Contract Management Case Study

Ensure you're extracting the maximum value from your fuel contract.

A major logistics organisation wanted to ensure they were maximising the existing benefits in their negotiated contract. This client, a significant purchaser of petroleum products, had multiple operating divisions and a diverse geographical footprint. Their fuel contract contained many varying elements in pricing, freight and terminal fees. Faced with so many variables, the client was unable to establish if they were capitalising on their supply agreements. They were also unable to quantify overall savings.

Fueltrac undertook a Contract Management process to find out:

- How they could maximise the discount possible under the existing contract arrangements
- How their existing contract compared with their old contract
- If there were any potential risks to continuity of supply
- What value they were gaining or foregoing through their sourcing practices

Our Approach

Working closely with the Procurement Manager, our consultants used our highly developed software to extract and analyse data from multiple sources. We measured results against the agreed Key Performance Indicators and advised the client how to best leverage conditions including delivery locations, delivery volume size and pricing variations.

Specific Outcomes

Our expert analysis of this client's existing contract helped them:

- Extract over $2 million in contract value that had previously been foregone
- Clearly quantify to all stakeholders the savings gained by aggregating all divisions under one main purchasing contract
- Avoid the costs of hiring and training internal contract management personnel
- Be protected against potential supply risks

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> Fueltrac has helped us ensure our supplier meets their contract obligations. Their knowledge of pricing formulae and associated risks has been invaluable.'
>
> NATIONAL PROCUREMENT MANAGER

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