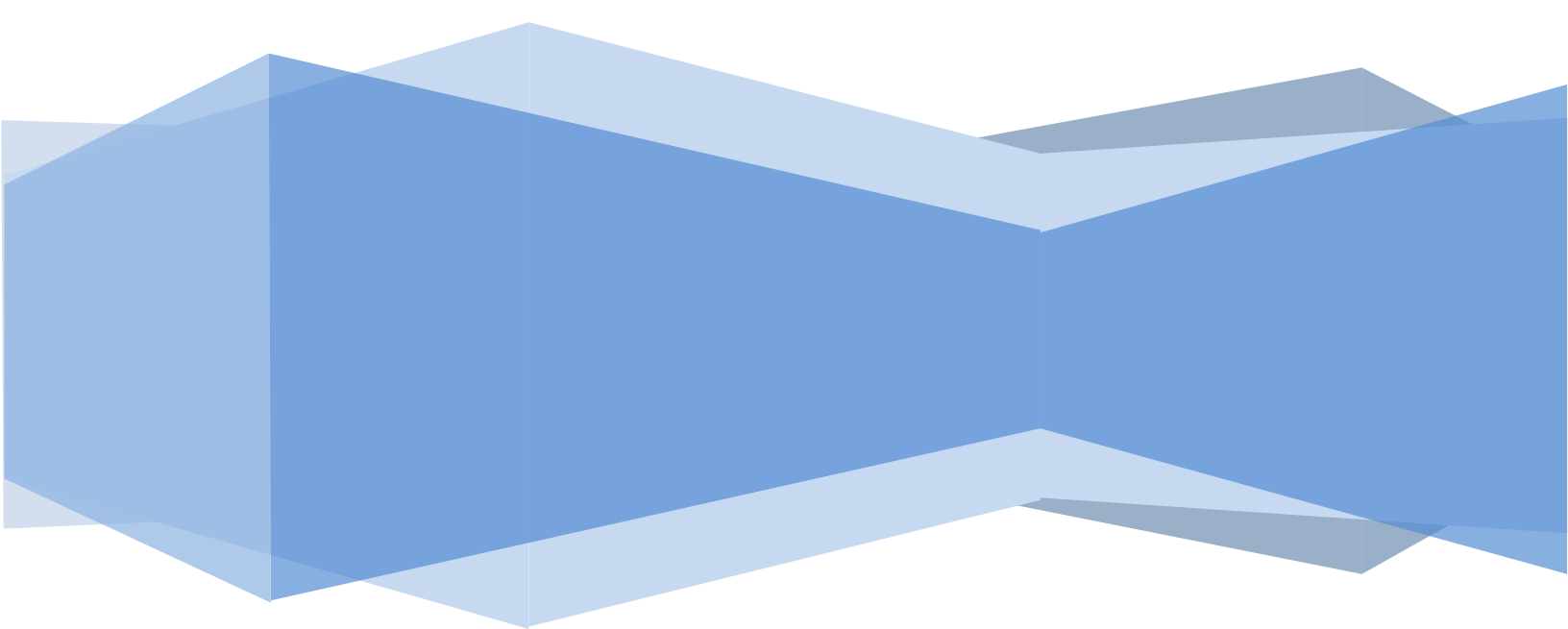


White Paper

are reflections on what we've learned while working with our clients.

A reduction in the time to bill can improve cash flow and increase working capital

Cash Flow is the Most Immediate Risk to a Healthy Business Model



This White Paper will review the challenges of processing Proof of Delivery receipts (POD's) and the effect on cash flow by shortening the Days Sales Outstanding (DSO).

POD Transaction Processing: An Overview

Transaction processing is a critical operation for any transportation or logistics company. Unfortunately, the value and function of the Accounts Receivable (AR) department is often overlooked.

Many companies have a significant investment in AR, which restricts their cash flow resulting in reduced working capital. One of the most common cash traps for AR is uncollected and late days sales outstanding.

No matter the size of an entity or the nature of its business, there are logical and proven practices for cash receipts. Expediting receipts processing is a way of reducing and containing operating costs.

The impact and effect that reducing DSO will have on your organization:

www.microdea.com/dso.html

Challenges of Managing POD's

Managing POD's is a highly intensive paper- and people-based process. Each PO may take anywhere from 2-7 days to consolidate, process, verify, validate, generate and mail out for payment.

Managing POD's poses the following challenges

High labor and operating costs due to manual billing

Manual billing consumes time and resources. These steps include everything from invoice printing and sorting, to photocopying, to folding and stuffing invoices and documents into envelopes for mailing.

High dispute resolution costs

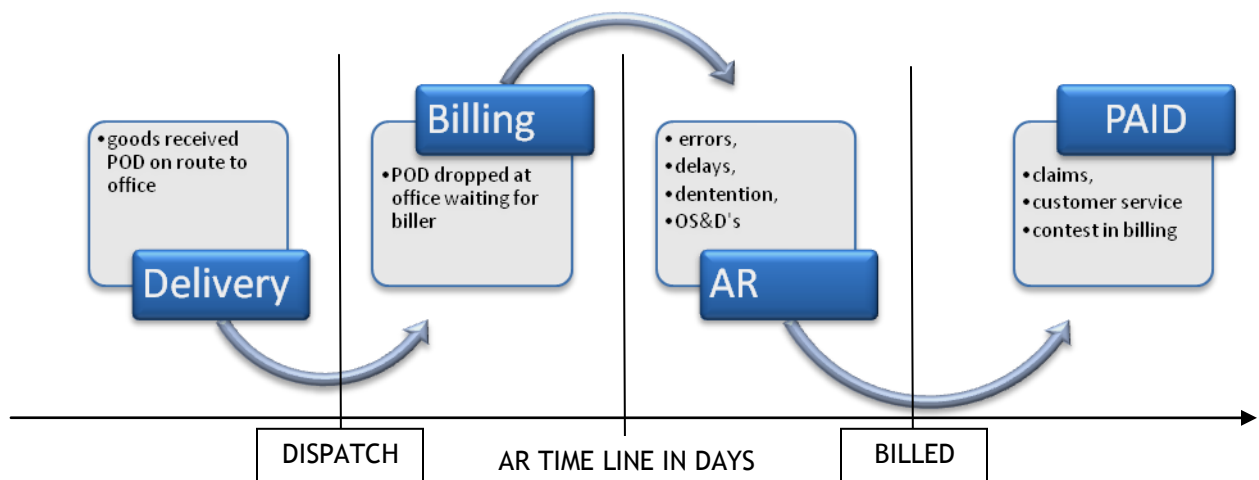
Collections staff spend hours chasing payment when customers claim orders were incorrect, not received or missing the necessary supporting documentation. Documents need to be retrieved from customer service, warehouse or courier, and then resent to the customer to resolve the dispute, delaying Days Sales Outstanding.

Delayed payments

The inordinate amount of time spent on paper and people-based processes delays cash collection. Some customers will not pay until they receive proof of delivery, inflating Days Sales Outstanding (DSO).

Lost and misplaced documents

Manual paper-based systems are dependent on human involvement. There is a greater chance for errors, including misplaced or lost documents.



You can't make money until you invoice, so invoice as quickly as possible. This is true at all times, but especially during a recession or slow to no-growth times when you would like your company's cash cushion to be better.

Automate and Streamline Billing/AR Processes: Improve POD Management

To overcome the challenges of increasing costs, lost data and process inefficiencies, transportation and logistics companies are turning to technology solutions that integrate people, paper and processes into a streamlined system.

Automation streamlines how billing departments receive, manage and approve receivables. Accurately capturing, quickly verifying and efficiently processing information results in shorter billing cycles.

KEY BENEFITS OF BILLING AUTOMATION

Capture and Track Documents Electronically Capturing POD's electronically at the start of the transaction process improves and increases invoicing processing efficiencies, shortening the billing sales and DSO.

Capturing and tracking documents means they are always recoverable, no matter where they are in their life cycle. Each document automatically records who generated it, when it was created, who received it and how and when it was acted upon. Now documents arrive at the right billing desks, in the right format and at the right time. This helps create greater accountability for knowledge-workers while reducing the opportunity for human error and data loss.

Management can rely and act upon key performance indicators provided by this data.

“Our Print Rendition billing is saving us approximately \$84,000 per year by emailing our bills instead of printing, folding and applying postage.”

*Mike Johnson, IT Manager
Haney Truck*

Improve Process Efficiency

Increased access to the proper billing documents results in faster time to bill. Now billing departments can issue their invoice days faster, many times the same day, with the required supporting documentation. Automatic invoice print rendition with supporting documents that are emailed rather than printed will save a company as much as \$2.05 per invoice. Executing business processes more efficiently delivers reduced operating costs and applies iron clad uniformity to the billing process.

Integrate People, Paper and Processes

With proper integration of people, paper and processes, all documents and information are easily searchable and retrievable as and when either the people or process requires. Automating AR processes delivers continuous business and process improvements which are measured by improved cash flow, reduced billing errors, increased labour productivity, reduced time-to-bill and eliminated bad practices.

Recommendations for an Automation Solution

An efficient and secure automation solution for transportation and logistics companies should deliver:

- Seamless system integration expertise with leading back and front office systems such TMW Suite, TMW TruckMate, ICC, Freightlogix and others, helping minimize retooling or modification of existing systems.
- Easy Pre- and Post-document processing - a solution should process information as it arrives into the system and automatically trigger the appropriate actions based on document information. The solution should permit documents to be viewed and indexed in a variety of ways, making them easier and faster to find directly from the Transportation Management System (TMS).
- Flexible, powerful and easy-to-search functionality that quickly locates and retrieves documents, taking into consideration different user authorizations.
- Extensive support from an established and experienced company that provides consulting, implementation, training and support.
- Accommodation of different document types - the solution should handle all types of content that transportation and logistics companies rely upon, including email, Microsoft Word, paper, reports, faxes and databases.

About Microdea

Productivity and operational synergy are at the core of any successful business. Microdea is the developer of the innovative Synergize® Document Automation Solution and patented Synergize OnRamp® In-Cab Scanning solution.

Synergize® is the catalyst that integrates people, paper and processes into a streamlined, efficiently operating enterprise. Our clients are more profitable because their documents are easier to create, distribute, access and exchange.

To begin the first step toward reducing Days Sales Outstanding and improving cash flow, please contact us: Tel: 905.881.6071 x259; email info@microdea.com; visit: www.microdea.com