

10 TIPS

STEP-BY-STEP SOLUTIONS



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Discovering Savings Through Freight Payment Services

Freight payment services can make it easier to process carrier invoices. They also enhance freight spend visibility, which can drive better strategy and planning. Today's systems often include Web services to help shippers streamline information exchange. Some freight payment systems even deliver mobile access to transportation spend for immediate reporting and decision-making. Discover savings through freight payment services by following these tips from John Stitz, senior managing partner at enVista, an Indianapolis-based enterprise cost-management services provider.

1 Utilize the service provider's reporting capabilities. Freight bill audit and payment companies can deliver reports, graphs, and charts showing how much you pay each carrier; computing how much you spend per lane; and comparing transportation modes so you can adjust your spend to improve savings.

2 Employ the service's transportation management system (TMS) capabilities. Some freight payment companies offer TMS capabilities that help you select carriers, route shipments, plan loads, and handle delivery notices. This bundled solution could meet several of your business requirements.

3 Take advantage of reduced labor by realigning responsibilities. A freight management system should streamline your accounts payable department. Generally, using a bill payment service provider can cut communication between you and your carriers by up to 75 percent. This frees your employees to perform other tasks.

4 Use data to gain visibility. Leveraging invoice data allows you to understand shipping trends, carrier performance, and transportation spend by region.

5 Gain a comprehensive audit. A comprehensive audit can result in a two- to five-percent savings across all transportation modes. When selecting suppliers, make sure they provide audits that go well beyond service failures and rate errors.

6 Utilize the query system. Most freight payment services offer the ability to query on a variety of subjects, including whether there are consolidation and deconsolidation opportunities to eliminate redundancies, or if your company is sending multiple shipments to a customer on the same day or sending shipments to the customer on consecutive days. Discovering these

patterns can help you adjust spending and optimize transportation plans.

7 Ask your supplier to help with international bills. Invoices for international transportation are complex, with multiple lines and charges. Some freight payment companies can help you audit these bills effectively and customize the system to your requirements.

8 Transfer administrative cost savings. Utilizing a freight payment company reduces checks, storage, and postage costs. You can transfer those savings to other services or just enjoy the bottom-line results.

9 Make sure the freight payment company you select is financially stable. Check the provider's history to verify how long it has been in business and whether it has the resources to survive an economic downturn. You can't appreciate savings if the company is not around to deliver them.

10 Ensure the company provides general ledger cost allocation. The supplier should have systems robust enough to handle complex requests. Make sure you align with a company that has enough experience to provide quality consultancy to help streamline rules. ■