

4Refuel refines business processes with IBM and SAP.

Overview

■ **Business Challenge**

Refueling company 4Refuel looked for ways to attract and retain new customers in a way that would make its services stand out in a commodity market, and enable the company to attract more customers served by new franchisees to its highly successful business across Canada and then globally.

■ **Solution**

Working with IBM Business Partner Coastal Range Systems, 4Refuel created an integrated business system that allows customers to examine fuel consumption truck-by-truck, and learn how to improve fuel efficiency, reduce environmental impact and control costs.

■ **Key Benefits**

- *Truck-by-truck data allows clients to take action to ensure best possible fuel economy, protect the environment and reduce operational costs.*
- *Daily updates provide insight into truck performance, fuel usage and costs.*
- *Invoice processing time reduced by more than three man-days per month.*



Based in Langley, British Columbia, Canada, fueling specialist 4Refuel was born in 1965, as a franchise of an Australian company called Mini-Tankers. Operating since 2004 as an independent company, 4Refuel is growing rapidly, developing innovative fueling services for trucks, homes and businesses, with both company-owned and franchise operators.

Jack Lee, President and Chief Executive Officer, explains: “We have transformed ourselves from an on-site refueling service to a full-fledged fuel management company, covering Canada coast to coast. We understood that our clients wanted more than just refueling services, and that information—for example on consumption and costs over time—was a very important value-added service. From the original

“The SAP Business One software and IBM BladeCenter® technologies have helped position 4Refuel with a unique fuel usage service for customers, ready for the next exciting phase in our growth.”

— Jack Lee, President and Chief Executive Officer, 4Refuel

Business Benefits

- Truck-by-truck data allows clients to take action to ensure best possible fuel economy, protect the environment and reduce operational costs.
- Daily updates provide insight into vehicle performance, fuel usage and costs.
- Provides a real-time business information service that few refueling companies can match—a genuine competitive advantage when it comes to attracting and retaining customers.
- Invoice processing time reduced by more than three man-days per month—a significant cost saving.

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— Jack Lee

Mini-Tankers concept, we have developed a highly refined business based on customer service, information and innovation, backed up by the best technology from SAP and IBM. With the right IT infrastructure, we will take the 4Refuel concept global.”

Building a new fuel future

The company’s original business and financial systems ran on separate systems, glued together with spreadsheets. Existing systems allowed only bimonthly invoicing, causing cash flow peaks and troughs for customers, suppliers and 4Refuel. The UNIX®-based hardware platforms were aging and becoming progressively less reliable, with frequent unplanned outages that interrupted work. Valuable consumption and pricing information was available only through manual data collection.

If the company could collect and process fueling data and invoices more rapidly, then financial and cash flow information would be available in near real-time, allowing everyone in the fuel chain to understand their true business position more fully. “The aim was to create a one-stop-shop for reporting, which could then help us provide the critical usage data to clients,” Lee continues. “If we could help our customers run more efficient fleets and cut their costs, then they would be more likely to retain 4Refuel as their supplier. With lower costs, our customers would grow faster, using more fuel more economically—and contributing to environmental protection, too.”

“We were running Great Plains financial software and Fuel Right specialist fuel management software. We had already started to take significant steps toward centralizing all our accounting and business systems by integrating these applications, yet we could see that there would always be limitations when it came to our larger ambitions,” says Lee. “At that point, we engaged IBM Business Partner Coastal Range, who introduced us to SAP software. Essentially the offer was to provide an integrated business process, from the RFID tags on trucks right through to the daily reporting, which would reduce our administrative costs and, more importantly, enable us to provide customers with fuel economy, environmental and cost data—truck by truck—easily and cost-effectively.”

How 4Refuel makes it happen

The key to 4Refuel’s transformation is the collection and analysis of customers’ fuel usage information, truck-by-truck using RFID technology and data collected from the engine management system of each truck. The information is used to provide highly detailed reporting on fuel economy, environmental issues, cash flow and more. With the new SAP software and IBM BladeCenter platform, 4Refuel is able to provide this precious analysis on a daily basis, if required.

Working with Coastal Range, 4Refuel selected SAP Business One, a mid-sized enterprise offering that automates critical business operations for diverse industries. Fueling, financial and RFID data is captured straight into the SAP software, and reports, invoices, cash flow projects and more are generated in what amounts to real time. The company chose IBM BladeCenter servers as the core SAP applications platform, supporting the general ledger, accounts payable, inventory, sales and credits, as well as the fueling systems themselves that describe customer orders, usage, fuel grades, locations and capacities and much more.

“With SAP software we now have a single, integrated system that allows us to handle all our customer interactions from the same place. Not only does this mean we are able to provide the kind of detailed reporting that differentiates us from a pure fuel reseller, the integration reduces the costs of operation, even though we are delivering more, which puts 4Refuel in an advantageous competitive position with this value-added offering for our customers,” explains Lee.

Al Raffan, Chief Financial Officer, adds, “With the previous system, our billing cycle was monthly, and with customer payments arriving up to 30 days later, it stretched our cash flow. For the first time, with SAP Business One, 4Refuel is able to raise customer invoices on a daily basis if required, which helps smooth out our cash flow. Customers, too, prefer continuous billing, and combined with the fuel usage data we provide they have a better view of their business by using 4Refuel.

“The fuel usage—right down to the truck-by-truck level using RFID integration—is a key competitive advantage, making our customers prefer our services. The SAP software and IBM BladeCenter servers are the essential enablers that make this happen for 4Refuel.”

Cost-effective growth

Now that the very successful 4Refuel model has been established across Canada, the aim is to extend the franchise areas—and to do so means being able to build system capacity in a granular way.

Peter van Leeuwen, VP of Sales at Coastal Range Systems, reports, “The starting point was the need to grow with reliable systems that would provide the required service all over Canada, across multiple time-zones and, as 4Refuel grows, throughout North America. The IBM BladeCenter servers provide the easy scalability we need, and as 4Refuel expands its operations new blade servers can simply be slotted in to provide additional system capacity.”

Key Components

Software

SAP Business One

Hardware

IBM BladeCenter HS40 servers

Business Partner

Coastal Range Systems

Why it matters

On-site fueling provider 4Refuel is differentiating itself from its competitors by offering the capability to optimize fuel economy for trucking companies—right down to the individual truck operator level. This first-of-a-kind service relies on integrated SAP applications and IBM technologies to collect, analyze and distribute data using RFID to identify each truck’s refueling history. The unique truck-by-truck analysis helps customers to cut fuel costs and meet environmental emission targets, abilities which in turn keep clients exceptionally loyal to 4Refuel in a highly competitive commodity market.

IBM BladeCenter is a chassis that provides shared power, cooling, networking switches and ports for ultra-slim blade servers, which simply plug into a pair of midplanes. The IBM blades are hot-pluggable, so inserting one into the BladeCenter chassis—which can hold a total of 14—connects it immediately to the network and power supply, with no additional cabling required. The IBM blades are based on the latest Intel®/AMD processor technology and can be equipped with local SCSI disks and Fiber Channel Adapter Cards. With its energy-efficient components and shared infrastructure, IBM BladeCenter helps to realize lower power consumption.

For 4Refuel, standardizing on blade technology reduces the administrative costs of managing multiple systems. With the 'Pay-as-you-grow' approach of IBM BladeCenter, it's a simple task for 4Refuel to assign new workload to a new server, as Jack Lee confirms: "Using SAP Business One, we are able to add new sales operations easily and quickly, and as the business grows we simply add blades to increase capacity. BladeCenter enables us to respond rapidly and cost-effectively to new opportunities or challenges in the marketplace."

Accelerated invoicing

The change to SAP Business One has resulted in direct cost-savings and process efficiencies. Sirpreet Basra, Financial Controller at 4Refuel, comments, "We know that creating an invoice on the new system takes between 20 and 30 seconds—less than half the time of the former software. The company issues around 3,000 invoices a month, so we save more than three man-days per month—a significant cost-saving."

Bhag Barni, Network Manager at 4Refuel, adds, "BladeCenter provides a stable and flexible platform for SAP Business One. The IBM hardware is both reliable and easy to manage, so the IT team can focus less on technology issues and more on serving business users."

Fueling a brighter future

Jack Lee concludes, "4Refuel has been working with Coastal Range since 1996, and they have helped us with a number of different implementations and upgrades. We've always had a great relationship with them. Coastal Range helped us through every step, led by a great project manager. They know SAP Business One and IBM technologies inside-out, and they know us well, so they were able to manage our transition with competence and professionalism.

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