

WHITE PAPER

# SEE NO ISSUES. **SOLVE NO ISSUES.**

Simplify freight payments with  
Settlement Automation



# Ignorance is bliss... and expensive

## Introducing Settlement Automation from Shipwell



In the fiercely competitive landscape of modern business, operational efficiency stands as a crucial determinant of success. Streamlined and agile operations enable companies to gain a competitive edge, reduce costs, and deliver superior services to their customers. And this holds true for every area of business, in any industry.

In manufacturing, streamlined production processes lead to cost savings, shorter lead times, and better-quality products. Effective financial operations and accurate accounting practices facilitate better resource allocation and risk management, boosting overall financial health. And in the realm of customer service, swift and efficient response times build trust and foster lasting relationships with clients. And of course, operational efficiency plays a pivotal role in the freight management industry.

The efficient handling of settlement processes is a linchpin for a business to thrive in this fast-paced environment. Effective freight management demands quick and accurate document processing, streamlined communications, and proactive exception handling. However, the settlement process has long been a source of inefficiency, burdened by manual tasks, delayed document processing, and error-prone workflows.

**Because of this, many businesses aren't even aware of how much money their current processes may be burning — and keeping themselves blind to the issue can get surprisingly expensive.**

But just as AI and machine learning have brought about massive improvements in production efficiency for manufacturers and made it easier for finance teams to identify and respond to risks, logistics teams can also benefit from these new capabilities to put out the fires hiding in the settlement process.

Here, we'll explore the recent enhancements made possible by this technology, and how these advancements address the inherent challenges, optimize operations, and ultimately drive success in the logistics industry.

## Deciphering documents with advanced AI Algorithms

### A game-changer for logistics efficiency

Whether dealing with paper or digital, the efficient handling of critical documents is paramount to ensure smooth operations and timely deliveries. However, the traditional manual approach to document processing is prone to errors, delays, and significant resource allocation. This is where Shipwell's investment in cutting-edge machine learning algorithms becomes a game-changer.

### Why accurate document deciphering matters

- Document processing errors and costs:

Businesses that rely on manual document processing leave themselves susceptible to human errors, such as misreading or misinterpreting critical information on invoices and PoDs. According to a [study](#) on the value of going paperless, it costs \$20-\$30 in labor to file a document, \$120 to find a misfiled document, and \$250 to reproduce a lost document. And that's assuming that the error is caught at all.

- Processing times and operational efficiency:

Delays in document processing can result in supply chain disruptions, missed deadlines, and dissatisfied customers. Yet statistics from [a number of reports](#) show that professionals spend 50 percent of their time searching for information, and that document challenges account for over 20 percent of productivity loss. Highlighting this even further, another survey by [Sapio Research](#) found that 92% of employees say they waste up to eight hours a week searching documents for the information they need to serve customers — that's an entire day that they'll never get back.



## Real world scenario

Imagine a large logistics company that relies heavily on manual document processing for its supply chain operations. They handle a vast amount of paperwork daily, including invoices, proof of deliveries (PoDs), and regulatory documents. Due to their manual approach, they often encounter issues with document processing and human errors, such as misreading or misinterpreting critical information, all of which have led to several costly mistakes, as well as concerns of potential legal consequences.

And these errors have not only resulted in financial losses, but have also put a strain on customer relationships due to the frequent delays and inaccuracies they cause. On top of all this, the time-consuming nature of manual document handling has slowed down their operations, causing supply chain disruptions and missed deadlines that have led to even more dissatisfied customers.



easier to accomplish. Tedious manual data entry tasks are replaced by rapid and accurate AI-driven processing, freeing up valuable human resources for higher-value activities. With the burden of document processing lifted, employees can redirect their efforts towards more strategic tasks, such as optimizing supply chain strategies, enhancing customer experience, and fostering innovation. This strategic reallocation of resources drives overall productivity and competitiveness within the organization.

### Real-time data processing and decision-making:

The speed and real-time capabilities of advanced AI algorithms provide logistics companies with a significant advantage in today's fast-paced business environment. With near-instantaneous document processing, critical data becomes available the moment it's received, enabling businesses to make swift and well-informed decisions. This agility is particularly crucial in dynamic supply chain scenarios, where quick response times can be the difference between meeting customer demands and facing costly delays.

## Pushing efficiency further with automation

When it comes to ensuring smooth operations and maintaining strong customer relationships, an efficient settlement process is vital. However, it's not only document handling that can suffer from traditional manual methods.

### How can automation help?

#### Rapid dispute identification and resolution

Things like peak season surcharges, assessorial charges, and after-the-fact assessments will all contribute to an invoice bearing a higher charge than initially agreed, and with these types of discrepancies being so common, it's not surprising that studies show that up to 6% of freight invoices are processed with errors.

Discrepancies and issues like these can slip through the cracks all too frequently during a manual settlement process, but with AI to back up the process of identifying them, they can't slip through so easily. Trained to pick out when discrepancies or issues arise in the settlement process and trigger a streamlined resolution process, this proactive approach enables logistics companies to address disputes swiftly through automation. Expedited issue resolution not only minimizes delays in the settlement process but also enhances overall customer satisfaction. By swiftly resolving disputes, logistics companies can maintain positive relationships with both shippers and carriers, reinforcing trust and strengthening their reputation as reliable and responsive partners.

### Regulatory compliance and avoiding penalties:

In the logistics industry, adherence to regulatory requirements is of paramount importance. Failure to process and document shipments correctly can result in penalties, fines, and even legal ramifications. According to [McKinsey & Company](#), in the CPG industry alone these penalties could add up to more than \$5 billion a year across the US.

### How can AI-enhanced document deciphering help?

#### Enhanced accuracy and data quality:

By combining advanced AI algorithms with state-of-the-art machine learning technologies, these powerful tools are able to accurately extract and interpret data from a wide range of document formats. Whether it's printed text, handwritten notes, or scanned documents, the AI algorithms excel in recognizing and capturing essential information with exceptional precision. This high level of accuracy eliminates data entry errors that are common in manual processing and ensures the integrity of critical data. Businesses can confidently rely on the accuracy of the extracted information, enabling them to make well-informed decisions based on reliable data insights.

#### Streamlined automation and resource allocation:

By automating the document deciphering process, making adjustments and optimizations around operational efficiency and resource allocation becomes significantly

## Meeting company-specific requirements

Every company comes with their own complexities, and those complexities often extend to the way they handle the settlement process. From approval processes to exception handling rules, standard settlement systems often face challenges when it comes to fine-tuning the process, leaving them to fall back on manual methods in order to ensure that proper procedures are followed.

When it comes to managing these complex workflows, custom automation can allow a business to tailor their settlement process according to their unique requirements. Whether it's automating specific steps, incorporating approval processes, or defining exception handling rules, logistics companies can create workflows that align with their internal policies and strategies. This flexibility allows businesses to adapt the settlement capabilities to match their specific needs, ensuring a personalized and efficient experience. This ability to customize automation streamlines operations, minimizes manual interventions, and promotes consistency across settlement processes.

## Proactively addressing supply chain disruptions

Billing disputes caused by discrepancies in invoicing are one thing, but when supply chain disruptions bring additional charges through things like detention fees or late delivery penalties to the settlement process, it's already too late to do anything to correct them. And no matter how closely you watch for them, these exceptions affect **11% of all shipments.**

Properly implemented, AI-enhanced automation has the power to break down the silos that exist in current supply chains, providing true end-to-end visibility into the whole supply chain operation. Able to pickout irregularities or anomalies as they happen and provide resolutions to correct them before they escalate, automated exception management can help to all but eliminate those surprise charges caused by disruptions in the supply chain that arise during the settlement process. This proactive approach enables logistics companies to enhance their responsiveness, mitigate risks, and deliver seamless and reliable services to their customers, solidifying their position as a preferred logistics partner.

## Bringing it all together for a unified experience

No matter what kind of technology you look at, a seamless and user-friendly interface is an absolute necessity for anyone looking to get real value from their investment. All the AI-powered capabilities and reliable automation in the world don't matter if the platform those capabilities are managed from is difficult to navigate or use. A streamlined settlement process can only be achieved when you bring it all together.

## Real world scenario

*Imagine a prominent player in the food and beverage industry who finds themselves grappling with the challenges of managing their complex freight settlement process. They believed that they had found a solution with a new settlement system that offered a good range of options that would suit their requirements, but encountered issues with platform fragmentation.*

*While their new system did deliver some useful tools, they still found themselves relying on disparate systems for invoicing, bills of lading, and customs documents, leading to continued inefficiencies and errors. Handling various document types across different interfaces proved time-consuming and error-prone. What's more, while they had been hoping that this system would help to improve cross-departmental collaboration, these challenges held them back instead by making it difficult for finance, operations, and other stakeholders to access the necessary documents and data.*



## How can a centralized platform help?

The logistics industry involves an overwhelming amount of documents and data across diverse modalities. In addition to invoices, logistics professionals need to manage bills of lading, customs documents, and other essential paperwork. Keeping track of multiple modalities can be overwhelming and time-consuming when a person is forced to deal with different platforms or interfaces for each of them.

However, with a settlement system that is capable of supporting various modalities within the same interface, logistics professionals can seamlessly switch between different document types without the need for multiple logins or system switches. For instance, a logistics manager can quickly access invoices and cross-reference them with corresponding bills of lading — all within the same user-friendly interface.

This unified approach not only saves time but also promotes operational efficiency and user satisfaction. By providing a consolidated view of various modalities, logistics professionals are empowered to handle diverse tasks in a cohesive manner, streamlining operations, and reducing the potential for errors.

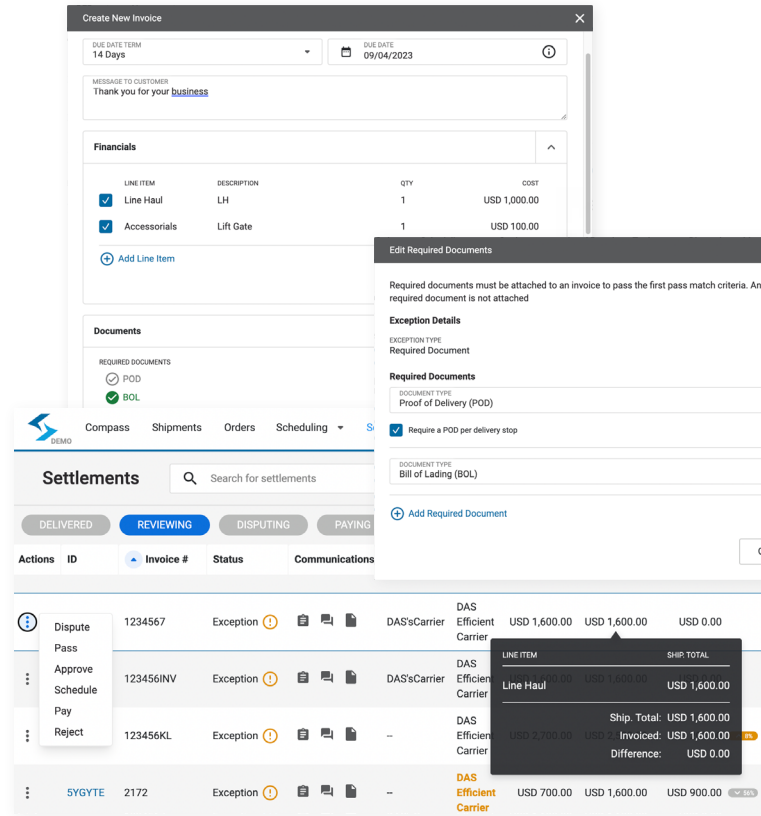
Furthermore, having a single interface for different modalities enhances collaboration among team members. All relevant stakeholders, from finance to operations, can access the necessary documents and data in one place, fostering transparent communication and informed decision-making.





# Spot the fires before they start with Shipwell Settlement

Shipwell Settlement is a cutting-edge cloud-based solution that automates the freight payment process, delivering instant ROI by identifying and correcting the hidden issues in the settlement process that can cost companies hundreds of thousands of dollars a year. With Shipwell Settlement, you'll spend less time managing freight invoice approvals and gain the ability to access all your bills in one place, rapidly detect discrepancies, and enjoy the confidence that comes with a single, trustworthy source for all your financial operations.



## Navigating freight payment challenges with ease

The traditional manual freight payment process can be time-consuming, error-prone, and inefficient. Shippers often spend hours each month manually reconciling freight invoices, which can lead to missed payments, overpayments, and strained relationships with carriers.

## The cost of inaccuracies and the need for automation

Inaccuracies in freight payment can substantially affect a shipper's bottom line. While it's commonly estimated that the average shipper gains 1-2% in freight spend accuracy through automated payments, these estimates often undervalue the real impact of settlement solutions. They not only prevent loss in revenue but also enhance process transparency, leading to additional cost savings.

## Smart settlements: Navigate settlements with automated precision

Shipwell Settlement presents a highly compelling alternative to the conventional manual approach. It revolutionizes the entire freight payment process, seamlessly managing everything from invoice identification to payment reconciliation. This enhanced reconciliation throughput translates to smoother operations, reduced bottlenecks, and heightened confidence in your financial records.

Leveraging state-of-the-art artificial intelligence (AI), Shipwell Settlement accurately transcribes unstructured input, promptly identifying and resolving discrepancies. This ensures that shippers consistently make correct and timely payments while offering flexible AI-powered data extraction from digital freight invoices and supporting freight documentation of varying formats and layouts.



# Advanced capabilities: Streamline your settlement workflow

## Low touch first pass match

Elevate your document review process with Shipwell Settlement's cutting-edge Low Touch First Pass Match feature. This advanced capability revolutionizes your settlement workflow by automating the comparison of settlement documents against shipment financials. Fueled by state-of-the-art AI technology, it ensures precision and efficiency, significantly reducing errors and discrepancies. Key features that enhance your efficiency and control:

- **Automated comparison:** Experience the ease of automated comparison, saving valuable time.
- **Minimal manual intervention:** Reduce manual efforts and intervention for a streamlined and efficient workflow.
- **Seamless integration:** Seamlessly integrate data from multiple incoming document channels.
- **Customizable control:** Tailor the process to your preferences by setting personalized or best practice thresholds.

## Easy and flexible integration

Simplify the process of incorporating settlement documents across various channels with Shipwell Settlement's easy and flexible integration. Seamlessly integrate with your existing financial management and payment systems, including GL code matching. Key features that enhance your workflow:

- **Intelligent document sensing:** Seamlessly bring together settlement documents from diverse channels in different formats.
- **System synergy:** Harmoniously integrate with your financial management and payment systems.
- **Flexibility at its best:** Benefit from support for multiple financial system integrations.



### Case Study

**Discover how Home Chef achieved \$1 Million+ in Savings: Reduced costs and increased efficiency.**

[Read the full case study](#)

Actions	ID	Invoice #	Status	Communications	Revert To	Carrier	Invoiced	Ship Total	Difference	Total Passed	Missing Doc(s)
	USLCRS	123456	Exception			Shipwell, Inc.	USD 1,600.00	USD 1,600.00	USD 0.00	USD 0.00	--
	MSLZTN	1234567	Exception			DAS's Center				USD 0.00	Lumper Rpt
	UVEEBB	1234567	Exception			DAS's Center				USD 0.00	POD
	123456KL	Exception				DAS Efficient Carrier	USD 2,700.00	USD 2,500.00	USD 200.00	USD 0.00	--
	2172	Exception				DAS Efficient Carrier	USD 700.00	USD 1,600.00	USD 900.00	USD 1,600.00	--

## Self-service configurations

Enhance your settlement process through Shipwell Settlement's self-service configurability. By setting payment thresholds, you can customize the comparison criteria for settlement documents, aligning it with your specific requirements throughout the process. Key features that amplify your efficiency and ability to define the level of tolerance you have for inaccuracies:

- **Timely notifications:** Stay informed with intelligent notifications at each step for prompt actions.
- **AI-Driven document processing:** Leverage AI-powered analysis for accurate and efficient document interpretation from a variety of sources some of which may be quite unstructured.
- **Boost productivity:** Streamline the settlement process to avoid manual intervention, enhance productivity, and minimize errors.

## Freight pay and audit managed services and compliance

Simplify payment processing and auditing tasks with Shipwell Settlement's Freight Pay and Audit Managed Services. Expert assistance ensures payment accuracy and compliance. Key features that refine your payment process:

- **Swift issue resolution:** Receive intelligent payment notifications for proactive and efficient issue resolution.
- **Efficient payment automation:** Automate the payment process for heightened efficiency and accuracy in financial transactions.
- **Workflow optimization:** Optimize your settlement workflow for significant time and effort savings, while optimizing financial performance.



# Seamless document handling and exception management

## Multiple inputs for invoice and supporting documents

Shipwell Settlement supports multiple input channels for invoices and supporting documents, providing flexibility in document submission. You can receive EDI 210 invoices, PDF invoices submitted within the application, PDF invoices captured from a central email box, as well as carrier-generated invoices within Shipwell.

## Shipper established thresholds

Shipwell Settlement allows you to set custom thresholds for deviations from the total invoice amount, both in terms of monetary value (\$) and percentage (%). You can also configure thresholds requiring proof of delivery (POD).

## Settlement exception management dashboard

The Settlement Exception Management Dashboard provides a centralized view to review and manage exceptions. It segments exceptions by type and offers pre-built response templates and automation options for streamlined exception resolution.

## Timely notifications for collaborative resolution

Receive targeted emails and notifications regarding settlement activity needs. Stay informed about critical actions required, ensuring timely issue resolution and effective collaboration between shippers, customers, and carriers throughout the settlement process.

## Data-driven insights with reporting

Gain valuable insights into settlement activities with the comprehensive Settlement Reporting Dashboard. Track and analyze settlement performance, identify trends, and make data-driven decisions.

## Unlocking value with Shipwell Settlement

- **Reduced processing time:** Cut down processing time for TL or LTL freight invoices, resulting in a potential reduction of up to 30% in annual man-hours spent on manual reconciliation.
- **Optimized cost control:** Identify invoice exceptions consistently, preventing overpayments and potentially lowering freight spend by up to 5%.
- **Improved carrier relationships:** Enhance carrier relationships and general service levels with a more timely carrier payment process, fostering better collaboration and satisfaction.
- **Reduced administrative costs:** Maximize cost savings by streamlining the freight bill processing, enabling fully allocated personnel to take on additional tasks and responsibilities.
- **Increased accuracy and resolution:** Improve settlement accuracy, reducing the need to claw back prior payments, and enhance communication during the settlement resolution process.

The screenshot displays the Shipwell Settlement Exception Management Dashboard. At the top, there's a navigation bar with 'Compass', 'Shipments', and 'Orders'. Below it, the 'Settlements' section is active, showing a search bar and tabs for 'DELIVERED', 'REVIEWING', and 'DISPUTED'. A table lists exceptions with columns for Actions, ID, Invoice #, and Status. The table shows three exceptions for 'DAS Efficient Carrier' with invoice numbers 1234567, 123456INV, and 123456KL. A modal titled 'Edit Required Documents' is open, showing details for an exception and a list of required documents, including 'Proof of Delivery (POD)' and 'Bill of Lading (BOL)'. A summary table at the bottom shows 'SHIP TOTAL' and 'Difference' for each exception.

Exception ID	Carrier	Ship Total	Invoiced	Difference
1234567	DAS Efficient Carrier	USD 1,600.00	USD 1,600.00	USD 0.00
123456INV	DAS Efficient Carrier	USD 1,600.00	USD 1,600.00	USD 0.00
123456KL	DAS Efficient Carrier	USD 2,700.00	USD 1,600.00	USD 1,100.00

## About Shipwell

At Shipwell, we empower supply chains with increased efficiency and service effectiveness at scale. Our solution combines everything shippers need, from transportation management and visibility to procurement, in a comprehensive, easy-to-use platform, so shippers can effectively operate, manage, and optimize their entire shipping process seamlessly.

To learn more, visit [www.shipwell.com](http://www.shipwell.com).

