

3 Ways to Revolutionize Interline Payables



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Top 3 Interline Payables Optimizations



1

Simplify your resource allocation.

Lean on software applications to allow your employees to only manage the exceptions. When you have an automated system that categorizes documents, extracts the data and pushes all of that information into a management, accounting or document management system, your employees have more time to reconcile the outliers.



2

Create rules-based processes.

A rule-based process, whether automated or not, provides clarity for all employees involved. These rules are defined by your management team prior to any process or software development, and are the basis for every action employees are required to make. Automation software makes these types of processes easier to manage by eliminating the ability to bypass manual steps.



3

Maintain 360 degree visibility.

For every step in your Interline Payables process, you must have a clear window to view what's happening. From your negotiations with customers and carriers to your internal data entry and validation, you need to know exactly what's happening, when and why. Most software applications provide some sort of reporting or dashboard feature, which makes it easy to maintain visibility.

Simplify Your Resource Allocation

Innovation in the transportation industry is not new. For years, software companies from all across the U.S. have pushed new products with promises of increased cash flow, lower operating costs and lower DSO. You've got management systems that integrate with accounting software and document management systems. There are dispatch tools, fuel and fleet monitoring tools and tools

that monitor compliance and safety. But when it comes to your AP Process, many trucking companies still rely on good, old-fashioned human intervention. Truly, if you run a small trucking company, that's not bad. But if you plan to see exponential growth, you need to start thinking beyond people. In 2016, the trucking industry processed approximately \$676.2 BILLION in revenue.

\$676.2
billion in revenue

Couple that with projections by the American Trucking Association that show a 2.3 percent increase in volume per year over the next five years, and there needs to be serious change in the way operations and accounting departments manage their Interline Payables processes. Having a group of individuals sit at a desk and manually validate, process and archive every document that comes through your doors is no longer financially feasible.

Granted, with people you know what you're getting. You're able to monitor their progress. But for your long-term success, you must find software solutions with automation features to take over all or parts of this process. There are a number of software products out there that automate the back-end indexing and archival processes, and a number of others that help you capture documents. What you're missing is process automation.

Reallocate Your Resources

Your success depends on your resources. Not just what those resources are — people, capital, technology, etc. — but also how you use them. It makes sense to invest in people when you're first starting out. You know what you're getting and you know how to manage that resource. As you grow, though, investing in more people isn't always the best answer. Just because that's what you've always done, doesn't mean it's what's best for your business.



What This Means For You

Reduce your process costs by up to **75% within the first six months** when you invest in automation products.

As you begin to see an increase in customers, your goal should be retaining as much of that additional capital as possible. So now you have a choice.

Do you want to invest in another full-time employee?
Or do you want to invest in technology?

The unfortunate reality is that you won't ever know if you made the right decision. What we do know, though, is that technology, especially within the artificial intelligence and machine learning realms, are growing exponentially and making it much easier for business owners to manage large volumes of information.

Software applications equipped with machine learning manage and process data just like your employees. They look for the same numbers and come to the same conclusions because they've learned from your employees. They can just do it faster. By implementing machine learning technology into your business, you are shifting the job description of your employees. Instead of processing all invoices and carrier documents, your employees now only deal with the exceptions, while the software manages the rest.

Machine Learning allows you to focus your resources on the tasks where they can make meaningful impacts on your bottom line.

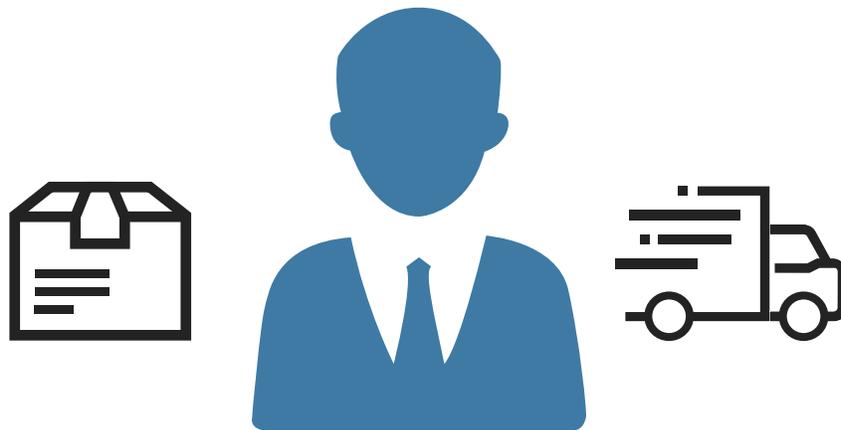
Create a Rule-Based Approach

Maintaining the balance between your customers and your carriers is precarious at best. You can't upset your carriers by not paying them on time because you want them to carry loads for you, but you also can't pay them until you have money in the door from your customers.

Sometimes you get lucky. Your customers pay you the exact invoice amount before it's due and you're able to turn around and pay your

carriers on time. More often than not, though, your customers are wanting to delay payment for the same reason you are, making it harder for you to remain in good standing with your carriers.

You can't put pressure on either side because your business relies on both, but you can leverage rules-based processes and different technologies to make processing customer payments faster.



Rules-based processes are exactly what they sound like: processes that are dictated by a set of rules to determine individual steps. They're the if/then processes.

If XYZ company invoices you for an amount that does not match the rate confirmation, then send it to a senior executive for approval.

Because these processes are built on a specific set of universal rules, the outcomes are always

predictable, even if the data isn't.

While these processes can be manual, they work best when they're automatic. Once the rules are set up, everything that meets them gets sent on to the next step, while everything that doesn't gets sent to a human for review.

Leveraging these processes is the best way to maintain the balance between your customers and your carriers.

Using Rules-Based Processes

The beauty of rules-based processes is that they're built around your business. They aren't standard or cookie-cutter. They start with the way you want everything to happen.

In a perfect world, what would happen after all of the customer's goods are safely delivered? You'd probably want the shipper to send you legible copies of all of their documentation, the carrier to invoice you for the amount you agreed upon in your rate confirmation and the customer to pay you the exact invoice amount as soon as they get it.

But we don't live in a perfect world.

Goods are damaged and lost. Drivers don't submit everything you need. People mistype numbers. Invoices get lost in the shuffle of everyday business. Life happens.

Rules-based processes help you manage those what ifs. You can create rules to prepare for every little thing that could go wrong, and give your employees clear instructions on what to do should any of those "what ifs" happen.

What Could Go Right

What Could Go Wrong

The carrier delivers all of the customer's goods intact and on time.

The receiver wasn't there or the business was closed when the carrier arrived.
The goods were damaged on arrival.
Not all goods were delivered.

The carrier quickly submits all documentation in a legible format.

The carrier takes days to submit documents.
You can't read the driver's handwriting.

The carrier invoices you the exact amount agreed upon in your rate confirmation.

The invoice amount doesn't match your rate confirmation.

You invoice your customer as soon as you receive the carrier documentation.

The carrier documents got stuck on John's desk for four days and the customer hasn't been invoiced.

The customer pays their full invoice on time.

The customer underpays you.
The customer takes 60 days to pay you.



Maintain 360 degree visibility

Your entire interline payables process takes anywhere from a couple of days to a couple of months. It's the nature of the beast. What you can't do is spend that time in the dark. Manual processes don't allow you a clear visual into where your money is and where it's going. When you operate on single digit margins, a lack of visibility creates catastrophic problems.

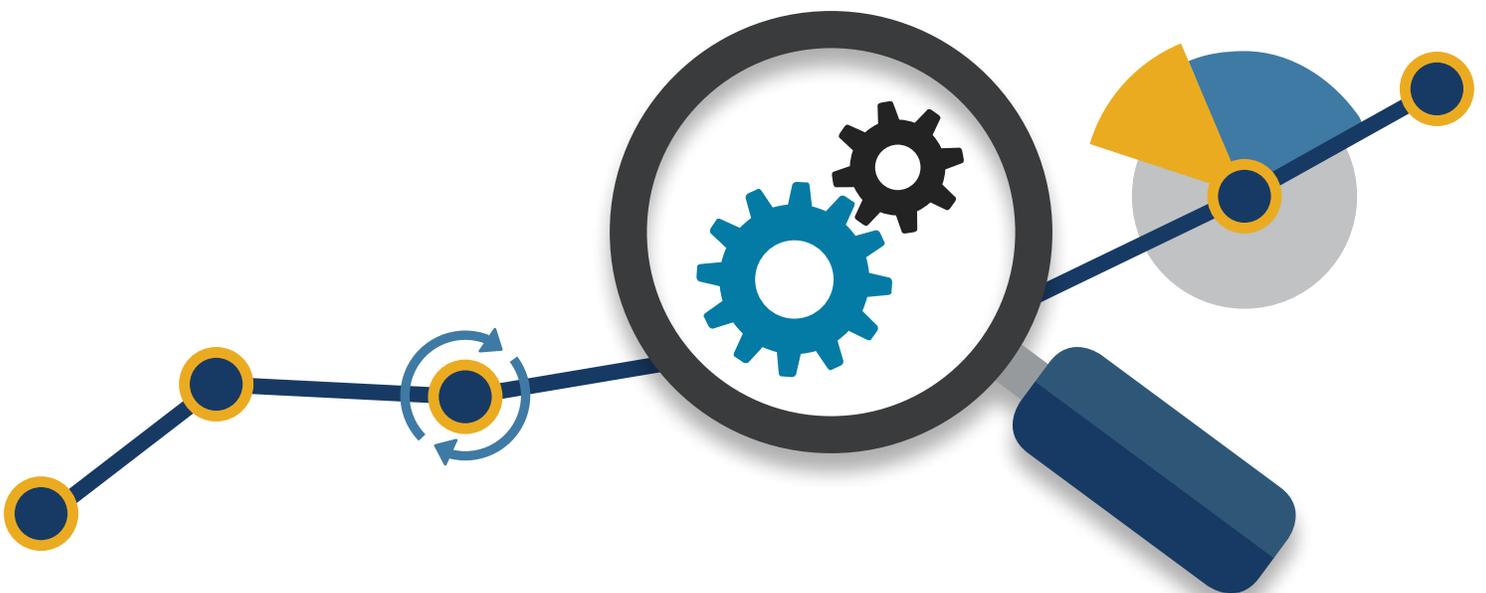
Most software applications have some sort of reporting feature or dashboard that let's you know what's going on within that specific app. Accounting systems tell you how much money you have, where your money went and if you have any pending charges. Routing systems will tell you where your drivers are, so you can dispatch them to different locations. Management systems and document management softwares house the information

from current, past and future trips, as well as carrier and customer data.

Individually, these applications provide a quick and easy view into what's happening in your business, but they don't provide the full picture.

To do that, you need a portal that can, in one application, pull financial data from your accounting software to validate rate confirmations in your management system, while also showing you what loads you still need delivered and which carriers you have available from your routing software.

The more visibility you have, the faster you can work. The faster you work, the faster you get paid.





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ABOUT PAPERWISE

Paperwise is a midwest-based software development company that specializes in data and process management. For 30 years, we've worked with trucking companies across the U.S. and Canada to create solutions that let business owners focus on the future of their business.

Interested in finding out more about our services?
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