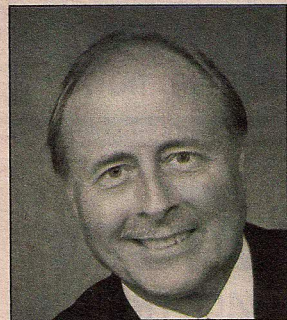


Ask The Fuel Expert: What is your Fuel Strategy?

By Jack Lee



Over the years harsh winter weather has crippled fuel supplies bringing

industry to a grinding halt. While most companies scrambled to locate fuel during these crises, other companies didn't even feel the pinch. The reason? They had a Fuel Strategy that assured fuel supply and reliable delivery 24/7, 365 days a year.

What's a fuel strategy? It's a plan for getting the fuel you need when you need it. It's also a system that manages fuel con-

sumption and helps cut the cost of refuelling. A really robust fuel strategy also includes information technology that helps you manage and train your staff to track fuel use, improve efficiency and manage your fuel investment for a measurable return.

But the most important part of a fuel strategy, is making sure you get the fuel. And that's easier said than done. Most regional fuel crises don't make the news, but that doesn't make them less real or less painful. How can you ensure you don't run dry?

Over the next few months one thing is for certain: there will be the usual seasonal disruptions of fuel supply. When and where they will hit is unknown, but we do know that thousands of companies will feel the pinch if their fuel comes from one of the major oil companies. The reality, their ability to supply fuel to the market is affected by weather and seasonal emergencies that will and can halt production of fuel. It happens every year. Whether it's a fire at a refinery or severe weather conditions closing ports, roads and rail, all industries are affected. And if it's your fuel supplier that goes down, your supply goes down too. So what is the solution?

Most businesses get their fuel from one of the big oil companies. For decades they have been drilling, refining and delivering fuel, however their commitment to delivering fuel doesn't always keep up with demand. Fuel crises are a fact of life. They start in the fall and - if the weather is bad - continue into winter. Card-locks run dry, clients are put on allocation, fuel gets hard to find. So, who can you depend on? Can your business afford to be on a waiting list with thousands of other companies? Do you send your drivers out to hunt for fuel at card locks? Many businesses have experienced this - if you haven't yet, you can be sure you will. If you ask these businesses what it was like, those who went it alone will tell you it was touch and go. No fuel means no deliveries, products spoil, goods are held up and no one pays. But among businesses who had a fuel management partner, the story is very different.

Some independent fuel suppliers can guarantee fuel, even in a fuel crisis.

This may seem hard to believe, but let's look at using an independent fuel supplier as the key to a new Fuel Strategy. There are a lot of suppliers out there. But first, before you jump to choosing a supplier in your area, check their track record. All are not created equal. Be sure to check their performance during periods of fuel shortage. Some will rely, just like you, on one of the big oil companies as their

fuel supplier, while others have strategic agreements in place with a number of refineries. This means that if one refinery is closed or fuel inventories run low, they go elsewhere. Another key point is to check into the refuelling network the company has working for them. For instance if fuel supplies are cut in your region, does your fuel supplier have the alliances and resources to bring fuel in from hundreds, even thousands of miles away? This includes a transportation network and dedicated people who are committed to getting the fuel you need as quickly as possible. When a fuel crisis hits your supplier must have a strong support system to guarantee fuel delivery. If they say, "We'll do our best," that just isn't good enough.

Once you have decided on a supplier who will guarantee delivery, no matter what, there are other factors to consider when choosing an effective Fuel Solution. Some suppliers offer on-site delivery made directly to each vehicle and piece of equipment. This saves time and money and eliminates risks to the environment. On site fuel delivery can be done where each drop of fuel pumped is calculated along with the positive identification of each piece of equipment. This data is delivered via email to your desktop so you can see where the most fuel is being consumed allowing you to manage fuel costs. All fuel suppliers will calculate the amount of fuel they

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have delivered along with price, however only some have kept up with technology and can give you fuel consumption and operating data. This is referred to as Advanced Mobile Asset Management Technology. Included is information technology that tracks things like miles traveled, average speed and engine operating data. With this information in hand you can compare each piece of equipment's performance and train your operators so you can maximize efficiencies and cut your fuel costs.

But let's go back to our original point about having the fuel you need, when you need it. The right fuel supplier should have a team of professionals available for you as consultants to help you plan and prepare for your refuelling needs, regardless of the time of year. Fuel delivery should be guaranteed. Fuel is an asset that can be managed to determine a real return on investment, but only when you have the right information, data and professional advice.

Good luck this winter. It will be a challenge with a changing economy and winter weather conditions putting pressure on you and your team.

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