Billing, automation and transparency

Successful pilot project – SAP RFNO manages Förster service station network

If the timing's right when partners happen to come together, they can establish a perfect symbiosis and have a chance of creating something great. In 2013, the Hanau-based SME service station operator MTV Förster decided to carry out a wholesale modernization of its IT systems. At the same time, a completely new, SAP-based service station solution was being developed by oil and gas software development specialists Implico. The two companies soon established a rapport: as a pilot customer, Förster was able to offer insights into all of the typical processes of a service station business, receiving in turn a tailor-made IT solution to match the company's own requirements. The project has now been successfully completed and SAP Retail Fuel Network Operations (SAP RFNO) has been used to create a packaged solution that redefines digital service station management.

MTV Förster GmbH & Co. KG is in many ways a typical mid-sized service station operator. The company operates a network of 28 service stations and carwashes in central Germany for the bft, Aral and Shell brands. The ownership models used here also reflect the usual market proportions: except for two service stations where it operates as a supplier only, Förster uses the "Company-Owned Dealer Operated" (CODO) model for all sites – i.e. it generally owns the stations, which are run by lessees. Accordingly, the company faces the kinds of accounting challenges typical for any service station network operator, namely: every sale needs to be analyzed, processed and reported on back at company HQ.

Data collection and classification: a service station network challenge

"The sheer variety of our business relationships is our biggest challenge," explains Förster's CEO, Lars Ebert. "Depending on the location and product, our service stations sell a range of fuels (including LPG) for our own account, for third-party accounts and on commission." Shop items are the property of the service station lessee, however, who pays a revenue-based fee to Förster but receives commission on fuel sales in return. Things are made more complicated by the range of payment types accepted by Förster at its service stations: cash, debit and credit cards, third-party fleet cards and the company's own Förster fuel card. Payment streams differ by the payment type, too, since Förster settles all card payments with the various clearing houses at head office – even the cashless transactions for shop goods, whose sales proceeds are ultimately owed to the lessees.

Lars Ebert sums up the overall system: "At the close of each working day, we need figures for sales, revenue and profit margins, separate figures for shop revenue (and the resulting shop lessee fee), figures for earnings from card issuer clearing houses, figures for the amounts payable by service station lessees, figures for the amounts we owe our fuel suppliers and figures for the various commissions payable to and from the various parties. And all down to the last cent." Since the diversity of these day-to-day transactions meant the company was approaching the limits of its former systems and a manual analysis and documentation process, it therefore decided to look for a new, efficient IT solution for the administration of its service station network. The solution needed to run on an established, future-proof platform and be able to model the complex workflows reliably, quickly and with a high level of automation.

Implico impressed with its the industry expertise

With Implico, Förster's selection process encountered an SAP development partner who not only had many years of hands-on experience with the petroleum industry but who was also at the time developing SAP RFNO, a new service station management system for SAP AG. Initial talks soon established plenty of common ground between the two companies. "We were looking for a partner who could offer us an

integrated system for all of our business processes, since we needed to replace our silo solutions," Ebert explains. The new solution also had to have an interface to WEAT – the network operator who collects and consolidates point-of-sale data for Förster. Both of these requirements were already part of the functional specifications for Implico's solution.

Win-win: a successful pilot project

In a series of in-depth workshops, the two partners analyzed and documented all of the processes in Förster's service station network in detail. These processes would later be modeled in SAP. The subsequent conceptual study submitted by Implico impressed Förster's management because it modeled all of the company's operations as a single, integrated system. At its heart is the new, jointly-developed SAP RFNO solution for service station billing, fuel inventory management and end-to-end customer/fleet card management. All of the operational business processes are managed in turn using SAP ERP, while fuel orders are handled by the sales and logistics component SAP Secondary Distribution Management for Oil & Gas (SAP SDM), which was also developed by Implico. This latter component also provides an interface for all incoming POS data from WEAT.

The implementation and subsequent cooperation also provided a shining example of how close collaboration can produce a win-win situation. By providing full specifications of all of the transactions

encountered, including corresponding business partners, Förster ensured that its business operations were covered from every angle – both commercially and in terms of tax. Förster also provided full details of the interfaces required. For their part, the SAP RFNO developers at Implico received valuable insights into a typical, mid-sized service station network, enabling them to design the new packaged solution to be as comprehensive and relevant as possible. Accordingly, SAP has successfully marketed SAP RFNO since 2015 as a packaged solution for integrated service

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Managing Director
MTV Förster GmbH & Co. KG

station management, in parallel to the rollout at Förster as a pilot customer.

Automated billing throughout the system

Since go-live, SAP RFNO has been logging each and every POS receipt at Förster. The system automatically identifies payments and payment types for products and services, and assigns each of them to

business partners. At the close of each business day, the Förster team now receives all of the necessary billing documents automatically without any manual intervention. Also included is a special service for the service station partner: the daily info sheet that informs the team about all of the sales, commission and card revenue logged, as well as the franchising fee to be paid. Thanks to SAP RFNO, Förster can now bill the shop revenue-based lessee fee on a daily basis. "This saves us the accounting work that was required previously by the system of monthly lessee fee advance payments plus a subsequent final invoice," explains Lars Ebert. In addition, SAP RFNO also offers interfaces to the company's banks, pulling account and payment data into the system automatically. Above all, this facilitates the classification of cashless payments because reconciliation with the bank statements, which used to be a manual process, can now be carried out fully automatically and down to the last cent by the system.

Service station replenishment

The long-standing and successful working relationship with a forwarding agent for fuel deliveries has also benefited from the new solution: to ensure that the continuous replenishment of service stations proceeds smoothly at all times, Förster provides the forwarding agent with details of all fuel sales and tank dip data electronically. Billing for deliveries is handled by SAP SDM's Process

Automation Tool (PAT). What is so special about this is the fact that the actually delivered quantities are collated and processed fully automatically; manual processing of printed loading and shipping papers is no longer necessary. To ensure that all stakeholders along the entire value chain work uniformly in liters at 15 °C, the system uses an interface to OpenTAS QCM to convert all fuel quantities automatically.

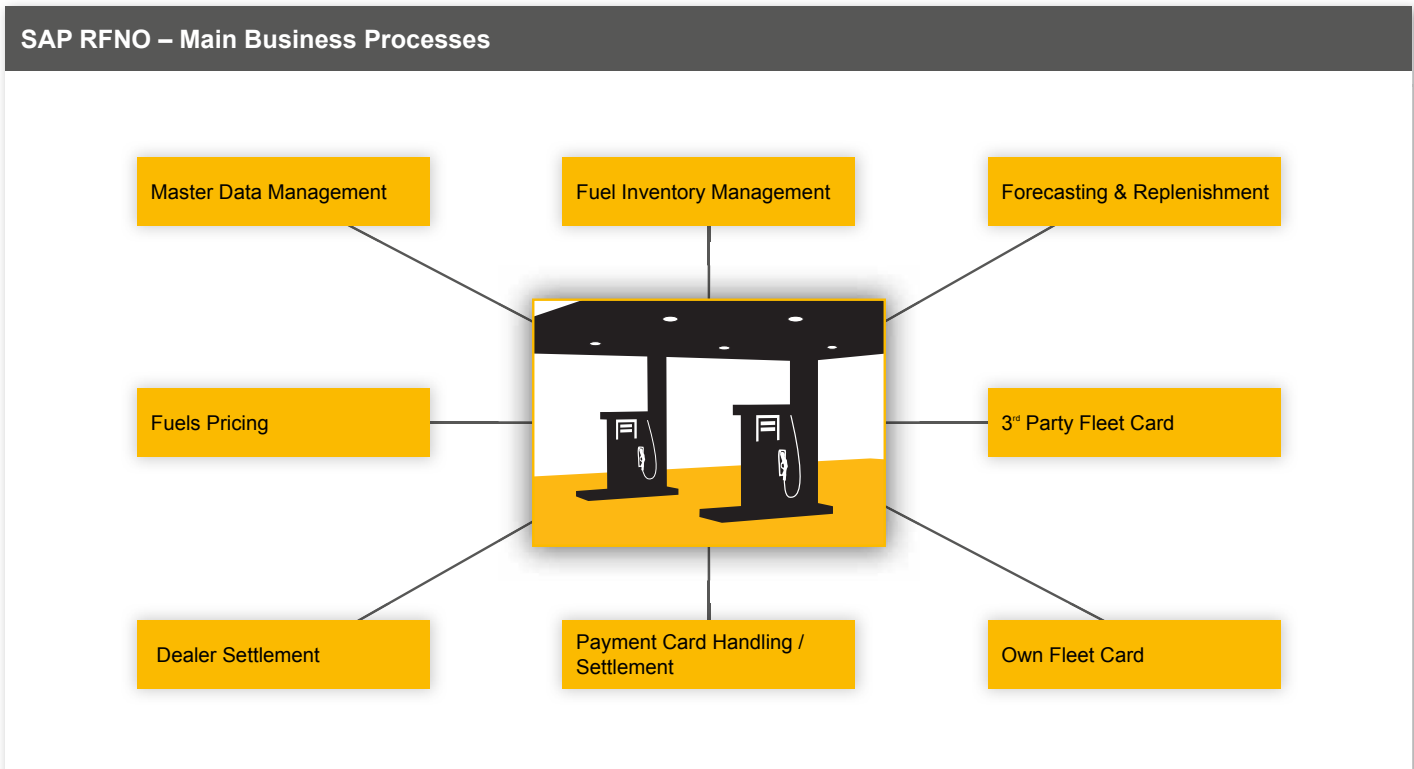## Real-time transparency across the service station network

Since SAP RFNO logs all of the master data, goods movements and payments, the solution offers comprehensive reporting on the current financial status of each site, with sales figures being of particular interest for Förster. Lars Ebert: "The SAP RFNO report gives us a real-time snapshot of positive and not-so-positive trends in carwash and bistro sales at specific sites, for example. We use this kind of information in lessee training, targeted marketing or as a guide to site-specific capital spending." The company also creates a wastage report, which compares stocks, deliveries and the fuel quantities sold from point-of-sale data with tank dip data. This report highlights individual fuel pumps that may be in need of calibration, or where other kinds of errors may be present elsewhere in the system. The integrated solution uses a wide range of sanity checks running as background processes to identify errors and inform employees about irregularities. Staff are given all of the information they need and can make corrections directly in the system.

Conclusion: Förster is making the most of digital transformation

Business process diversity and the sheer size of the data volumes involved present a major challenge to service station network management. While smaller-scale IT systems quickly become an obstacle to efficient

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SAP RFNO – Main Business Processes

- Master Data Management
- Fuel Inventory Management
- Forecasting & Replenishment
- Fuels Pricing
- 3rd Party Fleet Card
- Dealer Settlement
- Payment Card Handling / Settlement
- Own Fleet Card

administration, service station operators can avoid this problem with the modern, integrated IT solution SAP RFNO, which has the effect of networking market players, automating processes and creating data transparency. MTV Förster GmbH & Co. KG has recognized and made the most of these opportunities as a pilot customer in the development and rollout of SAP RFNO, the brand-new packaged solution for service stations. This solution now networks all of the business partners in the Förster service station network, from company HQ to the individual lessees and fuel suppliers, forwarding agents, clearing houses, banks and fleet card issuers. SAP RFNO uses this as the basis for end-to-end billing process automation, while offering full and transparent access to the key market data Förster needs to drive the proactive development of its own service station network.

About Förster

MTV Förster GmbH & Co. KG was formed by Franz Förster in 1952 in Hanau, Germany. The company currently operates a network of 28 service stations in central Germany for the bft, Aral and Shell brands, and also acts as a fuel supplier to two service stations on federal highways. The range of service station products and services is regularly expanded and optimized, with Förster focusing here on high-quality company-owned premises, typically with generously-proportioned convenience stores. The company management team consists of the two directors Holger Förster, the son of the company founder, and Lars Ebert, supported by senior executive Christian Zocher.

About Implico

The Implico Group optimizes logistics and business processes for oil and gas downstream companies. The international consulting and software company with its headquarters in Hamburg, Germany, has subsidiaries in Malaysia, Romania and the USA. Founded in 1983, the company today employs around 200 staff.

Implico provides consulting services, data services and software solutions for the entire supply chain. Leading oil and gas companies all over the world trust in Implico's industry expertise and high-performance IT solutions.

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