

# Case Study: Regional Trucking Company

## *Situation*

A large, regional trucking company with operations spanning 10 states had a somewhat traditional strategy for managing their fuel needs across their 10 terminal locations with on-site fueling. Each terminal manager had the responsibility for managing inventory, negotiating fuel prices from a pool of regional suppliers, coordinating delivery, and managing the billing process. This fuel management strategy impacted the organization as follows:

- On an average day, 15 people were involved in the overall management of fuel across their entire terminal network. With each spending an estimated one hour per day, the result was 75 hours a week in lost productivity.
- The organization processed approximately 500 invoices per year, each on different billing cycles and terms.
- The company managed separate vendor relationships, ordering processes, and issue resolution procedures with up to 45 different fuel suppliers a year.
- Despite considerable effort, the average terminal facility would experience a fuel outage approximately 2-3 times a year, for a total of 20 to 30 times a year across the organization.



## *Opportunity*

The opportunity facing this trucking company was to identify a single supplier that had the ability to service all 10 facilities, provide solutions that minimized the time and effort needed to manage fuel inventory and procurement, and could deliver a cost effective overall fuel management program.

## *Decision*

Guttman Oil Company personnel met with the owner/VP of Operations and after a thorough needs assessment, proposed a customized fuel management program. After considering the options of maintaining the status quo or taking a new approach, the Company agreed to a six-month pilot program in which the entire fuel management process was outsourced to Guttman Oil Company.

“With Guttman Oil Company, I now don’t have to think about fuel and I can spend my time managing the terminal operations.”

**-Terminal Manager**

## Case Study: Regional Trucking Company (cont.)

### Actions

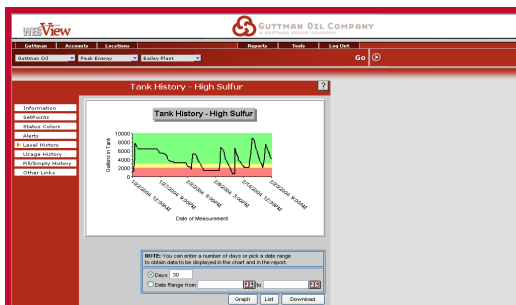
- Guttman Oil Company installed wireless tank monitors on the fuel storage tanks at each of the 10 terminal locations. This technology enabled Guttman Oil to monitor the inventory levels of each tank and manage deliveries to ensure that fuel is always in the tank when the trucks need it.
- A customized, weekly invoice was created to consolidate the individual invoices for each terminal facility into one, detailed invoice.
- Guttman Oil defined a risk management program that combined index pricing programs and rack sales to help stabilize volatile prices across all ten facilities.



### Results

The results of the Guttman Oil fuel management program can be summed up by a quote from the Company's Columbus, OH terminal manager – “I now don't have to think about fuel and I can spend my time managing the terminal operations.” Other results include the following:

- Every morning, Guttman Oil personnel remotely monitor inventory levels at all facilities, strategize the timing of delivery based on fuel usage needs and current market conditions, and coordinate fuel deliveries as needed. This has all but eliminated approximately 75 hours of lost productivity per week previously spent managing fuel.



- The Company has streamlined the accounting process and decreased their yearly invoices from approximately 500 to 48.
- The Company has maintained competitive pricing, while eliminating the time consuming process of soliciting and managing daily spot prices from dozens of suppliers.
- Guttman Oil now actively manages the supply portfolio and recommends new supply strategies based on changing market conditions.



200 Speers Street Belle Vernon, PA 15012

800.245.5955

www.guttmanoil.com