

No More Kicking the Tank: Howell Oil Grows While Improving Service

by Sam Cannariato

Executive summary

Howell Oil adopted Centeron Wireless Tank Monitoring system for its customers, resulting in added business and more efficient operations.

Introduction

It should go without saying, and it probably does, that when you are responsible for keeping fuel and lubricant tanks full, they should never be empty. An empty tank is an unhappy customer; but even more so, it's a disruption to the workflow of your business. So, there's really no ambiguity about it: full tanks are to be desired.

Operating under this theory, Jared Howell, business development manager, Howell Oil, endeavored to do just that. Relying on a piecemeal system of client-provided inventory management, he diligently stayed in touch with his customers and made sure that they had what they required to operate. Customers relied on him, and he wasn't going to let them down.



Kick the Tank

Every customer had their own method of monitoring tank levels—some as simple as dropping a stick into the tank to measure its contents, and some as colorful as kicking the tank to listen to what sound it made. Believe it or not, this is not a highly accurate measurement strategy.

When viewed through the logistical lens, empty reserves are bad; so are full tanks, or tanks at maybe 80% capacity. To fill these tanks, Howell Oil must dispatch a truck to the customer site. Set-up and tear-down times are uniform, regardless of how much fuel they add to the tank. And with the aforementioned inventory methods being unreliable, Howell decided the best way he could serve his customers was find a way to monitor the tanks remotely. To do so he partnered with Schneider Electric and deployed its Centeron Wireless Tank Monitoring (WTM) solution.

80% Increased Efficiency

Howell Oil can see exactly how much liquid is in each tank—in real time.

Now it was no longer necessary to kick the tank. By employing WTM, Howell Oil can see exactly how much liquid is in each tank—in real time. Instead of customers wasting time checking their tank levels every day, Howell Oil can use an IIoT solution like Schneider Electric's online web view and see the fill rate percentage remotely and schedule deliveries in such a way as to maximize their efficiency. Because he embraced a digitalized strategy, Howell estimates his deliveries are now close to 80% more efficient.

By studying how each customer uses fuel, Howell ensures his drivers are delivering new stock at optimum times—when levels are low enough to justify making the run, but not so low as they are in danger of running out. It's a win-win, because it removes measuring tank levels from the customer's to do list, and allows Howell to schedule deliveries based on business sense, not geography; gone are the days where trucks would top off tanks nearby since they were in the area. Now, if customers call to order more stock, "it's not unusual for them to see the trucks driving up to make a delivery already, based on information from the WTM," said Howell. "It has definitely improved relations."

Figure 1

IIoT technologies allow
Howell Oil to monitor tanks
remotely and efficiently
maintain stock levels.



Increased Efficiency, Increased Scope

This level of operational efficiency has allowed Howell Oil to increase the scope of their operation significantly—they have added over a million dollars in equipment since they began to use WTM. Before, adding new clients was difficult—sometimes it meant physically covering a huge amount of space to get to the tanks and check the levels. Furthermore, clients have different needs and different busy seasons. Tracking their stock manually made large-scale expansion a headache, since adding clients meant adding trucks to cover them as well as existing customers—an exponential problem of scale. Now, Howell Oil can confidently monitor far more customers. "I estimate we've grown by at least 50%," said Howell.

Such growth might lead to mistakes, but the access to information allows Howell Oil to provide exceptional service, even when nature throws them—and everyone—a curve ball. During Hurricane Michael in 2018, "we had a 0% run out. The reason we were able to achieve this was Centeron." When disaster strikes, we rely on energy to get us back to normal, and Howell was able to meet this need for his customers in an incredibly stressful time.

"I estimate we've grown by at least 50%."

Howell

Conclusion

As efficiency—both time and energy—become a more valued commodity, real-time awareness of stock levels is now a critical measurement for keeping deliveries optimized. Combining web-based access and proven measurements, Centeron Wireless Tank Monitoring has allowed Howell Oil to focus on growth, while maintaining the high levels of service their customers demand. Instead of kicking the tank, they have kicked their operation into high gear and high efficiency. It has also significantly increased the profitability of their operation.





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