



Case Study #1: Kamps Propane #15 Retail Operation

Customer Success Story

Company:

Kamps Propane is one of California's leading independent energy companies with 150 employees, retail offices in 10 locations throughout California and a wholesale business supplying propane to dealers in (8) western states.

Location:

Manteca, California

Industry:

Propane Distribution

Problem:

Kamps existing fuel delivery processes were outdated resulting in fuel delivery inefficiencies that negatively impacted retail branch profitability, revenue and growth.

Solution:

Kamps chose to test full deployment of The Fuel Web's *e-Fuel* Delivery Management business platform at their #15 retail operation, anticipating 5 key benefits:

- Decrease out of gas calls.
- Decrease non-delivery stops.
- Increase fuel delivered with each stop.
- Increase the number of daily deliveries.
- Decrease after hours deliveries.

Result:

The elimination of inefficient business processes resulted in the following for Kamps routed customers:

- Decrease in out-of-gas calls by 96%.
- Decrease in non-delivery stops by 90%.
- Increase in fuel delivered by 18%.
- Increase in daily deliveries by 15%.
- Near elimination of after hours deliveries.



Problem

Kamps Propane is one of the most successful energy supply companies in the Western United States, delivering liquid propane gas to residential, recreational, commercial and agricultural customers throughout the State of California.

After an in depth analysis of its business processes, Kamps Propane uncovered numerous inefficient processes that were in place at their retail operations. The most costly of the inefficient processes involved the accurate forecasting of a customer's usage of propane. In particular, their ability to accurately determine a customer's usage during seasonal transitions (Fall to Winter / Winter to Spring) and after new customer installations. Using their existing Degree Day process, it was nearly impossible to accurately determine a customer's usage of propane under these scenarios and therefore caused costly inefficiencies in the delivery management of propane at all Kamps Propane retail operations.

The propane industries use of the traditional Degree Day method to determine a customer's K-Factor (the number of Degree Days it takes for a customer to burn one gallon of fuel) was developed in the 1950's by the petrochemical industry and was considered by Kamps Propane an outdated process taking into account today's advances in technology and available business processes. For Kamps Propane to meet its aggressive growth goals and continue to increase profitability and revenue, these inefficient processes needed to be replaced.

Solution

Kamps Propane determined that by automating its retail operations using a new business platform that replaced the inefficient processes with modern technology and business process methods provided by The Fuel Web (TFW), retail operations could automate and optimize fuel deliveries for each customer.

The decision was made to fully deploy the *e-Fuel* solution at the Kamps Propane #15 retail operation. The process involved the planning and implementation of:

- 1) Integration of TFW *e-Fuel* Delivery Management and Kamps accounting database systems.
- 2) Training of Kamps branch staff on tank monitor installation processes and use of the *e-Fuel* Web-based Delivery Management System.
- 3) Installation by branch personnel of The Fuel Web tank monitors on all 2,800 of Kamps routed customers.

Result

After its 1st year of operation with the *e-Fuel* Delivery Management system fully deployed as planned, Kamps Propane #15 Operating Location quantified the following performance results:

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|---|------|
| • Decrease in out-of-gas calls for routed customers: | 96%. |
| • Decrease in non-delivery stops to routed customers: | 90%. |
| • Increase in fuel delivered with each stop: | 18%. |
| • Increase in daily deliveries: | 15%. |

For more detailed information on this case study, please contact The Fuel Web at 425.888.4001 or www.thefuelweb.com.



The Benefit:

The benefit for #15 retail operation was the near elimination of after hours and weekend deliveries and an additional 387,000 gallons of propane delivered to customers without the need for additional vehicles or personnel.

“The total delivery efficiency gain to our retail operation utilizing e-Fuel Delivery Management system in our daily operations is impressive. During this last fall, winter and now going into spring we have virtually eliminated all out of gas calls and non-delivery stops at our routed customers. In past winters, we ran bobtails after hours and on weekends just to keep up with our customer demands. This last winter we were able to maintain a high degree of service our customers during normal business hours, while we watched our competitors dispatching bobtails after hours and on weekends.”

Our future plans for the e-Fuel Delivery Management System includes automating our delivery vehicles with the e-Fuel Mobile application to automate our delivery transactions and to install tank monitors on our will call customers in order to proactively contact and schedule these customers in our daily delivery routes efficiently.”

- Tim Blankenheim – Manager of Kamps Propane #15.



“During the worst weather of the year (20 degree temperatures, snow and rain) our store was able to stay on top of our deliveries because of The Fuel Web information we were able to use each day. Using this information we were able to almost eliminate all after hour and weekend deliveries. Meanwhile the competition was on the road with emergency deliveries on the weekends and during off hours”

- Ernie Burgess – Assistant Manager of Kamps Propane #15.

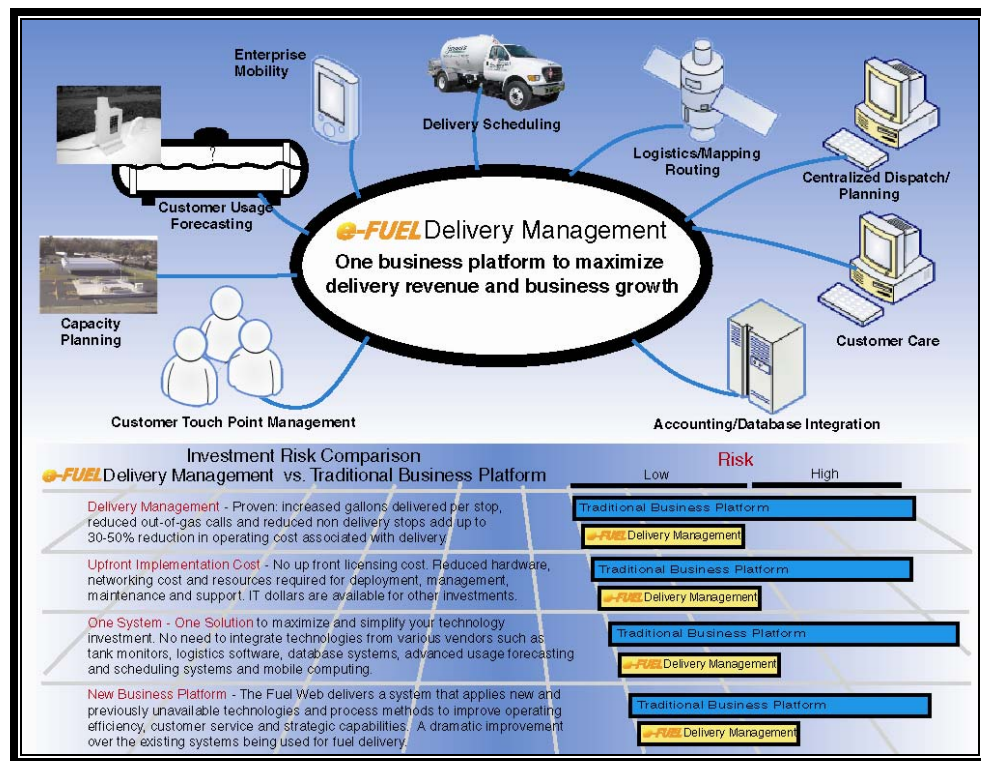


Figure 1 – The e-Fuel Solution for the Delivery Management of Fuel

Highlights

- Decrease in out-of-gas calls for routed customers: 96%.
- Decrease in non-delivery stops to routed customers: 90%.
- Increase in fuel delivered with each stop: 18%.
- Increase in daily deliveries: 15%.