# FREIGHT BILL AUDIT & PAYMENT: SAMS SAMS Letter Sag Letter Sag Letter Sag



By streamlining supply chain processes, FBAP providers help enterprises gain insights from their freight data and collect bottom-line benefits.



s much of society and the business world emerge from the pandemic and the disruptions that have upended supply chains over the past few years, it's clear that many are planning for a new normal. Supply chain professionals are using their experience to inform future decisions and build stronger, more resilient organizations and processes.

"We continue to see shippers examining the vulnerabilities in their supply chains. To manage those vulnerabilities, shippers are craving visibility and automation," says Kristy Brown, vice president, freight payment operations with CTSI-Global, a provider of freight audit solutions and logistics information technology. That extends to freight invoice processing and auditing.

"The freight bill sits as the culmination of every other piece of transportation information," says Hannah Testani, chief executive officer with Intelligent Audit, which provides automated freight audit and recovery, among other services. "The bill provides the complete story of a shipment."

Along with cost information, shippers increasingly are searching for insight

from their data. "Companies come to us to take their complex transportation data and make sense of it," Testani says.

The transportation costs shippers knew and understood prior to the pandemic have completely changed. "A lot of companies now are doing more brokerage or spot quotes, and they're struggling, in some cases, to implement audit processes for those changes,"

says Craig Cameron, vice president of sales and marketing with A3 Freight Payment, which offers freight payment, spend analytics, and business intelligence tools.

Companies are asking freight audit firms to help them quantify the drivers behind the changing costs. Is it related only to freight? Is it freight plus accessorials? Is it new accessorials?

And because costs have jumped so dramatically, "shippers are far more inclined to get back their pound of flesh," says Tom Nightingale, chief executive officer with AFS Logistics, a 40-year provider of freight audit and payment, as well as LTL, parcel, and transportation management services.

Nightingale points to the rate to move a container from China to the United States. Two years ago, it stood at about \$800. It's now up to about \$25,000. "Shippers don't want to pay a penny more than they have to," he says.

#### **INCREASING COMPLEXITY**

The challenge is not just that transportation rates are rising, but also that they're increasing in ways that can be difficult to decipher, says Nick Fisher, director of sales with ARTC Logistics, formerly AR Traffic Consultants. The range of additional fees and accessorials continues to



Along with transportation cost information, shippers increasingly are searching for insight from their data. And with freight bills growing more cumbersome and complicated, shippers are seeking advanced analytics about their costs.





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expand, including fuel surcharges, highcost delivery areas, and storage fees. "Carriers are finding more creative ways to add fees for services that historically might have been included in their rates," he says.

#### THE IMPACT OF LABOR

Labor shortages are also prompting more shippers to seek the services of freight bill audit and payment firms. "A lot of companies are short-handed and don't have the staff to perform freight audit and payment in-house," notes Tracy Meetre, chief commercial officer with logistics provider Sunset Transportation.

The limited reinstatement of moneyback guarantees for parcel carriers also impacted the freight bill market, as it required freight bill audit and payment (FBAP) providers to support new carrier transit times and revised service guide rules.

"There has been a significant drop in on-time performance among integrated carriers, and as a result an on-time delivery audit can result in significant savings," says George Kontoravdis, president of Fortigo, which optimizes and audits logistics decisions.

As more companies ship via parcel and internationally, in addition to truckload and domestic shipments, they're also looking for outsourced freight bill audit and payment services, says Allan J. Miner, president of CT Logistics, an FBAP provider.

Another shift is the growing market prevalence of consumer and pharmaceutical companies.

#### **ANALYTICS IN DEMAND**

With freight bills growing increasingly expensive and complicated, shippers are seeking advanced analytics about their costs.

"The settled freight bill is a single source of truth," according to Jeff Carlson, vice president, global sales and marketing with Cass Information Systems, a provider of payment management solutions.

Many shippers are trying to understand not only where cost



The freight bill audit and payment and transportation spend management sector continues to evolve and to provide technology, software, and services that extend beyond the traditional audit offering.

increases have occurred, but also how they can rein in expenses and improve their supply chains. For example, they might assess whether sending a different type of truck to pick up their goods will help to reduce their costs in the first place.

Along with data to decipher what has already happened, shippers are seeking predictive analytics and "what-if?" scenarios. "Actionable information takes the guesswork out of company decision making," says Jeff Pape, general manager, transportation, with U.S. Bank.

The push to digitize and eliminate—or at least reduce—paper-based processes also is gaining momentum. "Companies today continue to demand digital DIY capabilities from their providers," Pape says. This includes streamlined processes, human and artificial intelligence-driven insights, improved data outputs and more.

#### FREIGHT MARKET STABILIZES

While the recent challenges and disruptions aren't disappearing, the freight market appears to be steadily stabilizing. "We've gone from triage mode to out of the emergency room and into the regular hospital room, where we can do some recovery," says Cameron of A3.

The market is transitioning away from spot quotes to more contracted freight rates. At the same time, the freight market continues to improve, a result of strong consumer demand, e-commerce activities, and retailers' need to replenish inventories.

Freight costs are starting to come down, and we are moving to more of a shippers' market. Yet industry insiders are still trying to figure out where the market will land. "It's not likely we'll return to pre-pandemic norms," Meetre says.

Even amidst the pandemic and supply chain turbulence, the freight bill audit and payment and transportation spend management sector has continued to evolve and to provide technology, software, and services that extend beyond the traditional audit offering.

"While shippers are tasked to do more with less, freight audit and payment firms are poised to provide robust outsourced solutions that offer year-over-year, verifiable, bottom-line results," says Keith Snavely, senior vice president, global sales, with nVision Global, a specialist in freight audit services.

These are some of the freight bill audit and payment firms providing quality services that can help shippers save money and optimize their transportation operations and spending.



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#### **A3 FREIGHT PAYMENT:**

#### HELPING COMPANIES BETTER MANAGE OVERALL TRANSPORTATION SPEND

"We joke that we should know your freight invoice processing better than you should," says Ross Harris, chief executive officer with A3 Freight Payment. Yet, this also is the goal the team at Memphis-based A3 pursues. Its approach encompasses not only the freight bill audit and payment process, but also leverages A3's spend management solutions.

Through optimization and scenario modeling, A3 helps clients better manage their overall transportation spend. On average, A3 clients can cut about 6% from their freight spending through the freight audit, while savings from spend analytics average about 18%.

Many of A3's customers tend to be high-volume shippers who need more than canned solutions. A3 combines freight payment, spend analytics, and business intelligence tools to deliver comprehensive, customized spend management solutions. It can support 18 languages and offers global invoice processing.

"Our core solution offers several features unique to this space," Cameron says. One is complete electronic payments, which offer time-definitive settlement and better reporting functionality for logistics service providers.

In addition, shippers know their freight funds are tracked more accurately than is generally possible with paper checks. Data normalization and artificial intelligence solutions enhance the accuracy of the data reporting A3 can offer its customer base.

Along with searching for mistakes, A3's optimization analysis reviews processes to identify changes that could lead to savings. This includes optimizing routing, utilizing least-cost carriers, consolidating shipments and orders, and shifting carriers, modes, or service to identify ways to save money while meeting service level requirements.

It's not just its technology that differentiates A3 Freight Payment. Its



# OUR DATA NORMALIZATION AND ARTIFICIAL INTELLIGENCE CAPABILITIES ENABLE ACCURATE ANALYSIS AND QUANTIFICATION OF SCENARIO MODELING FOR OUR CUSTOMERS.

-CRAIG CAMERON VP, SALES AND MARKETING A3 FREIGHT PAYMENT

team of experts will analyze shippers' transportation data, including accessorial charges, their use of premium services, rate anomalies, minimum charge shipments, and other expenses.

Based on their findings, they'll recommend strategies to eliminate excessive network costs that frequently go unnoticed, and then will monitor these continuously to keep waste in check.

#### OFFFRING FFFFCTIVE SOLUTIONS

A3 is seeing growing interest in its supply chain financing solution, Harris says. Through this solution, A3 enables its clients to extend payment terms with their carriers, while ensuring the carriers are paid quickly.

When it comes to safeguarding clients' funds, A3 takes its responsibilities seriously. "We provide a bankruptcy remote structure that protects our customers," Cameron says. If something should happen to the firm, shippers' funds would be protected.

A3 Freight Payment also can provide its clients with a Service Organization Control or SOC 1 report. This offers written documentation of the internal controls at a service organization as they pertain to the user entities' controls over financial reporting.

A SOC 1 report not only offers shippers assurance of A3's internal controls, it's also becoming a requirement within many public companies. It also can help clients reduce the scope of their own freight function audit, Harris says.

Through its data normalization and artificial intelligence capabilities, along with its routing compliance

solution, A3 helped a leading electronics manufacturer identify \$1.2 million in savings. Shipments were identified as non-compliant and re-rated to quantify the cost of the incorrect carrier selection.

Additional scenario modeling showed where the least-cost carrier was not being utilized, and the impact that contractual minimum charges had on the routing rules. The shipper was able to utilize information from the analysis to correct operational deficiencies and update routing instructions to achieve savings.

"Our data normalization and artificial intelligence capabilities enable accurate analysis and quantified scenario modeling for our customers," Cameron says.

#### AFS LOGISTICS LLC: PROVIDING A COMPREHENSIVE VIEW OF FREIGHT EXPENSES

Over the past nearly two years, AFS Logistics has invested in transforming its proprietary systems, creating a "cloud-native, state-of-the-art solution with enhanced pre- and post-auditing capabilities," says CEO Nightingale.

AFSmartAudit, part of the new, integrated AFSmart Technology Suite, offers shippers a comprehensive view of freight expenses across all transportation modes, so they can efficiently identify and resolve overpayments, billing errors and discrepancies, while also evaluating new opportunities to streamline processes.

Another module, AFSmartClaim, automates the creation, tracking, and management of overage, shortage, and damage claims.



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#### WE HAVE CREATED A CLOUD-NATIVE, STATE-OF-THE-ART SOLUTION WITH ENHANCED PRE- AND POST-AUDITING CAPABILITIES.

-TOM NIGHTINGALE CEO AFS LOGISTICS

Because the new interface offers automated functionalities and full visibility to a range of freight audit and payment data—such as invoice, shipping, and billing details—shippers can more efficiently and accurately manage their freight, and make faster, more informed decisions.

Over the past 40 years, AFS has completed 22 acquisitions, including some of the most successful freight services firms in the United States and Canada, Nightingale says.

As AFS has expanded, so has its client base. While historically focused on midtier manufacturing, distribution, and retail companies, the company has now added high-tech, retail, and automotive companies to its client list.

#### PRE- AND POST-PAYMENT AUDITING YIELDS COST SAVINGS

AFS processes 4 million freight bills each week and manages about \$11 billion in transportation spending each year. Among other services, it offers both preand post-payment auditing services. Clients typically save between about 6.6 to 8% of their transportation spend; the exact percentage varies with the mix of modes.

Consider AFS's work with a global electric distributor that operates more than 500 branches and distribution centers across the United States. Many of these locations process massive parcel and LTL volumes.

At times, outbound packages weren't properly delivered. While filing a claim would have enabled the company to get a refund, it had no process for doing so. As a result, each failed delivery was considered a sunk cost.

In addition, a lack of detailed reporting and the large number of LTL carriers with which the company was working made managing and gaining visibility to freight costs and performance difficult and cumbersome.

AFS Logistics, collaborating with a shipment visibility software company, designed a custom solution that provides access to accurate, timely transportation data and predictive insights, including parcel delivery status, location, and more.

Armed with this insight, AFS uncovered freight accessorial charge errors—including incorrect detention, reconsignment, and layover charges—that had previously been hidden.

AFS also implemented a new claims process the locations could use to file and manage less-than-truckload freight claims. In the first 15 months, more than \$238,000 was returned to the company in paid claims, while parcel savings in 2020 hit nearly \$1.2 million.

Given this, it is not surprising that Nightingale says more cargo owners and others are asking about the company's FBAP services. "We have seen a pretty dramatic increase in the number of inquiries coming to us," he says.

#### ARTC LOGISTICS:

#### TOOLS FOR BETTER UNDERSTANDING AND CONTROL OF FREIGHT SPENDING

ARTC Logistics, formerly AR Traffic Consultants, has been providing advanced transportation management software and third-party logistics services for nearly 60 years. Its new name reflects the breadth of services the company offers, says Nick Fisher, director of sales.

These services include routing optimization, load tendering, tracking and tracing, a vendor compliance portal, and advanced analytics, among others. Each year, ARTC audits \$450 million in invoices and manages 20 million packages. On its audits alone, ARTC saves clients an average of 2 to 4% of freight spend.

The name isn't the only change. ARTC is enhancing its dashboard and reporting portal so they're easier to use with handheld devices and allow for more custom reports. They'll also provide greater connectivity with carriers.

"Customers will be able to gain more accessibility to more carrier information at one time and in one place," Fisher notes.

ARTC's freight dashboard displays key freight performance indicators. Shippers can see where their freight dollars are going, so they can better understand and control their freight spending.

CalcRate, ARTC's flagship software program, is designed to interface with most ERP systems. By pulling orders directly, it keeps shippers' accruals in balance.

The proprietary software ARTC offers can be hosted in the cloud or installed on a client's IBM iSeries computer. The programmers who developed the code handle support calls directly.



CUSTOMERS WILL BE ABLE TO GAIN MORE
ACCESSIBILITY TO MORE CARRIER INFORMATION
AT ONE TIME AND IN ONE PLACE WITH ARTC'S
ENHANCED DASHBOARD AND REPORTING PORTAL.

-NICK FISHER

DIRECTOR OF SALES

ARTC LOGISTICS, FORMERLY AR TRAFFIC CONSULTANTS

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Clients can use ARTC's freight payment software, which offers a sophisticated audit system, to perform its freight audit and payment function in-house. Or, ARTC can act as a third-party freight payor. Because ARTC's system is loaded with customer-specific carrier rates, shippers avoid incorrect carrier billings, including accessorial charges, classification errors, and fuel surcharges.

#### ACCESSING INDUSTRY FREIGHT DATA

As a third-party freight payment and audit company, ARTC has access to a plethora of industry freight data, Fisher says. As a result, its customers periodically receive specific rate analytics. That is, the rate components are routinely benchmarked and compared to what others in the industry are receiving.

ARTC also offers post-hoc opportunity studies and what-if scenario analyses. These help shippers determine how changes in rates or warehouse locations will affect freight costs.

Through its analytical support, ARTC recently helped one client recognize growth had increased to the point where they had outgrown their current carrier contracts. The company employed ARTC to review new carrier contracts.

These new contracts reflected the company's current, actual size, helping to lower its rates. Savings for the first six months hit about \$300,000, or about 22% of their spend, Fisher says.

#### **CASS INFORMATION SYSTEMS:**

#### DELIVERING VISIBILITY AND TOTAL VALUE

Launched as a neighborhood bank in 1906, St. Louis, Missouri-based Cass Information Systems has grown into a global provider of freight audit and payment solutions, serving multiple Fortune 500 companies. Its experience in freight audit and payment stretches back six decades.

Along with its freight and parcel audit services, the company's business intelligence platform, CassPort, offers timely and accurate visibility to cost and

# THE FUTURE OF THE FBAP MARKET

#### **Q&A WITH IAN FAITH, KÖRBER TRANSPORTATION SPEND OPTIMIZATION**

For the past 20 years, enVista has been one of the leading freight audit and payment providers. With Körber's acquisition, the company is now on a trajectory to offer even greater value to current and future clients.

#### What are some of the most significant recent developments in the freight bill audit and payment (FBAP) market?

The most interesting change is around the leverage between shippers and carriers and what that means to the relationship. The data shows the infusion of government stimulus money drove parcel capacity to the benefit of the carriers.

We now see the effects of inflation and rising shipping prices along with falling capacity swinging leverage over to shippers who have choices when it comes to service in most regions.

The savvy ones are revisiting their contracts to understand their options. Shippers were focused for many years on becoming a shipper of choice, meaning they were aligned and ready for their carrier's services, which should still be a business focus.

The most important development for shippers is having actionable data at your fingertips; it can be a transportation team's secret weapon. How great is it for a shipper to be able to provide excellent service to their customers while being optimized and reducing costs at the same time?

This can only be done with visibility and intelligence being applied through findings in their data.

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transportation information on inbound and outbound shipments across the globe. Shipment data is aggregated and normalized at a granular level, providing a comprehensive view of transportation costs.

This visibility allows shippers to analyze not just their spending, but also their operations. "Clients are asking for advanced analytics that they can leverage," Carlson says. In addition to reducing costs, they want to better manage their supply chains by, for instance, analyzing networks and traffic lanes

And as interest rates have started to rise, shippers have shown more interest in holding onto their money for longer. Of course, carriers still want to be paid quickly. Through the Cass Financial Suite, Cass can pay carriers within a few days, and then collect from its shipper clients 60 to 90 days later, Carlson says.

#### **FULL CLAIMS MANAGEMENT SERVICE**

Among the other services Cass offers is a full claims management service. "We've taken something that's manual and labor intensive, and streamlined it," Carlson says. Here too, Cass helps clients use their claims data to learn how to reduce future claims by, for instance, changing how they build pallets.

One of Cass's clients operates seven global transportation control towers and produces 300,000 products across its various companies and divisions. Its transportation operations span 100 countries. Leadership has been steadily centralizing management of transportation operations and migrating the freight audit and payment processes for ocean, air, and parcel shipping to a central, standardized process with Cass Information Systems.

Among other steps, Cass handled responsibility for onboarding carriers. Because freight payment remains a relatively new concept in many parts of the world, Cass has had to navigate cultural barriers and provide education, particularly to carriers. It worked with the carriers in multiple



AT THE END OF THE DAY, WE DON'T WANT TO JUST KEEP CORRECTING MISTAKES. WE WANT TO FIX THE ROOT CAUSES OF ERRORS AND THEN MOVE ON TO ANALYSIS. IT'S NOT JUST ABOUT AUDIT SAVINGS, BUT THE TOTAL VALUE WE CAN PROVIDE.

**-JEFF CARLSON**VICE PRESIDENT, GLOBAL SALES AND MARKETING
CASS INFORMATION SYSTEMS

ways, including developing a library of electronic invoice formats to simplify the onboarding process.

Cost savings through audits and minimizing duplicate billings at the company have ranged from 1 to 5%. As important, teams across the globe can view the same, accurate information to compare costs and other information. This visibility led to global freight rate agreements that helped save money and simplify rate management.

"At the end of the day, we don't want to just keep correcting mistakes. We want to fix the root causes of errors and then move on to analysis," Carlson says. "It's not just about audit savings, but the total value we can provide."

#### **CT LOGISTICS:**

#### TACKLING COMPLEXITY AND PROVIDING CONTROL

FreitRater, the proprietary and global freight bill audit and payment platform developed by CT Logistics, can efficiently and accurately process complex transportation rating structures, says Allan Miner, president.

More than 20 of the largest trucking lines in North America, and more than 25 of the Fortune 1000 corporations, currently use the solution. The in-house development team behind FreitRater includes programmers with between 4 and 31 years of experience with the solution.

"In general, FreitRater identifies gross savings between the billed amount and the paid amount, averaging about 3.2%," Miner says. This is a blended average, however, and a new shipper client who has never engaged an outsourced FBAP provider usually saves more in its first few years, he adds.

Shippers can implement FreitRater in one of several ways. They can outsource implementation and operation to CT Logistics, they can operate it under the BPAAS (Business Process as a Service) model, or as a SAAS (Software as a Service) model. Large shippers who prefer more control and a greater ability to customize the system can license it in-house.

CT Logistics has leveraged its headquarters location in Cleveland, Ohio, to work with companies in many industries in the area, including metals, automotive, chemicals, petroleum, and rubber manufacturing. It has also worked with many companies that rely on the raw materials these companies offer, including those that provide parts for vehicles, agriculture, aerospace, and other industries.

At one point, a multinational holding company for automotive and industrial original equipment manufacturers engaged CT Logistics because it struggled with a lack of visibility to its logistics spend. It also couldn't easily determine which carriers were being deployed. In addition, each business unit had its own accounts payable team and processes, limiting visibility and transparency across the enterprise.

By engaging CT Logistics and leveraging its international audit and payment services, the company gained visibility to its scoped logistics spend globally, and down to the accessorial level, Miner says. It also gained greater and more structured buying power.



Our team of logistics experts and data scientists leverage the unrivaled insights from our more than \$11 billion in annual freight spend to optimize carrier networks, develop multimodal strategies and minimize transportation cost. Ensuring your success through logistics is what we do, so you can focus on what you do.

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FREITRATER, THE PROPRIETARY AND GLOBAL FREIGHT BILL AUDIT AND PAYMENT PLATFORM DEVELOPED BY CT LOGISTICS, IDENTIFIES GROSS SAVINGS BETWEEN THE BILLED AMOUNT AND THE PAID AMOUNT.

-ALLAN J. MINER PRESIDENT CT LOGISTICS

That led to the implementation of a preferred carrier program. First year savings topped \$4 million.

#### BEST PRACTICE AUDIT CONTROLS

Another client, a global energy company, struggled to audit and pay its domestic and international carriers, due to limited resources. Its extensive roster of suppliers also made it difficult for the company to consolidate less-than-truckload shipments.

CT Logistics worked with the company to implement best practice audit controls and data capturing. Among other results, the company now can internally audit 40 locations, as well as distribution operations in more than 140 countries. It's also able to generate allocation and reporting at the stock-keeping unit (SKU) level for all pool points (regional terminals that accept consolidated LTL shipments) and final destinations.

Results such as these help explain why CT will celebrate 100 years in business in 2023. Not only that, it has been owned by the same family since 1965.

#### **CTSI-GLOBAL:**

#### BOOSTING BUSINESS INTELLIGENCE CAPABILITIES

Around the onset of COVID-19, Memphis-based CTSI-Global rolled out its invoice upload portal. The move, an indication of the company's focus on both technology and customer service, proved fortuitous. The volume of spot quotes jumped during the pandemic.

With more shippers and carriers working remotely, the portal provided

an efficient way for them to continue to submit their freight bills. Each day, between 6,000 and 8,000 invoices move through the portal. Once shippers upload their invoices, they can track them through the system.

"It's a very sweet tool we developed," says Kristy Brown, vice president, freight payment operations.

CTSI-Global processes 5 million freight transactions every day, which together total more than \$15 billion in freight dollars annually. The company's multi-modal audit technology automates audits, checking all duplicate, rate, discount, ancillary, and performance metrics, and generates refund processing for exceptions.

The company's audit staff boasts more than 400 years of combined experience across all modes of transportation, and in functions ranging from audit and analysis to contract management, and from exception management to payment processing.

Employees stationed in facilities throughout the world speak the local language and understand cultural nuances, and can leverage their experience to quickly address any challenges.

Currently, CTSI-Global is doing a great deal of work with parcel offerings, Brown says. Through its freight bill audit process and its business intelligence solution, CTSI-Global is helping its clients identify and leverage least-cost, small-parcel carriers as much as they can. "We're investing a lot in the parcel arena, especially around parcel manifesting," she adds.

CTSI-Global's business intelligence capabilities are another area of focus, Brown says. CTSI-Global partnered with an apparel brand that retails in more than 110 countries, including over 3,000 branded shops. The retailer's outbound U.S. domestic service includes primarily shipments from four regionally based distribution centers; these travel to wholesale, retail, and online customers.

#### IMPROVING THE AUDIT PROCESS

The goals of the partnership were to improve the retailer's freight audit process and data management capabilities. To achieve this, CTSI-Global performs a pre-audit, three-way match against the shipment file, carrier invoice, and rate, and then conducts cost allocations and generates a weekly pay file on all approved invoices, customized to shipper specifications.

These steps create a seamless integration to the retailer's business processes. Among other benefits, this allows management to monitor key metrics like freight accruals, freight spend, and expected versus actual cost. The retailer also can track carrier performance across multiple metrics, including on-time performance, billing accuracy, and price.



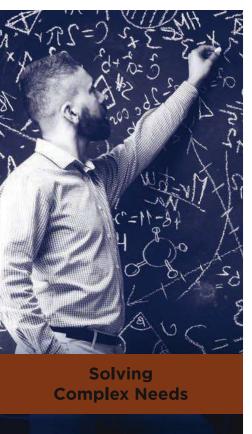
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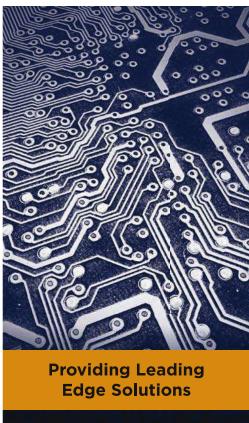
-KRISTY BROWN VICE PRESIDENT FREIGHT PAYMENT OPERATIONS. CTSI-GLOBAL

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"Shippers are not just looking for traditional freight bill organizations," Brown says. Instead, they're looking for more advanced services, and particularly business intelligence that can help them manage increasingly complex supply chains, she adds.

As CTSI-Global continues to invest in the advanced services and intelligence that shippers need to build their businesses, it's also growing as a company. "Customers are looking to us to support them in the United States and globally," Brown says.

#### FORTIGO: MAXIMIZING FREIGHT SAVINGS FOR SHIPPERS

When FedEx recently introduced an FBAP certification program, it named Fortigo one of six FBAP providers globally to be certified for both parcel and less-than-truckload freight. "This is a recognition of our capabilities in terms of accuracy, automation, and our willingness to provide win-win solutions," says George Kontoravdis, president of Fortigo.

The certificate also recognizes Fortigo's emphasis on cybersecurity and its ability to protect confidential data, like shipping patterns, contract agreements, and commodity descriptions.

Fortigo, which celebrated 20 years in business in 2021, guarantees the accuracy of its freight audit process. "It's an industry-first feature that our customers love," Kontoravdis says.

Because Fortigo's platform is geography agnostic, it can manage freight bills across all regions of the world and from any mode of transportation.



# FORTIGO GUARANTEES THE ACCURACY OF ITS FREIGHT AUDIT PROCESS. IT'S AN INDUSTRY-FIRST FEATURE THAT OUR CUSTOMERS LOVE.

-GEORGE KONTORAVDIS PRESIDENT FORTIGO

"Additionally, we can pay any carrier, with any currency, in any location," Kontoravdis says. It's also able to tailor the freight audit process and turnaround time to customer requirements.

#### ONF-STOP TMS

Along with its freight audit and payment solution, Fortigo offers a one-stop transportation management system (TMS) that can handle any type of shipment. "This allows for the closed-loop system that empowers Fortigo to identify compliance anomalies with vendors, saving money and time for our customers," Kontoravdis says.

In May 2022, Fortigo's integration with the Uber Freight platform went live. This allows Fortigo clients to continue viewing contracted rates within their established carrier network, while also viewing Uber Freight's real-time dynamic pricing inside the Fortigo TMS. As a result, they can maximize freight savings.

Fortigo continues to expand its offerings to adapt to the changing logistics environment. Over the past year or so, it has added more than 85 new features, such as integrations with airline cargo systems, to its solution.

First-year savings for customers

switching from manual processes to Fortigo's solution generally range from 7 to 10% for freight audit, Kontoravdis says. Established customers typically see annual savings of about 1 to 4%, with the exact rate depending on the volume of shipping and complexity of their transportation network.

From its start 20 years ago, Fortigo has focused on growing organically and by always ensuring it could meet its customers' needs. Fortigo works with several of the top airlines. When the pandemic hit and governments around the world issued stay-at-home orders, airlines were forced to quickly respond to diminished demand in all aspects of the business.

"Time-sensitive execution strategy changes were urgently needed," Kontoravdis says. Fortigo's streamlined, all-in-one software-as-a-service (SaaS) delivery model allowed its airline clients to rework and re-optimize their supported supply chain channels overnight and make necessary changes hourly. This empowered front-line workers to continue executing, based on updated company strategy, ensuring hard-dollar savings.



WITH OUR TECHNOLOGY AND TEAM, WE HELP SHIPPERS LEVERAGE DATA TO ENABLE THEM TO BE SMARTER SHIPPERS.

-HANNAH TESTANI CEO INTELLIGENT AUDIT

#### INTELLIGENT AUDIT:

#### OPTIMIZING SHIPPING NETWORKS AND MODES

As supply chain disruptions increased over the past few years, many companies started to try to manufacture and source from vendors in more countries, in their efforts to diversify and lower their sourcing risk. These shifts have also prompted many companies to engage

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Intelligent Audit to provide business analytics that can help them identify opportunities to reduce costs and improve their operations, says Hannah Testani, CEO.

To help its clients accomplish this, Intelligent Audit's solution examines more than 150 service points across all transportation modes, identifying service-related issues, residential surcharges, dimensional rates, and duplicate billing, among other issues.

Its business intelligence platform allows clients to access and visualize data so they can optimize their shipping networks and transportation modes, and manage transportation costs in real time, among other capabilities.

#### DEEP LEARNING CAPABILITIES

Intelligent Audit's technology leverages deep learning models (DLM). A form of artificial intelligence originally proven to be successful for self-driving cars, the healthcare space and fraud protection, Intelligent Audit's proprietary machine learning algorithms are able to find anomalous patterns in their customers' data with precision.

So, even when a company's transportation spend looks consistent on a macro, enterprise-wide level, DLM can pick up spikes or other issues impacting one part of it. "It can see, for instance, a spike in the cost per kilogram in a specific lane," Testani says. Then, with the prescriptive analytics, shippers can take action before a small anomaly becomes a bigger problem.

In examining freight expenses for a large retailer, Intelligent Audit's DLM technology noticed that the average cost per shipment for several locations had spiked. Intelligent Audit provided the anomalous information to the shipper accompanied by actionable intelligence to contextualize the issue.

Further examination revealed new items were being shipped from these locations in packages that prompted handling surcharges; these SKUs either needed to be marked up when charging e-commerce customers or offered only as pick-up, in-store items.



### QUESTIONS TO ASK WHEN EVALUATING FBAP FIRMS

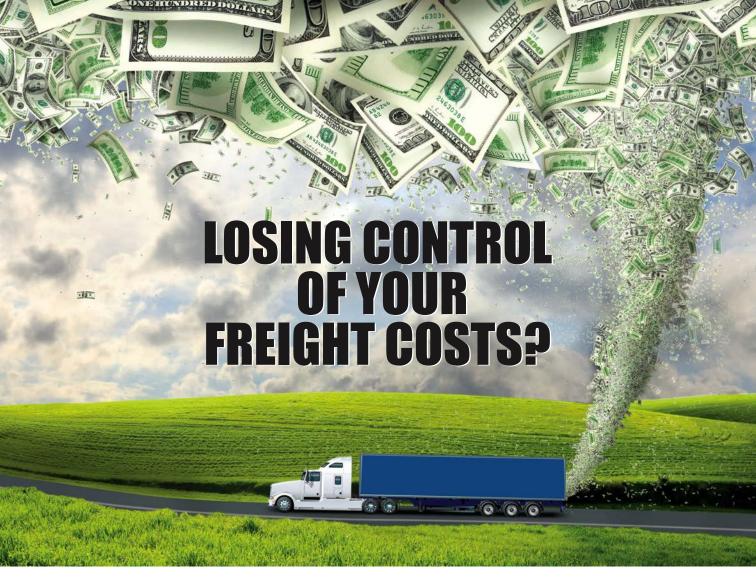
Before you sign on the dotted line, consider these must-ask questions:

- 1) **How established is the firm?** Ask how long the company has been in the core FBAP business, and how long its ownership has been active in running the business. Ideally, the company and its leadership will have some history in the industry.
- Does the company perform the audit work itself? Some outsource to white-label providers.
- 3) What exactly does the company provide? Get the specifics.

It is also important to ask:

- How does the company treat carriers? Shippers need to maintain strong
  relationships with their carriers, and the freight audit team can impact their efforts.
  Rather than simply blame the carrier for any errors, the audit firm should work
  collaboratively with carriers to identify and fix the causes of mistakes.
- 2) What is the current state of their technology and what are the planned investments? "While none of us know what will happen or how technology will change, you want a freight bill audit and payment company that is willing to make investments," says Jeff Carlson, vice president, global sales and marketing with Cass Information Systems.
- 3) Can the company help you become a smarter shipper? The information it provides should enable you to more effectively manage your transportation and logistics operations.

CONTINUED ON PAGE 90



## Take Control And Streamline Your Freight Spend With ARTC's Auditing And Payment Service

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Without Intelligent Audit's detection algorithms and its team of data scientists, the retailer probably wouldn't have noticed the surcharges until they grew so great they impacted overall freight costs. "With our technology and team, we help shippers leverage data to enable them to be smarter shippers," Testani says.

It's not only its relationships with shippers that are critical to Intelligent Audit. It takes a collaborative approach when working with carriers. "When there's an exception, we want to make carriers aware of it and work with them to correct it by showing them the root cause," Testani says. "We don't just blindly short pay."

This approach helps shippers, who also need to maintain strong relationships with their carriers.

Launched in 1996, Intelligent Audit is woman-owned. It recently was certified by the Women's Business Enterprise National Council (WBENC) as a tier-1 diversity spend supplier. WBENC validates businesses that are at least 51% owned, operated, and controlled by one or more women.

#### SHOW ME THE MONEY

About 20% of the Fortune 50 work with Intelligent Audit. In 2021, it audited more than 1.1 billion shipments, accounting for more than \$31 billion in transportation spend. Clients typically save between 2 and 20% of their transportation spend, with most saving about 5%.

"It's a fun time to be a technology company in the supply chain space," Testani says. "We're looking to continue to help shippers be smarter shippers."

#### **OUESTIONS TO ASK** (CONTINUED FROM PAGE 88)

- 4) How important is an analytics platform? Do you want to have to call a team of people every time you have a question, or are you looking for a self-serve solution? Also watch for and be wary of companies that offer limited data capture with no data normalization and/or cleansing.
- 5) What safety measures are in place? Ask about a SOC 1 report and audited financial statements. All audit firms should keep client funds separate from their own.
  - Data protection is also important. "Freight bills contain reams of valuable information about your supply chain," notes Jeff Pape, general manager, transportation, with U.S. Bank. The company should keep your information—along with your funds—separate and secured.
- 6) How global is the provider? If you operate—or plan to operate—in multiple countries, you want a provider that can accommodate varying regional requirements, languages, and zones. It should be able to remit payment globally through in-country bank accounts and provide a global data warehouse containing all transportation activity.

#### **NVISION GLOBAL:**

#### STREAMLINING SUPPLY CHAINS WITH CUSTOM SOLUTIONS

nVision Global offers seven full-service processing centers on three continents, spanning multiple time zones, and staffed with experts fluent in local languages and able to provide regional expertise, says Keith Snavely, senior vice president, global sales, with nVision.

Many of the company's clients are multinational corporations that need a provider that can offer freight audit and payment services around the world and for all modes of transportation-related invoices, while providing a single, global data warehouse, Snavely says. They're also looking for analytical tools that can help them lower transportation spend.

nVision can meet these goals. "By providing our customers with a single, global data warehouse and analytical tools, we are able to help them optimize and streamline their global supply chains," Snavely says.

Companies of all sizes rely on nVision's world-class freight audit and payment solutions to provide year-over-year verifiable bottom line savings, he adds.

Among other capabilities, nVision's customizable audit solution can incorporate shippers' edits, validations, and business rules. "We don't have a canned solution we try to squeeze clients into," Snavely says.

nVision also provides images of all invoices, including EDI, along with all supporting documentation. Because nVision operates on a single, global processing application, it can provide clients with one global data warehouse of their supply chains.

A \$1.3-billion supplier of automatic test equipment and interconnection systems contacted nVision for its help in efficiently managing freight invoices for its transportation providers in multiple countries who worked in multiple currencies—including Mexican pesos, Malaysian ringgits, Chinese renminbi, and U.S. dollars—for multiple divisions.

The company needed a "solution that would allow them to roll up the total spend of each division

BY PROVIDING OUR CUSTOMERS WITH A SINGLE, GLOBAL DATA WAREHOUSE AND ANALYTICAL TOOLS, WE ARE ABLE TO HELP THEM OPTIMIZE AND STREAMLINE THEIR GLOBAL SUPPLY CHAINS.

-KEITH SNAVELY SVP, GLOBAL SALES NVISION GLOBAL





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**CONTINUOUS PAYMENT & BILLING IMPROVEMENTS** 



SIMPLE, SWIFT, STRAIGHTFORWARD



into one global database," Snavely says. nVision's Global Invoice Audit & Payment Solution met the company's needs.

#### GLOBAL VISIBILITY DRIVES INSIGHTS

By gaining global visibility to its spending in real time, the company could capture total transportation costs across all its business units, as well as the volumes handled by each service provider. This visibility also enabled the company to reduce the number of suppliers it was using and ensure it was receiving the best possible contracts the market could offer.

On top of this, it could achieve savings through the freight invoice audit and by reducing internal administrative costs and transportation costs. "It has been able to realize year-over-year savings, along with supply chain efficiencies and productivity gains," Snavely says.

The global expertise and robust, proprietary technology nVision offers benefits companies across all industries.

Its customers routinely realize savings in their annual transportation spending of 8 to 12%, as well as an additional 1 to 2% savings by reducing duplicate billings. This is in addition to the savings realized by engaging nVision Global to process their transportation invoices, Snavely says.

#### **SUNSET TRANSPORTATION:**

#### SHORING UP AND FORTIFYING SUPPLY CHAINS

The pandemic and related supply chain disruptions elevated supply chain and logistics operations to the board level, says Tracy Meetre, chief commercial officer, Sunset Transportation. It also prompted many shippers to look for partners that they can be confident will help them navigate whatever global supply chain disruptions occur in the future.

"They want to know their supply chain has been shored up and fortified," she adds. That's helping to boost Sunset Transportation's business.

Through Sunset's flagship logistics management program, its employees become extensions of the shipper's logistics team. By their work together, shippers gain the visibility, information solutions, and reporting they need to expertly manage their logistics operations and spending. "They also gain additional expertise that they can tap into when disruptions occur," Meetre says.

Sunset Transportation is a St. Louisbased, second-generation, logistics company. It's certified as a womenowned business through the Women's Business Enterprise National Council (WBENC) and women hold half of all leadership roles. Sunset makes five promises to every customer: savings, visibility through technology, data-driven decisions, continuous improvement, and relationships rather than transactions.

Sunset's shipper platform, LOGIK, offers visibility to order data, in-transit tracking, and shipping performance metrics to provide shippers the insight that can guide their decision-making.



# WHEN TO HIRE AN FBAP FIRM

When should a growing company consider engaging a freight bill audit and payment firm? While no single answer will fit every company or situation, the following considerations could be signs it's time to consider a FBAP firm:

- 1) A lack of visibility and understanding of your transportation spend.
- 2) A loss of core transportation resources. If you've lost employees with expertise in freight audit, engaging an external FBAP firm may make sense.
- 3) You're unable to audit your freight bills and accessorial charges on a timely basis, and/or you can't ensure you're not paying duplicate invoices are also signs it's time to consider an outside provider.
- 4) Consistently lacking accurate spend information, drowning in inefficient invoice management processes, or not auditing each bill are good signs that engaging a partner would be well worth it.
- 5) When you're looking to gain more insight from your transportation data, such as trend analysis, it's time to consider an audit firm. "We do this day in and day out and can offer the service," says Kristy Brown, CTSI-Global.
- 6) You're not sure you're shipping at the right service levels with the right carriers in select zones. You may find ground service and 3-day service arrive the same day with varied charges. "An FBAP vendor can spot these common issues and alert your team," says lan Faith, Körber.





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# WE PROVIDE SHIPPERS WITH ALL THE EXPERTISE, TECHNOLOGY, AND ASSURANCES THEY NEED AS THEY NAVIGATE THE UPS AND DOWNS OF THE INDUSTRY.

-TRACY MEETRE CHIEF COMMERCIAL OFFICER SUNSET TRANSPORTATION

As part of this platform, the Pay LOGIK freight audit and payment system works across all transportation modes. It reports on freight invoice and data management in a configurable customer dashboard, helping customers streamline their logistics accounting processes.

#### FBAP SOLUTION INTEGRATED WITH FREIGHT MANAGEMENT

A solid freight audit and payment solution is best when it's coupled with a good freight management solution, Meetre says. A logistics management provider, like Sunset, can bring technology to the table and help shippers negotiate rates, lower costs, and gain visibility throughout the order-to-cash process. Shippers then can couple this with a solid freight audit and payment process.

Sunset worked with a manufacturer of sewing machines, vacuum cleaners, and other products to provide it with visibility to its supply chain, among other capabilities. For instance, Sunset's freight audit and payment service began reviewing spending on parcel services, an area that previously lacked transparency. To accomplish this, Sunset is able to collect data at the shipment level in real time.

"Logistics management companies like Sunset can improve their processes all the way from the point of order origination and customer service through the transit process and into freight audit and payment," Meetre says.

As a result, it's able to provide a solid, streamlined solution. Sunset also can offer the safeguards and supply chain

and logistics expertise a company needs when its supply chain is disrupted.

"We provide shippers with all the expertise, technology, and assurances they need as they navigate the ups and downs of the industry," Meetre says.

#### TRANS AUDIT:

#### PROVING A SECOND LEVEL OF INSURANCE AT NO COST TO CLIENTS

Through its focus on post-payment audit work, Trans Audit has won multiple awards, and returns tens of millions of dollars to its clients each year, says Chad Kennedy, chief executive officer and president. Trans Audit performs transportation post audits across all modes, all industries, and throughout the world, with multiple locations in the United States and a presence in Europe, Singapore, and China.

Over its 45-year history, Trans Audit has delivered more than \$1 billion in benefits to its clients. "We take pride in facilitating simple, swift, and straightforward recoveries," Kennedy adds.

A key theme of the company is "the client's ease of service initiation

and utilization," Kennedy says. From onboarding and data ascertainment to identifying, submitting, and resolving claims, Trans Audit handles the majority of the work, leaving very little for clients to manage.

#### PROFESSIONAL. PROVEN PROCESS

"Trans Audit's client-centric approach provides significant benefit with minimal client involvement, typically less than one hour monthly," he adds. "We have a structured, professional, collaborative, and proven process that is very simple to establish and manage."

"Because Trans Audit works on a contingency basis, it sits outside the budget," says Vikki L. Van Vliet, senior vice president of sales and marketing. At the same time, "Trans Audit, through its recoveries, provides a direct infusion to clients' bottom lines," she adds.

Trans Audit provides modal and cross-industry expertise and does not rely solely on automated reviews of transactions. Trans Audit assigns SMMEs, or subject matter modal experts, within each client team.

"We have extensive transportationsavvy staff examining transactions to not only ensure contract compliance, but also to confirm if all charges make logistical sense," says Peter Kerwin, director of onboarding and operations for Trans Audit.

"As a result, Trans Audit provides insight and value that goes above and beyond monetary recoveries," he adds.

A differentiating feature is Trans Audit's consistent investments in new technology. A prime example is TransPortal+. After being first to market

TRANS AUDIT'S CLIENT-CENTRIC APPROACH PROVIDES SIGNIFICANT BENEFIT WITH MINIMAL CLIENT INVOLVEMENT, TYPICALLY LESS THAN ONE HOUR MONTHLY. WE HAVE A STRUCTURED, PROFESSIONAL, COLLABORATIVE, AND PROVEN PROCESS THAT IS VERY SIMPLE TO ESTABLISH AND MANAGE.

-CHAD KENNEDY CHIEF EXECUTIVE OFFICER AND PRESIDENT TRANS AUDIT

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with web-based reporting in 2007, TransPortal+ represents another step in the evolution of Trans Audit's Client reporting and technology deployment. This proprietary, robust, MS Power BI-based platform provides clients with key analytics and metrics, business intelligence, and reporting that is flexible and rich in information.

Trans Audit clients can leverage the data to take corrective action. For instance, clients can use the platform to determine which carriers are billing accurately, and which are not. They can also use the platform to implement procedural improvements.

Combining information, technology, and modal expertise enables clients to efficiently take steps, such as working with their carriers or adjusting internal processes, to ensure payments are made accurately and recurring errors are corrected, says Van Vliet.

Trans Audit works collaboratively with its clients as well as with their freight audit and payment providers and carriers.

"We view ourselves as a value-add to the freight audit and payment process," says Kerwin. "We add value, as we have more time, and technical and modal resources devoted to the audit, so we can perform deeper analysis."

As a result, while the majority of Trans Audit's clients also use freight audit and payment providers, Trans Audit still returns substantial refunds year over year.

"We are the second level of insurance at no cost to our clients," Van Vliet adds. "It's low-risk, low-effort, and high-reward."

#### U.S. BANK:

#### PROVIDING VALUE TO BOTH SHIPPERS AND CARRIERS

As a bank in the freight audit and payment space, Minneapolis-based U.S. Bank focuses on technology, security, reliability, and delivering solutions that offer these qualities, says Jeff Pape, general manager, transportation, with U.S. Bank.

For instance, U.S. Bank's multiyear investments in technology and data analytics help provide actionable insights that can help shippers improve their operations. "And through our consultative approach, U.S. Bank offers recommendations that provide value to both shippers and carriers," Pape says.

U.S. Bank also is able to help shippers enhance their working capital by extending transportation payments to 60 or 90 days without renegotiating contracts.

Through its supply chain finance offering, U.S. Bank pays carriers upon invoice approval, and then the shippers pay the bank according to the contract terms. This service also helps shippers improve their carrier relationships, as carriers no longer have to wait for payment for 30 days or more.

Especially in an era of tight capacity, maintaining strong relationships with carriers is critical to shippers' ability to maintain healthy supply chains.

U.S. Bank's Freight Payment platform provides end-to-end visibility for both shippers and carriers.

The platform enables shippers to deliver dependable and predictable payments to their carriers. It also helps them resolve exceptions quickly and reduce errors by collaborating online and in real time," Pape says.

U.S. Bank helped a large North American retailer speed its audit function and its process for approving carrier invoices. To start, the team at U.S. Bank onboarded \$800 million in carrier invoices in less than 30 days.

"With our precision business rules, we quickly audited and approved their backlog of invoices, some more than 90 days past due," Pape says.

Going forward, carriers can now get paid in as quickly as 24 hours following the bank's receipt of the invoices. These changes help the retailer maintain solid carrier relationships.

#### OFFERING TREMENDOUS VALUE AND BENEFITS

As more transactions are conducted online, U.S. Bank's Small Parcel solution also offers tremendous value and benefits. A large company in the aerospace and automotive industries was struggling with its internal routing guide compliance. The U.S. Bank team developed a cost model that compared two dominant parcel carriers, while normalizing for contract differences, such as dimensional weight divisors and service levels.

"The initial model uncovered more than \$1 million in savings for just two divisions," Pape says. The company has since asked U.S. Bank to deploy its unique model to support similar analyses for other divisions.

Security remains top of mind for many shippers, given ongoing stories of ransomware and other cyberattacks. "U.S. Bank has a world-class, Tier IV data center that hosts mission-critical servers and systems in a reliable, fault-tolerant, and secure environment," Pape says.

"One hundred percent of the payment and servicing functionality we offer is operated within U.S. Bank," Pape says. "We are a heavily regulated financial institution and, as such, our processes and systems are designed to protect our customers' funds, and their data."



U.S. BANK'S FREIGHT PAYMENT PLATFORM ENABLES SHIPPERS TO DELIVER DEPENDABLE AND PREDICTABLE PAYMENTS TO THEIR CARRIERS. IT ALSO HELPS THEM RESOLVE EXCEPTIONS QUICKLY AND REDUCE ERRORS BY COLLABORATING ONLINE AND IN REAL TIME.

-JEFF PAPE GENERAL MANAGER TRANSPORTATION, U.S. BANK





Some of the largest shippers in the world have relied upon A3 Freight Payment to design, implement and oversee their global transportation spend management solution.

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