



Fuels SPRING 2019 Market News Magazine

Your Source for News and Information

**Reversal of
Misfortune**
Oil in the U.S. Part 2

**The Green
New Deal**

**Failure is Not
an Option**

**\$200 Per
Barrel Oil?**

**Fuel Logistics Processes
Stuck in the '90s**

FUEL MARKETERS • FUEL RETAILERS • COMMERCIAL FUELS

Are Your Fuel Logistics Processes Stuck in the '90s?

by Richard Browne

Many areas of our business have been transformed over the past 10 years by technology. When you pause and think that the iPhone has been with us a little longer than 10 years, tablets have exponentially more computing power than many of our five-year-old laptops, and that our customers can go weeks without using cash, we need to consider if our core business processes have kept pace.

“If you are using a white board, job tickets or Excel to keep track of your drivers' locations and scheduling, you're missing both information and efficiency.”

If you haven't conducted an audit and best practices review of your fuel buying and invoicing processes, now might be the time.

In visiting wholesalers and truckers, I often see a “file room” with boxes of paperwork related to the fuel buying, dispatching and inventory management processes. Looking at the buying and dispatch process often reveals the use of Excel sheets where information is cut and pasted from one source to another. Tracing the cash, there are often lags in the drop to cash cycle waiting for paperwork to be dropped off, entered into a reconciliation system and then moved to an invoicing system to create a customer invoice. On top of that, management reports are created manually, either weekly or monthly, from a variety of systems and sources that occasionally don't agree.





Here's a checklist of factors to review in conducting a fuel logistics audit:



Is your driver dispatch board electronic?

If you are using a white board, job tickets or Excel to keep track of your drivers' locations and scheduling, you're missing both information and efficiency. Modern dispatch tools are cloud-based and device independent, allowing you and your team to all be on the same page. Features such as drag and drop scheduling combined with real time load tracking both improves efficiency and eliminates "where are they" telephone calls and emails.



Are you using best buy methodologies?

Your price feeds capture part of the information needed to buy optimally. If your system is not able to fully capture your other costs, including freight and day buys or other special pricing, you may be leaving money on the table.



How quickly can you fully invoice following delivery?

Many fleets rely on getting the bill of lading (BOL) and delivery ticket back to the home office to invoice, a process that can have a significant impact on your working capital needs. In addition to faster cash, electronic BOL capture and closure enables automatic capturing of demurrage leveraging geofencing technology.



Are your drivers as productive as possible?

Modern logistics systems can eliminate the need for a driver to go instore to capture a gauge reading or a delivery signature. Utilizing remote polling that can be geofence-triggered upon arrival at the site, pre and post-delivery tank readings are captured paperlessly. This automation can improve efficiency by about 15 minutes a load, which can result in an additional couple of loads over a week.

"With the challenges we face in attracting and retaining drivers, any gain in driver productivity or satisfaction pays off in a big way." Phil Dorroll, President, Go Energies

An additional benefit of electronic dispatch and load closure is the ability to capture key performance indicators (KPIs) for your drivers, identifying your most efficient drivers who consistently deliver quickly and are efficient in terminal pickups. Modern systems also assist in identifying which drivers are due for recertification, license renewal or other actions.



Are you minimizing misdirected loads?

Several things cause loads to have issues, including a load arriving earlier than requested or inaccurate fit data at time of dispatch. The best scheduling systems learn route timings and site volume by day part, allowing more accurate prediction of tank capacity at time of delivery. By tracking actual vs. planned delivery times, you can capture and review which carriers are able to follow your delivery instructions and which ones consistently deliver ahead of the delivery window. Automatically capturing gauge readings prior to terminal loading helps to minimize potential fit issues.



Can you safely communicate with your drivers in real time?

Safe communication with your drivers is critical. Advancements in this area, including text to speech and positive message receipt confirmation, ensure your drivers are not distracted and that they do get relevant messages according to your safety policies. Device agnostic delivery programs can run on the Apple or Android device that your drivers are using, reducing the number of devices and distractions that are in the cab.



Does your logistics process enable visual management?

One of the benefits of the significant improvements in data storage and processing speeds is a marked improvement in visual management capabilities. If your team has to scan through stacks of numbers to identify low-site inventory and locate a delivery, they are not set up for success. Making your information visual will enable your team to focus on what matters and quickly identify their top priorities. ■



Richard Browne

Richard Browne, Growth and Business Development Leader at InSite360, a Veeder-Root company. Browne is a fuel and c-store veteran focused on downstream petroleum logistics and operational excellence. As a leading global supplier of fuel management solutions, InSite360 is the analytics business unit of Gilbarco Veeder-Root. InSite360 products and services handle 22 billion gallons of gasoline and diesel fuel annually. Contact Richard at rbrowne@insite360suite.com.