CASE STUDY

A3 Freight Payment

How A3 Freight Payment's invoice auditing saves money by using Smarty

Challenge

Inconsistent invoices from carrier services need to be audited and standardized.

Solution

Smarty address validation verifies and corrects address details on incoming invoices, as well as identifying residential versus commercial addresses.

Results

10-20% of carrier-provided data is incorrect. Correcting that data helps prevent revenue loss.

PRODUCTS USED

US Address Verification

smarty

The client: A3 Freight Payment

A3 Freight Payment combines freight payment, spend analytics, accounts payable, and business intelligence tools to deliver a comprehensive spend management solution. Freight payment providers, like A3, act as the intermediary between the shipper and the carrier to receive, process, and pay freight invoices.

Companies outsource their accounts payable, freight payment, and auditing process to A3 for many reasons, including to achieve cost savings, lower opportunity costs, or take advantage of advanced features.

A3 excels at analyzing the data and finding areas that can be improved to save their clients money. The A3 team has an outstanding track record of designing, implementing, and managing solutions for some of the largest shippers in the world.

The challenge: Inconsistent invoice audit results from different carrier services

Freight payment providers capture comprehensive data elements from freight invoices and supporting documentation to create a reporting database. Shippers utilize this business intelligence to analyze and manage their supply chain activity.

A3 integrates with transportation management systems (TMS) to collect data such as bills of lading, original shipment bookings, and carrier invoices. Then they audit the invoice dollar amounts for accuracy. There are many opportunities for A3's auditing standards and processes to identify incorrect information on shipping invoice such as weight, invoice dates, duplicate payments, duplicate invoices, number of pieces, additional details, delivery charges, and address information.

The carrier might bill 1234 West Main Street spelled in a hundred different variations—W Main Street, W M Street, and so on. And these variations may alter the charges applied.

This leaves A3 with a critical need for address standardization for freight invoice auditing. "Using a USPS certified address validator like Smarty was important," said Chad Pumphrey, IT Developer.

The solution: Integrating Address Validation into invoice audit process

A3 has been using Smarty for about 8 years. Pumphrey fondly recalled his first interaction with Smarty, via live chat on the Smarty website. He spoke to Jeffrey Duncan, one of the original developers at Smarty, who said "I can run a 5 minute mile and I bet I can answer your question faster than that." The personality and customer service drew Pumphrey to Smarty.

The freight payment provider also chose Smarty because of the address validator's emphasis on continuously improving their technology. Pumphrey's background is in computer engineering and he was impressed with the API technology and how the data is returned.

There are two aspects of the Smarty address validation service that A3 really appreciates:

- **RDI Flag**

  RDI stands for "Residential Delivery Indicator". This identifies if a mailing address is a residential or commercial location. Most private mail carriers charge one rate for shipping to a commercial address, and another for shipping to residential. The residential carrier rates are typically higher, making it essential that this information is accurate on the incoming invoice processing.

- **Data Standardization**

  A3 uses Smarty to standardize all address information when they audit invoices they receive from their carrier clients, fixing incorrect ZIP Codes, mistyped street addresses, and more.

The results: Corrected invoices save clients money

Based on years of working with freight carriers, Pumphrey estimates that 10-20% of carrier-provided invoice entry data is incorrect. With the help of Smarty, A3 corrects key data errors to save their clients money.

"The benefit to shippers is priceless," said Pumphrey.

A3 delivers an average 6% savings on freight audit and 18% savings on spend analytics to their clients.

As longtime Smarty users, A3 has witnessed the continued focus on product improvement. "We implemented the API in one day and it's gotten even easier over the years."

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Chad Pumphrey
IT Developer

Questions?

Learn more at Smarty.com

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