



Breaking down silos through digitisation

IN ASSOCIATION WITH

aiut





Delivering operational efficiency across the supply chain

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WRITTEN BY
CATHERINE STURMAN
PRODUCED BY
RICHARD DURRANT

Flogas has fully digitised its supply chain to maintain its position within the LPG market



With the rise of renewable energy sources, traditional oil and gas companies are facing rampant competition.

The increased need to guarantee pricing and deliver operational efficiency continues to grow apace, leading the industry to turn towards new technologies to maintain supply and retain existing customer bases.

However, while the sector has focused predominantly on pricing, longstanding LPG supplier Flogas has maintained its reserves through its ongoing supply chain transformation.

“From a domestic and consumer point of view, there’s some technology emerging that will make a key difference in the marketplace,” explains Head of Logistics and Supply Chain, Tim Eaton.

“Price is starting to become a lot more visible, so people can really start playing suppliers off against each other, and people can switch easily.

“The customer experience is key. We sell a commodity, so the way we differentiate ourselves without it being on a price basis is through the service we give to our customers. If we can maintain consistency of supply to our customers, that’s really what they want. On the contact side,





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Flogas' partner in delivery optimization, data analytics and inventory management



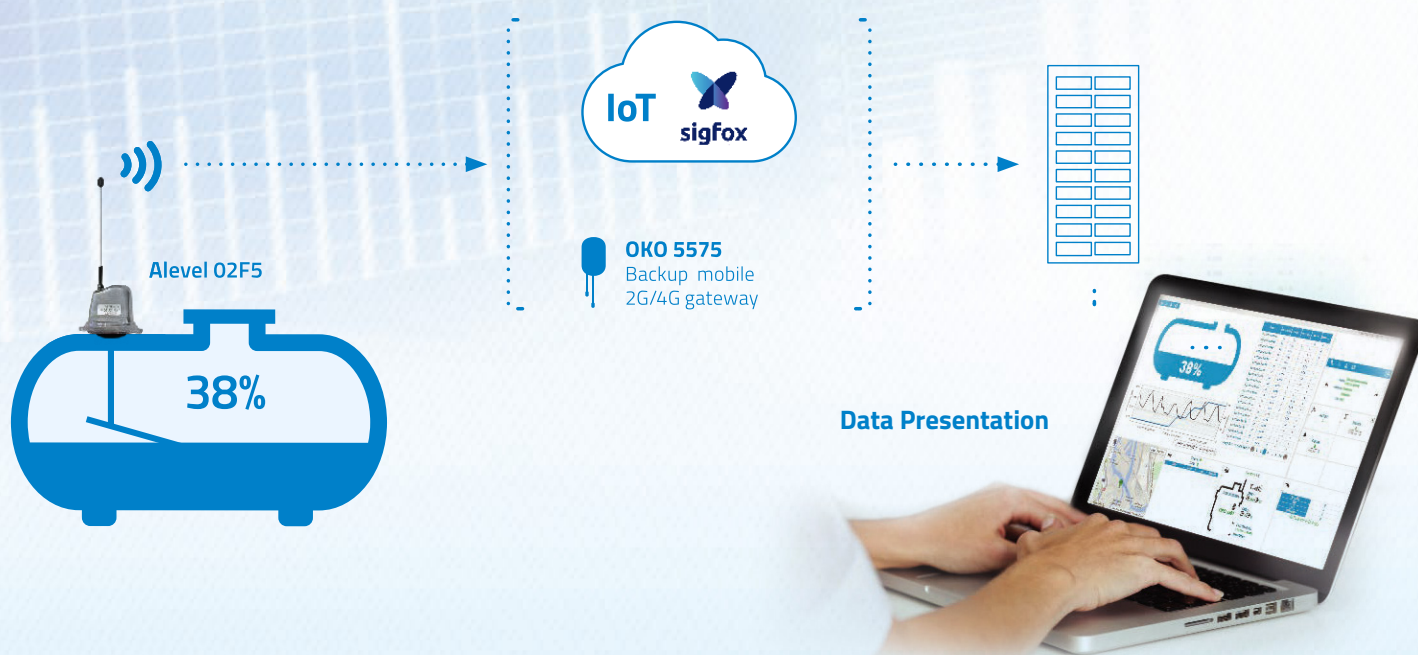
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AIUT Sp. z o.o

Poland - 44-109 Gliwice - ul. Wyczółkowskiego 113

Tel: (+48 32) 77 54 000 - Fax: (+48 32) 77 54 001

info@aiut.com - www.aiut.com



aiut



“FLOGAS WAS FOUNDED IN 1984 AND WE’VE SINCE EVOLVED TO BECOME ONE OF EUROPE’S LEADING LPG SUPPLIERS, WITH A PRESENCE IN BRITAIN, REPUBLIC OF IRELAND, NORTHERN IRELAND, SWEDEN, NORWAY, BELGIUM AND THE NETHERLANDS. WE’RE ALSO PART OF FTSE 100-LISTED DCC ENERGY — A LARGE IRISH COMPANY WITH AN ANNUAL TURNOVER OF £11 BILLION. THAT SAID, WE’RE STILL A SMALL COMPANY AT HEART, AND LOOKING AFTER OUR CUSTOMERS’ INDIVIDUAL NEEDS REMAINS OUR TOP PRIORITY”

—
Tim Eaton,
Head of Logistics & Supply Chain

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"WE'RE REALLY GETTING
TO A POINT OF SYSTEM
MANAGING EVERYTHING
END TO END"

—
Tim Eaton,
Head of Logistics & Supply Chain

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FACTS

- Halfway through its transformation journey, Flogas has sought to break down silos and promote collaboration across its supply chain
- Flogas has centralised its orders, allowing the business to create and schedule more effectively
- By investing in a computer-based scheduling system, Flogas is now able to implement seven day rolling scheduling periods, guaranteeing further visibility
- Though the use of demand sensing, Flogas will continue to fulfil requests within its forecasting
- The company has invested in over 10 new drivers and enabled them to get to the required standard in weeks rather than months

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the focus of the business is on leading by service, and then differentiating this business within the number one supply of LPG from a customer service point of view.”

DIGITAL FOCUS

Seeking to break down silos and promote collaboration across its supply chain, Flogas is now halfway through its journey.

“We are trying to digitalise as much as we can - how we capture or create orders and how we move those through to being fulfilled and delivered,” says Eaton.

“We have a 50/50 split between people that are in control of their orders -where they physically order with us when they want us to

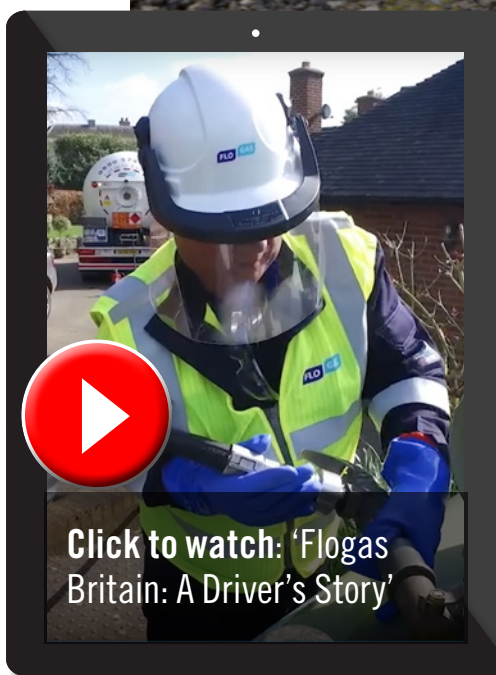
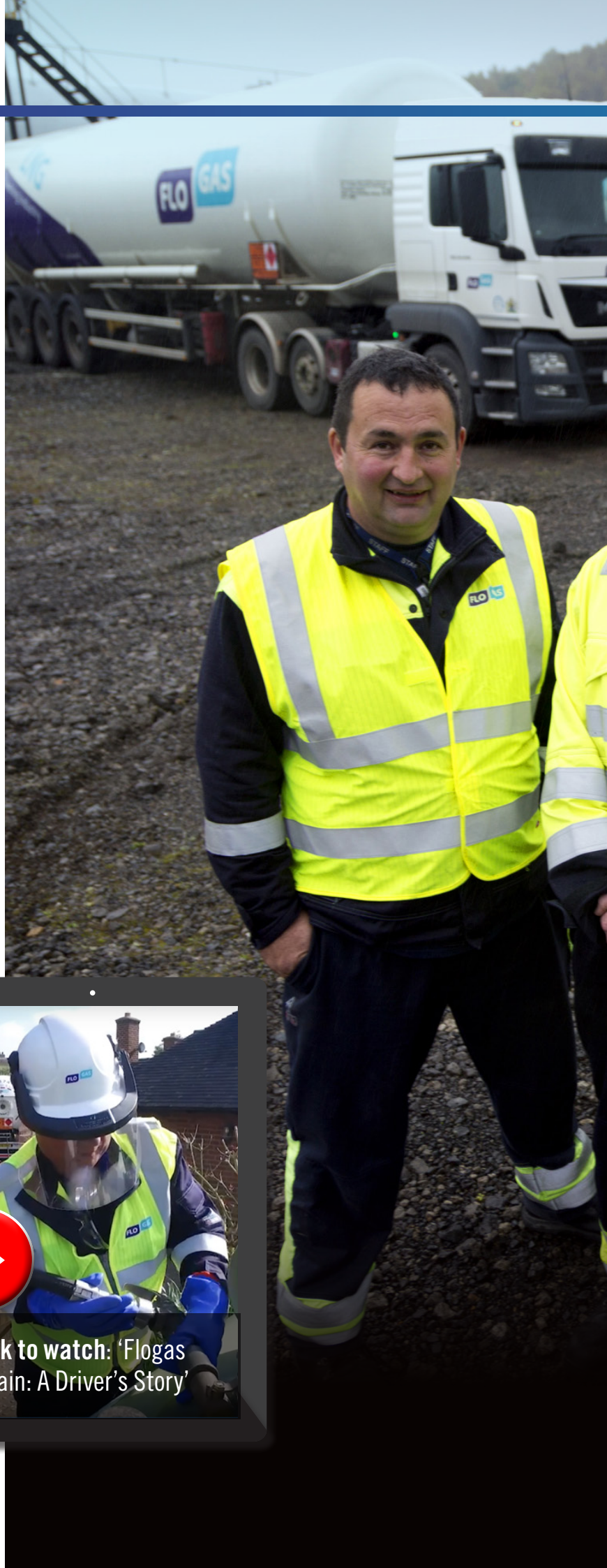
deliver -and 50% where we offer them a service where we will keep their tanks topped up.

“For our Top Up business, we used to rely on fixed delivery cycles or an algorithm that predicted when they were going to need gas, but we have now invested millions of pounds into implementing tank telematic systems, where we get a regular reading regarding our customers’ consumption and tank levels.”

Obtaining vital information in real-time, Flogas has therefore moved to centralise its orders, where it can now draw volume at quieter times and outside of peak periods.

Additionally, by investing in a computer-based scheduling system, the business has adopted seven-day rolling scheduling periods and can identify potential gaps.

“Our new on-truck computing system, supplied by Touchstar, really ties all this together,” says Eaton.





**"PRICE IS STARTING TO BECOME A LOT MORE
VISIBLE, SO PEOPLE CAN REALLY START
PLAYING SUPPLIERS OFF AGAINST EACH
OTHER, AND PEOPLE CAN SWITCH EASILY"**

Tim Eaton,
Head of Logistics & Supply Chain

“Scheduled routes go out to the driver, and when we complete a job an invoice then goes out in real-time. If we don’t deliver on that day it goes back to the order pot for rescheduling immediately.”

REACTIVE TO PROACTIVE

Through the use of demand sensing, Flogas will continue to fulfil requests across its forecasting operations, as well as taking a greater look at customer consumption data to extrapolate three months of rolling forecast data.

“This will enable us to really try and

set our resource levels for the next three or four months,” says Eaton.

“We want to take our resource management digital as well so that we always know what drivers and vehicles we’ve got to schedule.”

Through its on-truck computing system, Flogas will also seek to provide increased customer contact regarding the time its services will arrive.

“We’re really getting to a point of system managing everything end-to-end,” he adds.

However, throughout its transformation, it has been imperative for





Flogas to build mutually beneficial relationships with its suppliers and bring on board those who are keen to bring new ideas to the table.

“TouchStar Technologies, for example, have been fantastic in how they’ve tailored their Gas-Star solution to Flogas. The pace at which they can adapt the system to meet our need to continuously improve our service has been instrumental in adding so much value into our service proposition”

“The company has been essential in getting delivery data back in so that that speed of rescheduling, that

speed of customer context, where we have or haven’t delivered, is key to our service offering.

Additionally, longstanding company AIUT has been essential to the company’s business growth.

“AIUT has supported our delivery optimisation, as well as inventory management, in order to increase customer satisfaction,” adds Eaton.

“AIUT are not just a provider of a telematics system that we buy, they’re a company that is integrated in how we do business. They suggested and built our new forecasting system.



“We need system providers and suppliers that are going to invest in their product to be bespoke to us, but to support that through continuous innovation around learning our business and what else they can do which could be of benefit.”

INVESTING IN PEOPLE

In alignment with its transformation, Flogas has had to bolster its workforce and invest in upskilling its workers against complexities.

“When we’re trying to build a digital system that takes the order through to delivery, we have to work out how to deal with the variability of that resource. We’re working with our scheduling department as well as our shipping system to build some of this,” he says.





Consequently, the business has invested in new drivers and regional driver trainers that have enabled them to get to the required standard in weeks rather than months.

“Our telematics systems will look at how well they’re driving from a safety point of view, and we are looking into getting better data out of the on-truck computing system so that we can look at things from a fully rounded point of view.”

As the supply chain continues to move towards further digitisation alongside a growing focus on margins, price and cost, the culture at Flogas will continue to hone in on the needs of its customers. Through boosting operational efficiency and maintaining supply while optimising ongoing processes based on local and expert knowledge, it will continue to remain a strong player in the market. ■

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Flogas Britain
Rayns Way
Watermead Business Park
Syston
Leicester
LE7 1PF

T 0800 278 3837

