



Supporting & Transforming Customer Supply Chain During and Beyond Covid-19: Freight Audit

Current Environment

During the pandemic, supply chains were challenged heavily on both, the supply and the demand side. Short term demand spikes for specific SKUs and a need for fast time to market, combined with requirement to secure revenues lead to more expedited freight. On the supply side, production shifts, supplier defaults and capacity shortages lead to alternative routings, loss of optimization potential and hence a temporary overspending. Now, urgent attention is required to mitigate the logistics budget gap.

Up to 20%

increase in out-of-rate-card shipments during March 2020

>40%

of orders are subject to one or multiple deviations from current freight settlement process during March 2020

>40%

of customers expect an increased effort in settlement and accounting of logistics services

Customer Challenge

During the lockdown, many logistics service providers needed to adjust their service offering in terms of capacity, rates, trade lanes and service levels. In order to keep their delivery promises, customers prioritized quick reaction time over diligent cost management and were forced to step out of agreed contractual frameworks and processes and procure freight ad-hoc. As a consequence, customers are now challenged in the freight settlement and accounting process. Invoices are received from new partners for new trade lanes with different accessorial charges. Consequently, established invoice audit processes are not fit for purpose any more, which means customers are losing transparency and visibility over their freight spend.

“Historic data proves that through data-driven freight audit and payment services, we are able to identify discrepancies of up to 5 % of the total Logistics spend. We expect this to be even more now. ”

How Kuehne+Nagel can Support You

Through our data-driven freight audit & payment services, we make sure you pay as per agreement by identifying, addressing and solving over-billings and invoice duplicate in a structured way. Transparency will allow your LSPs to improve their billing performance which also benefits the control of your freight spend.

We provide you visibility on the components of your freight spend to improve your accrual accuracy. Deploying our market intelligence, tools and processes, you gain actionable insights to improve the cost to serve and full control over the financial flows.

This service is for customers looking to realize quick wins with limited risk exposure and contractual engagement.