*Work Like Tomorrow.™*

**THE ROAD AHEAD**

# 3 WAYS LOGISTICS PROVIDERS ARE AUTOMATING COSTLY MANUAL PROCESSES

HOW ROBOTIC PROCESS AUTOMATION DRIVES EFFICIENCIES
AND IMPROVES OPERATIONS

**KOFAX**

# IT'S A CHALLENGING ENVIRONMENT

**With logistics accounting for 9% of global gross domestic product (GDP), it's one of the largest and most productive industries in the world.**

Competition in the transportation and logistics sector is fierce, driving prices down and squeezing already razor-thin margins. Logistics providers are being forced to offer better service to win new customers and retain their top accounts.

Outdated systems and manual processes create further challenges, slowing your operations and hindering your ability to grow revenue. According to an Edge Research study, half of surveyed companies still use manual processes for monitoring changes, exceptions and disruptions to their supply chain and plan activity.

Transportation and third-party logistics providers often employ a number of back-office staff and customer service representatives to manually enter and re-key data for several core business activities, including:

- Scheduling and tracking shipments (Track and Trace)
- Gathering freight bill payment
- Generating and collecting on invoices
- Resolving payment disputes
- Securing proofs of delivery
- Capturing, researching and closing out loads
- Warehouse and terminal management
- Correction and completion of transport orders
- Return of loading equipment

These manual tasks are time-and labor-intensive and can result in significant inefficiencies, errors, and productivity losses for your business. That's in addition to being mind-numbing, mundane work that saps employee morale.

## DID YOU KNOW?

**32% of transportation and logistics companies rely on manual steps in more than 50% of their processes.**

"Logistics has introduced digital innovations at a slower pace than some other industries. This slower rate of digital adoption brings enormous risks that, if ignored, could be potentially catastrophic for even the biggest established players in the business."

— Digital Transformation of Industries: Logistics, World Economic Forum and Accenture

**In the logistics sector, 15% of respondents in an Edge Research study said, "Manual processes are holding back our ability to handle business growth and the associated transaction volume."**

Carriers often employ traditional integration methods, such as electronic data interchange (EDI), to automate the exchange of information between customers and partners. But very rarely does EDI completely transform manual tasks for maximum efficiencies.

EDI can be rigid and usually requires both you and your business partners to work in exactly the same way with standardized formats for data exchange. It's also expensive, and with already tight profit margins, transportation and logistics providers aren't able to make the full investment that EDI requires. According to an Eyefortransport survey of more than 200 organizations, the biggest challenges companies face when it comes to EDI are implementation and lack of real-time data.

For years, logistics providers have been caught between the hammer of extensive manual processes to run their operations and the anvil of high personnel costs driven by that burden. This also ties up the time and resources needed for investing in new products and services.

Fortunately, there is an emerging, cost-effective technology-robotic process automation (RPA)-that can automate repetitive, manual tasks and free up your workers for more valuable, strategic work. The work your employees do in manually moving information between applications, clicking between windows or swiveling their chair to work between machines or monitors can now be automatically done behind the scenes by intelligent software robots.
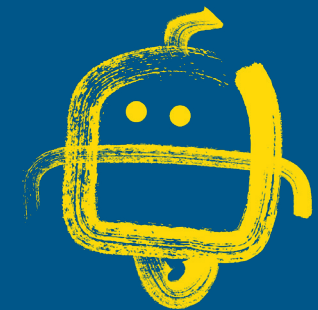
## DRIVING THE FUTURE OF LOGISTICS WITH RPA

The Institute for Robotic Process Automation defines robotic process automation as "the application of technology that allows employees in a company to configure computer software or a 'robot' to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems."

### DID YOU KNOW?

**According to an independent survey of manufacturing and logistics executives by Industry Week, only 24% stated they have implemented automated processes to improve the visibility of order and shipment status. Yet they also stated their key focus was on reducing risks that affect customer relationships.**

RPA's intelligent software robots create a digital workforce that works side-by-side with your employees to streamline operations and expedite key business activities. RPA eliminates time-consuming, manual copying and pasting of information between virtually any application or data source, including websites and portals, desktop applications and enterprise systems. RPA is easy to use and can be deployed in a matter of weeks, not months, as it does not rely on the use of complex APIs and coding.

## DID YOU KNOW?

**According to Create Tomorrow, a typical rules-based process can be automated by 70%-80%.**

RPA eliminates manual tasks, boosts efficiency and productivity and improves customer satisfaction. With the pressure to stay competitive and grow revenue, there are several bottom-line reasons for exploring how RPA can transform your operations and the way you work:

- Automation of knowledge work will have aneconomic impact of $5-$7 trillion by 2025 (McKinsey).

- Forward-thinking logistics companies are 1.1-2.4 times more likely to automate basic daily tasks, such as shipment scheduling and tracking, than their competitors.

- Supply chain businesses that leverage automation achieve 96% perfect orders across their supply chain, compared to 71%-73% for those that don't.

- RPA increases staff productivity, service levels and capacity by 35-50%.

- RPA creates an immediate 25%-50% cost saving by automating tasks at a fraction of the human equivalent.

**In logistics, your business can leverage RPA to dramatically improve efficiencies for three essential business activities:**

1. **Shipment scheduling and tracking**

2. **Invoicing and credit collections**

3. **Capturing, researching and closing outloads**

# SHIPMENT SCHEDULING AND TRACKING

## THE PROCESS TRANSFORMATION OPPORTUNITY

**B2B portals—aka web portals that organizations set up to centralize submitting and tracking business transactions—were initially designed to lower costs. Such systems work well when a company only has a handful of partners and customers. But what happens when this increases exponentially?**

You may have hundreds of partners, providers and customers, all of whom want to use their portal. Each portal has its own login, password, navigation, reports and transactions. It's time- and labor-intensive and a recipe for built-in data entry errors—no matter how good your employees are.

Plus all the time spent with customer service reps re-keying information from internal transportation management systems and portals to schedule and track shipments because the two systems don't talk to each other. For example, PITT OHIO, a logistics provider, offers a premium service—the ability to request a shipment pick-up by email and a two-hour response time.

It sounds great for their customers, but all that re-keying of data and updating of multiple systems just to keep them synchronized could take up to one full-time equivalent (FTE) role per premium customer.

Processing those transactions manually meant their premium service couldn't scale, but what if it could? What if there was a way to automate all that re-keying of data? That's where RPA comes in.

## SEE IT IN ACTION

### SHIPMENT SCHEDULING AND TRACKING WITH MANUAL STEPS

**MANUAL STEPS TAKEN BY EMPLOYEES**

**Does this workflow look familiar? These are just some of the manual steps your service representative may be completing on a daily basis.**

**Step 1**   Customer emails a shipment request.

**Step 2**   Service representative monitors email and prints and files the shipment request when received.

**Step 3**   Service representative logs into scheduling system and enters shipment details.

**Step 4**   Service representative logs into shipper's portal and enters the pick-up date, location and time.

Service representative  sends customer email confirmation.

**END**
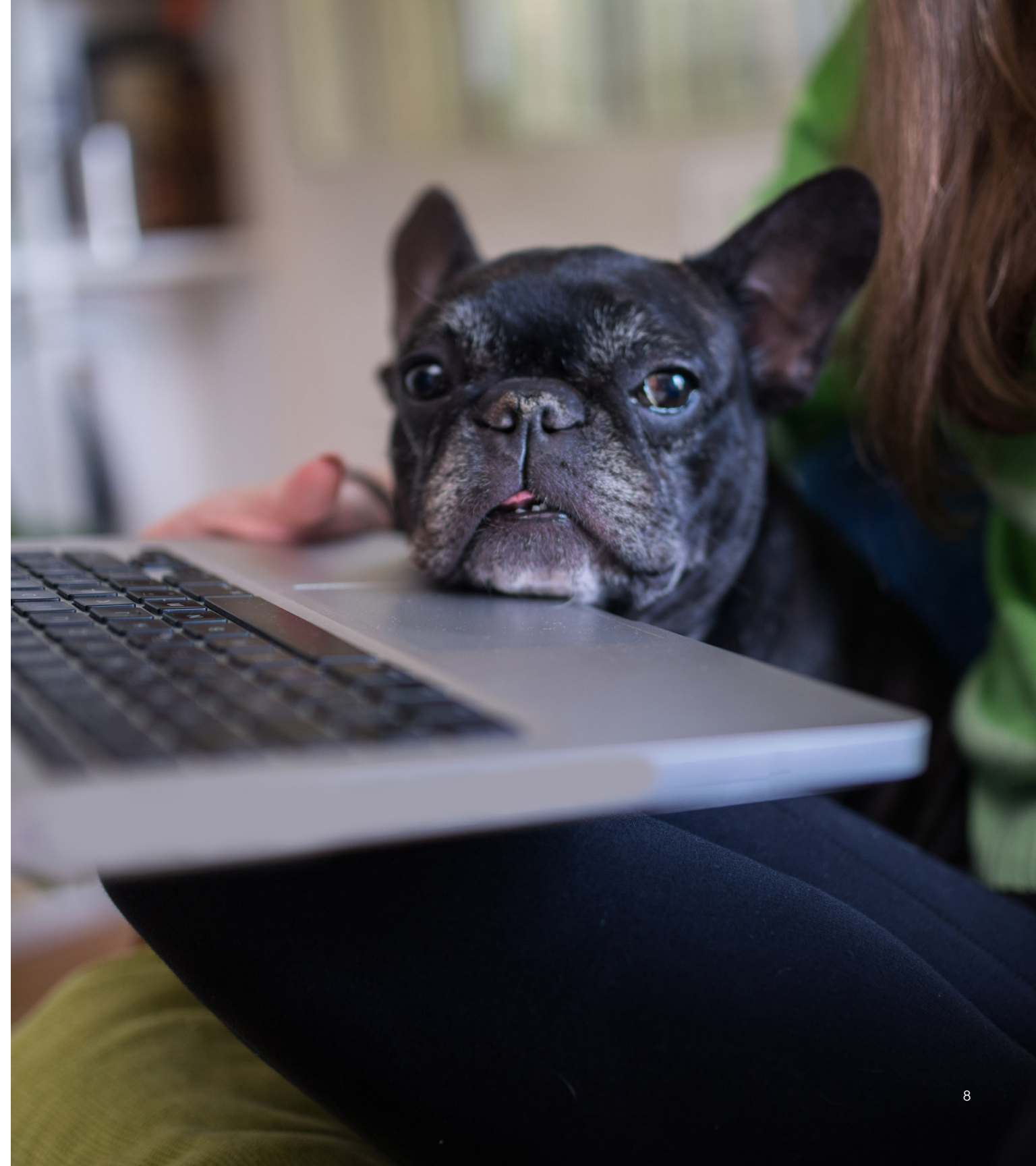
# SHIPMENT SCHEDULING AND TRACKING

## REALIZING THE RPA OPPORTUNITY

**Software robots can automate manual shipping tasks, streamlining your operations—from the initial pick-up request to checking and reporting shipment status between internal systems and portals.**

A smart software robot can extract shipment details from an incoming email requesting a pick-up, log in to your scheduling system and log the job. When the scheduling system has processed the request and provides a pick-up time, the robot accesses the customer and carrier portals to advise them of the time.

RPA also extracts relevant information such as the bill of lading, carrier invoice and other pertinent documents. This all happens within seconds, rather than hours, and your customer is kept automatically updated of the progress of the job, including the location of GPS-enabled vehicles. This eliminates the need to manually identify appointment times, schedule shipments or check the shipping status from multiple carriers' portals.

**SEE IT IN ACTION**

**SHIPMENT SCHEDULING AND TRACKING WITH RPA**

**STEPS TAKEN BY ROBOTS**

Remember those manual steps? They can all be automated with RPA.

**ROBOT STEP 1**

- Monitors email
- Extracts new shipment request data from email

**ROBOT STEP 2**

- Logs into transportation management system
- Checks availability
- Schedules pick-up day and time

**EXCEPTION?**

**YES**

**NO**

**CUSTOMER SERVICE REP (CSR) HANDLES EXCEPTION**

**UPDATE SYSTEM**

**ROBOT STEP 3**

- Logs into shipper's portal
- Enters pick-up date, location and time

**ROBOT SENDS CUSTOMER EMAIL CONFIRMATION**

**END**

## SUCCESS STUDY

### PITT OHIO

**PITT OHIO is a transportation solutions provider of less-than-truckload, truckload, supply chain solutions and ground services in the Mid-Atlantic and Midwest United States.**

### CHALLENGE

Delivering a premium-priced service that required nearly 100% of a customer service rep's time.

### RESULTS

PITT OHIO leveraged RPA to realize big benefits, including:

- Eliminated 100% of routine customer service rep effort

- Applied 95% of each customer service rep's time to high-value work, rather than manual activity

- Creation of invoices is automated and 100% accurate with manual cut-and-paste eliminated

"We're seeing a 95% reduction in manual effort from our Customer Service Representatives. Kofax RPA handles what our users were doing, automatically, more consistently and more accurately."

— Darren Klaum, Director of Business Systems, PITT OHIO

# INVOICING AND CREDIT COLLECTIONS

## THE PROCESS TRANSFORMATION OPPORTUNITY

One of the challenges any business faces is getting paid once the job has been done. Just as RPA can streamline shipment scheduling and tracking, so can it optimize the collections process.

By using RPA to interface with customers' freight bill payment portals—which can run into hundreds for large transportation and logistics providers—transport and logistics companies can automate the entire order-to-cash cycle.

Automating and streamlining the order-to-cash cycle is an important part of ensuring strong and consistent cash flow for your logistics business. If you're required to provide supporting documents to your customers like proofs of delivery (PODs), delays can quickly mount, increasing your days sales outstanding (DSO) and intensifying your financial worries.

Transportation and logistics providers that don't leverage automation can struggle to keep up with competitors. Manually creating logistics solutions designed for each client, and integrating with the shippers and carriers IT system that form each client's ecosystem, is a huge task. Many logistics companies resolve these complexities with technology like EDI or application program interfaces (APIs), but these are expensive to build and inflexible to use. And when it's your company's financial future on the line, you don't want to gamble with ineffective technology or complicated tools. You need a solution that automates your order-to-cash cycle, so you can focus on delivering exceptional service to your customers and growing your business.

# INVOICING AND CREDIT COLLECTIONS

## REALIZING THE RPA OPPORTUNITY

**By integrating internal systems with customer portals, RPA can eliminate rekeying, cutting-and-pasting and manually attaching data to customer invoices. RPA automatically extracts shipping data, attaches scanned PODs and invoices and updates to the customer portal in seconds, rather than days.**

Once all routine business interactions have been automated, customer service representatives can focus on dealing with exceptions, such as disputes and freight charge discrepancies. By allowing your reps to focus on high-value work, RPA improves customer service, resulting in quicker payments, simpler enforcement of payment terms and reduced DSO.

Your company can leverage RPA to:

- **Expedite invoicing and payment:** Eliminate chasing down PODs and manually updating B2B portals of freight payment processors and shippers, while expediting the receipt of funds.

- **Automate invoices:** Ensure 100% accuracy by automating the creation of invoices.

- **Monitor payment collections:** Easily check all payment portals daily for past-due accounts, ensuring timely resolution of discrepancies and avoiding delays in payment.

## SUCCESS STUDY

### LARGE NORTH AMERICAN TRANSPORTATION COMPANY

**Large transportation logistics company in North America with more than $2B in revenue and 10,000 trucks.**

### CHALLENGE

- Managed a staggering amount of data and paperwork – everything from load logistics and scheduling to payments, collections and invoicing.

- Work outpaced staff's ability to get it done; amount of time spent tracking invoices and chasing payments was significant.

### RESULTS

Using RPA, the company's key results included:

- 9,000 times faster completion of research tasks, such as tracking the status of invoices.

- A software robot found more than $150,000 that could be processed in 30 days or less.

- 40 hours per month manual research time reduced to 1 hour or less per month.

"If Kofax RPA discovers a problem or unexpected delay, it notifies the team so they can address any outstanding requirements. The minute there's a problem, we solve it, which turns into immediate cash flow. The executives like that."

– Company representative, Large North American Transportation Company

# CAPTURING, RESEARCHING & CLOSING OUT LOADS

## THE PROCESS TRANSFORMATION OPPORTUNITY

**While it can be complicated enough managing an in-house fleet of vans, trucks and aircraft, as well as customers, transportation and logistics providers often have agreements with hundreds of carriers, payment processors and suppliers to reach into markets they may not be able to directly serve. One common example of this is the use of couriers or fleets of vans for less-than-load (LTL) shipments.**

Third-party agreements with carriers, payment processors and suppliers can undoubtedly give you a valuable opportunity to expand your business; however, they can also significantly increase the amount of manual handling, re-keying and cut-and-pasting needed as shipment data and invoicing information is captured. One of your customer service reps may have to manually access a provider's system to capture each shipment's PRO number, track/ trace information and invoice amount. This data then needs to be re-keyed into your system, as well as your customer's system, to keep it updated.

Once the delivery has taken place and you've generated all the necessary documentation, you then need to capture the bill of lading, carrier invoice and other final documents and re-key and cut-and-paste them into your system.

**But it doesn't have to be this manually labor-intensive.**

# CAPTURING, RESEARCHING & CLOSING OUT LOADS

### REALIZING THE RPA OPPORTUNITY

**Manual tasks for capturing, researching and closing loads can be streamlined and automated through RPA. A software robot can automatically access the carrier website to capture each shipment's PRO number, track/trace information and invoice amount.**

Documents such as PODs can be moved directly into a transportation and logistics provider system, eliminating the manual scanning of PDF documents by converting them into a scanner-friendly format. Appropriate validation is performed at each stage, with a customer service rep only needing to be involved if a discrepancy at the validation stage raised an exception.

This expedites the close-out of loads and invoicing, allowing your business to maintain a steady cash flow and focus on superior customer service. By utilizing RPA, providers can realize substantial efficiencies with less than truckload shipping.

For example, Trinity Logistics, a top-20 logistics provider in the U.S., used RPA to close out 95% of supported less than truckload shipments without any manual effort.

**SUCCESS STUDY**

## TRINITY LOGISTICS

**A top-20 U.S. logistics provider that offers a full range of logistics services that include full truckload, less-than-load, intermodal and freight management.**

### CHALLENGE

- Integrating with hundreds of carrier, payment processor and supplier websites

- Reducing the cost of handling manual transactions on B2B portals and increasing staff efficiency

### RESULTS

Using RPA, Trinity Logistics cut costs by up to 90%; focusing staff on exception handling yields benefits in efficiency and cash flow. Trinity also improved margins and top-line growth as nonvalue- added manual processes were eliminated.

"We have automated processing of proof of delivery documents, bills of lading, carrier invoices and other shipping documents, enabling us to refocus several headcount on exception handling and other high-value work instead of manual website updates."

— Doug Potvin, CFO, Trinity Logistics Company

## THE ROAD AHEAD FOR RPA & THE LOGISTICS INDUSTRY

The transportation and logistics industry is rapidly evolving. Analysis by the World Economic Forum and Accenture states that there is $1.5 trillion of value at stake for logistics players, and a further $2.4 trillion worth of societal benefits, as a result of widespread digital transformation in the transportation industry.

As an emerging, cost-effective technology, RPA is playing a significant role in this transformation. A recent Transparency Market Research report estimates that the global IT robotic automation market will reach US$4.98 billion by 2020.

Those core manual process challenges that plague your business can be identified, automated and resolved through the power of RPA. Your customer service reps will no longer be tied to manually re-keying and cut-and-pasting Track and Trace data or gathering and inputting freight bill payment information.

With RPA, these tasks can be completely automated - from the initial shipment request to generating and paying invoices, securing PODs, and capturing and researching new loads. Your customer service reps will be freed up to focus on activities that require a human touch, such as customer service and support.

RPA streamlines operations, improves cash flow and optimizes the collections process. It delivers an immediate cost saving of 25%-50% (Institute for Robotic Process Automation) by automating tasks at a fraction of the human equivalent. RPA also helps 3PL providers manage the myriad of carrier, billing processer and supplier and customer relationships that make up the ecosystem of a strong, forward-thinking business.

"RPA applies specific technologies to automate routine, standardized tasks in support of an enterprise's knowledge workers. By freeing human employees from these mundane tasks to apply themselves to core business objectives, RPA offers a number of compelling benefits to the workplace."

— Institute for Robotic Process Automation

**In the future, the role of RPA is likely to expand; transportation and logistics providers will integrate their systems with other software programs to automate processes as diverse as lead generation, credit clearing and load and intermodal pricing.**

Increasingly, many transportation and logistics providers are seeking to eliminate manual processes for integrating data from multiple websites to find the best possible price; therefore, a top priority is likely to be the automation of load and intermodal pricing.

Creating process efficiencies can help your logistics business alleviate tight margins, improve customer service and give your employees the time they need to develop new products and services that can grow your business.

To discover how RPA is driving the logistics industry forward, view our webinar: Transforming Your Supply Chain and Logistics Operations with Robotic Process Automation

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