

GH Berlin on Target for \$250,000 Annual Savings

A couple of years ago, Dave Waltz, president of GH Berlin Oil Company began looking into remote tank monitoring to help his company handle customers on the periphery of its territory more efficiently. These customers were the farthest away, hardest to service and least cost-effective per delivery. Waltz knew that he had to find some way to serve these customers better or they would be snatched away by the competition, but at the same time he wanted to make sure that every delivery out to these customers was both practical and profitable.

Distribution Efficiency

GH Berlin looked into and tested three different remote tank monitoring systems and decided that the Centeron Wireless Monitoring System was both the easiest to install and operate and the most reliable. The company initially purchased 25 systems and placed them on the tanks of its most distant customers. Within a couple of months, GH Berlin could see that its test of Centeron was going to be very successful. It had completely eliminated run outs to these customers and was able to reduce the number of bi-monthly deliveries from 26 drops per year to 18 - a savings of over \$400 per year per customer.

Inventory Management

Excited by the success of its first Centeron trial, GH Berlin began to explore other ways that the Centeron System could be used. The company decided that using Centeron for inventory control among its bulk facilities could offer a huge cost-savings opportunity, so it installed both high-level alarms and tank monitors on all of the bulk storage tanks at its Hartford and Canterbury plants.

GH Berlin uses Centeron to measure the accuracy of incoming deliveries at their bulk facility by capturing tank level readings before and after each load. They also use the system to keep track of inventory levels more efficiently and accurately between deliveries. Before installing Centeron, one employee was needed at each bulk facility to track and manage inventory, but now the same person uses readings from Centeron monitors to buy product for Hartford, Brewster, Canterbury and GH Berlin's new facility in New York.

"You have to look at Centeron from two angles," said Waltz, "Improved accuracy, faster turns, less on-hand inventory and fewer inventory control people allow your internal business to



"As the smaller distributors get bought out by big distributors and their territory gets broader, it's absolutely a no-brainer to incorporate Centeron. You almost have to use it to realize any profit on outlying customers."

function more efficiently, while eliminating run outs, maximizing deliveries and reducing paperwork help you retain customers and become more profitable.”

Customer Service

Eager to extend the cost-saving trend established with the company’s first two Centeron trials, GH Berlin decided to purchase 500 additional systems to be placed on customers’ tanks. The company will charge these customers a nominal monitoring fee each month and allow them to view up-to-date details of their product usage history, via Centeron’s customer-specific internet portal. “We think this is a service that most of our customers would like to have,” stated Waltz. “For example, we have a lot of construction companies that use hydraulic oil. One day they break a hose and use the last of their bulk oil to fill up. If this customer was on ‘route-fill’ we may not be scheduled to make a delivery before they need more, but with Centeron we can see that the tank was emptied unexpectedly and automatically schedule a drop. Centeron is making us much more flexible with our customer base.”

But Centeron is doing more for GH Berlin than just eliminating run outs and improving delivery efficiency. It also helps save money by eliminating pump-backs. “In the old days, you were

hunting and guessing how much oil a customer would take, so you didn’t know how much product to put on the truck,” said Waltz. “Now we know exactly how much product the tank will take, so we know how much to put on the truck.”

Integration

Over the next few months, GH Berlin will begin to integrate the tank level information it receives from Centeron into its order generation and billing system. When this step is complete, the system will automatically generate a ticket with the exact amount of product needed, for each tank that requires a delivery. “I can’t really believe that any big marketer who does a decent bulk oil business does not go to this system,” said Waltz. “Once we tie the readings into our system, it is going to eliminate all of the guesswork out of how many gallons when and where, and maximize our deliveries.”

Results

One year ago, GH Berlin’s average drop on a 275-gallon tank was about 140 gallons. Today the average is up to 190 on monitored tanks and will soon reach its goal of 200 gallons per drop. The company estimates that Centeron will help eliminate at least 10 percent of its bulk deliveries and achieve savings of over \$250,000 per year.



“If I can sell this service for a few dollars per month and make my customer happy by showing him where his usage numbers are, the system becomes an invaluable asset – it is as much a vehicle for retaining customers and topping competitors as it is a method for improving efficiency.”

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