



## Delivery efficiency

North Carolina retailer aspires to stand with best in logistics business.

**A**rmistead Mauck hopes to one day relate his company, Cherry Energy, to the likes of Amazon, FedEx and UPS. In some ways, he's already doing so.

"No question, all of us in this industry are in the logistics business," the vice president and co-owner at Cherry Energy says.

He calls these delivery companies "our inspirations."

"When the FedEx guy comes to my house, he pulls his Motorola handheld out. I sign it, and no sooner than I walk in the door and sit at my computer, I get an email showing the delivery to my house and that I signed for it.

"We aspire to do that."

Mauck says successful logistics companies like these make the process of doing business with them easy.

"Ultimately our goal is to use technology to do business better and more efficiently than anybody out there so we can treat our customers better than anybody else and differentiate from the competition," he says.

### The next FedEx?

Cherry Energy, a propane, fuel oil and gasoline retailer in Kinston, North Carolina, is following a similar path with its dispatch system. But the transition didn't happen overnight.

In fact, the company first identified the concept of delivery efficiency in 2008 and spent the next two years talking about the possibilities and considering the payback of adopting dispatch technology. Installation of the technology to remotely dispatch, track and confirm delivery in real time and invoice on the same day began in 2010.

Seven years later, Cherry Energy continues to adjust and implement parts of the dispatch system. The system operates on eight delivery trucks, including five propane bobtails, as they travel to about 3,500 active tanks.

Around the same time, as part of the process to explore the delivery efficiency concept, Cherry Energy invested in tank monitors for those customers that are difficult to forecast. The retailer uses about 100 monitors, occasionally moving them to different tanks in order to build a consumption profile.

"We collect data on tank assets," Mauck says. "An example of an asset might be a furnace or a cooktop. Each asset has a different consumption profile. One might be based on degree-days and another on fixed daily usage. It's the same for commercial customers.

"All of this is based off [the idea of] 'Take control of routing your truck,'" he adds. "Don't give that control to your customer because every customer wants you to do something different."

Cherry Energy's next technology push is delving deeper into truck routing so drivers can make the best use of company time.

"It's like Disney World. We'll never finish" considering the possibilities with technology, Mauck says. "That's what makes it fun. You get up every day and have something else to work on."

### What it takes

Mauck stresses the importance of a retailer's full commitment to technology.

"It never moves as fast as you want," he says of the process, noting the patience and discipline companies must show to implement a system correctly

and realize a return on investment.

Getting buy-in from employees and customers is also a big part of the process, he says. Otherwise, a company won't take full advantage of its investment; employees will stray from the technology's intended usage; and customers won't understand how retailers are trying to make their lives easier.

"Go to your employees and say 'Here's what we're looking at' so they know where you're taking them," Mauck says.

Also, before going all-in on technology investments, Cherry Energy hired an IT member for its staff and then began shopping for vendor partners. The company has been using dispatch and tank monitoring solutions from SkyBitz, integrated with a software solution from DM2.

Mauck says it's important that vendor technology companies work well together and that their leaders show a willingness to listen, work with and support retailer customers throughout the process.

"It's not [just] the software solution you buy or what you're trying to accomplish. It's the stuff in the middle," he says. "Can you get what you want out of the software? Can the guy who works for your company understand how you operate delivery? It's the stuff in the middle." **LPG**

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