

# Fuel costs set to rise... ...and rise... ...and rise!

FUEL: KEN ROGERS

**If your business operates vehicles, or uses oil-fired boilers, you will know that the cost of fuel just keeps going up. Whether it is because of high US demand, events in the Middle-East, the development of the Chinese economy, or just our Chancellor of the Exchequer, there always seems to be some excuse for another penny or two on the price of a litre.**

But why is it that the cost per litre of refined diesel, or gas-oil or petrol, sometimes seems to change at different times, and by a different percentage to media reports?

Pricing to the end user is based on the daily movements of a number of petrochemical market exchanges, with margins added by distributors and retailers. However, most users do not know how to access details of these markets, nor have the time to monitor the movements on a daily basis, to compare with the price they are actually paying their supplier, or at the pump.

You may have heard of "hedging" as a means to reduce the risk of exposure to large unexpected price increases, but is this a sensible option for your business, or are there alternative fuel procurement strategies that will minimise the price you



pay relative to the market and confirm that best value is being obtained on an ongoing basis?

**The answer is yes!** At Expense Reduction Analysts, our experts monitor the petrochemical markets, and use this knowledge together with the leverage we effect through the collective volume of our clients (currently £millions pa of fuel supply), to achieve real savings in the cost of fuel purchase on an ongoing basis.

# Internet Shopping –The New Retail Revolution

LOGISTICS: KEN ROGERS

**Despite initial concerns over fraud and the dot-com bubble, Broadband Britain has taken to internet shopping with a passion. Going on-line is easy and clicking through a purchase is fast and convenient. Unfortunately, sometimes the actual delivery of the goods is less so.**

Many goods now sold over the internet are just too bulky to be delivered using the traditional carriers, or may require some amount of assembly or fitment on delivery.

It may take more than one person to manhandle the products from the delivery vehicle to the customer's house.

However, to many businesses, Internet Shopping represents an increasingly important part of their sales. It may be that their retail customers demand that they provide a home-delivery service for products sold through the retailer's website or from store.

Alternatively, some manufacturers and wholesalers have found that it is a cost effective way to develop direct sales to end consumers, without a traditional retail distribution chain. All forecasts indicate that sales volumes via the internet will continue to increase for the foreseeable future.

Unfortunately, in many respects, logistics' suppliers are failing to keep up with both volumes and the service requirements. Whilst the providers of delivery networks of the 20th Century are well developed, and highly effective to the needs of high-street supply-chains, many have so far failed to adapt to the service and cost requirements of their customers for the Internet Shopping market of the 21st Century.

**The EXPENSE REDUCTION ANALYSTS logistics team is up to speed with supplier provision in this area and continues to monitor developments for the benefit of clients.** So if you are not happy with the cost or service achieved for the delivery of your goods to domestic addresses, why not call us now for a detailed review?

