

SUCCESS STORY

Billing, automation and transparency

Successful pilot project – SAP RFNO manages MTV 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 specialists Implico. The two companies soon established a rapport: as a pilot customer, MTV 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 company also manages a further 18 service stations under its equity investment in FTB Freie Tankstellenbetriebe GmbH & Co. KG and is a shareholder in a federal motorway service station. The ownership models used here also reflect the usual market proportions: except for two service stations where it operates as a supplier only, MTV 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 chal-



lenges 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 MTV 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 MTV Förster but receives commission on fuel sales in return. Things are made more complicated by the range of payment types accepted by MTV Förster at its service stations: cash, debit and credit cards, third-par-



ty fleet cards and the company's own MTV Förster fuel card. Payment streams differ by the payment type, too, since MTV 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, MTV 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 develop-

ing 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 MTV Förster. Both of these requirements were already part of the functional specifications for Implico's solution.

„The SAP RFNO report gives us a real-time snapshot of positive and not-so-positive trends in car-wash and bistro sales at specific sites, for example.“

Lars Ebert

Managing Director MTV Förster GmbH & Co. KG

Win-win: a successful pilot project

In a series of in-depth workshops, the two partners analyzed and documented all of the processes in MTV Förster's service station network in detail. These processes would later be modeled in SAP. The subsequent conceptual study submitted by Implico impressed MTV 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, MTV Förster ensured that its business operations were covered from every angle – both commercially and in terms of tax. MTV 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 station management, in parallel to the rollout at MTV Förster as a pilot customer.

Automated billing throughout the system

Since go-live, SAP RFNO has been logging each and every POS receipt at MTV 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 MTV Förster team now receives all of the necessary billing documents automatically without any manual intervention. Also included is a special service



Image: MTV Förster

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, MTV 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.

PROJECT AT A GLANCE

COMPANY	 MTV FÖRSTER MTV Förster GmbH & Co. KG	<ul style="list-style-type: none"> - Headquartered in Hanau, Germany - Small / mid-sized business - Service station network (incl. motorway service stations) - State-of-the-art car wash plants
OBJECTIVES		<ul style="list-style-type: none"> - Fast and reliable dealer settlement for all service stations - Improved inventory management at service stations - Fleet card processing and credit card handling
BENEFITS		<ul style="list-style-type: none"> - Fast control of daily dealer settlement process - Replaced non-integrated IT solutions - Improved service station reporting of i.e. inventory turnovers and margins; consistent and instant sales and revenue reporting per service station and product - Integration of POS interface standards



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, MTV 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 MTV 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: MTV 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 administration, service station operators can avoid this problem with the modern, integrated IT solution SAP RFNO, which has the effect of networking market players, automat-



ing 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 MTV 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 MTV Förster needs to drive the proactive development of its own service station network.

About MTV 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 for the bft, Aral and Shell brands, and also acts as a fuel supplier to two service stations on federal highways. MTV Förster also manages a further 18 service stations under its equity investment in FTB Freie Tankstellenbetriebe GmbH & Co. KG and is a shareholder in a federal motorway service station. The range of service station products and services is regularly expanded and optimized, with MTV 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 and Lars Ebert, supported by senior executive Christian Zocher.



Image: MTV Förster



About Implico

Implico is a leading provider of solutions for the digitalization of business processes in the downstream segment. Embedded in the SAP environment and working in accordance with the SAP Clean Core approach, the company develops highly standardized products for S/4HANA that replace customized in-house solutions, thereby significantly increasing efficiency and security.

With over 40 years of experience in the distribution of liquid goods and the operation of filling stations, Implico's expertise is unrivaled when it comes to automating SAP processes and aggregating data. A holistic consulting approach, together with a profound quality assurance program, guarantee the smooth implementation of all solutions in the shortest possible time.

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