

8 FAQ's

ABOUT FUEL REBATES

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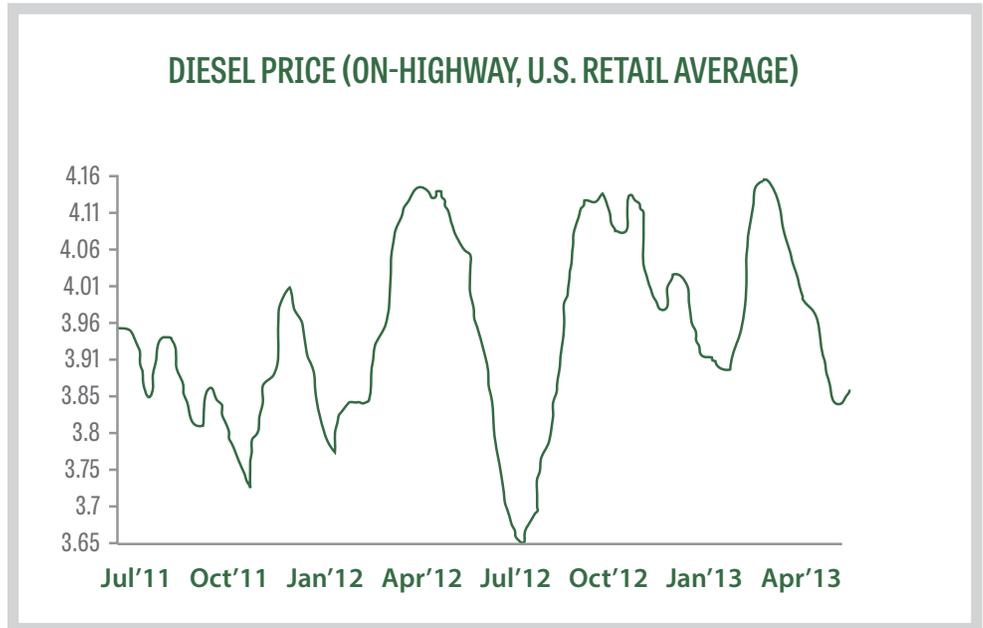
All questions about controlling fuel costs circle back to how well you know your cost-per-mile and how you manage your fuel consumption. Fuel consumption is the number one expense of any trucking operation and estimates range from 31 percent to 44 percent of revenue that goes to fuel expenses. That's why savvy business owners crunch every penny in the quest to increase profits. While fuel prices always fluctuate, recent economic indicators show a slight decrease in the cost of diesel. This encouraging news combined with potential savings from fuel rebate programs means a healthier bottom line. Remember, when cutting costs, every dollar saved in fuel consumption goes directly into your pocket.

There are many advantages to having a fuel card program and the opportunity to earn fuel rebates is a huge consideration. No matter how much you expect to get back with a rebate program, don't underestimate the value of your return on investment. Mike Hosted, business consultant with Colorado-based ATBS says all size fleets can benefit from shopping around for the best fuel card program offering fuel rebates. "It all comes down to managing your operating ratio and every penny counts with fuel since this is your largest cost. I've seen small fleets increase their bottom line profit by implementing a fuel rebate program. Even if the rebates are small, they can help lower a carrier's operation ratio across the fleet," Hosted says.

So how can you choose from all the various rebate programs offered by fuel card companies? We will look at 8 of the most frequently asked questions fleet owners ask about fuel rebates when considering a fuel card program.

1 WHAT KIND OF TRANSACTION REPORTS SHOULD I LOOK FOR?

This is a great question because one of the main reasons you use a fuel card program is to manage your fuel costs based on instant data. Look for clear accurate transaction reports with line-item detail that helps you see and control your fleet expenses. Make sure it has the capability for real-time reporting that monitors your drivers' fueling activity and vehicle data online from multiple locations. Your fleet manager should be able to view reports online or access custom reports from the collected data. With easily understandable transaction reports you can track your costs and generate a clear picture of where you can manage what you can control.



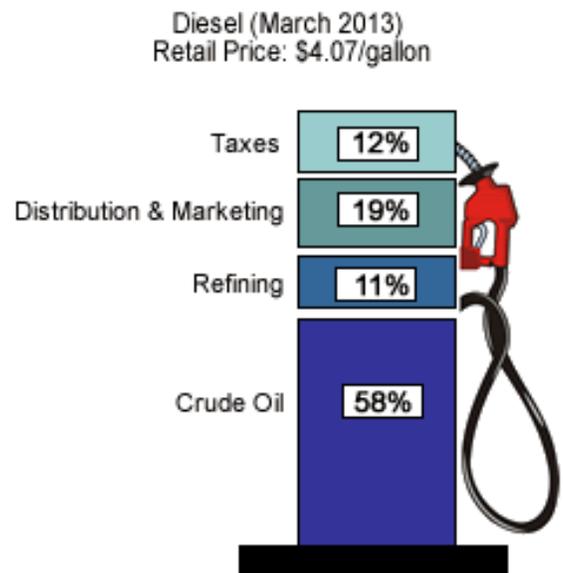
Source: MarketPulse

2 IS THERE A MINIMUM PRICE-PER-GALLON THRESHOLD THAT MUST BE MET TO EARN REBATES?

For giant fleets, that may not be an issue but for small- to mid-size fleets, it's better to choose a program that offers rebates on a per transaction basis.

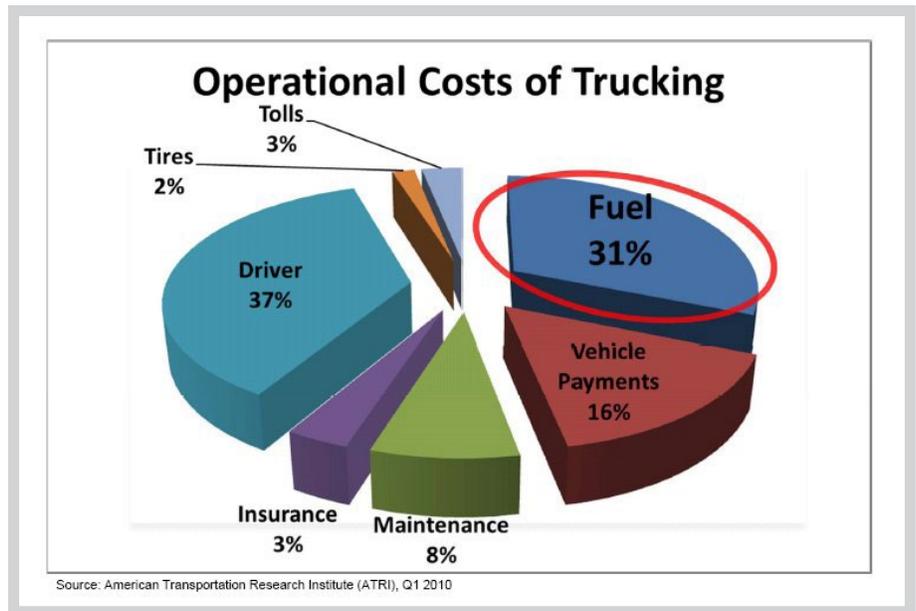
3 WHERE AND WHAT KIND OF FUEL AM I ELIGIBLE TO RECEIVE REBATES ON?

Don't assume your program covers every kind of fuel or location. Some only cover regular diesel and not bio-diesel or only at approved locations. Know your program's requirements and choose the one that most suits your fleet's needs.



4 SHOULD MY FUEL CARD PROGRAM PAY FOR THE TRANSACTION FEE OR IS THAT MY RESPONSIBILITY?

When you choose a fuel card program that offers no transaction fee, that typically means you get the added benefit of cash price at the pump.



5 WHAT IS THE BEST WAY TO RECEIVE FUEL REBATES AND WHAT IF I DON'T MEET MY MINIMUM?

Some programs go by the old adage, use it or lose it. Look for rebates that accrue if you don't meet your minimum. Why should you be penalized for driving fewer miles? Every little bit helps. According to Kevin Rutherford, host of "Trucking Business & Beyond" for Sirius XM satellite radio, even a few hundred or thousand dollars a year makes a difference to an operation's bottom line.

6 WHEN A FUEL CARD PROGRAM OFFERS REBATES ON TOP OF NO TRANSACTION FEES, HOW MUCH CAN I REALISTICALLY EXPECT TO RECEIVE?

With the cash discount and a special rebate offer from your fuel card, you can expect to see significant savings per gallon at designated locations.

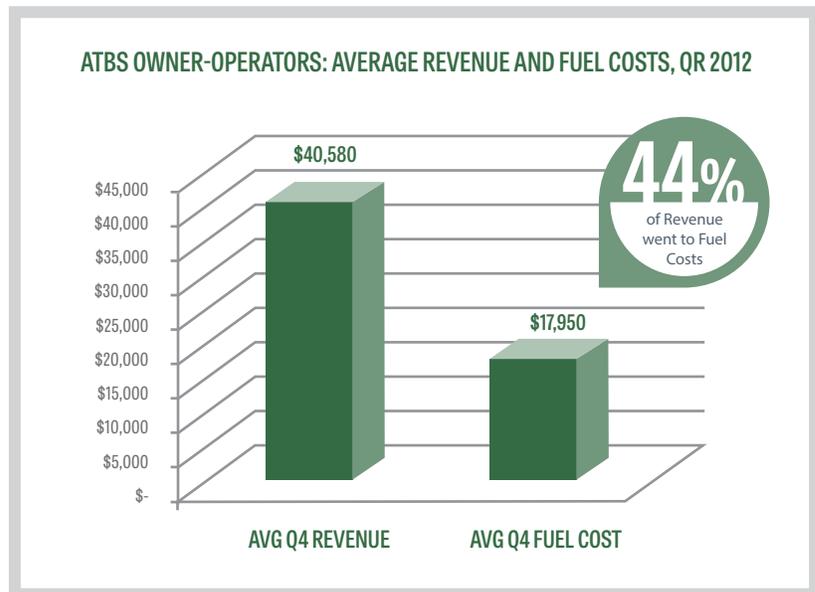
7 WHAT DO FUEL CARD PROGRAMS TYPICALLY DO IF THERE IS A MISTAKE WITH THE RECEIPT OF AN OWED REBATE?

Mistakes can happen and it's a good idea to periodically audit your rebates. One factor to look for in choosing a fuel card program is to make sure their reports clearly denote rebates. Your fuel card program should be your fuel management partner and work with you to resolve any disputes.

8 IF I AM NOT A HUGE CUSTOMER, SHOULD I BOTHER WITH REBATES AT ALL?

Jay Tabor, the fleet manager for GJ&D Trucking says their fuel card program credits rebates back into their account. "Every penny counts when you are managing a fleet. My job is to squeeze every ounce of profit from the operation. Last year we earned \$250 in fuel rebate credits. That may not sound like a lot in revenue but for us, that means two trucks can travel an extra 20 miles free of fuel expenses," Tabor says. His six-truck fleet located in Mount Vernon, IL, hauls lumber, steel and landscape materials. Tabor, a former trucker now in management for the family owned business says he appreciates the reporting available from the fuel card program as much as the rebates. In fact, he says they go hand in hand.

"Every day I at the look the invoices from the prior day, I can quickly catch fuel stops and see who is too much out of the route. Besides the fuel rebates it gives me information about the drivers' location and pump prices. That way I can manage their behavior as well as monitor costs. Between rebate specials and not having to pay transaction costs, I'm easily saving 6-7 percent on fuel," he says.



CONCLUSION

Kevin Rutherford helps owner-operators and fleets manage their fuel costs by stressing strict adherence to meticulous accounting of every detail of the trucking operation. When there's an opportunity to collect a fuel rebate as part of a fuel card program, he believes you should seize the chance to get on board.

"Fuel rebates can be crucial to the bottom line and success for a small fleet, even small rebates can add up to thousands of dollars per truck to the bottom line. I always encourage owner operators and fleets to seek out the best fuel purchase deals and then use the savings to invest in other fuel saving strategies, i.e. equipment modifications, driver training and fuel bonus programs. A fuel rebate can be the stepping-stone to a good fuel cost management strategy," Rutherford says.



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