

PUGET SOUND
Business Journal
Business Leaders Get It.

DECEMBER 7-13, 2007 · VOL. 28, NO. 33 · SEATTLE.BIZJOURNALS.COM · \$2.00

PUGET SOUND BUSINESS JOURNAL DECEMBER 7-13, 2007

PAGE 7

Naughty or nice with fuel use? These folks know

By DEIRDRE GREGG
STAFF WRITER

You could describe 4Refuel as the ultimate back-seat driver.

The company uses information technology to let clients know if their vehicles are being driven in dangerous or fuel-guzzling ways. For example, 4Refuel was able to tell a client that one of his employees was driving a cement mixer at up to 70 mph through a city, and another client that his trucks were idling 45 percent of the time.

4Refuel officials say that providing detailed information about how equipment is used helps clients save money and reduce fuel consumption, and it helps 4Refuel differentiate itself from other refueling companies that simply treat fuel as a commodity.

"You can't manage what you can't measure," said Norm Bogner, vice president of international development with 4Refuel.

The fuel management company, based in Langley, British Columbia, has had two big developments in recent months. It expanded into the U.S. when it opened a Seattle flagship location in August, and it now plans to grow across the country through franchising. Meanwhile, its information technology services, provided through sister company U-Con Systems Corp., emerged from beta testing to a full-fledged program this fall.

4Refuel has annual revenues of more than \$200 million and more than 100 operating units in Canada and the U.S. About 35 of those units are franchises, and the rest are corporately owned.

Clients include owners of trucks or construction equipment as well owners of buildings that need fuel tanks for backup generation during emergencies. The company also delivers biodiesel fuel.

4Refuel was founded in 1995 as a fuel distribution company. According to Bogner, major oil company players such as Exxon, Shell and others have moved away from distribution to focus on exploration and refining, leaving an opportunity for smaller regional oil companies.

Part of that distribution involves delivering fuel on-site to fleets of trucks. Otherwise, when truckers drive to a service station, the fleet owner is paying for the labor costs of those employees, the fuel burned to travel to a service station, and the insurance and other costs, Bogner said.

"They've definitely saved us money" from driver labor and overtime, said Mark Mostaccio, national safety compliance and training office with TDL Group Corp., which owns the Tim Horton's doughnut chain in Canada.

The company can collect information on driving behavior when it refuels the trucks, using radio frequency technology to pull operating information from trucks' onboard diagnostic computers.

Richard Ryhter, an operations manager for Odwalla Inc., said that capability was part of the reason his fleet started using 4Refuel about three weeks ago. A former onsite refueler simply billed the company in bulk to fill all 25 trucks in the fleet; now Odwalla can calculate fuel usage per vehicle.

"The other fueling companies, when they do bulk drops, there's little accountability," Ryhter said.

4Refuel is watching for six factors that can drive up costs: excessive idling, excessive speeding, aggressive driving or excessive acceleration, poor equipment

maintenance and problems such as theft of fuel. The industry average for fuel theft, usually committed by employees, is 2 percent to 5 percent of annual fuel costs, Bogner said.

4Refuel calculated that through reduced fuel consumption and through the use of biodiesel, its clients reduced their greenhouse gas emissions by close to 17 million metric tons last year.

A fleet operator can set parameters, such as not wanting trucks to speed more than 10 percent of the time. The operator is then flagged if some of the drivers exceed those parameters.

"You can sit down and change behaviors if people understand that this type of behavior is being tracked," Bogner said.

"A lot of these things are very easy to change and controllable."

Some companies set up incentives for operators who improve their behavior, such as holding a drawing for a plasma TV or other prizes for drivers who keep their idling time low, said James Lee, senior vice president of U-Con Systems Corp.

4Refuel wants to add one or two franchise locations in the U.S. during this fiscal year. Each one would include at least 10 trucks and would require an investment of about \$500,000 to \$1 million. 4Refuel will collect franchise and other fees and royalties on fuels. The company also wants to expand into Europe and Asia through a franchise model.

Contact: dgregg@bizjournals.com · 206-876-5424



4REFUEL PHOTO

Norm Bogner, vice president of international development at 4Refuel, says the company's new service tracks six factors that can waste fuel.