

2Q23 Market Guide for Freight Audit and Payment Providers

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The logistics industry faces fluctuations and disruptions causing organizations to look for insights and better control over spending. Logistics leaders can use this research to identify service providers in the freight audit and payment market that can help to deliver insights and control costs.

Overview

Key Findings

- During times of capacity constraints, carriers have the ability to be selective on which shippers they support, which places a burden on shippers to make sure they pay freight invoices accurately and timely.
- Core freight audit and payment (FAP) services have not changed in the last decade. However, technology offers new ways to provide these services. FAP service providers continue to expand product offerings that reduce costs and improve operational processes.
- The insights gathered from transportation data, such as FAP data, are becoming more important as transportation leaders are looking for ways to improve operational processes, improve customer experience, reduce freight costs, increase transportation spend visibility and measure sustainability impacts.
- Concern over ransomware attacks and heightened attention to cybersecurity are growing as the frequency of these types of events increases. This is of concern to shippers looking at potential FAP solutions given how much data these vendors hold.

Recommendations

Logistics leaders responsible for logistics and customer fulfillment that are considering outsourcing their FAP process or selecting a new vendor should:

- Examine vendors' support for various transportation modes, regional coverage and global capabilities to identify a best-fit partner for FAP services.
- Utilize FAP data to provide key insights and evaluate transportation costs holistically. Don't just look at the price of processing and paying invoices.
- Examine the full product and solution portfolios offered by freight audit and payment providers to determine if there are other complementary solutions that would increase the value of their services.
- Review FAP providers' security measures and certifications to ensure greater levels of data protection.

Market Definition

Freight audit and payment (FAP) services consist of invoice collection, preaudit, postaudit and payment of transportation invoices across multiple modes and regions. These services have expanded over the years to include deep analytics, often coupled with supply chain consulting expertise, to provide customers with key insights from their freight spend data.

Market Description

The FAP process typically consists of the following activities:

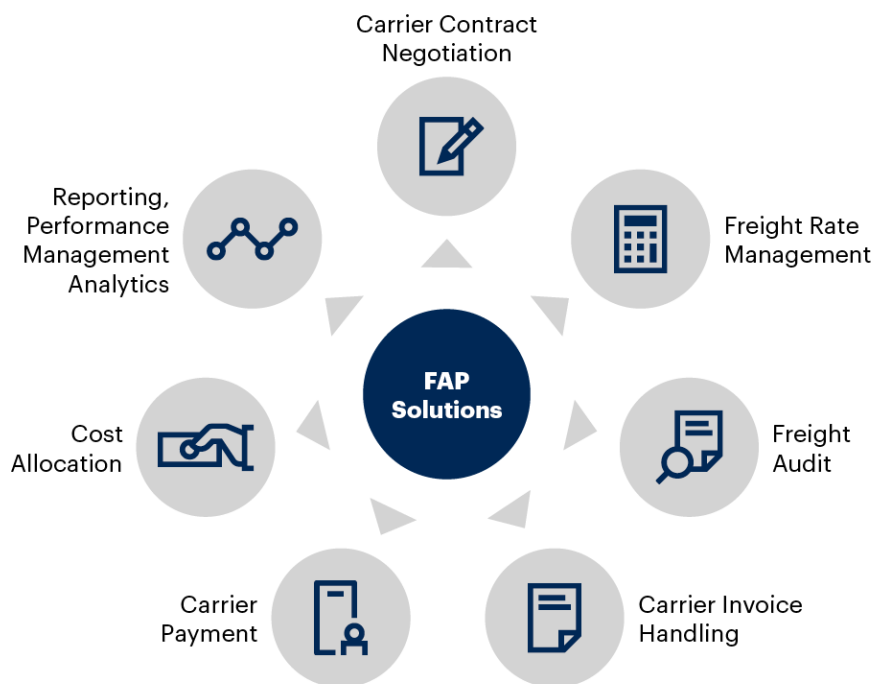
- Carriers send their invoices to the freight payment provider via electronic data interchange (EDI), file upload on the web or paper freight invoices.
- The FAP provider will then verify the details of the invoice with the bill of lading and obtain a signed proof of delivery.
- The provider will also perform vendor matching, as well as cost application coding or general ledger coding. Using a freight payment provider should increase the accuracy of a freight invoice because these services audit for freight rate, freight discount and misapplied accessorial charge, and they prevent possible duplication of payment.
- Once the invoice has been checked, the shipper will send a bank wire for payment to the FAP provider. Many shippers, however, want to keep control over the actual payment to the carrier. While they value outsourcing the audit part, they keep the freight payment in-house. A portion of shippers and third-party logistics (3PLs) seem concerned over freight payment vendor malfeasance.

- The FAP provider will then pay the freight invoices to the carriers.
- Some FAP providers offer carriers the option of having their bills paid on shorter payment terms. They do so by reducing the invoice amount by directly paying the invoice amount minus a percentage (often 3% to 5%) to the carrier and collecting the full invoice amount from the shipper. This benefits all parties: The carrier gets paid quicker, and the provider has an additional stream of revenue that allows it to charge shippers lower transaction fees. For their part, shippers may attract smaller carriers that cannot handle the typical 30- to 45-day payment terms of large shippers.
- FAP providers increasingly offer additional value-added services, including analytic capabilities to provide in-depth insights on transportation spend.

The process steps above are part of what are usually a set of core components offered by FAP service providers (see Figure 1).

Figure 1: Core Components of FAP Solutions

Core Components of FAP Solutions



Source: Gartner
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Gartner

In addition to these core components, many FAP service providers offer additional technologies or services.

This can include services, such as:

- Freight data benchmarking
- Freight rate forecasting
- Third-party logistics (3PL) and fourth-party logistics (4PL) services
- Consulting services

Some FAP service providers also offer additional technology solutions to support the transportation function.

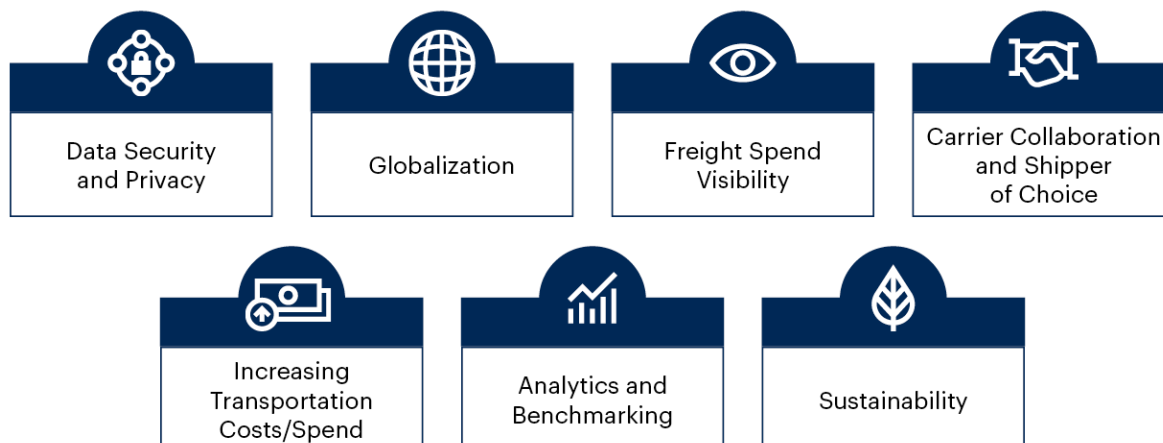
These can include technologies, such as:

- Transportation management systems (see [Magic Quadrant for Transportation Management Systems](#))
- Parcel solutions (see [Market Guide for Multicarrier Parcel Management Solutions](#))
- Transportation visibility (see [Magic Quadrant for Real-Time Transportation Visibility Platforms](#))

Market Direction

Shippers outsource a variety of logistics functions, including FAP. According to Gartner's 2021 Logistics and Contract Manufacturing Outsourcing survey, 46% of organizations already outsourced FAP, and another 36% planned to outsource it within the next two years. ¹

Several factors are influencing the FAP market (see Figure 2). Shippers continue to face difficulty controlling their freight spend and managing end-to-end cash flow, which are vital to maintaining healthy working capital and financial efficiency. Periods of capacity constraints and rate fluctuations are increasing the need for improved carrier collaboration. Lack of freight spend visibility combined with increasing globalization are increasing complexity and making it more difficult to have a holistic view of transportation costs. Finally, shippers are starting to look to their technology and service providers for resources and information to support sustainability commitments.

Figure 2: Factors Impacting the FAP Market**Factors Impacting the FAP Market**

Source: Gartner
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Gartner

In response, FAP services are evolving with features, such as rate management, analytics, benchmarking, collaboration and carrier negotiation. Shippers can leverage these providers and capabilities to help optimize costs. This also allows these shippers to gain end-to-end payment visibility and improve the overall cash flow of their organizations.

Another factor impacting the FAP market is the growing concern from shippers regarding security. During the past two years, there have been an increasing number of high-profile cyberattacks and ransomware incidents, including one of the largest freight forwarders.² FAP service providers have seen an increasing number of prospective and current customers inquiring about existing protocols, security measures and certifications.

In conjunction with security concerns, more shippers are also inquiring about the overall viability of FAP service providers. Although there have not been any major FAP bankruptcies in the industry since 2019, supply chain leaders are more risk-aware as a potential global recession looms.

One other trend that was seen, and is expected to continue, is the use of FAP service vendors that offer additional supply-chain-related capabilities. Many shippers have a preference toward rationalizing their technology and service providers. This is most commonly seen with FAP and transportation management systems (TMSs), but can also include real-time visibility.

Market Analysis

Rapid technology development, the increase of e-commerce and the challenges in the transportation industry are having a major impact on the traditional FAP industry. Credit recovery or adjustments identified in the traditional audit process, while still an essential activity, are no longer enough to meet today's clients' needs.

Importance of Data and Analytics

Transportation is a key area for providing data from which supply chain leaders can obtain valuable insights. Some FAP providers have access to billions of dollars in freight spend. The insights that they can extract from this data provides shippers with valuable opportunities to improve their transportation functions.

Many vendors have invested in advanced analytics capabilities in their solutions.

Advanced analytics span predictive and prescriptive analytics:

- **Predictive analytics** are techniques to analyze data, identify patterns and anticipate future scenarios. Predictive techniques include simulation, statistical modeling, forecasting and machine learning.
- **Prescriptive analytics** describe a set of analytical capabilities that find a course of action to meet a predefined objective. Prescriptive techniques include optimization methods, such as linear programming, a combination of predictive analytics and rules, and heuristics and decision analysis methods (for example, influence diagrams).

The data collected from invoices and other documents during the FAP process can offer valuable insights into the financial impact of transportation within the organization's supply chain. In addition to financial impacts, the data can also be utilized on the transportation operations of an organization by reviewing carrier performance and other key performance indicators (KPIs). FAP solution providers offer evolving analytical tools that enable companies to leverage this data. This, in turn, helps companies to develop strategies to better manage their supply chains. Shippers can leverage the data collected from the FAP process to avoid unfavorable impacts to their bottom lines. This data also enables them to improve their working capital through improved operational efficiencies or improved cash flow.

E-Commerce and Last-Mile Impacts

The growth of e-commerce and last-mile shipments over the last few years has had significant impacts on shippers. The growth has created additional complexity for shippers due to higher volumes of shipments, more transport modes being utilized and special requirements for home deliveries. More companies, both large enterprises and small to midsize companies, are focusing on small-parcel shipments, including some who had previously never shipped parcels in any meaningful volumes. In addition, the proliferation of e-commerce shipments has driven growth in volume less than truckload (LTL) ratings. Given a tight market, more shippers will start looking to volume LTL as another transportation option. LTL is also growing in significance as more companies offer last-mile delivery for larger, bulkier items direct to the consumer. Home appliances, fitness and recreation equipment, and home furnishings have all seen increased volumes. LTL carriers often charge additional accessororial fees, including “white-glove” service, residential delivery or liftgate. Shippers with little to no experience managing these additional charges, higher volumes of orders or new transport modes have turned to FAP providers who understand these different cost variables and have the resources to scale the added volume.

Global Providers and Additional Services

Gartner inquiries on FAP service providers have increasingly started with questions regarding an FAP provider’s global footprint. For many shippers, the ideal situation would be to have a single platform to audit and pay freight bills across all modes and geographies. However, the reality is that many shippers still struggle to gain consensus and support inside their organization on a global solution. This is sometimes due to previous experiences with regional variances in support from vendors and invoice nuances of different modes. There are differences among FAP service providers in terms of physical locations, local expertise and support.

Many FAP service providers also offer additional services, such as freight accounting (allocation and assignment of the freight expenses), carrier contract review and negotiation, and claims processing. In addition, Gartner has noticed that many FAP vendors have increased their technology offerings, often as separate solutions, such as TMS, modeling and parcel solutions. This has become increasingly attractive to many companies as they have a desire to rationalize the number of service and technology providers that they utilize.

Transportation Mode Support

Most of the leading FAP vendors are offering expertise in all transportation modes, including:

- Full truckload (FTL)
- LTL
- Rail
- Intermodal
- Parcel
- Ocean
- Air

This expertise includes processing and reporting for all move types, as well as advanced accounting capabilities and a commitment to continuous process improvement practices. FAP vendors also support advanced systems for the most complex transportation infrastructures; business rules; and detailed, accurate business intelligence (BI) to support supply chain analysis.

Types of FAP Providers

Different types of companies provide FAP services (see Table 1). The focus of this Market Guide is on the first type listed in the table: specialized FAP solution providers. Gartner sees this type as the most commonly discussed and most relevant in the market.

Table 1: Different Types of Companies Offering FAP Services

Type of Company	Description
Specialized FAP solution providers	Independent software or solution providers that primarily focus on FAP services and technology, although they may offer additional capabilities or technologies, such as TMS, real-time visibility or parcel solutions.
Supply chain management (SCM) business process outsourcing (BPO) providers	SCM BPO providers supply FAP as one of their offerings. SCM BPO is the outsourcing of one or more supply chain processes to an external service provider. SCM BPO providers use people and technology to perform tasks that would otherwise be performed by internal supply chain professionals.
Third-party logistics providers	3PLs provide FAP as one of their logistics services. FAP should be offered as an extension of a comprehensive solution for companies that outsource their transportation function to full-service 3PLs, such as C.H. Robinson Worldwide, NFI Industries, Odyssey Logistics & Technology, Penske Logistics, Schneider National or Uber Freight. These providers either operate the capability in-house or partner with one of the specialty firms listed in this research.

Source: Gartner (January 2023)

Representative Vendors

The vendors listed in this Market Guide do not imply an exhaustive list. This section is intended to provide more understanding of the market and its offerings.

Market Introduction

The below list of global FAP providers (see Table 2) is based on information collected in Gartner briefings, vendor surveys and market research. It depicts the most relevant vendors in the global FAP solution provider space based on number of clients, revenue generated from FAP services, regions where the service is offered, and FAP capabilities and/or services offered.

Vendors included in this Market Guide have customers that are successfully using their products and services. Selections are based on Gartner analyst opinions, vendor surveys and references that validate FAP solution provider claims. However, this is not an exhaustive list or analysis of vendors in this market. Use this perspective as a resource for evaluations, but explore the market further to gauge the ability of each vendor to address your unique business problems and technical concerns. Consider this research as part of your due diligence, in conjunction with your discussions with Gartner analysts and other resources. See Note 1 for a description of how these vendors were chosen for this research.

Table 2: Representative Vendors in FAP

(Enlarged table in Appendix)

Vendor	Service or Product Name
Acuitive Solutions	AcuAudit
AFS Logistics	Freight Audit and Payment
Blume Global	Blume Finance
Cass Information Systems	Freight Audit and Payment
CT Logistics	FreitRater
CTSI-Global	Freight Audit and Payment
Data2Logistics	Freight Audit and Payment
Green Mountain Technology (GMT)	Parcel Spend Management
Intelligent Audit	Intelligent Audit
Körber (enVista)	myShipINFO
nVision Global	Freight Audit and Payment
RateLinx	PayLinx
Target Freight Management	Freight Audit and Payment
Transporeon	Freight Audit and Payment
TranzAct Technologies	Freight Audit and Payment
Trax Technologies	Transportation Spend Management (TSM)
U.S. Bank	U.S. Bank Freight Payment

Source: Gartner (January 2023)

Vendor Profiles

Acuitive Solutions

Acuitive Solutions was founded in 2002 and is headquartered in Charlotte, North Carolina. Acuitive Solutions provides a suite of niche international logistics solutions that is capable of rating, routing, and auditing air, ocean and drayage shipments. Acuitive Solutions provides a SaaS solution in either a single or multitenant environment. Acuitive Solutions is a specialized service focused on international logistics, including services on prepayment audits for air, ocean and drayage shipments. The goal is to automate the client's accounts payable processing, including general ledger coding and automatically adding fees based on a variety of factors. Acuitive Solutions has more than 50 carriers preonboarded in its network. Acuitive Solutions customers are primarily in retail, third-party logistics services, manufacturing and automotive industries. Acuitive Solutions customers are all based in North America as that is its primary target market. Acuitive Solutions has offices in North America.

AFS Logistics

AFS Logistics (AFS), headquartered in Shreveport, Louisiana, was founded in 1982. In addition to FAP, AFS offers various 3PL services for parcel, LTL and transportation management, including freight brokerage and international freight forwarding. It grew its business through several acquisitions with the most recent being DTA Services, the second largest freight bill auditing company in Canada, in March 2022. AFS currently supports more than 1,800 clients across 35 countries. The majority of its customers are in North America, but it also supports customers in Europe, Asia, Australia and New Zealand. Annually, it pays more than 300 million freight invoices and processes more than \$11 billion in freight. It also makes payments in more than 30 currencies. AFS has nearly 57,000 carriers preonboarded to its network. This includes carriers in North America, Europe, Asia and Africa. AFS offers additional services such as freight data benchmarking, freight rate forecasting, and managed transportation services. AFS supports customers across industries but has particular depth in consumer products, agriculture/mining/construction, food service, chemicals and automotive. AFS offices are in North America and Europe.

Blume Global

Blume Global, based in Pleasanton, California, was established in 1994. In addition to its FAP offering, Blume Finance, Blume Global also provides solutions for asset life cycle management and optimization, multimodal transportation management, supply chain visibility and its control tower solution. Blume Global offers a SaaS solution in a multitenant environment. Blume Finance provides transparency and granular visibility for freight audit and pay with a smart contract repository, rating management and validation, machine-learning-driven invoicing, cost accrual auditing, and blockchain-enabled payment and settlement.

Blume Global offers both buy-side and sell-side value and capabilities — all on one platform — for any company that buys freight services. Blume Global has 9,800 carriers preonboarded to its network across all modes and in more than 130 countries. Blume Global provides FAP support for more than 400 customers and processes more than \$1 billion in freight annually. The majority of Blume Global's customers are located in North America, but it also supports customers in Latin America, Europe, Asia, Australia, New Zealand, Africa and the Middle East. Blume Global supports customers across all industries. Blume Global has offices in North America, Europe and Asia.

Blume Global did not respond to requests to review the draft contents of this research. Gartner's analysis is based on other credible sources, including:

- *Public information from the vendor's website*
- *Information previously shared by the vendor*

CT Logistics

CT Logistics, based in Cleveland, Ohio, was established in 1923. It offers freight payment, parcel audit, post audit, and FAP services through FreightRater. In addition, CT Logistics provides 3PL services and software solutions that include LTL and truckload (TL) shipment planning and execution, bid management, shipment planning and execution software. It also offers supply chain visibility, BI reporting and benchmarking, and professional services for consulting. CT Logistics is differentiated by its service offerings that include an insourced, client-operated model, SaaS model, business process as a service (BPaaS) model (whereby CT Logistics operates a specific instance for a single customer), as well as the traditional fully outsourced model. CT Logistics was named a FedEx certified Freight Bill, Audit, and Pay (FBAP) provider in 2022. CT Logistics has more than 5,000 carriers preonboarded to its network, primarily across North America and Europe. CT Logistics supports more than 350 customers, with the majority being based in North America. It also supports customers in Latin America, Europe and Asia, and operates in a total of 84 countries. CT Logistics supports customers across industries but has particular depth in the consumer products, life sciences, automotive and retail industries. CT Logistics has offices in North America, Europe and Asia.

CTSI-Global

CTSI-Global, based in Memphis, Tennessee, was established in 1957. In addition to FAP, CTSI-Global offers TMS, BI and managed services. Its managed services include carrier management, inbound freight management and managed TMS. CTSI-Global offers a multitenant SaaS solution that supports all modes and support for 17 languages. CTSI-Global pays invoices in more than 35 currencies, 120 countries and 15 languages. It supports invoice audit and payment for more than 20,000 carriers. CTSI-Global processes between six million and eight million transactions daily and processes more than \$24 billion in freight annually. CTSI-Global also offers freight data benchmarking and freight rate forecasting to its customers. CTSI-Global supports more than 235 customers across industries, particularly within retail, consumer products, life sciences and pharmaceutical, and automotive. The majority of CTSI-Global's customers are in North America, but it also supports customers in Latin America, Europe, Asia, Australia, New Zealand, Africa and the Middle East. CTSI-Global has offices in North America, Europe and Asia.

Cass Information Systems

Cass Information Systems, headquartered in St. Louis, Missouri, is a global provider of FAP solutions. Cass' FAP solution is differentiated by having a single global platform for all modes, and it tailors solutions to specific customer requirements. Cass is also a public company and a part of a financial institution. Cass processes freight invoices from more than 13,500 carriers across all modes, geographies and currencies. It also offers some of the latest technology for data visualization and analytics. Cass provides FAP services for nearly 300 customers and processes more than 36.8 million invoices and more than \$36.8 billion in freight annually. Cass clients are typically large, globally complex companies. However, Cass does handle smaller clients with freight spends as small as \$200,000 annually. All of Cass' customers are based in North America. However, it does support other customer divisions and subsidiaries across the globe. This includes Europe, the Middle East, Africa, Europe, Asia and Australia. Cass supports customers across a broad range of industries. Cass has office locations in North America, Latin America, Europe and Asia.

Data2Logistics

Data2Logistics, headquartered in Fort Myers, Florida, was founded in 1965, and was acquired in 2001 by private equity firm Platinum Equity Advisors. Through its professional services team, Data2Logistics offers clients tools and services to support their transportation operations. These include RFP strategy and execution, benchmarking, and routing guide compliance along with other supply chain initiatives. Driven by its analytics platform, actionable insight is created to support efficiencies and cost reductions through what-if scenario analysis, general rate increase (GRI) impact modeling, market assessments, carrier bid analysis, contract optimization and network analysis. Data2Logistics supports clients in more than 40 countries, 29 languages and 24 currencies for carrier payment and processing of all modes of transportation. Data2Logistics has more than 10,000 carriers preonboarded to its network. Data2Logistics supports close to 900 customers across industries with particular depth in the high-tech, life sciences, retail, industrial, aerospace and automotive verticals. Data2Logistics has offices in North America, Europe and Asia.

Green Mountain Technology

Green Mountain Technology, based in Memphis, Tennessee, was established in 1999. It is unique in the FAP market because its offering is focused on parcel and LTL shippers. Its customer base consists of a total spend of more than \$11 billion annually. Green Mountain Technology processed more than 1.5 billion shipments in 2021. Its Spend Management solution combines contract management, carrier invoice audit and payment reconciliation with spend analytics. Its offering also focuses on optimal inventory placement, carrier selection and evaluation of the impact of carrier proposals. Green Mountain Technology works with many major carriers servicing North America. Green Mountain Technology focuses on high-volume North American shippers that average more than \$40 million in transportation spend annually. The large amount of data collected allows it to identify network efficiencies and to provide peak-season forecasts based on historical data. Green Mountain Technology's customers are predominantly from the retail, manufacturing and pharmaceutical industries. It also currently supports customers from telcom, food service and automotive. Green Mountain Technology has offices in North America.

Intelligent Audit

Intelligent Audit, headquartered in Rochelle Park, New Jersey, was established in 1996. Intelligent Audit offers solutions for multimodal transportation invoice audit, BI, advanced analytics, logistics network modeling and spend optimization advisory services. Intelligent Audit offers a multitenant SaaS solution and has several thousand carrier and system integrations in place throughout its network across North and Latin America, Europe, and Asia. Intelligent Audit currently supports and audits more than 100 currencies and handles freight payment processing through its partnership with TriumphPay, a product of Triumph Financial. This partnership allows Intelligent Audit to offer its customers a fully integrated, secure freight payment processing solution through a publicly traded, regulated financial institution. In 2021, Intelligent Audit processed tens of billions of dollars in transportation spend and more than one billion shipments. Intelligent Audit holds Women's Business Enterprise National Council (WBENC) certification as a women-owned business. Intelligent Audit supports hundreds of customers across multiple industries. The majority of its customers are based in North America. However, Intelligent Audit supports customers in Latin America, Europe, Asia, Australia and New Zealand. Intelligent Audit has offices in North America, Latin America, Europe, Asia and South Africa.

Körber (enVista)

enVista was founded in 2002 and is headquartered in Carmel, Indiana. Its freight audit and payment asset was acquired by Körber, a supply chain software company, in September 2022. Körber's Transportation Spend Optimization includes freight audit and payment and transportation solutions consulting and is added to its other solutions, including warehouse management, order management system (OMS) and robotics. Körber offers FAP as a multitenant SaaS solution. Its core solution, myShipINFO, is complemented with transportation finance automation, ESG reporting and BI capabilities, including large amounts of data attributes and options to visualize the transportation spend in different dashboards and customizable reports. Körber also offers account analyst services, which are used as an extension of its clients' teams to monitor and analyze KPIs. Account analysts serve as strategic consultants who provide market insights and impact analysis. In addition to audit and proactive account analysis, Körber provides contract optimization services to ensure customers' carrier contracts are competitive in the market across all modes globally. Körber has more than 6,500 carriers preonboarded. It supports close to 400 customers across industries with a focus on retail, manufacturing, consumer goods, 3PL, media and publishing, food and beverage, and healthcare. Körber has offices in North America, Europe, Asia and Australia.

nVision Global

nVision Global was founded in 1992, and is headquartered in Atlanta, Georgia. nVision Global provides a cloud-based FAP solution, as well as other services and technology, such as TMS, logistics business intelligence and managed services. nVision Global focuses on providing FAP solutions to a wide range of company sizes in different geographies. nVision Global FAP is a Sarbanes-Oxley-compliant solution with a global footprint. It is supported by a worldwide staff located in seven regional offices across the world that can speak more than 22 languages. nVision Global was named a FedEx certified FBAP provider in 2022. nVision Global currently has more than 19,000 carriers preonboarded to its network. It processes more than 180 million invoices, and manages \$7.3 billion in annual freight spend, utilizing in-country accounts for more than 35 currencies. nVision Global supports nearly 200 customers across most industry verticals, with particular depth in high-tech, consumer electronics, life sciences, automotive and consumer products. nVision Global has offices in North America, Latin America, Europe and Asia.

nVision Global did not respond to requests to review the draft contents of this research. Gartner's analysis is based on other credible sources, including:

- *Public information from the vendor's website*

- *Information previously shared by the vendor*

RateLinx

RateLinx was founded in 2002 and is headquartered in Scottsdale, Arizona. In addition to its FAP, called PayLinx, RateLinx also offers TMS, small parcel manifesting, real-time visibility and advanced analytics. On a daily basis, RateLinx processes more than 20 million transactions, and \$237 million in freight passes through its platform. RateLinx combines managed services with its PayLinx solution, data services and analytics. This, combined with technologies such as TMS and real-time visibility, results in end-to-end supply chain visibility. RateLinx's mission is to turn freight from a tactical necessity into a strategic asset through integrated data intelligence by providing actionable, integrated data. It has developed what it calls a "logistics in 3D" approach, which consists of diagnosing problems in real time and developing and deploying strategies to optimize freight payments and reduce costs while removing rate exceptions and rate tolerance. RateLinx supports more than 100 customers for FAP across most industry verticals including manufacturing, retail, industrial, consumer, pharmaceutical and healthcare industries. The majority of RateLinx customers are located in North America, but it also has customers in Latin America, Europe, the Middle East, Africa, Asia, Australia and New Zealand. RateLinx has offices in North America.

Target Freight Management

Target Freight Management, based in Pittsburgh, Pennsylvania, was established in 2008. It acquired National Traffic Service in 2019 to add FAP services to its existing service offerings, which include transportation management, multimodal RFP support, transportation consulting and technology applications. It offers additional services in the areas of carrier negotiations for all modes of transportation, benchmarking to compare customer rates with current market pricing, least-cost carrier analysis and claims management. Target Freight Management processes 20 million invoices and more than \$1 billion in freight annually. It provides auditing for international invoices, including ocean and international air freight, for all currencies and modes. It has 10,000 carriers preonboarded to its network. Target Freight Management supports more than 150 customers, primarily in North America but with some customers in Europe. Target Freight Management supports customers across industry verticals, with particular depth in industrial and construction machinery, high-tech, consumer electronics and retail industries. Target Freight Management has offices in North America.

Target Freight Management did not respond to requests to review the draft contents of this research. Gartner's analysis is based on other credible sources, including:

- *Public information from the vendor's website*
- *Information previously shared by the vendor*

Transporeon

Transporeon was founded in 2000 and is headquartered in Ulm, Germany. It was announced in December 2022 that Trimble would acquire Transporeon. Transporeon provides a cloud-based solution that focuses on automation, insights and collaboration across the freight audit and payment life cycle. In addition to FAP, the Transporeon platform offers solutions for freight procurement, real-time transportation visibility, transport execution, benchmarking, yard management and dock scheduling. Transporeon supports more than 200,000 daily transactions and more than \$48 billion dollars in freight spend on the platform annually. Transporeon has more than 145,000 carriers preonboarded to its network covering all of Europe, North and Latin America, Africa, Australia, and Asia. Transporeon supports more than 60 customers and has a global footprint, while continuing to be the largest freight audit provider in Europe. Transporeon currently supports customers in North America and Latin America and Europe. It supports customers across industries but has depth in the consumer products, life sciences, pharmaceutical and automotive industries. Transporeon has offices in Europe, North America, Latin America and Asia.

TranzAct Technologies

TranzAct, based in Elmhurst, Illinois, was established in 1984. In addition to FAP, where TranzAct has expertise in rating, tariffs and costing areas, it also provides a variety of other supply chain services and technologies. These include parcel processing and analysis tools, TMS, logistics and brokerage services, and supply chain consulting. TranzAct focuses on complex organizations with global operations and diverse requirements, as well as complex general ledger (GL) coding requirements. TranzAct holds WBENC certification as a women-owned business. TranzAct has associates who are multilingual and proficient in more than 12 languages to provide customer support. TranzAct was named a FedEx certified FBAP provider in 2022. It has more than 10,000 active carriers in its system across North America, Europe and Asia. TranzAct currently supports more than 300 organizations across a variety of industries. TranzAct customers are primarily based in North America, but it also supports customers in Europe, Asia, Australia and New Zealand. TranzAct supports all transportation modes. TranzAct has offices in North America, Europe and Asia.

Trax

Trax, headquartered in Irving, Texas, was established in 1993, and is backed by two private equity firms. Trax Advisory Services consists of a team of transportation consultants, data scientists and data analysts who deliver project-based and subscription services in the areas of contract optimization, routing guide optimization, accessorial optimization and network optimization. Trax's cloud-based platform, Transportation Spend Management v4.0, provides full life cycle P2P capabilities across all transportation modes and regions. Its data compliance manager enables collaboration between all data sources and provides visibility to customers, via APIs and downloads, to access complete and normalized master data. Trax introduced its carbon emissions manager product in April 2022 to support tracking and benchmarking of carbon emissions. Trax supports more than 40 currencies and processes more than \$24 billion in transportation spend annually. Trax has more than 21,000 carriers preonboarded to its network. Trax supports almost 350 customers across industries, with particular depth in the high-tech, life sciences, consumer products, retail and manufacturing industries. Trax customers are primarily based in North America, but it also supports customers in Latin America, Europe, the Middle East, Africa, Asia, Australia and New Zealand. Trax has offices in North America, Latin America, Europe and Asia.

U.S. Bank

U.S. Bank, based in Minneapolis, Minnesota, offers a multitenant SaaS solution that supports all modes of transportation. In addition to its freight audit and payment services, it offers data solutions such as its Freight Payment Index. This report provides deeper industry insight on shipping volumes and expenditures, and includes both national and regional data. U.S. Bank is the fifth largest commercial bank in the United States. Its financial operations ensure on-time carrier payment and can optimize both the shipper's and carrier's working capital with solutions to extend shipper payment terms and accelerate carrier payments. U.S. Bank processes more than \$37 billion in global freight payments annually. It can make and receive payments in 135 currencies. U.S. Bank has more than 18,000 carriers preonboarded to its network, including carriers in North and Latin America, Europe, Asia and the Middle East. U.S. Bank supports more than 200 customers across all industries, including retail, consumer products, manufacturing, government, pharmaceutical, chemicals, automotive and logistics. U.S. Bank customers are based in North America. U.S. Bank has offices in North America.

Market Recommendations

- Shippers should avoid performing FAP processes manually, and consider and evaluate outsourcing your FAP processes. FAP solutions can bring significant cost savings and efficiency opportunities.
- Shippers and transportation leaders should leverage FAP solutions to further automate your transportation processes as vendor solutions become more widely available and include capabilities like advanced analytics, thereby making outsourcing more attractive. The development of technology, and easier and faster onboarding, has made these solutions more appealing to even smaller shippers, including shippers with less than \$1 million in annual freight spend.
- Shippers need to identify the different types of providers in the markets (e.g., specialized FAP solution providers, 3PLs and business process outsourcing [BPO] providers), and understand which offering fits best with their company's approach to outsourcing of processes and services. Also, they should identify the provider's specific capabilities for the geography and mode of transportation in scope.
- Shippers should leverage their FAP solution beyond the price of processing and paying invoices. They should use the data to provide key insights that will lead to improvement of their procurement and network optimization processes.
- Global shippers should consider FAP providers with global capabilities to reduce the number of systems and service providers and to enable more functionality to manage their business processes.

Acronym Key and Glossary Terms

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Evidence

¹ 2021 Gartner Logistics and Contract Manufacturing Outsourcing Survey: This survey was conducted from 31 March through 10 May 2021 to assist supply chain leaders with defining their outsourcing strategy. This survey also targets the utilization of contract manufacturing services along with anticipated and related organizational benefits. A sample of 298 supply chain professionals completed a web-based survey. Their primary workplaces were located in North America (including the U.S. and Canada), Western Europe (including the U.K., Ireland and Germany) and Asia/Pacific (including Australia, New Zealand, China, Singapore and India). Qualifying organizations operated in the manufacturing and retail industries and reported enterprisewide annual revenue for fiscal 2020 of at least \$500 million or equivalent. Qualified participants had a role tied to a supply chain function and were in a manager or above roles. Supply chain professionals were involved in their organization's decisions related to supply chain outsourcing. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

² [Expeditors Targeted in Cyber-Attack](#), Expeditors.

Note 1: Representative Vendor Selection

The list of global FAP providers is based on information collected in Gartner briefings, vendor surveys and market research. It depicts the most relevant vendors in the global FAP solution provider space, based on the number of clients, revenue generated from FAP services, regions where the service is offered, and FAP capabilities and/or services offered.

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Gartner's Model for Holistic Multimodal Transportation Management Systems – Part 1: Core Capabilities](#)

[Market Guide for Benchmarking Services for Transportation Rates and Logistics Performance Metrics](#)

[Magic Quadrant for Transportation Management Systems](#)

[Market Guide for Vehicle Routing and Scheduling and Last-Mile Technologies](#)

[Market Guide for Multicarrier Parcel Management Solutions](#)

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Table 1: Different Types of Companies Offering FAP Services

Type of Company	Description
Specialized FAP solution providers	Independent software or solution providers that primarily focus on FAP services and technology, although they may offer additional capabilities or technologies, such as TMS, real-time visibility or parcel solutions.
Supply chain management (SCM) business process outsourcing (BPO) providers	SCM BPO providers supply FAP as one of their offerings. SCM BPO is the outsourcing of one or more supply chain processes to an external service provider. SCM BPO providers use people and technology to perform tasks that would otherwise be performed by internal supply chain professionals.
Third-party logistics providers	3PLs provide FAP as one of their logistics services. FAP should be offered as an extension of a comprehensive solution for companies that outsource their transportation function to full-service 3PLs, such as C.H. Robinson Worldwide, NFI Industries, Odyssey Logistics & Technology, Penske Logistics, Schneider National or Uber Freight. These providers either operate the capability in-house or partner with one of the specialty firms listed in this research.

Source: Gartner (January 2023)

Table 2: Representative Vendors in FAP

Vendor	Service or Product Name
Acuitive Solutions	AcuAudit
AFS Logistics	Freight Audit and Payment
Blume Global	Blume Finance
Cass Information Systems	Freight Audit and Payment
CT Logistics	FreitRater
CTSI-Global	Freight Audit and Payment
Data2Logistics	Freight Audit and Payment
Green Mountain Technology (GMT)	Parcel Spend Management
Intelligent Audit	Intelligent Audit
Körber (enVista)	myShipINFO
nVision Global	Freight Audit and Payment
RateLinx	PayLinx
Target Freight Management	Freight Audit and Payment
Transporeon	Freight Audit and Payment
TranzAct Technologies	Freight Audit and Payment

Trax Technologies

Transportation Spend Management (TSM)

U.S. Bank

U.S. Bank Freight Payment

Source: Gartner (January 2023)