

Transforming bill entry across transport and logistic companies



An EXL whitepaper

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While the transportation industry understands that accurate, timely bill entry is an essential component of their operations, many companies face challenges in streamlining this important process. As carriers grapple with historically thin profit margins, generating late or error-filled invoices can further cut into profits.

Some major issues that can arise during the bill entry process include:

- > Lack of control and non-standardized processes due to decentralized bill entry operations
- > Multiple bill of lading (BOL) formats
- > Integrating multiple systems
- > Incomplete capture of all billable items due to missing information on BOL
- > Missing information on local or customer-specific billing procedures

Because of these issues, shippers frequently contract with freight audit and payment providers. These outside firms specialize in verifying that carrier invoices are accurate. Because of the time consuming nature of this process, it can

cause cash flow issues for carriers. The expense of contracting with these third-party providers also leads to shippers putting more pressure on carriers for discounted rates, further reducing already slim margins.

Some carriers have responded to this issue by tasking large numbers of employees to manually audit every BOL entry at a high labor cost. However, many have begun taking an alternative approach of implementing a technology-backed integrated platform, resulting in a collaborative billing process. This approach reduces labor costs, improves turnaround time, and enables sharing of



"tribal knowledge" related to the specific procedures of individual customers. These bill entry solutions can be categorized into six components that resolve the major issues faced during freight bill entry:

1. Pre-Billing Solution
2. Knowledge Management Module
3. Workflow Management Module
4. Accuracy Enhancement Solution
5. MIS and Reporting Module
6. Mobility View



1. Pre-billing module

If the information contained in a BOL is not captured accurately at the beginning, it can result in problems throughout the rest of the billing process. These issues can result in operational complications because freight movement may be delayed due to a failure to record regulatory items or other issues which can prevent shipments from moving.

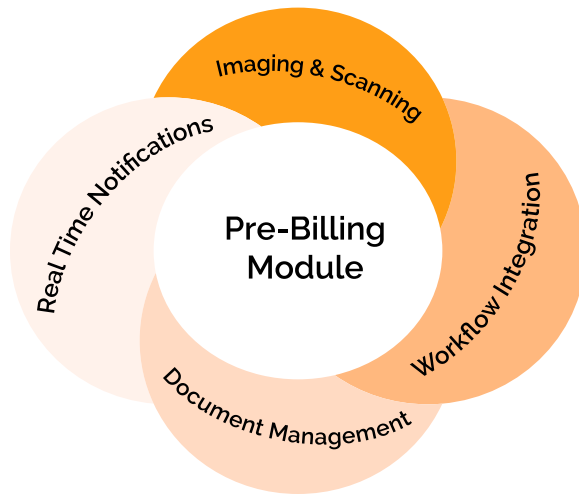
A robust pre-billing solution is required to ensure accurate, timely scanning and input of bills, and to create a sound base for the subsequent processing of bills. This could be achieved with the following steps:

1.1 Imaging and scanning

A pre-scanning review of critical information and post scanning image checks are critical first steps to imaging and scanning. This process can also be improved with technological interventions like Optical Character Recognition, document indexing, and electronic data interchange to ensure an error-free billing process.

1.2 Document management

A document management solution further enhances pre-billing efficacy, and comprises functionalities such as exception queue management to ensure effective query resolution.

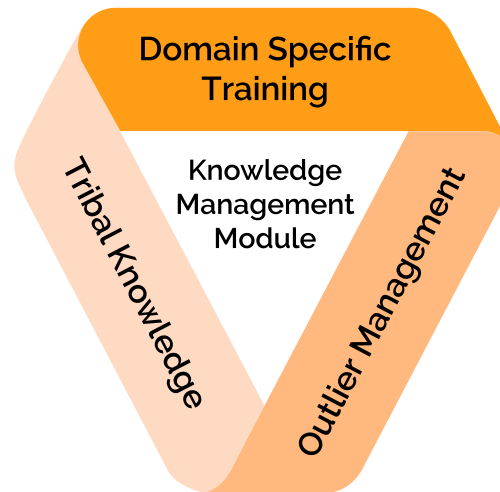


1.3 Workflow integration

The most critical section of a pre-billing solution is workflow integration. This connects the scanned bill items and meta-data to the primary workflow. Meta-data is information about the bill of lading that is often referred to as a skeleton bill. The meta-data can come from rate quotes, pickup request details, driver handhelds, EDI, web bills, or the person scanning the bill.

1.4 Real time notifications

Pre-billing modules must include real-time notifications on the volume of documents being scanned and uploaded.



2. Knowledge management system

Due to a lack of standardized forms and customer procedures, carriers can struggle with generating an accurate invoice. This can result in problems such as customers

being overcharged due to an incorrect or missing discount, missing a customer-required shipper reference number or incorrectly capturing the invoice delivery information.

An effective bill entry process includes tools and functionalities to effectively manage the vast information bank that is necessary for accurate bill entry. Knowledge management should be ensured through following platform backed modules:



2.1 Tribal knowledge management module

This component helps retain and utilize the 'tribal' knowledge - a repository of locally known billing procedures. A tribal knowledge aggregator can effectively deploy technology and analytics to automatically retrieve any information needed for billing.

2.2 Domain-specific trainings

Proper training can be conducted not just in a classroom environment, but also through a simulated training module. Billing in a simulated environment and testing billers through assessment modules can ensure the effectiveness of the training.

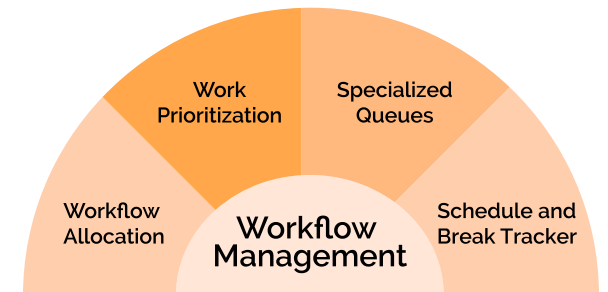
2.3 Outlier management

Recognizing gaps in knowledge and remediating them through training can help employees maintain a high standard of performance throughout the billing process. This can be accomplished through assessment modules and training gap analysis conducted through an integrated application that pulls live bills and produces real-time assessment scores. These scores can be used to identify which employees require additional training.

3. Workflow management

A billing solution must have a robust process/domain-agnostic and configurable web-based technology tool for effective workflow management. Billers should be able to collaborate in real-time to manage work items routed to them. A

failure to do so can result in low-urgency bills receiving priority over transactions requiring immediate attention.



3.1 Work allocation functionality to ensure bill prioritization

An automated work allocation and prioritization mechanism can ensure that bills requiring faster processing and a shorter Turn Around Time (TAT) are actually processed within the expected timeline, without managers having to manually allocate work items.



3.2 Specialized queues

These could include expedite queues or expert queues to prioritize handling urgent work items or speedy resolution for escalations.

3.3 Work prioritization and advanced right skill mapping

This enables work to be routed to a specific set of billers based on skill set. This ensures effective work allocation, real-time prioritization, and the realization of productivity targets.

4. Accuracy enhancement solutions

A wide array of custom-built solutions should be integrated into the billing solution so as to enhance invoicing accuracy.

4.1 Update management

The billing solution must have a custom-built functionality to update tribal knowledge related to billing and use predictive analytics for accurate error prediction.

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4.2 Quality management

Quality management can be done through real-time feedback on errors. This could identify trends based on the consignee, time, and corrections to help supervisors gauge the exact cause of errors, and implement corrective actions immediately.

4.3 Intelligent technology

Intelligent technology can leverage system-level knowledge to reduce costs and improve accuracy. Optical Character Recognition (OCR) can use intelligent technology to learn and adapt to different bill of lading forms, and over time, improve accuracy and completeness of extracting critical information. Predictive matching for consignees and third parties must be integrated into the OCR solution to improve matching accuracy. Finally, robotics allows the OCR information that is entered into the billing system to take advantage of the data validation rules built into the system.



4.4 Revenue leakage prevention

Revenue leakage prevention mechanisms can take the form of either analytics intervention projects or a second-pass audit structure.

Analytics can be especially useful in the customer matching portion of the billing process. For example, a high-level audit queue could be created to route specific no-match cases to a special audit queue managed by experts. These experts could then review BOLs routed to the queue, check for matching codes and offer resolution in real time.

4.5 Accuracy measurement

It can be difficult for transportation companies to tell exactly how well their bill entry process is performing. This can be measured by changing the way accounts are audited. By choosing accounts to audit for accuracy at random, the entire health of the process can be more effectively gauged.



5. MIS and reporting

Reporting is core to judging the process health in terms of all the service level agreements, both internal and external. By embedding reporting functions within a workflow solution, the power of a bill entry process can be enhanced.

Employee capacity can be increased if these reports are automatically generated, rather than manually generated. Real-time productivity and accuracy reporting is important to meet SLAs. In many instances, performance metrics are relayed through live dashboards designed to dynamically update information based on client needs, and ensure real-time staff movement as and when required.



6. Mobility view

Stakeholders could be kept informed by optimizing these reporting dashboards to be accessible on mobile devices. Doing so would eliminate the stakeholders' dependence on managers for end-of-day reports on key performance indicators.



Conclusion

In today's world, it is imperative for carriers to transform conventional bill entry processes that operate on legacy systems into state-of-art processes that use cutting-edge technology. This would help generate accurate and timely bills while increasing employee capacity. Doing so requires the billing process to incorporate six separate elements:

1. Pre Billing Module
2. Knowledge Management Module
3. Workflow Management Module
4. Accuracy Enhancement Solution
5. MIS and Reporting Module
6. Mobility Module

Implementing these aspects into the billing process can result in improved accuracy, timely billing and increased client satisfaction.



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