



INTTRA Establishes Global E-Invoicing Solution for Ocean Freight Industry

The ocean freight industry is heavily reliant on complex contracts, which can make invoicing problematic.

"At any one moment only 50%-75% of invoices are accurate in this industry," explains Ivan Latanision, Vice President of Product Management at New Jersey-based INTTRA, the world's largest multi-carrier electronic commerce platform to the shipping industry. "The inaccuracy arises from complexities in practices related to freight procurement, pricing and market volatility. Invoice delivery is done mainly by paper and disputes are resolved by e-mail and phone, which is both time-consuming and inefficient, delaying cash receipts."

Paper-Based Problems

The nature of paper-based invoices makes it difficult for shippers, freight forwarders and carriers to accurately identify their respective liability and asset positions.

"Shippers and freight forwarders do not know exactly how much they owe carriers, because invoices may be misplaced or in dispute, and carriers are unsure of the status of unpaid invoices," Latanision says. "What happens today is that invoices are sent to a particular person at a particular office or agency. As every organization has a specific process for its invoices, if the person who deals with the invoices is away, the documents stack up. If there is a dispute, the invoice may be put on another pile so that it is left unresolved or unpaid."

INTTRA wanted to make this process more efficient for the industry by establishing a global, multi-biller, ocean industry e-invoicing solution. Carriers, freight forwarders and non-vessel operating common carriers would need to be able to act as billers and/or payers on the platform. Furthermore, INTTRA required a platform that would standardize the invoice process and allow billers to communicate with all of their customers through a single channel.

In order to reduce administrative burdens, shippers and freight forwarders would also require the ability to access and interact with all of their carriers that participate in the INTTRA portal.

The EIPP Solution

INTTRA is partnering with Deutsche Bank to provide Electronic Invoice Presentment and Payment (EIPP) to the industry. The joint venture will leverage eBills, Deutsche Bank's

EIPP platform, and will combine the connectivity of INTTRA's multi-carrier platform with Deutsche Bank's supply chain solutions. Currently in a pilot phase in North America, the solution allows carriers and shippers to execute the invoice-to-cash process more efficiently.

For shippers and freight forwarders, the solution is banking agnostic as they can continue to use their own bank account to effect payment. However, "carriers acting as billers must have a Deutsche Bank collection account to reconcile payments with invoices, but this is essentially a pass-through account," Latanision says.

Receipts are credited to the collection account and the funds are immediately transferred to the biller's own bank. "If the biller does not want to have the payments processed through the platform, it does not need a bank account with Deutsche Bank in order to continue to use the INTTRA system for electronic invoice presentment," he says.

The EIPP North American pilot is expected to provide tremendous cost savings for both billers and payers. "We hope to see an improvement in accuracy of invoices," Latanision says. "We will be able to track and drive further improvement through the use of dispute reason codes while also facilitating the approval process for invoices so that carriers, shippers and freight forwarders only need to focus on exceptions."

Greater Efficiency and an Audit Trail

"For the first time, people will be able to track and respond as to why there are inaccurate invoices," he says. "Money will be received more quickly, and it will take fewer people to manage the process on both ends. The whole process will become much more efficient and a complete audit trail will be available while presenting, disputing, resolving and paying invoices."

INTTRA plans to expand its use of the EIPP solution into the European Union this year.