



TRANSPORTATION EBOOK

Digitize to thrive

How digitizing the order-to-cash cycle can benefit customers, employees and business finances in the transportation sector



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The need to digitize

The transportation and logistics sector is capable of spectacular innovation, like driverless trucks. Yet it hasn't addressed the digitization of its core business processes with the same sense of ambition. In the race to digitize, the transportation sector lies among the laggards rather than the leaders.

Unfortunately, some transportation firms are struggling against price wars, operational inefficiencies and the impacts of the pandemic, all hampering their ability to innovate and prosper. One of the main obstacles to transformation are their reliance on fragmented, manual business processes, such as the order-to-cash cycle, which are unnecessarily time-consuming and costly.

- **For full load and LTL operators**, the main issue is coping with high volumes of invoices
- **For brokers and 3PLs**, managing risk and credit checking is the big challenge
- **For all kinds of companies**, improving customer experience is a priority

While things are improving, the industry historically has been slow to invest in IT, and the majority of firms are still weighed down by manual processes for credit checking, invoicing and cash collection.

Transportation companies **need to accelerate the pace** at which they digitize these processes, or they could find themselves disrupted by new digital entrants.

This eBook explains how to avoid that. By adopting an integrated digital platform that manages the whole order-to-cash process, transportation companies can increase customer satisfaction, improve operational efficiency and strengthen business finances.



Challenges and opportunities in Transportation

Embracing digital Accounts Receivable (AR)

The industry is under strain from rising demand, a shortage of drivers and increasing costs — yet it is under-exploiting simple opportunities to increase efficiency by digitizing financial processes.

CHALLENGE	OPPORTUNITY
Business growing pains <p>As businesses grow, they send out invoices from an ERP that customers don't always receive.</p> <p>Cash application processes are manual, taking 1-2 days and multiple FTEs to execute.</p> <p>Building in-house RPAs for sending invoices to third-party payment portals is often inadequate to keep up with evolving customer needs.</p>	Liberation by digitization <p>Automation of order-to-cash operations can allow accurate and timely invoicing: Invoices, statements, etc., get presented via multi-channel support for email, print, fax, e-presentment or AP delivery integration with B2B AP portals.</p> <p>Digitization can now transform inefficient manual O2C processes into automated workflows, freeing FTEs for other work.</p> <p>A SaaS-based O2C automation solution can supply provider-managed, up-to-date configuration and integration with payment portals or other third parties, reducing costs and IT burdens.</p>
Overwhelmed AR departments <p>Growing customer demands for invoices to be fed into third-party platforms, driving up time and costs.</p> <p>ACH and virtual (one-time use) credit cards cause acceptance and reconciliation headaches and more manual AR work; emailed credit card payments can cause PCI compliance issues.</p> <p>Manual cash application processes are time-consuming, diverting FTEs from high-value tasks and causing human error and low match rates, with remittances from disparate sources arriving in nonstandard formats.</p>	Streamlined processes <p>A good automated AR solution can connect to hundreds of third-party AP buyer portals to streamline invoice posting; customers can view and pay invoices wherever they want.</p> <p>Automated AR can accept payments across any preferred channel from web, phone, email, third-party payments, fax or mobile.</p> <p>Cash app digitization reduces or even eliminates time-consuming manual work and human error and enforces standardization, while accelerating time-to-cash.</p>
Retention and compensation <p>Road freight tonnage set to grow nearly 30% over the next decade.¹</p> <p>The average annual turnover rate for drivers is about 95% for truckload carriers.²</p> <p>Driver compensation is increasing, rising 15% since 2013, squeezing profit margins.³</p>	Update and accelerate <p>Digitizing core business processes is becoming a top priority to meet escalating demand in the transportation segment.</p> <p>Retain skilled employees at all levels by digitizing manual processes to remove drudgery, error, and inefficiency.</p> <p>Increase the speed and accuracy of AP processes and accelerate time-to-cash.</p>

Bridging the expectation gap

Transportation companies are missing an opportunity. By meeting their customers' expectations for digital interaction and convenient payment options they can boost customer satisfaction and retention.

CHALLENGE	OPPORTUNITY
Rise of B2B ecommerce	Payment flexibility and agility
Today's customers expect to be able to interact with suppliers digitally.	Customers can interact through mail, email, portal or their enterprise software.
In 2021, B2B ecommerce increased 17.8% to \$1.63 trillion. ⁴	B2B buyers increasingly want the option to pay by whatever means suits them, including credit card.
Customers want a range of payment options, including paying by credit card.	Rapid resolution means improved customer satisfaction and retention.

Escaping the innovation trap

Wafer-thin margins have starved transportation companies of the means to invest in modernization. Yet those who use an integrated digital platform for their order-to-cash process can reap immediate benefits.

CHALLENGE	OPPORTUNITY
Industry uncertainty	Operational efficiency
Thin margins have held companies back from investing in innovation.	A relatively small investment in digitizing the order-to-cash cycle can yield significant benefits.
Fixing operational inefficiency is a top priority for 70% of transport CEOs. ⁵	Companies can reduce manual work, increase accuracy, accelerate cash flow and build customer loyalty.



Digitize the whole order-to-cash cycle

It's critical to digitize the *entire* order-to-cash cycle as an integrated process to unlock cash flow, simplify operations and deliver the best possible customer experience. An integrated platform delivers benefits to customers, employees and the business across the order-to-cash lifecycle.





Credit Application

WHY DIGITIZE?

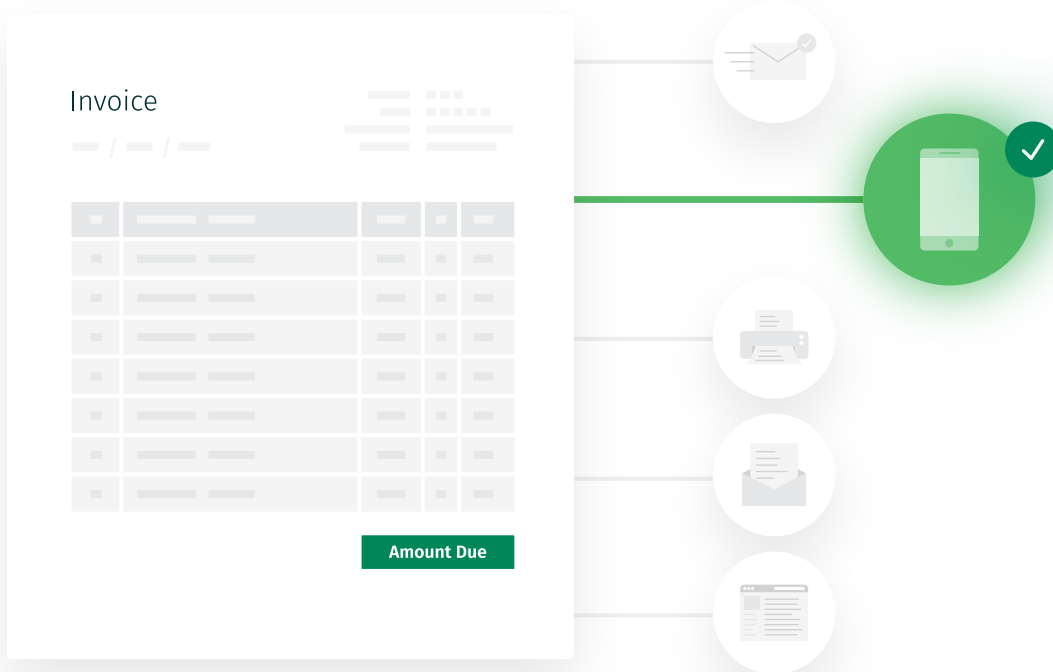
Putting credit applications online gets you off to a good start:

- ✓ Improve risk management decisions
- ✓ Reduce friction between sales and finance
- ✓ Help things work better down the line

OPERATIONAL EFFICIENCY

Putting credit applications online gets you off to a good start:

- ✓ Process credit applications and references automatically
- ✓ Credit data stays accessible for later stages
- ✓ Real-time portfolio monitoring and alerts
- ✓ Combine third-party data with industry and peer information



Invoicing

WHY DIGITIZE?

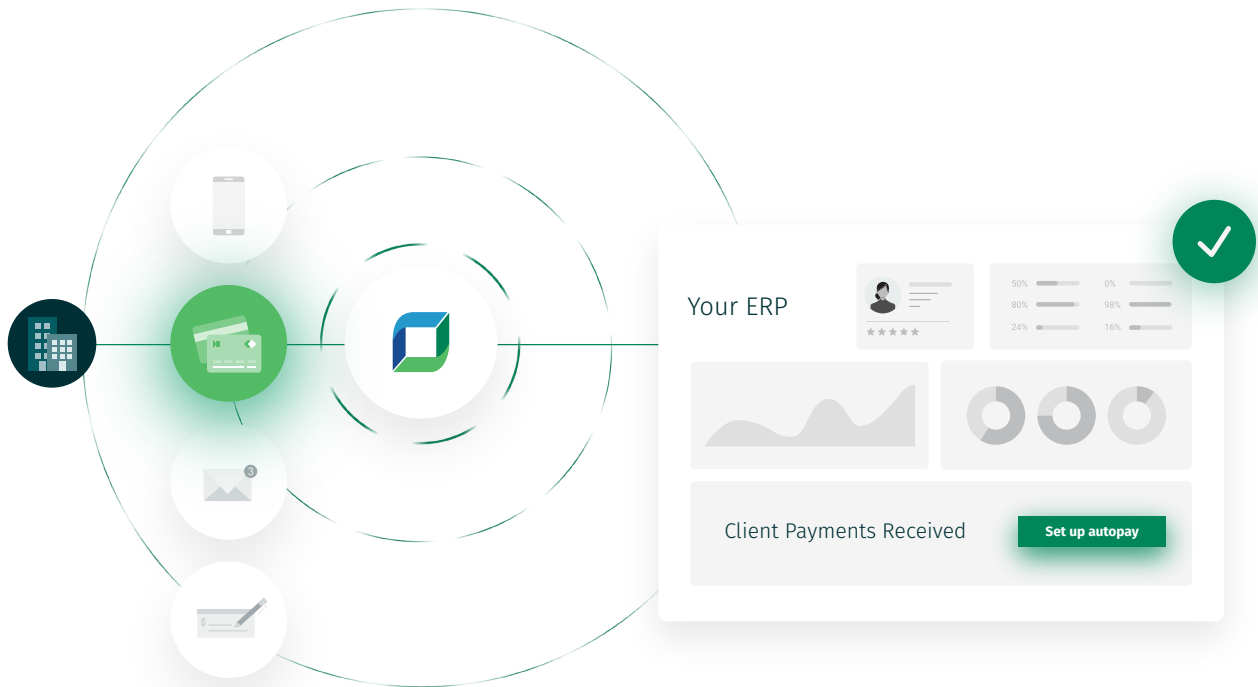
Automated invoicing cuts out time-consuming, error-prone manual work:

- ✓ More accurate invoices
- ✓ Fewer queries and disputes
- ✓ Faster payments
- ✓ Easier reconciliation

OPERATIONAL EFFICIENCY

Offer your customers every invoicing format, through a single unique supplier:

- ✓ Print and mail
- ✓ Email or fax
- ✓ Electronic invoice presentment and payment (EIPP)
- ✓ Deliver invoices straight into accounts payable portals



Payments

WHY DIGITIZE?

Allow your customers to pay by whatever means they like:

- ✓ Offer credit card payment without prohibitive costs
- ✓ Match payment methods to customer preferences
- ✓ Reduce effort and labor through automation
- ✓ Ensure secure and compliant payments

OPERATIONAL EFFICIENCY

- ✓ Reduce interchange fees for credit card payments
- ✓ Offer an online payments portal
- ✓ Capture virtual card numbers and apply the cash automatically
- ✓ Integrate with ERP systems
- ✓ Run campaigns to encourage your customers to adopt electronic payment methods



Remittance			AR Data		
#78787	\$3,090		#78787	\$3,090	
#555	\$8,484		#555	\$8,484	
	\$15,000		#84848	\$15,000	
#4343	\$740		#4343	\$755	



Cash Application

WHY DIGITIZE?

Digitizing cash application improves a business' liquidity:

- ✓ Improve the accuracy and speed of reconciliation
- ✓ Get access to cash more quickly
- ✓ Eliminate bank lockbox and data entry fees

OPERATIONAL EFFICIENCY

Speed up the cash application process by:

- ✓ Cutting data entry and keying costs
- ✓ Assisting with matching
- ✓ Investigating and researching exceptions
- ✓ Posting to your ERP

Smart List

Task completed

- Follow up with Customer 1
- Send email
- Check status



Agent
Is there anything else you need to make a payment today?

Customer
Sorry for my delay, I can make a payment today



Collections

WHY DIGITIZE?

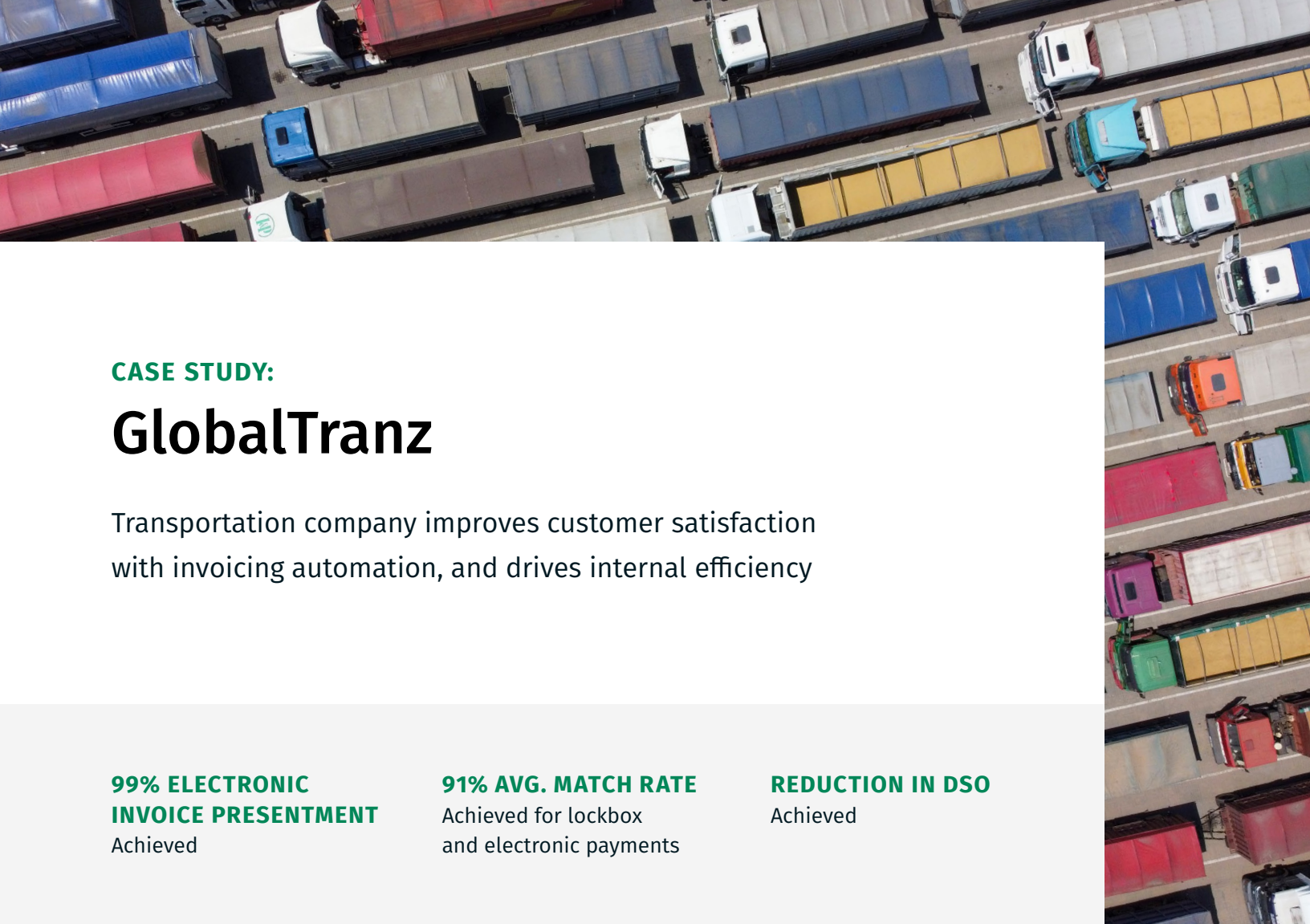
Replacing spreadsheets with a digital collections solution helps you:

- ✓ Prioritize more effectively
- ✓ Improve success rates
- ✓ Reduce manual effort through automation



OPERATIONAL EFFICIENCY

- ✓ Automate contact management
- ✓ Prioritize accounts strategically and increase account coverage
- ✓ Reduce the average age of debt
- ✓ Provide a consistent customer experience



CASE STUDY:

GlobalTranz

Transportation company improves customer satisfaction with invoicing automation, and drives internal efficiency

99% ELECTRONIC INVOICE PRESENTMENT

Achieved

91% AVG. MATCH RATE

Achieved for lockbox and electronic payments

REDUCTION IN DSO

Achieved

The Challenge

GlobalTranz is a full-service transportation and logistics provider. The company continues to emerge as a fast-growing market leader with an extensive customer base serving all industries. They work with a network of over 34,000 carriers and more than 25,000 shipping customers.

As their business grew exponentially, they noticed some growing pains that needed to be addressed. They were originally sending out invoices from their old ERP, and customers were often complaining about not receiving them. Their cash application process was also very manual, taking 1-2 days to process.

Furthermore, GlobalTranz noticed that their supplier customers were more frequently turning to third-party Freight Payment Providers to automate their invoicing. They tried building their own robotic process automation (RPA) to assist in sending invoices to some of these portals, but quickly realized they needed further automation to keep up with their evolving customer' needs.



The Solution

GlobalTranz first came to Billtrust for their invoicing and cash application solutions, which automate these processes and limit manual touches. With Billtrust's eSolutions team, they coordinated strategic campaigns to drive customer adoption of digital invoicing. They expanded headcount to handle invoice keying and exception handling but were still challenged by the trend of third-party payment portals. Billtrust's BPN Invoicing solution connects to 100+ AP buyer portals and streamlines invoice posting to third-party portals. This automates the process entirely and allows their customers to view and pay their invoices where they want. Most recently, they implemented Billtrust's Pay on Email feature to allow customers to pay their invoices instantly.

The Results

As of today, they're now sending 180,000 invoices a month through Billtrust, and 99% of their customers are receiving digital invoices through the help of the Billtrust eSolutions team. Their cash application process has been reduced to hours, and they have an average match rate of 91% between lockbox and electronic payments. With BPN Invoicing, GlobalTranz has given their supplier customers the flexibility and efficiency their industry requires, and as their business grows, they can now easily approve customer requests to invoice through new AP portals. Company DSO has been reduced since they can ensure invoices are sent out on schedule while customers have an easy-to-use portal to schedule payments. Exception handling has also become more efficient with more timely invoicing.



How GlobalTranz automated billing and payments



WATCH VIDEO

Hear how GlobalTranz automated their billing and payments with Billtrust from Emily Stratton, GlobalTranz Director of Vendor Payables

Conclusions and recommendations

1

The transportation and logistics industry should **respond urgently** to the pressures it's under and avoid exposure to disruptive new entrants by digitizing its financial processes.

2

Companies should **view the order-to-cash cycle in its entirety** and choose a solution that digitizes the whole process in an integrated fashion.

3

They should understand that a seamless order-to-cash process **benefits not only accounts receivable teams but other parts of the business**, such as IT, customer service, sales and operations.

4

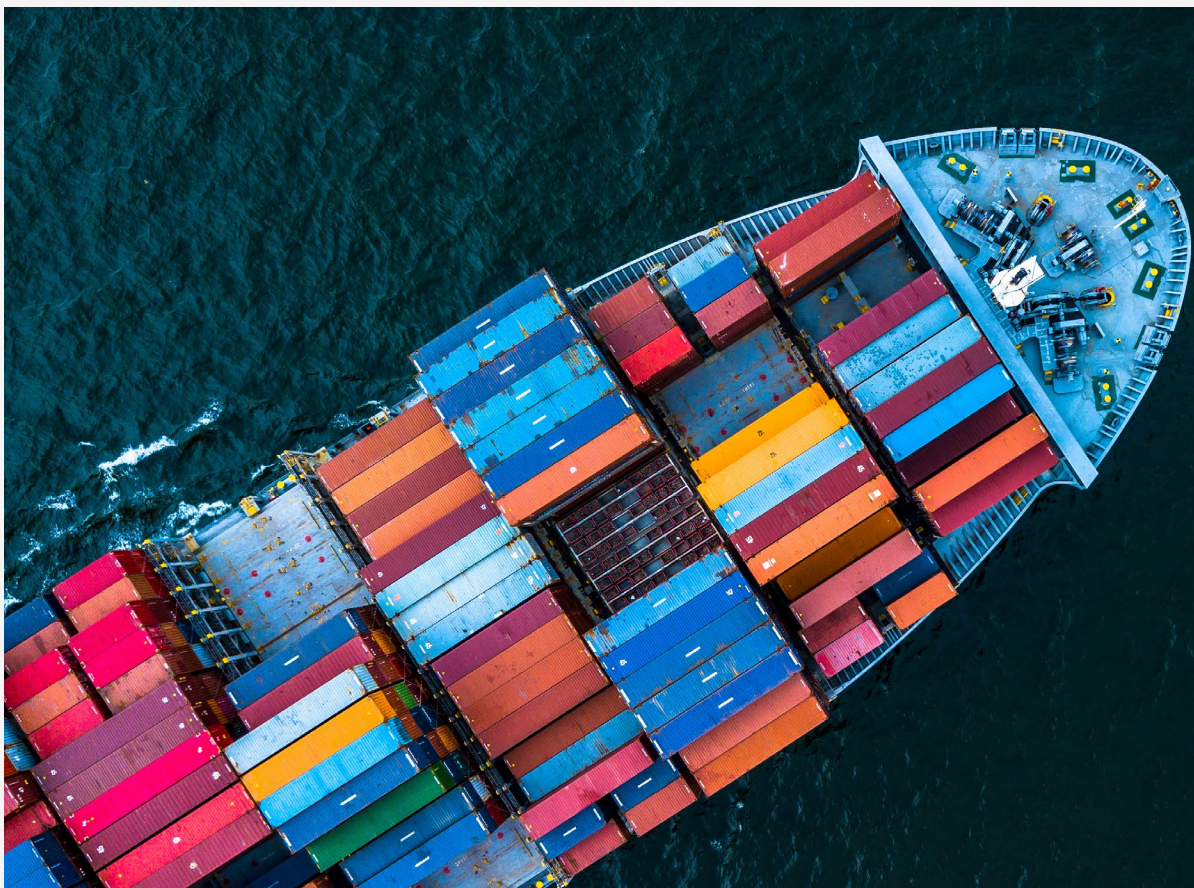
Businesses should look for a solution which provides customers with the kind of **purchasing and payment experience they expect** in the digital age.

5

A suitable solution would allow companies to **offer all the payment options their customers wish to use** without prohibitively increasing payment processing costs.

6

It should feature a **simple, self-service interface** and integrate easily with other finance and ERP systems.





It's time to embrace modern AR that makes getting paid radically simpler.

Only Billtrust delivers an order-to-cash SaaS platform integrated with an open network connecting the entire B2B payments ecosystem. Learn how we can help boost your business performance by integrating and digitizing your order-to-cash cycle. Contact a Billtrust Transportation Specialist at transportation@billtrust.com.

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