



## CASE STUDY

# New Fuel Program: Food Distributor Saves More Than \$2.1 Million Annually

### Client Profile:



#### Top North American Food Distributor

Our client is one of the largest food distributors in North America, with more than 35 distribution centers in the U.S. and Canada. The company operates a fleet of 1,800 power units and approximately 2,000 trailers, purchasing more than 16 million gallons of fuel per year.

With the company expanding to new regions, leadership needed a way to consolidate fuel management and reduce the spend on fuel.

### Challenges:



#### Decentralized Fuel Management

A decentralized approach to managing fueling practices and costs meant that each distribution center was left to oversee its own fuel program. This resulted in 35 separate programs, contracts with multiple fuel card companies, and insufficient fuel purchases from any one location to earn any meaningful discounts or rebates. In addition, arrangements for bulk fuel or mobile fuel were made without the data required to enable informed decisions about vendor selection.

## Solutions:



### Fuel Card Consolidation and Centralized Management

All distribution centers were consolidated into a single fuel card and each location was given access to data and reporting. Consolidation of data and fuel volume created opportunities to secure discounts and rebates and direct drivers to discount providers.

Managers at each location were interviewed to assess their operation, and we were able to confirm that, generally, they did not have access to the historical data and market knowledge needed to secure the best pricing and terms with providers.

We identified optimal days and times for delivery, which helped to improve operational efficiency and allowed us to negotiate better pricing. Many locations were not using off-highway fuel for reefers, resulting in an additional 25-70 cents per gallon, depending on the state. We managed an extensive RFP process for each distribution center that used bulk or mobile fuel.

## Results:



### Annual Fuel Savings Surpasses \$2 Million

Sokolis fuel management program saves the food distributor:

- **More than \$5,000 per month in fuel card transaction expenses and rebates.**
- **More than \$130,000 per month in fuel savings.**
- **More than \$40,000 per month in bulk and mobile fuel costs.**
- **A total of more than \$2.1 MILLION PER YEAR.**

Centralizing the company's fuel program reduced fuel card transaction expenses and improved fuel card rebates, resulting in more than \$5,000 per month in savings. Sokolis assumed day-to-day fuel card management and has maintained an accurate, current list of drivers.

We also negotiated discounts and rebates with large retail chains, which has produced more than \$130,000 per month in fuel savings. Weekly in-network and out-of-network reports to each distribution center increase utilization of discount locations and generate additional savings.

The RFP process for bulk and mobile fuel produced savings of more than \$40,000 per month. The company saved several thousand dollars more by using off-highway fuel for reefers to reduce taxes. **Sokolis continues to manage all fuel vendor services and audit fuel transactions to prevent overcharges.**

