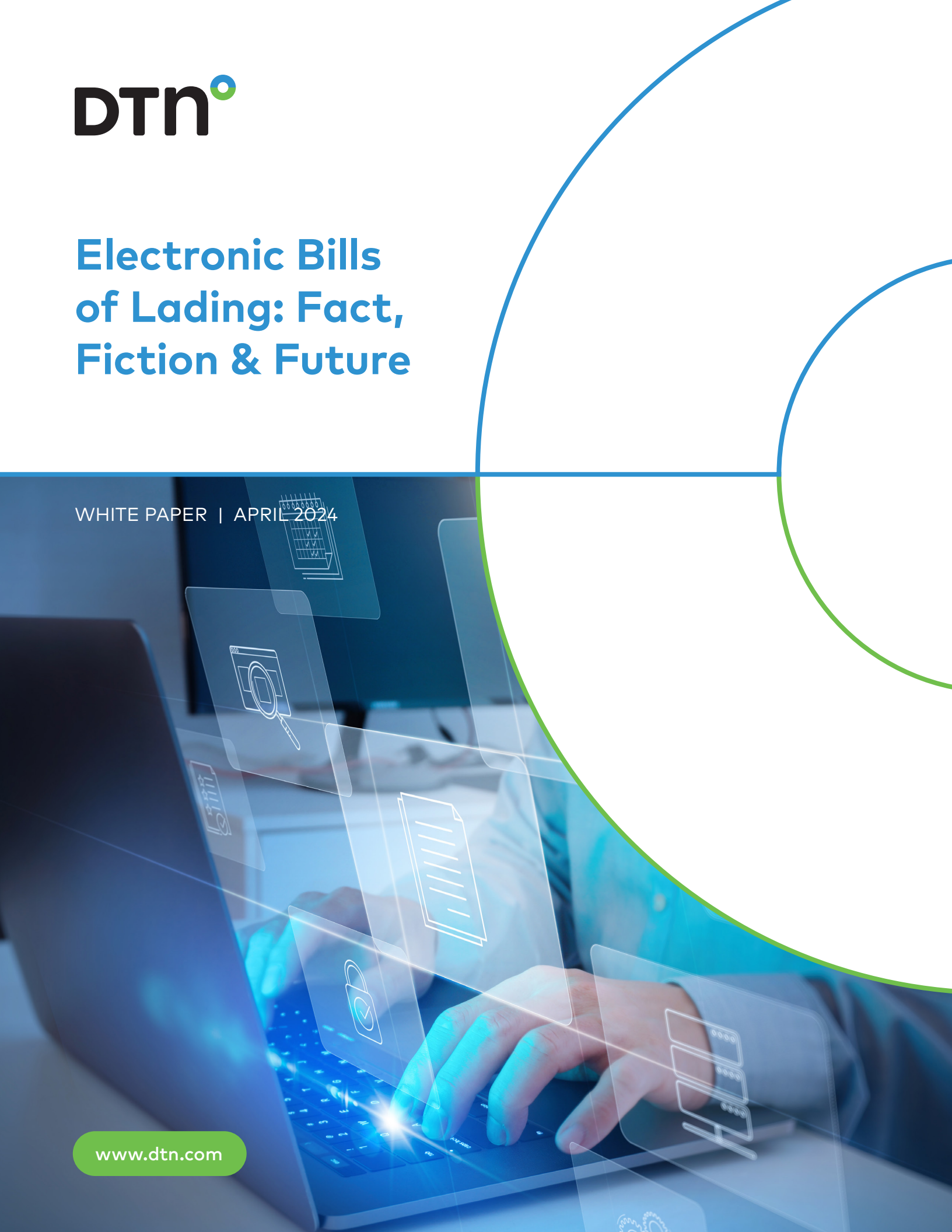




Electronic Bills of Lading: Fact, Fiction & Future

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“DTN independently confirmed with several petroleum marketers across the United States: the average cost to correct an invoice due to a single billing error is \$126.”

If you do business at twenty terminals, you likely see ten different hardcopy bills of lading (at least!).

BOLs. They come in various shapes and sizes, and also present many challenges. They get damaged. They're late. They get lost. They're difficult to read and easy to misread. Not to mention, data on hardcopy BOLs is not easily, nor quickly, shared.

To help petroleum marketers and carriers solve these challenges, the use of electronic bills of lading (eBOLs) has more than tripled over the past few years. With electronic transmission comes many benefits: increased efficiency, better accuracy, fewer costly errors and re-bills, enhanced customer service, more profitable operations, and more.

As such, when it comes to eBOLs, DTN set out to understand what they are (and what they are not), how they can help ensure accuracy and streamline operations, and more.

- First, there are many different formats. There is not one standard industry nomenclature. Then there is the complexity of product codes and SPLC codes. And at the end of the day, it is people that have to deal with different formats and different business partners calling the same things by different names. And all of this makes integration even more challenging.
- The industry has grown from 9-10 primary products into many boutique fuels — and product code lists have grown to more than 1,600 items — with more being added every day. There is now a wide variety of product codes, many of which still fit into the strict three-character limit.
- In addition, SPLC codes are still commonly used in the exchange of BOL data. It is important to note that an SPLC is not a place on a map, but rather a plot of land. In San Antonio, there may be four different terminals close together that all share the same SPLC code.
- Terminal control numbers (TCNs) are used by the IRS to identify a terminal's physical location. However, many protocols exchanged in the industry do not allow for TCNs and are instead restricted to the use of SPLC codes.

Simply put, BOLs can be a real mess.

With so much complexity and inconsistency in the industry, there is a strong need for better, more standardized, more sophisticated eBOL reporting.

Despite these challenges, eBOLs are more than worth the effort.

- eBOLs can speed-up or automate customer invoicing. In the United States, currently more than 300 petroleum marketers are using eBOLs to automate invoicing processes.
- eBOLs eliminate manual data entry errors — which streamline efforts and ensure accuracy.
- eBOLs validate customer billing for cost and price accuracy.
- eBOLs help you research missing or illegible BOLs, and ensure you ultimately invoice your customers and account for your inventory more accurately.
- eBOLs can identify and invoice rack customers—that is, those who pull product directly from the terminal — to distinguish them from delivered business through consignee numbers.
- eBOLs help you catch missing driver and carrier paperwork faster.
- eBOLs can be saved as PDFs for reporting and archiving purposes.

eBOL Fiction

Just as it's important to understand what eBOLs are (and what benefits they can bring), it's essential to know how to distinguish between an actual BOL and a similar document that has no official or legal standing.

Here are some key differences and misconceptions:

- The original source must be the seller or supplier, or it is not a legitimate BOL.
- They must be formatted properly on an original BOL document to be a real BOL. Delivery information, whether it is electronic or paper, is not a BOL — and neither is manually keyed information from anything other than an original BOL document.
- Delivery documents do not replace actual BOLs. They are key to reconciling purchases for invoicing customers, but they are not official legal documents for the transfer of product, for which a supplier will charge a wholesaler.

Streamlining eBOLs

To help resolve these issues, DTN has worked to leverage knowledge across suppliers, terminals, and products, as well as the work that customers have already done to identify pricing records. Through these efforts, DTN has created a platform, DTN Fuel Admin™, that provides a repository for industry eBOL data regardless of complicated PIDX and SPLC codes.

This gives customers eBOL data they need, as fast as it can be delivered, without duplicates. Further, it provides the format they need, consistent across all sources. With DTN Fuel Admin, all BOLs can be formatted as each individual customer needs, without hassle or complicated middleware.

The data can then be integrated into a customer's accounting system, removing the unnecessary challenge of multiple formats. It is also capable of mapping key output elements for consistent eBOL data, while also eliminating non-supplier customers' need to understand what SPLC and product codes are.

This is achieved by DTN querying its various systems to provide the eBOL data as quickly as three minutes from loading completion—sometimes before the driver has left the terminal!

Additional Tools

DTN Fuel Admin also includes the following to help streamline operations:

It has a "mailbox" for customers to conveniently search, store, and view BOL messages. This helps users query a BOL number they don't recognize from one of their suppliers, locate missing BOLs, monitor driver activity, and see how many BOLs have been pulled by a particular supplier at a certain terminal.

It includes a processing error queue, which catches incorrect BOLs and allows users to fix them before bringing them into their back office.

It also can apply override rules. This allows users to set up their own conditional codes, which can be created based on a combination of supplier, terminal, and lifting/billing IDs.

Most importantly, these solutions produce "human-readable" documents for your staff and customers. Anyone can look at the BOL data and read the pertinent information, including the original source information, back office information, and key details/descriptions of suppliers, terminals, and products.

By transitioning to digital processes, refined fuels marketers, retailers, and wholesalers can realize increased efficiencies and greater accuracy. eBOL data can also help reduce costly errors and re-bills, enhance your level of customer service, and support more profitable operations.

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