

Sippin Energy Products

SUCCESS STORY: TANK MONITORS TO MAXIMIZE DELIVERY EFFICIENCY BY PRIORITIZING TANK DELIVERIES

Sippin Energy Products is a full-service heating oil, propane and HVAC marketer serving the Fairfield County, CT area for 100 years. Currently lead by Gary Sippin, Sippin Energy has been family-owned for three generations and prides themselves on their personalized dependable service. Over the past 15 years, Sippin Energy Products has adopted tank monitoring technology and relied heavily on the monitor's reporting capabilities to drive their delivery department. When their tank monitoring provider went out of business, they needed to find a new partner and fast.



THE CHALLENGE

Between ancillary heat sources and the misleading interpretation of delivery averages, it was virtually impossible for Sippin to know when customers actually started using oil or propane for central heat and how efficient his delivery department was. While Sippin has used K-Factors in the past, he realized that a 187 average drop wasn't as reliable as he thought. The details of his deliveries revealed an EKG like graph, with more-than-anticipated run-outs and short deliveries. "70% of marketers underestimate the cost of short deliveries when compared to run-outs" says Sippin as he explains how this huge operational cost often falls below the radar of most marketers. Relying on averages and K-Factor predictions wasn't enough to drastically improve his 14-truck delivery department.

TIPS FROM GARY: Three things every energy marketer needs to know before implementing an electronic tank monitor:

- 1 A wireless tank monitor program will not be successful without a strong collaborative effort by both the vendor and the energy marketer.
- 2 It's important to assign tank monitor management responsibilities to one key person at the energy marketer location. That person should be accountable for the maintenance and management of the system.
- 3 Training for administrators and field technicians is imperative to ensure program success.

SOLUTION

After Sippin's monitoring provider went out of business, the GREMLIN tank monitoring solution was an ideal option to allow Sippin to maintain their current benefits of monitoring tanks, which include customer retention and operational savings. "Upfront costs are modest with GREMLIN, which made it more feasible to get monitors on more tanks" Gary said. "Our best experience has been with systems that measure tank levels with ultrasonic sensors, and the GREMLIN has that. Angus has also been a fixture in our industry for many years, so stability and longevity mattered quite a bit" continued Gary.

RESULTS

The GREMLIN heating oil tank monitors proved to be an effective and reliable monitor to supplement Sippin's pledge to their customers. Between utilizing tank monitors and some additional technology, Gary believes to have saved 3-4 trucks. With tank monitors Sippin successfully:

- Increased his customer retention with the promise of a "no run-out guarantee", backed by a \$25,000 damage protection fee, proving how much he believes in tank monitors
- Decreased ancillary costs associated with inefficient deliveries like small drops
- Minimized the guessing for accounts that, no matter what they did, could never be forecasted efficiently