

## TMC Fuel Management Solution

### How Nobia achieved sustained savings on fuel spend with the TMC Fuel Management Solution

“We’ve completely changed our expectations in this area of fleet management”

**nobia**

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Nobia is a European kitchen supplier that develops, manufactures and sells kitchens across Europe. The fleet management team wanted to introduce a fuel management solution that provides in-depth mileage data in order to free up internal resources, analyse fuel usage and identify savings. They also needed a new fuel card - one without transaction fees.

Nobia chose the **TMC Fuel Management Solution** as it provides consolidated, actionable fuel data, backed up by a mobility purchasing card with no transaction charges and over 98% coverage of UK petrol stations.

**Before: Poor fuel consumption data, an administrative burden and fuel card transaction fees**

Nobia has 480 drivers using fuel cards. Most reimburse privately-used fuel to the company. The rest are fully-expensed.

The business needs detailed reports of fuel spend and drivers’ mileages so that it can settle expenses and analyse fuel use. Before switching to the TMC solution, it used a national fuel card supplier.

However, this service was not without problems, as fleet manager Tracy Barker explains.

#### Savings:

**9.8% reduction in fuel costs**

**16% increase in private mileage reimbursements**

**£51k BIK fuel savings identified**

“We had a growing number of issues,” she said. “It supplied poor quality data, which required a lot of manual intervention at our end.”

“Mileage reporting was an added-cost service on top of the fuel cards. But what we were getting out of it was no better than a basic spreadsheet.”

Working out how much private fuel drivers needed to reimburse took up a lot of Tracy’s time. Nobia also wanted to identify potential savings on fuel and mileage costs. Without good quality data, it couldn’t do so.

In 2015, Nobia achieved the ISO 50001 Energy Management standard. This called for better-quality data on fleet fuel use than Nobia was getting at the time.

“The decision to look for a new supplier was partly driven by that,” says Tracy. “We’d also been hit with a significant rise in our costs when the supplier imposed, without any negotiation, a flat fee on every fuel card transaction.”

The solution: A comprehensive fuel management system



### Solution: A comprehensive fuel management system

Nobia required a full-spectrum mileage capture system; one that would increase their control of fuel costs and streamline their reimbursement process.

Nobia also need a fuel card that's accepted at all fuel outlets, so drivers don't need to deviate from their routes to refuel.

The answer was TMC's **Fuel Management Solution**. It combines mobility expertise, technology and 'big data' analytics into a comprehensive management system.

- Easy-to-use online mileage capture platform and GPS smartphone app to log trips
- Automatic reconciliation of fuel card spend against trips
- Intelligent algorithms to spot discrepancies in reported mileages
- A "Micro Audit" which compares fuel fills to vehicle tank capacity
- Outbound calls to drivers to investigate any anomalies in claimed mileage
- Month-end payroll files for private fuel reimbursement
- Reporting on MPG, pence-per-mile costs and CO<sub>2</sub> emissions for ESOS requirements

The solution for Nobia solution also included a new Chip & PIN-authorized fuel card, accepted by over 98% of UK fuel outlets.

**The card delivered cost-saving for Nobia from day one as there are no transaction fees.**

### Streamlined solution leads to substantial savings

Nobia went live with the new solution on 1st October 2015, providing all its drivers with fuel cards and individual accounts on the mileage capture system.

The results that Nobia have seen since then have been impressive, says Tracy.

**The average proportion of fuel costs reimbursed by each driver in respect of private use has increased from 36% to 42%.** Tracy attributes the increase to the mileage system's ease-of-use and TMC's policy of continual proactive auditing of fuel data and mileage reports.

Nobia's drivers were already buying fuel wisely - data from the fuel card shows that 67% of fuel comes from supermarkets. Nevertheless, the benefits of switching to the new fuel solution - eliminating network transaction fees and increasing private fuel recovery - **reduced the company's fuel quarterly spend by 9.8% year-on-year above and beyond the effect of falling fuel prices.**

### More complete data

"The solution gives us more complete data which ranges from exception reporting right down to individual trip detail if required. We get more of it on time and we have to do far less data manipulation at our end," says Tracy.

Nobia's new solution from TMC takes care of both detailed trip logging and auditing.

"Our previous mileage system only summarised each driver's total business and private miles each month," says Tracy. "There was no backup in relation to that, so the drivers had to keep manual records in a mileage book. We would ask for a random selection each month and look for things like home-to-work journeys to make sure they weren't including those in business mileage. So there was a lot of work for us to do in the background on the auditing side."

### Proactive driver support and follow-up

Another standard feature of TMC audited Mileage Capture is proactive chasing-up of drivers by email, text and phone, to close off their monthly mileage reports by the cut-off date for payroll reporting. **In November 2015, 93% of Nobia's drivers closed-off by the deadline.**

"The previous supplier provided us with a payroll file but it needed a lot of work doing to it - mainly because of the number of drivers that were missing their cut-off dates," says Tracy. "Additionally, drivers that were late couldn't go back in to report on previous months.

"With TMC, if a driver misses the cut-off they can still go in to declare their mileage and TMC will include it in their repayment for the following month."



### Outbound driver contact

Tracy adds: "Support levels from the TMC Customer Service Team are very good. We now get far fewer calls to head office from drivers as they all tend to be driven through TMC.

"The really good thing is that it doesn't matter who you go through to. We have a designated customer service executive but whoever we go through to on the team can always assist."

To achieve consistently high levels of compliance around reporting and expense claims, the TMC Service Team handles outbound contacts with drivers as well as responding to inbound queries.

Around one in four calls made by the team in the initial phase of the contract related to audit issues.

### Further large savings identified

The **TMC Fuel Management Solution** includes consultative advice on fuel cost related issues like NIC, BIK, VAT and CO<sub>2</sub>. For example, TMC analyses the true cost of BIK Fuel benefit to companies and drivers, based on the real world information it holds about recipients.

"BIK Fuel is something we are going to look at. Even at this early stage **TMC have identified a potential net saving to Nobia of £51,000 by withdrawing BIK fuel benefit** from some fully-expensed drivers without leaving them any worse off," said Tracy.

"With the use of the data supplied by TMC the drivers will be able to make an informed choice as to whether it will be more beneficial to them to repay private fuel costs rather than paying the fuel BIK."

### Nobia's conclusion: A tremendous difference

"TMC have made a tremendous difference to Nobia's fuel management. Their solution delivered a saving straight away. There is much less administration for us thanks to their outbound driver support. We've completely changed our expectations in this area of fleet management."

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