

## ACHIEVE FUEL DISTRIBUTION EXCELLENCE

### DRIVE EFFICIENCY AND GROWTH WITH INTEGRATED SOLUTIONS

The SAP for Oil & Gas solution portfolio provides functionality that gives fuel marketers and distributors visibility into their distribution network, integrates customer information, and automates processes to improve efficiency, forecast accuracy, and adaptability.

As a fuel marketer and distributor, you must act quickly to keep up with the volatile marketplace. Margins are narrow, and fuel prices fluctuate constantly. At the same time, you must coordinate a fast-paced replenishment cycle and optimize deliveries. At the end of the day, actual deliveries rarely correspond to planned orders. To meet these challenges, you need business management software that can optimize the efficiency of your operations and processes and improve the accuracy of your forecasts. That's where the SAP for Oil & Gas (SAP for O&G) solution portfolio can help.

SAP for O&G helps fuel marketers and distributors like you automate key business processes and integrate information so you can sense and respond to marketplace changes and drive distribution excellence. Built on proven industry best practices, the SAP® solutions that comprise SAP for O&G integrate sales, finance, and distribution to streamline key business processes. They're designed for midsize companies, which means they're affordable, easy to implement, and intuitive for users, which helps you gain a quick return on your investment.

#### Optimize Fuel Sourcing and Replenishment

With SAP for O&G, you can coordinate the logistics of fuel transportation and replenishment, along with sourcing, invoicing, and billing, in a streamlined order-to-cash process. When a customer order or replenishment signal arrives, SAP software automatically checks your best sourcing and delivery options, taking into account inventory, pricing, and transportation availability, along with

your customer's credit and delivery constraints. This process results in a prescheduled delivery route and a best-buy situation, enabling exception-based processing and more – all in one software solution.

When it is time to deliver, the integrated fuel distribution functionality can help you optimize scheduling and increase fleet utilization by finding the most efficient routes and the best available vehicle or carrier for each load. After dispatch, you can use systems at terminals and on trucks to capture and integrate data automatically – rather than requiring drivers to fill out paperwork manually. As a result, you get near-real-time visibility into replenishment, which enables you to forecast demand more accurately, react quickly to any schedule changes, and keep customers' tanks full while maintaining your best margins. What's more, this information is integrated into the invoicing and billing functionality, helping you close the loop between logistics and finance.

These functionalities are delivered through the SAP for O&G solution portfolio, which leverages the SAP solutions, solution extensions, and partner solutions detailed in the following table. The partner-provided components are powered by the SAP NetWeaver® technology platform and tested to ensure that they function properly in integrated fuel replenishment and pricing scenarios. SAP NetWeaver unifies technology components into a single platform, providing the best way to integrate all systems running SAP or non-SAP software.



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## SAP® ERP Application

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SAP ERP provides functionality that is specifically designed for fuel marketers and distributors and covers a wide range of marketing, sales, and logistics-related business processes in a downstream oil and gas company.

- Sales and purchase contract management
- Order to cash
- Stock management
- Transportation and distribution of bulk fuels
- Fuel product exchanges
- Gas station fuel pricing and stock management

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## SAP Oil & Gas Secondary Distribution Application

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SAP Oil & Gas Secondary Distribution is an add-on to SAP ERP and offers a set of new oil industry-specific applications, focusing on sales and distribution of fuels, heating oil, bottled and bulk gases, and lubricants. It also provides interfaces to external third-party systems, such as onboard truck computers, terminal automation systems (TAS), transportation planning systems, point-of-sale solutions, forecourt controllers, and optical archiving systems.

- Tour planning
- Telesales
- Fuel volume reconciliation

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## SAP-Endorsed Business Solution

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**OpenTAS by Implico** OpenTAS by Implico is an open terminal administration and automation system. The software can manage both company-owned and third-party fuel terminals and depots, and it supports business activities such as terminal automation and management.

- Central terminal administration
- Terminal automation (loading and unloading, product receipts, and goods issues)
- Stock management and forecasting
- Security management (identification of trucks and drivers, security)
- Legal requirements for tax handling and reporting
- Integration to tank gauging and supervisory control and data acquisition (SCADA) systems
- Transport logistics
- Dispatch automation
- Service station replenishment

**RackPrice by KSS** RackPrice by KSS enables wholesale fuel distributors to meet volume objectives at the maximum achievable margin. You can use it to better manage price and volume volatility; define and hit price strategy targets more precisely; and apply price analytics and optimization to tailor pricing tactics to individual terminals, channels, and customer segments.

Closed-loop pricing process that includes the following steps:

- Strategizing
- Determining
- Executing
- Monitoring
- Governing
- Managing data

**PriceNet by KSS** PriceNet by KSS empowers fuel retailers to meet volume goals at the maximum achievable margin. You can use it to consistently apply pricing rules and optimization, respond more rapidly to market events, and analyze location and grade-specific price sensitivities to strike the optimum profit-to-volume balance.

Closed-loop pricing process that includes the following steps:

- Strategizing
- Determining
- Executing
- Monitoring
- Governing
- Managing data

## Optimize Processes to Improve Efficiencies

SAP for Oil & Gas includes integrated functionality that helps you realize the following business benefits:

- Control costs and maximize narrow profit margins
- Achieve distribution excellence
- Build customer loyalty and increase customer satisfaction
- Support strategic growth

### Control Costs and Maximize Narrow Profit Margins

To maximize your profit margins, you need visibility into every area of your business so you can manage costs and brace your company for the effects of market volatility. SAP solutions integrate company-wide data, allowing you to sense and respond quickly to price fluctuations and other market changes.

Build customer loyalty and increase customer satisfaction by providing exceptional reliability, high fulfillment rates, competitive pricing, and top-notch service that result in a differentiating experience for your customers.

### Achieve Distribution Excellence

With SAP for O&G, you can count on automated, customizable processes and comprehensive visibility across your fuel distribution network, so you can manage your fleet, your inventory, and your replenishment processes more efficiently. You can also close the loop between delivery and finance with software that integrates sales, inventory, scheduling, and accounting information. The result is a seamless order-to-cash process that is tailor-made for fuel marketing and distribution companies.

### Build Customer Loyalty and Increase Customer Satisfaction

By centralizing management of your customers' fuel replenishment needs – from managing their fuel inventories and service-level agreements to responding to billing inquiries and other customer support needs – the software's integrated functionality for fuel marketing and distribution can help you create a customer experience that sets you apart from the competition.

### Support Strategic Growth

SAP for O&G can help you manage your company's portfolio of assets and its financial risk profile, so you can allocate spending strategically, identify opportunities to acquire or divest assets, assess potential liabilities, and document the entire process with a standardized procedure. If a merger occurs, SAP software can help you act quickly by allowing you to absorb new technologies and processes into your own. Since the integrated fuel marketing and distribution functionality helps you automate key



Control costs and maximize narrow profit margins by gaining the visibility you need to manage costs and to sense and respond to market volatility.

business processes, you can keep headcounts low – even as your business expands.

### Learn More

Choosing SAP gives you the confidence of working with one of the most trusted, respected leaders in the global software industry today with solutions designed specifically for midsize fuel marketers and distributors. To learn more, call your SAP representative, or visit us online at [www.sap.com](http://www.sap.com).

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## Summary

The SAP for Oil & Gas solution portfolio includes integrated functionality for fuel marketers and distributors that provides visibility into their distribution network, integrates all customer information, and automates core processes to make fuel sourcing and replenishment more efficient.

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## Challenges

- Keep up with a volatile marketplace with narrow margins and fluctuating fuel prices
- Coordinate a fast-paced replenishment cycle to optimize deliveries
- Reconcile planned orders, actual deliveries, invoices, and receipts

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## Supported Business Processes and Software Functions

- **Cost containment** – Provide the visibility you need to manage costs and to sense and respond to market volatility
- **Distribution optimization** – Optimize your fleet, fuel delivery, transportation processes, and fuel inventory levels
- **Customer satisfaction** – Provide exceptional reliability, high fulfillment rates, competitive pricing, and top-notch service that result in a differentiating experience for your customers
- **Strategic planning** – Track your corporate assets and risks effectively and by seizing opportunities for profitable growth

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## Business Benefits

- **Increased productivity** through integrated and automated business processes
- **Better cost control and improved accuracy in decision making** through higher data integrity
- **Reduced transportation and fuel costs** through better distribution efficiency
- **Improved demand planning and fulfillment** to increase customer satisfaction and loyalty
- **Improved ability to assimilate acquisitions** due to the an open technology platform and standardized business processes
- **Greater agility** to design new business processes to increase competitive advantage
- **Lower total cost of operations ownership** due to the elimination of redundant and costly legacy systems and a reduced number of interfaces

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## For More Information

Call your SAP representative or visit us online at [www.sap.com](http://www.sap.com).

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