DTN

Automating terminals to comply with international standards

Kuwait Petroleum International, Bertrange, Luxembourg

Kuwait Petroleum International,

also known as Q8, is one of the largest operators of service stations and fuel supply terminals in Europe, with more than 4,000 service stations. Q8 began its European operations in the mid-1980s and strives to stay on the industry's cutting edge.

" The use of the automation system makes it very easy for us to manage the terminal on a daily basis. The operators can focus on the daily tasks at the terminal and not have to worry on admin work. "

Kuwait Petroleum International

What they were up against

Increasingly, major supply companies have been selling off their terminal distribution infrastructure and using third-party operators to distribute products. While this provides savings in certain areas of overhead expenses, it also poses a supply management problem as thousands of customers are traveling to hundreds of terminals operated by different companies. Keeping track of supply levels and managing customer allocations in this scenario is difficult.

The solution has been fuel supply management systems that not only allow suppliers to view product levels across their entire network, but also enable them to manage credit limits and allocations for their customers. To work, these systems need to integrate with the terminal automation system (TAS) that controls loading, and this can be a challenge in a multivendor environment.

In the United States, the suppliers and terminal operators have adopted standards that allow for fuel supply management systems to plug directly into a terminal's automation system. The standards are in place so even if a terminal uses a different vendor for its TAS than the supplier's fuel supply management system vendor, they can still interface. The same trends are moving to Europe, and the major suppliers in particular are beginning to demand the same kind of connectivity and standardization with terminals' automation systems.

What we did to help

To capitalize on this demand from the major suppliers and to stay true to the company's cutting-edge nature, Kuwait Petroleum International (Q8) decided to become the first European terminal operator to adopt PIDX standards and begin connecting fuel supply management systems to its terminal automation systems. The PIDX standards were created and are being implemented in an effort to reduce the fractured nature of European laws and business practices. For major suppliers, this is particularly important to reduce the inefficiencies of having to adapt distribution practices on a country-by-country basis.

Q8 selected DTN TABS® to help it control all aspects of product supply management across its entire network of terminals. This includes managing the access permissions, credit limits, and product allocations for its customers at each individual terminal, but doing so in a way that is both efficient and provides instantaneous notification of changes to suppliers, terminal operators, and customers.

Q8 also has been a long-time user of the DTN Guardian3® terminal automation system, designed to integrate with fuel supply management systems.

What the impact was

By adopting PIDX standards and DTN TABS to help manage everything, Q8 is one of the few terminal operators in Europe that can offer suppliers the business advantage of using a fuel supply management system with its terminals for very low initial investments. Customers picking up product also benefit from pulling from terminals that support their suppliers' fuel supply management system. Suppliers' customers are able to access the information about their credit limits and product allocations at the terminals they pull from at any time, so they never have to worry about sending a truck to a location where it can't load product—a costly waste of a trip.

Q8 also noticed that its implementation of the PIDX standards was relatively low-intensity. With DTN Guardian3 in place, the total process consisted of several rounds of data communications testing in controlled environments, but less than half a day to get the terminal itself up and running. Since the implementation, Q8 has already seen improvements in the efficiency of how it serves its stakeholders, both suppliers and their customers. It used to take at least 24 hours to send out loading reports, but now those reports go out almost instantaneously.

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