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BEYOND TABLE STAKES: FREIGHT PAYMENT CLIENTS HOLD ALL THE CARDS

USING A FREIGHT BILL AUDIT AND PAYMENT
COMPANY CAN BE THE ACE UP YOUR SLEEVE THAT
KEEPS YOUR COMPANY FLUSH.

Advances in technology, increasing globalization, and the growth of e-commerce are upending the traditional freight bill audit and payment industry. Most notably, the hard savings from credit recovery or adjustments identified in the audit process, while still essential, no longer are enough to meet many clients' needs. "That's just table stakes," says Dave Wedekind, senior director, global operations with Indianapolis-based enVista, a global consulting and software solutions firm focused on optimizing supply chain efficiencies. "Clients are looking to glean additional value from the audit and payment processes."

The invoice and other documents that are part of the freight payment process can offer valuable insight into the financial impact of transportation within the organization's supply chain. Freight payment and audit solutions providers offer analytical tools that help companies leverage this data to develop strategies to better manage their supply chains.

For many companies, a finely tuned supply chain has become an essential competitive tool. They leverage data from the freight audit and payment process to avoid unfavorable hits to their bottom lines, and to unlock working capital, either through improved operational efficiencies or improved cash flow, says Jeff Pape, senior vice president, head of product and marketing for global transportation with U.S. Bank.

Bringing the Teams Together

Another shift is "the push for cross-collaboration between a company's logistics, finance, sourcing, and marketing teams," says Hannah Testani, chief operating officer with Intelligent Audit, a freight audit and payment company. These groups work together to understand the insights transportation data can provide, such as market penetration, budgeted versus landed costs, and the profitability of shipping certain items or SKUs, among other factors.

And, as more shippers operate around the globe, they can wind up with silos of disparate freight bill information. Many look to their freight bill audit and payment providers to bring this information together, so they can make better sense of it and even leverage it to reduce costs

or better manage their supply chains.

Also of concern to many shippers are increases in assessorial charges for additional services, such as special handling requests. "We're seeing more complex pricing structures and increases in those costs," says Nick Fisher, director of sales with AR Traffic Consultants. The freight audit process can help companies keep tabs on these costs.

E-commerce's Growing Impact

In addition, the growth of e-commerce impacts both shippers and freight bill audit and payment providers in several ways. More companies are focusing on small-parcel shipments, which often had been the least managed mode. "Everyone knows their truckload and LTL spend, but parcel often falls to the side," says Sarah Eggleston, director, national sales with Sunset Transportation.

Another shift resulting from the proliferation of e-commerce shipments is the growth in volume LTL ratings, says Brian Thompson, chief commercial officer with SMC³, a less-than-truckload (LTL) data and solutions provider. Given a tight market, more shippers will start looking to volume LTL as another transportation option, he says.

More numerous e-commerce transactions also prompt shippers to look to third-party providers to offer electronic invoice processing alternatives, says Kristy Brown, vice president, freight payment operations with CTSI-Global, a provider of world-class supply chain solutions. While ANSI X12 EDI standards remain prevalent, more freight audit and payment providers allow

carriers that aren't EDI capable to submit bills via spreadsheets. Many also allow them to upload invoices through a web portal or send them via email, to be read with optical character recognition.

And, just as technology is changing numerous other industries, it's impacting the freight payment and audit market. For instance, many providers are preparing for greater use of blockchain technology (*see sidebar, page 110*).

Shippers looking for experts who can not only audit, analyze, and process their freight bills, but also leverage analytical data to improve supply chain management can turn to a range of firms, including these market leaders:

A3 FREIGHT PAYMENT: PROVIDING A WINNING HAND

"Our name, A3, reflects the three pillars that form the foundation of the company: service, customization, and integrity," says Ross Harris, chief executive officer with Memphis, Tennessee-based A3 Freight Payment.

Many large-volume shippers, as well as shippers whose complex transactions require specialized solutions, turn to A3 Freight Payment. The reason? They can obtain customized solutions for reliable freight bill processing that require only minimal resource involvement on their part.

In addition to traditional freight bill audit and payment services, including

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invoice receipt, general ledger coding, and auditing, A3 has developed services that help companies manage their last-mile delivery expenses. “The last mile is unique from an audit perspective,” notes Craig Cameron, vice president of sales and marketing.

Moreover, with the growth of e-commerce, more firms must deal with last-mile challenges. These can include, for instance, installing products and hauling away old equipment. For example, if a technician installed a home appliance, the company needs some way to verify the work done. The assessorial charges can become quite involved.

“E-commerce companies exponentially complicate the types of charges and expense management beyond traditional freight auditing,” Harris says. “But when opportunities like this present themselves, we provide customized solutions.”

A3 provides granular reporting that enables customers to authenticate the work done and check it against the original specifications. “We provide visibility to the installation and transportation together,” Cameron says. Customers can drill down by region, product, and other criteria.

Blurred Lines

Another shift is the blurring of lines between EDI and paper transactions, Harris says. For instance, a shipper may use EDI, but require some additional manual processing to meet its internal control requirements. Similarly, as carriers impose different assessorial charges, some shippers want to check them against paper documents. A3 handles all these variations.

A3 also can program customized reports and dashboards that enable customers to drill down and identify trends and changes. For instance, it can help shippers that use 3PLs to source transportation to check for any markups on what should have been straightforward pass-through charges. For one client, A3 found markups on fuel charges totaling several million dollars.

Implementations typically run between 90 and 120 days. When starting to work with a client, A3 typically needs information on its contracts, rates, carrier base, business rules, exception handling, and transaction approval processes. The implementation team works to bring all functions within a company—from logistics and supply chain to accounting and finance—working together.

If, for instance, logistics tries to handle the implementation alone, it may misallocate costs or use outdated interfaces to the ERP system. “Everyone needs to be on the same page,” says Harris.

The members of A3’s management team are “veterans of the freight pay space,” Harris says. “They’ve designed, implemented, and managed global freight payment solutions for some of the largest shippers in the world. They bring their knowledge of best practices across the industry to their roles at A3.”

AR TRAFFIC CONSULTANTS CUSTOMIZATION IN SPADES

Over the past 12 months, AR Traffic Consultants has processed more than 5.2 million non-parcel and 16.3 million parcel shipments. That’s in addition to the shipments made by customers that use software developed by AR Traffic, but handle the transactions themselves.

AR Traffic, based in New York, has been providing shippers with advanced transportation management software and third-party logistics services since 1964. Among the services it offers are rate, audit, and freight bill payment; route and shipping schedule optimization; shipment tracking; and EDI capabilities.

AR Traffic’s clients choose the services that best fit their organizations. “We don’t cookie-cutter our deliverables,” says Fisher. If an audit customer wants to pay its carriers directly, AR



**“The last mile is
unique from an audit
perspective.”**

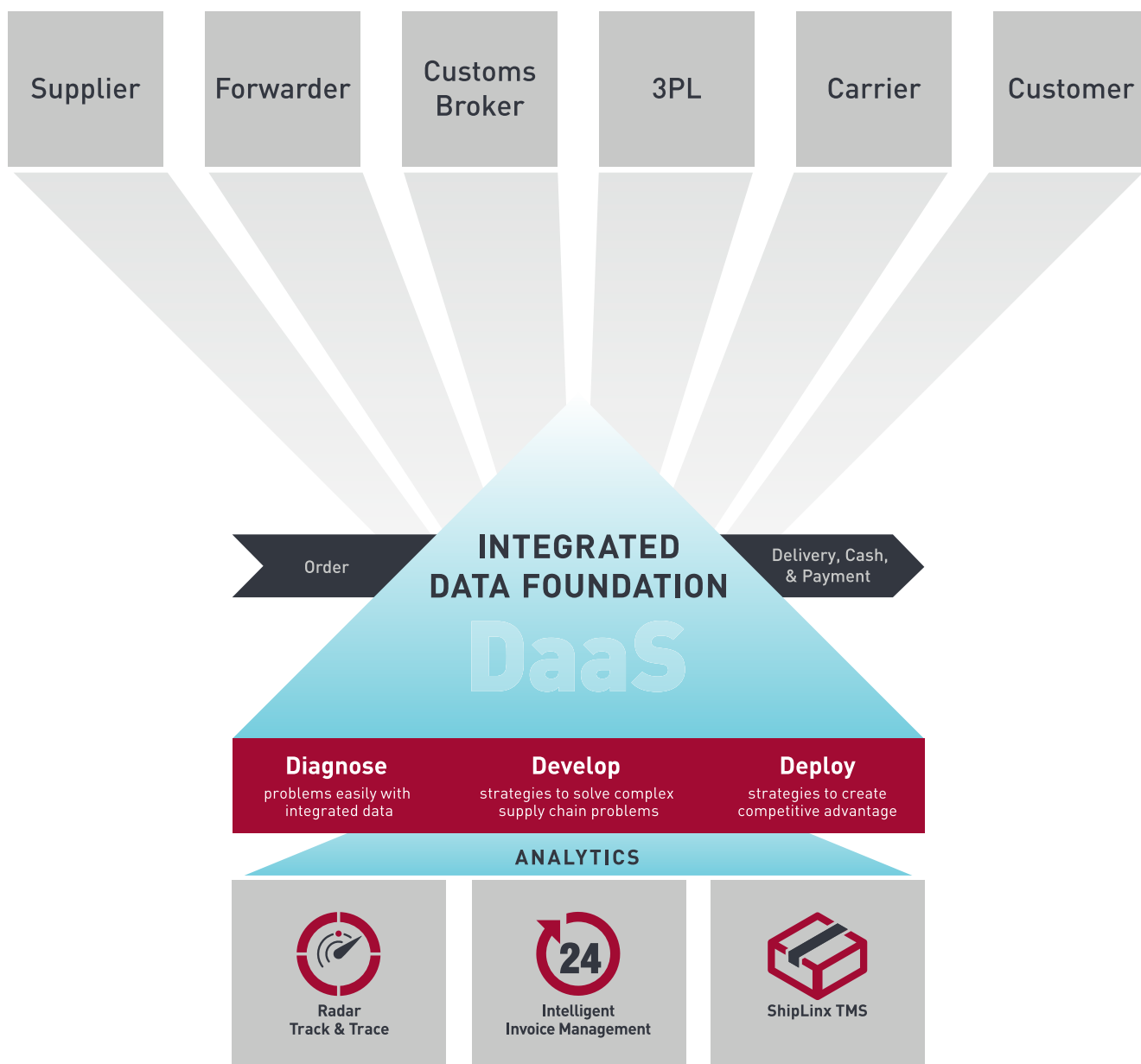
Craig Cameron, Vice President of Sales and Marketing, A3 Freight Payment

Traffic will connect to their IT department and provide a custom export file that meets the needs of the accounts payable department.

AR Traffic’s clients span numerous industries. Indeed, companies in different industries may share similar transportation management philosophies, while those in the same industry may manage freight very differently, Fisher says. Among the differences are how the companies negotiate with their carriers, how they want to pay them, and how they want to store their rates. “There are many different ways to manage transportation,” he adds.

Most clients are mid-sized shipping organizations. “Eighty percent of our client base generates between \$50 million and \$500 million in sales,” Fisher says.

For instance, Fisher has noticed growing interest in direct carrier connectivity—that is, shippers using the internet to connect to each carrier individually to obtain rates and other information. This way, they no longer



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need to store and update this information themselves.

However, shippers that move forward with direct carrier connectivity also need to trust the carrier to provide the correct rate for every transaction. In addition, companies that don't maintain rates in a central database find it difficult to compare one time period to another.

Even so, given the growing interest in direct carrier connectivity, AR Traffic Consultants will invest to offer that as an option, while continuing to maintain freight rates as it has always done, Fisher says.

Working with AR Traffic to quickly and accurately rate shipments against multiple carriers and modes provides "an incredible advantage for our company," says one corporate logistics manager, adding that the analyzer module available within AR Traffic's software aids in rate negotiations. "The

combined help from AR Traffic's personnel and software gives me a strong advantage over other shippers," he says.

CASS INFORMATION SYSTEMS:

STACKING THE DECK

Cass Information Systems, Inc. brings more than 60 years of experience helping companies address complex transportation payment and information challenges, says Thomas Zygmunt, manager of marketing and sales development with the St. Louis, Missouri-based firm.

At the same time, just as the freight bill audit and payment industry is evolving, so are Cass's services. They include outsourced freight rating, audit, payment, and business intelligence solutions.

Through tools such as EDI, in-line reporting, and document and payment visibility, Cass can help customers achieve greater process efficiency. Its business intelligence tools can guide decision-making.

"We leverage our understanding of customers' transportation and accounting processes to provide customized business intelligence solutions that create competitive advantages through reduced costs, increased efficiency, and better decision-making capabilities," Zygmunt says.

In addition, Cass's supply chain finance solutions help customers better manage cash flow. Cass Commercial Bank is a public bank holding company and wholly owned subsidiary of Cass Information Systems, for which it provides secure financial exchange services. This is key, as "an important facet of the outsourcing decision is the outsourcing partner's stability and quality," Zygmunt

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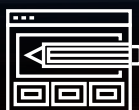
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says. While cost is always a consideration, poor quality and questionable stability can produce unexpected costs that far outweigh the savings promised by a low-price provider.

Cass's primary market consists of Fortune 1000 companies that manage large transportation expenses. Many have tens of millions of dollars in freight spend and/or ship millions of packages. "They're looking for best practices to control and manage their transportation expenses," Zygmunt says.

At the same time, Cass serves small- and mid-sized companies that have substantial freight or parcel volumes and want to reduce processing costs and gain actionable transportation data. Implementation timeframes typically run from three to six months.

The one constant? "The continued appetite for more information," Zygmunt says. "Freight payment data is the raw material that companies can capture and turn into insight critical to the management of transportation expenses."

Without a global view of transportation information, companies can't become more efficient or effective. Technology advances continue to change the way critical information can be presented. For instance, through dashboards and other analytics tools, organizations can better leverage the freight data collected.

Worldwide Coverage

While North America has been a primary market for freight bill audit and payment providers, Zygmunt sees a growing number of organizations taking "a more global perspective in managing transportation expenses," due to increased global sourcing and the growing complexity of managing freight invoices. Cass offers global freight payment capabilities.

To be sure, freight audit and payment services are relatively new concepts in some countries, Zygmunt adds, noting that service providers need to be able to manage regional differences.

For instance, outside North America, fewer companies use EDI to provide freight invoices. As a result, freight bill audit firms often must work with other invoice formats. In addition, the multiple currencies in use, as well as the value-added tax (VAT) that must be considered on every transportation movement, complicate freight audit in Europe.

CT LOGISTICS: BETTING ON ROI

Since 1923, CT Logistics' core business has been freight bill audit and payment services, according to President Allan J. Miner. At the same time, it continues to add value with tools such as its transportation management system (TMS) solutions for shipment planning and execution, as well as dashboards for analytics and metrics.

CT Logistics FreightRater™ auditing engine audits every shipment electronically, reviewing numerous pieces of information, including surcharges, taxes, and misapplied assessorial charges to ensure the freight invoices are accurate. It also calculates and audits all mileage and distance, and rates and product classifications.

In addition, through Qlik™ solutions, CT provides visual analytics and reporting with drag-and-drop capabilities that allow users to find trends or outliers. The Qlik™ dashboards also offer unified and effortless integration of multiple data points. The advanced visualization helps guide clients' supply chain management decisions.

To capture data into its FreightRater™ auditing engine, CT uses Intelligent Character Recognition (ICR). Because this tool helps minimize manual data entry, auditors can focus on more proactive client initiatives, such as analyzing the net cost impact of carrier pricing changes. CT can project and deliver real freight budgeting management information to its clients.

The increasingly global business



**"Many clients see a
7 to 1 return on their
investments."**

Allan J. Miner, President, CT Logistics

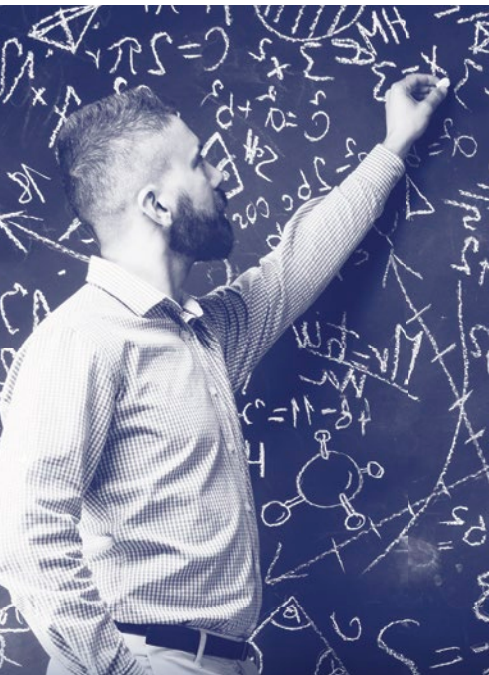
world means auditing engines and business intelligence (BI) solutions "must seamlessly handle or convert international terms of sale; units of measure, weights and distances; as well as currencies and languages in order to develop integrated reporting and analytics," Miner notes. CT Logistics' solutions can handle it all.

In addition, CT Logistics' knowledge of individual country and regional nuances, such as overseas demurrage and detention charges, helps it provide comprehensive and accurate global freight bill auditing.

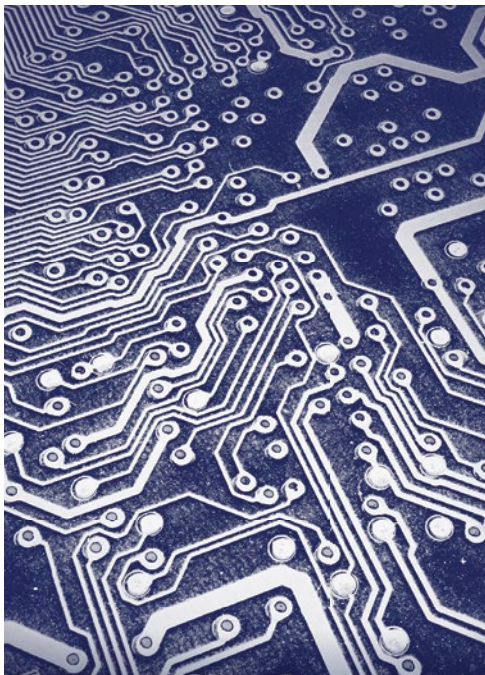
Shipping Roadmap

For clients with e-commerce operations, CT can provide a visualization of shipment details. For instance, CT has developed a map that shows a client's shipping information by city, highlighting both cost per pound and total shipping spend for that location. With this one visual, clients can easily see if any shipping contracts are out of line with prices across the rest of the enterprise.

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CT Logistics works with all sizes of organizations. When starting a partnership with new clients, it typically needs to know the countries where they do business, annual freight spend and number of shipments, and other pertinent information.

To write the interfaces between clients' accounts payable and general ledger feeds and the FreightRater™ system, CT Logistics turns to its teams of software engineers, systems analysts, and programmers. Because CT Logistics employees have successfully built these interfaces for more than 30 years, they know how to ensure implementation is both seamless and painless. Implementation time typically runs between 60 and 180 days.

Many CT Logistics clients see a seven to one return on investment, Miner says. For instance, CT Logistics worked with a pharmaceutical firm that ships more than 2,000 products both within the United States and internationally. The firm saves more than \$500,000 annually on audit costs and can leverage FreightRater's business intelligence capabilities to assess the impact of decisions such as relocating a distribution center.

CTSI-GLOBAL: THE SUPPLY CHAIN SPREAD

CTSI-Global builds world-class supply chain solutions customized to its clients' needs, says Brown. Its transportation management system provides shippers the ability to intelligently plan and track shipments. Through its consulting services, CTSI-Global helps shippers benchmark lanes, carrier selection, and other criteria. Shippers can settle shipments through CTSI-Global's freight audit and payment services, and rely on its business intelligence capabilities to gain insight to their data.

For instance, CTSI-Global will analyze a customer's shipments to review carriers as well as shipment trends. Say

Showing Your Hand to Freight Bill Audit and Payment Providers

Before starting to work with a client, most freight bill audit and payment providers need some information. This often includes:

- Annual shipping volumes by mode and by region
- Percentages of parcel, LTL, truckload, and intermodal shipments
- Types of currencies being processed
- Carrier lists
- Contracts
- Business rules for any general ledger allocation process

a customer that had been shipping LTL enters its peak season. It continues to use LTL, with four or five shipments going to the same facility daily. By analyzing these patterns and shipments, CTSI-Global can calculate the potential savings from consolidation. "We manage the day-to-day moves and analyze the trends to find the optimal solution," Brown says.

Shippers use CTSI-Global's reporting and querying capabilities to manage day-to-day shipments and project long-term supply chain patterns, she adds.

Data accuracy remains key. Several years ago, Brown helped develop CTSI-Global's optical character recognition (OCR) platform. By using the OCR platform, along with verification, CTSI-Global limits the number of documents that must be keyed manually, which can lead to errors. Indeed, about 90 percent of the paper invoices that CTSI-Global processes are on the OCR platform.

Along with its locations across the United States, CTSI-Global operates offices in Singapore, Ireland, and India. "We can support clients in different time zones, and in different languages," Brown says.

Building Relationships

In addition, CTSI-Global, which is based in Memphis, Tennessee, has developed strategic relationships with thousands of carriers across the United States as part of its Managed Services offering. "We take the time to vet each

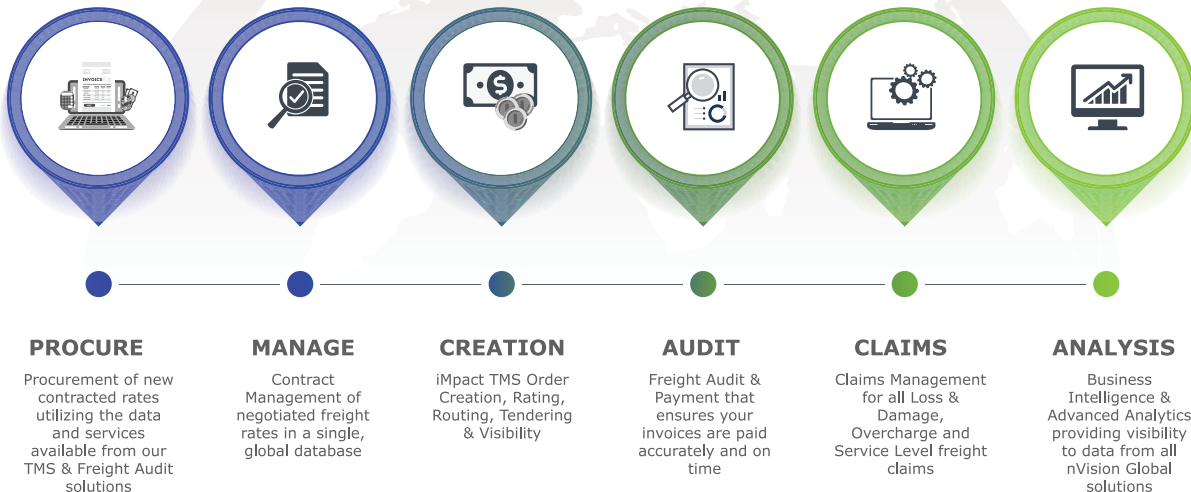
carrier," Brown says. This includes checking security safeguards and on-time performance measures, among other factors.

Because clients span many industries, they can work with CTSI-Global to benchmark their operations against others in the same industry. "The results can be insightful and give clients more negotiating power with their carriers," Brown says.

Best Practices and Advice

With all its clients, CTSI-Global can partner on every aspect of the supply chain. The relationship starts with learning about the client's freight spend, its carrier makeup, and key performance indicators, among other data. Using this information CTSI-Global's certified project managers share best practices and offer advice, as well as benchmarking and business intelligence tools. Implementations typically run between 60 and 90 days.

Most shippers that work with CTSI-Global save 3 to 5 percent by reducing overcharges and duplicate payments. Many clients benefit in other ways, as well. For instance, one manufacturer of electronic, electrical, and fiber optic interconnection systems uses CTSI-Global's TMS solution to automatically flag freight transactions that fall outside its criteria for rates, address validation, or general ledger cost account coding, among others. What had been a three-week paper process is now resolved



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nVision Global's Solutions at a Glance

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ANALYTICS

- All data captured from nVision Global's solutions are available in our analytical tools
- Analytics tools provide in depth, graphical and drill down functionality to allow users to analyze data at the company level, but able to view & analyze a single freight bill if necessary

CONTRACT MANAGEMENT

- Proprietary software that stores & manages your pricing tariffs
- Integrates into the nVision Global Rate Engine allowing shipment rating prior to movement

FREIGHT AUDIT & PAYMENT

- Data capture of most invoice elements allowing for rating at the shipment & accessorial level
- Ensures invoices are paid accurately, on-time, duplicates are identified and integrates both customer teams & transportation providers through our online portals





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online immediately. The logistics team can manage the business, rather than shuffle papers.

DATA2LOGISTICS: PLAYING TO WIN

Over the past 50 years, Data2Logistics has evolved from a settlement service to a technology-driven, information business, says Harold B. Friedman, senior vice president, global corporate development. Based in Fort Myers, Florida, the company is owned by Platinum Equity, a global mergers, acquisitions, and operations firm.

Data2Logistics serves clients in the United States and around the world. “Regardless of geography, clients are looking for a single source of information for all transportation modes globally, so they can leverage the money they’re spending with carriers around the world,” Friedman says. “That gives

clients more bargaining chips at the negotiation table.”

While freight payment services in North America are mature, they are at an “adolescence stage” in much of the rest of the world, Friedman says. Data2Logistics works with clients to normalize procedures globally and provide visibility to freight spend, from both a local and corporate perspective, worldwide.

Companies that lack visibility to freight costs may not be able to identify products that aren’t achieving budgeted margins. “That can have a significant impact on profitability,” Friedman notes.

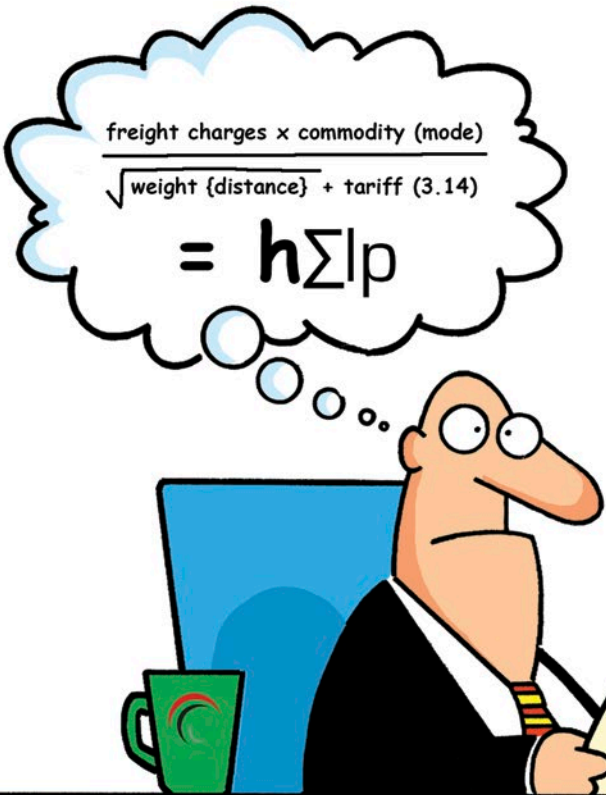
Staying Compliant

Given its focus on providing freight bill audit and payment services globally, Data2Logistics works to be compliant with any regulations likely to impact its customers, such as the General Data


Protection Regulations (GDPR) in the European Union. Data2Logistics began working on its GDPR compliance more than one year before the regulations went into effect.

Data2Logistics clients include both multinational corporations and smaller businesses. “Size isn’t necessarily a criteria as to whether or not you need a freight bill audit and payment service,” Friedman says. “The criteria tend to be opportunities for cost reduction.”

The cost cutting can result from the audit itself, from more efficient bill processing, or from gaining access to information that allows an organization to ship more intelligently and reduce its transportation expense. For instance, one client learned it could shift from air to ground freight for shipments of less than 600 miles, and still meet its delivery deadlines. It made the switch and cut the cost of these shipments by nearly 40 percent.



freight charges x commodity (mode)
√ weight {distance} + tariff (3.14)
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"A single source of information for all transport modes globally helps companies leverage the money they spend with carriers. That gives them more bargaining chips at the negotiation table."

Harold B. Friedman, Senior Vice President, Global Corporate Development, Data2Logistics

When starting to work with a customer, Data2Logistics focuses on understanding its current processes, and then identifying areas where the company isn't using best practices. It can then suggest ways to shift to a best practice environment.

One best practice many companies are adopting is a "closed-loop environment." A customer sends a shipment authorization file to Data2Logistics, which electronically matches it to the incoming freight invoice. This allows Data2Logistics to check that the client is actually responsible for the bill, to allocate freight cost at the SKU level, and to provide more accurate accruals.

"By taking one action, we improve

operational efficiency in a number of ways," Friedman adds.

For many years, transportation was seen as a necessary evil. "Today, it can be a value-add proposition," Friedman says. Companies that lower their freight costs also reduce their total cost of goods. Data2Logistics has the knowledge, data, and expertise to help organizations identify cost savings opportunities and then execute on them.

DDC FPO SOLUTIONS: IN IT TO WIN IT

DDC FPO Solutions offers quality, low cost, back-office services for the transportation industry, says Chad Crotty, vice president of sales. It is a division of The DDC Group, a worldwide provider of business process outsourcing (BPO) solutions.

Its customers include many of the largest less-than-truckload carriers in North America, as well as small- and mid-sized carriers and 3PLs. The common thread? "They're looking to reduce costs, streamline business functions, or reallocate internal resources," Crotty says.

Among the services DDC FPO offers are offshore freight billing, both manually and through tech-enabled software; rate auditing, tracking, and tracing; accounts payable processing; analytics; and programmers and coders for many IT projects. "Because DDC specializes in these areas, its standardized processes and quality metrics ensure quality work," Crotty says.

The convergence of globalization and technical advances has helped many business professionals develop a greater sense of comfort in working with companies and people from other parts of the world, Crotty says. It has also enabled organizations to securely complete business processes in real time, in offshore environments. "In the not-too-distant past, global transactions may have taken days or weeks to turn around," he adds.

Even so, when many companies first consider outsourcing, they're concerned that it won't work because of processes unique to their operations. "Every company does operate a little differently and has unique situations that may require learning," Crotty says. However, outsourcing often can provide a higher degree of accuracy, at significantly lower cost.

Before starting to work with new clients, DDC FPO strives to understand as much as possible about their systems and business processes. In most cases, little or no computer integration between the organization and DDC FPO is required. Instead, DDC FPO remotely logs into its clients' systems, usually through a secure virtual private network (VPN) connection.

The typical implementation time frame ranges from a few weeks to several months, or in some cases, up to one



"On average, companies that engage DDC FPO can see a savings of between 40 and 60 percent in labor costs."

Chad Crotty, Vice President of Sales
DDC FPO



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year. It all depends on the scale of the functions DDC FPO will be performing, as well as the organization's ability to transition work quickly and efficiently.

DDC FPO usually charges a unit cost per record if it's processing piece-meal paperwork, freight bills, invoices, and the like. However, if its customer is transitioning a skillset to an offshore environment, DDC FPO charges by a full-time equivalent (FTE) rate.

On average, companies that engage DDC FPO can see a savings of between 40 and 60 percent in labor costs, Crotty says. Because DDC FPO specializes in the services it provides, and uses quality metrics to continually improve, its typical error rate is less than 1 percent. That compares to between 5 and 10 percent for many in-house operations, he notes.

ENVISTA: KING OF SAVINGS

The services offered by enVista LLC, a global consulting and software solutions firm, include audit and payment solutions, as well as transportation, ERP, and IT consulting, says David Wedekind, senior director global operations with the Indianapolis, Indiana-based firm. Through these services, enVista enables manufacturers, distributors, and omni-channel retailers to optimize supply chain efficiencies to drive cost savings and unify their commerce channels.

In addition, the company's proprietary unified commerce cloud-based platform, Enspire Commerce, brings together omni-channel inventory visibility, order routing and fulfillment for small and mid-sized retailers, vendors, and logistics partners. "We give retailers visibility to the flow of their products, from the source through delivery," he adds.

enVista's business intelligence platform enables its clients to leverage the data captured during their freight bill audits. For instance, they can determine



"Our goal is to ensure clients quickly realize value from our solution, and generate a return upfront."

David Wedekind, Senior Director Global Operations, enVista

whether it makes sense to redesign their network and locate fulfillment centers closer to customers or closer to vendors. "Clients are looking at the relationship with an audit and payment vendor as a partnership," Wedekind says.

By using the information it captures during an audit, enVista can recommend steps customers can take to reduce expenses and boost efficiencies. One example comes from analyzing the final mile of delivery. Often, it's a challenge to get visibility to this link in the supply chain.

"enVista's reporting enables companies to dig into what that last mile really costs," Wedekind says.

enVista's dedicated integration team approaches implementations in phases. For instance, team members might start with small package providers, as they tend to have standardized invoice formats.

"The goal is to ensure the client

quickly realizes value from the solution, and generates a return upfront," Wedekind says. A few early successes can build support and momentum for the project. Most implementations take between six and 12 weeks.

The benefits can be compelling. A beauty products company with an annual shipping bill that ran to several hundred million dollars was internally managing its shipments. The company lacked visibility to its spending by service level. With enVista, it was able to determine that, by making some upstream process changes, it could shift a large percentage of shipments from next-day service to ground, saving a significant amount of money.

"In addition to savings on hard transportation dollars, enVista looks for opportunities for additional savings," Wedekind says.

FORTIGO: FLUSH WITH SOLUTIONS

Fortigo, Inc. provides logistics cost management solutions that enable organizations to automate, optimize, and audit their logistics processes and decisions. According to George Kontoravdis, president and co-founder of the Austin, Texas-based firm, its services fall into three primary areas:

1. Freight audit and payment, where Fortigo reviews clients' freight bills to identify inaccuracies.

2. A transportation management system that provides visibility to shipping activities and spending. Many challenges that occur at the back end of a process can be prevented by managing transactions from the start. For instance, the system might be based on instructions from the company, and limit employees' ability to pick any carriers or special services. "This way, compliance can be handled at the front end versus the back end," Kontoravdis says.

This system also provides a single system of record for logistics spending

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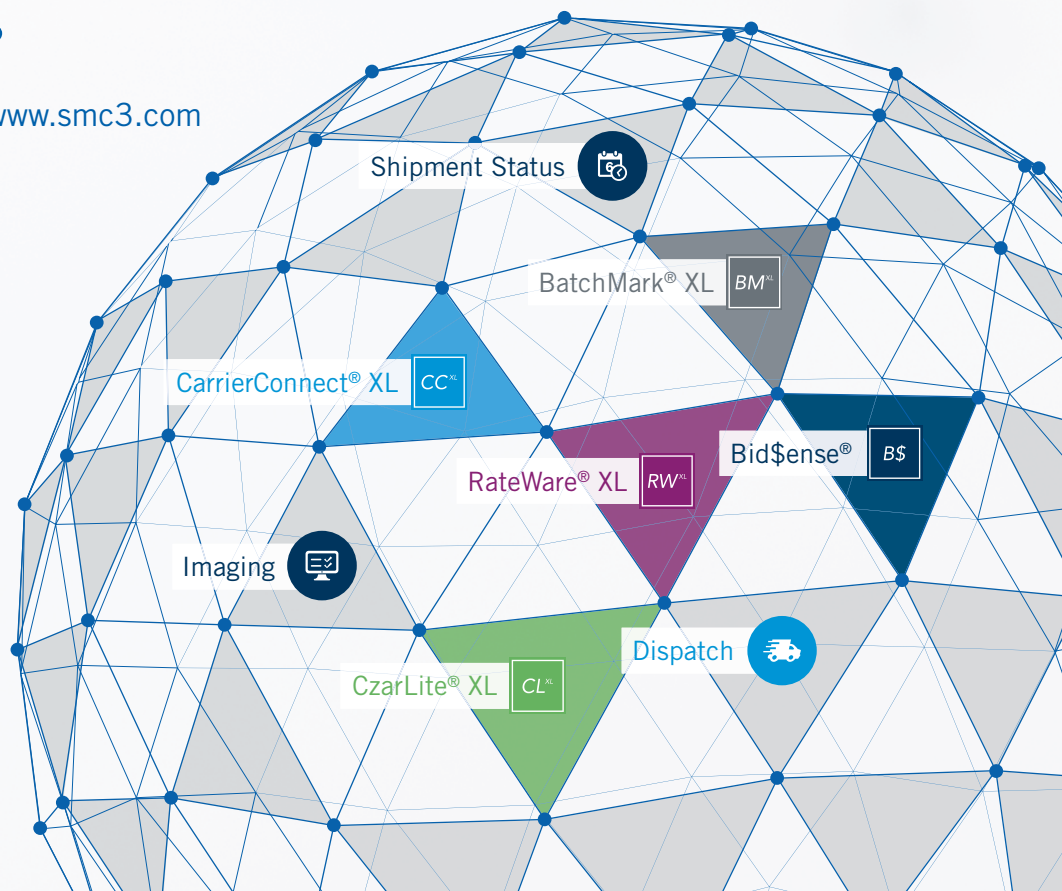
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across multiple sites. It is web based and carrier neutral, making it easy to access from almost anywhere. By helping organizations access and analyze millions of transportation records, the Fortigo solution helps them better understand—and ideally reduce—their spending, Kontoravdis says.

3. Reporting and consulting services help customers gain insight into their transportation spending, how it compares to their industry peers, and how they can reduce it.

Most Fortigo clients report annual transportation expenses of at least \$10 million. They typically work with between 30 and 50 carriers, and span a range of industries, including manufacturing, retailing, e-commerce, and distribution.

The implementation phase to get up and running with Fortigo can run the gamut. Depending on customer requirements, there might be integration with back-end accounting systems, such as Oracle or SAP. It typically takes two to three months to load and validate customer carrier contracts.

Cutting Costs 5 to 15 Percent

Organizations using Fortigo's software and services often cut their logistics costs by between 5 and 15 percent. In addition, because the managed service delivery model is coupled with Fortigo's On Demand technology, few clients need to call on their in-house IT resources to support the system.

Fortigo's most popular reports allow customers to dissect and examine their freight spending. One report, for instance, examines freight spend by transaction level, allowing the company to identify, line by line, how their transportation dollars were spent. They also can see how much they're spending by carrier, modes, and region.

Companies that spend millions on transportation services across multiple providers and carriers often lose track of which funds are going where. Once they can organize their spending

and view a concise summary of it, they might realize, for instance, that half of their expenses are going toward LTL shipments and carriers. "With this information, they often can go back to the carriers and negotiate better terms," Kontoravdis says.

INTELLIGENT AUDIT: HITTING THE ANALYTICS JACKPOT

Intelligent Audit (IA) reduces clients' transportation costs by providing automated freight audit and recovery across all transportation modes, business intelligence analytics, and spend optimization solutions.

"IA's biggest differentiation is our business intelligence platform and global capabilities," says Testani. The provider helps clients visualize complex, real-time transportation spend data to achieve total visibility to all transportation activity in one single repository.

The backbone of Intelligent Audit's cloud-based reporting and business intelligence (BI) portal is its best-in-class audit engine. Intelligent Audit's proprietary technology performs a comprehensive audit on every charge on every invoice, across all modes and regions, resulting in more than 150 audit touch points.

Intelligent Audit's global capabilities help to differentiate it. "Many shippers are burdened with disparate reporting systems and do not have easy access to transportation spend analytics," Testani says. Intelligent Audit's BI platform allows shippers to track spend, key performance indicators, and carrier performance. It also helps identify savings opportunities across the globe using IA's proprietary optimization algorithms.

Additionally, IA's dedicated account advisors constantly analyze shipper data to proactively identify issues and help customers ship smarter. "We leverage data science and machine learning to

profile each client and detect anomalies in their data, identifying any irregularities," Testani says. This can include changes in cost per pound, spikes in assessorial charges, or a number of other potential issues.

"Our strategic account advisors operate as an extension to the customer's logistics team to optimize their transportation spend and reduce operational inefficiencies, cost, and transit time while improving customer experience," she adds.

For instance, Intelligent Audit worked with one global manufacturer



"Our strategic account advisors operate as an extension to the customer's logistics team to optimize transport spend and reduce operational inefficiencies, cost, and transit time while improving the customer experience."

Hannah Testani, Chief Operating Officer
Intelligent Audit



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BEYOND TABLE STAKES: FREIGHT PAYMENT CLIENTS HOLD ALL THE CARDS

that was trying to determine what impact the bankruptcy of one of its largest customers, a large toy retailer, would have on its distribution network and transportation costs. It also needed to identify ways to mitigate the damage and even gain ground within the industry.

Through its analysis, Intelligent Audit identified a strategy to open optimally located pop-up stores in former areas with high market demand. IA also worked with the company to understand the volume and transportation cost impact and helped negotiate new carrier contracts.

Intelligent Audit's 2,500-plus customers range in size and type. "Because we leverage technology, we can handle all types and sizes of customers and are truly industry-agnostic," Testani says. Its customers ship around the globe and across all transportation modes. On behalf of its clients, Intelligent Audit processes and audits more than 400 million shipments, in 200-some countries and 120 currencies.

Most clients save between two and 18 percent from the audit itself. "When it comes to contract and network optimization, savings of 20 percent or more are common," Testani says.

nVISION GLOBAL: BETTING ON A GLOBAL FUTURE

nVision Global Technology Solutions, as its name suggests, provides global freight bill audit and payment services, says Keith Snavelly, senior vice president, global sales with the Atlanta-based firm. It manages more than \$5.2 billion in annual freight spend for its customers, which are scattered across more than 190 countries. It completes more than 90 percent of transactions electronically.

Over the past few years, nVision added modular transportation

management software and services, many of which revolve around rating and routing applications. It also added expedited freight approval and tendering tools, procurement services, least-cost-carrier applications, control tower services, and other functions.

"nVision's sweet spot is multi-national corporations seeking a single global provider that can process, audit, and remit payment globally," Snavelly says. Global shippers that are considering freight service providers will want to check that the company has its own implementation staff in each region, and doesn't try to implement services around the world from one location.

nVision employees, Snavelly adds, span the globe, working in one of the company's seven full-service processing centers. They're fluent in the local languages and work in the same time zones as their customers in all regions.

Cleaning the Data

A truly global provider also should be able to remit payment to carriers or transportation providers through in-country accounts, Snavelly says. If the provider instead funds payments from the United States, it likely will be charged hefty international banking fees. Many carriers pass these costs on to their clients.

nVision's analytical and business intelligence capabilities start with cleansing and normalizing the data—for example, ensuring the system knows that Company ABC in Smithtown is the same organization as ABC Co. in Smithtown. Once the data is clean, the shipper should be able to turn to lane analysis tools and key performance indicators, among other capabilities, to drill into and analyze the data.

"These tools should be accessible online and user-friendly," Snavelly adds.

"All these capabilities are transforming traditional freight audit and payment," he says. "They can provide customers a wealth of knowledge about their supply chain, as well as the analytical tools to help them use that data to better manage it."

Once nVision begins working with a company, it asks them to complete an implementation questionnaire. Along with basic contact information, the questionnaire asks about the company's transportation providers, carrier base, and general ledger account coding structure, among other information.

At an initial implementation meeting, nVision reviews this information and develops an implementation task list that details the person responsible for each action. "This way, we're ready to go live when the customer expects us to," Snavelly says. Most implementations take between 60 and 90 days.

The typical nVision audit customer realizes savings of anywhere from 5 to 9 percent of their annual transportation spend, Snavelly says. This is a result of checking, for instance, that the contracted rate is being used and that assessorial charges are both legitimate and correct. Most customers also save 1 to 2 percent in duplicate payment protection, Snavelly says.

RATELINX: DOUBLING DOWN ON DATA

RateLinx's supply chain solutions process—Logistics in 3D: Diagnose, Develop, Deploy—"helps organizations convert freight from a tactical necessity to a strategic asset," says Shannon Vaillancourt, president of the Madison, Wisconsin-based company.

Here's how RateLinx's 3D process can work: In the Diagnose stage, RateLinx and its client use integrated data from RateLinx's Intelligent Invoice Management (IIM) to diagnose any problems or challenges. IIM can capture and integrate freight data from multiple data streams.

During the Develop phase, RateLinx Analytics tools, guided by data from IIM, help each organization develop strategies to address the underlying supply chain and logistics problems to reduce costs. Finally, the strategies

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"It's amazing what you can do with integrated data that provides a single picture of your transportation at your fingertips."

Shannon Vaillancourt, President
RateLinx

developed are Deployed to create competitive advantages.

"The data collected from the freight invoice has to be integrated in real time with the shipment, the order, and item information to provide the needed intelligence for savings," Vaillancourt says.

In addition to IIM, two other products make up RateLinx's Enterprise Suite. ShipLinx TMS offers advanced analytics and integrated data intelligence to provide end-to-end visibility that improves supply chain performance. Radar Track & Trace integrates an order's lifecycle with information from the carrier to provide complete and accurate freight tracking status. "The real-time integration of the datasets from these solutions becomes the foundation of the 3D approach to data," Vaillancourt says.

To get started, RateLinx only needs a shipper's master data, such as locations,

carriers and their contracts, and rates with each carrier. "RateLinx is able to deploy a solution within 30 days without a customer's internal IT resources," Vaillancourt says.

RateLinx's solutions help companies develop strategies that can cut 10 to 15 percent—sometimes up to 40 percent—from their transportation expense. "It's amazing what you can do with integrated data that provides a single picture of your transportation at your fingertips," Vaillancourt says. For

instance, shippers often can more effectively engage in vendor negotiations.

RateLinx recently worked with one company that had about \$100 million in annual freight spend. The company lacked the data and reporting that could help with its internal strategic initiatives. RateLinx plugged its Intelligent Invoice Management solution into the customer's freight audit process, enabling the IIM system to receive a copy of the freight invoice directly from the carrier, and providing the company with

Playing it Straight: 8 Questions To Ask Potential Providers

Before engaging a freight bill audit and payment provider, ask these questions to help you make an informed decision:

- 1.** How quickly will the firm pay the carrier on your company's behalf? "It's a red flag if the provider doesn't quickly turn around the funds," warns Nick Fisher, director of sales with AR Traffic Consultants. The reason? A lag could indicate the firm is trying to make money for itself by investing its customers' funds before turning the money over to the carriers. Of course, if the investment drops in value, so does the value of their customers' money.
- 2.** Can the company provide two years of audited financial statements? "You want to be able to judge the financial health of the organization," says Thomas Zygmunt, manager of marketing and sales development, Cass Information Systems.
- 3.** How will the firm protect your information, which it has access to?
- 4.** Can the provider pay carriers in multiple currencies?
- 5.** Does the company have a realistic plan for the future?
- 6.** Is the platform the company offers proprietary or licensed? A proprietary platform allows the provider to more easily make enhancements, for either specific processes or ones that benefit the entire installed base, notes Dave Wedekind, senior director, global operations with enVista.
- 7.** How easy is it to create custom reports for analysis without having to call in IT experts? Can you analyze spend and create your own KPIs and dashboards within the tool, or are you limited to a standard dashboard?" Wedekind asks, adding that the more you can drill into the detail, the better, more informed decisions you can make.
- 8.** What is the company's rate of errors when processing transactions? A lower error rate means you'll spend less time correcting mistakes.



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BEYOND TABLE STAKES: FREIGHT PAYMENT CLIENTS HOLD ALL THE CARDS

real-time access to its freight spend.

As part of this process, RateLinx also captured the track-and-trace data from its carriers and integrated the entire dataset together.

It used this integrated data to help the customer find a different way to structure its LTL rates, resulting in annual savings of \$1 million. The company also leveraged the data generated from the track-and-trace solution to help its customer service department by providing real-time visibility to freight. That way, customer service employees could act proactively on shipments that weren't picked up or delivered on time.

"We achieved all these benefits by using the data," Vaillancourt says. "We disrupted nothing internally, nor did we implement an expensive TMS."

SMC³: ALL IN ON LTL

Less-than-truckload (LTL) shipments represent a small segment of many supply chains, yet also are "an extremely complex and integral part of any company's transportation operation," says Brian Thompson, chief commercial officer with SMC³. The Atlanta-based firm brings more than 80 years of experience and expertise to optimizing LTL freight transportation. "SMC³ is the LTL fuel for TMS applications," he adds.

More than 5,000 North American shippers, carriers, logistics service providers (LSPs), and freight payment companies rely on SMC³'s sophisticated LTL base rates, content, and expert bidding and planning tools. Its solutions can rate each shipment and provide visibility to those in transit, while analysis tools help organizations optimize their supply chains.

These tools include RateWare XL, a rating and pricing solution that delivers rate detail, and CarrierConnect XL, which provides accurate, continually updated LTL transit times and carrier details. SMC³ also offers transactional, direct-to-carrier API tools that smaller



"We take great pride in developing solutions that effectively use the latest technologies to help our clients achieve their goals."

Brian Thompson
Chief Commercial Officer, SMC³

companies can use to solve shipment visibility issues.

Two technologies currently changing the supply chain sector are automation and data proliferation, Thompson says. The increased digitization of the supply chain, as well as the sheer volume of data generated by companies operating even the most straightforward businesses, means shippers and 3PLs can find value by partnering with a data solutions provider.

Avoiding Trendy Developments

As SMC³ incorporates new technologies, it strives to avoid trendy developments and stick to true supply chain innovations. "We take great pride in developing solutions that effectively use the latest technologies to help our clients achieve their goals," Thompson says.

Those clients range from small,

regional shippers to top 3PLs. "We have the data infrastructure that the largest companies need for successful transportation analysis and optimization," he says. "We also have the know-how and tools that can help smaller shippers achieve their goals."

One provider of transportation management solutions engaged SMC³ to better manage its LTL shipments. The company needed real-time information on its shipments, yet also needed to free staff from constantly waiting for EDI shipment data. By using the SMC³ platform, it gained transactional LTL API connectivity. The solution cut the number of hours devoted to manual tasks such as dispatching, tracking, and routing by 30 percent.

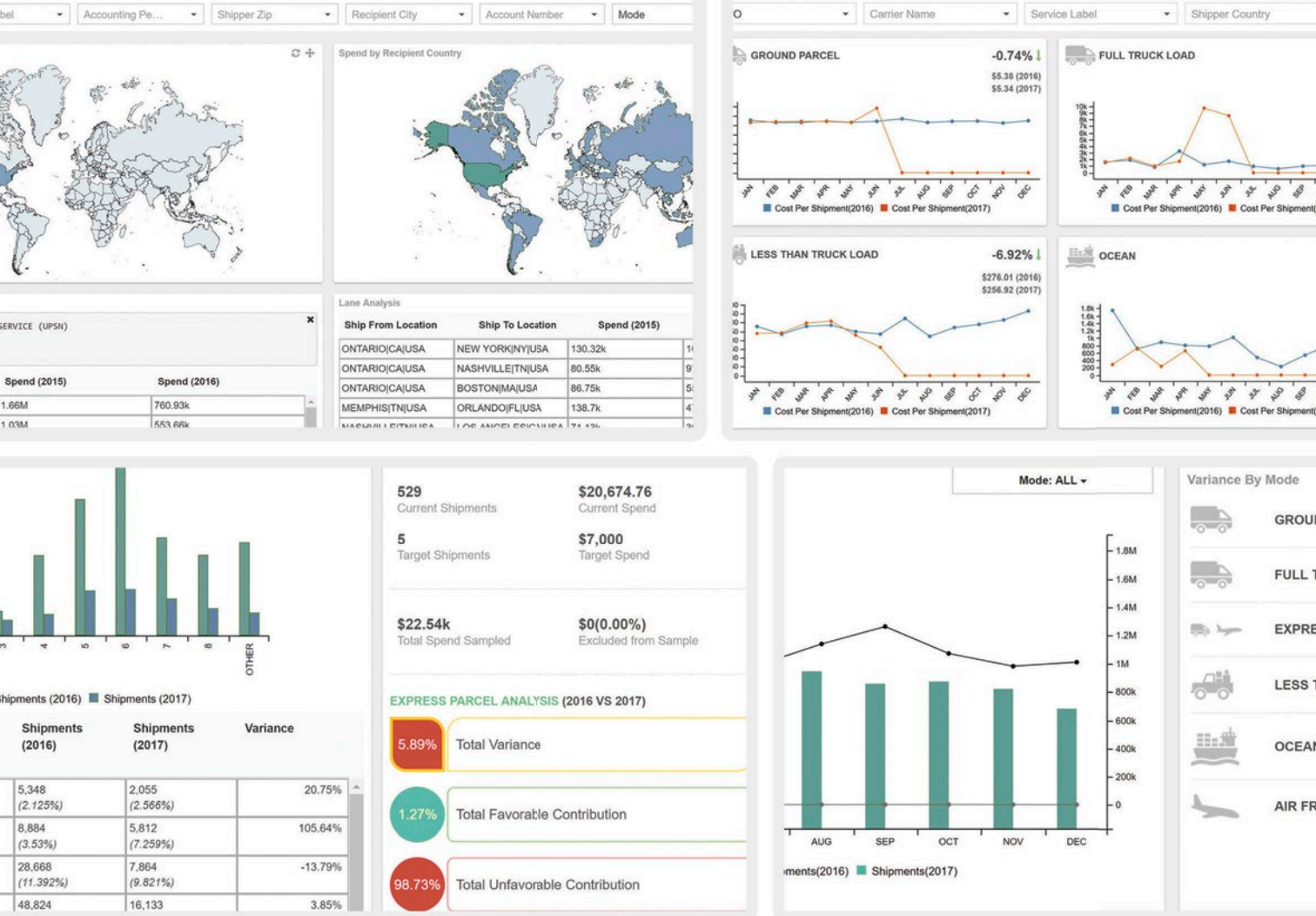
In addition, the customer uses RateWare XL to quickly obtain accurate LTL rates, also limiting the time employees must spend managing EDI data updates. "We help customers solve the entire LTL shipment lifecycle," Thompson says.

SUNSET TRANSPORTATION: STRAIGHT TO THE DETAILS

Sunset Transportation, a non-asset-based, full-service third-party logistics provider, offers a freight audit and payment, a logistics management, and a brokerage division. "We're driven to find the right fit and services for each business," says Sarah Eggleston. "Sunset's culture allows customers to feel like family, while offering advanced TMS solutions, reporting, and shipment reliability."

Sunset, a family-held company, promises savings, visibility, data-driven decisions, continuous improvement, and strong relationships with every customer, every day.

Through its analyses of historical shipping data, St. Louis-based Sunset identifies opportunities for freight payment optimization and service improvement.



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“Companies want to use the information collected from freight bills, bills of lading, and backup documentation to improve the supply chain, from purchasing through transportation,” Eggleston says. “They can dig into all the details.”

In the past, many companies managed freight spending regionally, Eggleston says. Today, more manage these expenses globally in order to get a better handle on overall freight spending and negotiate more effectively with vendors. Sunset offers solutions to both process invoices in multiple countries and provide visibility to freight expenses across the world.

Sunset also offers expertise in the classification codes that apply to different products. As a result, it can help companies understand how their freight is being classified and identify inaccuracies that may mean the company is paying more in duties or taxes than it should.

In the event of an audit, clients can turn to the electronic records Sunset maintains. This minimizes the need to dig through volumes of paper documents to find what the auditors require. “An audit can be a nightmare when you’re trying to come up with all the documentation and paperwork they request,” Eggleston notes.

Sunset’s clients come in all sizes. Smaller companies working with Sunset benefit by streamlining accounting processes, leveraging electronic image storage, and using technology to conduct systematic audits of freight invoices. “The payables and accounting staffs no longer have to go through each freight invoice to determine if they are being billed correctly,” Eggleston says.

Data Identifies Trends

Larger organizations working with Sunset typically benefit from boosting the efficiency of their accounting operations, and from gaining greater visibility into their data. “By getting all the transportation data into one database, they can analyze spending to identify trends



“By getting all the transportation data into one database, customers can analyze spending to identify trends and challenges in their supply chains.”

Sarah Eggleston, Director, National Sales
Sunset Transportation

and challenges in their supply chains,” Eggleston says.

For instance, Sunset worked with a plastics manufacturer whose freight payment operations were scattered across several locations in the United States and Canada, making it difficult to capture overall spending and identify all the carriers under contract. The manufacturer implemented Sunset’s freight audit and payment program to gain a greater understanding of its freight payment operations. The company then leveraged this information to implement a corporate-wide freight program that generated massive savings.

SWANLEAP: ANTE UP WITH AI

To provide the visibility that can guide supply chain decisions, transportation management systems need to be combined with a freight bill payment and audit analytics strategy, says Brad Hollister, chief executive officer with SwanLeap.

The Madison, Wisconsin-based company provides transportation management systems and shipping technology powered by artificial intelligence and machine learning. It also offers freight and parcel auditing. “Our focus is on supply chain best practices and shipping cost reduction,” Hollister says.

SwanLeap recently earned the top spot in the Inc. 5000, based on a three-year growth rate exceeding 75,000 percent.

The name SwanLeap refers to what’s known as a Black Swan event—an event that was unexpected and has a major impact, and yet, after the event, observers often rationalize that it could have been predicted. SwanLeap indicates how the company helps its clients “leap into the future,” Hollister says.

While many transportation management systems are fragmented and siloed, SwanLeap’s platform offers a connected TMS that can impact multiple departments within an organization, including finance, supply chain, and customer service, among others. SwanLeap can manage parcel, LTL, truckload, intermodal, and air and ocean shipments.

The Pace of Change

This is particularly key in a rapidly changing rate environment, Hollister says. Many execution platforms don’t take the pace of change into account and aren’t able to modify business rules as quickly as they need to. As a result, companies end up choosing carriers that aren’t optimal for their needs.

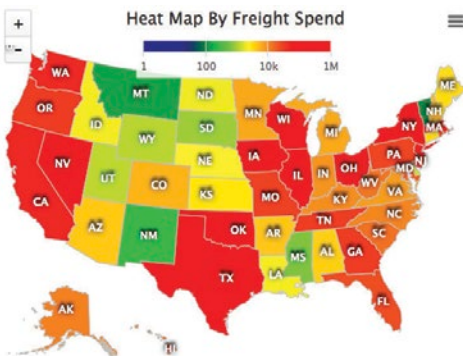
Hollister sees “a lot of pressure to



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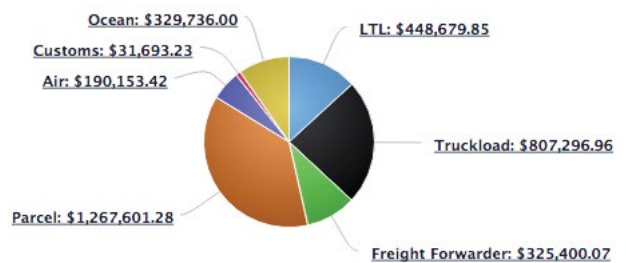
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beat up carriers,” in an effort to minimize mistakes or catch over-billing. “I don’t think there’s a systemic problem with overbilling,” he says. To be sure, the role of audits in ferreting out mistakes remains key. However, the greatest value comes from “visibility, analytics, control, and best practices,” he adds.

For instance, SwanLeap worked with a Milwaukee-based retailer whose shipping costs shot up after it began moving shipments weighing between 10 and 30 pounds through home delivery. The problem? Its contract with the carrier didn’t provide discounts on home delivery shipments of more than 10 pounds.

Nobody caught the mismatch between the decision and the contract provisions.

Moreover, anyone—including the auditing team—checking the rates against those in the contract wouldn’t find a mistake. The rates were applied correctly. The problem was in the decision to ship these packages in a way that was sub-optimal. By connecting to the business systems, providing visibility, and leveraging artificial intelligence, SwanLeap was able to identify the problem. The retailer now cuts its transportation spending by more than \$1 million each month.

Rather than generate reports,

SwanLeap provides its clients the ability to create dashboards that are continually updated. “They load live,” Hollister says. “It’s like watching a movie.”

For instance, a dashboard may show the number of orders shipped overnight from a facility. A supply chain manager can call up these and other numbers each morning, or as often as needed.

“We leverage artificial intelligence to make decisions and identify the optimal way to ship every order,” Hollister says.

TRANS AUDIT: DRAWING A FLUSH IN POST-PAYMENT AUDITING

While many freight bill audit and payment services focus on pre-payment audits, Trans Audit, a global freight and parcel post audit specialist that has been operating for more than 40 years, takes a different approach.

“We focus solely on a true global, multimodal post-payment audit,” says Vikki L. Van Vliet, senior vice president of sales and marketing. “Trans Audit’s post-payment audit unobtrusively and collaboratively operates after freight audit and payment companies and internal audits. We identify and resolve both billing and payment errors and provide a secondary level of insurance, especially as carrier billing and human errors are commonplace.”

Experts at Work

Trans Audit employs experts in all transportation modes, with auditors in six U.S. offices, as well as Europe, Singapore, and China. Its 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.

Trans Audit identifies and recovers errors in freight rates, accessories, discounts, currency conversions,

Is Blockchain Well Suited for Freight Bill Audit and Payment?

Will blockchain technology impact the freight bill audit and payment business? Yes, says Harold Friedman with Data2Logistics, noting the parallels to the emergence of EDI.

“There were many naysayers in EDI’s infancy,” Friedman says. “Today, EDI is not only generally accepted, it’s the preferred method of handling information.”

Blockchain is at the same point, he adds, noting that Data2Logistics is structuring its IT environment so that it can support blockchain when the time comes.

Similarly, CT Logistics is creating a private blockchain platform and optimizing its data feeds to clients so they can incorporate their shipping data into the blockchain technology they are contemplating using, says Allan J. Miner, president of the Cleveland-based firm.

SMC³ is involved with the Blockchain in Transport Alliance “because we want a hand in shaping how blockchain impacts supply chain processes,” says Brian Thompson, chief commercial officer. While the integration of blockchain in the transportation world may be a long way off, it’s important to help steer the current conversation, he adds.

To be sure, many companies are proceeding at a thoughtful pace. “We’ve seen a little activity in using blockchain to secure freight payments and have a distributed record of what happened,” says George Kontoravdis, president of Fortigo. At this point, however, most providers are trying to determine how best to leverage the technology.

“Before we jump in with both feet, we’re trying to figure out if we really gain an advantage,” Kontoravdis adds.

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"The post audit should deliver more than just monetary benefits; it should provide continuous improvement and insight into payment processes and supplier relations."

Chad W. Kennedy, IV, President, Trans Audit

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 audit for payment accuracy and ownership as well as tariff and contract compliance to ensure that all 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 assessorial charge makes sense, and that clients actually received the benefit of the service billed.

"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 timeframe for which overbillings and overpayments can be recovered varies based on error type and transportation mode. For payment errors, Trans Audit typically analyzes up to five years in arrears; while for billing errors, the time limits 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, while savings for parcel can approach 5 percent, Van Vliet notes.

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

"A truly consultative post audit should

also provide intellectual and process improvement insights," Kennedy says. "Trans Audit works cooperatively and collaboratively with its clients' carriers to ensure an expeditious and amicable review and recovery process."

Weeks, Not Months

Trans Audit's proven post-audit implementation process typically takes weeks rather than months. Trans Audit directly and independently obtains data from the pre-audit companies, 3PLs, or 4PLs its clients employ, as well as from clients' ERP, TMS, or other systems. As a result, clients do not find the implementation and ongoing support process to be resource intensive.

"Our ultimate objective," Kennedy states, "is to deliver a non-intrusive, client-focused, information rich, high-ROI service."

TRAX GROUP: DEALING WITH DATA

In June 2018, Trax Technologies, a global freight audit and payment provider, and Veraction, a provider of transportation spend management and freight audit solutions, announced a merger. The combined business offers an innovative global technology platform based on powerful data science to help companies uncover valuable logistics intelligence. The company, which maintains the Trax Group name and is based in Scottsdale, Arizona, manages more than \$10 billion in logistics spending across all transportation modes, and processes 400 million transactions annually.

This merger came just months after

Veraction acquired Los Angeles-based National Traffic Consultants, a freight audit and bill payment provider that serves multinationals, primarily out of the Asia-Pacific region. That transaction occurred in late 2017.

"We're excited about the Trax/Veraction merger," says Chris Connell, former CEO of Veraction, and now CEO of Trax Group Inc. The company will offer freight audit and bill payment capabilities, as well as transportation spend management. Trax's clients span multiple industries, with a concentration in life sciences, manufacturing, retail, consumer products, and financial services.

A key benefit of the Trax/Veraction merger is Trax Group's next-generation freight audit and bill payment platform and robust data analytics capabilities. "They allow customers to gain visibility, and ultimately control, over all their transportation spend," Connell says.

In addition, the merged companies are expanding their footprint in key regions of the world. "We're twice as strong now in Europe and in Asia-Pacific. And, with Trax's location in Costa Rica, we're able to serve Latin America in a way that we couldn't before," Connell says.

Tapping Into Intelligence

Clients of Trax Group's platform can tap into its transportation spend intelligence capabilities. As a baseline, graphs and tables allow organizations to see how much they're spending on transportation, the modes they're using, and trends over time, among other information.

But that's just a start. Trax's TSI variance analysis enables companies to compare past spending against projected future spending or a benchmark. "They can quickly see how they are trending in terms of key performance indicators," Connell says.

Just as valuable, the solution can show the drivers behind a company's performance. "With the click of a mouse, we show the influencers driving



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BEYOND TABLE STAKES: FREIGHT PAYMENT CLIENTS HOLD ALL THE CARDS

positive or negative variances,” he adds. This insight is available quickly enough that companies can use it to guide their decisions.

Later in 2018, Trax Group will release Advisor, a tool to help organizations create scenario modeling for their transportation spending. For instance, if they’re considering shifting their mix from one mode to another, or from one carrier to another, Advisor will show the resulting change in cost.

Trax Group will continue to innovate, Connell says. One future tool, the rate manager, will help customers more effectively manage their carrier rates by enabling the provider, the carrier, and the shipper to collaborate online and ensure all rates and contracts are current and accurate. Today, this typically is a time-consuming, manual process, he says.

Trax Group also is working on a solution that will help organizations quickly calculate monthly freight transportation accruals. “Companies are going beyond pure freight audit and bill payment, and are looking for ways to truly control their transportation costs,” Connell says.

Trax can help them get there.

U.S. BANK: **A FULL HOUSE OF COST SAVINGS**

U.S. Bank Freight Payment offers an end-to-end freight invoice, audit, and payment solution that optimizes working capital for both shippers and carriers, explains Jeff Pape. The trade finance feature of U.S. Bank’s solution allows shippers to extend their days payable outstanding (DPO) by up to 90 days, and yet pays carriers in fewer than four days. In fact, U.S. Bank often pays carriers before receiving shippers’ money.

In contrast, some providers take shippers’ money, co-mingle it with other funds for investments, and then pay carriers. “The risk is that the money can disappear before the carriers are



“U.S. Bank’s Freight Payment solution helps companies avoid surprises, understand true shipping cost allocations, identify cost-saving opportunities, manage pricing, and preserve profits.”

Jeff Pape, Senior Vice President, Head of Product and Marketing for Global Transportation, U.S. Bank

paid,” Pape says. Shippers are out their money, and yet their carriers still expect to get paid.

In addition, “by aggregating data on total shipping costs, and through its reporting and data analysis tools, U.S. Bank’s Freight Payment helps companies avoid surprises, understand their true shipping cost allocations, identify cost-saving opportunities, manage pricing, and preserve profits,” he adds.

For example, a large pharmaceutical customer used U.S. Bank’s reporting tool to analyze the impact of moving small parcel shipment lanes from one carrier to another. The analysis revealed an initial cost savings of more than \$150,000 annually.

Improved operational efficiencies

also allow employees to be redeployed to more strategic activities. By engaging U.S. Bank to handle exception processing, a large auto manufacturer repurposed eight full-time employees into more strategic supply chain roles.

Because U.S. Bank’s freight payment system is web-based, it doesn’t require any software installation.

Later in 2018, U.S. Bank will roll out a new freight benchmarking service that uses its robust dataset to allow customers to benchmark their performance against the marketplace, industry, and peers.

For its global freight payment customers, U.S. Bank’s solutions support multiple languages and varying local regulations that impact freight payment, as well as regional differences in contracted rates.

U.S. Bank worked with one leading equipment manufacturer that was spending more than \$100 million annually on freight, and yet had a manual freight payment process. Each day, employees had to manually review, correct, and sort piles of invoices from nearly two dozen distribution centers. After that, they’d route the invoices to their existing freight payment provider for processing by mail, tacking on an additional two to three days before payment could occur, and hurting their carrier relationships.

The solution from U.S. Bank Freight Payment improved their processes and enabled more timely payment. “In a single year, the company saw more than \$800,000 from audit savings and \$2.7 million in duplicate invoice savings,” Pape says.

Know When to Hold ‘Em, Know When to Fold ‘Em

As all these leading providers illustrate, traditional freight audit and payment services, while still necessary, are no longer enough. Instead, providers of these services are using the data obtained through the freight audit process to provide insight that can help companies better manage their entire supply chains. ♠



Some of the largest shippers in the world have relied upon the A3 Freight Payment team to design, implement, and manage their global freight payment solution.

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