

From Carrier Shutoffs to Supply Chain Stability

Eliminating $65M in Past Due Payments and Unifying 500+ Carrier Relationships

CASE STUDY

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Executive Summary

A global manufacturing company struggled with complex cost allocation across 12 business units and 20+ ERP systems with 500 carriers, achieving **only ~20% first pass yield** (FPY) with their previous freight audit provider. After transitioning to Trax, **they improved to 90%+ FPY** while gaining clear visibility into transportation costs and **eliminating manual reviews for 80% of invoices**.

> *I think it's the relationships with the carriers and the defining of the overall freight payment process to them. I think that was critical before, it was very unknown to carriers of how it all worked.*
>
> *Now they have a timeline of what to expect, when to expect payments. They've got that source that they can go to to ask questions. That has been a huge win, I feel, with our carriers and the overall relationships with them.*
>
> **Freight Payment Manager**
> Fortune 500 Manufacturer



The Challenge

The company's complex infrastructure of **12 business units across 20+ ERP systems** created a cost allocation nightmare. Their previous provider couldn't handle this technical complexity, forcing manual review of 80% of invoices and creating severe operational bottlenecks.

- **20% FPY** - only 1 in 5 invoices processed automatically
- **$65 million** in **past due payments** to carriers
- **Carrier shutoffs** threatening supply chain continuity
- **Missing invoices** due to PDF/paper processes not being received or found
- **"Rogue carriers"** set up directly by business units bypassing ERP systems
- Excel-based **manual approval workflows** creating bottlenecks

The Trax Solution

Trax delivered an accelerated deployment with advanced technical capabilities and dedicated expertise to solve the company's complex multi-ERP allocation challenges where other providers failed.

- **Complex ERP integration** with automated allocation and accurate cost analysis
- Weekly **exception analysis** handled by Trax personnel
- Labor shift from manual client review to **automated processing**
- EDI migration initiative from paper/PDF to **electronic processing**
- **Defined carrier management** for contracted vs. spot quote carriers

The Results

The company achieved dramatic operational improvement with 90%+ FPY, eliminating manual review for 80% of invoices while completely resolving carrier payment issues.

- **90%+ FPY** (from ~20%)
- **Eliminated manual review for 80%** of invoices
- **Eliminated $65 million backlog** of past due payments
- **Restored carrier relationships** and supply chain stability
- Dedicated **carrier support resource** for payment inquiries
- **Clear payment timelines** and expectations for all carriers
- Resolution of "rogue carrier" payment delays through **proper ERP integration**

The Challenge

The company faced a perfect storm of operational complexity that created significant challenges for their freight audit and payment processes:

Technical Infrastructure Complexity

The company's 12 business units operated across 20+ ERP systems with non-standard mapping, creating complex allocation scenarios where single invoices required sophisticated logic to distribute costs across multiple systems and business units.

Previous Provider Limitations and Manual Burden

With only 20% FPY, 80% of bills required manual review and disposition, creating time-intensive analysis cycles that consumed significant resources and led to mounting payment backlogs.

Critical Business Impact and Supply Chain Crisis

The operational inefficiency created by the previous provider's inability to handle the technical complexity led to severe consequences beyond just manual work.

The customer accumulated $65 million in past due payments to their carriers because bills would fall into exception queues where they couldn't be properly coded and paid. The situation deteriorated to the point where carriers began shutting off the company's service, severely impacting carrier relationships and threatening supply chain continuity - the ultimate crisis that demanded immediate provider change.

"I can tell you coming into the business, just being a part of the old processes, it was quite a challenge. Every day was a challenge to get through and just the sheer volume from the carriers, as you can imagine.

When you have a carrier base that large and you have that much in arrears... it's quite a challenge."

Freight Payment Manager
Fortune 500 Manufacturer



The Solution

Trax addressed the company's complex challenges through a comprehensive solution that combined advanced technology capabilities with dedicated expertise and support:

Rapid Crisis Response and Implementation

Due to the urgency of the company's situation with carrier shutoffs, Trax executed an accelerated deployment to quickly stabilize operations. The implementation focused on immediately addressing the technical complexity that had overwhelmed the previous provider while ensuring continuity of critical payment processes during the transition.

Advanced Technical Architecture and Automation

Trax's platform integrated with the company's 20+ ERP systems, automating complex multi-business unit allocation logic with high accuracy.

Dedicated Expertise and Labor Shift Model

Rather than simply providing technology, Trax delivered a comprehensive support model that fundamentally changed the company's operations. Trax removed all manual work from the company's plate, providing weekly exception analysis with the Trax team clearing those on the company's behalf. This represented a significant labor shift from the company's internal team to Trax experts who could efficiently handle the complex allocation logic and ongoing optimization requirements.

> *We also eliminated a lot of the manual processes in the overall freight payment process. Before we were using excel spreadsheets for approvals and so forth. Now that the Business Managers can go directly into Trax, we can do a more systematic approach, which is excellent.*
>
> **Freight Payment Manager**
> Fortune 500 Manufacturer



The Results

The partnership between the company and Trax has delivered significant business impact through improved operations and strategic capabilities:

90%+
FPY (up from 20%)

80%
fewer invoices needing manual review

$65M
past due payments **eliminated**

500+
carrier relationships restored

Dramatic Operational Transformation

The company achieved over 90% First Pass Yield (FPY), a dramatic leap from just 20% before. This reduced manual review from 80% of invoices down to only 20%, enabling most invoices to process automatically. With online exception resolution, advanced traceability, and preventative diagnostics, the company can continuously improve efficiency.

Complete Resolution of Payment Crisis

Trax eliminated the $65 million backlog of past due payments that had triggered a supply chain crisis. Where invoices previously stalled in exception queues, the new system ensures timely, accurate carrier payments. By strengthening AP integration, the company also reduced rejections and manual intervention, restoring more than 500 carrier relationships.

Enhanced Business Intelligence and Strategic Value

Comprehensive dashboards now provide real-time FPY monitoring and full visibility across the invoice lifecycle. This allows for sharper tracking of transportation costs and performance at both the business unit and regional level, improving decision-making across North America.

Long-term Competitive Advantage and Partnership Value

Through ongoing partnership with Trax, the company benefits from continuous optimization. Trax experts deliver coding logic updates and refine business rules to maintain high automation rates, ensuring sustainable long-term value and competitive advantage.



Unlock Autonomous Freight Audit with Trax

Trax's advanced cost allocation and payment solutions enable enterprise clients to overcome the most complex multi-ERP, multi-business unit challenges that other providers cannot handle. Our combination of sophisticated technology and dedicated expertise delivers measurable results where competitors fail.

Contact Trax today to learn how our proven approach to complex cost allocation and payment automation can transform your freight audit operations.



Learn How Trax Can Transform Your Freight Audit Process

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