



## FUELS FUELING

# DELIVERING THE GOODS

*The following is an edited excerpt from an NPN article on the hauling options available to marketers*

By Stephen Bennett

### Common carriers: Offering "added value"

Petroleum marketers "are looking for better partners," said John Lutz, director of sales and marketing for Flying Star Transport of Amarillo, Texas. The company's serves a number of petroleum marketers, and has been enhancing services to strengthen its competitive position, Lutz said.

A typical dilemma for petroleum marketers, Lutz said, is that hauling its own fuel isn't feasible because it doesn't purchase enough volume to realize economies of scale; on the other hand, such a marketer might also have difficulty finding a carrier that is sufficiently responsive to its needs.

Flying Star's aim is to go beyond the norm and form a partnership, Lutz said. "We're more of a supply chain manager," he said, intent on developing services to meet a particular marketer's needs.

This approach is contrary to the industry trend, Lutz observed, adding, "It's difficult to do. A lot of marketers say, 'I just call a common carrier when I need him.' But that doesn't work. We have to have dedicated volume so we can plan for the marketer's needs."

Davidson Oil's approach, Lutz said, is to "integrate ourselves into the customer's operation. The engagement is at a number of levels. There's constant communication. It boils down to a core group of people working full-time on that account."

Some petroleum marketers, Lutz said, are realizing they can't hold common carriers at arm's length and still expect highly responsive service.

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Petroleum marketers in search of such a partnership need to spend time looking for a common carrier to team with, Lutz noted. "Some common carriers don't want to figure out what's needed for a partnership to work," he said. "They just want customers who'll say, 'I'm not going to call your dispatcher at 3 a.m. because I'm out.'"

Using their Internet-based remote gauging system should make such calls unnecessary, Lutz said.

"We never want to substitute technology for human interaction because we feel that's the basis of success," Lutz said, "but we wanted to be able to poll these locations remotely."

There's another benefit, too. "Our customers can log in and see the different levels in their tanks," Lutz said, "and they can see when loads are scheduled." It's also possible to see what terminal the Flying Star trucks are going to, Lutz said.

The supplier unveiled the Internet-based system about seven months ago and is using it with some customers. "It depends on the needs of the account," Lutz said. The system stirs curiosity and excitement among some marketers, "but really it's not our focus," Lutz said. "It's merely a tool that makes us more responsive. It's not the (entire) service. When all is said and done, it's still about the trucks and the fuel."