



UNDER THE MICROSCOPE

By John Powers

Technology Services
Expand Data Capability

For firms providing outsourced technology solutions to shippers and logistics companies, the classic features/benefits sales model is more applicable than ever. While their clients remain concerned that the pertinent data pieces are all assembled, these providers are looking beyond, examining how they can use this raw material to continuously optimize pipeline visibility, speed of reaction and the cost of delivered goods.

The suite of technology-based services available in the marketplace far transcends the traditional model, and has created a new niche. Clients are looking for greater enterprise value than simply freight audit and pay, reported TRAX Technologies' Founder and CEO Scott Nelson. "Our ability to offer high-quality freight audit and payment processing is one of many consequences of our "data first" focus. Trax is in the business of data quality. Once we've normalized, standardized and augmented data with appropriate tags, the freight audit and payment process becomes a data service we provide to our clients," he said.

INNOVATING THE FREIGHT INDUSTRY WITH INTELLIGENT PROCESSING

DDC FPO is the freight-focused division of The DDC Group, a worldwide network of business process outsourcing providers. The DDC Group has been implementing tech-enabled, knowledge-intensive solutions since 1989. With operations across North America, Europe and Asia-Pacific, DDC's 3,500-strong staff delivers services in more than 40 languages and ahead-of-the-curve industry standards. DDC's customizable information technology capabilities, dedicated project management and highly-skilled production teams equip DDC's world-class clientele with strategic business process outsourcing solutions fundamental for each organization's health and profitability.

DDC FPO is the world expert in freight process outsourcing, or FPO: The digitization, capture and processing of any freight-based paperwork, documentation or associated task.

TODAY, DDC FPO:

- Completes 135,000 bills of lading per night.
- Processes 20 percent of all less-than-truckload bills in the U.S.
- Clientele represents 25 percent of top carriers, ranked by revenue.
- 1,500 LTL industry-trained, carrier-dedicated billers.

Over the past 10 years, DDC FPO has designed and implemented more freight billing solutions than any other company.

Continuing its legacy as the No. 1 business processing partner for today's top carriers, DDC FPO is revving up its engines and developing solutions that equip customers with unparalleled compatibility, integration, scalability and analytics.

Most recently, DDC FPO unveiled an intelligent, customizable solution called iCapture™ for Freight Billing, so that carriers can leverage DDC's expertise with new integration capabilities and receive more compelling results than ever before.

iCapture™ for Freight Billing extracts data based on context, growing smarter with each bill of lading it processes, and captures the fields that other solutions don't, such as C.O.D. details, accessorials and hand-written information.

The team at DDC FPO is currently coordinating private, web-based (and, of course, free) demonstrations with interested parties. If you would like to schedule a demo with an expert from DDC, you can do so in the following ways:

- Complete this online form: <http://www.theddcgroup.com/index.php/icapture-demo>
- Email a request to info@ddcfpo.com.
- Call the DDC FPO headquarters just outside of Denver, at 303-674-0681. ■



DDC FPO

FREIGHT BILLING, BETTER.



What they are doing, Nelson explained, is offering unique insight into the information supply chain by refining the data so that it yields actionable analytics. "It paints an accurate picture of a company's business processes. This allows enterprises to make better decisions. It often greatly improves their bottom line," he said.

Shipment diversion is another critical aspect of the shipping process that benefits from the ability to strategically manipulate data. When issues such as labor stoppages, high congestion, equipment shortages and inclement weather force shippers to implement routing alternatives, both historical data and timely information on current options are invaluable.

"It's all about the planning," U.S. Bank's Global Director of Freight Payment Solutions Rick Erickson said. "Shippers need to be able to strategically make shifts in their supply chain. The only way you can accomplish this is with information. We enable them to pull data regarding costs, routing, transits, etc., and use the data to make changes with a minimum impact on costs. They know it won't be cheaper, but they are able to identify the best option. This also enables them to keep as close as possible to the original delivery schedule."

DDC FPO focuses on leveraging technology to benefit carriers. "The intelligent programs that we leverage in our iCapture™ solutions are designed to capture large volumes of transactional data off of bills of lading and/or invoices for straight-through processing, removing reliance on human intervention. These solutions are designed to take the costly, labor-intensive process of manual data entry out of the equation. The results of this technology paired with our industry expertise create smarter, more strategic back offices for our clientele," Vice President of Sales Chad Crotty said.



The world experts in carrier billing now present:



We know freight billing better than anyone else in the market. Now, we are offering an intelligent, customizable solution called iCapture™ for Freight Billing, so that you can leverage our expertise with new integration capabilities and receive more compelling results than ever before.

iCapture™ for Freight Billing extracts data based on context, growing smarter with each BOL it processes, and captures the fields that other solutions don't, such as COD details, accessorials and hand-written information.

Schedule your demo now:

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In addition to carriers, the roster of logistics companies outsourcing to technology providers includes importers, exporters, forwarders and brokers, government agencies and third-party logistics providers.

The extent of how far beyond mere data capture the service menu has expanded can be seen in the services Trax Technologies offers, which include:

- Data acquisition, collecting data from buyers, sellers and third-party information providers.
- Data normalization, converting common business concepts and documents into a normalized data structure for efficient processing of comparable data concepts.
- Data standardization, converting disparate data values for a single data concept into a standardized

TRADITIONAL METHODS OF DATA CAPTURE WERE SIMPLY INADEQUATE TO ADDRESS THE MULTIPLE VARIANCES INHERENT IN SHIPMENT DOCUMENTATION.

- form for downstream processing of rating, cost allocation, supply chain performance monitoring and optimization, and more.
- Data correlation of the disparate data flows from thousands of players.
- Data assurance, ensuring clients have received all the content they

- expect, and then identifying, cataloging and adding new data content into automatic assurance processes.
- Data services, providing clean, detailed transaction data that drives operational and analytical data services.
- “Cost to serve,” helping

CLOUD-BASED SOLUTION IMPROVES SUPPLY CHAIN PERFORMANCE

Trax Technologies is a provider of cloud-based solutions for buyers and sellers of logistics services. Global companies use Trax to improve supply chain performance. The company improves supply chain performance by first improving logistics data quality.

Supply chain data needs improvement because it's often incomplete, inconsistent, inaccurate and uncorrelated. Poor data quality corrupts downstream audit, expense posting and other supply chain processes. It also prevents companies from maintaining good balance between customer service and profit.

Trax Technologies helps companies clean up the data that global companies use to measure and monitor their global supply chain performance. Trax provides the world's first data refinery for the information supply chain. The Trax data refinery is an easy-to-integrate, cloud-based technology platform that improves the quality of logistics transaction data.

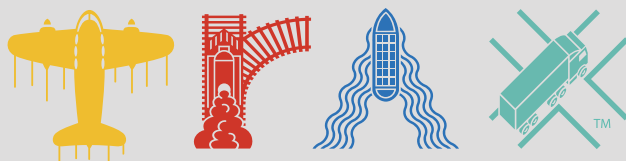
Data refinement enhances the quality of information that companies extract from their information supply chains. Refined data removes the industry's biggest barrier to actionable supply chain visibility. With better visibility, companies can improve the performance and resilience of their supply chains. Trusted data helps companies understand the true cost to serve individual customers. Their supply chain, finance, audit, logistics and risk management functions all benefit.

Trax provides a range of cloud-based software and services. The Trax Score™ (patent pending) identifies the level of financial risk for individual supply chain transactions or groups of transactions. It identifies and quantifies settlement risks. It also points toward ways to reduce or remediate risk.

Trax Certified™ Invoices improve the settlement process for both buyers and sellers of logistics services. They protect all parties who participate in logistics transactions. Buyers can be confident of paying the right fee for services they receive. Sellers can be confident of being paid on time and without dispute. And Trax provides a single platform for buyers and sellers to manage their logistics and supply chain data.

For more than 20 years Trax has helped cleanse and manage the logistics data of many of the world's largest companies. With offices in North America, Latin America, Europe and Asia, Trax offers truly global solutions and support. ■

For more information about Trax Technologies, please visit TraxTech.com.



companies identify their logistics costs by product and customer.

- Analytics, helping companies tune their supply chains for better customer service or higher profit.
- Trax Score™, providing a reliable way for shippers and logistics service providers to evaluate settlement risk ... the only one of its kind in the logistics industry.

Traditional methods of data capture were simply inadequate to address the multiple variances inherent in shipment documentation, Crotty said. "Prior to Intelligent Capture technology, there was Optical Character Recognition. "OCR-based solutions are template-based and therefore not practical when capturing data from BOLs or invoices, as there may be hundreds or even thousands of formats. For example, the consignee, shipper, bill-to or C.O.D. information could be located in several different locations on a document, depending on the client. So, non-intelligent solutions would not know where to search for this information without having a corresponding template to tell the solution where to look," he said.

The technology that DDC FPO incorporates creates non-template solutions, using pattern recognition; searching an entire document for keywords; and learning with a small sample set of documents, for example. The software also has a built-in fault tolerance and extracts data based on context, Crotty explained. "In other words, it can recognize that 'BOL#' and 'Bill of Lading Number' mean the same thing. The fault tolerance can be adjusted by the field, based on confidence level. If the software component cannot recognize a field it will mark the field for a verifier to physically review and correct. The correction is then saved, which improves accuracy over time."

Transitioning from an in-house manual process to a partnership with a technology firm brings significant cost savings — often quite quickly — as well as long-term cost containment, improved billing and accounts payable efficiency, higher-quality data, production scalability and faster turnaround times in the "order to cash" cycle, Crotty said.

Savings for these clients occur to varying degrees. "At the most basic level of value, both shippers and carriers can reduce the back-office costs associated with their 'procure to pay' and 'order to cash' cycles. At a higher level of value, both

shippers and carriers gain a single view of their relationship, regardless of how many disparate systems each party uses to manage its supply chain operations. At the highest level of value, Trax data refinement enables shippers and carriers to gain

Supply Chain Visibility: Why It Leaves Decision Makers in the Dark

No matter how good a visibility system may be, it's no better than the quality of data it receives.

Logistics transaction data is often inconsistent, incomplete, or inaccurate. It clouds your view. You can't trust it to help you make good decisions.



A process called data refining offers a cost-effective way to improve supply chain visibility. Thanks to Trax, you don't have to change your systems to get reliable analytics.

Let Trax help you get the level of supply chain visibility you want.
Visit TraxTech.com/Visibility.



consistent, compatible and reliable visibility to the physical and financial performance of their global supply chains," Nelson said.

Perhaps no business sector has responded to the lure of the cloud more than logistics industry. The ability to have a ready repository of information and analytical tools available 24/7 from any location is a key enticement. Elimination of hardware and staffing costs are equally attractive. Given their diversity of geography, supply chains, languages and operating models, outsourcing users find cloud-based technologies extremely advantageous.



"We deliver the Trax platform through the cloud, 100 percent. Our clients can monitor and manage their global supply chain performance from anywhere. Rather than tying up capital to build internal solutions, our clients can start managing their global supply chains on the first day of implementation. Regardless of how a transaction may be entered, it's immediately visible to all parties from the moment it's saved to the Trax transactional data repository. Because Trax manages secure access, our clients don't have to open holes in their firewalls," Nelson said.

As with all things related to the cloud, access via assorted mobile devices is a potential benefit. At U.S.

Bank, customers can already access their platform by simply executing a secure account login. And enhancements are on the horizon. "We're working toward additional mobile applications and are developing new architecture to improve ease of access to our product. We are preparing by talking to our customers now to find out exactly which functions they want to perform from their mobile devices. Given issues of display size, we want to make sure to deliver the utmost in functionality, scaled to the viewer screen," Erickson said.

Mobile applications aren't the top request for all clients, however. "In the markets we serve, the lack of demand for mobile services seems to be a result of the data density of core Trax

processing services," Nelson said. "As a practical constraint, mobile screens provide limited area to display data. We believe when the demand for mobile apps arises, we will be able to adapt the technology we currently use to deliver functional capabilities to the desktop."

The metrics indicate surging interest in outsourced logistics technology platforms. DDC FPO is projecting an 18 to 20 percent increase in sales this year, due to traditional outsourced services as well as tech-enabled solutions, Crotty said. "We currently process 20 percent of all freight bills in the U.S., and I project in three years we will double that and have a 10 percent share in Canada."



**PROTRACTED GROWTH IN THE LOGISTICS BUSINESS
INTELLIGENCE SECTOR DEPENDS INTRINSICALLY UPON
THE QUALITY OF COOPERATION AND COMMUNICATION
AMONG ALL THE PLAYERS IN THE CYCLE.**

New customer growth is up by 180 percent over last year at Trax, and they are anticipating an increase of another 120 percent this year, with no slowdown in this pace over the next several years. "The main thing driving this growth is that the marketplace sees our solutions are superior," Nelson said. "And, the scope of our solutions is growing steadily. Our message is striking a responsive chord in the market. We're not just finding data errors to justify our service. It makes sense to reduce errors by solving the problems that cause them."

Protracted growth in the logistics business intelligence sector depends intrinsically upon the quality of cooperation and communication among all the players in the cycle. Data assembly and tweaking can

only occur efficiently if the requisite data pieces are received timely and accurately. Developing deep and long-lasting relationships with both third-party logistics provider and carriers is essential, because they will improve the quality of data flowing through the information and financial supply chains, Nelson said.

"No one deliberately churns out low-quality logistics data. Data quality degrades because the various parties in the supply chain have neither the resources, the focus, nor

the motivation to understand what other parties want or need. Each of the diverse operational systems in the supply chain is designed to work with the data it needs to perform its function. It reports on the success or failure of its functions in terms that are meaningful to the system. Most systems aren't designed to understand the context or the functions of other systems with which they exchange data. In this complex environment, Trax acts as a data assurance organization. The Trax platform

enables all parties to share, refine, harmonize and improve the quality and completeness of the data."

So what's the next big thing? We already have a smartwatch that matches one envisioned decades ago by Dick Tracy's two-way wrist radio in the comic strip of the same name. You can buy a set of eyeglasses that come with a heads-up display. Can cloud access via dental implant be very far in the future?

As always, customer demand is the mother of innovation. "Carriers are looking for a more streamlined, automated approach to business operations that equips them with integration capabilities. They want to reduce errors in order to speed up the 'order-to-cash' cycle and enhance their cash flow," Crotty said.

Shippers are looking for two big things, Nelson said: analytics that are simpler and easier to use, and assistance calculating "cost to serve." Trax has been investing substantially to improve our offerings in both areas, with the roll out last year of new versions of its reporting and analytics tools and a current focus on "cost to serve" enhancements.

In-house or outsource? This is an exercise that virtually every business enterprise engages in continually. CPA or internal accounting staff? Lawyer on retainer or hire one in house? While decisions to handle critical business functions internally are certainly founded on well-intentioned cost-benefit analyses, companies often find that anticipated efficiencies and savings are difficult to achieve. Failed

in-sourcing adventures are a primary driver in the growth of outsourcing.

"Over the last two-three years, there's been a push to perfect the intelligent capture offering. In fact, several larger carriers have invested heavily in out-of-the-box solutions, only to invest more time, money and effort into making the solution work. The catch is: The biggest hurdle is not designing the software, it is the knowledge base to adjust the technology components to stay ahead of the competition. To achieve the desired results, carriers need to partner with a provider that has the knowledge base to bring tech-enabled solutions full-circle," Crotty said. ■

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RELIABILITY. IT PAYS.

An effective supply chain has the right goods in the right place at the right time. It requires fostering strong relationships with your carriers – and delivering timely payments. That's why you need a payment partner you can trust to pay your carriers on time, provide the visibility needed to ensure efficiency, and be there day in and day out.

COUNT ON U.S. BANK FREIGHT PAYMENT

Looking to reduce cost in your supply chain and increase transportation service levels? U.S. Bank Freight Payment can help. Transportation invoices are complicated, detailed, and often involve specific freight audit requirements. We help logistics professionals manage global freight payment and audit for

all transportation modes with a single solution. As a leading global transportation solution, U.S. Bank Freight Payment processes millions of freight invoices annually. We help some of the largest corporations and government agencies in the world uncover cost savings, increase financial control and gain visibility into freight spend.

ADD EFFICIENCIES AND COST SAVINGS TO YOUR SUPPLY CHAIN

- Save money and ensure clean data with 100 percent prepayment audit.
- Improve visibility with a single, real-time view across all business units and geographies.
- Simplify your freight payment processes with one solution for all transportation modes and multiple methods for quick and easy invoice submission.
- Leverage industry-leading cash management solutions to extend payment terms while carriers receive faster payments without renegotiating contracts.

- Collaborate online for quick and efficient exception resolution.
- Put strategic supply chain data at your fingertips.

RELY ON UNRIVALED FINANCIAL RESPONSIBILITY AND SUPPLY CHAIN EXPERTISE

As a bank, we go beyond the basic SOX and SSAE 16 Type 2 certification to meet the rigorous regulation, audit, and compliance requirements of the financial industry.

DEPEND ON OUR EXPERIENCE

We pioneered electronic freight payment and our people come from the transportation and logistics industry. U.S. Bank continues to develop the solutions to meet the financial needs of a healthy supply chain.

CONTACT

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Twitter: @USBankPayments
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Visibility. It Pays.

Make your supply chain more competitive by gaining true end-to-end visibility. Learn how increased freight payment visibility can remove costs, improve your cash-to-cash cycle and create efficiencies with a freight payment partner you can trust.

Choose U.S. Bank Freight Payment.

Discover how it pays to let **U.S. Bank Freight Payment** – the pioneer in electronic freight payment – help you improve your bottom line.

Visit **usbpayment.com/visibility** or call **1.866.274.5898**.

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