

E2open Freight Audit and Payment

How Automation Reduces Carrier Overpayments and Optimizes Shipping Costs

Carrier invoices are incorrect up to one-quarter of the time. This forces shippers into a tedious, costly process of manually checking these charges against contracted rates and the services actually rendered. E2open Freight Audit and Payment application automates the review process to quickly identify discrepancies before shippers pay, saving time and reducing overall logistics costs up to 10%. Additionally, valuable insights from actual transportation spend and contract overages will help guide future planning and carrier negotiations.

Shippers Face Complex Freight Audit and Payment Processes

On average, transportation accounts for roughly 15% of cost of goods sold— a major factor in maintaining gross margin goals. Shippers want ongoing control over costs and clarity when it comes to the value of service delivered by carrier partners. With the ongoing complexities of the transportation market, carrier rates continue to rise, capacity is constrained, and fuel prices are in constant flux. Shippers need improved visibility into their freight spend and prescriptive recommendations to stay competitive.



Time and Cost Savings Through Process Automation

Carrier invoices are frequently incorrect, primarily because of the sheer complexity of shipping contracts and the number of variables that can change daily. And reviewing every invoice against contract terms is a menial, time-consuming and error-prone task. By automating the invoice audit process, shippers can see huge gains in time, cost-savings, and productivity — especially when automation is applied across thousands of invoices. As part of e2open's Logistics suite, Freight Audit and Payment integrates with transportation management and carrier billing systems to minimize the manual processes involved in consuming carrier invoice data for accurate and speedy resolution.

Carrier Contract Digital Twin

E2open Freight Audit and Payment analyzes carrier service contracts and develops business rules for calculating rates and applying the correct accessorial charges. The system digitally maintains carrier accessorial revisions and updates the contracts in near real-time. This combination of service and technology helps shippers manage the complexity of cost variables and fluctuations inherent to service contracts while controlling costs on buy-side contracts.



Line-By-Line Comparison and Reconciliation

E2open Freight Audit and Payment also stores and maintains all contracts and amendments as business rules linked to corresponding carrier rules used for billing. The system identifies 'OK to Pay' items and highlights exceptions. Freight payments are initiated directly through integration with accounts payable platforms. When discrepancies are found, the audit team provides expertise and helps manage carrier communication around dispute resolution to quickly resolve those items and finalize payment. E2open's carrier network facilitates invoice transmission, feedback, and resubmission for a closed-loop process.

Documentation to Resolve Carrier Issues

In addition to accurately identifying errors, shippers also use the records from the application to provide documentation when contesting carrier charges. By presenting comparative differences between agreements and invoices, shippers foster positive carrier relations and billing accuracy that continually improve over time.

Initiation of Perfect Payments

When shippers pay their freight bills on time, they get priority treatment from carriers. And E2open Freight and Audit Payment makes it easy. With the confidence that invoices are reconciled and accurate, users can quickly initiate payment directly in an application that integrates with their internal or external payment processing platforms. There is no need to re-key data or send emails to the finance team. The speed of the auditing process allows for timely payments and enhances carrier relationships.

Historical Data for Reporting and Future Contracts

Companies can use historical freight payment data to generate reports for future strategic analysis and budgeting. The ability to benchmark freight lane information, actual transportation spend, and contract overages help guide future planning and carrier negotiations.

Key Features

- Get clarity on alignment with carrier services received and carrier billing
- Eliminate labor and knowledge-intensive internal processes by working with a trusted vendor
- Automate carrier payment workflows with a mature accounts payable integration process
- Set tolerances for the degree of deviation permitted for specific rates and surcharges
- Leverage our vast experience working through and resolving carrier claims processes and communication
- Accurately represent cost attribution with advanced business rules and data management techniques that identify GL coding and other accounting requirements for payment
- Expand into shipping modes beyond parcel with a service provider that manages parcel and freight auditing for many global shippers
- Take advantage of business intelligence tools that provide key metrics, including predictive analysis tools to analyze carrier contracts and identify optimization opportunities



Key Benefits

- Free up time spent on manual line-by-line invoice reviews
- Work with a resource that can help your organization get a full handle on your carrier costs
- Meet carrier payment terms with accuracy and confidence
- Minimize (or eliminate) the labor-intensive review times and sign-off cycles with a trusted solution that integrates with your accounts payable platform
- Accurately attribute payments to the right general ledger accounts, product lines, and departments
- Receive reports and insights that let you assess the strengths and weaknesses of your carrier contracts
- Access historical data to improve future carrier contract negotiations or other vendor analysis
- Take advantage of business intelligence tools (dashboards, distributed reports, data), that give you relevant KPIs around costs, carrier performance, supply chain network usage, and more

Shippers can reduce freight spend as much as 10% by automating the carrier invoice audit process to ensure accuracy before authorizing payment.

About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More:

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