

How Can I Manage Fuel Cost Volatility to Increase Profitability?

Fuel Management & Cost Containment



Critical Business Issue

Today, the volatility of vehicle fuel costs is having an increasingly larger impact on profits. On average, fuel surcharges have increased over 36% between 2004 and 2008 and it is expected that fossil fuel costs will continue to increase. But, whether rising or falling, unpredictable fluctuation in fuel costs directly impacts your bottom line profits. How can you assess and reduce consumption while maximizing profits? You need to isolate the impact with a solution that:

- Effectively manages volatility in fuel charges
- Tracks, optimizes by source, and minimizes consumption rates
- Enables timely collaboration with carriers and vendors to manage costs, maximize load capacities, and optimize routings
- Uses real-time, interactive data to provide up-to-the-minute reporting and enable what-if analysis
- Monitors the execution of plans prior to, and in conjunction with, actual operation

The SAP and Capgemini Solution

Dashboards should be personalized to provide the right information, at the right time, to the right person. Capgemini, based on deep industry experience and proven "Ready-to-Run" methodology for accelerated application deployment, has helped leading companies use existing data -- even the non-conforming, unstructured data residing in spreadsheets and other "off-line" formats -- to create user-friendly, configurable dashboards.

With SAP's *Fuel Management & Cost Containment*, featuring solutions from the SAP Business Objects portfolio, in as little as 16 weeks, Capgemini can provide a solution to:

- Align your analysis and planning functions with your execution systems
- Understand transportation and logistic costs at any organizational level, i.e., region, distribution center, store level.
- Identify locations and processes that exceed planned consumption thresholds
- Align store operations, supply chain and logistical business units and collaborate with customers and suppliers to reduce costs in areas such as load consolidation, route performance, product handling, etc.
- Work in conjunction with current optimization tools by adding fuel and supply chain costs to drive optimization -- with costs as the key factor
- Leverage Webbooks end-user experience to gather data or calculate data not currently utilized in the management process

Business Benefits:

- Analysis of Route Management
- Business collaboration throughout the supply chain – suppliers, manufacturing, customers
- Visibility into how and where fuel costs are occurring
- Analytical comparison of manufacturing sourcing, including fuel costs
- Ability to create "what-if" scenarios of current and future impact on fuel costs



Greater Profitability Through Effective Fuel Cost Containment



Begin Realizing Benefits in as Little as 16 Weeks.

SAP has chosen Capgemini as its implementation partner for *Fuel Management & Cost Containment* for a good reason – in fact, for several good reasons.

- **A demonstrated track record of delivering successful, tailored SAP solutions** that meet or exceed client expectations. We have been the first, and often only, implementation partner for many of SAP's strategic initiatives.
- **Collaboration** with over 1,900 global companies across sectors to implement nearly 4,000 SAP projects in over 17 years.
- **SAP Deliver 2.0**, Capgemini's SAP delivery methodology that accelerates the realization of business benefits without adding risk or compromising quality.
- **Our Rightshore® capability and Distributed Delivery Framework** afford our clients the opportunity to leverage 24/7 support.
- **The Consumer Products and Retail Solutions Center (CRESCENT)** in collaboration with our global practice, has industrialized leading practices in consumer products and retail. CRESCENT houses an extensive repository of reusable business objects, including enhancements, layouts, interfaces, and reports that reduce development time by 30 percent on average.
- **The Capgemini Accelerated Solutions Environment® (ASE)**: a creative workspace coupled with a unique approach that inspires "group genius" to enable rapid business decision-making and the creation of innovative solutions.

Fuel Management & Cost Containment is an SAP "Best Run Now" offering — designed to deliver results quickly. As SAP's chosen implementation partner, Capgemini works collaboratively with a client to craft a solution that best fits the business and one that meets targeted profitability goals while empowering people to perform at a whole new level.

Capgemini's methodology includes these four stages:

Step 1: Rapid-Start Roundtable – 2 hours

In a structured, focused conference call, we assemble Capgemini retail experts to work with your team to determine needs, understand the landscape, and crystallize the proper fit for *Fuel Management & Cost Containment* within the organization.

Step 2: Assessment Workshop – 1 day

This workshop consists of an all-day session with your key managers to answer the question, "What information do we need to manage our fuel costs and drive them to the optimum mix/level?" Capgemini consultants perform a comprehensive, cross-functional, deep dive into operations and cost management practices as affected by transportation events. Together, we define the key drivers and enablers of better, process-based cost management to deliver a confirmation of project scope.

Step 3: Functionality Workshop(s) – 3-4 weeks

We work together with your core user groups — finance, store management, distribution, fleet maintenance and IT — to identify the features and functional requirements needed to maximize profitability.

Step 4: Rapid Deployment – 12-13 weeks

With users "on board," steps 1 through 3 really start paying off. Their requirements are built into a technical design. Models are built and then tested to ensure the configured tool meets the functional and technical specifications. Then, Capgemini provides role-based training in a learning center environment for a productive rollout.

Isolate the impact and Boost your profitability.



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