



## CASE STUDY

# Fuel Savings: How a Building Supply Distributor Saved \$1.2 Million on Propane in a Single Year

### Client Profile:



#### A Large Network of Building Supply Distributors

Our client is the largest network of building supply distributors in the United States, with over 800 branch locations. They procure, store and deliver products to contractors around the country.

As the company has grown, acquiring new distributor brands, their fleet has also expanded. Currently, the company operates a fleet of 5,000 trucks and forklifts. To sustain this growth, the company needed to simplify their propane program, which had become complex and hard to manage.

### Challenges:



#### Many Propane Vendors, Little Oversight

Before Sokolis, each branch location bought propane from local vendors. These vendors sent thousands of monthly invoices, which took time for the company to process. As a result, late fees and processing fees accumulated. And it was difficult to find and fix errors.

The distributor also struggled to gather propane data. They did not track how many gallons of propane their branch locations bought, which led to inaccurate budgets. In response, the company's leadership turned to Sokolis to simplify their propane program.

## Solutions:



### Simplifying the Propane Program and Leveraging Propane Data

First, Sokolis consolidated the propane program, reducing the number of localized vendors. We negotiated deals with two national vendors that could service 90% of our client's branch locations. This program enabled our client to pay fewer monthly invoices, vastly simplifying their payment process.

We also helped our client negotiate better deals on propane. We identified the wholesale price for propane from Butane Propane News (BPN). Then, we eliminated accessorial fees from the deals, creating additional savings for our client.

Next, we helped our client's branch locations onboard the new vendors to start the relationships out right. Our team confirmed the delivery days, times and number of tanks each location needed to ensure they received the correct deliveries.

In order to easily audit our client's invoices, we used "The Tank," our proprietary software system. The Tank organizes and analyzes electronic documents, validates pricing, generates reports and helps detect potential theft. We used it to create detailed fuel reports, tracking how many gallons of propane each branch location used. Using this precise data, our client was able to form accurate budgets, reduce theft and apply for tax credits.

With a simplified propane program, our client **receives fewer invoices, reduces theft, eliminates billing errors and saves on propane. Plus, our detailed fuel reports have helped them save thousands in tax credits.**

## Results:



### \$1.2 Million in Yearly Savings on Propane

The new propane management program from Sokolis helps the distributor:

- **Save \$1.2 million on propane per year**
- **Eliminate over 1,000 invoices per month.**
- **Claim thousands of dollars in tax credits**
- **Access 13-month rolling purchases, sorted by branch and region**
- **Receive \$25,000 in credits from overbilling.**

The new propane program enables our client to buy propane from a few vendors, rather than hundreds. As a result, our client receives fewer invoices, saving time and money. The program also eliminates accessorial fees, helping our client save millions of dollars annually.

Our detailed fuel reports track how many gallons of propane our client's branch locations use. With this data, our client can claim tax credits under the Inflation Reduction Act, saving thousands of dollars annually. By tracking gallons, our client can also create accurate budgets and see trends in consumption over time. This historical data makes it easier to detect abnormalities that may indicate theft.

We continue to audit invoices for our client, finding billing errors that have amounted to over \$25,000 in credits. We also verify transactions using the benchmark price for propane, ensuring that vendors do not overcharge our client.

With their simplified propane program and improved reporting, our client can save money on propane while expanding their operations.