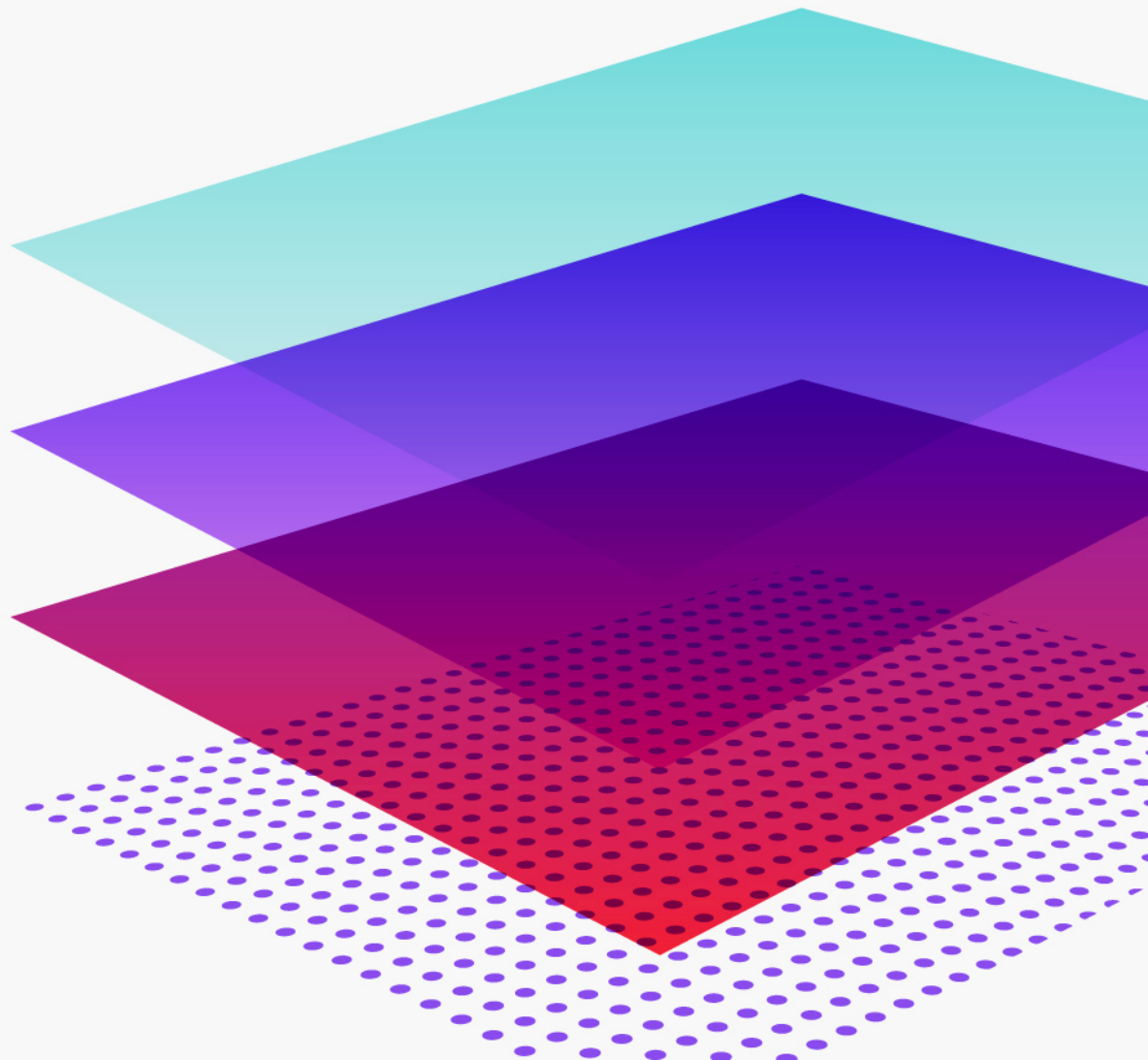


Digital Document Processing Crucial in Tech Revolution

IN PARTNERSHIP WITH  × **ABBYY**



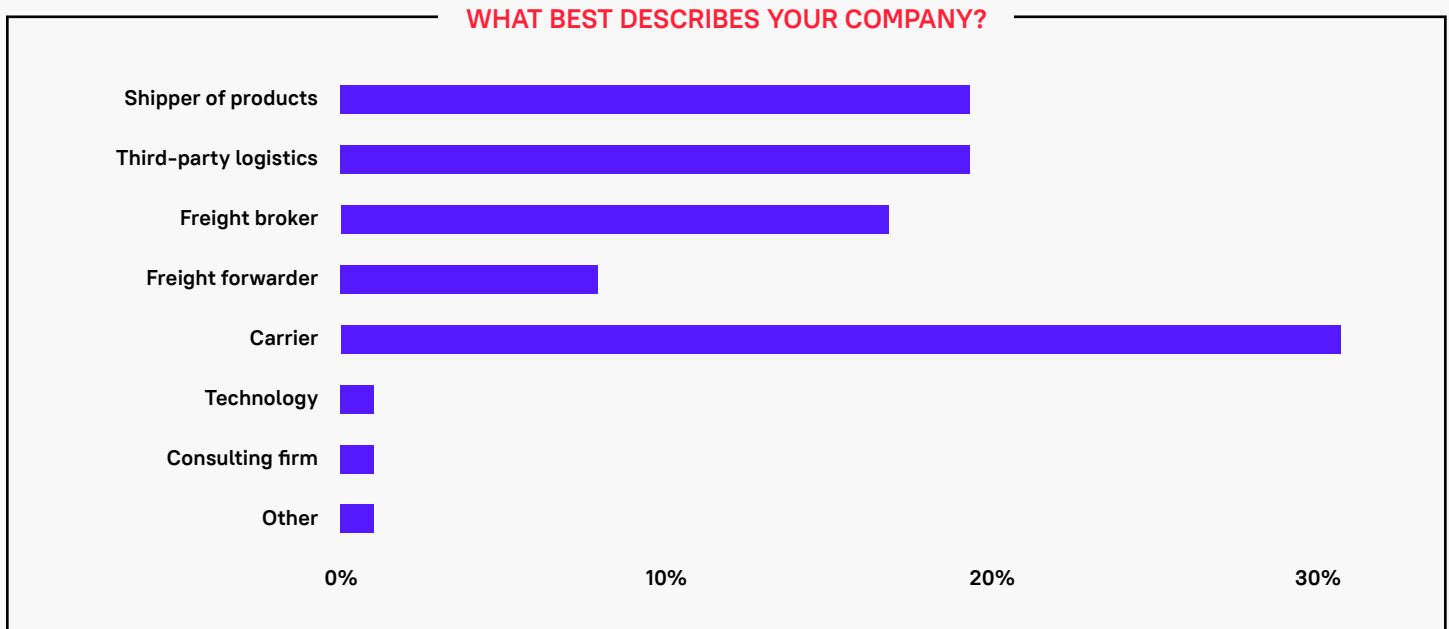
Overview

The logistics industry is in the middle of a veritable technological revolution. The industry was once seen as a haven for Luddites, characterized by its general aversion to change. While the largest operations have been taking advantage of emerging technologies for decades, much of the industry did not begin to embrace technology until the ELD mandate took effect in 2018. Now, with COVID-induced supply chain shortages, the industry has accelerated its adoption of automation technologies. The industry has been moving toward a high-tech, interconnected future at full speed ever since.

This newfound appreciation for technology has colored every aspect of the logistics space, from tracking and quality control to quoting and booking loads. It has also affected the way

companies across the industry handle and process documents. Manual document handling is a huge time suck, and managing paperwork has long been considered one of the most expensive and least exciting parts of most jobs. By automating this type of rote work, companies can eliminate costly human errors from their document handling processes and free up their employees for more high-value tasks.

FreightWaves teamed up with [ABBYY, a Digital Intelligence company](#) to survey companies across the industry about their current and future approaches to document processing. Respondents were also asked about how the coronavirus pandemic impacted the way they do business, including how they handle documents.



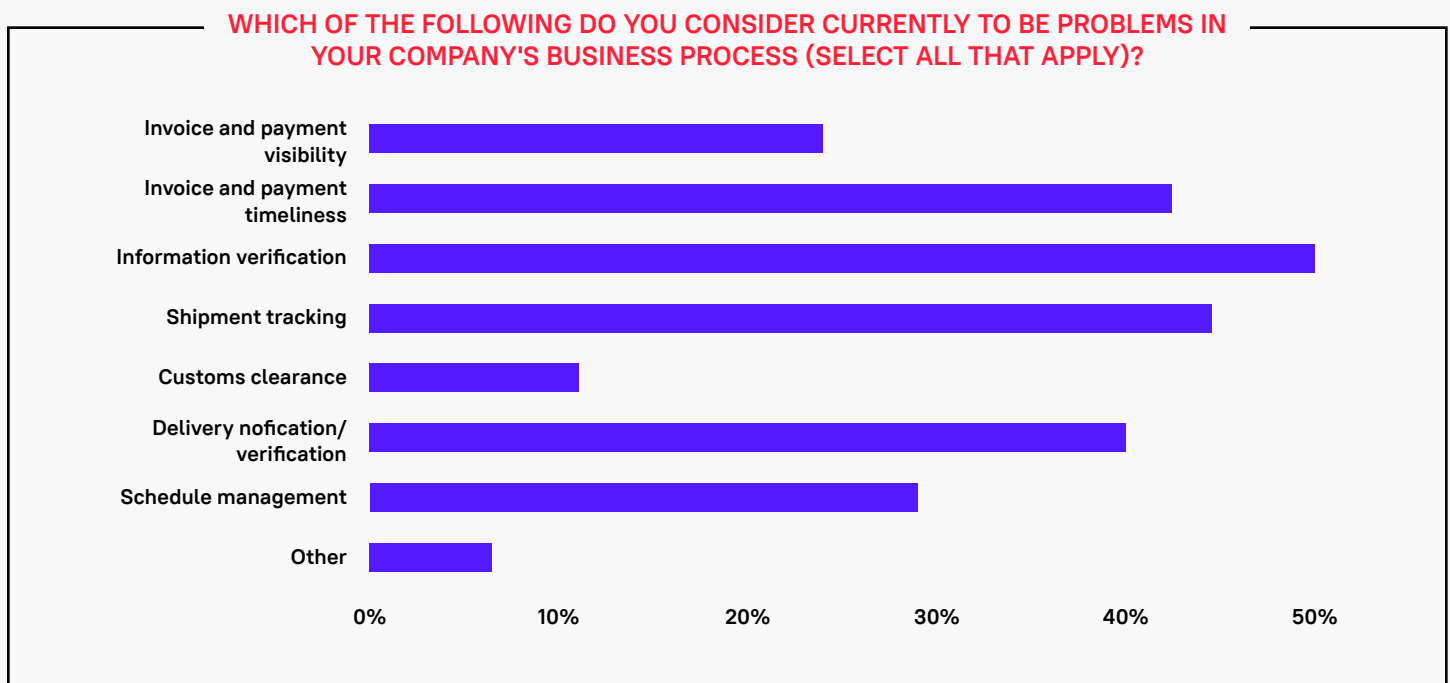
Survey respondents came from nearly every corner of the logistics industry. A plurality of respondents – about 30% – identified as carriers. Shippers accounted for almost 20% of respondents, and so did 3PLs. Over 15% identified as freight brokers and almost 10% identified as freight forwarders and less. Technology providers and consulting firms each made up less than 5% of the respondents.

The large variety of survey respondents helps provide a comprehensive overview, ensuring that voices are heard from as many corners of the industry as possible.

Confronting Inefficiencies in Light of COVID

The entire logistics industry has confronted extreme and unusual headwinds over the past two years. The onset of the coronavirus pandemic led to stop-and-go production, unstable demand and rollercoaster rates in 2020. Once lockdowns eased across the country, 2021 brought a serious surge in consumer spending, historically high rates and severely strained capacity. Short-term headwinds like the Suez Canal blockage also rocked the supply chain this year. Shippers have been grappling with unsustainable rates and shipping delays while carriers reel from equipment shortages and the ongoing driver squeeze.

As companies have tackled these challenges, many of them have identified weaknesses in their business processes that rely on documents. With disruption so widespread, it has exposed the logistics industry's vulnerabilities – especially with its reliance on manual, paper-based processes or hard-coded automation that breaks when grappling with so many exceptions.

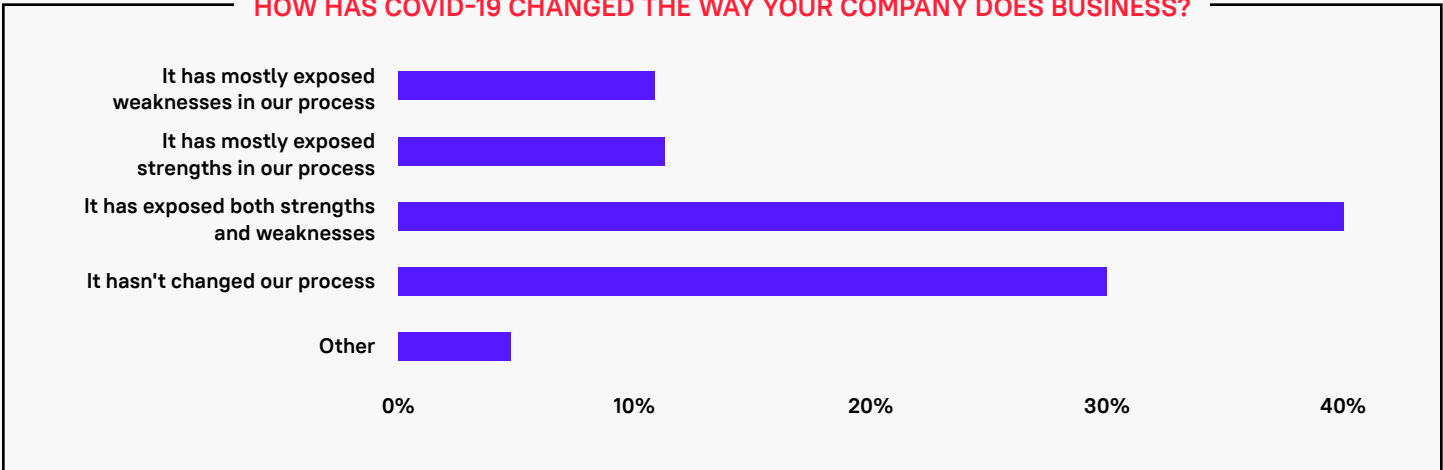


About 50% of survey respondents identified information verification, most often from documents, as a problem within their company, and over 45% reported problems with shipment tracking. Over 40% of surveyed professionals also noted problems with both invoice and payment timeliness and delivery notifications.

Overall, people are aware of a wide variety of inefficiencies plaguing their companies and slowing them down. Many of these

issues seem to revolve around document-intensive processes, which tend to rely on human intervention and decision-making more than any other part of logistics operations. When supply chain disruptions do occur, they directly expose operational reliance on documents and the rigid nature of manual processing or legacy OCR-based automation. Document processing often is the least adaptive part of logistics operations at a time when agility is the difference between survival and failure.

HOW HAS COVID-19 CHANGED THE WAY YOUR COMPANY DOES BUSINESS?



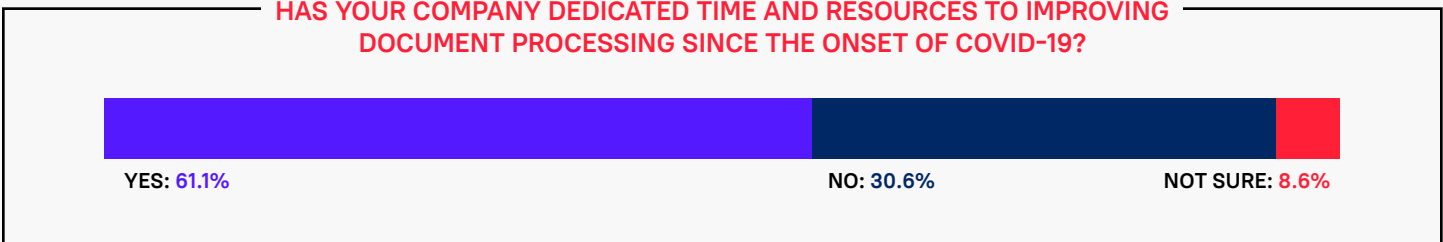
The coronavirus pandemic brought unprecedented levels of stress to the market, impacting every corner of the logistics industry. Naturally, these impacts prompted companies to evaluate their own businesses and make necessary changes to keep up in a volatile environment.

For many, these evaluations were a bit of a mixed bag. About 40% of respondents said the pandemic exposed both strengths and weaknesses within their operations. Slightly over 10% said

COVID-19 mostly exposed weaknesses within their processes, while about 15% said the pandemic mostly exposed their strengths.

Somewhat surprisingly, a significant minority of respondents – almost 30% – said COVID-19 hasn't changed their processes at all. Still, the large majority of surveyed professionals reported changes in relation to the pandemic.

HAS YOUR COMPANY DEDICATED TIME AND RESOURCES TO IMPROVING DOCUMENT PROCESSING SINCE THE ONSET OF COVID-19?



Documentation, specifically, garnered a lot of attention in light of the coronavirus pandemic. Over 60% of respondents said their company has dedicated time and resources to improving document processing since the onset of COVID-19.

The reason documentation has become a priority is multifaceted. Once operations became strained, many companies could no longer afford to sacrifice the time and money involved in keeping up with paper documentation. Moving to a more sophisticated

document processing system is a quick and relatively simple way for companies to free up a significant amount of employee time while bolstering their bottom lines.

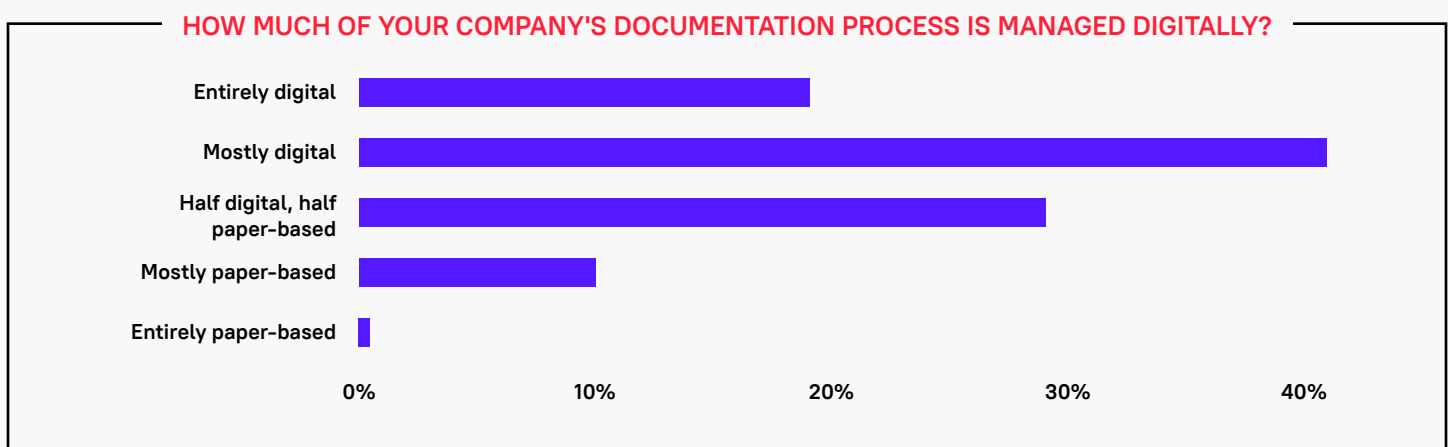
Additionally, touch-free document transfers became a requirement during the pandemic as companies tried to eliminate unnecessary interactions between people in an effort to slow the spread of the coronavirus.

State of Document Processing

With so many companies working to make their documentation processing solutions more efficient, it is unsurprising that the majority of companies have converted at least half of their documentation process to digital.

Paper-based processes are falling by the wayside for just about every task in every industry. This is largely because digital

solutions, which have become widely available and available in low-code/no-code platforms in recent years, are simply more efficient. Digital solutions are generally easier to deploy, less expensive to execute, less prone to the consequences of human error and less likely to be lost or damaged.



The majority of survey respondents – about 60% – reported that their company’s documentation process is either entirely digital (~20%) or mostly digital (~40%). These results make it clear that companies across the logistics industry are waking up to the value of digital document processing. This number is expected to continue to grow in the near-term future as digital tools become more and more prominent throughout the industry.

Despite the high number of companies that have adopted digital or mostly digital document processing solutions, a large number of companies continue to rely on paper-based document processing at least half the time. Over 25% of respondents said their company is currently using a process that is about half digital, half paper-based. Almost 10% said they still mostly rely on paper, and under 5% report running an entirely paper-based operation.

With about 40% of respondents still using paper-based processes at least half the time, it is clear that a significant portion of the industry is not yet taking full advantage of the digital document processing options available to them. Given that digitizing processes is generally seen as a requirement, perhaps the biggest impediment to getting fully digital is the high cost and complexity of automation technologies. As we will suggest later, newer low-code/no-code approaches can remove a significant amount of cost, complexity and risk from digital automation – especially for smaller- to mid-market companies with limited IT resources.

Stepping into the Digital World

It is obvious the companies across all sectors are taking their documents digital. The majority of surveyed companies already manage over half their document processing digitally. Of the 40% of companies that continue to rely on paper-based processes at least half the time, most of them are expected to continue embracing digital documentation at higher levels over the short-term, meaning numbers will quickly skew more heavily in favor of digital processes as time goes on.

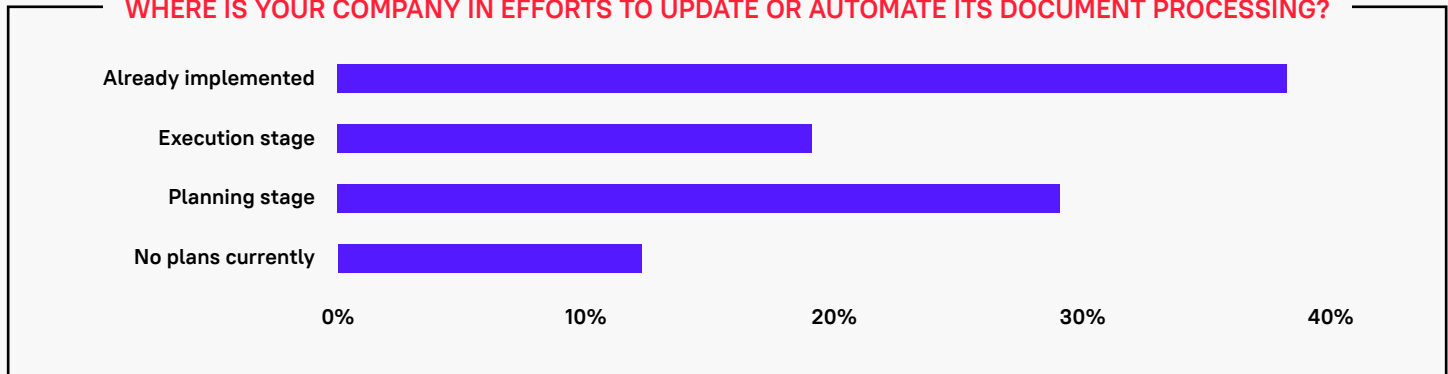
What does 'going digital' actually mean for transportation & logistics, and what digital approaches actually can change the outcomes? Changing from paper to electronic documents offers incremental efficiency gains, but these approaches often do not change the operation of document processing. Intelligent document processing (IDP) approaches re-think document processing from the ground up, applying modern AI-based capabilities with adaptive learning that provide both higher levels of automation and adaptability for the disruptions that shippers have grown to expect.

Once companies embrace IDP over manual paper documents – especially newer low-code/no-code approaches, document

processing automation becomes a realistic and achievable next step. Solutions that allow companies to automate their entire documentation workflow – like [ABBYY Vantage](#) – can remove nearly all the friction from document-intensive processes and result in unparalleled savings.

[ABBYY Vantage](#) is a low-code/no-code solution that automatically captures, classifies and verifies critical data from both structured and unstructured documents. That data is then sent to the right process, workflow and decision engine without the need for human intervention. In the rare case that something does go wrong and human intervention is needed at any point in the process, alerts are immediately sent out to the correct people, and the Vantage solution immediately learns from these actions to adapt it automatically to future variability. Being a low-code/no-code solution has immediate advantages because its 'document skills' can be plugged into existing processes and systems to learn any logistics-related documents without having to lay down additional application infrastructure or integration. This unique approach speeds time to value from months to minutes in many cases.

WHERE IS YOUR COMPANY IN EFFORTS TO UPDATE OR AUTOMATE ITS DOCUMENT PROCESSING?



The majority of surveyed professionals said their companies are somewhere in the process of automating their document processing. Over 35% of respondents said they have already implemented some kind of automation, while almost 20% reported being in the execution stage. Companies that fall into these two categories currently have a leg up over their competitors; they are able to take the revenue freed up by lower cost document processing and invest it in other high stakes areas of their companies, an important ability in a strained market.

Almost 30% of respondents reported being in the planning stage of adopting digital document processing. Almost 15% said they currently have no plans to automate their document processing efforts.

The data indicates that companies across the industry continue to be interested in adopting these solutions, and a significant portion of interested parties have not yet entered the execution phase. These companies represent customers that documentation processing providers should still be working to win over.

DO YOU BELIEVE YOUR COMPANY WILL LOOK TO UPDATE ITS DOCUMENT PROCESSING IN THE NEXT THREE YEARS?

YES

NO

NOT SURE

Despite the fact that a majority of companies are already utilizing digital document processing solutions, about 75% of survey respondents said they believe their company will update its document processing over the next three years. This indicates that most companies – including those who have already implemented solutions – are still working on redefining their document-handling strategies and are still effectively on the market looking for the most efficient and cutting-edge solutions

available that are platform agnostic and can be easily integrated within existing applications at much lower cost and complexity than traditional technologies.

Document processing solution providers should expect to see continued interest in and investment into their products over the next few years. With interest this high, companies cannot afford to stop innovating or become lax with their marketing strategies.

Conclusion

Realizing that document processing has become the weak link in their operations, it is clear that companies across the industry are making strides to automate their document processing efforts. Still, a large number of companies continue to rely on paper documents at least half of the time. Of those companies, a significant minority still use either mostly paper or entirely paper document processing systems. These results make it clear that there is room for further innovation within the document processing space.

Companies that continue to use paper documents are likely losing a significant amount of potential revenue to these operations. These companies also run the risk of falling behind their more technologically savvy peers as the logistics industry – and the world at large – continues to move deeper into the digital sphere. These companies should reevaluate their processes now and consider moving to an all-digital solution sooner rather than later.

"The supply chain industry is facing an enormous amount of pressure today to do more with fewer skilled resources. To remain competitive, shippers need to identify and remove any friction from their document-driven processes.

The most effective way they can streamline document processing is through a new class of no-code intelligent document processing (IDP) tools that will instantly retrieve and verify all the information needed from any documents along a shipping itinerary. Being able to have access to and understand critical data is the ultimate key to operational intelligence success."

Reginald J. Twigg, Ph.D., Director of Supply Chain, Transportation & Logistics Solutions, ABBYY

Document processing solutions providers have the opportunity to win this subset of companies by making their solutions as accessible, intuitive and hassle-free as possible while proving

their effectiveness over traditional paper documents. In order to convert holdouts, providers must provide a clear value proposition that is significantly greater than the status quo.