



Driving down costs

Major transport firm controls its spend with PROACTIS

The Hoyer International transport group operates in 75 countries and with more than 8,000 vehicles, it boasts the largest independent tanker fleet in the World. Hoyer manages logistics for some of the World's leading brand names, which in the UK includes companies such as Scottish Courage, Esso Petroleum, ICI, Tate & Lyle and BOC.

In an industry where margins are continuously tightening and many competitors are falling by the wayside, Hoyer is always seeking new ways to reduce its costs and improve efficiencies. And for a company whose reputation is built on quality of service and an impeccable safety record, this means that not only customer facing procedures, but also internal administrative procedures are under the spotlight.

In October 2002, Hoyer's UK operation, Hoyer UK Ltd, went live with a new procurement and spend control system as the first phase of a new initiative to streamline internal procedures. PROACTIS, from York-based Spend Control specialists Get Real Systems, is now helping Hoyer to reduce its administrative burden and more importantly, improve the way it manages its finances and controls its spend.

Greg McLeen is Finance Director at Hoyer UK Ltd: *"We wanted to achieve much faster visibility of our cost pipeline than our previous paper-based systems would allow, and we saw PROACTIS as a way of streamlining those systems, as well as making the key information available sooner."*

"In particular, we wanted to move from batch and paper systems to real-time systems. We wanted better management information that would enable us to take management action much earlier."



PROACTIS is now used by staff to manage purchasing-related tasks, not only speeding up what was previously a labour-intensive and ill-defined process, but also imposing Hoyer's own business rules and spending limits.

Greg McLeen is now safe in the knowledge that staff can only purchase within their given limits and from permitted suppliers, and staff are happier because most of the administration is done for them. For instance, purchase orders are automatically coded correctly, suppliers are automatically sourced and commitment information is instantly delivered to the finance system.

Greg continues: *"Spend control is very important to Hoyer. We wanted to impose physical controls over spending on overheads and PROACTIS' commitment accounting capabilities helps us manage budgets and avoid overspends. Because PROACTIS is linked into our accounting system, this takes place in real time and with complete reliability."*

"Our old systems were based on pieces of paper, so we couldn't really get any useful management information. Now we can analyse what we spend with different suppliers, who spends it and on what. We have instant visibility of purchasing transactions."

"Most importantly, PROACTIS has speeded up the production of our monthly accounts and we can now understand the details behind each of our cost numbers."

Tim Binns, IT Systems and Development Manager at Hoyer UK Ltd, is also a keen advocate of PROACTIS, pointing out that the system addresses many problems inherent to the old way of working: *"In the past most staff didn't even raise written purchase orders, they complained that procedures took too long and got in their way. They were, of course, unaware of the difficulty this gave us when analysing costs or when dealing with suppliers' invoices."*

Hoyer's UK project could be just the beginning for the group. Greg McLeen added: *"Hoyer are so impressed, we are now considering how the software can help our other European operations."*