

Increased Efficiencies

Cumberland Farms streamlines fuel operations

By Marianne Wilson

Retailers that sell gasoline have long been challenged to maintain margins and reduce costs related to retains and run-outs and other operating expenses. It's even more of a priority today, given the volatile fuel market and increased competitive pressures.

Cumberland Farms, the largest convenience store and gasoline retailer in the Northeast, has streamlined its fuel operations and optimized its fuel inventory by deploying FuelQuest Fuel Management System (FMS), an end-to-end fuel supply chain solution focused on reducing the cost of procuring, managing and accounting for bulk fuel.

"We wanted a solution to centralize our fleet scheduling for inventory-managed stores and dealers as part of our overall fuel strategy," said Greg Scott, senior VP, terminal operations and petroleum distribution, Cumberland Farms, Framingham, Mass.

The Web-based solution allows Cumberland Farms'

accurate forecasting.

"The FuelQuest system is very dynamic, and it makes adjustments for things like weather emergencies," he said.

Better inventory management is another key advantage.

"Historically, you have more inventory in the ground than you really need," Scott explained. "But

now we are able to adjust back to actual sales, which significantly reduces the amount of money we have in the ground."

Scott said he expects the improved inventory management and more accurate dispatching of trucks, resulting in fewer miles driven, will provide Cumberland Farms with significant savings going forward.

"I expect a relatively high cost saving," Scott said. "Initially, it will be based on time management, delivery accuracy, and the like, which are efficiency improvements."



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dealers to place orders online, Scott explained, and automates replenishment planning for both low-volume and high-volume inventory-managed sites, increasing dispatcher efficiency.

"Previously, we used an in-house developed system, whereby store operators would call in and we would enter their inventory," he added. "It was a manual system."

The FMS system automates all aspects of the fuel-management process, providing Cumberland Farms with a complete platform to manage its fuel operations. With FMS in place, the chain has been able to optimize its fuel-holding strategy, improve its demand forecasting and maintain more accurate inventory. The company can now dispatch 300 to 350 loads per shift (there are two shifts per day).

"FMS allows our dealers to place orders online and automates replenishment planning for both low-volume and high-volume inventory-managed sites," Scott added. "It increases our dispatcher efficiency, while reducing unplanned splits."

Indeed, fewer retains (when a driver has to take back gas) and run-outs have been among the biggest benefits of the system, according to Scott, along with more

Most recently, the chain added to its overall fuel management strategy by purchasing FuelQuest's ForeSite, a support tool that provides visibility into fuel inventories. It will allow Cumberland Farms real-time, map-based views of its fuel inventory in some 1,040 Cumberland sites across 11 states. ForeSite's capabilities also include exception monitoring via early warning indicators of non-compliant inventory conditions.

"With ForeSite, we can quickly determine the health of our fuel network and identify trends and problem areas," Scott said. "We can also drill down into detailed site, tank and fuel inventory information."

REACTION: Field reaction to the automated fuel management system has been mostly positive.

"Our store managers like that they no longer have to go and manually stick tanks for inventory readings," Scott said.

As with any technology, the initial deployment brought with it some frustration.

"There was some fine-tuning, which wasn't surprising given all the details and data," Scott said. "But FuelQuest has been right on top of everything."

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