INFORM & EMPOWER YOUR SUPPLY CHAIN:

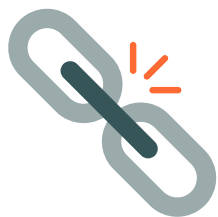## 8 Things to Look For When Choosing A Freight Auditor

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In this age of intelligent data, there is no reason for enterprises to overspend on transportation. Although as many as 90% of carrier invoices have errors,[1] a thorough freight audit partner with a clear understanding of your processes can identify those errors and recover the funds for you.

But the best solutions go an important step further – they offer services far beyond verifying, correcting and paying freight bills. They empower your supply chain with critical intelligence to solve logistics problems and optimize operations. There are freight audit companies out there with decades of experience in the business. As with all such companies, they can help you automate freight auditing and payments and eliminate overbilling. But you need to ask yourself if they can meet your demand for 360° logistics data that will help your enterprise become leaner and more profitable.

A benchmark study showed that nearly 70% of enterprises want business intelligence tools from their freight auditor.[2] Enterprise shipping and logistics departments need comprehensive data to gain deeper visibility, benchmark their processes and hold stronger positions in negotiations with carriers. Gartner comments that "technology has revolutionized freight bill payment, audit and reporting services, especially in providing data visibility."[3] The most innovative freight audit and analytics technology will arm you with the essential intel to make decisions faster and smarter. Yet the process of choosing the right freight auditor for your enterprise is no simple task. The following is a list of the eight most important things to consider.

WHAT TO LOOK FOR IN A FREIGHT AUDITOR

1 ## A Partner – Not a Service Provider – That Enables Comprehensive Supply Chain Management

Your business needs and supply chain requirements are not one-size-fits-all, and your freight auditor and analytics company shouldn't approach them as such. Unlike a service provider with a single standard solution, choose a company that will partner with you to understand your custom processes and tailor their tools and services to achieve your goals.

A customized solution that fits your specific business can be implemented with minimal disruption to your operations, as well as effectively manage your own distinctive supply chain processes – from payables, data auditing and freight analytics through to supply chain decision-based modelling. Look for a freight auditor that will hold quarterly business reviews, walk you through year over year comparisons and is willing and able to run scenario modelling, such as projecting cost savings if you moved a DC to another city. Ensure they have the foresight, scalability and proven expertise to help predict and meet your future business requirements.

The freight supply chain is filled with variables and complexity, from the calculation of density and rates to accessorial charges, fuel surcharges, taxes by state/province and much more. The freight audit and analytics solution you choose can make the difference between profit and loss on each shipment – so choose wisely.

2 Provides End-To-End Invoice Review, Payment Processing and Discrepancy Resolution Services

Good freight audit and analytics technology saves valuable FTE (full-time employee) time by automating freight audit processes, such as data collection, data cleansing, invoice review, payment processing and supply chain reporting. The software delivers significant freight cost savings by correctly classifying the freight; verifying the base rate; ensuring that local taxes reflect current laws; checking that relevant fees, tariffs, discounts and accessorials have been applied; providing an audit trail and confirming that the final amount is accurate before processing your payments. A good freight auditor will have multi-jurisdictional capabilities to comply with the laws, tariffs and taxes in all your current and future jurisdictions. But here is where you separate a good freight audit and analytics solution from a great one. A great one will ensure you never again pay for your carriers' billing mistakes, because they employ the best experts who work with your carriers to solve discrepancies and request credits on your behalf, saving your team valuable time and money.

3 Has Invoice Consolidation Capabilities

If you're not working with consolidated invoices, you're paying too much. Consider the mountains of paperwork involved in a busy shipping operation. Every package, truckload or less-than truckload (LTL) is accompanied by its own set of paperwork, and each carrier has its own distinct invoicing format and supporting documentation. Add to this the fact that carrier contracts are all unique and extremely complex. With all the paperwork and variables to consider, reconciling invoices to contractual obligations becomes extremely arduous and time consuming. And paying the correct amount 100% of the time becomes close to impossible.

Without invoice consolidation, you will waste valuable FTE time, have a finance department buried in paperwork and no chance of ensuring that the amounts paid match what is truly owed. This is why invoice consolidation is crucial to logistics management and cost savings. A consolidated freight invoice ensures that whether you work with three carriers or 300, you will receive one weekly invoice in one familiar format that is completely accurate and streamlined for processing and payment.

4 Offers Customized Analytics and Reports

The only way to make intelligent decisions and realize the greatest savings is by using real data that comes from your own day-to-day operations. Choose a freight auditor that is willing to customize all reports and analytics to your data, including carrier scorecards, customer summaries, cost-to-sell analyses, budgetary tracking and any other customized reports that you may need now and in the future.
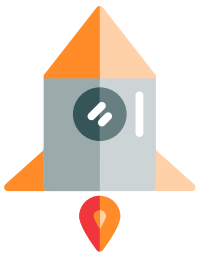
Opt for a company that offers reports and dashboards with personalized filters to enable you to track the KPIs of your choosing. If a freight auditor is simply using generic industry benchmarks to help you calculate potential freight savings, then you should look elsewhere.

5 Ensures a Seamless Integration

Look for a freight audit and analytics company that has the technology and expertise to seamlessly integrate their software with your systems. The best providers can work with any enterprise resource planning (ERP) solution, warehouse management system (WMS) or in-house software. They will also have processes in place to guide you down the simplest path to implementation.

Onboarding new systems and processes are time consuming but imperative to improving your supply chain and transportation networks, so choose a company that will take on the heavy lifting. At the same time, they should consult with you on a regular basis to set goals and ensure that processes, rules, rate agreements and other essential elements are aligned with your operation and requirements.

6 Forward Looking and Continually Reinvesting In Technology

Technology – backed by solid processes – is the key driver for creating a more efficient supply chain. Look for a freight auditor that is continuously reinvesting in technology to provide real-time insights that help you realize efficiencies, calculate potential savings opportunities, predict trends and manage costs. Make sure they offer a mobile app so you can access and respond to critical data from anywhere at any time. Ask if they are investigating new ways that technology can serve you, including the use of AI (artificial intelligence) and ML (machine learning). Why? AI and ML are enabling freight audit companies to recognize and track patterns in shipping so they can recommend lower cost options, such as shipment consolidation programs or DC location changes. AI can also provide predictive intelligence so your freight auditor can get to know your customer demand data and help you make better decisions to reduce your bottom-line distribution costs.

Ultimately, you want to work with a freight auditor that is always thinking ahead to what the market will need in the future. If in doubt, ask prospective companies what their technology capabilities will be in the next 2-5 years. Find out how they plan to provide you with the best freight audit and analytics technology all the way through to the final months of your contract and not just at the time of signing
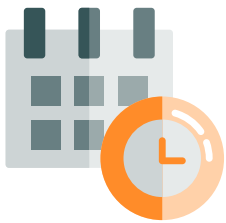
7 Has Multiple Carrier Relationships

Look for a freight audit and analytics company that optimizes freight savings through cost comparison and shipment rating. A large part of saving on freight costs is choosing the best carrier for each delivery. A freight auditor with numerous carrier relationships and contractual agreements can run multiple scenarios and present you with more delivery and price options.

Maintaining strong carrier relationships is also important. Not only do you want a freight auditor with many carrier relationships, you also want one that nurtures those relationships so that they can ensure you get the highest level of service and expedite dispute resolution when necessary.

8 Handles RFP Response

Carrier selection should never be based on price alone. Choose a freight auditor that handles RFP responses as if their own business depended on it – comprehensively outlining a carrier's capabilities and terms of service, as well as its pricing structure.

Conversely, to provide an accurate response, carriers will need to understand your general shipment frequency, volumes, delivery windows, lead times, pickup days, typical shipment attributes – including weight, size, type of packaging, value – and much more. A good freight audit and analytics tool is already compiling this data. So when carriers request it when bidding on freight annually, it can be quickly compiled and provided in standard formatting to all carriers. Your team will simply need to fill in dates, regions and the carriers they want to include. From there the freight audit and analytics software will quickly create and issue an RFP package that would have taken your operations director 20-40 hours to compile and prepare. Time is saved, the RFP process is simplified, and favourable and realistic responses have come in because the information carriers received was based on concrete historical data.

SUMMARY

Most organizations understand the power of data but struggle to efficiently collect or utilize it to streamline processes and make better business decisions. Choosing the right freight audit and analytics solution for your enterprise is no easy task; select the wrong one, and you could impede supply chain optimization and negatively impact your bottom line. The best freight auditors are there to help boost your profitability by providing full supply chain visibility. They will custom configure your solution to ensure that the analytics you need are at your fingertips, providing cutting-edge technology to help you make better decisions faster.

At Orca, we combine intuitive technologies with smarter processes to create efficiencies, freeing your talented logisticians to generate true business value. As a forward looking company, we are continually reinvesting in the future of supply chain technology, including AI and ML capabilities. Going far beyond verifying, correcting and paying freight bills, we solve your logistics and operations challenges by empowering your supply chain with critical intelligence. Our solution is customized to your needs, leading to deeper insights and higher cost savings.

No more searching for your shipment data, guessing your freight carriers' performance or blindly serving your clients with sub-par transportation providers. It's time to take control of your supply chain. Our freight audit and analytics solution will help you get there.

LET'S TALK!

Allow your operations team to focus on what really matters; moving products and building a smarter supply chain.

1.844.GET.ORCA (438.6722)   •   info@orca.bi

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