

## Fuel Cost Management Systems – *Is One Right For You?*

Fuel is the #2 cost in trucking and, with escalating fuel prices, you may be considering signing up with a fuel cost management system – someone to handle fuel issues for you. These management systems vary, from bulk purchasing or hedging advice, to active purchase consortiums, fuel price monitoring and shared savings plans.

There are reputable firms and plans, and one may be right for you. But the professionals at ATA's National Accounting & Finance Council (NAFC) advise that any decision to cede control over your second largest cost should be made deliberately and only after you have done your homework. Here are some tips in examining any fuel cost management system:

Read the proposed contract – carefully

- Does it require you to purchase in volumes, at locations or at frequencies which truly fit your operations?
- Are shared savings calculated from an assumed truck MPG, and is it reasonable for your operations?
- Does it contain a non-disclosure provision? Your fuel purchases, routes and locations can say a lot about your customer base.
- Similarly, be sure your customers allow you to share with a third party their origin and destination data for route optimization purposes.
- How are the management fees calculated? In a consortium or pooling arrangement, are you paying only your share?
- Who is the fuel cost management system working *for*? When decisions must be made, who is the real client?

Look at what you can do to save fuel in your operations

- Consider a truck idling policy or Auxiliary Power Units (APUs)
- Examine driver incentives and training on fuel economy
- Review equipment specs, lubricants, aerodynamic devices
- Keep tires properly inflated
- Govern your trucks at a reduced speed
- Get the “*The Fleet Manager's Guide to Fuel Economy*” -- the best source on spec'ing, operating and testing for fuel savings -- from the **ATA Marketplace**

Ready to make a decision? Check financial stability, references and reputation, ask other carriers about their experience, and then choose what fits your operations for the *long* haul.