



Purchase controls create immediate 10% reduction in fraudulent fueling for welding company's nine-truck fleet

"We saw 'corrections' to fuel purchases as soon as we implemented the Fuelman system. It was apparent, right away, that we had made the right decision to choose a fuel card with real-time visibility of fuel transactions."

President and Owner
Welding and Manufacturing Company— 9 Vehicles

CASE STUDY

9 Vehicles — Manufacturing

Manufacturing and Welding Company

Every hurricane season, we become more aware of the vital importance of vulnerable oil wells in the Gulf of Mexico. Yet, because oil wells are on duty 24/7, year-round, any failure, including a broken part, is a serious, even urgent problem... and it is not only a seasonal issue. Critical to the process of bringing offline oil rigs back up in as little time as possible is a specialized Oklahoma-based welding company. The company manufactures replacement parts for the oil rigs and then trucks these direly-needed components to the field. Having built a strong reputation since 1982, the company serves customers around the country including Louisiana, Michigan, and as far east as Georgia.

Challenges

For many years, the company had a convenient charge-account relationship with a local gas station for its nine-truck fleet. However, for more distant deliveries, drivers depended on credit cards to refuel. The many different forms of fuel payment created a real challenge when it came to tracking fuel costs by truck. In addition, managing inadvertent misuse of the charge accounts and credit cards was almost impossible. The administrator, responsible for tracking fuel consumption, explains, "We have three fulltime drivers and a host of others who deliver critical parts to distant states. Monitoring their spending was taking up a lot of my time. There were no controls to limit how the cards could be used, no restrictions on fill-ups after the drivers were off the clock, no restrictions on fuel type, grade, or the number of fill-ups per day... there were simply no restrictions."

Solution

In July, 2008, the company's president and owner decided to put a new fuel management practice into place. Fuelman cards were issued for each of the nine trucks in the fleet. Drivers were taught how to use the cards, and enter the vehicles odometer reading, and driver ID number. According to the president, "I was tired of not understanding our fuel expenses. I needed to be able to see what our costs really were. And I needed to be able to direct our fuel purchases in a more specific way — so that the fuel our drivers bought was used for our company's purposes."

Challenges:

- Credit cards provided no means of tracking or managing fuel consumption on long hauls.
- A charge account with a local gas station offered no way to control inappropriate purchases.

Results:

- Inappropriate fuel transactions were immediately cut by more than 10 percent.
- Tracking of fuel spending and consumption is now instantly available in real-time.
- Administrative costs for auditing fuel spending was cut to almost zero (saving 20 hours a month). The numbers are right there... online.
- Purchase limits are highly flexible and can easily be modified on-demand by the company's administrative staff.
- Common types of fuel card misuse are not just reported... they are prevented:
 - Purchases are authorized during specific hours only.
 - Purchasing incorrect fuel type or grade is prohibited.
 - Gallons per fill-up is limited, as is the number of fill-ups per day.

Results

Purchasing controls save money: Fuelman cards are assigned to a specific vehicle with a driver using the card, a personal driver ID and odometer reading. With these identifiers and Fuelman's easy-to-use online account tools, the company's fleet administrator can easily monitor and account for fuel transactions, and know exactly how much and what type of fuel is bought, how often, what time of day and by whom — even instantly restricting a card's activity to accommodate just the needs of the truck's mission for the day. The administrator estimates that the amount of time she now spends trying to account for and track fuel costs has been reduced to near zero. More specifically, she no longer wastes time locating information by looking back on log sheets and time sheets, and talking to the driver who made a particular charge.

These controls are critical for the company as the fleet uses several types of fuel, including unleaded, diesel and red diesel for off-road vehicles. Therefore, the company has established parameters regarding fuel type for each card, which prevents the drivers from accidentally dispensing the incorrect fuel and causing costly damage to a vehicle's engine.

The owner explains, "We saw 'corrections' to fuel purchases as soon as we implemented the Fuelman system. It was apparent, right away, that we had made the right decision to choose a fuel card with real-time visibility of fuel transactions."

The Fuelman card is highly flexible in the controls that it provides, and is the only fleet card that provides real-time, transaction tracking. And even though a transaction that falls outside pre-established limits will not be authorized or allowed to occur, the owner receives an instant email alert to the attempted activity so that he can make immediate inquiry into the situation. In addition, these exceptions are flagged on his weekly activity reports for later follow-up.

Fuelman works for the small fleet owner: Some small business owners think that fuel card programs are designed to better serve larger fleets, but this nine-vehicle company president insists that it has been an excellent decision for his small fleet. After shopping for other fuel card options (which carried a monthly charge for their use), he chose Fuelman and has been very happy with the decision. In addition to the administrative efficiencies created by Fuelman's online reporting and account management, they don't pay anything to use the cards and have seen relevant savings from preventing unauthorized transactions — to date the company has seen a reduction in fuel costs and administration time of more than 10 percent.

