

MIDLANDS STATE UNIVERSITY



FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

**FEASIBILITY STUDY OF THE FUEL CARD SYSTEM, A CASE OF
SAKUNDA ENERGY**

BY

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**A dissertation submitted to Midlands State University in partial
fulfilment of a Bachelor of Commerce Accounting Honours degree
(HACC)**

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DEDICATION

This dissertation is dedicated to my parents, my sisters Kudzai and Gracious and my brother Douglas and all my friends for all their unwavering support and love during my academic period. I thank you; you are my source of inspiration and greatest treasure.

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ABSTRACT

Sakunda Energy has been facing declining revenue for the past three years. The company was using the fuel coupons as a way of managing its revenue and the fuel coupon was causing the company to suffer losses in revenue. The fuel coupons had problems which include recyclability and vulnerability to theft of the coupons. This resulted in the company introducing the fuel card system as a way to mitigate these shortcomings. The newly implemented was put to use but there seems to be persistent decline in revenue. This highlighted the problem which was being encountered by Sakunda Energy. This research paper examines the coupon system, examines the fuel card system, evaluates the system implementation guidelines in place, analyses the controls put in place and finally evaluates the best revenue management system at Sakunda Energy. The researcher used descriptive research design because of the nature of the company. Tools that were used by the researcher include questionnaires and interviews. The study also analyses data obtained and the researcher concluded the research by explaining the best revenue management that should be practised by Sakunda Energy.

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CHAPTER ONE

1.0 Introduction

This chapter contains the background of the study, statement of the problem, research objectives to conduct the research, main research question, and sub- research question, significance of the study, delimitation of the study, limitations, assumptions, abbreviations and summary.

1.1 BACKGROUND OF STUDY

According to Rasmussen (2013) Revenue is one of the most important earnings component, usually the largest item on the income statement, and a strong indicator of firm performance. Tse and Poon (2012) also assert that accounting for revenue has been a contentious issue. Sakunda Energy used fuel coupon system for the three years ending 2013. Schandorf-Lamptey (2012) asserts that persons issued with the coupons exchange the coupons for cash, or use the coupons to purchase the fuel into unauthorized vehicles since there have not been any effective tracking system on vehicle consumption and mileage to prevent this practice. Nilson (2010) goes on to highlight that; a response to mend this gap has been the introduction of the electronic fuel card by the leading fuel marketing companies in the country. Sakunda Energy revenue was declining for the mentioned period as shown in the table below:

Table 1.1 **Statistics of Revenue**

Period	2011	2012	2013
Revenue	\$365 241 000	\$274 240 000	\$184 260 000
Budgeted Revenue	\$500 000 000	\$550 000 000	\$634 000 000

(Source Sakunda Energy annual reports 2013)

Schandorf-Lamptey (2012) indicates the challenges of using coupons and among them she stipulates that coupons can be stolen or recycled. The negative variance of \$91 001 000

(25%) between 2011 and 2012 is attributable to fuel coupons stolen during that period. Company reports reported a loss of coupons which had a significant value and it was also explained by the company reports that during this period there were spillages and recycling of coupons arising in the declining revenue. Greive (2014) asserts that the loss of clients leads to an eventual decline in the revenues of an entity. Management reports indicate that of the total number of clients lost, the company's major customer like Total and Engen contributed more than 50% of the total amount towards the annual sales using fuel coupons. The company lost Total in 2012 and in 2013 Engen reverted to their previous supplier and this saw Sakunda energy revenue falling by 33% in 2013

Bragg (2010:7) elaborated that the effects of an increase in company costs starts with revenue decline, as profits which have to be reinvested into the business are reduced. Sakunda incurred costs of printing coupons and they were not selling well. The costs already incurred in bringing coupons to the company. Company funds and profits were being channeled towards revenue expenditure and a greater part of capital expenditure.

The company publications indicated that the company had been on a drive to sign on new franchisees. They targeted mainly the service station owners who were left out by multinational companies, namely BP and Shell, Carltext and Mobil when they were downsizing due to economic hardships of 2000 to 2008. Table 1.2 illustrates the number of service stations Sakunda energy entered into agreements of franchising with.

Table 1.2 Statistics of Franchisees

Period	2011	2012	2013
Number of service stations	16	38	45

(Source www.sakunda.com)

In the table above there is an increase in the number of service stations acquired. This was done in a bid to increase the revenue figures. However, according to revenue statistics in table 1.1 there was a consistent significant decline in the company's revenue. Revenue managers are expected to focus to be capable of focusing on details, while looking at the future Cross et al (2011). Crant (2010) views proactive behaviour as taking initiative in improving current circumstances; it involves changing the status quo rather than passively adapting present conditions. The company sought to engage into more dealer contracts and not addressing the problem that was at hand. Therefore continuous loss in revenue is a sign of poor policy of managing revenue.

According to Lunn M (2012) internet revenues only account for a small percentage of the total revenue earned over the internet. Introducing the fuel card made Sakunda enter into the digital market place. The company embarked on the fuel card at the beginning of the first quarter in 2013. It was the first of its own kind and therefore likely to have problems since no competitor was available to challenge this revenue management system. In July 2014 the fuel card was launched and started to be used immediately after its launch. It was reported in the company bulletin that cases of tampering with the card had been reported. This implies that security was highly questionable.

Ackorlie (2011) asserts that even though there are benefits enjoyed by using electronic payments systems in other western developed countries economies, economies in Africa, still remain behind in the maximum and operational impact because these economies are still in the early stages of applying electronic payment systems. Customer complaints received per day are so rampant that the use of the card is seemingly to bring more harm than good to the company (Marketing department: Sakunda). The company indicated that customers are bringing in negative reports about the fuel card. The introduction of the fuel card system therefore seems to be failing to achieve the desired results of increasing the company's

revenue. This study therefore seeks to bring more detail about the fuel card system and how best the company may use it to achieve the desirable results

1.2 STATEMENT OF PROBLEM

Sakunda has been using coupons and experienced a sharp decline in revenue for the three years ending 2013. This is because of the revenue management policy that they were using. Coupons were subject to theft and recycling hence the company lost revenue. Company costs increased due to decline in revenue. The company introduced fuel cards as a way to mitigate revenue problems. The fuel cards have so far been exposed to customer satisfaction problems and it has not appeared to change the problem at hand and this study will seek to research on the best way possible to manage revenue.

1.3 RESEARCH OBJECTIVES

- To examine the coupon system at Sakunda Energy.
- To examine the fuel card system at Sakunda Energy.
- To assess the implementation guidelines in place.
- To examine controls in place over policy implementation.
- To evaluate the best approach in revenue management at Sakunda Energy.

1.4 MAIN RESEARCH QUESTION

What are the benefits and challenges obtained from using the fuel card system at Sakunda Energy?

SUB-RESEARCH QUESTIONS

- 1) What is the coupon system at Sakunda Energy?
- 2) What is the fuel card system at Sakunda?
- 3) What implementation guidelines are in place?

- 4) What controls have been put in place over policy implementation?
- 5) What is the best approach to revenue management at Sakunda Energy?

1.5 SIGNIFICANCE OF THE STUDY

To the researcher

The study is done in partial fulfilment of the requirements for the Bachelor of Commerce Honours degree in Accounting of the Midlands State University.

Research skills for other research studies in the future are also acquired by the researcher because of this research.

To the university

The research can be used as reference material for the University.

To Sakunda Energy

This study will be referred to by the company for a thorough study on the fuel card.

Recommendations will be provided to the company out of the findings of this study for further consideration.

1.6 DELIMITATION OF THE STUDY

The study is limited to Sakunda Energy Head Office in Harare. The period under consideration is 2011 to 2013. This study focuses on revenue management as it is used in Sakunda Energy in Harare. It studies the feasibility of using the fuel card system. The population of this study involves top management and low level management. It also includes the employees and customers.

1.7 LIMITATIONS

Confidentiality

Since this company is not listed on the Zimbabwe Stock Exchange access to information was initially limited. Confidential information was made available on grounds that data would be used strictly for academic purposes.

1.8 CHAPTER SUMMARY

The chapter introduces the challenges of using the coupon system as a revenue management tool. The company experienced a sharp decline in revenue for the three years ending 2013. For the period under study revenue fell by 25% from 2011 to 2012 and further declined by 33% from 2012 to 2013. This was attributed to loss of clients due to unsatisfactory use of the coupons. It was also caused by the vulnerability of the coupons to theft, coupon recycling and spillages. As a way to mitigate the shortcomings of the coupon system the company introduced the fuel card system. However Ackorlie (2011) said “Despite the benefits that electronic payments systems has brought to other economies such as the western developed countries, economies in Africa, which are still in the early stages of applying electronic payment systems are yet to experience its maximum economic and operational impact”. The company is still facing the declining revenue and complaints from customers are so rampant that the fuel card is seemingly ceasing to function as it was intended. The main objective of this study is to evaluate the feasibility of using the fuel card system at Sakunda. This study is limited to Sakunda Energy head office on Harare and it conducted for the three years ending 2013. It shall involve the top level and low level management at the company; it will also involve clients and other employees. There were constraints that were encountered in conducting this research and time, confidentiality and financial limitations were the main. The next chapter seeks bring out a detailed explanation on the literature behind this study objectives

CHAPTER TWO

LITERRATURE REVIEW

2.0 Introduction

This chapter reviews both literature theoretical and empirical relevant to the study. Areas of review will include background to cashless transactions, examination of the coupon system at Sakunda Energy, the fuel card system, an assessment of the implementation guidelines in place and an examination of controls in place over policy implementation.

2.1 Examination of the fuel coupon system

The use of coupons was abandoned by Sakunda Energy because of declining revenue and the company introduced fuel cards as a way to mitigate the challenges brought about by the abandoned system. This objective seeks to bring out the evaluation of the coupon system highlighting its benefits and shortcomings.

2.1.1 System Evaluation

At Sakunda Energy fuel coupons have been used to provide access to petrol and diesel. They were being exchanged at the service stations and were denominated in litres. Leone and Srinivasan (2014) indicate that in recent years, coupon promotion has been among the most popular kinds of marketing promotions for consumer products. He goes on to say that the use of coupons is applicable to most developing countries. Sakunda Energy employed the use of the coupon so that it could obtain contracts with multiple clients. The company enjoyed the benefits of the system and also experienced challenges.

Green (2010) indicated that customers will enjoy purchasing from a company which promises to meet their demand effectively. In this regard the company during the initial

stages was able to obtain this benefit because supplies were always available to meet customer expectations. Levedahl (2011) also indicates that when demand is not met in the use of fuel coupons customers will eventually put their demand elsewhere. Sakunda Energy experienced delays in the supply of fuel and the customers in possession of these coupons began to despise the system and to go for some other petroleum companies. The company began to lose revenue that way.

Lu and Moorthy (2010) go on to indicate that coupons give an entitlement to the holder to purchase a particular product within a particular space of time. The fact that the coupon could sometime expire without the holder being able to buy the product led to declines in revenue to the company. Lee and Brown (2010) have put up a model which explains fuel coupons in comparison to fuel cards. In this model they discuss the periods for which one can have with the coupons and with the fuel card and say that the system is designed in such a way that the recipient of these coupons are at a disadvantage because the coupons cannot hold for a long period of time whilst the fuel card can be used to accumulate one's fuel for periods going even beyond a year. The coupons system at Sakunda Energy is evaluated against its challenges and possible benefits. It is also essential to examine the system against its compatibility with the business in question. The paragraphs below will highlight some of the problems that Sakunda Energy faced using the fuel coupon system.

2.1.2 Challenges of using fuel coupons

The use of fuel coupons caused the company to lose out in revenue in that fuel coupons were vulnerable to theft, their capability of being recycled and also security issues pertaining to the use thereof.

2.1.2.1 Vulnerability to theft

Sakunda Energy had several cases of theft reported where fuel coupons were stolen and were never recovered (Management reports 2012 and 2013). Reece (2011) explains that the coupon is validated for transaction by the client's signature and the company's stamp. When the customer gets to the service station they do not need to produce any positive identification but only the coupon and their signature. To this effect Reibstein (2013) argues that this has left the system vulnerable to theft and manipulation by individuals who know they can beat the system. The first chapter discusses how Sakunda has been losing out on revenue due to coupon theft and recycling. Narasimhan (2012) is in support of this axiom and says that coupons are used without an effective system to track if they are stolen or the customer who is redeeming has the right to them other than a signature.

Management reports also indicated that it was not only outsiders who stole the fuel coupons and says employees who had access at the company benefited fraudulently by insider dealing. In this regard they stole the coupons and sold them at a lower price and hence the company lost 7% and 11% of its revenue in 2012 and 2013 respectively. However Yin and Dubinsky (2014) argues to this fact and say that the use of coupons can be validated by the company in such a way that even if it is stolen the company will find out and act upon it immediately. In support Chiang (2014) also says that controls put in place pertaining to the custody of the coupon in the hands of the client and at the company's premises ensures that this problem is eliminated. Having said this at Sakunda Energy the company suffered continuous losses in revenue because of theft and it emerges that they could try out the use of fuel cards

2.1.2.2 Capability of being recycled

Fuel coupons can be reused and this problem was faced by Sakunda Energy and led to the loss of revenue in the years under study. Bitta et al (2010) assert that reprinting and reuse of

the coupon system seems a more advanced way of fuel theft by corrupt dealers. At the company, revenue was lost due to this cause. The company had a policy to shred all used coupons collected at various service stations. This was supposed to avoid recycling of coupons because the coupons were sequentially numbered and these numbers were to ensure that the same coupon is used twice. LeClerc and Little (2011) also indicates that the coupon system is vulnerable to recycling and this has been a major challenge since it is not digitalized and a company cannot track to see whether there are any discrepancies that pertain to the use of the system thereof.

2.1.2.3 Security around the coupon system

Since fuel coupons can be used by anyone regardless of their identity or whether it belongs to them or it doesn't. At Sakunda Energy customers began to abandon the use of the system thereof. Chakraborty et al (2010) add on to highlight that security concerning cashless transaction is an area of concern in revenue management as they explain how the coupons system should operate. They illustrate that the system of using fuel coupons commences with the company making a commitment to supply fuel upon the purchase by the client. In this regard the coupons lost at Sakunda were not recovered and the system did not allow for recovery of the fuel coupons lost. Customers were afraid of what could happen if they were to lose their coupons. Puto (2014) supports this and says that the system is insecure from the customer's perspective. He goes on to say that if a system is designed in such a way that when the customer is possession of the coupon and the company takes no further liability when the customer loses the coupon then there could be a loss of clients too as they fear to lose out.

As already alluded to by Schandorf-Lamprey (2012) in chapter one that persons issued with the coupons exchange the coupons for cash, or use the coupons to purchase the fuel into

unauthorized vehicles since there have not been any effective tracking system on vehicle consumption and mileage to prevent this practice. This illustrates how fuel coupons can be insecure. At Sakunda Energy this led to several other corporate clients choosing to use cash and abandon fuel coupons. This has led to the introduction of the fuel card as a way to regain all the clients it was losing this way.

Chandon et al (2014) confirms that a system of coupons was more accepted by societies in developing countries since they had security issues in the adoption of the fuel card which is a more digitalized method of transacting in fuel deals. He argues contrary to what Chakraborty says and explains that coupons are not subject to hacking of digitalized systems. Liefeld et al (2012) argues to this and says that fuel coupons are more advanced and are far better than coupons. In the early stages of its introduction the company had enjoyed large amounts of revenues but as time went on security matters arose and clients felt more and more insecure hence they left the organisation for other companies. It is to this effect that the company sought to introduce the fuel card.

2.2 The fuel card system

This section looks at the fuel card system at Sakunda and evaluates the system. In order to evaluate the system this section explains the background to cashless transactions, system infrastructure and the system functionality.

2.2.1 Evaluation of the system

2.2.1.1 Background to cashless transactions

The fuel card system was introduced as a way to mitigate challenges brought about by the use of the fuel coupon. The company however is also facing some challenges with the new system and this section will explain in detail a background to cashless transactions and how

they relate to Sakunda Energy. According to Ahmed et al (2010) a fuel card allows customers to enjoy convenient, secure and manageable fuel services. At Sakunda Energy the fuel card is used as a payment card most commonly for petrol, diesel and paraffin but it is not yet compatible to pay for vehicle maintenance and expenses even at the discretion of the owner of the fleet. It allows for fuel purchases to be made without using cash at the service station. Agarwal et al (2010) state that fuel cards must allow for the use of V payments, visa, bank transfers, and cash deposits from anywhere in the world to purchase. Chang et al (2011) explains that “retail fuel cards operate by way of allowing the customer to draw fuel at almost any fuelling station (in same method as credit card)” which implies that at Sakunda Energy the fuel card must fulfil this assumed purpose.

In today’s world people across the globe make payments electronically rather than in person or cash. Vassiliou (2010) explains that electronic payment as a form of payment that occurs between two parties, the buyer and seller, which is assisted by means of automated communication. Cobb (2011) asserts that the value of electronic payments goes way outside the immediate nearness and security of cards to a greater sphere of contributing to inclusive economic development. Radu (2013) asserts that an electronic payment is a detachment of an e-commerce operation to include electronic payment for purchases and sales of goods or services. A system will be accepted if it supports several properties such as atomicity, constancy, sequestration, robustness and important security issues. This implies that at Sakunda Energy the fuel card system is only accepted if it supports certain user specifications.

Banda and Mdwazika (2011) assert that, now individuals have wide a range of payment instruments to choose from and fuel cards are among these methods. Therefore, cashless transactions are the payment of goods and services using an acceptable fuel card and other devices that do not involve the use of cash or physical money. Kasavana (2014) is of the view

that, with the developed economies already leading in the use of card payment systems, widespread interest in expanded opportunities for cashless transactions are beginning to become prevalent in the rest of the world. Banda (2010) illustrates how the coupon system was preferred in past periods and says the slow rate of adoption of cashless transactions in the past can be attributed to customer reluctance to use cards for small dollar (low value) transactions, lack of operator experience with new technology, perceived high costs, users attachments to the use of physical cash and zero costs incurred in using cash from the users perspective.

In this study these concerns have obviously been laid to rest as evident in the recent escalation in use of cashless media such as pay-at-the-pump for petrol and diesel. Storm (2014) says that from a supplier's perspective, the cost of hardware, software and transaction processing errors have declined to make cashless transaction a much more appealing option. A report by Nilson (2013) indicates that cashless transactions are expected to be one of the growth areas for the payment processing industry in the United States. According to the report, economists point to the fact that cashless transactions volume doubled between 2002 and 2011. In 2013, fuel cards, debit and credit cards payment exceeded cash payments for the first time; thereby rendering card purchasing the preferred payment method of US customers. This trend according to Kasavana (2014) is predicted to accelerate with credit purchases growing at the rate of 7% per annum and debit transactions expanding at the unprecedented rate of 21% annually. However this scenario is seemingly to be the opposite when we come to the Zimbabwean context. Fuel purchases linked to fuel coupons have been leading to decline in revenue for Sakunda energy. The fuel card introduced also seems failing and this study will look into detail in the objectives discussed below how it is so. With this background in consideration the company designed and implemented the fuel card system in order to increase its revenue and to counter shortcomings of the coupon system.

2.2.1.2 Fuel card system infrastructure

The fuel card at Sakunda Energy was implemented based on an infrastructure of electronic payments and in this regard it is essential to discuss these necessary infrastructural issues. Tadesse & Kidan, (2015) assert that it is necessary to have infrastructure so that there is success in the implementation of electronic payments. Adequate infrastructure for electronic payments is a necessity but it is a challenge. Taherdust et al (2012) assert that in order to have effective electronic payments, it is necessary to have cost effective and reliable infrastructure that is capable of being accessed by the greater percentage of the population. Tadesse and Kidan (2015) add on to say that included in the electronic payment infrastructure is computer network for example mobile network and internet. This implies that at Sakunda Energy the successfulness of fuel cards also rest in the availability of network. In addition, Worku et al (2012) say that banking activities and operations needs to be automated. This will facilitate for transfer of funds from bank to bank or from the bank to the fuel card online. It is a pre-requisite to have a network linking payment institutions for payment confirmation and clearing for electronic payment systems to be valid. Vassiliou (2014) indicates that internet and mobile networks are always accessible in more economically developed countries and thus users do not encounter delays or inconveniencies with communication infrastructure. On the other hand, in Zimbabwe, internet and mobile networks, though developments are being made, are not readily available and this has been a challenge at Sakunda Energy. Holden and Richard (2010) have noted and said this, to a great extent, indicates sub-standard communication infrastructure and it is among major hindrances in the e-payment systems in Africa. Worku (2010) indicates that limited internet penetration and also sub-standard communication infrastructure inhibit smooth growth and improvement in electronic transactions in developing countries in Africa and in Zimbabwe in particular.

In Nigeria the microfinance studied the fuel card indicating how the information and communication technology affects the use of electronic systems. In this study it showed that efforts that were being put by various stakeholders to move the country's system from being cash based to the internationally accepted computerised systems may be impeded by the sub-standard infrastructure. In developing countries, Zimbabwe in particular, many parts of the rural areas still lag behind and they are facing challenges of accessing important infrastructure that enables electronic systems hence implementation of the fuel card system by Sakunda Energy is not necessarily utilising all the potential demand. This means the implementation of the fuel is limited to urban parts of the country. Management reports indicate that the fuel card only works at designated service stations in towns and still no work has been done to ensure that it reaches people across the country.

According to Al-Gahtani et al (2010), some of the fuel cards technologies are still considered by various users as an ineffective way of transacting, this is because of the notion that the societies held for a long time which suggests that individuals felt that they might have a loss arising from unauthorised deductions and breaks in which technology over the years have been linked with. A related study by Mishra (2010) observes that electricity and network are sometimes unavailable in most parts of the country, and this adversely affects the improvement of electronic transactions. The study by Mishra highlights that the expansion of communication technology and information in Africa is the main drawback for electronic payments expansion. Whilst fuel card use is in its introductory stages at Sakunda Energy, the company experiences a struggle in stimulating electronic payments development because the infrastructural environment is not necessarily in the company's capacity to change.

2.2.1.3 System Functionality

At Sakunda Energy the fuel card is used by only one person who would have applied for it and reserves the right to purchase fuel at their own discretion. According to Scougall (2012) a fuel card may only be used by the cardholder if it is a current card which has not expired, been cancelled or been stopped either by the company or at the request of the cardholder; and to obtain Supplies from a participating Service Station Dealer which accepts the Card. Kokiri (2010) also add on and say that the fuel card is used to obtain supplies as defined by the purchase category or any other purchasing restriction advised by the issuer to the cardholder from time to time and within the geographical and network restrictions of the card. He goes on to indicate that the holder transacts up to the card limit if the fuel card has not been reported lost or stolen and if the cardholder presents or shows the card to a participating service station prior to the purchase of supplies.

Hartog and Belschark (2012) indicate that the system is programmed in such a way that a user is supposed to load fuel into their fuel card. This process is done by a cash deposit, an electronic funds transfer or visa payment. Once this is done, the applicant indicates the fuel type they want. The system is supposed to calculate the total quantity that the applicant is eligible to purchase. Ghitulescu (2013) is in support of Hartog and Belschark and he says that a fuel card system must be able to process a transaction in the shortest time possible and give feedback to the user. In practice at Sakunda Energy the system is supposed to indicate the transaction details and give feedback to the user. The user therefore has to authorize the transaction by means of a known confirmation criteria.

2.2.1.4 Socio-Cultural and Security issues pertaining to the Fuel card system

Taddesse and Kidan (2015) assert that cultural and historical differences in attitudes and the use of different forms of money for example, the use of fuel card complicate the task of

developing an electronic payment system that is applicable at international level. They go on to say differences in the amount of the necessary safety and competence amid societies of diverse values and levels of advancement worsens the problem. Wickramasighe and Gurugamage (2012) also say consumer's confidence and trust in the traditional payment systems has made customers less likely to adopt new technologies. In this regard new technologies such as the fuel card system will not dominate the market until customers are confident that their privacy will be promoted and adequate assurance of security is guaranteed. Pulina (2011) also support and say technologies also requires the test of time in order to earn the confidence of the people, even if it is easier to use and cheaper than older methods. At Sakunda the fuel card will have acceptance from societies all over the country if the socio-cultural issues are permitting and the security of the societies' money is guaranteed.

Despite what the society may have towards the system, Fiallos and Wu, (2015) says that the advent of the internet took transactions and payments executed electronically to a rapid development level and by so doing clients are now able to buy commodities from the internet and send encoded credit card figures through the network, that did not provide much safety and confidentiality. But a wide variety of new secure network payments schemes have been developed as consumers became more aware of their privacy and security. This means that even at Sakunda Energy customers will need not to worry about the system security details since this investment is quite possible and at the company's discretion to partake. In another study by Lee et al (2013), a safe electronic fuel card structure can promise secrecy of sincere customers and also offer traceability about illegally issued cash or laundered money. Electronic payments as argued by Cobb (2011) have a significant number of economic benefits apart from their security and convenience. These benefits when maximized can go a long way in contributing immensely to economic development of a nation.

2.3 Implementation guidelines in place

2.3.1 Clear and definite pattern

Roorda and Pearce (2010) assert that, guidelines do not represent a set of rules or laws, but rather they provide principled advice and direction. Iain Grieve (2010) recommends quite a number of guidelines in implementing a revenue management policy. He is of the opinion that a clear and definite pattern has to be formulated on how the policy should be operating. In the development stage every division should have representation. This applies if the entity is geographically divided over other regions then workers from the central office (head office) and regions should be included. This will assist in avoiding resistance to amendment of policy since every member of the organisation would have taken part in the policy formulation process. Saatmann (2012) agrees with Iain Grieve (2010) on the point that when implementing a revenue management policy employees should have involvement and representation. This will help to eliminate resistance to change and thereby reducing negative behavioural reactions to the policy. Involvement of employees promotes effectiveness of communication when disseminating the policy to lower levels in the organisation.

Changes in the policy will not be the only factor leading to increase in revenue but an understanding of the system thereof. At Sakunda Energy, management needs to have an understanding of the policy before the employees. This is supported by Palmer (2011), who alludes that management has to fully understand how the policy works. Wensing and Grol (2012) also support the axiom that management should have a complete understanding of the policy and its functionality. Saatman (2012) clearly argues that even if there is proper formulation of a policy, that does not necessarily make it effective but it has to be complemented by proactive behaviour of the employees. It is highly important to establish a positive relationship between employees and those in management. He points out the need for

management to understand their respective employees so that they will be aware of the management styles to embrace when implementing a new policy. This would assist for easy acceptance of the policy by Sakunda Energy and thus meeting the set objectives of the policy.

Iain Grieve (2010) also indicates that the initiation of the policy should be done by one of the board members so as to set the prospect. Employees have a tendency to accept changes to policy if it coming from a higher rank in authority. The board member has to clearly explain why it is necessary to embark on the policy and outline a clear picture of the affirmative impact of adopting the policy and possibly its shortcomings. Iain Grieve (2010) also advises on the new manager required in every newly implemented policy. The board of directors needs to discourse the management on the relevant skills that have to be developed so as to implement the policy.

2.3.2 Resources necessary for implementation

According to Burke et al (2012) securing suitable funding, staffs with the necessary skills and other necessary resources are all acknowledged as the key to successful implementation. Haines and Feder (2011) points out that, implementation guidelines should be conducted with the resource constraints in mind. Kane and Lurie (2010) also support the idea in that they say that “the management now has to be given materials to study on the new system” Dugnan (2013) asserts that work-shops ought to be conducted so that management is fully tutored of the policy. He goes on to say that, for better understanding management presentations can be instituted by the coordinators during the work-shops. Talluri (2010) indicates that, training should be done immediately after the launch and therefore necessary resources need to be put in place to fund the training needs. Lucio et al (2010) argues that making use of work-shops may not necessarily be effective because some managers take these as a refreshing chance and not a see it for the purpose which it is intended to accomplish. Voigt (2011) states that

conflicts are inherent and that they will always arise from employees in line with the current policy and the new revenue management policy. On the other hand Burgess and Bryant (2011) argue that whenever a company intends to implement a revenue management policy care needs to be taken to the extent to which costs are involved in doing so. Mainzer (2011) goes on to state that this assists in comparing the costs and revenue projected when implementing the policy thus, making projections to see if higher profits will be earned in contrast to the current policy. Meyers et al (2012) are however indifferent about the resources to be used in the implementation. They say that it is rather imperative to take a conservative approach when it comes to resources and other costs to be used.

2.4 controls in Place

2.4.1 Existence of general controls

Blinn (2012) asserts that revenue management systems incorporate transactional data resulting in a deeper reporting capability hence revenue collected is easily assessed. According to the GGFOA annual conference report (2013) a suggestion is made that although Information technology gadgets (fuel cards) are playing an essential role in revenue management, controls must to be put in place over the use of these gadgets. This gives out the need for Sakunda Energy to put in place internal controls pertaining to the use of fuel cards. Ahmad (2012) highlights that internal controls are employed in all systems to ensure transactions are valid and accurately and completely recorded. At Sakunda Energy, these internal controls will attempt to reduce the risk by the prevention, detection and correction or errors. McVay (2011) asserts that internal controls in the use of fuel cards are achieved through the implementation and maintenance of general controls and application controls. Wilkinson and Givetti (2014) support this and allude that these controls are aimed at ensuring that, the fuel card system is properly developed, implemented and maintained (general

controls) and that there is validity, completeness and accuracy of transactions and data (application controls). Since this system is new at Sakunda Energy, DiNapoli (2010) adds on to what Givetti says and asserts that it is essential to put in place general Information Technology controls since these will act as policies and procedures relating to applications and support the effective functioning of application controls by helping to ensure the continued proper operation of the fuel card system.

Sakunda Energy is a large organisation whose computer information system department is centralized. The company has properly defined functions and responsibilities and sophisticated computer facilities. In light of this Hunziker (2013) says it is possible to put in place major general controls since an error in general controls could affect numerous applications. Chen and Shi (2012) support this and go on to say that there has to be systems development and implementation controls which means that the system can either be purchased or developed in-house. Drogalas et al (2011) also explain that the software for fuel cards can either be developed outside the organisation or in-house. (Management reports 2013) at Sakunda Energy indicate that the system for fuel cards is developed outside and therefore controls have to be examined pertaining to implementation and testing of the package.

Gina (2014) asserts that there is need to perform a feasibility study to determine the user's needs, specifications and requirements of available packages, costs (hardware, packages and documentation), assistance and support by the supplier, adaptability and expansion ability of packages and standing reputation of the supplier. At Sakunda Energy this study is essential for the new system and it is necessary to ensure that it was conducted and this control measure is also part of general controls. Tunji (2013) is of the opinion that avoidance of fraudulent purchase of software must be avoided at all cost. He adds on that management must authorize the purchase after a feasibility study has been conducted. At Sakunda, even

though the study was done, there were few companies who had the same system running. As alluded to by Feder (2011) that, just the slightest competition can give out the best system, hence at Sakunda the system proved to be having some challenges.

Wang (2012) highlights that controls are essential in the implementation of the new system. He goes on to say that the system must be planned in such a way that the implementation method is defined (that is parallel, launch, direct). Jourdan (2012) adds on to say that files must be prepared with standing data on the new system, balancing of files on the old system. In this regard controls have to be put in place to ensure that necessary files are complete, accurate and valid.

2.4.2 Existence of Application controls

According to Ahmad (2012) application controls refer to manual or automated procedures operating at a business processing level. In this case it will be at a service station where fuel purchases will be occurring. Hazmi (2012) states that they can be preventative or detective in nature and are designed to ensure the integrity of the accounting records. In the use of fuel cards, these have to be put in place and pertain to input, processing and output. Karagiorgos et al (2010) asserts that controls over input will ensure that data entered onto the system is valid, complete and that it is accurate. They go on to say that these controls avoid unauthorized data entry, errors in creation of data, error in capture or input of data, addition to data and corruption of data during capture or transfer. Sankobola and Swami (2014) bring into account that there has to be processing controls which will ensure that data captured is processed without errors and that processing is valid and complete. Arens (2012) states that when putting up a new system there has to be adequate controls to ensure that, the data entered and the desired output are consistent. COSO internal control-internal framework executive summary (2013) clearly states that when the system has been implemented then

reconciliations ought to be carried out. On a daily or weekly basis the Sakunda Energy should reconcile the fuel sold with revenue collected. The units sold shown by the system should tally with the revenue collected. According to Flick (2010) the reconciliations can be done by an expert from outside the organisation periodically. An independent person has to check revenue collected with fuel sold. Cooper (2011) supports this idea and continues on to say that the system must be able to update all files immediately after the sale has been made and be able to generate report or appropriate financial statements when requested at any given time. This implies that output controls must be instituted and inspect whether the system is capable to perform the required task timeously.

Isibore (2010) states that, fuel cards among other electric gadgets are subject to human tampering around with them. At Sakunda Energy it is essential to design fuel card machines in a way that when tampered with, the company immediately receives an alarm. Harris (2010) says that the system can be designed in such a way that if tampered with the fuel card system can engage into a tampering mode. It ceases to be active for use until an authorised individual attends to. Secret codes can be put in place by Sakunda Energy to remove it from tamper mode. To this end Drogalas et al (2011) are of the view that when implementing a new policy controls must be in place to the extent that the system should show when there is duplication of an event, data or recordings.

2.5 The best approach to revenue management

2.5.1 Segmentation

Burgess and Bryant (2011) state that most scholars use the term revenue management together with the term yield management. There are a number of app roaches formulated so as to best manage revenue. Jauncey et al (2013) brings out the approach that a policy should

be systematic, continuous and integrated so as to maximise revenue. They go on to state that early approaches targeted entities as a whole so he is of the view that revenue management should be done on segmentation level. Bryant (2011) state that, this approach to revenue management is informal and fairly unscientific but it is the approach mostly used by companies. The father of revenue management Orkin (2010) put across his approach of using revenue management calculations as a way of identifying gaps in entities where if filled productivity would increase. Orkin is in agreement with Jauncey et al (2013) that segmentation is the best revenue management approach but only in the context of price-sensitivity.

Cross (2012) advocates that the application of most disciplined tactics that will predict consumer behaviour at the micro-market level will maximize the product availability and price as the best approach to revenue management. He conducted studies on a quite a number of industries especially airlines. The industries studied proved to have increased their revenue by this approach. Kimes (2013) does not agree with this approach and rather suggests that the multiplier effect approach is the most appropriate revenue management approach. Kimes also agrees with Orkin(2010) and Jauncey et at (2013) in that segmentation is one of the best approaches to best manage revenue.

2.5.2 Cost oriented approach

On the other hand Donaphy (2012) is of the view that though segmentation increases revenue, this approach is limited in that it only concentrates on revenue. It does not take into account the impact of costs related to this approach. To this end it does not take consider profitability which is considered much better an approach to revenue management. Bryant (2011) brings out the cost oriented approach. He is confident and clearly puts tables it as the best revenue management system. Hamilton (2013) suggests that revenue management is

viewed by various scholars from a marketing or operational point of view with a limited writers taking into account the cost oriented approach to it. Bryant (2011) goes on to say that some scholars tried to inscribe about the cost-oriented approach but most of these address it from a technical perspective rather than functional perspective. He now states that the identification of costs associated with the system enhances the measurement of profitability. Jones and Hamilton (2012) support this approach as the best to revenue management. They states that costs ought to be compared with the revenue generated and not to concentrate on the revenue alone. It therefore shows a more acceptable view of a revenue management approach as compared to some approaches which are considered to be the best but they are limited to looking at the revenue generated only. If Sakunda Energy can be more conservative and consider the costs associated with the system and not only the revenue earned then the fuel card system can be rated the best.

Hair et al (2010) argue that the cost-oriented approach is not the best revenue management system. They state that increased revenue automatically lead to improved profits therefore there is no need to consider the costs involved. In support of this Griffin and Parker (2011) say that the cost oriented only takes into account variable cost and it ought to consider all the costs for it to be effective. They say costs should include variable and fixed costs associated with the system being implemented. Cross (2012) is vehemently opposes the use of the cost-oriented approach and suggests that focus should be placed on revenue.

2.6 Summary

This chapter gave a review of the literature to help achieve research objectives. It looked at the objectives under the following headings; the fuel coupon system; the fuel card system; implementation guidelines in place, controls in place and the best revenue management system the next chapter discusses the research methodology.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter looks at how the research is going to be conducted by the researcher. It explains the research design under the headings of descriptive research design, case study and brings out the research gap. Population, sample size and sampling method are also discussed. Finally the researcher also brings out the data collection method and the type of data to be considered for the purpose of this research.

3.1 Research Design

El-Hussein et al (2014) defines research design as the specification of the procedures for collecting and analysing the data necessary to help answer the research question and eventually achieve the research objectives. Creswell (2012) goes on to say that research design can be referred to as the arrangement of conditions, collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy and procedure. Research design ensures that the objectives which the writer intends to achieve are achieved. For the purpose of this research the researcher utilised descriptive research design as it is justified by the study to be conducted which is the feasibility study of the fuel card system at Sakunda Energy.

3.1.2 Descriptive research design

The researcher used descriptive research design in order to achieve research objectives. According to Brewer (2010) descriptive research tries to describe, explain and interpret conditions of the present. The purpose of a descriptive research is to examine a phenomenon that is occurring at a specific place and time. Typical methods of descriptive research include

case studies, observational research, survey research and archival research projects (Carol S 2010). Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection. In this study data gathered will be mainly from the financial statements prepared by an entity. It is also one of its strength to allow a researcher to get factual, accurate and systematic data description. The researcher used descriptive resign because it provides data that is factual, valid and allows for systematic data presentation.

3.1.2 Case study

In this study the researcher used a case study because the nature of the study is supportive of this method. Linda (2010) says that a case study is a method for learning about a complex instance, based on a comprehensive understanding of that instance obtained through extensive description and analysis of that instance taken as a whole and in its context. Weiss (2010) refers a case study to the collection and presentation of detailed information about a particular participant or small group, frequently including the accounts of subjects themselves. The case study looks intensely at an individual or small participant pool, drawing conclusions only about that participant or group and only in that specific context.

Case studies examine behaviours, skills or problems in individuals or small groups. Researchers try to observe and uncover general trends or results. Using case studies in descriptive research requires the use of multiple case studies to form conclusive theory. The observational approach used in case studies requires the use of researcher observation for data collection. These observations allow for human error or bias to skew research results. To form conclusive theories, multiple case studies are required to average out possible poor training or societal bias.

Case study method was used in this research. The case study is of Sakunda Energy which is a petroleum company based in Harare. Area of analysis in the case study was feasibility study of the fuel card system at Sakunda Energy. The purpose of the case study was based on the research objectives and research questions.

Representatives from Sakunda Energy were interviewed about their views on the fuel card in structured interview questions. Using structured interview protocols gave the interviewer the flexibility to focus on what the organisations believed were the major reason to declining revenue.

3.2 Research gap

Ahmed (2010), Agarwal et al (2010), Chang et al (2011), Teddesse and Kidan (2015), taderhust et al (2015), Worku et al (2012) and Al-Gahtani (2010) made use of descriptive case study design on qualitative data when evaluating the system of using fuel cards on the revenue of an entity. On the other hand Hartog and Belschark (2012) and Ghutulescu (2013) used descriptive case study design on both qualitative and quantitative data when evaluating the system of using fuel cards on the revenue of an entity. The researcher made use of the descriptive case study design when evaluating the system of using fuel cards on the revenue of Sakunda Energy because there is sufficient literature to enhance this design.

3.3 Research population

Wagnaar (2010) defines a population as a set of data consisting of all conceivable observations of certain. Castillo (2013) a research population is generally a large collection of individuals or objects that is the main focus of a scientific query. It is for the benefit of the population that researches are done. However, due to the large sizes of populations and time

constraint, the researchers limited the population to Sakunda Energy in Harare. The number of management and employees employed is Sakunda Energy 20.

The target population as a total number of elements to be investigated consisted of Retail Director, Finance Manager, Managing Director and Fuel Card system Administrator.

3.3.1 Sampling

The researcher employed stratified random sampling which permits the researcher to identify sub-groups within a population and create a sample which mirrors these sub-groups by randomly choosing from each stratum. Zikimund (2011) referred sampling to the selection of a representative subset of objectives or elements for instance people or organisations from a population to determine the characteristics of the random variables under investigation. The selected sample should be a representative of the total population and it must have good size to warrant statistical analysis. The main purpose of the sample is to allow the researchers to conduct the study to individuals from the population so that the results of their study can be used to derive conclusions that will apply to the entire population. Kwesu et al (2013) asserts that stratified random sampling has to do with splitting the entire population elements into non-overlapping groups which are of the same characteristics known as strata. The characteristics of the sample have to be synonymous with the entire population under study. The author elected this stratified sampling technique because it permits every unit in the population to have representation and also that there is no group that is left out. The author derived the sample size from the IT manager, Finance manager, Fuel card system administrator, managing director and the operations manager. The researcher used a sample size of 15 as shown in the table below.

Table 3.1 Population, Sample and sample size

Respondent Group	Population	Sample size	Percentage of population
card system administrator	6	5	66.7
Finance manager	5	3	60
Operations manager	1	1	100
IT manager	5	4	80
Managing director	3	2	66.7
Total	20	15	75%

The author used a sample size that is above 50% because it is more reliable. It ensures that every population is represented in a way that shows no bias. This sample size is big enough to avoid generalizing the population and it also ensures that the sample is reliable.

3.4 Data collection techniques

The researcher made use of both primary and secondary data for the purpose of this study. These two methods of data collection are discussed below.

3.4.1 Primary Data

Bruce (2010) asserts that primary data are information collected by a researcher specifically for a research assignment. In other words, primary data are information that a company must gather because no one has compiled and published the information in a forum accessible to the public. The researcher used primary data because to evaluate the feasibility of fuel coupons at Sakunda Energy. This is because it has current information and gives data that is reliable and pertains to the study that the researcher is undertaking. Companies generally take

the time and allocate the resources required to gather primary data only when a question, issue or problem presents itself that is sufficiently important or unique that it warrants the expenditure necessary to gather the primary data. Malhotra (2010) indicates that primary data are original in nature and directly related to the issue or problem and current data. The researcher had to use questionnaires and interviews.

3.4.2 Secondary Data

William (2011) says secondary data are the data collected by a party not related to the research study but collected these data for some other purpose and at different time in the past. If the researcher uses these data then these become secondary data for the current users. These may be available in written, typed or in electronic forms. A variety of secondary information sources is available to the researcher gathering data on an industry. Secondary data is also used to gain initial insight into the research problem. The researcher made use of the company annual financial statements to obtain secondary data.

Second, they consist of data over which a researcher has no original control over collection and classification. Others shape both the form and the content of secondary sources. Clearly, this is a feature, which can limit the research value of secondary sources. Finally, secondary sources are not limited in time and space. The researcher used this type of data because it has already been administered by another party and hence this makes it more dependable

3.5 Research instruments

These are tools that the researcher uses to collect data from the various participants in the study. They include questionnaires and interview guide questions.

3.5.1 Questionnaire

Michael (2011) defined questionnaires as data collection instruments that contain a list of questions the researcher intends to ask a respondent. The questionnaires used were self-responder questionnaires completed by the respondents.

The questionnaire made use of close-ended questions and an open-ended question to elicit views that would allow for easier analysis and comparability by the researcher. Open ended questions allow respondents to explain the reason behind a response whilst closed ended questions do give room for respondents to air their feelings and are easy to answer and ensure that the respondents struck to the matter addressed (Leedy, 2010). Out of the chosen sample the researcher distributed the questionnaires to twenty individuals. The researcher used questionnaires in conducting the feasibility study of the fuel card system at Sakunda Energy. Questionnaires were used since they promote critical thinking and increase the respondent's participation. The questionnaires were issued to the company directly in person and some were delivered through mail. The researcher had to go in person so as to allow for quick response. The questionnaire was administered to 10 member of the organisation and among them were the operations manager and fuel card system administrator. They were administered on the staff with experience working at Sakunda Energy.

3.5.2 Interviews

Healy (2013) explains that in this method the interviewer personally meets the informants and asks necessary questions to them regarding the subject of enquiry. Usually a set of questions or a questionnaire is carried by him and questions are also asked according to that. The interviewer efficiently collects the data from the informants by cross examining them. The interviewer must be very efficient and tactful to get the accurate and relevant data from the informants. Interviews like personal interview or depth interview or telephone interview

can be conducted as per the need of the study. The researcher used interviews because according to Healy (2013) immediate responses are given during the interviews and clarification of questions is enhanced before any response is given. Communication is made easy especially where there is no language barrier. The chance of not getting any responses is very limited. More information can be obtained by probing. The interviewer can also collect non-verbal information taking advantage of the opportunity.

3.6 The Likert scale

Likert Scaling is a one dimensional method William (2011). As in all scaling methods, the first step is to define what it is that the researcher is trying to measure. Because this is a one-dimensional scaling method, it is assumed that the concept, the researcher want to measure is one-dimensional in nature. The Likert scale was developed in 1932 by Likert as a way of measuring attitudes by the asking of a series of questions. Questionnaires used in the research were designed using the Likert Scale technique. The odd numbered scale will be used for this research and the rating scale is:

Table 3.2 Likert scale

Strongly agree	Agree	Indifferent	Disagree	Strongly disagree
5	4	3	2	1

3.7 Data Presentation and Analysis

The researcher will make use of graphs, pie charts and text for purposes of analysing data. The data collected will be analysed based on the objective for which ta was obtained to fulfil.

Summary

This chapter discusses the research methodology and explains under the headings of research design how the research is going to be conducted. This chapter also puts across the types of data to be considered and the research instruments which are questionnaires and interviews

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

Introduction

This chapter seeks to present and analyse data obtained from the questionnaires sent out, interviews conducted, desk interviews and observations. Data is presented in the form of pie charts, tables and is described and also analysed and interpreted so as to get the meaning thereof.

4.1 Questionnaire Response Rate

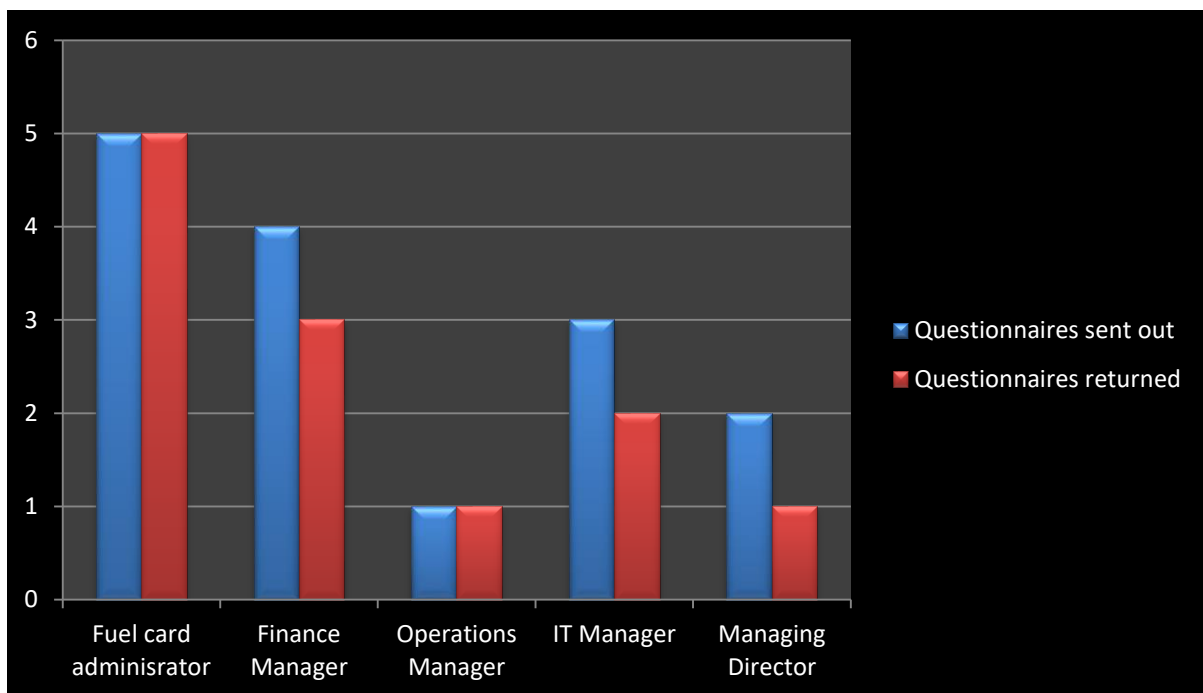


Fig 4.1 Questionnaire response rate

The questionnaires were issued out to top management and other employees. Fifteen (100%) questionnaires were issued out and twelve (80%) questionnaires were returned as illustrated in the graph above. For the fuel card system administrator's office, five questionnaires were issued and five were returned. Four questionnaires were issued out to the Finance department

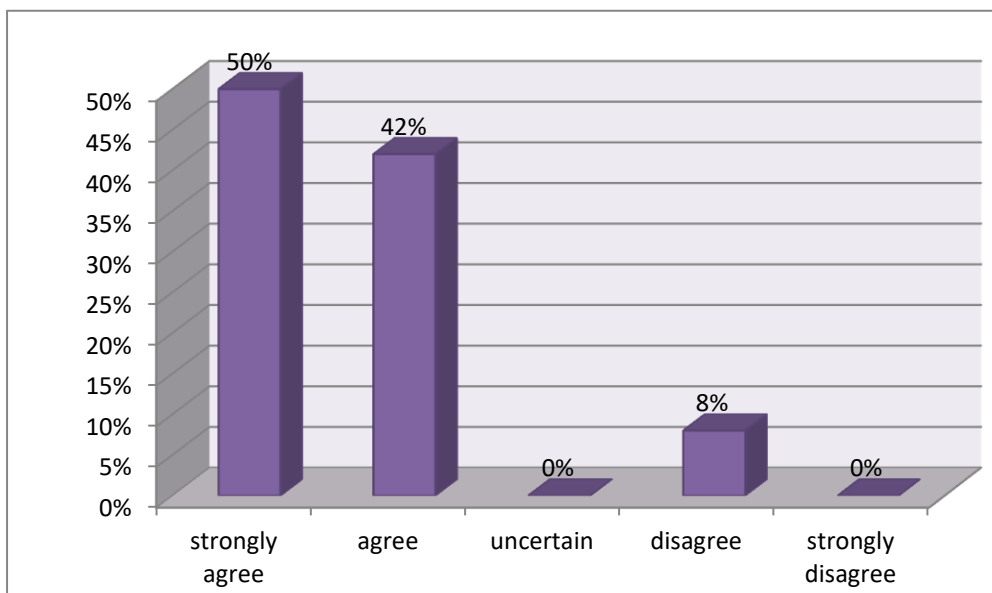
and three were returned. The operations manager was issued with one questionnaire and it was returned. Three questionnaires were issued to the IT department and two were returned. Two questionnaires were issued out to the managing director and one was returned. The data was analysed based on the questionnaires returned.

Detailed analysis of the questionnaires

4.2 Examination of the fuel coupon system

4.2.1 The fuel coupon system was vulnerable to theft

Fig 4.2 Responses to vulnerability of the fuel coupon system to theft



As shown in Fig 4.2 above 58% of the respondents strongly agree that the fuel coupons were vulnerable to theft at Sakunda Energy. 42% also agree that the coupons were vulnerable to theft. 8% of the respondents disagree that the fuel coupons are vulnerable to theft. None of the respondents strongly disagree and neither is there any who are uncertain. Narasimhan (2012) confirms to this in *chapter two* says that coupons are used without an effective system

to track if they are stolen or the customer who is redeeming has the right to them other than a signature. This data concludes that in total 92% of the respondents agree that coupons were vulnerable to theft at Sakunda Energy and 8% disagree.

4.2.2 The fuel coupon was capable to be recycled

Fig 4.3 Responses to the capability of being recycled

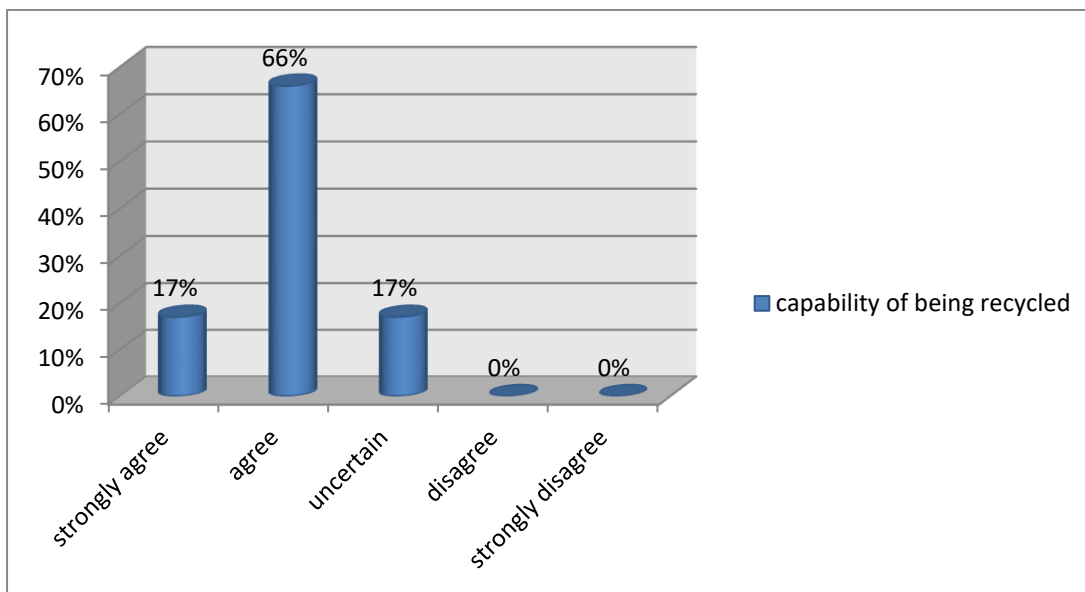
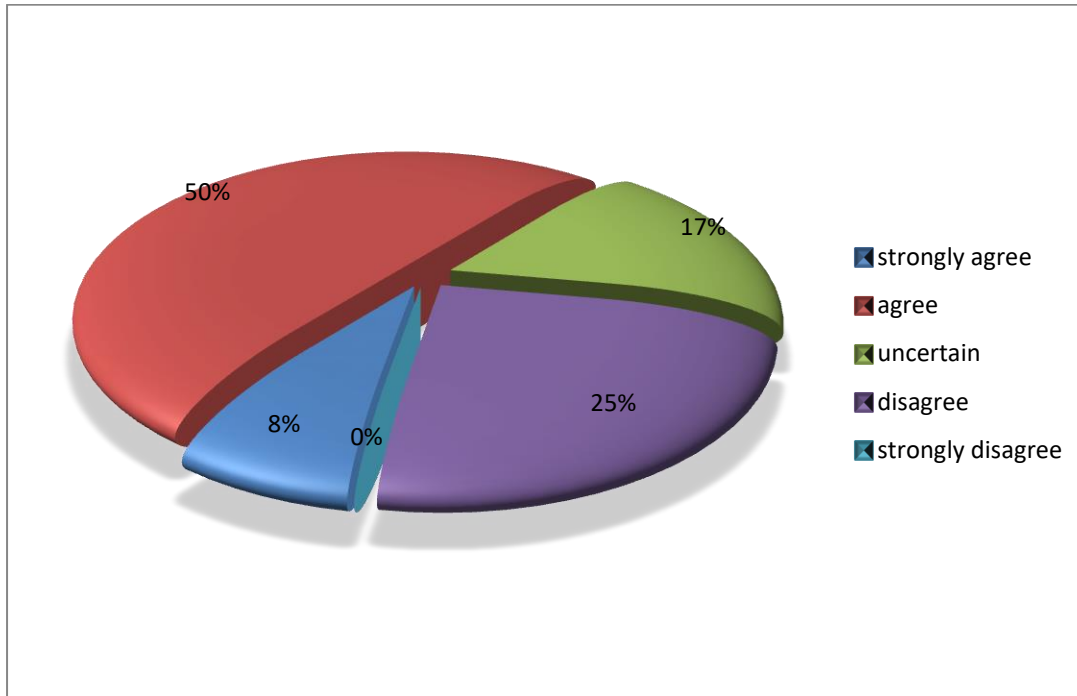


Fig 4.3 indicates that the majority of the respondents agree that the coupons were capable of being recycled at Sakunda Energy. 17% of the respondents strongly agree that the fuel coupons were capable of being recycled at Sakunda Energy. 66% of the respondents also agree that the fuel coupons were capable of being recycled. 17% of the respondents are uncertain as to whether the fuel coupons were capable of being recycled or not. No respondent disagree or strongly disagree as indicated by the 0% in the graph above. This data concludes that even though there is a 17% outcome of the respondents who are uncertain, the fuel coupons at Sakunda Energy were capable of being recycled. In order to clarify this position Bitta et al (2010) assert that reprinting and reuse of the coupon system seems a more advanced way of fuel theft.

4.2.3 Fuel coupon system insecurity

Fig 4.4 Responses to the fuel coupon system insecurity



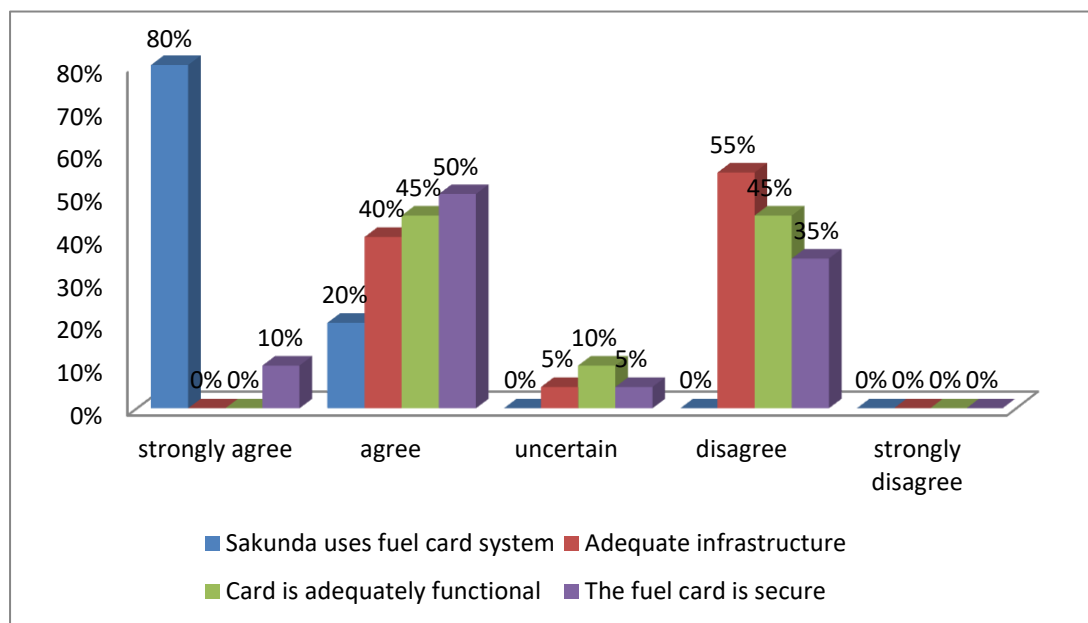
8% of the respondents strongly agree that fuel coupon system is insecure, 50% of the respondents agree that fuel coupon system is insecure, 17% are uncertain about the insecurity of the system, 25% disagree and there is 0% respondents who strongly disagree. The respondents were asked if the coupon system was insecure and their responses were presented on a pie chart as shown above in fig 4.4.

58% of the respondents which constitute the majority agree with the view that the coupon system was insecure and are fully in support of the view that Sakunda Energy abandoned the system because of its insecurity. This view is supported by Puto (2014) who says that if a system is designed in such a way that when the customer is in possession of the coupon and the company takes no further liability when the customer loses the coupon then there could be a loss of clients too as they fear to lose out. It explains why the company deemed inefficient using the system for revenue management. On the other hand 25% of the respondents are also

a significant figure to consider their view. They disagree to the proposition that the fuel coupon is insecure. This is because they felt having used the system over the years they might have encountered some benefits. The data then concludes that the fuel coupon system is insecure, since the majority of the respondents agree that it is insecure.

4.3 Examination of the fuel card system

Fig 4.5 Responses to questions on the examination of the fuel card system.



4.3.1 Sakunda uses fuel card system.

From the graph above 80% of the respondents strongly agree that Sakunda Energy now uses the fuel card system, 20% agree that the company uses fuel card system to manage revenues. There are no respondents who are uncertain, disagree neither are there any who strongly disagree that the company uses the fuel card system as shown by the 0%. Fig 4.5 indicates that the company has changed a policy that it was using which is the fuel coupon system and adopted the use of fuel cards. In *chapter one* of this study it is highlighted that Sakunda Energy used fuel coupons and later abandoned the system because of its adverse effects on

revenue. Storm (2014) says that from a supplier's perspective, the cost of hardware, software and transaction processing errors have declined to make cashless transaction a much more appealing option. This is because the company was experiencing declining revenue and hence Sakunda sought to introduce the fuel card system as a way to mitigate the challenges brought by the fuel coupon system.

4.3.2 Adequate infrastructure

In Fig 4.5 it is illustrated that 40% of the respondents agrees that there are adequate infrastructure at Sakunda Energy, 5% is uncertain about the subject matter and 55% disagrees that the infrastructure is adequate. None of the respondents strongly agrees neither are there any who strongly disagrees and this is shown by the 0% on both opinion.

55% represent the majority of the respondents and they disagree that the system implementation is matched by adequate infrastructure. This is so because there are challenges that are faced at national level and also at continent level that electronic commerce are still a challenge to implement given the nature of infrastructure that is available. In a study by Taddesse and Kidan (2015) infrastructure forms the core part of the implementation of electronic fuel card system. It is necessary to have adequate infrastructure in place so that the fuel card system can work effectively upon implementation at Sakunda Energy. Worku (2010) also adds onto say that limited internet penetration and also sub-standard communication infrastructure inhibit smooth growth and improvement in electronic transactions in developing countries in Africa and in Zimbabwe in particular.

45% of the respondents agree that there is adequate infrastructure at Sakunda Energy. This is attributed to management who are of the opinion that they studied the system before implementation. The reasons could be that the management consider the limited infrastructure to be useful since change may not be made incrementally within a short space

of time. The data also indicates that 5% of the respondents are uncertain as to whether there is an adequate system infrastructure or not. Being indifferent by limited knowledge about the subject in question and hence they are honest enough to indicate their position. The data concludes that there is limited level of infrastructure at Sakunda Energy in order to successfully implement the fuel card system.

4.3.3 The card is adequately functional

In Fig 4.5 above 45% of the respondents agree that the fuel card system is adequately functional at Sakunda Energy. This means that they are of the view that the fuel card system is fulfilling the purpose for which it was designed. This view is supported by Hartog and Schwartz (2012) who indicate that the system is programmed in such a way that a user is supposed to load fuel into their fuel card. The respondents are indicating that they are satisfied with the way that the fuel card system is functioning.

On the other hand 45% of the respondents disagree that the system is adequately functional at Sakunda Energy. This means that they are of the view that the fuel card system introduced at Sakunda Energy is not functioning in a way it is purported to work. This is attributed to continuing revenue decline at the company. The major reason for implementation the policy was to increase the revenue of the company and curb the challenges of the fuel card system.

10% of the respondents are uncertain as to whether the system is adequately functional or not. The respondents who indicated that they are uncertain do not work directly with the fuel coupon administrators. Their functionality is measured by increases in revenue whilst the costs are reduced so they remain indifferent since they can't see both scenarios occurring simultaneously. The data concludes that there is no single opinion that can be driven as to whether the fuel card system is functional without taking on board other factors. However the

data presented showed that those who agree and those who disagree both have 45% and no single conclusion on the basis of the data can be drawn at this stage.

4.3.4 The fuel card is secure

In Fig 4.5 10% of the respondents strongly agree that the system is secure at Sakunda Energy and 50% also agree that the system is secure. This means that the fuel card system Sakunda is better in terms of security than the fuel coupon system that the company used. Security is measured in terms of vulnerability to theft, recyclability and access to personal information pertaining to the fuel card balances that one have and the transactions that one enters into. Lee et al (2013) asserts that where fuel cards are safe to use they can assure secrecy to sincere customers and also guarantee offer traceability about illegally issued cash or laundered money. This means the respondents who agree are of the view that the system can promise security over the fuel card to customers and to the company in that customers don't need to have a worry of losing their card because they can always replace it. The company also on the other hand does not need to focus on theft of the fuel card because even if it is stolen one cannot use it unless they know the credentials thereunto.

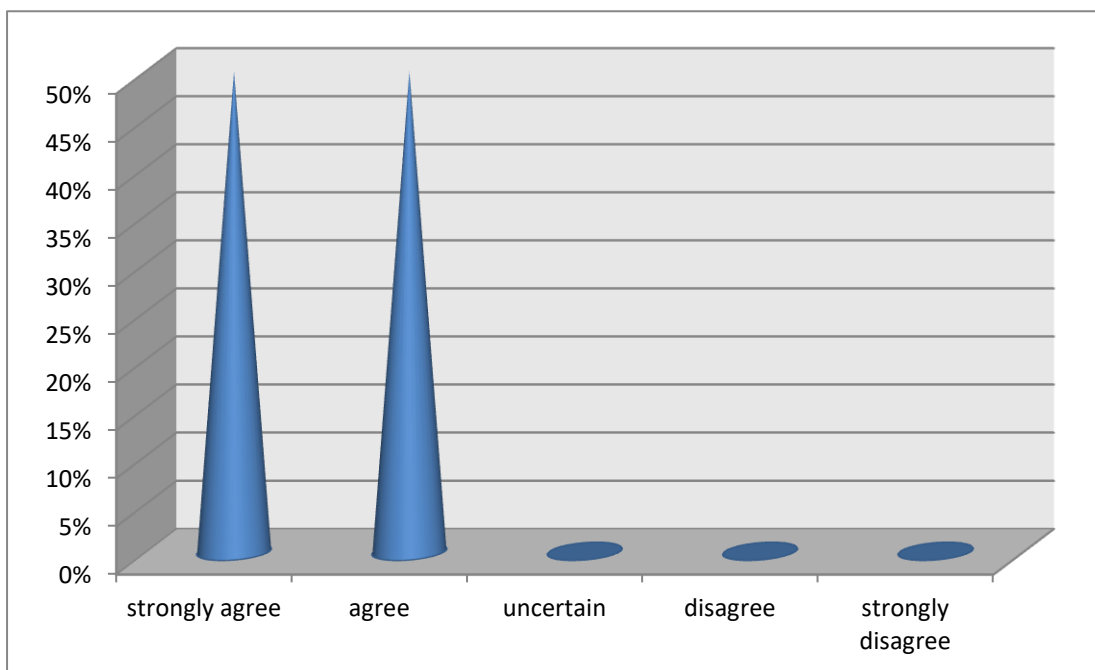
35% of the respondents disagree that the fuel card system is secure. This is supported by Wickramasighe and Gurugamage (2012) who also say that consumers' confidence and trust in the traditional payment systems has made customers less likely to adopt new technologies. In this regard new technologies such as the fuel card system will not dominate the market until customers are confident that their privacy will be promoted and adequate assurance of security is guaranteed. This illustrates that individuals are not in a position to easily adapt to change in policy or in system that are used at Sakunda Energy. This means that since it is still in its inception stage the fuel card system is more likely to have its own security challenges. As indicated in Chapter two of this study that there are socio-cultural and security issues

pertaining the implementation of the fuel card system. In this regard the respondents point out towards the consistently declining revenue and disagree that the system is offering enough security to attract more customers.

5% of the respondents are uncertain about the security of the fuel card system. The data indicates they did not choose an option where they clearly bring out whether the system can be compared in terms of security with the coupon system. The data in Fig 4.5 concludes that 60% of the respondents agree that the fuel card system is secure, 35% disagrees to this view and 5% is uncertain about the subject matter. In this regard the majority of the respondents agree that the system is secure and hence that is the position that can be adopted for the purpose of this study.

4.4 Implementation Guidelines in place over fuel card system implementation

Fig 4.6 Responses to existence of implementation guidelines

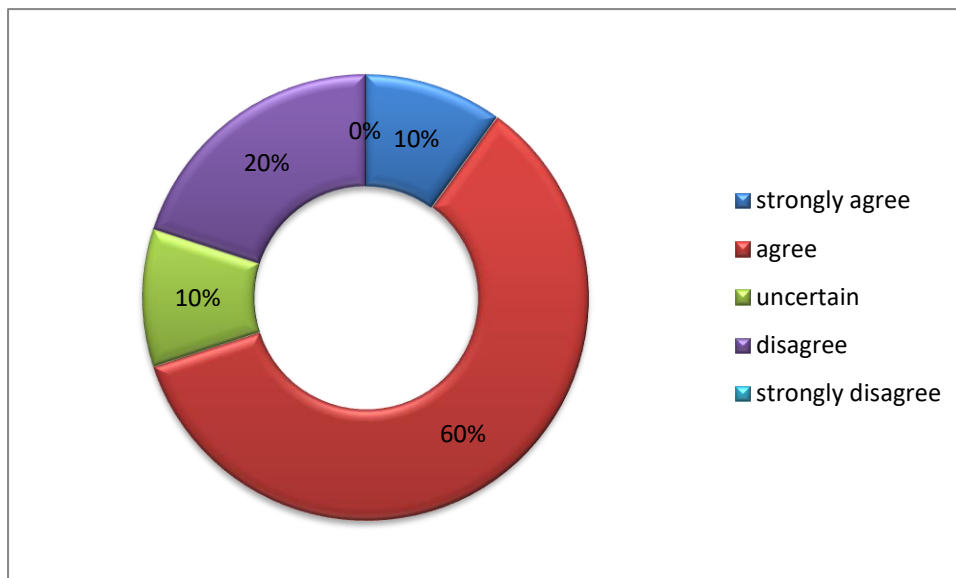


From Fig 4.6 it can be observed that 50% of the respondents strongly agree that there are system implementation guidelines in place at Sakunda Energy. The other 50% of the

respondents agree that there are system implementation guidelines at Sakunda Energy. This means that everyone at the company is aware that the company changed its policy from the use of fuel coupons to the use of fuel card system. In this regard 100% of the respondents confirm that the system was changed. Roorda and Pearce (2010) assert that guidelines provide principled advice and direction and hence they are necessary for the successful implementation of a fuel card system.

4.4.1 The implementation guidelines are properly documented

Fig 4.7 Responses to implementation guidelines are properly documented



60% of the respondents agree that there are system implementation guidelines at Sakunda Energy. 10% strongly agree that there are fuel card system implementation guidelines at the company. 20% of the respondents disagree to the subject matter and 10% of the respondents are uncertain. There are no respondents who strongly disagree as shown by the 0% in the chart above.

The majority of the respondents agree that there are systems implementation guidelines at the company which means that 70% of the respondents agree. This is because it is essential to

have system implementation guidelines in place so as to ensure successful policy implementation. This view indicates that there has to be proper system of documenting the system before it can be used. However 20% of the respondents disagreed on the documentation of the system implementation guidelines. This can be explained that even though the documentation is supported by those who agreed but some of the members of the organisation disagree. This data concludes that there are fuel card system implementation guidelines at Sakunda Energy.

4.4.2 Implementation guidelines are available to customers

Table 4.1 Guidelines are available to customers

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Percentage	0%	40%	5%	55%	0%

Source: Primary data

From the table above it can be noted that 40% of the respondents agree that the guidelines are available to customers and Sakunda Energy, 55% disagrees on the availability of the system implementation guidelines to customers. 5% of the respondents are uncertain about the subject matter. From the data above none of the respondents strongly agree and neither are there any who strongly disagree.

The majority of the respondents (55%) disagree that system implementation guidelines are available to customers. This has an adverse effect on the revenue of Sakunda since the company is on a drive to increase its revenue. If the guidelines are not made available to customers then implementation may be difficult to execute in the sense that the customers of the company are the target group who will use the fuel card much and the company ought to take them on board. 40% of the respondents agree that there are implementation guidelines.

These respondents are of the view that the guidelines are available to the customers and assume that the majority is probably incorrect of their opinion. 5% of the respondents are however uncertain about the availability of the implementation guidelines to customers. This data concludes that 55% of the respondents disagree, 40% agree and 5% are uncertain about the availability of the fuel card system implementation guidelines to customers.

4.4.3 Implementation Guidelines are clarified to personnel

Table 4.2 Guidelines are clarified to personnel

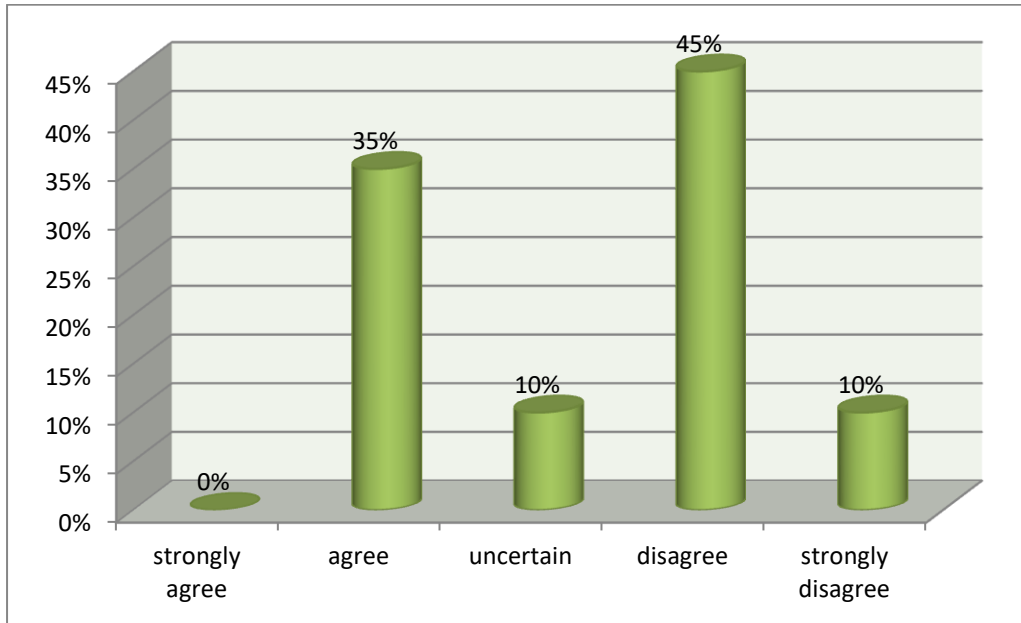
	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Percentage	15%	80%	5%	0%	0%

Source: Primary data

Table 4.2 highlights that 15% of the respondents strongly agree that the fuel card system implementation guidelines are clarified to personnel, 80% agree and 5% is uncertain about the guidelines being clarified to personnel. None of the respondents disagree as shown in the table above by the 0%. Implementation need to be clarified to those involved in the implementation process like in this case personnel. The data concludes that greater percentage of the respondents is that of 95% respondents who agree that the implementation were clarified to personnel. 5% of the respondents are however uncertain whether the implementation guidelines were clarified to personnel.

4.4.4 System implementation guidelines are always complied with

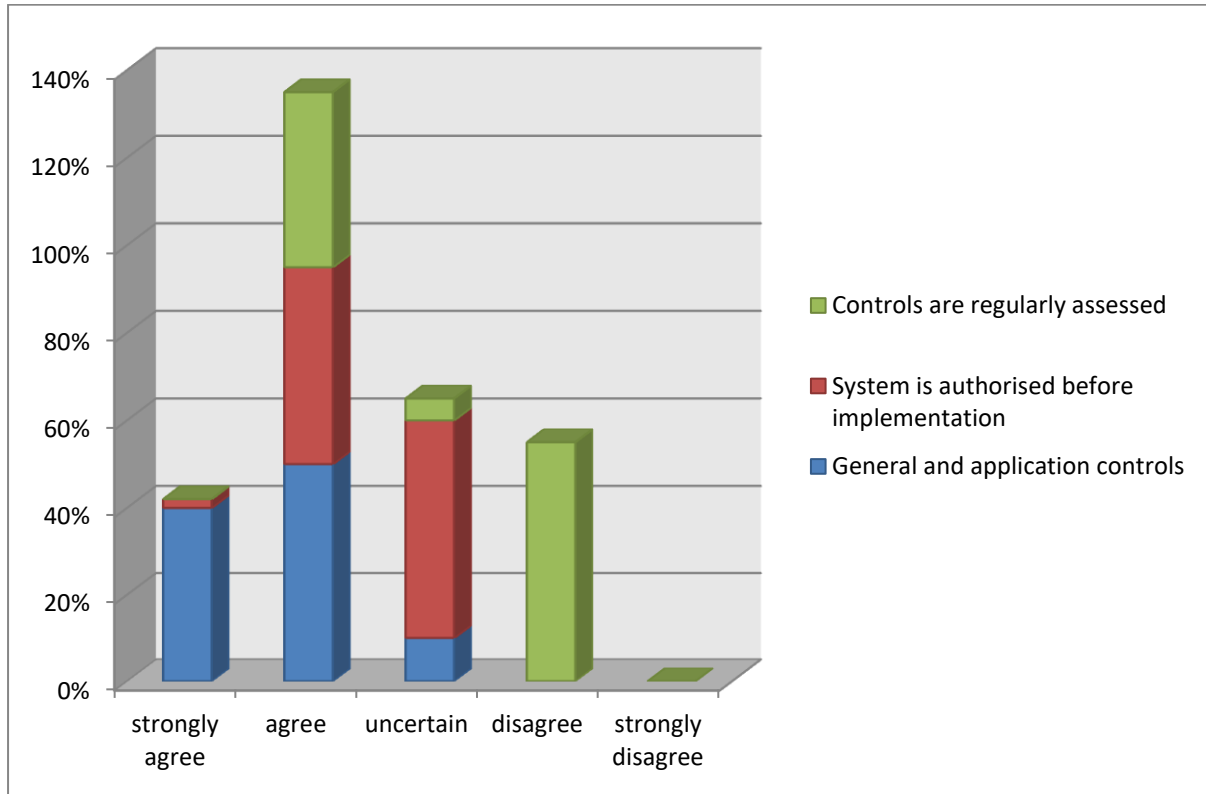
Fig 4.8 Responses to compliance with implementation guidelines



In Fig 4.8 35% of the respondents agree that the implementation guidelines are complied with always at Sakunda Energy, 10% of the respondents are uncertain, whilst 45% of the respondents disagree that the implementation guidelines are complied with and 10% of the respondents are strongly disagreeing. This indicates that the majority of the respondents that is 55% disagree that the implementation guidelines are complied with at Sakunda Energy. Since there are declining revenues at Sakunda Energy the data above may justify that compliance to system implementation guidelines is also another cause for continuing decline in revenue. 35% of the respondents who agree that implementation guidelines are complied with at Sakunda Energy are the managing director and the finance manager. 10% of the respondents are uncertain and this is attributed to information asymmetry pertaining to the rightful application of the fuel card system implementation guidelines.

4.5 Controls in place over police implementation

Fig 4.9 Responses to controls in place over policy implementation



4.5.1 General and controls are in place

40% of the respondents strongly agree that general and application controls are in place over policy implementation at Sakunda Energy, 50% of the respondents agree that here are general and application controls at Sakunda Energy whilst 10% of the respondents are uncertain.

Givetti (2014) asserts that it is essential to put in place general Information Technology controls since these will act as policies and procedures relating to applications and support the effective functioning of application controls by helping to ensure the continued proper operation of the fuel card system. In this regard the data above reveals that the organisation has put in place controls pertaining to the system. In total there is 90% agreeing in the data above and this shows that almost everyone in the organisation is aware that there are internal

controls. These will ensure that there is proper functionality of the system. However they do not guarantee increased revenue if not continually reviewed and tested for appropriateness. Jourdan (2012) says that files must be prepared with standing data on the new system, balancing of files on the old system. In this regard controls have to be put in place to ensure that necessary files are complete, accurate and valid. Karagiorgos et al (2010) support this and say that controls over input will ensure that data entered onto the system is valid, complete and that it is accurate. The data above concludes that management and all those charged with governance are aware of the controls in place and the implications thereof and that there are 10 other members of the company represented by 10% who are uncertain.

4.5.2 System is authorised before implementation

The data in fig 4.9 indicate that 5% of the respondents strongly agree that the system was authorised before implementation, 45% agree that the system is authorised and 50% of the respondents are uncertain. Management reports indicate that the system is developed outside and hence there is need to employ controls pertaining to purchase of the system. An indication of authorisation is a necessity in determining whether the system can be depended upon for effective functionality. 50% of the respondents are uncertain about the authorisation of the system for implementation and this makes it almost impossible to make an assessment of whether the system is authorised or not. From the data provided 45% of those who agree and 5% of those who strongly agree gives 50% and this can be relied upon for concluding that the system was authorised. There are no respondents who disagree as indicated by the 0% for those who disagree and again 0% for those who strongly disagree.

4.5.3 Controls are regularly assessed

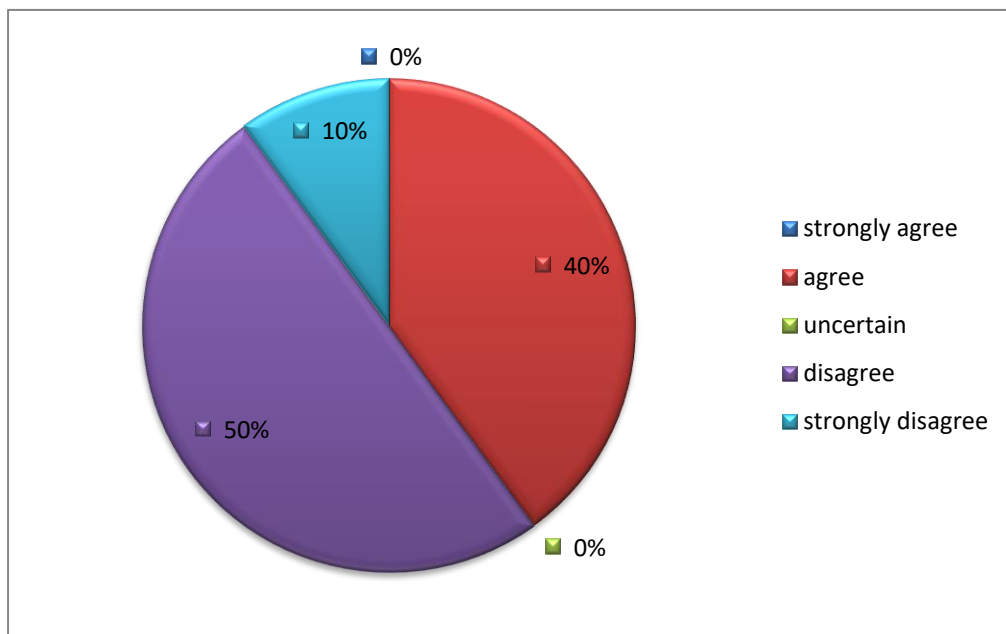
In order to achieve the best out of a system it is necessary to regularly assess the system. From the data in fig 4.9 40% of the respondents agree that the fuel card system at Sakunda Energy

is regularly, 5% of the respondents are uncertain and 55% of the respondents disagree. The data highlights that 55% is the majority if the respondents and they disagree that the fuel card system is regularly assessed at the company. It is important to assess the controls put in place for it will guide the company on what further policy to pursue or necessary amendments can be made. Controls have limitations which are inherent and so they need to be assessed for effectiveness and applicability. The data used in this paragraph concludes that even though there are 55% of respondents who do not agree, the company can still work towards improving assessment by stimulating 45% of the respondents which is already a significant figure.

4.6 Review of controls on policy implementation at Sakunda Energy

4.6.1 Reviews are done regularly

Fig 4.10 Responses to reviews are done regularly

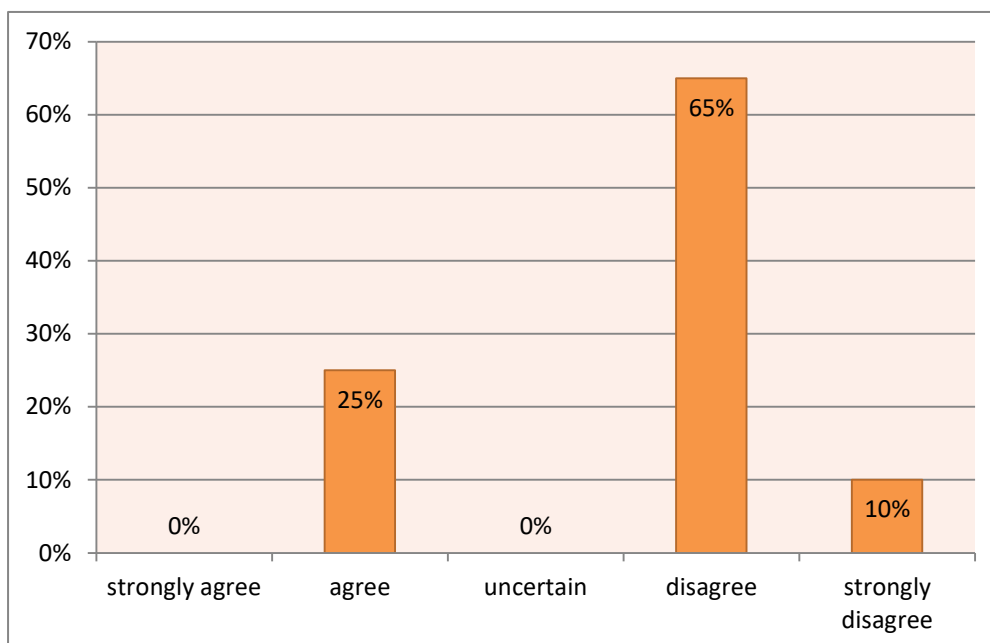


The data above illustrates that 50% of the respondents disagree that controls are reviewed regularly at Sakunda Energy, 10% strongly disagree and 40% agree that the controls are

reviewed. This seems more specific that the respondents who have 60% are the majority and they disagree that the controls are reviewed regularly. This can be another indication of why the fuel card system has not proved to achieve the best results at Sakunda Energy to this day. The 60% of the respondents constitute those in management and this makes their contribution valid for the purpose of this study. 40% of the respondents are agreeing that the controls pertaining to the Fuel card are reviewed regularly and their view is quite admissible in that 40% is a significant figure but this data shall conclude to the view that the controls are not reviewed to the extent to which they can attain. No respondents are strongly agreeing and strongly disagreeing that the system is not regularly reviewed.

4.6.2 Compliance with controls is reviewed

Fig 4.11 Responses to compliance with control is reviewed

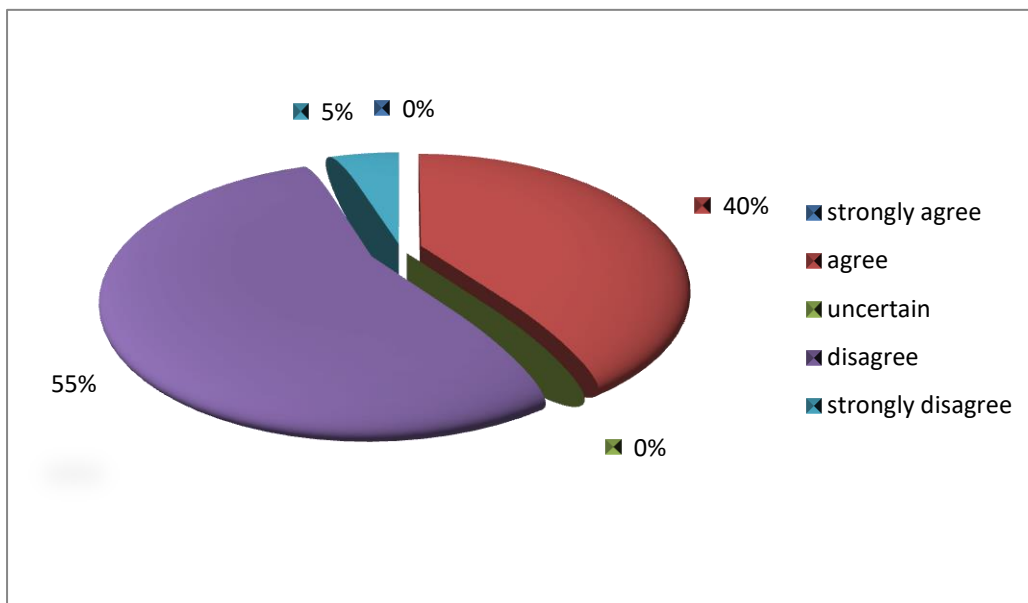


65% of the respondents disagree that compliance is reviewed from time to time at Sakunda Energy and 25% agree that compliance is reviewed. 75% represent the majority and they are disagreeing that compliance is reviewed. This means that there could be a danger of system

override by those who can beat the system if compliance is not reviewed regularly to find out whether individuals involved in the implementation process still follow the compliance procedures laid down. 25% indicated a review is done as to the compliance of the controls towards the fuel card system. It can be concluded that 75% disagree and 25% agree.

4.6.3 The controls are upgraded frequently

Fig 4.12 Responses to controls being upgraded

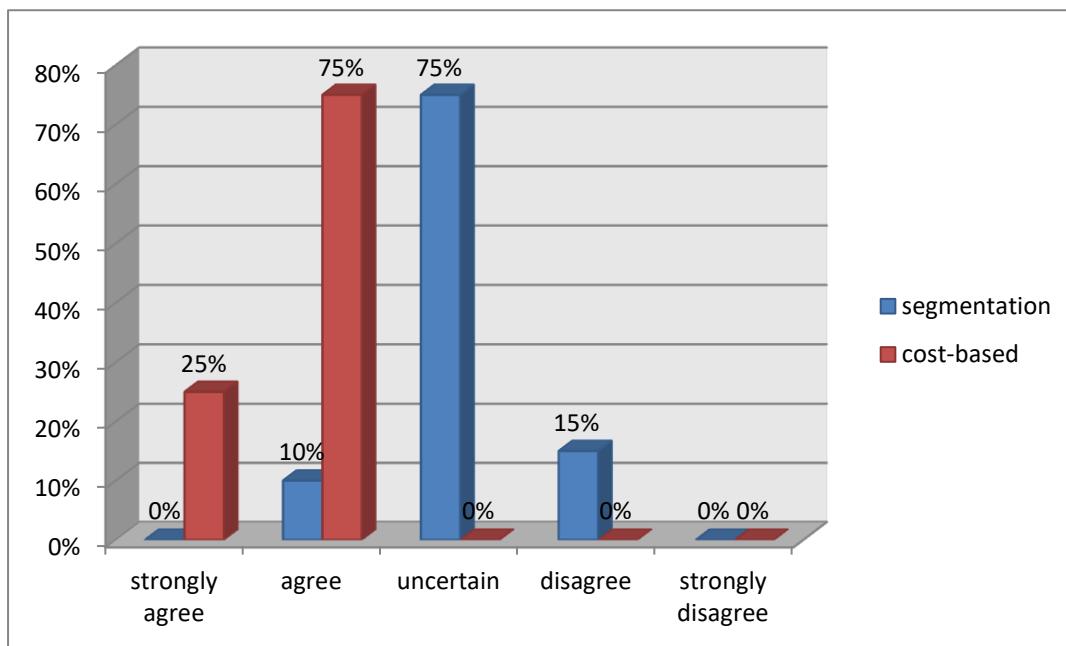


The respondents answered to the question that are the controls being upgraded. The responses showed that 55% of the respondents disagree, 5% strongly disagree that there are upgrades on the controls. It is essential to upgrade the controls so that the company will minimise the risks associated with the system in use of the fuel card system. 40% of the respondents agree that the controls are upgraded to suit the needs of the users from time to time. The data above concludes that the majority of the respondents indicate that the fuel card system is not upgraded from time to time to cater for varying industry demands to the the extent to which security is concerned.

4.7 The best revenue management system

This section will present data on the responses pertaining to the best revenue management system to use at Sakunda in line with the new system implemented so as to yield an increase that is consistent in revenue.

Fig 4.13 Responses to the best revenue management system



From the data above it can be observed that 75% of the respondents are uncertain as to whether the segmentation approach is the best method of managing revenue at Sakunda Energy, 15% of the respondents disagree and 10% agree that it is the best method. There are no respondents who strongly agree neither are there any who strongly disagree that. The segmentation approach is the best revenue management system when using fuel cards. As far as the segmentation approach is concerned it can be concluded that the segmentation approach is not known by the respondents that is why there is a greater percentage of the uncertain response.

On the other hand responses to the cost-based approach in revenue management showed that 25% of the respondents strongly agree that it is the best revenue management technique, 75% of the respondents also agree that the cost-based approach is the best revenue management technique. There are no respondents who are uncertain neither are there any who strongly disagree or disagree that the cost-based strategy is the best in managing revenue.

4.8 Analysis of interview responses

4.8.1 What is the coupon system at Sakunda Energy?

First respondent: the coupon system at Sakunda Energy was a system which the company was using prior to the introduction of the fuel card system it permitted the customer to purchase a voucher which entitled them to buy fuel from any Sakunda Energy service station. It was denominated in litres and the holder could redeem the coupon upon getting to the service station by means of signing it and giving it to the attendant. It did not require any identification. This response by the first respondent brings out key issues discussed in the second chapter of this study. First the respondent concur with Lu and Moorthy (2010) when they say coupons give an entitlement to the holder to purchase a particular product within a particular space of time. The respondent also said that the fuel coupon did not need any identification when redeeming which conforms to what Reece (2011) explains that the coupon is validated for transaction by the client's signature and the company's stamp.

Second respondent: the fuel coupon system was designed in such a way that one doesn't need to carry money around to purchase but can buy fuel coupons and use them to access fuel when they deem necessary. He indicated that the coupons were kept at the company premises and anyone in need of buying can reach the office at any day during working hours and make a purchase. The second respondent brings out the fact that the fuel coupons were vulnerable

to theft in that they confirmed of the coupons being kept at the company premises. This has already been alluded to in *chapter two* of this study.

Third respondent: the fuel coupons were mere papers and that means they can be subject to forgery or recycling. Over time the company lost large sums of revenue because of the unscrupulous dealings where people recycled the fuel coupons and obtained fuel from various service stations without any money being ploughed back to the company. Bitta et al (2010) supported this and said that reprinting and reuse of the coupon system seems a more advanced way of fuel theft by corrupt dealers. This interview revealed that there are challenges associated with using the coupon system.

4.8.2 What is the fuel card system at Sakunda Energy?

First respondent: the fuel card system was adopted after the company abandoned the coupon system. The fuel card system is more digitalise method of transacting. It allows for fuel purchases to be made without one visiting the company. Fuel purchases can be made through funds transfers and the holder can access their fuel at any service station that has the fuel system installed (usually those in towns). The fuel is denominated in litres and this makes it more beneficial than the coupon system which only allowed one to keep the coupon for 3 months. The respondent indicated that the fuel card is used by the company and that it replaces the fuel coupon system. The respondent also brought out the fact that the fuel card is safer than the fuel coupon system.

Second respondent: the fuel card system is more electronic than the traditional system that we were used to. It was supposed to have been launched through-out the country on all Sakunda service stations but resources necessary for implementation are scarce and in those place network and internet are not always available and this has been an inhibiting factor for proper effective implementation. This respondent indicated essential points in that there are

challenges that the company faces in the implementation of the fuel card system. Among them the respondent highlighted that infrastructure is scarce and that network and internet are not available in some parts of the country and thereby making it difficult to implement the policy.

Third respondent: there has been some progress as far as revenue is concerned. The rate at which it was declining is now minimal because of the fuel card. The card helps to give customers security than the previous system that was in place. In some parts of the country the card was denied because people still cannot adopt it given the nature that it has. The technocrats are limited in the societies we conduct business in and sometimes we have to work with what is on the ground. This respondent indicated that there is a threat to the use of the card in rural areas because of the socio-cultural reasons. People do not easily accept changes in what they were used to no matter the benefits it will be offering. The fuel card promises secrecy to its customers but it takes time for people to adopt it.

4.8.3 What implementation guidelines are in place?

First respondent: there are implementation guidelines at the company. The company introduced a policy that has to be adhered to by any member of the company but it is still in the stages of being made available to customers. It was clarified to every member that the fuel card will be put to use following the abandonment of the fuel coupon. This respondent is right about the policy implementation guidelines being in place and also that there was clarification to member of the company. Sakunda Energy as indicated by the respondent is in the process of making sure that the customers also are fully aware of these guidelines and also adhere fully to them.

Second respondent: at the company I am not sure of the guidelines implemented. The respondent is uncertain as to which implementation guidelines are in place. This indicates

that there is need to clarify the implementation guidelines to employees that they may not doubt.

Third respondent: to implement a fuel card system requires an adequate source of funding the development and the fuel card was evaluated on the basis of the benefits to be derived from using it and the limitations of the coupon system. So far the company is on a drive to ensure that the implemented guidelines have compliance to them. This respondent seemed more knowledgeable about the subject matter and highlights that there is still limited compliance and that resources to implement are limited which probably is making the system less likely to bring results that are favourable.

4.8.4 What controls have been put in place over policy implementation?

First respondent: to ensure that there is safety the system uses personal identity number which one can reset or change at their own discretion. The system is able to create a duplicate fuel card for persons who lose their initial cards and block the one that is lost. To guard against cyber-crime there is still more that needs to be done. This respondent indicated that the fuel card is also vulnerable to cyber-crime and that whilst it has its own strength the system is also capable of being tampered with. The respondent is of the view that the system is stronger than the coupon system in that any person who loses the card can still be assured of recovering their fuel by way of getting a copy that is created for them digitally.

Second respondent: there has been a lot of work carried out in developing controls but the truth of the matter is that not many, if any; company has introduced the card like we did so you will find that there still are limitations to obtaining adequate controls. However some generalised system control are fundamental and basic for instance, the purchase of the system or development has to be made clear to those charged with governance and some members of the organisation. The second respondent seems more knowledgeable about the subject matter.

It is highlighted that the controls have been considered greatly but still seem challenging to implement.

4.8.5 What is the best approach to revenue management at Sakunda Energy?

First respondent: it is rather too early to conclude on the best revenue management system to use. Especially when comparing the fuel coupon system and the fuel card system because the fuel card is still in its early stages of introduction. However the little experience we have seen this far is that the system of fuel card seems better because it allows for consideration of costs in managing revenue because the cost of making and issuing fuel cards is borne by the client unlike using the fuel coupons system which the company has to pay for printing. This respondent argues that the coupons system was more costly to the company and suggests that the fuel card system is more cost-based as it focusses on the costs of obtaining the revenue. In this regard the respondent points towards the cost-based system.

Second respondent: there is challenge in determining because we barely have used the fuel coupon for two year. The respondent did not give a certain response and still thinks there is need for time in order for them to be able to decide which of the two systems is best in managing their revenue.

Third respondent: choosing between segmentation and cost-based approach I had rather consider the cost whilst having the revenue increasing slowly. A rapid growth which is not cost-oriented is of no significance to the risk of the business. This respondent as well considers the cost-based approach as the best revenue management approach. In this regard this can sum up to the point that cost-based approach is more acceptable.

4.9 Summary

This chapter analyses data obtained from questionnaires administered by the researcher and the interviews conducted at Sakunda Energy. The data was presented in the form of tables, pie charts and graphs. The next chapter looks at summary of the study, recommendations and conclusion.

CHAPTER FIVE

5.0 Introduction

This chapter summarises all the research findings obtained by the researcher. It sums up all the analysed findings in order to make a conclusion and to give recommendations. It also gives an area of future study.

5.1 Summary of Chapters

Chapter one highlighted that Tse and Poon (2012), Schandorf-Lampsey (2012), Bragg (2010) and Ackorlie (2011) all point towards the fact that accounting for revenue is a contentious issue and declining revenues are a cause for concern in companies the world over. The use of coupons is highlighted by the authors indicated above that it is suddenly becoming outdated as it has consistently led to companies losing out in revenue. These scholars have studied revenue management on various industries but however very little they have studied about the petroleum industry revenue in line with fuel cards. The chapter explains declining revenue at Sakunda Energy and how the fuel card can best address the problem at hand by bringing out research objectives. This research outlines background of the study whereby the author highlights the declining revenue at Sakunda as it was attributed to the use of coupons and this gave the researcher a motivation to conduct a feasibility study on the fuel card system. In the chapter are also factors that inhibit the researcher from obtaining the best results of this research.

Chapter two reviews both literature theoretical and empirical relevant to the study. The relevant literature pertaining to the study that researcher is conducted is brought out in this chapter. The researcher attempts to bring out the literature relevant to the set objectives that he intends to achieve at the end of this study. In the first instance the researcher examines the

fuel coupon system at Sakunda Energy as it was the chief cause for the declining revenue at the company. Sakunda took up the use of coupons so that it could obtain contracts with multiple clients and this has since been the exact opposite of the company had anticipated. The revenue started to fall dramatically and there a need arose to consider the other options. The coupons system as indicated in the chapter was vulnerable to theft and this impacted on the company's revenue negatively. The fuel coupon we deemed insecure because they could be used by anyone who came across them and without need to produce any form of identity when redeeming them. More so the coupons were capable of being recycled and the company suffered significant amount of losses due these factors.

In line with the challenges that the coupons system failed to solve Sakunda Energy sought to introduce the fuel card system. This card is a smart card that permits one to make electronic transaction when purchasing fuel at Sakunda service stations. The fuel card is explained in chapter as a form of electronic aid in transacting. It permits one to buy fuel inline by way of transferring funds into the company account and load fuel onto the fuel card. The system is designed in such a way that in order to transact one visits the service station and produces the card which will be inserted into a machine and the user will enter his/her credentials (PIN) in order to authorise the transaction. The infrastructure is also discussed in this chapter as to the governing and aiding to proper and successful system implementation. It is discussed that in Africa, Zimbabwe in Particular, there is limited infrastructure in order to implement successfully the system. It is noted that network and internet are not always available and these are possible hindrances as to why the system is yet to yield as much results as it should have. There are also discussion pertaining to the socio-cultural issues regarding security over the system implementation and here it is explained that societies are less likely to accept change rapidly especially given that Sakunda Energy will be among the first companies to introduce the fuel card system.

The chapter also indicate that there is need for proper implementation guidelines in order to have the successful implementation of the system. This chapter explains that it is essential that system implementation guidelines be in place and they have to be communicated to personnel and customers and any other party that is involved in the implementation process. It is explained that there has to be clear and definite pattern in implementation guidelines and that the possible challenge of resources necessary for implementation is lack of resources which may hinder effective implementation of the policy at Sakunda Energy.

The chapter explains the need for controls regarding the successful implementation of the policy. There is need to have general and application controls across all levels of implementation of the system. Care needs to be taken when developing or outsourcing the system. In this instance it is explained that the fuel card system was not developed in house and hence there have to be adequate controls in line authorisation. Finally chapter two looks at the best revenue management policy that the company can adopt and among these two there is segmentation and cost-based approach.

Chapter three looks at the research methodology and it is in this chapter where the research design is explained. The chapter justify the researcher chose to use descriptive and case study research design. The chapter also explain the research tools that the researcher uses as well as the type of data that the researcher was focussing on.

Chapter four focusses on data presentation and analysis and in this chapter data was presented in the form of pie chart, graphs and tables. Data is analysed per each objective that the researcher has highlighted in chapter two and conclusions on every analysis made was being note for the purpose of chapter five.

5.2 Research findings

Sakunda Energy has been using the fuel card system and this system was confirmed by the results obtained in chapter four that it was causing revenue to decline. Fuel coupons were vulnerable to theft, capable of being recycled and they were generally insecure. It is from this end that the respondents advocated for the abandonment thereof. The fuel coupons were abandoned by Sakunda Energy and the company introduced the fuel card system. It was found out that the system that the company introduced did not necessarily increase the revenue of the company. In fact the revenue continued to drop consistently but from a point of observation this was no longer attributed to the fuel card.

The fuel card has challenges of its own and the company has to fight hard to mitigate them so that they may harness its uniqueness and exploit the market. The economy is not very much permitting for the users and issuers of fuel card and electronic payment systems to fully benefit from the advantages that the systems have to offer. In Zimbabwe, Sakunda Energy only uses the fuel card in Harare, Bulawayo and Mutare. These are only located in three of ten provinces that are in the country and therefore infrastructural development is hindering the successful development of the usage of the fuel card System.

More over the company itself is not taking on board fully the customers and personnel on the system that is just implemented. An example is that in chapter four 55% of the respondents indicated that fuel card system implementation guidelines are not available to customers. The company has its own part to play and this can still make it earn more revenues if it can understand the environment in which it is operating and adjust to the advantage of the company.

Finally Sakunda Energy is not fully designing and implementing controls to the best of its advantage. In chapter 2 controls are explained in detail but in chapter four results indicate that

the company is just putting them in place for sake of putting them there but reviews are not being conducted regularly. Apparently data provided shows that the controls are not being adhered to and it will not be long before the company gets to a worse position that it were before if it fails to manage its internal controls. Auditing texts indicates that internal controls have inherent limitations and therefore the company must continue to review the controls in place and come up with better policies where necessary.

5.3 Conclusion

The findings above clearly indicated that the company has over the years lost revenue and continued facing declining revenue. This was attributed to, mainly, the system that the company was using. It was filled with many loopholes and thereby permitting much revenue to be lost that way. Challenges of using the fuel coupon system at Sakunda Energy saw the company's revenue almost crunching. On the other hand the introduction of the fuel card is a noble idea but the company still need to work on the controls and implementation guidelines that they may attain the best from the use of the fuel card. The company can still reach the highest levels of revenue that it was enjoying in prior periods if it considers cost-based revenue management. This is whereby it focusses much on costs than on the revenue alone because in most cases the more the focus is on revenue the more the cost reluctant it will be. The fuel card system is a great invention an on the part of Sakunda an awesome innovation which has the capacity, if managed properly to yield the company tremendous revenue.

5.4 Recommendations

a) Adequate implementation guidelines

Sakunda Energy must ensure that the implementation guidelines are rightfully employed at every stage of implementation. There has to be proper channels to ensure that the implementation guidelines are reviewed timeously. The company can put in place

implementation leaders or teams so as to encourage a system of compliance to set system implementation guidelines.

b) Consistent application of controls

The company must ensure that internal controls are applied uniformly across all departments involved in the implementation of the fuel card system. The major cause for failure of the fuel to perform well is the inconsistency in the application of the application controls and general controls. The company has to invest in personnel that are capable of designing appropriate internal controls so that the specialist won't miss the requirements thereof.

c) Investment in system infrastructure

It is quite possible to access the revenue that the company is not obtaining because of limited network infrastructure. In this regard the researcher recommends that the company utilises its surpluses in investing in network infrastructure. If this can be done the other provinces in Zimbabwe in which the market share of the card system is not utilised can be obtained without any competing companies. This can be done after having conducted an investment appraisal facilitated by experts in the field. Sakunda Energy may consider its capital structure if it is permitting then they can go for it.

5.5 Further Research

Evaluation of the capital structure of petroleum companies to obtain better revenue.

5.6 Chapter summary

This chapter looked at the chapters summary where it illustrated that chapter one brings out background of the study and problem statement. It summarises literature review in chapter two and research methodology in chapter three. It also explains in brief the summary of chapter four. In this chapter there are research findings where it was observed that the

company was facing declining revenue and that the fuel card could be a better way of managing revenue thereof. Conclusions are also reached at in this chapter and finally there are recommendations to the company and further research suggestion.

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Appendix 1: Cover Letter Questionnaire

Midlands State University

Faculty of Commerce

Department of Accounting

P. Bag 9055

Gweru

Sakunda Energy Head Office

45 Samora Machel Avenue

Harare

17 April 2015

Dear Sir / Madam

Re: Dissertation Assistance

I am a final year student at the Midlands State University studying Bachelor of Commerce Accounting Honours Degree. I am kindly seeking permission to carry out my research on the topic: **A feasibility study of the fuel card system.**

I wish to administer questionnaires and carry out interviews at your company. The information will be strictly used for academic purposes and a high level of confidentiality shall be maintained.

Thank you for your time and cooperation.

Yours Faithfully

Darius Chibanda

R113993B

Appendix ii: Questionnaire

Questionnaire for Management and Accountants

A feasibility study of the fuel card system: a case of Sakunda Energy (pvt) LTD

Instructions

1. Do not write your name on the questionnaire.
2. Show response by ticking the respective answer box and fill in the relevant spaces provided.

1. The following relates to the challenges of the coupon system.

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Vulnerability to theft					
Capability of being recycled					
System insecurity					

2. Details concerning the existing fuel card system

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Sakunda uses the fuel card system					
Adequate system infrastructure					
The system is adequately functional					
The fuel card system is secure					

3. Details concerning implementation guidelines

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
There are fuel card system implementation guidelines at Sakunda ENERGY.					
The policy implementation guidelines are documented.					
Fuel card guidelines are also available to customers					
Implementation guidelines are always complied with.					
The implementation guidelines are clarified to personnel for better understanding.					

4. The following includes controls in place over the use of fuel cards at SAKUNDA ENERGY.

	Strongly Agree	Agree	Uncertain	Disagree	Strongly disagree
Fuel card system general and application controls are in place at SAKUNDA					
The fuel card system is authorized by reliable management before they it is implemented.					
The controls over implementation of the system are regularly assessed by management.					

5. Information relating to the reviews of controls on policy implementation at SAKUNDA Energy is as follows.

	Strongly Agree	Agree	Uncertain	Disagree	Strongly
Reviews are done regularly over controls on revenue management policy implementation.					
Compliance with the controls of the policy is reviewed.					
The controls are upgraded frequently.					

5. Details pertaining to the best revenue management system

	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Segmentation of practices in revenue management					
Sakunda Energy considers costs in policy formulation					

Thank you for your cooperation

Appendix iii: Cover Letter Interview

Midlands State University

Faculty of Commerce

Department of Accounting

P. Bag 9055

Gweru

Sakunda Energy Head Office

45 Samora Machel Avenue

Harare

17 April 2015

Dear Sir / Madam

Re: Request for permission to carry out research at Sakunda Energy

I am a final year student at the Midlands State University studying Bachelor of Commerce Accounting Honours Degree I kindly request you to respond to my interview questions. All information supplied will be used for academic purposes only: **A feasibility study of the fuel card system.**

Thank you for your time and cooperation.

Yours Faithfully

Darius Chibanda

STAMP

Appendix iv: Interview guide

Interview guide

1. What is the coupon system at Sakunda Energy?
2. What is the fuel card system at Sakunda?
3. What implementation guidelines are in place?
4. What controls have been put in place over policy implementation?
5. What is the best approach to revenue management at Sakunda Energy?