

# Case Study

## Major Oil Company Seeks Portfolio Growth

### Company Profile

Geographic Focus: United States

One of the largest energy companies in the world, this company operates in over 80 countries across six continents, with more than 20,000 service stations and over 80,000 employees worldwide. Its product offerings fully encompass every area of the oil and gas industry, providing customers with fuel, energy, petrochemicals, and retail services. Its America division is one of the largest producers of oil and natural gas in the United States.

### New Fuel Card Partner Sought to Better Realize Growth Goals

For a number of years, a major bank processed this major oil company's commercial fuel card portfolio. Several years ago, the oil company began its search for a new partner that would enable it to launch a customized suite of commercial card products—including a universal card option—and fully outsource all fuel card operating functions. The company also placed a premium on a partner who could help create the product advances necessary for it to be competitive in the commercial fuel card market.

As such, a Request for Proposal (RFP) was issued to help select a supplier that would provide the company with the system and product innovation necessary to expand its offerings and reach a broader customer base.

### Why FleetCor?

Throughout the RFP process, this major oil company searched for a partner to whom it could entrust its fuel card portfolio. After an extensive evaluation process, FleetCor was ultimately chosen to acquire, manage, and provide the processing for its commercial fuel card portfolio. The primary factors that helped shape the decision included:

- FleetCor formed an alliance with an experienced electronic payment solutions and MasterCard Fleet provider, which enabled them to begin development of two new programs for the client: an open-network fleet program (Universal card) and a closed-network fleet program (Branded Marketer)
- FleetCor was already a proven partner with years of experience processing commercial fuel cards for the company's U.S. subsidiary; FleetCor was able to grow the subsidiary's sales over 115 percent within the first year, over 45 percent above that baseline for the next year, and an average of 25 percent growth over consecutive baseline sales for the following two years

- Launch of Universal MasterCard and Branded Marketer Fleet Programs
- Growth of Universal MasterCard portfolio to an annualized run rate of over 115 million gallons
- 100-day conversion timeline

## Why FleetCor? (continued)

- Within the last few years prior to winning this bid, FleetCor had acquired and successfully converted over 20 portfolios from a variety of card processing systems, including private label conversions from proprietary oil companies' systems and competitors' systems
- FleetCor committed to providing dedicated sales support, including field sales representatives and an inside sales team, as well as a shared marketing team

## Accelerated Conversion Effort

FleetCor migrated the major oil company's two proprietary fuel card programs from the retiring bank system. The conversion was successfully completed within a 100-day window. In addition, with its new processing platform in place, FleetCor could now launch both new and expanded fleet card products, providing the client with the innovative advancements necessary to compete more effectively in the commercial fuel card market.

## Business Results Achieved

FleetCor helped the major oil company achieve its business objectives through the acquisition and conversion of the two commercial card portfolios to FleetCor's system. Then realizing its goal of greater product innovation, FleetCor was able to launch the company's Universal MasterCard and Branded Marketer Fleet Programs within the next year. The Universal program provides universal coverage and additional convenience to larger sized fleet customers, while the Branded Marketer program enables the company's Marketers to launch and market their own private label fleet card program, which locks down the fleet customer's card usage to their specific petroleum brand(s) while providing the same features and benefits as the Universal program.

FleetCor commissioned a major credit reporting company to learn that approximately 30 to 40 percent of the company's proprietary cardholders were carrying competitors' fleet cards as well. Usage of the competitors' cards amounted on average to 4.5 times the gallon volume of the company's private label card. In order to gain share of wallet, FleetCor offered cardholders the opportunity to upgrade for free to the newly created universal card. Since the upgrade program began, the company has realized a 17 percent year-on-year lift in activation and a 12 percent lift in gallons purchased from those upgrading to the new product versus those accounts that chose to continue using their proprietary card. Overall, FleetCor grew the universal card portfolio to an annualized run rate of over 115 million gallons.

Ultimately, through its partnership with FleetCor, the company was able to successfully outsource its commercial fuel card operations, while growing its portfolio through the launch of a suite of innovative commercial card products.

