

Automated Fuel-Management Services Deliver Results And Profitability In Waste Industry



Proactive fuel-management services can increase productivity and reliability, while reducing costs and mitigating fueling-related risks.

By Peter J. Cochefski, Director, Ryder Fuel Services

Introduction

The United States waste-management industry provides an essential and critical service that employs millions of Americans while generating annual U.S. revenues that are projected to reach \$60 billion by 2016.

Given the economic impact waste management has on the U.S. economy, it is also an industry that must cope with constant change and daily challenges to operations that directly affect bottom-line profitability. In comparison to many other industries of such critical importance, the waste industry has had to deal with steadily tightening municipal budgets across the nation and the rising cost of the fuel that is required to power the fleets of trucks that are used to transport waste.

Every business and industry must be prepared for change. Waste industry managers are no different. One of the most predictable expenses, and one of the most volatile in the waste industry, is transportation. The biggest concern for management in the waste industry rests in the fleet of vehicles charged with the daily collection and delivery of solid waste. When you consider the impact of rising fuel costs for any truck, the unique wear-and-tear it experiences and maintenance, it is easy to see why waste

industry managers must keep close tabs on their fleet expenses.

This white paper will identify the various fuel-related challenges faced by the waste industry and the ways that proactive fuel-management services can increase productivity and reliability, while reducing costs and mitigating fueling-related risks.

The Challenge

Compared with other industries, waste-industry management faces unique challenges in moving its product through the supply chain — in this case, its product is solid waste, which must be collected and delivered to landfills, incinerators or recycling facilities. Because of the mechanized nature of waste collection and the potential for low operating margins it is imperative that waste-management companies maintain control of their entire transportation process. Municipalities are constantly trying to hold or cut costs, regardless of its vendor's added operational expenses.

The largest U.S. waste transportation segment is the collection process, which represents \$34 billion annually, accounting for 61% of industry revenues. Transporting and processing waste

and recyclables accounts for another 11% of industry revenues. However, transportation is often a service that may not be part of the waste manager's core experience. To combat this, many waste companies have turned to technology to make up for what they may lack in trucking and fleet-management expertise.

Managing the efficiency of waste pickup and its destination delivery is essential to managing the bottom line of any waste operation. The waste industry experiences an immediate impact on its bottom line whenever fuel costs or anything related to transportation expenses undergo a dramatic change.

Any waste management operation that has access to fueling sites recognizes the cost of fueling vehicles is immense. Also consider that a small percentage of the annual fuel budget is lost due to theft or waste. This fact highlights the added challenge facing the fuel-management system for concrete operations. Not all waste fleets are created equal. Whether it's a small- or medium-sized waste operation, or one of the largest companies, they all face the same challenges in managing their transportation and fueling operations. In fact, the medium and small businesses may face even greater challenges than the larger

Automated Fuel Management



The multiple vehicles operating within a fleet make a fuel-management system essential. A modern automated fuel-management system can provide fueling-facility managers and waste operators a reliable way to track and analyze centralized data.

companies since they often do not possess the wherewithal to incorporate the same fuel-management resources. And while any savings — be it weekly, monthly or annually — adds up, the smaller business has to work harder and smarter to achieve desired results.

A waste company's fleet can cost millions of dollars to operate. Any downtime due to operational failure or lost time trying to coordinate convenient refueling stops will not only adversely affect delivery schedules, but also lead to additional fuel costs as other trucks are forced to pull double duty.

While the waste industry generates billions of dollars in revenue each year, every component of the business, especially transportation and fuel management, must adapt to change and adopt innovation whenever possible.

The waste company that has not adopted centralized data management for its trucking operations, or whose managers have not automated their fuel-management processes, is likely running a system that may be “working” on the surface — but not efficiently.

The Benefits of Automated Fuel Management are:

- Centralized management of the fueling operation
- Accurate, reliable tracking of fuel
- Elimination of manual record-keeping
- Improved fuel tracking for tax purposes
- Easy allocation of fuel expenses

- Detection of fuel theft
- Improved driver accountability

Unfortunately, if there is enough inefficiency in a fueling process, it may be costing any waste company's trucking operation thousands of dollars a year in fuel, equipment maintenance, liability and compliance costs. This can erode margins that are being generated in other more efficient areas of the business.

Given the variables that can affect the transportation of products in the waste industry, a company's fuel-management program can be a source of enormous unrest, not to mention an enormous weekly drain on the operating budget. Fuel is the lifeblood of any business with fleets of vehicles, so why live with inaccurate inventory levels when technology has been developed with ultra-accurate inventory measurement in mind?

The Solution

As today's fuel and transportation costs continue to be volatile, waste-industry executives recognizing the need to improve their fueling operations, as well as their company's bottom line, would be prudent to invest in and implement an automated fuel-management system into their operations.

The modern automated fuel-management system can easily provide fueling-facility managers, owners, fuel buyers and

fuel suppliers with an end-to-end fuel-management solution. Centralizing the capture and storage of key fueling-site information through automated processes ensures the end-user creates and maintains consistent site operations, delivering maximized operational efficiencies and site profitability.

Ryder Fuel Services, proven professionals in compliance, alarm, service and project management, provide Best Management Practices (BMPs) for everyday fleet operations. The BMPs for fuel management will improve operating efficiencies, reduce costs and minimize environmental impact. Ryder can provide customer-focused fuel-management services tailored to any business' needs, with a focus on keeping the business operating at peak efficiency.

Choose any or all of Ryder's functional service components to drive results. Engage these services individually or as part of a fully integrated solution, depending on your needs. An account manager possessing expertise in fuel handling and fuel systems will manage all services. In addition to savings, the reduction of the carbon footprint is often a residual benefit of the new fuel-management tactic.

Automated Fuel Management



1. Automated Fuel Tracking

Automated fuel tracking allows real-time access to inventory levels and fueling habits at any time of the day or night for all of a company's fueling operations. It provides a more accurate account of the amount of fuel usage at a facility, and exactly where that fuel is going, which will decrease opportunities for theft. From a corporate standpoint, all fueling activities may be monitored from a central office, whether it be regionally or nationally.

2. Reduced Maintenance Costs

Maintenance issues cause headaches not only when a piece of equipment fails, but also when the maintenance issue needs to be documented. If this data is not accurately recorded, the site operator runs the risk of overpaying for a service call, or repeating service calls. Fuel-management services can let the operator know how much time the technician spent on-site, how much service calls cost, and the frequency of service calls for the same problem, which is something that can be hard to track by an on-site manager or clerk.

3. Compliance Management

Automated fuel-management systems have been designed to track and update compliance data and incidents 24/7/365. Compliance management at commercial or industrial sites can be a lower priority, but automated management of this process increases its importance in the system without increasing the amount of employee interactions.

Every waste operation requires fuel to run on a daily basis. Tracking fuel consumption data and critical environmental compliance and warning alarms can provide a boon to reducing costs for any waste operation.

Basic Benefits of an Automated Fuel-Management System:



- **Reduce on-site time per call.** Allows for a better initial understanding of what a particular problem is, which can be communicated to the service provider before the service call is initiated.
- **Enhanced warranty management.** Audits invoices and lists in a database any equipment repairs or changes, which allows for more comprehensive tracking of warranties. Also alerts service providers of any warranties that may be active.
- **Review contractor invoices for accuracy.** Reduces billing errors.
- **24/7/365 remote monitoring.** Keeps an eye on the site's operations around the clock, rather than the single shift that the site manager may be working on-site.
- **Tracks annual testing and certification reports.** Provides accurate compilation and availability of compliance inspections and reports, which reduces potential liability risks.
- **Web-based compliance management.** Gives the site manager the ability to access a Web portal to review all site information (inventory, deliveries, service, alarm, compliance, invoices, etc.) any time of day from anywhere in the world.
- **Centralized fuel-site management.** Allows the site operator to manage all data from company fueling sites in one secure, Web-based platform.
- **Ability to focus on core competencies.** Simplifies the fuel-management process so that one person can be dedicated to handle all fuel-management responsibilities, which allows other employees to perform their normal duties.
- **Reduce unnecessary maintenance dispatches.** Delivers the ability to remotely diagnose, resolve and document alarm conditions.
- **Manage qualified maintenance contractors.** Allows creation of a contractor database that can be consulted whenever service, maintenance, compliance or alarm issues arise.
- **Analyze and resolve active alarms.** A key component for fueling sites that have alarm technology available on their fueling islands or tank gauges.

Automated Fuel Management



Many waste management fleets have a diverse selection of vehicles performing specific tasks. Managing the fuel consumption and tracking costs are just two benefits of the modern fuel management system.

4. Alarm Management

Alarm management is traditionally a labor-intensive, manual job. Automated fuel management allows this difficult task to be outsourced to a company that can diagnose, solve and document alarm conditions immediately. Detecting an alarm event at the earliest possible point is essential to identifying a potential environmental risk and mitigating the costs that can be associated with environmental remediation.

5. Manage Contractor Database

Unless a site operator has a long-standing relationship with a service professional, they enter the unknown when on-site repairs or maintenance are needed. Automated fuel-management systems allow a contractor database to be set up for the site, often by the company that is providing the fuel-management service. This ensures that contractors who don't have the ability — or even current or correct insurance — are not called for a particular job

The Conclusion

Ryder Fuel Services has designed its Fuel-Management service component to be an integrated solution to manage all activities and data associated with purchasing, transporting, storing and dispensing fuel. This centralized computer-based fuel-management system can be a crucial piece in the optimization of supply-chain efficiencies and overall fuel-supply performance for fuel-site operators, large or small.

To find out how Ryder Fuel Services can help you, please contact:

Peter J. Cochefski,
Director, Ryder Fuel Services
(281) 647-8900 ext. 222
pcochefski@ryderfs.com

About Ryder Fuel Services

Ryder Fuel Services (Houston, TX) is a subsidiary of Ryder System, Inc., and a provider of fuel-management programs that focus on Compliance Management, Remote Monitoring and Alarm Management, Service Management, Fuel Management and Supply, and environmental Best Management Practices. These programs help Ryder Fuel Services customers, depending on their specific needs, improve operating efficiencies, reduce costs and minimize negative environmental impact.



1-800-215-4839

www.ryderfs-whitepaper.com/waste

Copyright © 2014 Ryder System, Inc • SEPTEMBER 2014