



Issue Date: June 2013 e-news, Posted On: 6/4/2013

## Cost-Savings Corner: Four Benefits of Using P-Cards

By Mikael Trapper, Managing Partner, BridgeNet Solutions, Inc.

A purchasing card (p-card), whether it's a physical credit card or a ghost/electronic card, can be a very advantageous payment option for shippers looking to reduce the headaches caused by traditional invoicing and payment processes. Below are four reasons your company or organization might want to consider using a p-card to help manage its transportation spend.

1. P-cards can eliminate the need for you to pay a third-party freight payment company to pay your invoices. With a p-card, you can pay your invoices internally.
2. Using a p-card enables you to streamline your invoicing and payment processes. As the shipper, you get to approve each amount you pay at the time you pay it. Payments, as well as any refunds or credits, are applied directly to the p-card. This greatly reduces the time you spend going back and forth with your carrier.
3. When a p-card is used, the carrier and the shipper make fewer mistakes. The carrier doesn't have to worry about tasks such as issuing and mailing refund checks. Additionally, because the shipper is submitting remittance with each p-card payment, partial/open invoice issues are fewer.
4. Shippers can leverage all of their indirect procurement spend to get cash-back rewards on their p-cards, and thereby turn their p-cards into profit centers. Most major credit card companies offer cash-back rewards and have programs in place that will assist shippers in providing p-card options to their vendors and suppliers.

Because there are fewer aging, remittance, and partial payment issues, it's in everyone's best interest for shippers to use p-cards. However, you should keep in mind that in order to pay by p-card, carriers might require you to perform certain tasks or pay additional fees. For instance, if you currently receive paper invoices, your carrier will probably require that you receive invoice data electronically if you want to pay by p-card. Even if an electronic data interchange system is in place, your carrier will still have to approve your move to a p-card, and will probably hit you with associated fees unless you can negotiate your way out of them.

When you pay carrier invoice payments via p-card, it is going to be in your best interest to partner with a third party that specializes in auditing p-card invoices and statements. Often, payment companies (such as freight payment companies) that offer auditing services on the side don't have the capability to do things like process each and every general ledger code and track and manage the payments for every single item on an invoice. Companies that offer high-level auditing services will request a monthly aging report from the carrier to ensure all payments are reflected on the carrier's end and that no invoices or credits have fallen through the cracks.

*Mikael Trapper, Managing Partner, BridgeNet Solutions, has worked in the logistics industry since she graduated from Fordham University with a degree in Economics and English. Mikael joined the BridgeNet team in 2008, and now manages Xonar, BridgeNet's propriety visibility dashboard. She currently serves on the board of the Midwest Chapter of Women in Logistics and Delivery Services Council. For more information, visit [www.bridgenetsolutions.com](http://www.bridgenetsolutions.com).*