How Can Fleets Control Mounting Fuel Costs?

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Effective Fuel Management Requires Purchase Controls and Driver Behavior Modification

With more than 14,000 annual fuel transactions for its 300-vehicle fleet, Molex Incorporated recognized daunting expenses when gasoline prices rose to more than $3 per gallon earlier this year.

Determined to counter those high fuel costs with an appropriate management system, the Lisle, IL-based manufacturer of electronic components decided an innovative, communication-based system would provide the tools needed to control fuel spend with long-term strategies and measurable savings.

The Challenge:

Prevent wasteful and unauthorized fuel spending

The Solution:

Track and control spending patterns, modify driver behavior

The Result:

Improved driver behavior and reduced fuel costs
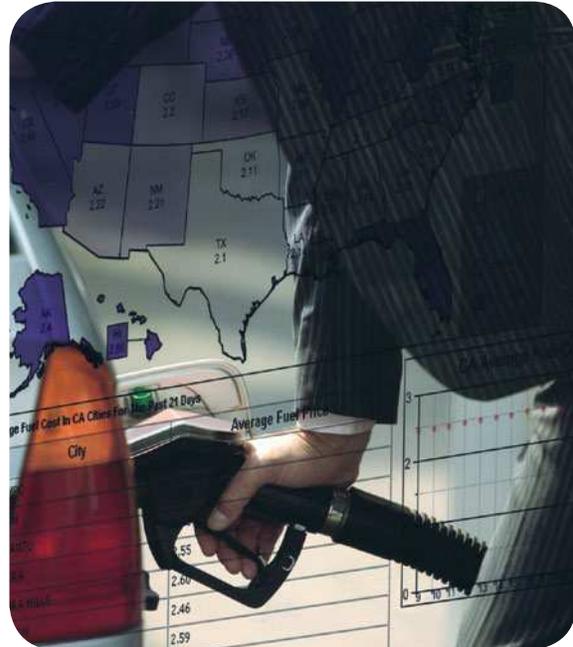
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The Challenge:

Prevent wasteful and unauthorized fuel spending

Setting the foundation for effective fuel management, Donlen —North America's fastest growing fleet management company—identified key factors costing Molex money.

Upon analysis, driver transactions revealed excessive purchases in areas including daily spending limits, transaction frequency, and fuel tank capacity. In addition, miles per gallon performance was below expectation, due to inefficient acceleration habits, road conditions, poorly inflated tires, or inaccurate odometer reporting.

With those insights, Donlen moved forward with its cost-saving solutions, honing in on driver behaviors that led to the cost analysis findings.

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The Solution:

Track and control spending patterns, modify driver behavior

A centralized billing system for all fuel purchases also functions as Donlen's tracking point for transaction analysis. With it, clients are empowered to establish spending limits that are customized to their Donlen Fuel MasterCard program.

Then, the fuel spend patterns of each driver are analyzed by Donlen on a monthly basis, and if necessary, an e-mail communication is sent to notify drivers and, if required, a manager or other company employee, of exceptions. Donlen uses its PUSH (Prevent Unnecessary Spending and Hazards) technology to address six key exception areas:

1. Miles per gallon is below expectations for the vehicle.
2. Fuel purchase exceeds the vehicle's tank capacity.
3. Driver has entered nonsequential odometer readings.
4. Daily spending limit is exceeded.
5. Number of daily transactions is exceeded.
6. Individual transaction spending limit is exceeded.

Each PUSH notification from Donlen also includes tips to help the driver achieve operating cost targets. For instance, proper tire pressure may improve miles per gallon, and applying accelerator pressure gradually may prevent unnecessary gas consumption.
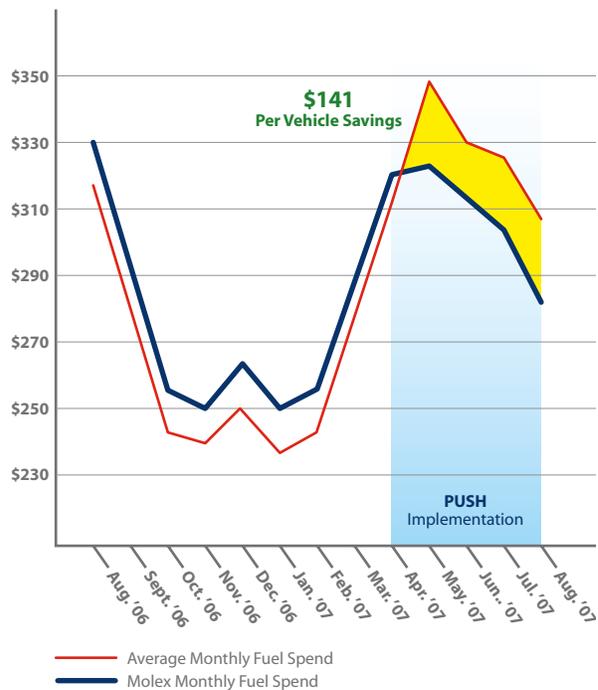
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The Result:

Improved driver behavior and reduced fuel costs

As drivers become aware of their accountability, their behavior changes, say Donlen experts. In fact, the client reported that some of its fleet drivers actually modified their personal driving habits, and as a result, their own off-the-job fuel costs have decreased as well.

When comparing non-managed fuel expenses of a fleet against the costs of a fleet with a fuel management program, savings up to 10% can be achieved with the latter. For a typical fleet, the savings translates to $342 for a vehicle earning 20 miles per gallon, driven 25,000 miles per year, with fuel cost at $3.00 per gallon.

For Molex, annual fuel savings per vehicle totaled $141 in just six months with the PUSH system and the Donlen MasterCard® Fuel* platform.

"While we realized we could not control the world's oil market, and the skyrocketing gas prices at the pump, we recognized that with better fuel management, we could ultimately cut costs. With Donlen's fuel management platform, we are now able to take back the control we need to curb unnecessary spending and influence driver behavior. Those two focus areas make all the difference."

- **Nate Breed**, Senior Accountant for Molex

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