FLYERS ENERGY, LLC
A PDI Case Study

Executive Overview

You've heard of Frank and Jesse James, Wilhelm and Jacob Grimm, and Wilbur and Orville Wright. History is full of famous sibling duos who did incredible and, yes, sometimes dastardly things. In the quaint town of Auburn, California, surrounded by majestic peaks and verdant foothills, is another band of brothers. No, they're not infamous, gun-slinging outlaws, nor are they the authors of fantastical children's tales that have survived in popularity for more than a century. And although all of them are pilots, they did not invent manned flight. The Dwelle brothers—Tom, Steve, Walt and David—are the owners of Flyers Energy, LLC. Their grandfather founded Beacon Oil Company in the early 1930s, so as third-generation oilmen, you could say the motor fuel business is in their blood.

In 1979, the brothers created what would eventually become Flyers Energy, then Nella Oil Company, with the purchase of seven retail sites. Three decades and several acquisitions later, Flyers is one of the country's largest independent fuel suppliers, distributing wholesale and retail fuel, commercial lubricants, renewable fuels and solar power. It also holds the distinction of being the largest member of the Commercial Fueling Network (CFN) and offers fueling at 230,000 locations nationwide with the Flyers Fleet Card.

Business Challenge

The dawn of the 21st century brought new opportunities for growth, and Flyers seized them. Within the span of a few years it acquired several companies, which expanded its business to include cardlocks and commercial fueling, terminals, lube warehouses, and transportation.

"We were facing a pretty big identity crisis," says Tom Di Mercurio, chief financial officer for Flyers. "That identity crisis extended to the software as well. Our industry is fraught with the least common denominator, so when we bought these companies they typically used bolt-on products. We needed a centralized, enterprise-wide software system that could bring it all together and improve efficiency."

Integration and automation issues aside, Flyers was facing a larger challenge. "From an accounting and operational standpoint, the software we had was limited in its ability to handle the complexities of a petroleum marketing business," explains Di Mercurio. "It simply wasn't built to handle it, so we had to find one that was."

PDI Solution

PDI/Financials
The first suite—PDI/Financials—is already improving Flyers' accounting and cash management processes. Di Mercurio says PDI/Accounts Payable is particularly useful in automating all the basic steps to reconcile and pay invoices. "At this point, we're about as paperless as we can get. We pay nearly all of our vendors by EFT. The system also allows vendor initiated EFTs, which work really well for us. Then, all we have to do is reconcile, and the software automates that process as well."

Powerful import and export capabilities are hallmarks of PDI/Enterprise. In fact, they're features the Flyers team utilizes every day, especially in PDI/General Ledger. "On the GL side, we're really starting to hit our stride. Manual journal entries are very rare because things can be automated to the point of recurrence," says Di Mercurio. "Our group has really done a fantastic job of utilizing the import and export tools, and that has significantly cut down on the data entry time."

Finding software capable of handling a large number of commercial fueling accounts was crucial to Di Mercurio, and he found what he was looking for in PDI/Accounts Receivable. Currently, the system handles approximately 13,000 active commercial Flyers customers. "Depending on the day, our A/R balance can swing $20-million in either direction. Even with good people, managing all that credit risk requires a good tool. PDI/Accounts Receivable is a very good tool. In addition to commercial accounts, it also gives us a system to manage credit and collections for cardlock, dealer whole-sale, and warehouse fuel customers," Di Mercurio says.

PDI/Cash Management is another win for the petroleum marketing company. It automatically matches daily data to bank information, something their previous software was incapable of doing. "PDI/Cash Management allows us to automatically reconcile, not just GL accounts and bank accounts, but also credit cards. We're a branded distributor of Chevron, Shell, 76 and Valero. We also have our own unbranded product, so that module is an essential part of our operation," Di Mercurio explains.

PDI/Wholesale

The improvements Flyers experienced by implementing PDI/Financials were just the beginning of the company's transformation. Next was PDI/Wholesale. In addition to its ability to integrate with inventory monitoring systems and fuel pricing services, the software suite's comprehensive information management system helped Flyers eliminate manual processes and create operational efficiencies that saved time and money.

Two modules the company uses quite extensively are PDI/Order Desk, a tool that effectively manages orders from inception to billing, and PDI/Warehouse Inventory. "With 10 warehouse locations, being able to accurately track inventory and purchasing is a necessity. PDI/Warehouse Inventory does a phenomenal job of keeping up with bulk inventory," says Di Mercurio. "PDI/Order Desk really contributes to the operation by serving as the POS at all of our warehouse sites. Consequently, we're able to process orders and provide invoices at the time of purchase. As a result, paperwork isn't entered into another system, which significantly cuts down data entry time and errors."

On a daily basis, Flyers also uses PDI/Order Desk to process fuel invoices, generate quotes, import costs through DTN, and bill its rack, dealer, and delivered customers. "We use PDI/Order Desk heavily, but it's all very automated" says Di Mercurio. "Most of the time we're not even keying anything into the system; we're importing it. At that point, we simply manage by exception."

While PDI/Order Desk is certainly an integral part of Flyers' wholesale business, according to Di Mercurio, PDI/Card Processing is the heart and soul of the operation. As the largest member of CFN, the company handles thousands of transactions a day. "Every day, more than 15,000 transactions get imported, updated, processed, and finally billed using PDI/Card Processing," he explains. "The really great thing about this module is that it supports a variety of transaction types and provides flexible pricing rules. So, it really allows us to tailor each customer relationship."

As the owner of two fuel terminals and a position holder at several more, one of the company's primary requirements is the ability to track its fuel inventory. "When we hold positions at third-party terminals, it may have fuel belonging to a lot of different companies, so tracking and reconciling is very important" says Di Mercurio. "With PDI/Fuel Inventory, we're able to inventory the entire rack system and reconcile it against the terminal owner's system to ensure all our fuel is accounted for. For third-party fuel from a typical rack, like Chevron, we import the electronic invoice against the loads in PDI/Order Desk. Then, we can reconcile them in PDI/Fuel Inventory."

Customer Results

"The capability of PDI/Enterprise was one of the most important things that allowed us to grow as a business," says Di Mercurio. "And with each acquisition we were able to make our operation more efficient due to the advanced automation and integration tools that were available."

According to Di Mercurio, the ability to Do Business Electronically is saving Flyers more than $350,000 a year. "Our relationship with PDI has truly been a growth partnership. We're excited to continue this journey."