



Now a necessity

Consider how technology can transform your propane delivery business

The time has passed that a company can run its business without software.

The propane industry is no different, with many possibilities to increase operational efficiencies through the use of technology. Whether you are a small operation looking to grow or a large operation looking to keep things running smoothly, the challenges a propane marketer face are the same. There are many options in the marketplace; it's worth reviewing some of the most sought-after features to assess how your current solution matches up.

Degree-day forecasting has been the most popular method of gaining efficiencies by performing optimal fills. Drivers have used this for many years, before software was ever implemented in the office. Not having this in your software presents many challenges.

One challenge is scalability. Each driver is likely to spend 15 to 30 minutes a day recalculating burn rates. Another challenge to overcome is when the most pertinent information on how to deliver to customers resides with the driver, and many times is undocumented. Having a system in place that recalculates burn rates with every delivery is key to improving operations. We have seen companies eliminate one to two stops a year per customer compared to a standard 30-day delivery cycle.

Tank monitor readings are excellent to accurately determine when customers with unique usage patterns need deliveries. Integrating the readings into your solution will help automate the creation of orders when

the percentage in the tank reaches reserve levels. While tank monitors are becoming more affordable, they have yet to reach a level in which they can be placed on every tank.

We utilize tank monitors to recalculate burn rates with every reading. If a monitor goes offline, a delivery can still be forecasted based on recent usage. This also gives the option of rotating the same tank monitors across new customers to help get an accurate burn rate without waiting for three or more deliveries. After the second delivery, the tank monitor can be moved to the next customer, allowing you to maximize your investment.

Once orders are created at the office, communicating to drivers has traditionally been done via printed delivery tickets. In-truck billing can eliminate the need for costly preprinted delivery tickets. In addition, it can simplify the production of invoices and reduce payment-collection time. With an integrated system, a driver can have current information on accounts receivables, pricing, contracts, tank details and more. Solutions integrated with electronic meters can also prevent theft by reconciling on-truck inventory and meter totalizers.

Least-cost routing is the tool that pulls together all of the deliveries you are planning to make, and uses technology to map the most efficient routes to reduce miles and time. The more efficient the routing, the lower the operating cost of each delivery. Least-cost routing will allow for more deliveries with the same number of trucks and drivers.

Often overlooked is the benefit of

having one integrated solution versus multiple best of breed. Typically, it is easier for staff to learn and use a single enterprise resource planning solution that has all of the necessary components to run your business. Operation tools that are tightly integrated to accounting will provide ongoing benefits in research and one version of the truth.

As you take a moment and reflect on your business' current and future needs, consider what role technology will play in it. You will likely end up evaluating your current software provider and seek what is available in the marketplace. In evaluating solutions, you should consider many factors to select the right partner: How long will you keep the product and what is the total cost of ownership? How long will the company be around to offer service? How current is the technology offering?

Software companies come and go, but the ones with a long history of customer service and on the latest technology are best suited to evolve with the changing needs of the industry. Very similar to the propane industry, software companies that are not keeping up are likely to disappear as their customer base decreases or be acquired by a company with the ability to leverage their technology across a larger customer base. **LPG**

Brian Kay has more than 13 years of experience implementing and building next-generation solutions for the energy/propane industry. He can be reached at brian.kay@irely.com or 800-433-5724, ext. 2145.