

CSCMP hottopics

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Digital Bills of Lading – A Shift Long Overdue

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Paperwork is still the center of all things logistics. And of all the paperwork, the most important piece is the bill of lading (BOL). Why? The BOL is the legal document that includes all of the details about the shipment and the goods being carried and it serves as a receipt, meaning the carrier won't be paid for the delivery without it. The BOL performs three key functions:

- Proof or evidence of contract of carriage.
- Proof to receipt of goods.
- Document of title

THE ADOPTION OF THE ELECTRONIC BILL OF LADING

Before the coronavirus pandemic, most organizations did not consider paper to be a health hazard. Rather, it was an inconvenience for drivers and office clerks to handle as part of the payroll and billing process.

Transportation and logistics companies have made the health and safety of their workers and partners a top priority during the pandemic. Many industry-leading carriers have shifted to an electronic approach to BOL to increase efficiency and accuracy. eBOL has become an obvious choice for carriers also looking to prioritize critical safety within the current work environment.

This was proven evident when several leading organizations announced that investing in that type of technology was a priority. For example, in May 2020 Lowell, AR-based carrier J.B. Hunt Transport Services Inc. announced a new electronic bill of lading feature to allow businesses and carriers to digitally sign bills of lading and reduce contact during the delivery process.

"The current environment is challenging every aspect of the supply chain, from securing capacity to completing deliveries," said Shelley Simpson, executive vice president, chief commercial officer and president of highway services for J.B. Hunt. "This new electronic bill of lading feature offers simplicity, efficiency, and most importantly, a safer option for drivers and front-line employees to sign load documents."

Another example is Halvor Lines. CIO Bonnie Ramsay saw that their 600+ drivers were at risk when picking up paper BOL documents at shipper facilities and handing them to receivers to sign within close proximity. Ramsay knew an eBOL solution could be developed with cloud-based document management and electronic signature systems. Ramsay said her motivation for developing the eBOL was to help driver co-workers, but the company also has been able to gain some efficiencies by getting a signed eBOL into its back-office systems immediately when drivers complete a delivery.

PROVEN BENEFITS, BUT MILES TO GO

DCSA, a nonprofit consortium of nine container lines working to develop interoperable standards, estimates that electronic bills of lading (eBOLs) could save the shipping industry a collective \$4 billion in processing costs if it were to reach 50 percent adoption by shipment volume. Citing adoption of e-Air Waybills (e-AWB) in the airfreight industry, which were introduced in 2010 and have hit 68 percent adoption, DCSA said it projects a 50 percent adoption level of ocean eBOLs could be reached by 2030.

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Chief financial officer and chief information officer of Pitt Ohio, Scott Sullivan, said his organization struggles with digital bills of lading. *"The whole subject of e-bills of lading is ripe territory for both shippers and carriers. There's so much efficiency to be gained on both sides of the equation. When we get a paper document, until we get someone to key that into the system, we can't provide you with any information. But if they send it to us digitally, as soon we receive it we can tell them, 'We've got it. We're doing your pickup. And pickup's completed.' We're trying to get customers to give us the information electronically, but we're only at about a 10 percent to 15 percent adoption rate. Out of that, probably 5 percent of the bills come across digitally. So we've got a lot of work to do there, not only from a customer side but also from a carrier side."*

While safety is top-of-mind due to the current global situation, BOL automation ALSO increases efficiency and improves accuracy. The eBOL process reduces the amount of time it takes drivers, carriers, shippers and receivers to enter data manually. It also reduces the amount of errors or inconsistencies in the document, which streamlines accounting processes. This reduces operational costs for everyone involved.

REMOVING PAPERWORK FROM THE TRANSPORTATION PROCESS, A DIGITAL HANDSHAKE

Hyland's transportation and logistics automation solution enables you to instantly capture, identify and digitize transportation and trade documents in any form. With unlimited, configurable workflows and inherent integration capabilities, you can easily connect and automate data transfer between all trade management and transportation systems.

By electronically capturing and automatically routing all incoming trade document data, organizations improve end-to-end visibility into complex supply chain processes and increase control over supply chain events. For example, digitizing BOLs allows a receiver to electronically sign the bill of lading, helping carriers and receivers reduce contact during deliveries while reducing total freight spend and improving import/export trade compliance.

As more transactions are digitized, logistics teams will have greater flexibility in where and when they work. Besides health and safety benefits, the productivity and visibility gains make digitizing the BOL process an obvious decision for those that are just getting started.

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