



Delivery company monitors purchasing, increases miles per gallon, and delivers packages with less expense

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**President and Owner
Large Package Delivery Company – 113 Vehicles**

CASE STUDY

113 Vehicles — Delivery

Large Package Delivery Company

With the high price of crude oil and annual weather-related refinery and fuel-pump outages, gas is front-and-center in our minds as a commodity that affects not only the economy, but also our corporate and personal pocketbooks. No one knows this better than the president and owner of a large package delivery company running one of the largest fleets for DHL Express®. With locations in Kansas, Arkansas, Oklahoma, Mississippi, Alabama and Virginia, the delivery company depends on 130 drivers to keep DHL and its other customers' packages on the road. With the cost of fuel weighing heavily on the bottom line, the company has relied on Fuelman to help manage its fleet fueling for seven years.

Challenges

The seasoned logistics company has provided freight-delivery services since 1984 to then, Airborne Express, and now, DHL. The company's early foray into fuel management was through the use of an oil-company-branded credit card that restricted purchases to fuel and oil. However, the card did not associate purchases to a particular vehicle or driver, nor did it provide any other tracking information or exception reporting. For instance, these cards could be used 24/7, even if the driver was not on duty, and there was no accounting for multiple fill-ups per day. In this environment, trying to grasp the impact of careless or inappropriate card usage was almost an impossible task. The ability to better understand fuel usage was important to the president, who says, "The problem is, even though you feel that you know your drivers and you treat them well, things still happen. And with the economics of today's fuel prices, it is more important than ever to put monitoring mechanisms in place to help correct, and even avoid, these types of transactions."

Solution

In 2001, the company decided to leave its oil-company credit-card system to partner with Fuelman. From the president's perspective, the overriding motive for taking advantage of Fuelman's fleet fuel management solution was to gain more control over, and better monitoring of, the drivers' fuel purchasing patterns and behaviors.

Challenges

- Ever increasing fuel costs were hard to control.
- An oil-company-based credit card provided no means for tracking, monitoring or restricting fuel consumption.

Results

- Common types of fuel card misuse are not just reported... they are prevented:
 - Purchases outside of business hours are prohibited
 - Purchasing incorrect fuel type or grade is prevented at the time of purchase, thus avoiding costly damage to engines
- Out-of-range MPG calculations are highlighted in exception reporting, drawing attention to maintenance issues, unauthorized spending or poor driving habits
- Fuelman fuel purchasing and management is easy to set up and convenient to use

Results

Purchasing controls save money: Fuelman issues a fuel card for each fleet vehicle which a driver uses by entering his or her driver ID number and the vehicle's odometer reading. Labeling each transaction with vehicle and the driver identifiers allows the company to closely monitor purchasing activity for inadvertent misuse or unauthorized transactions.

Each card can also be programmed with spending limits and purchasing restrictions. When a transaction that is outside the authorized parameters is attempted, the president receives an instant email alert of the activity. In addition, these exceptions are flagged on his weekly activity reports. For example, the reports provide a listing of all attempts to purchase fuel after working hours. Why these alerts highlight only *attempted* transactions is because Fuelman prevents drivers from making a purchase while off-duty.

Fuelman's purchasing controls not only limit *when* a card is used, they also help to manage *what* the card purchases. For example, the company has designed its card constraint preferences to prevent the purchase of incorrect fuel type or fuel grade for the particular vehicle to which the card is assigned. This does two things. It avoids the accidental dispensing of fuel to a vehicle that is not assigned to a particular Fuelman card. It also protects the performance of, or costly damage to, an authorized vehicle that might result if the driver uses the wrong fuel.

Reporting increases MPG and reduces paperwork: Online reporting and account management are part of every Fuelman solution, making it easy for a fleet manager to change card permissions and observe potential card misuse from anywhere there is Internet access. The company also uses the reports to make annotations that can be forwarded to regional fuel managers.

The company president explains, "If I see that a particular driver is getting only nine mpg, while the other drivers achieve 12 MPG for the same truck model, I simply make a note of that discrepancy on the reports before sending them to the driver's manager. It's fascinating to see that, on the next week's reports, that vehicle's fuel mileage has suddenly dropped in line with the rest of the fleet's MPG numbers. Whether it's heavy-footed driving or some other event that is causing the MPG variance, it doesn't matter. The Fuelman alerts and reports help us make sure it doesn't keep happening. This type of reporting I could never have gotten with my oil-company-based fuel cards."

He also states that using Fuelman is very easy, there is less paperwork, yet more information, "If I were making this decision again, I'd choose Fuelman again. The card is convenient, the controls are easy to impose and hard to evade, and, our Fuelman account manager is always looking for ways to help us save even more money."

