

DANWOOD

Moving to a new fleet fuel solution from TMC dramatically cut fuel costs, fees and administration time for Danwood Group, the UK's largest independent provider of managed print and document-centric services.

DANWOOD GROUP runs a fleet of 400 company cars, 160 cash-allowance cars and 40 commercial vehicles. By 2014, finding a new, more robust fuel and mileage solution had become a priority for Danwood's Head of Fleet & Facilities, Geoff Wray.

The company's existing fuel card provider had just introduced a flat fee on pump transactions that cost Danwood £1.20 every time one of their drivers refuelled a vehicle. The new charge would cost the fleet an extra £35,000 a year merely to keep using the cards. At the same time, the fleet team were increasingly dissatisfied with the adequacy of the management information they were receiving from their existing supplier, as well as with continual administration issues around ordering and cancelling cards.

Paying fuel expenses was another big issue. The company had outgrown its manual, spreadsheet-based mileage reporting process to the point where administering fuel expenses took up 25% of the fleet executive's time every month. Even then, it was not possible to check hundreds of spreadsheets closely to verify whether trip records were accurate and complete.

Before being introduced to the new TMC Fuel+ Geoff looked at his options for replacing the existing fuel card. At the time, the card used by his drivers was the only multi-brand card available. Danwood was concerned that they would either have to introduce a multi-card solution or go with one fuel brand at the cost of seriously reducing the number of forecourts available to the company's teams.

Savings:

13.8% reduction in fuel costs due to:

- More efficient private fuel process
- Increased VAT recovery
- Tax-efficient mileage allowance scheme

The solution

When he talked to TMC, however, Geoff realised that our unique, fully-integrated total fuel purchasing and mileage capture solution could overcome his fleet's fuel card headaches and mileage-related insecurities in one move, without compromising coverage.

Using TMC Fuel+, we selected an advanced, Chip & PIN-authorized, VISA-powered fuel card, which is accepted by over 98% of UK petrol stations as well as at sites across Europe. TMC Mileage Capture, Audit and Control is the leading mileage cost-management system on the market, with nearly 100,000 users logging-in to it in 23 countries.

The fuel card and the mileage capture solution work together as one. Fuel+ allows Danwood's employees to refuel securely at virtually any forecourt (including all supermarkets) at the pump price and with no transaction fees on top of the cost of fuel. TMC captures complete, proactively-audited, HMRC-compliant business mileage records via an online reporting portal, TMC's GPS-enabled smartphone app and customers' telematics data feeds.

The benefit: high visibility over every major fuel-related metric ▶

Benefits

TMC combines the data from each driver's fuel card transactions and journey records. Expert inbound and outbound driver support by TMC's Customer Team helps to maintain accurate reporting and ensure that, typically, over 95% of users close off their mileage claims on time each month.

The benefits of the solution include high visibility over every major fuel-related metric: real-life mpgs and pence-per-mile, pence-per-litre, fill volumes, actual CO₂ emissions, business vs. private fuel use, and more. Outputs include a monthly payroll data file for private fuel deductions, VAT optimisation, BIK Fuel analysis and a suite of management reports.

Cost savings

TMC implemented the new solution for Danwood on 1st December 2015. TMC produced information for drivers and arranged system demonstrations in the run-up to the launch to help ensure the switch-over went smoothly.

"When it went live, all I received was positive feedback as to how easy the system was - particularly the TMC Mobile App," said Geoff.

Danwood saw an immediate reduction in fuel-related costs because there are no transaction charges with the Fuel+ card. This fee saving was just the beginning.

At the end of the first quarter of 2016, a review of fuel and mileage costs showed that, after implementing our solution, Danwood's costs had fallen 13.8% year-on-year on top of fluctuations in pump prices.

Around half the direct saving came from more efficient reimbursement of private fuel costs by the drivers and enhanced VAT recovery (the new system enabled Danwood to switch from using the VAT scale charge to recovering the actual VAT, which was greater). The other 50% was delivered by TMC's Cash Allowance Scheme for Danwood's employees that take a car allowance instead of a company car.

Net Cash Scheme

The TMC Cash Allowance Scheme delivers immediate savings in class 1A national insurance by enabling employers to make the most of the approved mileage allowance payments (AMAPs). It works by adjusting each driver's cash-for-car allowance in favour of tax-efficient reimbursements via AMAPs.

Both the driver and the company benefit from maximising the amounts paid tax-free. TMC performs the monthly calculations and creates the payroll reports based on captured mileage.

"It took a few people, myself included, a while to fully understand the tax adjustment scheme," admits Geoff. "But now I am just getting positive feedback. Drivers in the scheme are saying: 'I am so much better off every month' and 'Why didn't we do this before?'"

Actual cost fuel reimbursement

Adopting the TMC Fuel+ solution has allowed Danwood to resume to deducting private fuel from drivers at actual cost. As well as being the fairest method, it also proved to be cheaper for most drivers than using the HMRC Advisory Fuel Rate scale.

"Previously we had to use AFRs due to the low quality of fuel and mileage data. It was a massive task for me every month to try to work out individual actual pence-per-mile rates to recharge people at," said Geoff. "With Fuel+ we were confident that we would have the right fuel data and mileage data to move back to actual pence per mile rates."

"There were a few questions from drivers at first but people are now saying they are better off. The rate they are actually achieving in the vehicle is less than the advisory rate so the cost of their private mileage deduction is smaller."

Winners

"Everyone's a winner," said Geoff. "Our company car drivers are happier because they've got a nice, easy mileage expense system and the private fuel is costing them less. And our car allowance drivers are happy because they are seeing savings in their tax and national insurance."

► How Danwood Group dramatically cut fuel costs, fees and administration time with Fuel+

Driving change

Danwood's fleet team has also gained major benefits from putting mileage capture and fuel reimbursement into the hands of TMC. The streamlined new solution has freed up a week per month of the fleet executive's time – around 40 hours that were previously committed to processing manual mileage reports.

"TMC send us finished reports where all the work is done for us. They'll also phone us if they spot something we need to look at. It's so much more than getting a spreadsheet at the end of the month," said Geoff. "It means Charlotte is now able to get more involved in things like our lease contracts and our manufacturers' support agreements. We've been able to build her role up and move her to a higher grade, whereas before she just wouldn't have had the time."

Unexpectedly perhaps, the upsurge in high quality business mobility information provided by TMC is also informing decisions in areas of the business not directly connected to the fleet.

"With the level of journey data we are now getting, we've been able to identify that some staff are either set up at the wrong branch or perhaps they should have more than one workplace declared," said Geoff. He subsequently worked closely with Danwood's HR director to review workplace location provisions in employees' contracts.

Geoff said he would recommend the TMC Fuel+ solution to any fleet, even if it already has an HMRC-compliant process in place. "The professionalism of both sides of the venture has just been fantastic for us. From the top of the company down to our engineers on the road, all I have received is positive feedback. It's made my job a lot easier and my team's job a lot easier."



Danwood's conclusion: Exceeded expectations

"The level of the audit I am seeing and the fact that it has taken a lot of responsibility away from my team; I really do believe this has been a fantastic thing for us as a business to do. If anything, it has exceeded what we expected to see - and we already impressed with what we thought we were going to get."
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TMC is Europe's leading Mileage Audit and Fuel Expense Management specialist. We deliver award-winning, online systems that ensure that business journeys, commuting and private mileage are processed accurately. Together with our unique fleet Carbon Reporting System and strategic services, we enable customers to address their travel expense, fuel cost management and environmental needs. Our solutions also reduce administration costs, support compliance with Duty of Care requirements and are recognised by HMRC.

