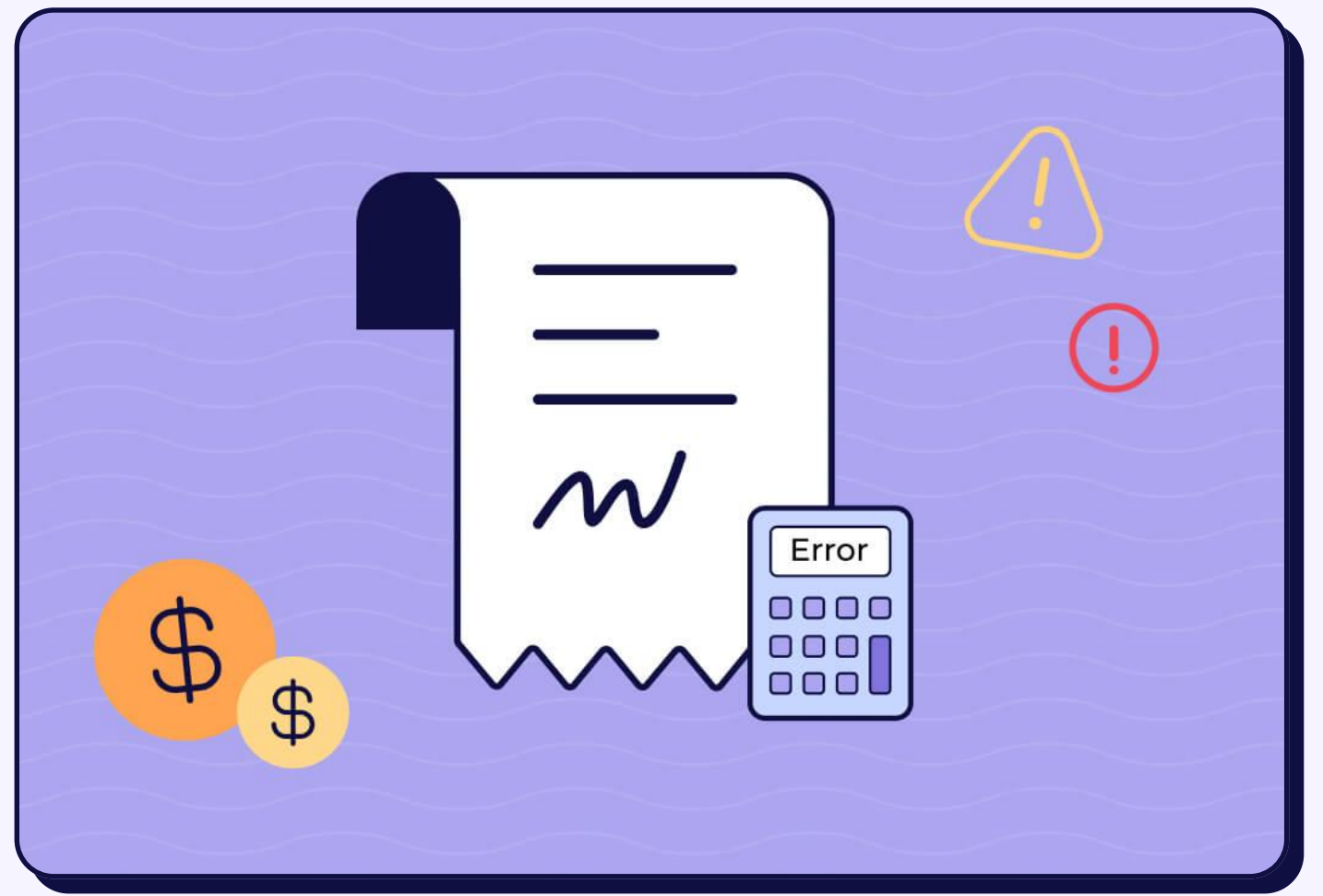


How to Find & Fix Common 3PL Billing Errors



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In our recent whitepaper [“Are 3PL Billing Errors Chipping Away At Your Profits?”](#), we discuss the main causes behind costly 3PL billing errors, like special requests or requirements, a lack of sophisticated billing software, and existing mistakes that compound over time. These billing errors are not the result of malicious behavior, but rather an output of a complicated system that processes hundreds to hundreds of thousands of orders on a regular basis.

So how can businesses spot these errors in 3PL invoices and correct them?

Without the right monitoring systems in place, billing errors are virtually impossible to spot. Due to the inherent complexity of fulfillment and warehouse operations, 3PLs struggle to accurately calculate and invoice for their services. Therefore, businesses must hold their 3PLs accountable for the contracted rates and service level agreements (SLAs).

In this whitepaper, we’ll introduce the most common billing errors costing your business, and then discuss how to systematically identify and remedy any discrepancies.

The Most Common Billing Errors (And Why They Happen)

Throughout the picking, packing, shipping, and invoicing processes, billing mistakes can manifest themselves in a variety of ways. Knowing the most common errors and why they occur is the first step to saving your business money while improving the relationship with your 3PL partner.

1. Fulfillment Errors

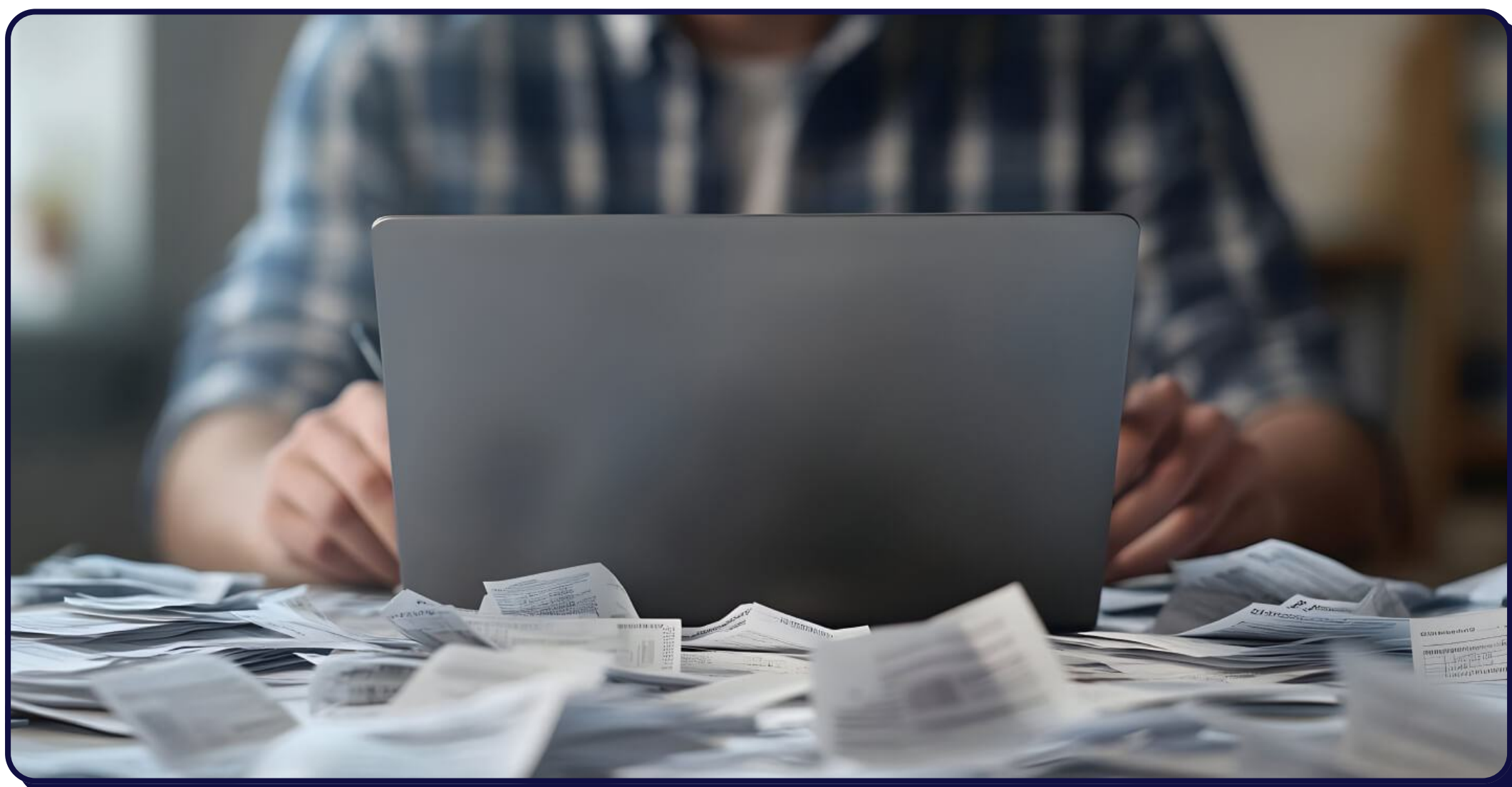
In a warehouse, things move fast. Many 3PLs focus exclusively on getting orders out of the door, so invoicing becomes a secondary priority. Some common fulfillment-related billing errors are:

Incorrect rates - When billing is a manual process, human errors often lead to costly mistakes. For example, 3PLs may use the wrong rate card, whether an outdated rate card that does not reflect any negotiated changes or an incorrect rate card entirely. They may also bill for the wrong service, or reference bad data that's been inaccurately compiled from disparate sources across the supply chain. For 3PLs that use automated billing software, bad data that doesn't accurately reflect actual warehouse activity may also lead to invoicing errors.

Duplicate charges - 3PLs may bill for the same order multiple times, whether due to automated system issues or human error during billing.

Missing bulk discounts - In some instances, 3PLs may accidentally charge by the unit rather than by the case, rendering any bulk discounts ineligible. There are other reasons for losing bulk discounts, so businesses must remain vigilant to detect any negotiated discounts.

Unnecessary split ships - Inventory inaccuracies and other system issues cause 3PLs to split orders into separate packages, resulting in unnecessarily increased fees.



2. Freight & Transportation Errors

To keep costs low, 3PLs are responsible for selecting the most optimal routes and carriers and billing accurately for the chosen options. Sometimes, mistakes are made. Here are errors that occur when selecting freight & transportation options:

Incorrect rates - Similar to fulfillment, a 3PL may use the wrong rate card when calculating freight and transportation fees. Also, bad data from unintegrated systems (i.e., systems that don't update in real-time) can lead to mistakes in the billing process.

Wrong zones used - Using incorrect origination or destination information leads to incorrect carrier pricing, without a way to validate zone accuracy.

Incorrect weight reported - 3PLs may rely on manual weighing processes that leave room for human error, or weigh it once when the SKU first arrives. Improperly weighing a package can result in higher freight charges and delayed deliveries.

Suboptimal package routing - Many 3PLs are entrusted to select the right shipping option, which is typically based on the least cost for a given delivery time. Due to malfunctioning systems, bad data, or procedural challenges, 3PLs may not choose the least-cost carrier to ship packages, resulting in higher fees or upset customers.

Accessorial billing - Specific surcharges like fuel and residential delivery may be improperly calculated, resulting in excessive accessorial billing.

3. SLA Non-Compliance

SLAs meticulously detail what both parties are accountable for throughout the 3PL partnership, and non-compliance to these contractual agreements may lead to additional costs that remain hidden from your business. Here’s an example.

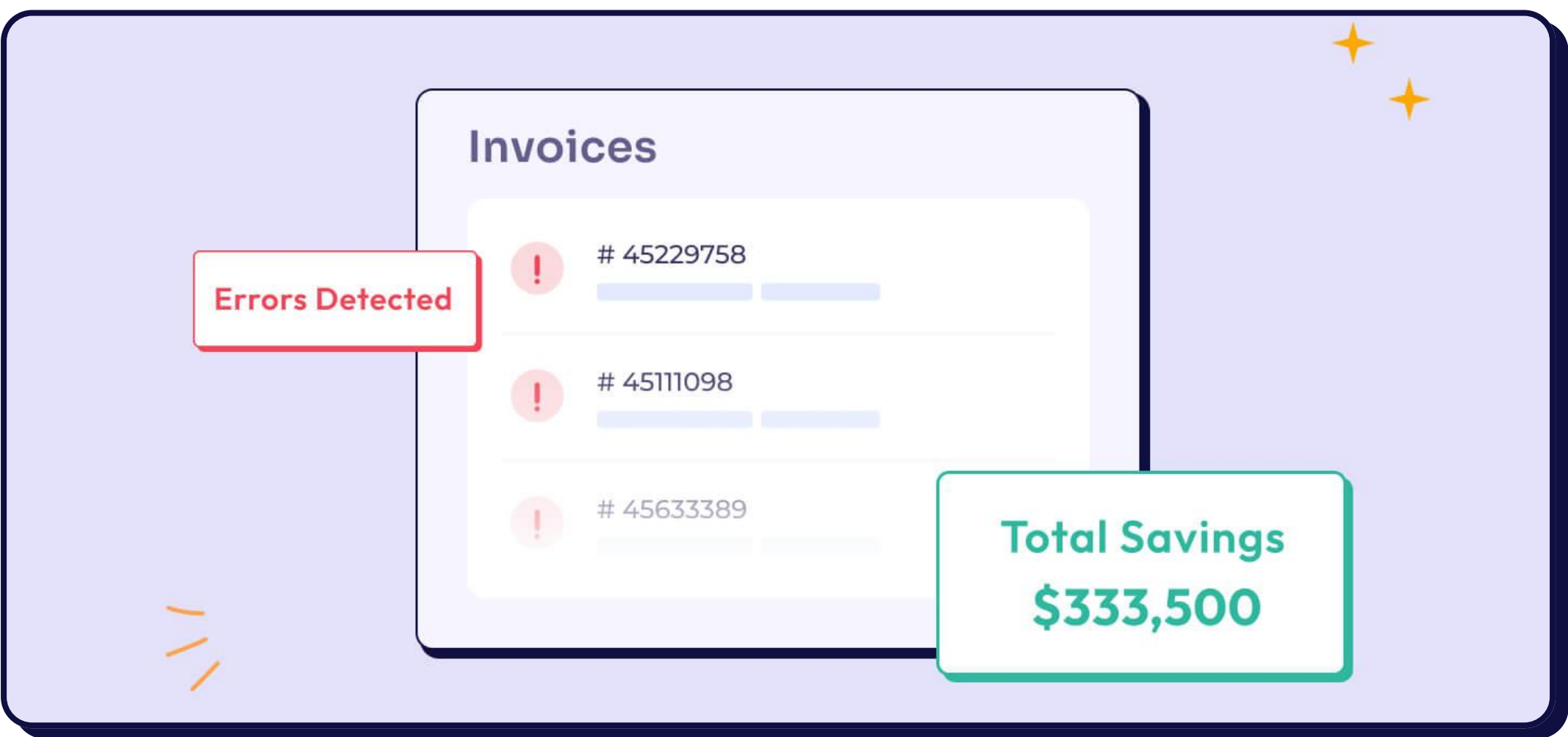
One of Implentio's customers previously worked with a 3PL that routinely missed its SLA on Friday orders. After taking a deeper look into their operations, they found the 3PL wasn't staffed appropriately for processing Friday orders, causing a backlog on Monday and additional billing mistakes to appear. While you can remedy many SLA issues (like not fulfilling Friday orders first) after a brief conversation with your 3PL, you’ll need data to both identify the problem and back up your claims.

Identifying billing discrepancies can be challenging without carefully reviewing and reconciling your 3PL invoices. Manual invoice reconciliation costs valuable time and energy, and reviewing invoices line-by-line isn’t feasible for growing businesses with limited resources. By cross-referencing data from 3PL systems with your organizational data, software solutions can offer quick relief to 3PL billing errors. Here’s how.

How Software Assists with Billing Error Resolution

Preventing 3PL billing errors from costing your business requires visibility into your 3PL’s operations as well as access to your own organizational data. By consolidating your ops data into a single source of truth, reconciling 3PL invoices at the order or item level, and receiving real-time time-in-transit (TNT) analytics and logistics monitoring, your company can reduce the impact 3PL errors have on your bottom line.

Here’s how software can transform time-consuming manual reviews into a streamlined and scalable process.



Boost visibility into your 3PL's operations

Using an AI-powered 3PL monitoring platform, companies get a deeper insight into 3PL providers' operations, SLA compliance, and billing structure. Dashboards provide high-level views into significant data points like:

- Your entire warehouse network activity and costs
- Central source for 3PL invoices and billing data
- Insight and transparency into 3PL errors
- Credits, errors, and time-in-transit data
- Aggregate savings opportunities

Identify more credit and discount opportunities

To streamline the reconciliation process, AI-powered solutions are able to automatically identify 3PL billing errors and credit or discount opportunities using various data points across your supply chain. Software solutions can identify billing errors and request a credit in minutes, ensuring you pay only for what you've agreed to and not a cent more.

Eliminate human error from the equation

With manual invoicing and reconciliation, achieving total control over 3PL errors is virtually impossible. That's why Top e-commerce companies like [True Classic](#), [Nectar](#), and [Supergut](#) use AI-powered 3PL monitoring platforms to eliminate human error when reviewing 3PL performance and billing.

Choose Implentio to Find & Fix Your Billing Errors Automatically

As a pioneer in AI-powered reconciliations, Implentio helps you regain control over your company's 3PL costs so you can scale operations profitably. Here's how:

- **Streamlines 3PL invoicing and reconciliation.** Implentio consolidates all your 3PL invoices from the past year and summarizes your fees incurred. After cross-checking costs garnered from pick & pack and freight with your rate cards, you get a curated list of errors eligible for a credit or discount. You don't have to lift a finger.
- **Automates credit and discount requests.** Once you have that list of eligible credit opportunities, Implentio makes it easy to request credits from your 3PL. The platform automatically tees up an email (with all the data needed to complete the request attached as a CSV). All you need to do is hit send. Once your request is in, monitor its status using our Credit Tracker.

- **Resolves errors quickly.** With Implentio, you can proactively remedy errors and hold your providers accountable thanks to real-time fulfillment and delivery monitoring — complete with time-in-transit (TNT) analytics — all with minimal lift from your internal team.



With Implentio, we now have full data transparency into thousands of our 3PL's charges, and we're saving hundreds of hours a month on resources we used to dedicate to reviewing everything manually. — Matt Kawadler, COO at True Classic

Strengthen your 3PL partnerships with Implentio

See why leading e-commerce companies trust Implentio to unlock visibility into 3PL operations, streamline reconciliations, and improve logistics performance.



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