

Lower costs and reduce errors
with accurate, automated payments

IBM Sterling Transportation Management System – Freight, Audit, and Pay

Benefits

- Reduce invoice processing errors
- Comply with contracted payment terms
- Improve relationships with preferred carriers
- Improve decision making with accurate freight cost allocation

Related offerings

- Sterling TMS – Execution
- Sterling TMS – Planning and Optimization
- Sterling TMS – Reporting and Analysis

“East Jordan Iron Works has been able to transform the payment process to a self-invoicing model with automated settlement process for the carriers. The carriers are happier because they are paid quicker and we have used this benefit to negotiate improved rates with our transportation partners.”

Don Dakoske
Distribution Manager, East Jordan Iron Works

Lower costs and improve accuracy

Managing freight payment manually is an error prone process that often results in costly mistakes or non-compliance with contracted payment terms. But with IBM® Sterling Transportation Management System (Sterling TMS), you can streamline payment processes, build better relationships with carriers, and make certain you pay only for services that were actually delivered. Equipped with a comprehensive and highly flexible rating engine, Sterling TMS improves accuracy by automating shipment rating, invoice processing and payment approvals. The settlement process accommodates all transportation modes and works equally well for third-party logistics providers.

Flexible and adaptive to your payment policies, Sterling TMS makes it easier to:

- Reconcile accessorial charges
- Customize payments to your requirements
- Manage freight accruals
- Exchange data with third-party rating systems
- Calculate average rates based on historical data

Reconcile both planned and unplanned accessorial charges

With Sterling TMS, you can negotiate and approve both planned and unplanned accessorial charges online. Planned accessorial charges include items such as

stop charges, fuel surcharges, out-of-route miles and continuous move discounts. Every week, Sterling Commerce updates TMS with current Department of Energy (DOE) fuel indices. You can use these DOE national or regional (PADD's) indices or create your own.

Sterling TMS also simplifies reconciliation of unplanned accessorial charges, such as detention costs, unloading charges and re-consignment charges. You can set up alerts to notify you of unplanned charges, establish authorized tolerances for unplanned charges, or choose to manually review each unplanned charge.

Customize payments to your requirements

Sterling TMS allows you to select from several freight payment options, including direct payment and match pay. Direct payment eliminates the need for carriers to submit invoices. Match pay uses system intelligence to match system-rated charges to carrier-submitted charges and automatically voucher charges that fall within user defined parameters.

You can also set freight payment triggers to determine when to authorize a payment voucher. For example, you can refuse to pay freight invoices until carriers provide you with delivery status, or until you receive confirmation via 'Proof of Delivery' (POD).

Capability	Description
Contract Management	Tariffs and shipment costs are maintained on the network and are visible to both shipper and carrier
Online rate negotiations	Carriers can request rate changes online. Shippers can accept or reject them. If accepted, new rates are automatically added to the contract and old rates are expired
Online view of shipment costs	Shippers and carriers can view shipment costs in real time
Online negotiation of unplanned charges	Carriers can report unplanned accessorial charges online
EDI 210 transactions	Carriers can use EDI to send electronic invoices or pass rated charges to shippers
Communication with third-party payment systems	Shipment and rating information can be passed to freight payment service providers
Direct Payment and Match Pay options	Shippers can select preferred payment method and define triggers for voucher creation
Unplanned accessorial threshold configuration	Unplanned accessorial charges above the threshold must be manually reviewed and approved
Partial payment option	Approved charges can be paid while other charges on the same invoice remain in dispute
Event driven accrual accounting	Sterling TMS can be configured to pass the shipper allocated accrual cost information
Freight accounting	Highly flexible freight allocation methods are configurable by organization
Average Rate Calculator	Authorized users can do online queries of historical traffic lane costs

Gain real-time visibility into transportation spend

Sterling TMS freight allocation capabilities offer unparalleled configurability, allowing you to tailor freight allocation logic to your business. Rather than waiting days for freight invoices to be received and processed by the transportation department, finance personnel can review allocated charges online, gaining real-time visibility into ongoing transportation spend.

Exchange data with third-party rating systems

The Sterling TMS rating engine also supports callouts to third-party rating systems (such as SMC's popular LTL base rate standard CzarLite), and can submit shipment and rating information to third-party payment systems for reconciliation.

About Sterling Commerce

Sterling Commerce, an IBM® Company, helps organizations worldwide increase business agility in their dynamic business network through innovative solutions for selling and fulfillment and for seamless and secure integration with customers, partners and suppliers. More information can be found at www.sterlingcommerce.com.