

Retail food distributor sees immediate drop in unauthorized spending

“What used to take me three to four hours to manually reconcile purchases, Fuelman does automatically — presenting all our fuel purchases on one consolidated statement.”

**Director of Fleet Services
Leading National Retail Prepared Foods Manufacturer
Carolinas Division – 310 Vehicles**



CASE STUDY

310 Vehicles – Retail Delivery

Leading National Retail Brand — Pre-made Baked Goods

When an organization's profitability is dependent upon making and distributing products with relatively small profit margins, even the smallest inefficiency can affect the bottom line. Moreover, outlay of capital for unauthorized employee purchases can eat into profits at an even faster clip. So when the fleet manager for a retail food products manufacturer was able to save hours of management time, decrease fraudulent purchases, and consolidate and improve fleet expense tracking, the hard and soft cost savings quickly grew into tangible results.

Challenges

The Eastern Carolinas division bakery, the largest for the leading national manufacturer of desserts and prepared foods, has a fleet of 262 route trucks, 26 box trucks, 21 tractor trailers plus another dozen or so cars and pickup trucks to distribute its bakery products. Because the vehicles might need to be fueled anywhere within the territory, the company needed a fuel purchasing program that allowed its fleet to fuel across all brands of fuel and convenience stores. By 1999 they had accumulated multiple and varied credit accounts for fueling its vehicles within the Carolinas. Tracking all the fleet's fuel purchases required a lot of manual reconciliation. In addition, the receipts had to be closely scrutinized as frequently theft was discovered. A long-time fleet manager with the company, with a reputation for being very detail-oriented and cost-efficient, was brought in from Tennessee to take over fleet management for the region. He immediately recognized that a more efficient method for managing and tracking its fuel expenses was in order.

Solution

The newly appointed fleet director turned to Fuelman for its fuel and maintenance purchasing program. Not being tied to any particular gas company brand, the Fuelman purchasing card allowed the fleet to purchase fuel at any of 35,000 national Fuelman-accepting locations, regardless of the store's brand name. Sensitive to the fact that the convenience stores where the fleet purchased fuel were also customers that carried the product line, the food distributor did not want to jeopardize the existing merchant relationships by limiting fuel purchases exclusively to one brand. Fuelman's multi-brand acceptance also eliminated the need for multiple accounts. "What used to take me 3 to 4 hours to manually reconcile and record, Fuelman does automatically — presenting all our fuel and maintenance transactions on one consolidated invoice," says the fleet director. He can also upload the Fuelman data into his vehicle files to keep fueling and maintenance records up-to-date and accurate.

Challenges:

- 30 fleet vehicles
 - Multiple house accounts for fueling
 - Could not be exclusive to one fuel or convenience store brand
 - No purchasing control
 - Unauthorized purchasing theft
 - Hours of manual receipt & invoice reconciliation
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Results:

- Immediate reduction in fraudulent purchasing
- Regained 3-4 hours weekly administration time
- Consolidated multiple fuel and maintenance bills to one statement
- Email exception alerts of attempted transactions that fall outside pre-defined parameters
- Real-time, online account access and management
- Convenient electronic reporting, billing and payment
- More accurate odometer readings to measure MPG

Fuelman tracks purchases for each of the distributor's vehicles with a fueling card, and each driver through an assigned driver ID number. Before fueling, the driver is required to enter his or her driver ID and the vehicle's odometer reading. This enables the company to track exactly who, when and where the drivers fuel. With Fuelman's robust purchasing controls and online account management tool, the fleet manager establishes purchasing thresholds that limit card transactions by dollars, gallons, day, time, and even type of fuel. When a threshold is surpassed the manager is notified with an email alert. Real-time, online data provides visibility into purchases within minutes of the transaction so the manager can immediately investigate a purchase, lock or unlock a card.

Results

Not only did Fuelman lighten the reconciliation workload for the new fleet manager, Fuelman's robust controls significantly cut down on fraudulent and unauthorized purchases. When initially implementing the Fuelman program, the fleet manager noticed a drop in the average MPG on one of his vehicles from seven to three MPG. To him, this indicated either a maintenance issue or a theft problem. He explains, "The Fuelman purchase controls keep my guys honest." Several years after implementing Fuelman, a corporate directive required the division to use another fuel purchasing card. He explains, "The sales person convinced us we would save money, but the drivers immediately found loopholes in the card's controls and started buying groceries and getting cash with the cards. Unlike Fuelman, I could only limit purchases by dollar amount and only get exception reports once a month, so there was little I could do to control unauthorized purchasing. The savings we were promised were quickly eaten up by fraud. We switched back to Fuelman within six months of that implementation and have now been a loyal client for more than ten years."

