the account management team, which has an incentive and the resources to identify and address the cause of problems. "Customer service departments can be terrific fire fighters," Harris says. "However, we want folks to own the building, so the fire doesn't break out."

While A3 can provide consulting services, it focuses on supplying customers with the data and tools they can use to gain insight that informs their decisions. "You can't do everything well," Harris says. "We decided to focus on freight invoice process and payment."

At the same time, A3 continues to evolve its business. Currently, it is working with a major appliance manufacturer that has begun delivering and installing its products itself, bypassing retailers and other middlemen.

Corporate management needs to know, for instance, if the appliance was installed, if overtime was required, and any reasons an appliance wasn't installed. "That information is critical in the last-mile space," Harris says.

AR Traffic Consultants

AR Traffic Consultants has been providing advanced transportation logistics software and third-party logistics services since 1964. Over the past 50 years, the desire to control the cost of moving product from Point A to Point B hasn't changed, even as many other aspects of the industry have, says Nicholas Fisher, director of sales.

"Our customers are constantly looking for more power at their fingertips and more functionality from our web portals," Fisher says. They want one source that generates reports and provides graphical representations of their data. They also want benchmarking information and comparative analytics.

AR can provide this. Its cloud-based portal offers a menu of standard reports and allows companies to build their own. "And, we have the tools and broad customer base to allow clients to quickly benchmark with similar companies," Fisher says. Clients can leverage this information to negotiate better rates.

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One ongoing debate in the freight payment sector centers on the relative advantages of managing transportation in house versus outsourcing it to a 3PL who might be expected to negotiate better freight rates.

In Fisher's experience, the value of using a 3PL to negotiate is most pronounced with companies that have less than \$50 million in annual sales. "Mid-sized or large companies do just as well negotiating rates with their own carriers," he notes.

When it does its own negotiations, a company can leverage the information contained in its freight bills, including shipment origins and destinations, volume, and the products being moved. AR Traffic can aggregate this information so companies can analyze overall shipment volume and freight spend, and average weight per shipment.

AR Traffic helps companies negotiate freight rates without directing them to specific carriers. "We don't own contracts with certain carriers," Fisher says. "This enables customers to get the best deal they can."

"Freight bills are so complicated, a whole industry has grown up to help companies manage them."

Nicholas Fisher, Director of Sales
AR Traffic Consultants

Catching, Resolving Errors

AR Traffic also audits freight bills. Carriers typically misbill an average of 1 to 2 percent on outbound shipments, and 2 to 4 percent on inbound, Fisher says. The reason for the difference? Typically, the shipper has more control over outbound shipments. When a company pays for inbound shipments, it rarely controls, for instance, when a truck is loaded or what's loaded on it.

Some carriers inadvertently issue duplicate bills, which typically happens when a shipper lags in paying a bill, and the carrier issues another. AR Traffic can watch for and resolve this.

Cass Information Systems

Cass Information Systems started in the 1950s as an extension of a financial institution. Today, Cass Commercial Bank is a wholly owned subsidiary of Cass Information Systems.

"As part of a financial institution that's publicly traded, we have greater oversight," says Travis Sumner, director of global sales and marketing with the St. Louis-based firm. Cass is subject to regulation and examination by the SEC, Nasdaq, the Federal Reserve Bank, and the Missouri Division of Finance regarding accounting standards and controls, disclosures, corporate governance, and safety and soundness.

The Business of Finance

Through its ownership of Cass Commercial Bank, Cass has the processing capability, operating systems, and financial integrity to safely and effectively manage the movement of funds from customers to their suppliers. Each year, for its Transportation Information Services business unit, Cass Information Systems makes payments totaling \$23 billion, covering 34 million invoices for more than 111 million parcel packages.

Over the past few years, Sumner has observed a growing interest in supply chain finance. "Shippers want to increase working capital," he says. While one way to accomplish this is by extending carrier payment terms, not all carriers will agree.

Cass works with shippers and carriers to design programs that enable shippers to keep their cash longer, while still allowing carriers to be paid quickly. Say a shipper wants to extend payment terms from 30 to 60 days. "Cass can leverage the shipper's credit to offer accelerated payments to carriers," Sumner says.

Once the carrier accepts the extension, it still has early access to the funds, at a discount rate based on the shipper's financials. Many shippers are larger and stronger than their carriers, which typically makes the discount rate more

attractive. "We leverage the shipper's credit rather than the carrier's credit," Sumner adds. "Shipper keep their cash longer and carriers still are paid earlier."

The growing number of e-commerce transactions also is impacting freight bills. More items are shipped in small packages, rather than truckload and LTL. Moreover, retailers and many manufacturers now ship more products directly to consumers. Cass works with clients to analyze the impact of shifting transportation modes.

When Cass begins working with a company, the implementation schedule can range from two to six months. During an implementation, Cass receives information on shipment activity (electronic files), contracts, rates, business rules, the reporting the customer wants, and their invoices.

Implementation can involve "a number of moving parts and constituents," Sumner says, and can require significant involvement of the accounting



"Cass works with shippers and carriers to design programs that enable shippers to keep their cash longer, while still allowing carriers to be paid quickly."

Travis Sumner, Director of
Global Sales and Marketing,
Cass Information Systems



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and finance departments, along with other areas.

Rather than force clients into predetermined reporting formats, Cass develops custom solutions. “We learn what frequency and format they want,” Sumner says. Once the solution launches, Cass and the client collaborate to manage the system and tweak business rules as the customer evolves.

CT Logistics

CT Logistics has one of the longest tenures in the freight bill audit and payment space—94 years, says President Allan J. Miner. Over that time, it expanded its core freight audit and payment service offerings to include broad-based TMS products, business intelligence, analytics, and supply chain software and solutions. It operates from offices in the United States, as well as England, Singapore, and Ukraine.

Because CT Logistics has worked with most carriers from around the world, its database already includes most of their

base tariffs. That streamlines the process for working with new clients. The Least Cost Rating (LCR) service allows clients to input shipment parameters, and based on the shipper’s agreements with carriers, offers options from lowest to highest cost, including transit times.

“CT’s value-added services provide a complete delivery system based on customized supply chain services,” Miner says. “Through CT’s Freight Under Management (FUM) service, clients realize immediate saving and increased supply chain efficiencies.”

CT also provides reports including high-level dashboards that enable clients to analyze their transportation spend in detail. The reports can include specific customized data so clients can analyze transportation expense by location, supplier, customer or region.

After a freight bill is paid, CT sends clients reports that allocate freight cost down to the SKU level and to specific general ledger accounts. Also, CT prepares a client’s bill of lading file, and provides an accrual of the expected

freight expense. These accounting services provide seamless, downstream allocation to client ERP systems.

CT’s professional services group works with clients to provide specific traffic management support with their carriers. “We can show which carriers provide best net pricing,” Miner says. The professional services staff also performs special studies, data modeling and analysis, benchmarking, and other projects. CT also provides loss and damage claim processing, in addition to routing and tendering solutions. “We act as a client’s traffic management department,” Miner says.

Taming Transportation Costs

An internally developed solution, CT LION—Logistics Intelligence Optimization Network—is a global supply chain modeling software that can cover multiple legs and transportation modes. If a company needs to ship cargo from China to Atlanta, CT LION can “knit together the solutions and show all potential multimodal routes



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"CT provides customized data reports to help companies analyze transportation expense by location, supplier, customer, or geographic region."

Allan Miner, President, CT Logistics

with their associated transit times and costs," Miner says.

CT also offers a group buying program, Transaver, that provides shippers premium freight discounts. "It's like Sam's Club for freight," Miner says. CT aggregates clients' freight spend to negotiate discounts for upfront cost savings.

CT Logistics is committed to keep growing and reinventing itself. "We're an IT company with a focus on logistics, freight management and audit, and TMS solutions," Miner says. "All these quivers allow us to be an effective short- and long-term partner with our clients."

CTSI-Global

CTSI-Global, based in Memphis, provides freight bill audit and payment, business intelligence, TMS, and supply chain consulting services. It processes more than 3 million transactions daily, and more than \$9 billion in freight annually.

Three themes dominate the freight bill industry today: technology, globalization, and visibility, says Ken Hazen, president and CEO. When CTSI-Global started 60 years ago, it housed paper copies of hundreds of thousands of tariff rules and used typewriters to complete claims. Now, CTSI-Global has 15 million rates filed electronically. The company can connect with almost any ERP or other supply chain or financial system. CTSI-Global's goal is to remain about 18 months ahead of its customers' technical capabilities.

Globalization also is changing the way CTSI-Global operates. Many conglomerates that operate in multiple countries manage freight on a decentralized basis. However, they see the value of a centralized database for shipping costs. "Many companies are charged for the same shipment in several countries," Hazen says. It's often a carrier oversight, but still boosts expenses. Moreover, if the companies only review freight payments by individual country, they're unlikely to notice the multiple payments.

\$100 Million in Savings

By working from a central database, shippers also can better negotiate rates. CTSI-Global worked with one client that cut its annual freight spend by \$100 million. How? "When you consolidate all your freight bills, you can do a global bid versus individual country bids," Hazen adds. A shipper is more likely to get better rates by showing carriers its total shipment volume.

At the same time, it's important for U.S.-based freight bill providers to maintain offices around the globe, Hazen says, noting that CTSI-Global has offices in Ireland, Singapore, and India. Together, CTSI-Global employees speak more than one dozen languages.

In addition, trying to make payments in a currency other than the local one, or to use non-local banks, can prompt delays and add costs. Payment is vulnerable to currency fluctuations, which can cost the shipper money. And when a payment is sent from, say, a U.S. bank to a corresponding bank in another part of the world, that bank often takes several

days to process it, and then charges a fee.

The visibility and business intelligence CTSI-Global offers also is critical. "Customers are looking for better controls," Hazen says. In addition to improving how they manage outbound shipping costs, some shippers are trying to get a better handle on vendor costs. "A lot of costs are often baked into the cost of materials," he adds.

CTSI-Global's clients typically have annual freight spend between \$10 million and \$1 billion. By using CTSI-Global's business intelligence software and negotiating rates, shippers can save up to 15 percent of freight spend. This is a result of their ability to better understand—and thus manage—freight. With CTSI-Global's systems, they can examine freight expense by transport mode, product, country, and many other factors. In addition, CTSI-Global's freight bill audit and payment services can help shippers cut 2 to 5 percent from their freight bills.

Data2Logistics

Each year, Data2Logistics, based in Fort Myers, Florida, processes hundreds of millions of freight bills, disburses billions of dollars in carrier payments, and offers a single source of visibility to actionable data.

In the more than five decades that Data2Logistics (D2L) has been working in the freight bill market, the focus has shifted from largely settlement services to audits, reporting, and information.

"Today, we focus on providing clients visibility and actionable information and insight so they can optimize their transportation network across the globe and all modes," says Harold B. Friedman, senior vice president, global corporate development.

For instance, D2L might create a map that starts at a Nevada warehouse and lists a client's product flows to different cities across North America, along with their frequency and tonnage, with alerts for variances in different categories, such as cost per pound.

D2L can easily create any type of reporting a client needs. If an auto manufacturer needs to see its freight

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Gartner Inc.'s
Market Guide for
Freight Audit and
Payment Providers,
2017

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costs categorized by VIN number, or a retailer needs this information by product category or store, D2L can do it.

Friedman uses six “A’s” to describe Data2Logistics’ services for shippers:

1. Aggregate information globally, while considering local customs and regulations, such as value-added taxes.
2. Analyze all modes of transportation.
3. Automate bill processing.
4. Audit to ensure bills are accurate.
5. Allocate transportation costs to the appropriate area or stock-keeping unit.
6. Provide Actionable analytics so shippers can make informed decisions.

To continue to offer the technology that will meet clients’ evolving needs, D2L invests 7.5 percent of revenue in technology each year, Friedman says.

Clients benefit in several ways. D2L can process freight bills at a fraction of the cost most companies incur when handling it themselves. In addition, clients typically save between 5 and 7 percent through the freight bill audit.

Finally, with the information D2L’s analytics and systems provide, shippers can negotiate better carrier agreements

and make more informed decisions.

To get started, D2L works with each shipper to understand how they manage transportation. For instance, it wants to know how shippers allocate freight costs, and the type of information they’re looking for. D2L establishes EDI connections with carriers to get much of the information it needs.

D2L monitors charges issued by carriers and alerts clients to the potential impact. For instance, it talked with clients about the introduction of minimum charges based on dimension, and surcharges for packages shipped during the holidays. “When changes occur, our antenna goes up and we report to clients the likely impact,” Friedman says.

“Companies come to D2L for help analyzing data, building RFPs, and other services,” he says. “We become an extension of their business.”

enVista

enVista audits more than \$6 billion in annual freight spend across approximately 300 customers. The company

also offers consulting and IT services from its offices in Indiana, the UK, and India, as well as several remote associates in the Asia-Pacific region. “This allows enVista to provide audit and payment services for our customers globally, yet manage requirements that are unique locally,” says David Wedekind, senior director, global operations.

For instance, more stringent data requirements often come into play outside the United States. “The EU General Data Protection Regulation is enacting increased controls on the flow of privacy data, including information that might be transmitted on an invoice,” Wedekind says. enVista and other providers must locally host data and boost controls around that hosting. The time frame during which enVista must retain documentation also varies by region.

enVista also tracks changes in VAT regulations and product classifications. “If we audit a bill, we have to understand the financial ramification of the regulations and classifications,” Wedekind says.

Along with hard savings from the

Starting Off Right

A freight bill audit and payment provider will require some information before beginning a relationship. To start, it will want the basics:

- Regions of the globe where you operate.
- Number of annual shipments, broken out by transportation mode and other criteria.
- Carrier and contract agreements.
- Business rules that will govern payment processing.
- Rules for cost allocations and reporting, as well as integration requirements.
- Number of systems that will feed data to the provider.
- Number of systems that the provider will feed data to.
- Annual number of invoices.
- Volume of shipments by mode, service level, region, and potentially by business unit.
- Whether your firm keeps freight as a separate line item.
- Whether you negotiate your own rates or use a third party.
- What ERP system you use.

Once the provider has a solid handle on your current freight function, most want to know:

■ Your strategic imperatives as they relate to transportation; that is, what you want to gain from the partnership.

■ Which services will best meet your business objectives: Is payment processing efficiency first on the agenda, or is audit or business intelligence?

Finally, the discussion should cover all the services to be provided, including audit, payment, and business intelligence. “The more information a prospective customer can give us, the better we can tailor our implementation approach,” says David Wedekind of enVista.

Alan Chute of Trax agrees. “All these components might drive different solutions that need to be integrated into the provider’s process.”

By identifying priorities, the provider can tailor the solution and implementation to deliver the value that’s most important to you. “Spending time upfront to cover these issues pays huge dividends,” says Veraction’s Chris Connell.

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“Soft savings from the audit process include correcting process deficiencies or gaining visibility to data.”

David Wedekind, Senior Director,
Global Operations, at enVista

audit process, soft savings from, for instance, correcting process deficiencies or gaining visibility to data and making better informed business decisions, are key. This might mean streamlining carrier payments, or using transportation data to help identify less costly ways to store inventory.

“A company might be shipping product across the country when there’s another source for the product that’s closer to the end customer,” Wedekind says. Visibility to data is necessary to uncover these opportunities.

To help clients make better decisions, enVista offers a robust reporting suite. One example: many shippers want to understand “maverick spend,” in which shipments aren’t tendered to approved carriers. With enVista’s reports, they can see how frequently maverick spending occurs, and more importantly, the impact on costs.

The company’s clients also gain value from period-end financial reports that show, for instance, what has been invoiced and paid, what has been invoiced and not paid, and what shipments haven’t yet been invoiced. “Building a three-way accrual through the reporting suite allows companies to

better track expenses and improve forecasting abilities,” Wedekind says.

Because its services span the globe, enVista’s systems and reporting solutions can convert currencies to those a company needs to see the data, normalize invoice fields so the same charges are in the same buckets, and translate the reporting into the proper language. While the services remain the same across the world, enVista takes into account local tax and regulatory requirements critical for a global audit.

Fortigo

Fortigo provides a transportation management system that automates, optimizes, and audits logistics decisions to help enterprises reduce costs, boost customer satisfaction, enhance compliance, and increase profitability, says George Kontoravdis, PhD and president.

Technical advances are driving changes in customer requirements. “Customers want more timely data on spend management. They’ve moved from ‘tell me next month or next week’ to wanting to know spend metrics the next day,” Kontoravdis says.

The Fortigo system can provide a rapid return on investment by optimizing logistics processes, minimizing ship-to-order times, increasing visibility, and streamlining collaboration with logistics providers. For instance, Fortigo’s Freight Audit application reviews freight bills and identifies incorrect charges based on numerous criteria, including carrier service level agreements, negotiated rate sheets, and volume discounts. It matches shipments to original order number or purchase order, eliminating duplicate invoices. Charge items due for refunds can be automatically submitted to the carriers.

“Built-in carrier performance reports determine deviations from carrier service level agreements,” Kontoravdis says. “These are important during contract negotiations.”

While Fortigo’s TMS encompasses a number of built-in reports, “the most popular is the Spend Report, which provides users the ability to slice and dice

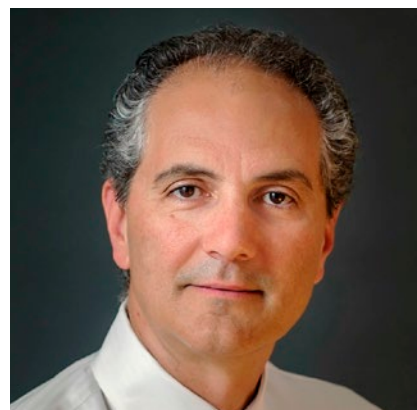
their spend by dozens of different criteria, while combining 100-plus report fields,” Kontoravdis says. Other popular reports include summary spend by account period and carrier, a spend dashboard that allows companies to quickly spot spend trends, a savings report, and reports showing spend by mode and charge category.

The level of savings varies depending on the type of freight audit solution a company currently has in place. Companies with no freight audit can save 5 percent or more by using the Fortigo Freight Audit service.

The typical Fortigo client has at least \$10 million in annual transportation spend. It’s typically a multinational organization with dozens or even hundreds of transportation providers and using virtually every mode of transportation.

Fortigo also closely monitors evolving regulations that might affect freight audit, as well as its customers’ data protection requirements. All data is available online for at least seven years, or even longer, if customers maintain an active subscription agreement.

Fortigo’s solutions plug into established supply chain software. Typically, they need to integrate with the customer’s financial system, and also may need



“Freight bill accuracy is only part of the validation process. Equally important is tracking and measuring shipping compliance.”

George Kontoravdis, PhD
and President, Fortigo

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to integrate with the customer's shipping and warehousing system. This enables a closed-loop audit in which purchase order data is matched against freight bills. "Freight bill accuracy is only part of the validation process," Kontoravdis says. "Equally important is tracking and measuring shipping compliance."

Intelligent Audit

Intelligent Audit considers itself "a technology company that supports supply chain initiatives providing data analytics that deliver bottom-line efficiencies in logistics and financial strategies," says Daniel Leva, president, global sales and marketing with the firm, based in Rochelle Park, New Jersey. Intelligent Audit provides global, all-mode transportation audit and revenue recovery, freight payment, and business intelligence reporting, as well as contract optimization.

Intelligent Audit does a deep dive during the audit process. For instance, a typical parcel company can impose

a range of accessorial charges on its clients. "We audit all, not just the top ones," Leva says. "We also validate contracts against what is being invoiced." If a shipper is supposed to get a 10-percent discount in Zone 2, Intelligent Audit will check that its bills reflect this. "We capture more than 150 audit points," he adds. The audit function is automated, with a secondary manual review of the findings.

Intelligent Audit uses the data it captures to, for instance, help clients determine where to expand or add a distribution center, or potentially where to close one. "We help identify the location based on transportation activity and supply chain strategy," Leva says.

The analysis doesn't only include historical data, however. "We look at the company's growth strategies, as well as the business rules required to execute their plans," Leva says. "They need to meet and understand certain break-even points with their current facilities" before identifying expansion locations that are likely to be successful.

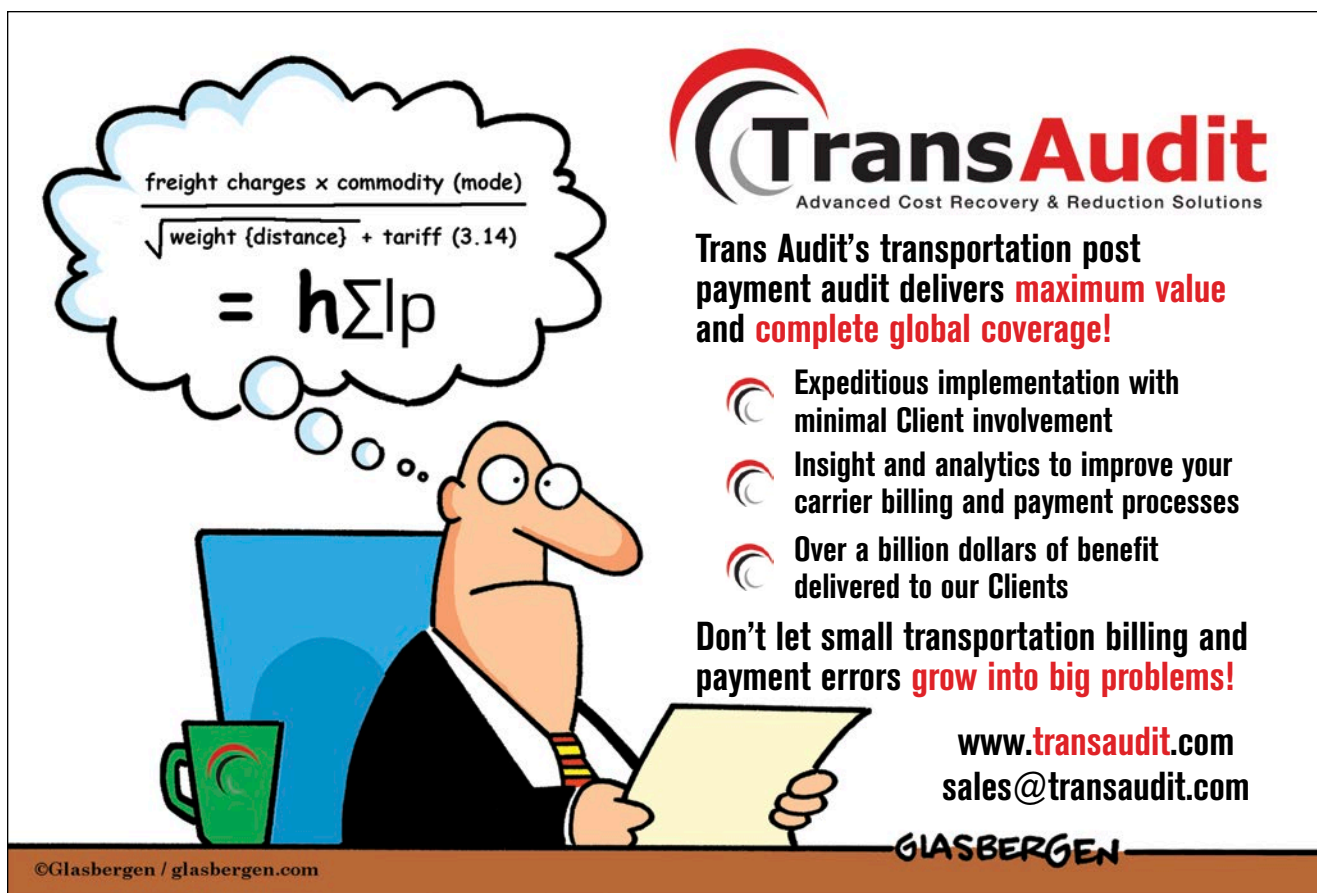
Intelligent Data offers more than 700 standard reports. In addition, clients can tailor the product to fit their needs.

Returns on Investment

Intelligent Audit also can provide insight with return logistics. "Most stores are built to showcase and inventory product for outbound sales; they're not built to handle inbound drop-offs," Leva says. Intelligent Audit helps companies analyze data to develop strategies to most effectively handle the products being returned. That's key for footwear, apparel, and other retailers that often lack the space to handle large volumes of returns. "They need to focus on outgoing sales versus holding goods that were returned," he adds.

Many Intelligent Audit clients are global; the company supports close to 120 currencies. It works across industries, and with many sizes of companies, although most have transport spend of at least \$500,000.

When beginning work with a client, Leva and his colleagues spend time



freight charges x commodity (mode)

$$\frac{\sqrt{\text{weight} \{\text{distance}\} + \text{tariff} (3.14)}}{= h \sum |p}$$

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16 Questions for Your Provider

If your firm is considering working with a freight bill payment and audit provider for the first time, or switching from a current provider, you can boost the chance of a productive relationship by asking the following questions:

1. Can the provider handle all transportation modes?

"When you manage a large spend category such as transportation, you want to get it all under one umbrella," says Chris Connell of Veraction.

2. Does the provider own its software? "If they're licensing a third-party application, and don't have control of development, that can limit flexibility," says David Wedekind of enVista. That can impact the implementation timeline because the provider won't control the development resources.

3. What is the processing cycle time? You should have some idea of the time required to move a freight bill into the audit workflow, close it, and report it for payment. You also should have a general idea of the audit time frame. "If you don't ask, you might be blindsided by how long it takes," Wedekind says.

4. Does the company offer data normalization and cleansing? "Obtaining clean data can take numerous iterations of normalizing and cleansing," says Keith Snavelly of nVision. For

learning their supply chain processes, including inbound and outbound activities, and manufacturing/distribution center locations. "Once we understand their supply chain, we ask about strategic goals and align where we can support their initiatives," he says.

Because Intelligent Audit obtains a great deal of benchmark information, it can help companies determine if they're getting the best rates possible when compared to similar shipments. "Using this analysis, we can assist clients to negotiate better rates or confirm the rates they have are attractive," Leva says.

nVision Global Technology Solutions

nVision Global handles freight bill audit and payment globally, and provides transportation consulting services, including rate negotiations, benchmark studies, modeling tools, and loss and damage claims. Its transportation management services include rating and routing applications, such as least cost, carrier applications, shipment execution services, expedited freight approval, and shipment tracking.

"We offer a host of products and services that go beyond traditional freight audit and payment services," says Keith Snavelly, senior vice president, global sales.

Most new customers are multinational companies that have been using domestic freight bill audit and payment service providers, but now need global capabilities. "It's our niche," Snavelly says.

nVision has seven corporate-owned processing centers on three continents, and can service companies across Asia, Europe, and Latin America, as well as North America. Its staff can remit payment in the major currencies, and works with numerous languages and regulatory structures. "Customers in Asia don't have to call the United States to get the status of an invoice," he notes.

No matter where a company operates, nVision offers a single platform. "The platform we use to process and audit freight bills and transactions in North America is the same one we use through

all our facilities," Snavelly says. That allows nVision to offer customers a single, global data warehouse and a worldwide picture of their transportation activities.

As the freight bill audit industry has shifted its focus from identifying mistakes and oversights to leveraging business intelligence, this global visibility has become more important. Typically, many corporations have extensive freight data only in North America. They now want the same information and the ability to, for instance, conduct global lane analysis and monitor key performance indicators for their operations in all countries.

While nVision often targets multinationals, its consulting and transportation management clients include companies with all volumes of shipping activity.

The nVision onboarding process rarely requires a formal systems integration. Instead, many customers send nVision electronic source files of, for instance, their bills of lading, purchase orders, and advance shipping notifications, among other documents. These are loaded into nVision's solution, which then matches incoming invoices to the files for validation and information.

nVision can work with smaller carriers that lack the ability to offer electronic invoicing. The carriers can enter nVision's website, key in the invoice information, and attach the supporting documents. The information is handled as if it came in electronically.

"We provide carriers with myriad options," Snavelly says, including EDI and pre-defined spreadsheets. This is key, as more shippers demand these capabilities from their carrier base.

RateLinx

RateLinx provides customized integrated shipping and logistics management software, transportation management software, and freight invoice management.

By integrating four datasets—shipment, track and trace, invoice, and order and item—in real time, and cleansing and standardizing them, the RateLinx Intelligent Invoice Management solution forms the foundation of a

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example, an invoice could include the titles Wal-Mart, WalMart, or Wal Mart. For analytical work, these should read the same.

5. How will the data be standardized, and how close to real time and actionable will it be? The provider shouldn't remove data, but should normalize any non-standard data so you gain a complete picture of freight expenses, says Shannon Vaillancourt of RateLinx. Near real-time data should be presented within 24 hours. The sooner a problem is noticed, the easier it is to fix. Finally, the system should provide alerts in real time that tell when an issue needs attention, and the analytics that describe why it happened.

6. What are the provider's capabilities around the globe? Does their footprint roughly match your firm's? Do they own their own facilities?

7. Is the provider investing in technology that will provide business intelligence? "If they're not investing and innovating, their customers will be left behind," Connell says.

8. Is the provider SOC 1 or SOC 2 compliant? A Service Organization Control 1 (SOC 1) report provides written documentation, from an auditor, of an organization's internal controls. SOC 2 reports on various organizational controls related to security, availability, processing integrity, confidentiality or privacy. "SOC 1 is now table stakes in the industry," Connell says.

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three-dimensional approach to data, says Shannon Vaillancourt, president of the Madison, Wisconsin-based firm. These are:

■ **Diagnose:** RateLinx collaborates with the customer and leverages the data to diagnose issues and challenges. The collaboration often enables them to interpret the data and create the strategies that find the savings they've been looking for.

■ **Develop:** RateLinx and its clients develop a strategy based on clean, actionable data.

■ **Deploy:** RateLinx and its clients deploy the strategy, and measure and monitor it to provide long-term value.

The result? RateLinx's Intelligent Invoice Management provides clients actionable data with no IT involvement required.

Among the many reports RateLinx offers are those that allow customers to export data to spreadsheets, as well as key performance indicator (KPI) pie charts with multiple drill-down levels.

The most popular KPIs include cost avoidance, which measures the impact of the fixes that have been implemented; adjustments, which measure the cleansing of the rates; and routing compliance, which measures the dollars companies spend when they don't adhere to their routing guides.

Another KPI, potential savings, measures the cost of each routing rule a company has in place, while shipment status measures and predicts the on-time arrival of shipments.

RateLinx customers range from those with about \$500,000 in annual freight spend to those spending \$1 billion. "They all want to leverage transportation data strategically," Vaillancourt says.

RateLinx can tap into the data feeds it needs without requiring customers to undertake heavy integration work, so companies can leverage the value in their data quicker and less expensively than if they had to budget and wait for internal IT resources. Many can be up and running in a few weeks.

The data cleansing phase typically reveals at least a 5-percent savings, while longer-term strategic changes can unlock average savings of 20 percent.



"Companies large and small want to leverage their transportation data strategically."

Shannon Vaillancourt, President
RateLinx

One RateLinx customer struggled to pay carriers on time. Among the obstacles: sometimes, the dollar amount for a given carrier would match; other times it wouldn't. Or, the system didn't have a rate for invoices received.

The RateLinx Intelligent Invoice Management system "found the typical invoice issues and resolved them with the carriers," Vaillancourt says.

RateLinx also found an unexpected issue: Some locations were using an outdated routing guide, and tendering freight to a carrier that no longer had rates in place. "By having actionable data, the customer quickly had its locations use the latest routing guide," Vaillancourt says. "They saved millions of dollars in incorrectly routed freight."

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RateLinx can create a solution that fits your needs perfectly.

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RateLinx



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9. How transparent are the processes?

As a customer, you should be able to see what bills the provider has submitted for payment and when they were paid. "The process has to be transparent," says Paul Vindigni of SSI. Similarly, carriers should be able to access the system to check the status of a payment and ask why an invoice was or wasn't paid. That access and visibility can help retain strong carrier relationships.

10. How is the bill payment process handled? Does the vendor have a dedicated bank account for each customer and for each currency? What controls are in place? They shouldn't place all customer payments into one account, as that muddies the reporting and can cause trouble if discrepancies arise. "Each customer should have a single bank account," Wedekind says.

11. What is the time required to pay carriers? George Kontoravdis of Fortigo recommends requesting a guarantee of on-time payment. As a shipper, you want to know the funds you're allocating for carrier payments are handled appropriately, securely, and efficiently.

12. How does the provider handle the data it has access to and is transmitting?

"Freight bills contain critical and often competitive information for your supply chain," says Rick Erickson of U.S. Bank. The provider should take appropriate precautions to ensure it can't be compromised.

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highlighting duplicate charges and exceptions from client-carrier contracts and agreed-upon parameters.

Through the SSI Connect web portal, customers can see which freight bills have been paid and which haven't. Further, SSI can "customize reports and business intelligence to meet their requirements," says Paul Vindigni, chief executive officer of the Beaverton, Oregon-based firm.

Along with these services, SSI recognizes that "the greater opportunities lie in helping customers improve their supply chains and reduce transportation costs," Vindigni says. Among the services that provide most benefit to customers are cost management, freight contract negotiations, and analysis that identifies opportunities to improve transportation mode choices.

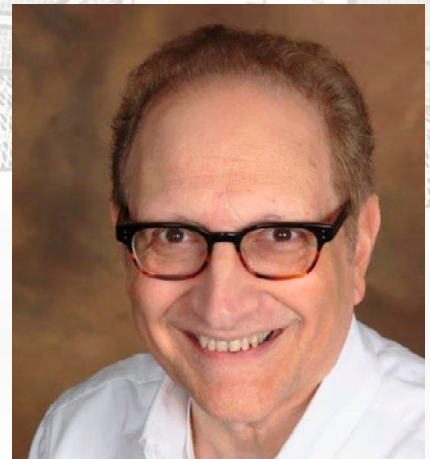
Audit Company or Data Company?

Potential clients increasingly want to know if a provider is a freight audit company or a data company, Vindigni says. The difference is in "what we do with the information we audit," he says. "We provide modern data-visualization tools and business intelligence to enhance decision-making." A rigorous analysis often identifies opportunities to save money or reasons to change modes.

Each freight bill contains tons of data, Vindigni notes. SSI works with customers to custom configure dashboards and reports that help them analyze pertinent information to support decisive action.

SSI's consulting services can shave between 5 and 20 percent from a company's shipping costs. In one case, the analysis generated 23-percent savings by shifting freight to less expensive—albeit longer—transportation modes, while still meeting service level requirements.

In another case, a client had agreed to a carrier's 3-percent general rate increase. However, an SSI analysis revealed that with the proposed shipping lanes and frequency, the client would have actually paid a 4-percent increase. "Our client was able to go back to the carrier and adjust the contract, saving thousands of dollars," Vindigni says.



"By intelligently outsourcing freight audit and payment processes, companies enhance productivity and maximize profitability."

Paul Vindigni, CEO
Software Solutions Unlimited

SSI can assist clients with an analysis of their end-to-end supply chain to drive efficiencies throughout the entire process. This enables the client to use less-expensive transportation modes to distribute its products, while still meeting agreed-to service levels.

"At times, the 'we've always done it this way' mindset comes into play," Vindigni says. But SSI can look at processes with fresh eyes, and back up any recommendations for change with its data analysis.

Getting Started

When SSI is hired to process a client's freight invoices, implementation typically takes between six to eight weeks. During that time, SSI links to its client's system, captures the general ledger coding, and ensures that the bills hit the general ledger. It also integrates with the client's carriers to capture the freight bills.

"By intelligently outsourcing freight audit and payment processes to SSI, companies enhance productivity and maximize profitability as they focus on what they do best," Vindigni says.

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13. Will your integration capabilities allow you to take data from multiple systems?

"Almost every company is dealing with many different systems," says Alan Chute of Trax Technologies. The provider should be able to assemble all the information into a single interface, for both the audit process and for business intelligence.

14. What business intelligence and predictive analytic capabilities are available?

"This is where the most value is," Chute says. The provider should make it easy for customers to identify actions that will optimize transportation and drive supply chain strategy.

15. How does the provider relate to the carrier market?

You don't want carriers to see the firm as an obstacle and a hassle, says Harold Freidman of Data2Logistics. Instead, it should work with the carriers to, for instance, help them present bills correctly the first time, so the number of exceptions drops. Ideally, the provider also will have a portal or other means to communicate with carriers.

16. What is the provider's financial strength? "You want secure, stable providers," says Travis Sumner of Cass Information Systems. To determine this, talk to customers, references, and carriers they work with. If possible, review their financial statements. Visit their facilities and talk to the staff so you gain an understanding of the organization's depth and breadth.

Technical Traffic

Technical Traffic Consultants, a provider of freight pre-audit, payment, and business intelligence services, focuses on mid-sized businesses, says Lauren M. Plate, director of sales and marketing with the Congers, New York-based firm. Most clients have between about \$5 million and \$100 million in annual freight expense, although some have much more.

Why the mid market? "Often, they don't have a large transportation and logistics staff," Plate says. Many mid-sized firms can benefit by working with a provider that can help them take a critical look at their contracts, spend, and approach to freight management.

As a boutique firm, Technical Traffic customizes operations around clients' needs, while also helping them implement best practices, says company owner John Mecchella. "We try to understand our clients' business rules and culture, so it's as if we're sitting in a cubicle outside their offices."

Many freight audit and payment companies focus almost exclusively on the power of technology. Indeed, to offer its clients flexible, tailored service, Technical Traffic maintains a staff of programmers. "We don't buy canned programs," Mecchella says. It developed its imaging solution, rating service, and other applications internally.

In addition, the company is investing in systems that will move it toward its goal of paperless billing. It also works with carriers to obtain their information electronically.

"Technology is wonderful but some issues require critical thought and problem solving," Plate says. The Technical Traffic staff takes time to understand its clients' product lines, shipping patterns, contracts, rate structures, and use of transportation so they can intelligently advise on more effective freight management. "We can rectify many mistakes with a conversation upfront," she adds.

"Technology is important," Mecchella agrees. "But we also need to understand what we're processing to put our clients in a strong position when they're negotiating with carriers. If we



"We try to understand our clients' business rules and culture, so it's as if we're sitting in a cubicle outside their offices."

Lauren Plate, Director of Sales and Marketing and John Mecchella, Owner, Technical Traffic Consultants

don't understand clients' needs and how to serve them, technology alone isn't enough. You need a healthy blend."

This means, for instance, understanding the characteristics of each client's transportation needs and how they can price shipments effectively.

Another example of the value of a hands-on, personal approach concerns many companies' shift to a decentralized freight payment system. With bills processed and analyzed in various locations, it can be difficult to correctly assign freight costs to the proper departments. "We put in a lot of effort to ensure that all costs are allocated to the appropriate business unit, department, and in some cases, user," Mecchella says.

Trax Technologies

Trax Technologies, which specializes in harnessing logistics data and insights to improve supply chain performance, delivers value to customers in three primary ways, says Alan Chute, senior vice president of solution design with the Scottsdale, Arizona company. One is by automating manual steps in the settlement process to make it more efficient.

The process starts with data

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normalization. Trax's solution captures and retains the source data as it was received. "We never change that," Chute says.

Then, in a separate version of the data, Trax tries to produce the cleanest possible representation of the information. With country names, for instance, Trax normalizes to the ISO 2-character country code. The original documents may contain the names spelled out, abbreviated randomly, or missing entirely. Normalization can be key when, for instance, a company has cost allocation rules or rates tied to specific origins or destinations.

The second way Trax provides value is through a comprehensive audit of all transactions in all regions of the world. Many clients operate globally and turn to Trax for a "single source of truth," Chute says, as well as visibility into transportation costs and validation processes. They also need the flexibility to deal with different transportation modes, currencies, and contract agreements in different parts of the world.

Trax checks that all charges are valid and for the correct amount, according to the contract. "The audit finds gaps, overcharges, invoices that aren't the client's liability, and services that weren't delivered," Chute says. The process is designed to both recognize the errors and address their root causes, so they don't recur going forward.

Savings Through Process Changes

The third area of value centers around "using the results of this information to identify savings that can come through process changes, such as better carrier utilization, shipment consolidation, improved routing, and better packaging to minimize or eliminate dimensional charges," Chute says. "This area offers the greatest potential for savings."

Many shippers look to cut their use of premium transportation services. Few, however, have an easy way to measure how often they select the most expensive option when a less expensive one would meet their needs. Trax introduced an app that can estimate the amount a company can save



"Many companies operate globally and turn to Trax for a single source of truth."

Alan Chute, Senior Vice President of Solution Design, Trax Technologies

by shifting volume to less expensive transportation services. Another app calculates the potential impact of reductions in discretionary charges.

While significant savings are possible by leveraging the results of the analyses, capturing those savings often requires some work on the shipper's part. "It's not like an audit, where you find an overcharge or error and request a refund or credit," Chute says.

With analytics opportunities, you have to change behavior to achieve savings, Chute says. What's more, the behavior often originates in a part of the organization other than the one paying the freight bill. "We present the information to one group and they often have to go to another group and get them to change their behavior," he adds.

U.S. Bank

U.S. Bank offers a web-based system that lets shippers and carriers manage global freight payment and audit for all transportation modes with a single solution tailored to their needs, says Rick Erickson, global director of freight payment solutions with the Minneapolis-based financial institution.

With a prepayment audit, customers can cut 2 to 4 percent from their freight

bills by catching errors before invoices are paid, he says. Because corrections are made online, the bills are touched only once, and customers don't have the added transaction expense that occurs when a carrier sends a corrected bill.

The reporting and data analysis tools U.S. Bank offers allow customers to quickly identify cost-saving opportunities in their freight audit and payment programs. For example, a large pharmaceutical customer used the reporting tool to analyze the impact of changing its small parcel carrier. "This simple change netted an immediate cost savings of more than \$150,000, with the potential to uncover additional savings through data mining," Erickson says.

U.S. Bank also helps companies improve operational efficiencies. When it assumed responsibility for a large auto manufacturer's exception processing function, the company was able to repurpose eight employees to more strategic supply chain roles. "Our system allows exceptions to be processed online, so the invoice is not sent back to the carrier to resubmit," Erickson says.

The bank's trade finance program provides shippers and carriers with a true working capital solution. "It allows our shippers to extend DPO (days payable outstanding) up to 90 days while their carriers are paid in fewer than four," he adds.

Rules and Regulations

To further assist clients, U.S. Bank tracks regulations on a number of fronts. It monitors bank regulations and tracks other regulations that impact freight payments, such as the European Union's Late Payment Directive and Payment Services Directive.

Because U.S. Bank's freight payment system is web-based, it doesn't require any software installation. It's able to integrate with multiple ERP and other systems.

U.S. Bank's data center is one of six around the world that has achieved Uptime Institute's Tier IV Facility Certification, the most robust certification level. "We meet the rigorous regulatory, audit, and compliance requirements of the financial industry

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Trans Audit: Providing a Second Level of Insurance

Any discussion of freight bill audit and payment services inevitably looks at the role of pre-payment and post-payment audits. Many providers concentrate on pre-payment audits.

"Today's supply chain professionals need real-time, accurate information," says Rick Erickson of U.S. Bank. "If they aren't auditing an invoice until after a payment, chances are they are making decisions with inaccurate information, and wasting time and resources trying to recoup funds."

In this view, any post-payment audits typically are done primarily to double-check the work completed in the pre-payment audit.

Trans Audit, a global freight and parcel post audit specialist, takes a different approach. "We've been in business for more than 40 years and solely focus on a true global, multimodal post audit," says Vikki L. Van Vliet, senior vice president of sales and marketing. "Trans Audit's post-payment audit unobtrusively operates after FAP (freight audit and payment companies) and internal audits. We identify and resolve both billing and payment errors that may have been missed. We provide a second level of insurance."

"The post audit should deliver more than just monetary benefits; it should provide continuous improvement and insight into a company's payment processes and supplier relations," says Chad W. Kennedy, IV, president of Trans Audit.

The company employs experts in all transportation modes, with auditors in Europe, Singapore, and China, as well as six U.S. offices. Trans Audit focuses on companies within the Fortune 500 or Global 1000, across industries. "Our clients are large-scale shippers that utilize all transport modes internationally and domestically," Van Vliet says.

Trans Audit works on a contingency, or benefit-sharing basis. "We dig deep to find issues that our clients, their carriers, or their FAP firms may have overlooked," Van Vliet says.

Trans Audit identifies and recovers errors in freight rates, accessorials, discounts, currency conversions, classifications, fuel, and more. It also uncovers payments to wrong parties, multiple payments, and incorrect payment ownership—that is, bills or portions of bills that clients paid even though they were not responsible for them. "We

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while maintaining the highest level of data center performance," Erickson says.

Another point of differentiation: some freight providers use a float model—they take in shippers' money, co-mingle it with other funds for investments, and then pay carriers. "A problem can arise during that middle step," Erickson says. "If the money disappears before carriers are paid, shippers are out the money. And their carriers still expect to get paid."

As a bank, U.S. Bank is held to higher standards. "Our freight payment model never 'floats' money," Erickson says. "We actually pay carriers before receiving shippers' money."

U.S. Bank recently launched the U.S. Bank Freight Payment Index, which provides a regional perspective on freight payments. "This allows shippers to prioritize certain locations or divisions based on accelerating trends in specific regions," Erickson says.

In 2018, U.S. Bank will launch "new freight benchmarking and consulting services to allow customers to dive deeper into causes and effects, and



"Companies turn to the freight payment process to unlock working capital either through improved operational efficiencies or improved cash flow."

Rick Erickson, Global Director of Freight Payment Solutions, U.S. Bank

model options to further improve their supply chain," Erickson says.

"Our team uses data science techniques coupled with personal consulting to deliver freight optimization and the predictive and prescriptive analytics customers need," he adds.

Veraction

Veraction, a provider of total transportation spend management and intelligence solutions, works with nearly 300 customers across many industries. "We're part of this 50-year-old industry called 'freight and parcel audit and payment.' But our mindset has changed greatly over the past few years," says CEO Chris Connell.

The reason? "Our customers are focused on control," Connell says. For instance, Veraction worked with a multinational apparel manufacturer that spends \$1 billion on transportation annually. The head of the firm's supply chain knows the company has "seven-figure opportunities" to save money,



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audit for payment accuracy and ownership as well as tariff and contract compliance to ensure that clients' invoices are paid and billed correctly," Van Vliet says.

Trans Audit also performs a logistical trend review to identify recurrent anomalies, confirm that each accessorial charge makes sense, and that clients actually received the benefit of the service billed.

The timeframe for which overbillings and overpayments can be recovered varies based on error type and transportation mode. For payment errors, Trans Audit can typically look back five years. Overpayments and payment errors occur when a bill is paid multiple times, paid to the wrong party, or paid in the wrong currency, among other mistakes. For billing errors, such as when a carrier has incorrectly applied rates or discounts, the time limit's range from six months to three years in arrears, depending on the mode utilized.

Savings for non-parcel activity generally run between .5 to 1.5 percent. For parcel, the savings can approach 5 percent, Van Vliet states.

Through the company's online reporting tool, TransPortal, clients have visibility to filed, open and paid claims, as well as claims by mode, carrier, and error type, among other information. Clients use this information to take corrective action and make process improvements, Van Vliet says.

"A truly consultative post-audit should also provide intellectual and process improvement insights," Kennedy says. For example, Trans Audit's review revealed a carrier was billing a client on a decentralized basis, and each carrier terminal interpreted the contract or billed as it saw fit. The result? A high degree of overbillings. Trans Audit worked with the company and carrier to convert to a centralized billing process, and nearly eliminated the overbillings.

Connell says. He's looking to Veraction for help realizing them.

Traditional freight audit can contribute, but it won't account for all the savings. "That's why we've extended freight audit to include transportation spend intelligence," Connell says.

What Happened and Why

Customers are increasingly focused on optimizing freight spend. "They want to understand what happened today and how it differs from the budget or from what happens tomorrow, and what's causing the change," he adds.

Because Veraction acts as the system of record for transportation, "when customers want to know what happened with a mode, a region, or a cost center, they sift through the data we store for them," Connell says. "That's a valuable byproduct of the audit process."

This insight is critical, given the increasing competitiveness in many industries. "Every efficiency, every savings, every smart move is needed today and it's needed quickly," Connell says. Veraction has invested heavily in its variance analysis tool, which lets customers efficiently and precisely understand the difference in performance between two points in time, or against a plan or the budget, and then take action.

Along with its focus on transportation spend intelligence, Veraction has invested heavily in easing the deployment process, which has traditionally been viewed as painful.

"Our approach is to think smart, start small, and scale fast," Connell says. The company starts by targeting quick wins that can generate benefit quickly. Then, they scale from there.

For instance, the Veraction team might start by implementing its solution for parcel transport, as that typically has a limited number of carriers. Then, they might move into truckload or LTL. "Our goal is to make sure clients obtain value close to the front end of our engagement," Connell says.

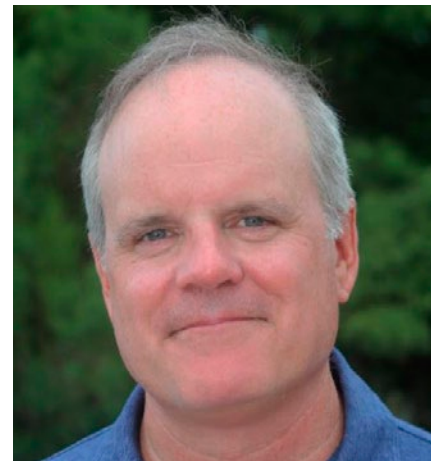
In contrast, a "big bang" approach tends to increase risks and cut control. "We start with segments, then build and scale quickly over the rest of the enterprise," Connell says.

This not only minimizes risk, but can boost adoption. "If you build wins for a customer, your ability to implement in other regions of the globe and other business units increases," he says. "In adoption and buy-in, success begets success."

Veraction works across most industries. While it tends to focus on the Global 2000, its customer base includes

small and mid-sized businesses.

The typical freight audit process can unlock savings of between 2 and 5 percent of transportation spend, Connell says. While significant, the greater savings potential comes from applying business intelligence to transportation spending. "That turns transportation into a strategic cost lever for companies," Connell says. ■



"Every efficiency, every savings, every smart move is needed today... and quickly."

Chris Connell, CEO, Veraction



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