

**Case
Focus****Achieving Success Through a Consolidated Approach to Cost Savings**

Airgas® is the largest distributor of industrial, medical, specialty gases and related equipment to industrial and commercial markets in the United States. The company has nearly \$9 billion in annual sales and is comprised of 16 separate business units, including approximately 800 branches and 3,000 delivery vehicles.

Airgas**Challenge**

Airgas executives recognized that if the company consolidated its fuel procurement and processing, there were cost saving efficiencies to be realized. An internal project team was formed by Steve Curson, process engineer, Logistics, at Airgas to oversee the initiative. "The first step began with an assessment of the current operation and the unique requirements of each business unit." The company's diversified nature made this a critical step in gaining regional support for a consolidated program. "A typical branch has 3-5 vehicles and travels only in a 75-100 mile radius, so fuel purchases are made locally," says Curson. "Drivers have a perceived roadblock if they are told where to buy fuel, so we needed a system that was flexible and adaptable to our needs."

Comdata Solution

Curson approached Comdata® for a solution designed to leverage fuel consumption volume and improve the company's ability to manage the procurement and invoice reconciliation process without adding additional work.

Curson worked with Comdata to customize a fleet management solution to meet Airgas' diverse operational requirements. Each vehicle was assigned a MasterCard® fleet card with point-of-sale prompting for a driver ID number (PIN) and odometer reading. Each authorized Airgas associate received a unique driver ID number for fueling to accurately track card usage. The company placed purchase restrictions on each card to ensure compliance with corporate policy. The Comdata fleet card program ensures fueling transactions are tied directly to the vehicle and designated driver, allowing for effective compliance monitoring. Through effective collaboration, Airgas was able to introduce a program that reconciles transactions with receipts and delivers cost-saving information to each of the branch locations.

Measurable Benefit

Today, there are approximately 3,000 Airgas MasterCard fleet cards in use, representing procurement of more than 850,000 gallons of fuel each month. After a successful implementation, Airgas developed an intranet, allowing branch managers to see their specific charges for fuel each month, by transaction. Prior to working with Comdata, these transactions were not reviewed by the branch manager, and the potential for fraudulent charges was greater. According to Curson, the benefits of the new system are highly valued at every level of the organization. "First and foremost, we are finally able to take advantage of our purchasing power," Curson said. "We were considered 16 separate companies but now, fuel companies are courting us — trying to get business from what they now see as a large corporation with impressive fuel expenditures." Airgas is receiving discounts, administered through Comdata, from fuel companies, such as Love's® and Pilot®, that now see Airgas as an important fuel customer.

Each business unit manager now receives valuable purchase information, on every transaction, that is reviewed, allocated and audited for potential fraudulent charges. The fuel data is also exported to a maintenance application to get a true operating cost for vehicles, improving branch maintenance schedules. "We're sending the message that we now have tighter control over every fuel purchase," Curson said. "I spend less than 30 minutes a month processing more than 16,000 individual transactions and automatically disseminating the information to each branch manager," he said. "It is valuable business intelligence I couldn't get before, and it is having a significant financial impact on our business."

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