

Company Overview

Level One is your source of tomorrow's technology, today.



Making Life Easier

Innovative software solutions developed for the transportation industry.

Our Mission

The objective of Level One Technologies and Epay Manager is to provide the transportation industry with valuable tools that facilitate electronic payments between shippers and carriers as well as providing industry specific documents. To accomplish this goal, we've developed a web-based payment application that allows member companies to enter and manage transportation related invoices and pay them via ACH.

Our mission is to provide forward thinking transportation companies a more effective payment solution that will simultaneously reduce overhead cost and increase cash flow.

Level One Technologies, Inc. was formed in 1999 to develop web-based applications for the transportation industry. Our initial product was FREIGHTlist.com, a fully functional transportation management system with load matching capabilities. Our most recent development is Epay Manager, the industry's most comprehensive invoice presentment and payment system.

Epay Manager is an online, electronic payment application designed for the transportation industry. The application will debit a shipper, broker or freight forwarder's bank account on any approved transaction and credit the bank accounts of up to three payees simultaneously. The system also allows member companies to initiate instant electronic payments between multiple parties and increase cash flow and reduce paperwork between these parties.

Our Vision

Level One's vision is to create a payment processing system that includes the tools a company needs to reduce overhead and increase cash flow. We offer solutions to the most common problems associated with freight payment and auditing, including matching proof of deliveries with invoices, reducing processing time and providing multiple approval levels and record management. Level One's objective is to create an electronic payment system that benefits all parties involved in a transaction.

Our Market

We intend to market Epay Manager to any transportation company that has a need to reduce the time and expenses associated with processing invoices and payments. This includes large and small carriers, shippers and intermediaries who need cost effective methods of processing and collecting invoices.

Our Method

Epay Manager is available to any transportation related company over the Internet. The application is available at no cost to the user except for a small transaction fee charged for each successful transaction submitted. Any company with an Internet connection, an email address and a bank account can become a member and begin using Epay immediately. There is no software to install or download.

Contacting Level One

For more information on any of the products we offer, please contact us at:

Phone: 1-800-240-1824
Fax: 1-800-240-1964
Email: info@levelonetechnologies.com
Website: www.levelonetechnologies.com



Shipper Benefits

Epay Manager automates payment processes for increased accuracy & savings potential.



Total Control

Take control of your bottom line by reducing processing and direct costs using Epay Manager.

Benefits

Epay Manager is a web-based, electronic payment application designed for the transportation industry. The system will allow shippers to manage data and process freight invoices electronically. The benefits include:

- Free custom system integration
- Improve efficiency & productivity with automation
- Automate data entry
- Reduce direct transportation costs by an average of 2%
- Custom approval sequences, allowing required parties to review invoices prior to payment
- Reduce overhead, operating costs by up to 75%
- Extensive reporting tools for cash forecasting and account reconciliation
- Custom payment term options for each carrier
- Auto payment for all or selected carriers
- Custom fee options for each carrier
- Proof of delivery documents, invoices, and rate agreements are created and stored electronically
- Full audit logs identifying the username, date and time of every activity
- Improve carrier relations with increased payment options and communication
- Obtain the benefits of EDI without the cost
- No software to purchase, update, or maintain
- No additional hardware required
- Custom systems integration for contract members
- Flexible fee allocation to carriers makes Epay a no cost solution
- Designed to work with existing A/P procedures and management and accounting software

Processing invoices and making timely payments is one of the most important elements in maintaining a viable carrier network. Epay Manager offers shippers the ultimate solution to this problem, by combining all accounts payable information, including delivery documents, reporting tools, bank account management, transaction auditing, discount options and payment scheduling into one system. Epay is designed to integrate with a shipper's management and accounting software and eliminate many of the inefficiencies that adversely affect timely payment to carriers.

With Epay, shippers are no longer required to audit paper invoices and print paper checks. Instead, these documents are created electronically and proof of delivery documents are faxed to our state of the art imaging center where they are indexed and posted online. Paper checks are replaced with electronic transfers and folder and file cabinets are replaced with organized, flexible online reports and lists. The electronic receipt and processing of invoices means that mail time is completely eliminated and the billing process is reduced to a few clicks of the mouse.

Eliminates Paper and Mail Time

Everyone knows that the slowest part of the billing cycle is collecting paperwork and waiting for delivery of these documents through the mail. Epay's unique Automated Document Imaging system receives these documents by fax and converts them to high-resolution, electronic files, allowing a shipper to retrieve them at any time. Electronic documentation reduces cost by eliminating the time accounts payable staff members spend opening mail, sorting, copying, creating and retrieving files. Because shippers receive P.O.D.'s electronically, mail time and storage cost is eliminated and the payment cycle is shortened to the carrier.

Extensive Reporting & Auditing Tools

Epay offers extensive reporting and auditing tools to help shippers analyze and manage data. These tools provide shippers with the ability to forecast cash, reconcile accounts and search for current and historical transactions. In addition, they will reduce the time spent handling carrier inquiries regarding the timely receipt of documents and the timing of approvals and payments.

A Better Alternative to Outsourcing

Experience shows that outsourcing freight payables is one of the most expensive options a shipper can face. Because most third party payment services require clients to pre-fund disbursement accounts, shippers release money before it is paid to the carrier. Epay does not require a shipper to pre-fund a disbursement account. All disbursements are made directly from the shipper's current bank account, when they are due, allowing a shipper to more profitably allocate idle funds. With Epay, a shipper can efficiently manage and maintain an in-house A/P department and offer multiple and faster payment terms to its carriers in exchange for discounts. These payment options can reduce the direct transportation costs a shipper incurs by more than 2%.



Carrier Benefits

Epay Manager provides the most effective way to invoice and receive payment.



On Time, Every Time

Receive payments faster with Epay Manager.

Benefits

Epay Manager is a complete electronic payment system, designed for the transportation industry and is the most effective solution to increasing a carrier's cash flow. The benefits include:

- Eliminate paperwork
- Eliminate the US mail and reduce processing time by up to 10 days
- Reduce the cost of processing invoices by 50-75%
- Receive electronic invoices and rate agreements
- Multiple payment term options for each invoice
- Fax P.O.D.'s to a toll free number
- Receive email notification when invoices are approved and paid
- View audit trails for every transaction
- Improve shipper relations through better communication and faster dispute resolution
- A risk free, low cost alternative to factoring
- Obtain the benefits of EDI without the cost
- No software to purchase, update, or maintain
- No additional hardware required

Many carriers focus on operational issues, but ignore the important element of cash flow. Processing invoices and receiving payments in a timely manner, is a universal problem. Managing this problem correctly is one of the keys to surviving in the transportation industry.

Epay increases a carrier's cash flow, by eliminating the need to exchange documents through the US Mail. Carriers are no longer required to create or submit invoices or receive and deposit paper checks. Paper invoices are replaced with electronic versions that are created automatically. Proof of delivery documents are faxed to our imaging center, where they are indexed and posted online. Paper checks are replaced with electronic transfers. Folders and file cabinets are replaced with organized, online reports and lists. With Epay, the billing process is reduced to a few clicks of the mouse.

Receive Payment in Days, Not Weeks

Once a transaction is created, invoiced and approved, Epay Manager initiates an ACH request that transfers the invoice amount from the shipper's bank account to the carrier's. This transfer is accompanied by an email each time an invoice is paid. With Epay, the days of mailing, receiving and depositing paper checks are over.

Take Advantage of Discounts

Almost every carrier experiences an occasional "cash crunch" and wishes they could be paid faster. Epay Manager offers the ultimate solution to this problem, by allowing carriers to receive faster payment from shippers, in exchange for discounts. To accomplish this, Epay allows carriers to select from a list of pre-approved payment terms, offered by shippers, on each invoice. These grids allow carriers to select payment terms that meet their cash flow needs at the time the invoice is submitted. Epay requires shippers to meet the exact terms of the discount before an invoice is paid. The system also recognizes that faster payment is not always needed and requires shippers who offer discounts to also offer standard, non-discounted terms.

Eliminates Paper and Mail Time

Every carrier knows that the slowest part of the billing cycle is collecting paperwork and waiting for delivery of these documents through the mail. Epay's unique Automated Document Imaging system receives these documents by fax and converts them to high-resolution, electronic files. Because shippers receive P.O.D.'s electronically, mail time is eliminated and the payment cycle to the carrier is shortened considerably.

Improve Relationships With Better Communication

Epay Manager benefits both shippers and carriers by reducing processing time and cost and increasing communication between the parties. Carriers benefit by having faster payment options, fewer processing days, direct deposit of funds and a complete view of the transaction through the payment cycle. Full audit logs provide all members with the date and time of every activity. Automated email notification and real-time reporting allows carriers to focus on operational issues instead of managing unpaid invoices.



Payment Options

Epay Manager allows shippers to offer carriers multiple payment terms.



Discounts For Faster Pay

Reducing direct cost with carrier discounts adds profit to your bottom line.

Summary

Epay Manager offers a unique payment terms option that allows shippers and other payers to offer multiple and faster payment terms to carriers in exchange for discounts.

The transportation industry is characterized by low profit margins and almost every carrier experiences an occasional "cash crunch" and wishes they could be paid faster. Cash flow is affected by the high cost of insurance, fuel and maintenance and carriers suffer when shippers fail to pay them on a timely basis. As a result, carriers are constantly looking for alternative methods of collecting invoices and increasing cash flow.

Epay Manager offers the ultimate solution to these problems, by allowing carriers to receive faster payment from shippers, in exchange for discounts. To accomplish this, Epay allows carriers to select from a list of pre-approved payment terms, offered by shippers, on each invoice. These grids allow carriers to select payment terms that meet their cash flow needs and they require shippers to meet the terms of the discount before an invoice is paid.

Payment Terms

For many years, the only payment option a carrier was offered was standard terms, in some instances with a discount for early payment (Example: 2/10 Net 30). Epay was designed to offer shippers greater flexibility in creating and offering more payment terms.

Selecting New Payment Terms

Epay's unique electronic invoice offers carriers multiple payment options that include discounts for faster payment. With Epay, carriers can "Select New Payment Terms" on every invoice when cash flow requirements demand faster payment.

Once payment terms are selected, the invoice displays the exact dates the payment will be processed and paid.

Pieces	Weight	Proof of Delivery	Equipment	Miles	Rate/Mile
10	45000	ABC Supply	VAN	1500	\$0.00

Payment Terms		Process Date - Payment Date	
30 days - 1.25 %	<input type="button" value="Update Payment Terms"/>	Mar, 08 2004 --- Mar, 09 2004	
1 days - 4.75 %			
5 days - 4.25 %			
10 days - 3.75 %			
15 days - 3.00 %			
20 days - 2.00 %			
25 days - 1.50 %			
30 days - 1.25 %			
35 days - 0.75 %			
40 days - 0.50 %			
45 days - 0.00 %			

Commodity	Rate
FAK	\$1,475.00
Discount (1.25 %)	- \$18.44
Amount Due	\$1,456.56

Our unique payment grids allow shippers to offer multiple and faster payment terms to carriers, in exchange for discounts. These grids can include a number of payment options, limited only by the number of days in a payment period. Epay also allows shippers to create multiple grids, assignable to different carriers or a group of carriers. To protect carriers, the system requires all shippers to offer standard, non-discounted terms. Our experience shows that the more options a carrier is given, the more likely they will be to select an early payment date in exchange for discounts.

Figure 1

Sample Payment Terms Grid	
Days to Pay	Carrier Discounts
1	4.75%
5	4.25%
10	3.75%
15	3.00%
20	2.00%
25	1.50%
30	1.25%
35	0.75%
40	0.50%
45	0.00%

Assumptions: Average 23 Day pay at 2.18%. Opportunity or actual cost of funds at the annual rate of 4.75%.

The unique design of the payment grids allows shippers to pre-determine the discounts required to release funds at early intervals. By offering carriers alternative payment dates, in exchange for discounts, shippers will reduce their direct shipping costs and increase their bottom lines.

Epay Manager makes these grids even more attractive, with our automated payment scheduler. Once invoices are approved, the scheduler processes payments through the ACH Network on the date and at the terms specified on the invoice.

Significant Savings and Results

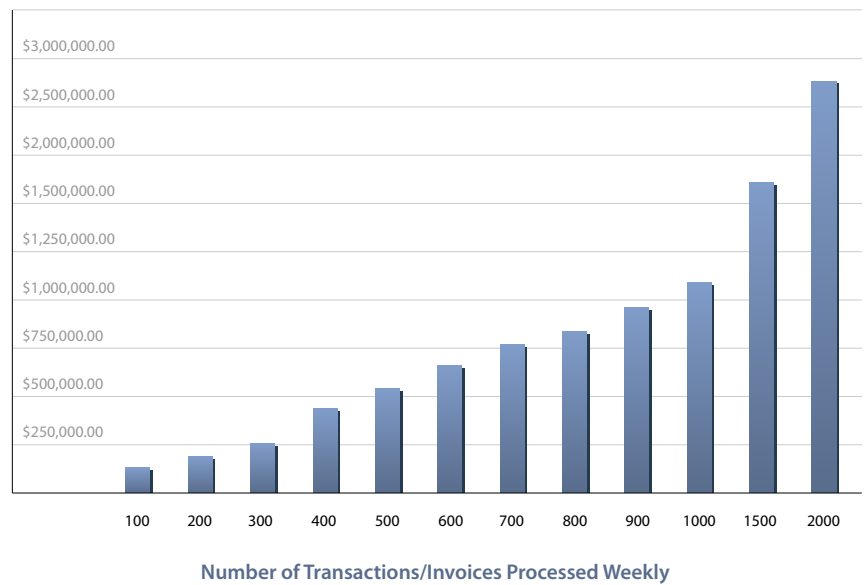
General Electric conducted an internal study to examine their current, paper based, accounts payable processing system and estimated the expected savings from converting to an electronic payment system. The study revealed that their current system caused the company to lose 77% of the trade discounts offered to them. As a result of this study, General Electric spent several years developing and implementing an electronic invoice presentment and payment system that is now operational and saving the company in excess of \$2 billion annually.

This example indicates that a shipper can expect significant savings, by converting from a paper-based payment processing system to an electronic invoice presentment and payment system. In fact, based on our experience, we can predict that a shipper, using the Epay Manager interface, offering carriers an expanded payment term schedule (See Figure 1), with an average payment to the carrier of \$1,000, can expect to save \$100,000 annually, for every 100 transactions they process on a weekly basis.

Estimated Savings Using Epay Manager

The savings shown in the chart below (See Figure 2) represent the annual savings a company can expect using Epay Manager. The graph compares the number of weekly transactions to the expected annual savings. These results are achieved by reducing processing costs by 50 to 75% and reducing direct transportation costs, through discounts, by an average of 2.18%. These results will vary by member.

Figure 2



A/P Cost Analysis

The average cost of processing a freight payable is more than \$28. Epay can reduce this cost by 75%.



Every Penny Counts

Imagine saving up to 75% on every payable you process.

Summary

A study by Ernst & Young revealed that the cost of processing a transportation invoice is between 2 and 4% of the value of the invoice. Other studies estimate this figure to be between \$12 and \$50 per invoice. Epay Manager was developed to assist transportation companies in reducing the time and cost of processing transportation payables by 50-75%.

By automating the accounts payable process, Epay eliminates the need to exchange paper documents through the US mail. These documents include paper invoices, proof of deliveries and checks. As a result, Epay reduces the processing time of an invoice by up to 10 days and the processing cost by as much as 75%. The good news is these results can be achieved without changing management or accounting software, business procedures or investing substantial resources in hardware or software.

Cutting costs and increasing efficiency have always been a priority for successful businesses. These activities take on even greater importance in the transportation industry, where many companies experience low profit margins.

One of the more significant costs a transportation company faces is the expense of processing transportation payables. So why aren't these companies seeking alternative, cost effective solutions to this problem? The answer lies in the lack of high quality, comprehensive alternative, low-cost solutions that are easy to implement and maintain. Until now, the only electronic option many companies had was exchanging data through EDI.

Today, Level One Technologies has made the electronic option more attractive and complete than ever before. For three years, our staff of specialists researched, designed and tested a payables solution to create, review, approve and pay transportation invoices electronically. The result is an application that is fully developed, easy to use, scalable and costs nothing to get started.

Traditional Payment Processing

For decades, transportation companies have relied on traditional paper-based methods for processing freight payables. Experience has shown these methods to be costly, time consuming, inefficient and prone to errors. A typical process is as follows:

- o Driver mails or delivers P.O.D. to carrier's office. Office receives documents, prepares invoice, attaches P.O.D. and mails to shipper.
- o Shipper opens mail, keys in data, audits invoice, reviews P.O.D., makes copies, creates file and stores documents.
- o On payment date, clerk prints check, makes copies and stores documents.
- o Check is signed, placed in envelope, metered and mailed to carrier.
- o Check arrives at carrier's office, clerk opens mail, verifies amount, keys in data, detaches check, makes and files copies, endorses check, prepares deposit ticket and drives deposit to bank.
- o Bank receives deposit, keys information into computer system. Funds transfer electronically from shipper's account to carrier's, via Federal Reserve.

For most shippers and carriers this process is manual, costly and time consuming. All that work and time results in an electronic transfer of funds. So, why not eliminate these unnecessary and costly manual steps and perform them more efficiently, faster and electronically with Epay Manager?

For most shippers and carriers this process is manual, costly and time consuming. All that work and time results in an electronic transfer of funds. So, why not eliminate these unnecessary and costly manual steps and perform them more efficiently, faster and electronically with Epay Manager?

Because of technology and changes in the law, unaltered and imaged delivery documents are the legal equivalent of original documents. There's no longer any reason for shippers to require a paper original. As a result, traditional processing methods are quickly becoming obsolete. Epay used this foundation to create an imaging process that allows drivers to fax original delivery documents, toll-free to our system where they are automatically imaged, indexed and linked to an electronic, pre-audited invoice. This system gives shippers the ability to move away from traditional systems and realize the benefits of electronic invoice processing.

Assumptions

To illustrate the potential processing savings of Epay, we compared the steps of a traditional processing system and with the corresponding steps in Epay (See Figure 1, on page 2). This comparison shows that Epay automates nearly 75% of the process and in doing so lowers costs by an equal amount.

If you assume that an average accounts payable clerk is paid \$30,000 per year and a department manager is paid \$51,000 per year, the clerk's cost is \$0.32 per minute and the manager's cost is \$0.55 per minute.

The Institute of Management and Administration (IOMA) used these figures to estimate the time and cost of processing an accounts payable transaction.

Cost Analysis

The Institute of Management and Administration estimates that it takes approximately 80 minutes to process and pay a single transportation payable at a cost of approximately \$30.00.

Figure 1

Step	Action Performed	Traditional Procedures <small>Paper-Based</small>		Epay Manager 2.0 <small>Web-Based</small>	
		Minutes	Extended Cost	Minutes	Cost Using Epay Manager
1	Receive PO & documentation, date stamp, file as pending	8	\$ 2.56	Automated	\$ 0.00
2	Receive invoice, match receiving support & attach PO to invoice	20	\$ 6.40	Automated	\$ 0.00
3	Verify prices, extensions, etc.	5	\$ 1.60	Automated	\$ 0.00
4	Code the A/P Voucher	3	\$ 0.96	Automated	\$ 0.00
5	A/P enters data into A/P system	3	\$ 0.96	Automated	\$ 0.00
	<i>Cost of check & postage</i>	N/A	\$ 0.60	N/A	\$ 0.00
6	A/P clerk requests pre-list	3	\$ 0.96	3	\$ 0.96
7	Match pre-list to support	3	\$ 0.96	Automated	\$ 0.00
8	Exception handling	5	\$ 1.60	5	\$ 1.60
9	Request checks	3	\$ 0.96	3	\$ 0.96
10	Print checks	3	\$ 0.96	Automated	\$ 0.00
11	Assign check number in system	1	\$ 0.32	Automated	\$ 0.00
12	Print check register	3	\$ 0.96	3	\$ 0.96
13	Cancel supporting documentation	3	\$ 0.96	Automated	\$ 0.00
14	Manager reviews check register & support before releasing checks	5	\$ 2.75	5	\$ 2.75
15	A/P clerk separates checks	3	\$ 0.96	Automated	\$ 0.00
16	Mail checks	2	\$ 0.64	Automated	\$ 0.00
17	File check register	2	\$ 0.64	Automated	\$ 0.00
18	File all support	5	\$ 1.60	Automated	\$ 0.00
19	Receive & reconcile supplier statement	3	\$ 0.96	Automated	\$ 0.00
		83	\$ 28.31	19	\$ 7.23

Cost Savings

Even though most companies begin the payment cycle in electronic form, they rely on paper documents throughout the process. It has been shown that paper documents create processing delays and increases the chance for human error, including the incidence of lost documents. Epay eliminates these risks by linking a member's management and accounting systems to the ACH network, allowing them to exchange important documents and communicate through our exclusive web-based interface.



Systems Integration

Custom Epay systems integration is available for companies that wish to keep their existing entry process intact.



XML

Bringing Epay & business closer together.

Features

Epay Manager was designed to integrate with most modern management systems. Our staff of software engineers can develop a custom system integration that works with your existing software.

Benefits of an integration include:

- Allows your company to retain your existing data entry system.
- Faster than manual transaction entry.
- Eliminates redundancies.
- No software to purchase, update, or maintain.
- No additional hardware required.
- Seamless data flow.
- Comprehensive customer service and support.

The objective of integration with Epay Manager is to fully automate the carrier payment process for the purpose of saving time and money. We accomplish this by importing transaction information from the payer's management system into Epay, to create an electronic invoice that will be presented to the carrier for acceptance and efficiently processed through our web interface and the ACH network.

Because data originates from your management system and cannot be changed by the carrier, the payer can be confident that the data is accurate without the need for additional audits. Epay imports data when a transaction is complete and in verified or final status. Once a transaction is imported, changes can only be made through the payer's management system or through Epay.

With Epay, the payer is no longer required to manage incoming mail or audit carrier invoices. Carriers are no longer required to create an invoice or mail proof of delivery documents. The carrier's responsibility is limited to clicking a button to send an invoice and faxing a proof of delivery. After the invoice is paid electronically, a record of the payment is sent to the payer's management system, for reconciliation with the payer's accounting system.

Epay serves as a conduit for payment information to the Federal Reserve. It is not intended to be the primary source or repository of transaction information. Epay allows a payer to communicate more efficiently with its carriers and as a result, lowers processing costs for both parties and provides a mechanism to obtain carrier discounts in exchange for faster payment.

To achieve these results, Epay uses the Internet to allow shippers and carriers to create, display, send and approve invoices, supported by proof of delivery documents. These documents are faxed by the carrier to Epay, where they are imaged, indexed and linked to a transaction available online. This feature eliminates the need for physical document storage and retrieval. When invoices are approved, they are electronically scheduled and placed in the Epay payment queue, for payment on the selected date, at the specified terms.

Epay Manager requires specific data fields to create a transaction. These data fields are as follows:

- o Reference Number
- o Pickup and Delivery Dates
- o Pickup and Delivery City, ST
- o Name of Each Party Involved (Epay allows transactions with multiple Payees)
- o Amount of the Invoice

The invoice is also designed to display an unlimited number of ancillary charges that are added to a transaction. Note: There are additional data fields that can be included at the client's request. The invoice can contain as much, or as little, information as needed.

Epay also allows payers to create multiple fee tables and assign them to specific carriers. Note: Epay charges a transaction fee to its members, for transactions that are successfully completed using Epay Manager. These fees are based on a member's volume and range from \$3 to \$10 per transaction. These tables allow a payer to assign all or a portion of the fee to the carrier. In a typical transaction, the carrier pays the entire fee.

In addition, Epay allows payers to set preferences for carriers. One of these preferences is the ability to establish and set default payment terms, which are automatically assigned to a carrier's invoice each time a new transaction is created. Another preference is Auto Invoice, which allows the payer to automatically pay a carrier without the carrier's approval or acceptance of the invoice. Payers may set preferences for each carrier regarding how the transaction fee is allocated.

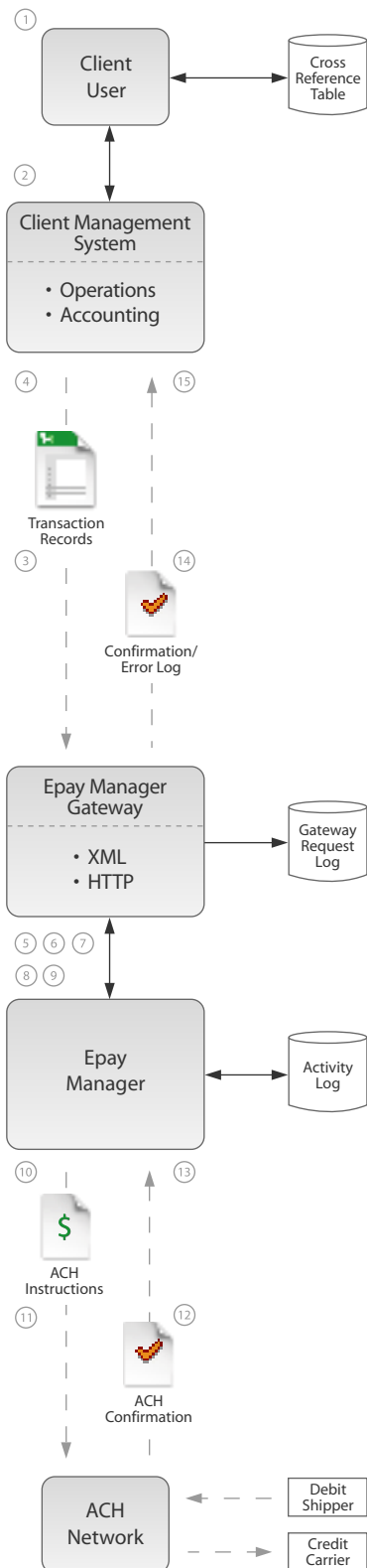
Epay provides integrated members the ability to create a cross-reference table to manage these features. These tables are used to filter out carriers who do not want to receive electronic payments. They're also used to direct carrier payments to third parties, when a carrier has chosen to use the services of a factoring company. The table is accessed using a web interface and matches carrier records, in the payer's management system, with a list of authorized payees selected by the payer in Epay.

Basic Epay Manager Integration Model

Each integration with Epay is customized to the specifications your IT staff provides our company. Epay Manager was designed with a maximum degree of flexibility, for integration with almost any software system. Integration may require from two weeks to ninety days depending the level of customization and complexity of your business requirements. Our staff will work closely with your company to plan and implement the best solution for your specific needs. Although integrations are not required, they allow participating companies to achieve maximum efficiency, avoid duplicate processes and reduce processing errors.

The following scenario describes how a typical transaction is processed through an integrated Epay system. Since every company manages transactions differently, the following process can be adjusted to meet your needs.

1. The payer enters transaction information into the company's management system and tracks the shipment through final delivery.
2. A staff member verifies the accuracy of the transaction and makes a final status change in the management system. This triggers the transfer of data from the management system to Epay Manager where it will be processed for payment by the company's A/P department.
3. This transfer exports required data from the company's management system to Epay, creating a transaction. This process requires a connection to the Internet and can be manual or automatic, based upon the user's preference and level of integration with Epay. Note: The interface retains a record of all data sent and received in the event of any error.
4. At the same time, the payer's management system creates an open receivable and payable in the accounting system for each transaction. Note: The presence of these open transactions enables Epay to return a confirmation and close transactions when payment has been completed.



5. An electronic invoice is created in Epay, using the data imported from the payer's management system and a notice is emailed to the carrier for review. At the same time, a detailed description of the transaction is available online, to all participants from their respective lists (i.e. payer's Pending Payables list and the carriers' Pending Receivables list.)
6. The carrier logs in to Epay Manager, and selects and prints the POD cover sheet for the transaction. The carrier then faxes the cover sheet and the POD document to Epay using a toll free number, where it is imaged, indexed and linked electronically to the transaction. Note: This step assumes that such documents are required for payment.
7. Next, the carrier reviews the invoice for accuracy and may select new payment terms from a list pre-approved by the payer. If all other invoice details are correct, the carrier clicks the Send button to notify the payer of its acceptance. Note: In order to preserve the audited nature of the invoice, the carrier is not permitted to change any other invoice detail. All disputed details must be changed by the payer.
8. If a specific detail of the invoice is disputed, the carrier must email or call the payer to resolve the dispute. If the payer responds to the carrier's request and changes an invoice detail, the carrier may immediately log in to review and accept the change.
9. When the carrier clicks Send and accepts the invoice, Epay sends an email notification to the payer, alerting the first level billing contact that an invoice has been submitted for approval. In addition, the system electronically records the date and time of the invoice's acceptance, marking the first day of the payment terms. From the carrier's perspective, Epay moves the transaction so that it appears on the carrier's Accounts Receivables Invoiced list. The transaction also appears on the payer's Accounts Payables Pending list, where it is assigned an invoice date.
10. On this list, all levels of the payer's approval sequence must review and approve the invoice and the delivery documents. Once these users approve the invoice, the transaction is scheduled for payment on the selected date, in accordance with the terms of the invoice. Once final approval has been made, the transaction is moved to the Approved lists of the both the payer and the carrier.
11. These lists display the transaction's dates of Approval and the Scheduled Pay dates. Transactions remain on these lists until payment has been made through the ACH network. Note: ACH payment instructions are sent once a day. A typical payment results in the Federal Reserve debiting a payer's account on one business day and crediting the carrier's account on the next business day.
12. Once payment has been made, Epay receives payment confirmation from the ACH network. This confirmation triggers a status change in Epay that moves the transaction from the Approved to the Paid lists of both the payer and the carrier.
13. The Paid list displays a transaction summary and the paid date of all transactions that have been paid in the last 7 days. After one week, these transactions are archived and are available using our Search and Reporting tools.
14. To complete the payment cycle, Epay sends a confirmation report to the payer's management and accounting systems. This allows the payer to retain a full accounting of each transaction in their proprietary systems as well as a complete audit trail in Epay Manager.

15. Following the completed payment:

- o Payer will have a complete transaction record in its management system.
- o Both parties will have a complete record of the transaction in Epay.
- o Epay will store complete transaction information, including a full audit trail and attached delivery documentation for a period of three years.
- o All parties will have access to the Epay search and reporting tools.

Getting Started

Any company that wishes to make or receive electronic payments must be a member of Epay Manager. Membership is free and takes less than five minutes to become active. To become an Epay member a company must have:

- U.S. Bank Account
- Internet Access
- Valid email address

Integration Summary

In summary, Epay Manager is designed to import transaction data from the payer's management system, electronically submit and store proof of deliveries, make electronic payments via the ACH network and export completed payment information back to the payer's management and accounting systems.

In a fully integrated system, a payer will be able to replace its current transportation payable processing system with an efficient, state of the art, electronic payment system, that is designed to lower A/P processing costs by as much as 75% and reduce direct transportation costs by 2% or more. In addition, the system will eliminate the time paper documents spend in the US mail (estimated at between 6 and 10 days) and will offer carriers the opportunity to select faster payments in exchange for discounts. Clearly, the time and money saved with this system will be of great value to any payer and its carrier base.

Since most integrations are performed free of charge, by our experienced staff, Epay Manager is a cost effective solution that can result in your company being fully automated in less than ninety days. Because Epay is web-based, it allows shippers to obtain the benefits of EDI systems without the high cost and maintenance associated with these traditional electronic invoicing systems. As an added bonus, carrier registration is a simple, cost free process that ensures a high degree of carrier acceptance.

For More Information

For more information about Epay Manager or to inquire about a custom system integration, please visit our website at epaymanager.com. Or call 1-800-240-1824 to speak with one of our knowledgeable staff members.



Case Study

An internal look at how Epay Manager can impact your company's bottom line.

Metro Express Inc.

You'd be smiling too if your company saved 75% on every payable processed.



Challenge

Metro Express, a Midwestern based transportation provider that processes approximately 200 truckload transactions per week, faced the immediate challenge of implementing a more efficient system to reduce or eliminate the high cost of processing transportation payables and driver settlements. This objective included the need to reduce the time its A/P clerk spent receiving mail, creating files, scanning documents auditing data and processing and mailing checks.

In meeting this challenge, Metro desired a low cost solution that did not require the replacement or overhaul of its existing software systems.

Like most transportation companies, the staff at Metro Express Transportation Services spent much of their time processing paperwork. These activities were not only repetitive, but very costly. Because the transportation industry is characterized by high costs and low profit margins, every company in the industry must seek out and implement practical cost savings opportunities when they become available.

The transportation industry is currently plagued by slow payment policies, mainly due to slow payment from shippers. These policies have a direct effect on a carrier or third party's ability to pay drivers and sub-contractors. Because most of these companies have large operating expenses, they rely on accelerated cash flow for survival. Despite this fact, many shippers are extending payment terms beyond 30 days, to as many as 90 days, before settlement is made. Although some shippers withhold a carrier's money to earn an interest return on the delayed payment, many shippers explain their reasons for extended payment as a lack of efficiency in processing freight payables and their related documentation.

Metro's Solution

In April of 2002, Metro Express selected Epay Manager as its transportation payables processing solution. Since the implementation of this system, Metro has significantly reduced the processing time of an invoice and greatly reduced the number of errors in the payables process.

The implementation period of this software was approximately 90 days. During this time, the staff at Metro Express worked diligently, communicating the new A/P procedures to their carriers and drivers. They also assisted the carriers with registration and instructed them on the method of accepting invoices and attaching proof of delivery documents. At the end of the period, Metro's management decided that the company would no longer accept invoices by mail or prepare and send paper checks. From that date forward, Metro's office was no longer cluttered with paper invoices and proof of delivery documents. It soon became apparent that the volume of mail being sent to and from the office was greatly reduced.

In fact, within a few weeks after the implementation of Epay, the mail associated with freight payables was nearly eliminated. The only documents that continued to arrive were those pertaining to exceptions in the system. The reduction in mail alone eliminated at least 10 hours of the A/P clerk's time each week. This time was normally spent opening mail, sorting, copying and filing documents and keying in relevant information into the accounting system.



Metro also discovered that collecting invoices and proof of delivery documents, from its carriers, was much easier with Epay. Instead of the carrier's A/R staff tracking down their drivers to retrieve paperwork to invoice Metro, the drivers were encouraged to fax the delivery documents to a toll free number provided by Epay. The receipt of these documents reduced the billing cycle to Metro's customers by 3 to 5 days; the time these documents would normally spend in the US mail. This reduction in the billing cycle accelerated payment to the carrier and allowed Metro to invoice their customer at an earlier date.

In addition, Metro discovered other savings, namely the time it took to file and retrieve documents. With Epay, all documents from carriers and drivers are stored electronically and are automatically time and date stamped. With the new Epay imaging and storage system, Metro gained quick access to its delivery documents. This was especially important when customers request these documents and expect an immediate response. The net savings for Metro's A/P clerk, by eliminating these duties, was approximately 5 hours per week.

The installation of the Epay system also eliminated the time the A/P clerk spent checking each invoice for accuracy and comparing it to the company's record of the transaction. Because Metro integrated its management system with Epay, the data required to create an invoice is automatically exported to Epay. As a result, Metro no longer experiences incorrect billings or conflicts with the carrier's records and is not required to perform additional audits. The elimination of these duties saved Metro's A/P clerk approximately 15 hours per week.

The printing, signing and mailing of checks is a time-consuming aspect of processing transportation payables. At Metro Express, this entire process is now automated, because payments are made electronically through the ACH network. Epay schedules and pays all of Metro's carriers, based on the terms of the invoice, including those carriers who have selected early payment dates in exchange for discounts. The net savings for Metro's A/P clerk was approximately 8 hours per week, when these activities were eliminated.

As Metro's electronic processing became more efficient, management recognized that the majority of the work performed by the A/P clerk was now automated. The remaining work was limited to verifying proof of delivery documents and reconciling the invoice. Soon thereafter, it was decided that members of the dispatch team could perform these duties.

As a result of this final shift in responsibilities, the A/P position was eliminated and the employee was reassigned to a customer service position that became available. This reduction in A/P overhead saved Metro Express in excess of \$35,000 per year.

In addition to the processing savings described above, Metro Express has saved additional money, by taking advantage of Epay's payment term grid, allowing Metro to offer early payment options to its carriers and direct deposit to its drivers.

Conclusion

During the first 90-days of the implementation of this new payment program, Metro experienced more than 40% of its carriers selecting faster payment terms. By offering direct deposit to its drivers, Metro Express found the fleet availability increased by 15%. In addition to these benefits, Metro found that its average cost to process and pay a transaction was reduced by twelve dollars.

