

Augment vs. Automate - Why the Best Freight Cost Audits Have Humans in the Loop

A June 2015 Harvard Business Review article on the impacts of smarter machines on human labor highlighted the important contrast between “automation versus augmentation of human work”. According to the authors Thomas Davenport and Julia Kirby, “automation starts with a baseline of what people do in a given job and subtracts from it...where, in contrast, augmentation starts with what humans do and allows the approach to work to be deepened rather than diminished through the use of machines.” The core of **AMTR**'s business model rests on an “augmentation” strategy. Our human transportation experts are enabled—not replaced—by leading-edge technologies and proprietary data mining processes to recover the most for our clients. Certainly “automated” freight audits can generate recoveries, but they will never identify a large percentage of billing errors that **AMTR** sees on a daily basis because they do not offer human insight or context evaluation, nor do they ask the ‘why’ questions. As a matter of fact, we enjoy servicing accounts after an automated audit because we already know the kinds of errors computers will make. Whether your company uses an internal audit, automated audit or no freight cost audit at all, **AMTR** can help. Contact us today and let us put our human experts AND our technology to work saving you freight cost dollars.

What? The Rate Engine Isn't Always Right?

Something we hear shippers say all the time is that they “always verify the rate” before paying freight bills. Of course, this is an important first step in paying freight bills correctly, but the bigger question is how was the rate actually verified? If the rate was verified using a rate engine, either internally or on a carrier website, it cannot be assured that the rate is correct. What if the rate engine was programmed incorrectly? What if a typo was made when entering rates into the engine or an important rate parameter was overlooked? You may get a matching rate, but that just means that you have verified an incorrect rate without knowing it. What if your rates come from a carrier representative or rate clerk? Remember, they are using the same rate engine and will suffer the same consequences if the rate engine is incorrect. Maybe you think you are safe because you verify each rate directly from the contract or tariff. This may not provide assurance if the contract or tariff has typos, copy-paste errors or other mistakes—something that we find is happening at an increasing rate as carriers rely more on computers and less on humans to craft these documents. **AMTR** doesn't just verify the rate—we audit the entirety of freight bills, digging deeper to verify the accuracy of rate engines, tariff notes and contract wording.



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Who Pays for Switching?

This question can be a source of confusion for many in freight payables. Even if you know what a switch is, do you know if you should be paying for it? Is it just another supplemental bill or not? There are many different kinds of switching and charges for each. The types of switching include intraplant, intermediate, inter-terminal, and reciprocal. So, how do you verify a switching charge? To determine the correct charge for a reciprocal switch that is annotated on your freight invoice, you must go to the switch tariff of the railroad that is actually performing the service. However, also read the provisions of the invoicing carrier's tariff and their rules to ensure you utilize the maximum absorption. Furthermore, what happens if the carrier has a joint facility service agreement with another carrier, or if the industry is closed to switching? These kinds of questions are indicative of the many scenarios that may arise during the course of a freight audit. Our auditors are trained to handle them all. Let **AMTR** review your freight and suggest ways to save you money.

Carrier Mergers and Acquisitions - Fertile Ground for Freight Overcharges

Most are aware of XPO Logistics' recent buyout of Con-Way Freight/Con-Way Truckload/Menlo Logistics. Additionally, ABF Logistics acquired truckload brokerage firm Bear Transportation and Transport Corporation of America acquired an undisclosed majority of truckload brokerage firm Optimal Freight. Mergers and acquisitions such as these often result in chaos as the companies involved struggle to integrate resources, facilities, people, information systems, accounting practices, etc. Transitioning to new bill handling software or processes can be especially hectic. In **AMTR's** experience, this is a prime opportunity for freight overcharges to slip through the cracks, because while companies work to transition, they must keep paying bills on time. Often, we see freight bills being paid manually, sidestepping many of the usual checks and balances. We also see bills being paid using both old and new methods and systems, leading to duplicate payments that cannot be found using normal review processes. No matter what problems occur, having **AMTR** on your team assures that your freight costs will not be impacted by such turbulent events.

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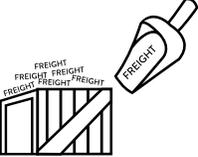
YRC Freight Customers - Go Electronic or Pay the Price

Effective January 1, 2016, YRC Freight will be charging a \$2 per shipment fee to customers receiving paper invoices via USPS. Impacted shippers will need to change processes to receive invoices electronically or pay the price. YRC will offer four different paperless options—email, EDI, APIs, and self-service invoice retrieval. Shippers should visit <http://yrc.com> for more information or contact YRC at e-invoice.setup@yrcfreight.com to understand more about the change and requirements for electronic setup.

American Truck and Rail Audits, Inc. December 2015 Brain Teaser

Motor Carrier Plexer

Word plexers are word-based puzzles that describe a word or phrase without actually spelling it out.

L U A H	
CHARGE CHARGE CHARGE CHARGE ←	
B E D	

There is only one correct solution.
Find the solution for this brain teaser at amtr.com/brain-teasers

Quote

One machine can do the work of fifty ordinary men. No machine can do the work of one extraordinary man.

—Elbert Hubbard