

Impact of remote measurement in reducing logistics costs

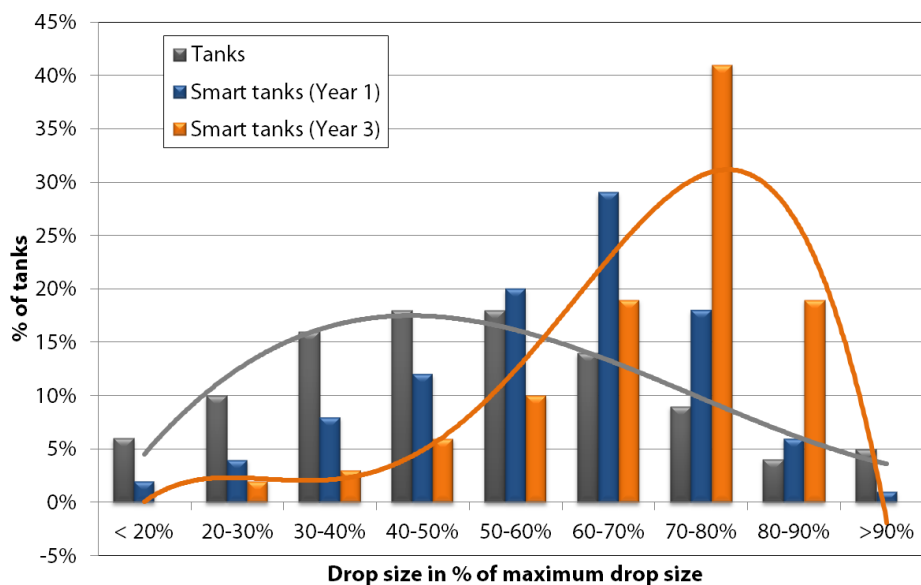
OBJECTIVES

- **Determine the financial benefit** obtained through savings in distribution logistics costs compared with the operating costs of a remote measurement system used on the tanks of a hydrocarbon distributor's customers.
- **Factual help in deciding** whether or not to equip each tank (go / no go).
- **Estimate of additional savings** achievable on a partially equipped number of tanks.

EXAMPLE

- Logistics zones analysed: *Confidential*
- Number of tanks: 166,000, of which 1% are equipped with remote measurement systems
- Number of deliveries per year: 330,000
- Initial use of a remote gauging system: 2007

RESULTS



- Telemetry information is often underused.
- Logistical savings of up to 15% are possible.
- **3 scenarios are proposed, offering savings of between €0.9m and €1.4m per year**, depending on the number of telemetry units to be deployed and the pre-fill gauge target.

Current performance	With remote measurement
No. of deliveries	-25%
Number of carriers	-10%
€/T or litre delivered	-15%
Average unit delivery	+35%
Customer satisfaction	>95%

ACTION

- The operation is based on an analysis of the history of all deliveries made over the last 3 years, on knowledge of the capacity of the tank(s) at each delivery location, and on the average unit cost of a delivery.
- 2 databases (DB) must be created

Databases	Delivery points (PTL)	Deliveries (most recent 3-year period possible)
Required data	a unique code for each PTL the capacity of the tank (or tanks where there are twin tanks), whether or not the PTL is already telemetered	The same delivery location (PTL) code (used to connect the 2 DBs) The delivery date The quantity delivered
Optional data	The type of PTL order: as ordered by the customer, forecast, telemetered, online order, other types of order PTL with significant penalties in the event of a stock-out Highly seasonal PTL, such as maximum consumption for a few weeks, then nothing more	Gauge before delivery Gauge after delivery

DELIVERABLES

- Segmentation of unit delivery performance by:
 - order type,
 - tank capacity,
 - geographical sector / logistics zone,
 - customer business sector.

