

New fuel solution saves Schneider Electric £200,000 p.a. on direct fuel costs

Switching to TMC Mileage Audit from Allstar also greatly improves management information and reduces the administrative cost of processing mileage expenses.

Schneider Electric operates 1,200 company cars and more than 150 commercial vehicles in the UK. The company buys around £3 million-worth of fuel a year using fuel cards. It processes car drivers' fuel expenses using a combination of mileage capture and fuel card transaction data.

In 2012, however, the company was experiencing significant problems with fleet fuel and mileage. These were largely down to the poor quality of the reporting provided by its then fuel card supplier, Allstar, says Tracy Turbitt, Senior Buyer, Global Supply Chain, UK & Ireland for Schneider Electric.

"We originally built our mileage capture system around the Allstar fuel card so that we could upload their fuel transaction reports into it each month. Unfortunately we had increasing problems with that because Allstar had incorrect employee ID numbers and other data issues. We had to do lots of manual intervention before we could load their reports.

"I was spending 80% of my time on fuel issues. Then in January 2013 Allstar couldn't provide us with any data at all. We had to go for a month without being able to deduct anything from the driver's salaries. Some of our employees get through £400 to £500- worth of fuel a month so they were obviously very concerned about the impact on their personal budgets."

Full UK fuel Coverage

After carefully reviewing the fuel card market, Schneider chose **Barclaycard Fuel+ in Association with TMC**, which it implemented in July 2013. An important factor in the decision was that Schneider's drivers can use Fuel+ card at **98%** of forecourts in the UK, and also abroad.

Tracy Turbitt explains: "Because we specify the drivers' pence-per-mile fuel rates, we felt we needed to implement a card they could use anywhere so that they could find the cheapest petrol. Most of the cards we looked at restricted drivers to specific brands of fuel. So they were no good to us.

"The Fuel+ card is not only accepted everywhere but it is also Chip and PIN. As well as being more secure, that means it can be used in unmanned service stations. Some of our drivers used to complain about the Allstar card because it wasn't PIN-coded and they couldn't use it at supermarkets whose pumps are unmanned at night."

Mileage Audit- 'a big bonus'

The new solution's advantages did not stop at solving the pay-at-the-pump problem and offering unrestricted national coverage.

"When we looked into TMC Mileage Audit we could see the opportunity to achieve cost savings by getting more accurate data from the drivers," says Tracy. "That was a big bonus because we started out just looking to replace the fuel card."

Every driver's fuel pence-per-mile rate is held on the TMC system. Each month, TMC are then sending Schneider a payroll report showing each driver's total fuel card spend, which the company deducts from their salary.

TMC also calculates the fuel expenses to be paid (i.e. the business mileage logged by each driver on Mileage Audit multiplied by their fuel pence-per-mile rate).

By taking a weekly report from Schneider's vehicle leasing company, listing new cars delivered to drivers. TMC loads the cars' details on to its system, along with the appropriate Schneider fuel reimbursement rate. TMC's service includes helping to ensure that employee IDs, vehicle registration numbers, scheme IDs and pence-per-mile rates are kept up to date. "Basically we've been able to outsource all the administration of the mileage capture to TMC," says Tracy.

Smartphone mileage tracking

Another benefit of the solution is the facility to record journeys easily with TMC's integrated Mileage Track app. The app can be used on virtually any smartphone. Drivers can manually enter postcode-to-postcode journeys, or use GPS to record points and distances automatically. The app uses little mobile data as it does not transmit live location data. Many drivers are therefore happy to make use of the app's convenience on their personal phones, especially the company's mobile engineers who drive up to 20 legs a day between appointments.

Better data and reporting

Fuel budget reductions are just one part of the overall savings potential offered by the solution. For example, Schneider's high mileage drivers are in an Employee Car Ownership (ECO) scheme where it is important for the company to capture business mileage promptly to maximise the tax benefit of paying AMAPs. Before TMC Mileage Audit, drivers often made claims late or waited until the end of the tax year, depriving Schneider of a large tax saving.

TMC Mileage Audit automatically prompts drivers to close off their monthly trip reports. Schneider can also easily identify, from TMC's reports, employees who fail to submit their mileage. "It is just one of the things we can do better with TMC's reporting, which we couldn't do with what we were getting from Allstar—which was not a lot at all, really," commented Tracy.

Immediate results

In direct financial terms, the solution delivered immediate results. The first quarterly review showed a saving of nearly 8% in business fuel payouts to drivers, equivalent to £193,000 a year. This is primarily due to the high level of reporting accuracy ensured by the TMC Mileage Audit system and does not include a value for the significant reduction in Schneider Electric's administration overheads.

Moving to **Barclaycard Fuel+ in Association with TMC** has more than met Schneider Electric's goals.

"It is a tool we can really use to save money for the company—and not just on the fuel side itself. It will continue to have lots of benefits as far as we are concerned," said Tracy.

About Schneider Electric

A global specialist in energy management with operations in more than 100 countries, Schneider Electric operates from a number of sites across the UK. Schneider Electric's products and solutions help people use electricity safely, efficiently and in ways that conserve energy and other natural resources.

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.

The Miles Consultancy Limited

TMC House, Spring Farm Business Park
Moss Lane, Minshull Vernon
Cheshire
CW1 4RJ

T: 0843 222 6000

E: reply@themilesconsultancy.co.uk

www.tmcuk.co.uk

Registered in England and Wales

No. 04679336