

- 1** LOWERING A BROKER'S  
HARD COSTS
- 2** LOWERING A BROKER'S  
PROCESSING COSTS
- 3** LOWERING A BROKER'S  
DIRECT CARRIER COSTS

# THE EVOLUTION OF EPAY MANAGER

THE FIRST WEB-BASED PLATFORM DESIGNED TO  
MODERNIZE BROKER BACK-OFFICE OPERATIONS

# HOW DO YOU MODERNIZE A BACK OFFICE?

## AHEAD OF THE CURVE

In 2003, an “outside of the box” strategy was used to develop Epay Manager, as the transportation industry’s first fully electronic invoicing and payment system. The system was designed to reduce the time and cost a broker spends auditing and paying freight invoices. Following Epay’s release, early adopters requested additional functionality.

Epay Manager responded to these requests by adding two new modules.

- The first was a fully integrated document imaging system, which gave brokers the ability to classify and store individual pages of documents submitted by carriers. Following the module’s release, Epay added OCR technology to further assist brokers by automatically identifying various document types.
- The second module automated the creation and delivery of invoices to a broker’s customers. This module enabled brokers to adjust customer billing amounts when unexpected charges arose. After its introduction, Epay expanded the module’s functionality by giving brokers the flexibility they needed to create and send customer invoices in multiple file formats. Invoices could be generated at any stage of the carrier’s invoice process and sent using a variety of delivery methods.

When these modules were complete, Epay grew from a carrier payable system, into a complete back-office solution, capable of changing a broker’s back-office from a cost center, into a profit center.

## EPAY’S FLEXIBLE DESIGN MAKES AUTOMATION AND REAL SAVINGS POSSIBLE

Epay was designed to automate the audit, approval and payment activities of brokers. The initial goal was to give brokers the tools they needed to pay their carriers more efficiently and in a timely manner. To meet these objectives, Epay’s development team decided to give brokers three databases to store their business rules.

As it turned out, smaller brokers limited their use of the databases, by adopting a “one-size-fits-all policy”. These brokers based their approval and payment decisions on their standard business rules, which they stored in their primary or “Member” database. Alternatively, larger brokers used all three databases to record their rules. This included using the two secondary databases built into the system to store the rules needed to manage transactions. These were subject to alternative rules, which were contained in special contractual agreements between the broker and one or more of its customers and carriers.

Once the databases are populated, the system uses artificial intelligence to ensure that each applicable rule is followed, and the workflow they create is automated to the greatest possible extent.

Over time, the automation achieved by these workflows proved that Epay could save brokers both time and money. However, in spite of these achievements, a new industry trend threatened to eliminate some of the efficiencies these workflows achieved. A new trend emerged: customers and carriers began demanding new data transfer methods different from those preferred by brokers.

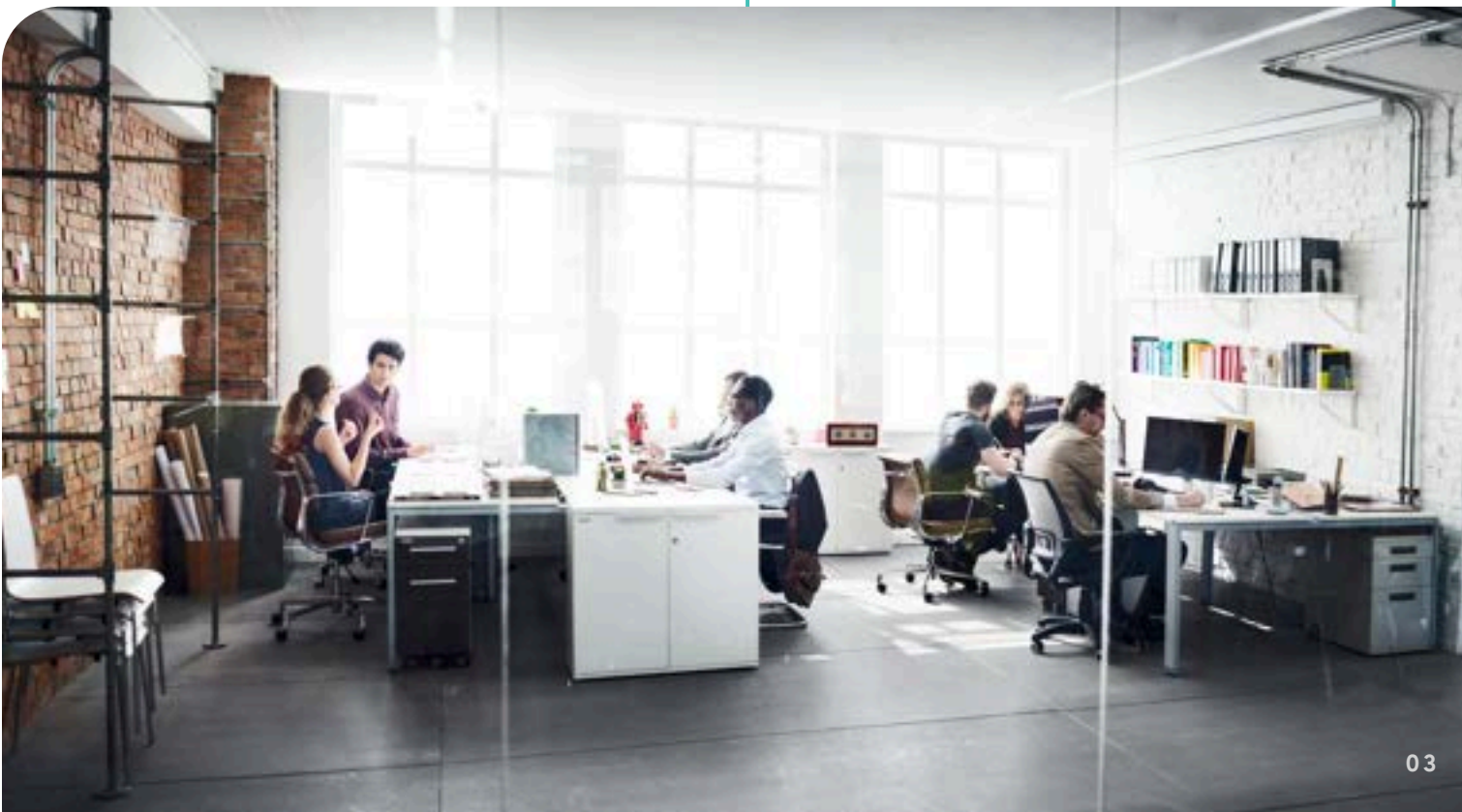
Epay Manager responded to this change by adding multiple new data transfer methods, in the form of custom APIs. All of which became available to existing Epay brokers who were faced with similar requests.

Today, each of these solutions is stored in Epay Manager's library of custom code, and is available free of charge, to all current Epay brokers, whenever similar requests are made of them.

### TURNING THE BACK-OFFICE INTO A PROFIT CENTER?



One of Epay Manager's primary objectives in developing the system was to reduce the time and cost of exchanging invoices and payments with carriers, which were previously made through the email. To achieve the intended efficiencies and cost reductions, Epay was designed to replace all carrier billing and broker activities with their web-based equivalents.





# THE BACK-OFFICE PROFIT CENTER PLAYBOOK

Epay Manager was able to lower 3 categories of cost, that over time have proven their ability to increase a broker's bottom line.



## 1 LOWER HARD COSTS

Hard costs savings are typically overlooked because they're a collection of smaller costs that most brokers consider to be irrelevant. Many brokers assume that using a dedicated invoice email inbox is a low-cost solution for invoicing and payments, but hidden inefficiencies add up quickly.

There are some costs related to managing an email inbox that can be quantified - such as the cost of an inbox scanner that helps your team to weed out bad actors. But there are also hidden costs - such as the time wasted by team members who are trying to verify documents for accuracy, resolve disputes, and properly apply payments in a disjointed communication flow.

With Epay, brokers avoid the inbox chaos and eliminate the need to manually review documents, which drastically reduces the operational friction that many brokers experience. **Brokers who use Epay are able to retain all of the system's remaining benefits, without having to incur any new or additional cost.**



## 2 LOWER PROCESSING COSTS

Epay was designed to remove a high percentage of the audit and payment activity performed by the broker's staff. Epay Manager's success in removing a large percentage of this activity, can be demonstrated by the fact that a typical **Epay user can process up to 5 times the number of transactions**, compared to their performance using traditional methods.

For most brokers, this means that **Epay will reduce or eliminate up to 75% of the time and cost they're currently spending** to process and pay their carriers' invoices.

Even more impressive is the fact that brokers using Epay's Document Management and A/R modules, **can reduce, or eliminate up to 99% of the time and cost they're currently spending** creating and sending invoices to their customers.





### 3 LOWER DIRECT CARRIER COSTS

Epay brokers are also able to reduce their direct carrier spend by using Epay's unique early payment module to offer early payment options to their carriers.

In most cases, Epay brokers offer multiple early payment options in exchange for discounts, often modeled after the widely accepted 2/10 Net 30 standard. As part of Epay's "carrier friendly" design, carriers are allowed to select any one of these options, on an invoice-by-invoice basis.

Experience has shown that brokers who offer discounts to their entire carrier base, can reduce their direct carrier spend, by up to 1%.

## EPAY MANAGER GREW FROM A CARRIER PAYABLE SYSTEM, INTO A COMPLETE BACK-OFFICE SOLUTION

### LOWER COSTS LEAD TO HIGHER PROFITS AND GREATER ENTERPRISE VALUES

When all the savings are combined, brokers who process both carrier payments and customer bills in Epay, can expect to lower their average costs by \$10 to \$20 per transaction processed.

To demonstrate the impact of saving \$20 per transaction, a broker who processes 300 transactions per week will be able to increase its annual bottom line by \$312,000. At a typical sales multiple of six, these savings will add \$1.87 Million to the company's value.

### EPAY'S CARRIER FRIENDLY DESIGN LEADS TO GREATER CARRIER LOYALTY AND SATISFACTION

Although Epay's ability to reduce cost is an important reason to become an Epay broker, the system offers brokers other benefits, some of which can lead to a more bonded relationship between a broker and their carriers.

- One of these benefits is Epay's automated payment processes, which gives carriers payment date certainty on all invoices that are processed through the system.
- Another benefit is created by Epay's dual view interface, that gives carriers complete access to information regarding their invoices throughout the broker's audit and payment process. This access eliminates the need for carriers to call brokers seeking information regarding the payment status of their invoices.

Experience has shown that these features contribute to the belief that Epay brokers are more "carrier friendly" than their counterparts. Because of this, Epay brokers find it easier to retain and attract carriers, especially during periods when an imbalance of carriers makes it difficult to cover loads.

# FOUR REASONS EPAY IS BETTER THAN ITS COMPETITION

1

## **Epay's Electronic Processes Eliminate the Expensive and Time-Consuming Practice of Exchanging Invoices and Coordinating Payment Through an Email Inbox**

Epay is an electronic self-invoicing application, which uses the web to “proactively” create and exchange highly accurate invoices, documents and payments between brokers and their carriers. To extend these efficiencies across the broker’s entire back-office, functionality was later added so that the system could automatically create and send invoices to a broker’s customers with attached documentation.

2

## **Epay's Use of Self-Invoicing Principles Virtually Eliminates the Need for Brokers to Conduct Financial Analysis**

Compared to traditional systems where brokers must audit 100% of their carriers’ invoices, Epay brokers are only required to perform financial audits on disputed invoices. In many cases disputed invoices are 1% or less of the invoices brokers process in the system.

3

## **Epay Imports Rate Agreement Data from the Broker's Management System to Create Highly Accurate Invoices that are Rarely Disputed**

Epay begins the invoicing process with an import of highly accurate transaction data from the broker’s management system. Once received, the system repurposes this data to “proactively” create and send carrier invoices, which due to their accuracy are rarely disputed and are virtually audit proof.

4

## **Epay Achieves Automation By Using Artificial Intelligence to Apply a Broker's Business Rules Stored in the System**

Epay’s unique back-end design permits brokers to store their business rules in up to three profiles. The system then uses built-in artificial intelligence to apply these rules to automate all of the broker’s back-office audit, payment, and customer invoicing processes.

# EPAY MANAGER & OTR SOLUTIONS

In 2024, Epay Manager was acquired by OTR Solutions, a leading freight factoring and trucking technology service provider.

This acquisition combines Epay's revolutionary approach to carrier relationship, invoice, and payments management with OTR's robust working capital solutions.

In 2024, Epay announced the introduction of the AI-driven document insights engine which was trained on real factored invoices from OTR. This best-in-class document audit functionality is the latest example of our continued commitment to providing the best back-office automation for freight brokers.



## JOIN EPAY AND BUILD YOUR REPUTATION AS A TRUSTED AND RELIABLE BROKER

Experience has shown that brokers who use Epay, are **viewed by their carriers as being not only “carrier friendly”, but they’re also considered to be among the most Trusted and Reliable brokers in the industry.**

If your company wants to lower costs while strengthening its reputation with carriers, then we ask that you **call and schedule a demo** of the transportation industry's most comprehensive back-office solution.



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