BEST SWIPE

Security, convenience and data among the advantages of fleet cards

By Kara Kuryllowicz

Already an industry standard, fleet card acceptance continues to increase with the consistent delivery of ever-better data, security and convenience across multiple sectors.

"Our fleet card program, which includes an ARI and a Mastercard option, is one of our most popular programs and tends to be one of the first services our customers commit to," says Peter Nogalo, marketing manager, ARI, Mississauga, Ont., which manages 175,000 vehicles Canada-wide.

Publicly- and privately-held firms as well as government entities tend to have similar needs with security of paramount importance to every fleet, although geographic scope is most relevant to those

portfolio, about 80 per cent, use fleets cards," adds Sumair Mirza, chief operating officer, Element, Mississauga, Ont., which manages 229,898 units in Canada. "Data is the number-one consideration and they leverage it to track everything from CO_2 emissions to assessing the total cost of ownership across the one- to five-year average lifecycle."

Initially, decision-making focuses on selecting a proprietary fleet card, fuel card or retail credit card. The fleet card tends to offer excellent discounts and control along with detailed data and reporting. It might be accepted at 10,000 of Canada's approximately 11,700 fuel stations, but an organization with employees working in remote locations, for example

"Shell has one of the biggest national networks, is recognized as one of the top, trusted fuel brands and offers 24/7customer service that is always ready to provide the best quality assistance to cardholders," says Josh Ferguson, national sales manager, commercial fleet, Shell Canada, Calgary, which also offers the Shell Fleet Navigator Card, which can be used anywhere that MasterCard is accepted.

Fleets with in-house maintenance may also opt for a fuel-only card, but most welcome combination cards that cover fuel and maintenance. Unmanned, fenced card-lock facilities that are open 24/7 can help support employees in ultra-remote spots.

"Firms rarely have to sacrifice the detailed data, discounts and 'true' product controls for remote coverage but it can occur in unique circumstances," says Mirza, who also notes tracking CO_2 emissions is of greater interest than ever due to the growing focus on sustainability, particularly with multinationals that have European parent companies.

Today's fleet cards, especially the fleet management firm's proprietary cards, offer Level III data, which includes the information captured in Level I and Level II plus quantities, product codes and descriptions, and much more. But fleet managers need to recognize that for the card to access that Level III data, the fuel station or retailer must first track and provide it. Level I data include total purchase amount, date, merchant category

Successful security measures for fleet cards involve two main areas: preventing fraud in the first place and detecting aberrations when the system is outsmarted.

with employees and customers in remote locations. Generally, service fleets tend to focus more on controls and costs while sales fleets place more value on convenience and coverage. For-profit organizations may be more interested in the analytics and reporting, but there's no doubt every agency is committed to maximizing value and better managing costs.

"The vast majority of the firms in our

along a pipeline in Alberta or in a tiny town, wants to ensure fill-ups are possible at the mom-and-pop style, general and convenience stores that sell groceries, hardware and fuel. Fuel fleet cards, such as the Shell Fleet Card, which gives card holders access to over 1,200 Shell stations nationwide, provides very competitive discounts, top quality fuel and relevant insights from fuel experts.

code and supplier/retailer name.

"Our cards offer Level III data from Shell stations as well as any other fuel vendors that may also offer Level III on this platform," says Ferguson.

Fleet managers can use details such as the type of fuel purchased to look at asset efficiency in the real world and further adjust vehicle selection going forward. Experience has shown that vehicles may consume more fuel and subsequently produce greater emissions than in the manufacturers' controlled environment. Details on the frequency, cost and even the location of preventive maintenance and repairs are also available, but as always, such data has value only if it's used effectively. When component and system repair and/or replacement are tracked over hundreds to thousands of vehicles, fleet managers can target vehicles that perform below expectations and even negotiate subsidies or reimbursements for parts and labour.

"When a call comes in, our team can access Canada's largest benchmarking database to see if that particular crew-cab pick-up truck is performing below par in a specific region or nationwide," says Mirza. "If the fleet's operating costs increase year over year from $5 to $5.3 million due to unexpected maintenance, we may decide those assets need to be changed out earlier and adjust asset selection decisions for the upcoming year."

Successful security measures require a two-fold strategy: prevention (how to stop it from happening) and detection (how to identify aberrations when the system is outsmarted). Not that long ago, consumer credit cards were targeted by fraudsters and criminals to the point the providers significantly stepped up security with chips and PINs. As consumer card theft and fraud became more challenging and risky and fuel costs hit $1.50+/liter, perpetrators went after the more vulnerable fleet cards despite the limited range of products and services and lower spending limits. This in turn drove improved security measures on fleet cards.

"Clients can set their own limits and

specify their alerts with some requiring PIN authentication only on fuel purchases over a certain value because the administrative burden is seen as outweighing the potential for fuel fraud loss," says Nogalo.

To ensure maximum security, astute fleet managers must confirm the cards' PINs are authenticated at the point-of-purchase before the transaction is approved—otherwise the PIN is useless as a preventive device. If the PIN is not authenticated pre-purchase, an unauthorized, suspect purchase may be flagged after the fact.

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"Before a fleet commits to a card product, it is critical to clarify at least four items: Is the PIN actually used for authentication purposes, verify with a station listing that 100 per cent of the stations provide Level 3 data, understand how 'true' product controls work, and perhaps most importantly—what is the security infrastructure supporting the card," says Mirza.

Significant-dollar transactions that quickly add up, such as repetitive, same-day, $900 per tank tractor-trailer fill-ups, were ample motivation for fleets and their fleet management firms to drastically improve their security measures.

"That has happened—it's a matter of public record and while low fuel prices are time-bound, it takes time and a significant investment to build and then implement security measures," says Mirza, who notes that the 2010/2011 fuel prices made security Element's number-one invest-

ment over the past three to four years. "We made a significant investment that will demonstrate an even greater pay off when fuel prices climb back up, as they inevitably will."

At Element, the company's Element fleet card is much more challenging to duplicate or replicate as a result of the new material and design with exactly how and why they're effective a closely-kept secret. As well, the firm's intelliShield 2.0, a proprietary intelligent behavioural technology, quickly detects unusual behavioural patterns to identify suspicious activities and any unauthorized use of the Element card. Because intelliShield is able to learn, it adapts to changes in driver's purchasing patterns. Its advanced geo-location radial analytics combines purchases with spatial data to identify suspicious activity. For example, more than a single fill-up in one day, unusual fuel quantities or fuel types as well as station location may point to a driver fuelling a spouse's vehicle, the family Winnebago on the long drive south to the Florida Keys or the company vehicle for the regular Friday trek to the cottage.

"intelliShield is customized according to each fleet's policy and will also identify non-normalized patterns, geographic and otherwise, and continuously becomes smarter for each Element customer," says Mirza.

Likewise, Shell's eTRAC online card management program has transaction control features that let users create and set multiple card policies such as purchase limits and restrictions around product categories, dollar value, time of day, day of week, volume amount and more. eTRAC reporting also lets fleet managers track card activity in real time, monitor purchases by driver, shift or specific fleet and view fuel spending by product type.

"eTRAC enables fleet managers to zero in on the information that really matters to them and when necessary, our account managers can help them identify and interpret the data and reports to get the greatest insight and value," says Ferguson. **B2B**