



White Paper

ELECTRONIC INVOICE PRESENTMENT AND PAYMENT FOR THE OCEAN FREIGHT INDUSTRY

10 Questions You Should Ask an EIPP Provider



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1. To what extent is the EIPP solution specifically tailored to meet the needs of your business?
2. Can the cost savings of the proposed EIPP solution be documented?
3. Does the solution support dispute management and resolution?
4. Is the solution web-based, XML/EDI-based, or both?
5. Which bank is linked with the EIPP platform and are the biller and payer organizations required to have an account with that bank in order to use the solution to process payments?
6. Does the bank withhold funds received from payers before making the funds available to invoice originators (billers)?
7. What services are available to ensure the EIPP platform meets the specific needs of both the invoice originator and invoice recipient?
8. How can the EIPP provider help increase the adoption rate of invoice recipients (payers)?
9. What is the global reach of the EIPP platform?
10. What is the provider's position for enhancing the EIPP platform?

Choosing an Electronic Invoice Presentment and Payment (EIPP) provider is challenging, especially when the provider has to be able to manage the complexities of invoice processes for the ocean freight industry. EIPP solutions can help streamline the invoice management process by lowering costs for all parties (billers and payers), speeding payments, resolving disputes faster and improving visibility to invoice and payment status.

The following are ten questions to ask a potential EIPP solution provider:

1 To what extent is the EIPP solution specifically tailored to meet the needs of your business?

Although EIPP is prevalent in many business-to-business and business-to-consumer industries, most EIPP solutions – even though they may accommodate the needs of other industries – are not applicable for the ocean freight industry due to unique intricacies in its business cycle. For example, each shipment has numerous variables (origination/ destination ports, dates, container sizes, container contents, commodity codes, weights, etc.) and may be processed by multiple parties (carriers, NVOCCs, forwarders, logistics providers, etc.).

A viable EIPP solution for the ocean freight industry must be able to “speak ocean,” support the shipping process and convey the necessary information to all involved parties. Carrier and biller savings from EIPP depend on industry adoption. Payers should seek a standardized process to receive and process electronic invoices from multiple billers in a single platform and billers should consider implementing an EIPP platform that will also be used by other billers in the industry, rather than a proprietary system developed in-house.

2 Can the cost savings of the proposed EIPP solution be documented?

Significant research on the benefits of EIPP systems has been conducted by numerous firms such as Gartner, Billentis, Aberdeen Group, Forrester Group and others. Although the research from these respected organizations is consistent, it is imperative that an EIPP provider be able to model the costs and savings *specifically* for your organization. That is, they should be able to understand your current practices and estimate the ROI and payback period for *your organization* (biller or payer) based on parameters and costs specific to your business. The provider should partner with you to make sure you can validate the assumptions in the model, as well as provide you with the model so you can measure the value to your business.

3 Does the solution support dispute management and resolution?

Due to the complexity of ocean freight shipping rates and the frequency of invoice disputes, an EIPP solution should not only support disputes, but streamline the reporting and resolution process. Payers, for example, should be able to electronically dispute one or more line items while paying the rest of the invoice. Billers should be able to process the payment of the disputed line item(s) while releasing credit lines for the partial payment of the invoice. For both the billers and payers, dispute management should be simplified with customizable workflows that automate manual processes and ensure notifications and requests for action are directed to the appropriate individual or work groups. Like invoice approval and payments, the workflows should be flexible and easily configurable while conforming to company policy.

4 Is the solution web-based, XML/EDI-based, or both?

A web-based EIPP solution is most efficient for organizations without EDI systems or lower transaction volumes. The system can provide alerts to payers when an invoice has been received and then allow them to view, approve and pay the invoice according to workflows that have been established.

However, if the EIPP solution is XML/EDI-based with transaction messages directly interfacing with the organization's ERP systems, the biller and payer can automatically process invoices and disputes (in accordance to company policy) without human intervention. Appropriate notifications can be sent when certain transactions require attention. Although XML/EDI EIPP solutions require more resources and are more complex to implement than web-based solutions, the savings to both billers and payers usually justify the additional investment. The XML/EDI solution is most appropriate for organizations with large transaction volumes.

5 Which bank is linked with the EIPP platform and are the biller and payer organizations required to have an account with that bank in order to use the solution to process payments?

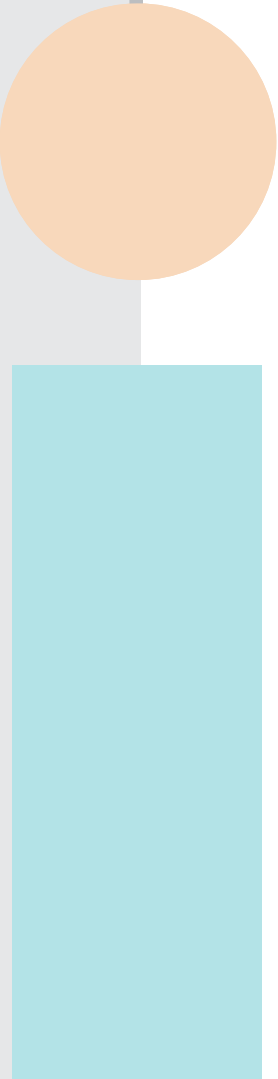
One of the foundations of an EIPP solution is the bank that facilitates the payments. Most EIPP solutions require you to have some technical connection with a specific bank; the extent of that relationship can vary significantly. Some banks require bank accounts be moved to that particular bank while others may require a simple "pass through" or "sweep" account to process payments. Also, be sure to find out what types of payments are supported by the system (checks, ACH/direct debit, wire transfers, etc.) and what bank fees are involved. Ideally, you would want your EIPP platform to work with a financial institution with minimal account requirements, but with the available global resources and EIPP experience to support your business.

6 Does the bank withhold funds received from payers before making the funds available to invoice originators (billers)?

Some banks withhold funds received from EIPP payers for a certain period of time – sometimes seven days or more – before making the funds available to the biller. When investigating EIPP providers and banks, be sure to understand the bank's policies regarding funds availability as well as their fees for services.

7 What services are available to ensure the EIPP platform meets the specific needs of both the invoice originator and invoice recipient?

Implementing an EIPP solution is an important initiative for both billers and payers. Organizations should ensure the EIPP provider has the people, expertise and resources to implement a system that optimizes productivity within your organization and can ensure system security and provide knowledgeable and responsive support. Simply automating existing processes is unlikely to deliver all the value to be gained; the EIPP provider must have the knowledge of the industry, the skills to interview and learn from your staff, and understand your organization's needs to recommend process improvements and IT system changes. The right EIPP provider can deliver not only the most complete solution and coordinate all aspects of the implementation, train staff, migrate legacy systems, and integrate the EIPP system as required with existing client resources and ERP systems.



8 How can the EIPP provider help increase the adoption rate of invoice recipients (payers)?

The success of any EIPP implementation for billers depends on how quickly their customers adopt the system. The provider should be able to offer services to support and accelerate customer enrollment. These services can include the pre-registration of all or part of a biller's customers into the platform and provide marketing programs and materials to encourage customer adoption.

9 What is the global reach of the EIPP platform?

Organizations in the ocean freight industry operate in multiple countries. The EIPP platform selected should be able to accommodate business requirements and conform to local and region-specific regulations in every country in which your organization processes invoices. At a minimum, the EIPP system should be able to facilitate the local currency, language, banking requirements, and legal, tax, security, and privacy regulations. If an EIPP provider and the bank do not currently operate in countries in which you would like to use EIPP, they should be able to provide you with an understanding as to when services will be available in those countries and what specific resources will be required to do so.

10 What is the provider's position for enhancing the EIPP platform?

Since it may be difficult to find an EIPP solution that meets every requirement your organization may have, you should interview each provider to understand current capabilities and ascertain their ability and plans to provide new features and enhancements. Keeping in mind that providers' development plans are always subject to change, you may get insight to the provider's commitment to the product and their product planning strategy. Learn more about the provider so you can determine whether they have the resources and willingness to make product enhancements to meet your requirements in an acceptable timeframe.

Now EIPP solutions exist that can bring savings and increased efficiency to both billers and payers in the ocean freight industry. The key to a successful implementation is choosing an EIPP provider with proven experience in the ocean freight industry and the ability to understand your business and collaborate with you to ensure the solution meets the specific needs of your organization. Implementing an EIPP solution is significantly easier with the right provider as part of your team.



MORE ABOUT INTTRA

INTTRA is a leading global provider of e-commerce solutions to the ocean freight industry. INTTRA professionals work with over 30 leading carriers and their customers to streamline and standardize their shipping processes worldwide through a network of over 20,000 corporate locations. More than 300,000 container orders are initiated on the INTTRA platform each week, representing more than 10 percent of global ocean container trade. For further information, visit www.intra.com.

