

# OILHEAT ADVISOR

SPRING, 2000



A Newsletter for the Oilheat Industry from Gray, Gray & Gray Certified Public Accountants

## Oilheat Industry Survey 2000

This marks the ninth year in a row that Gray, Gray & Gray has “taken the pulse” of the oilheat industry in the Northeast. Our annual survey has met with acclaim throughout the industry.

This year’s survey should be no exception. We’ve tried to keep some of the more popular questions regarding business operations and performance benchmarks. At the same time, we have included some questions that are very specific to this year’s tumultuous heating season.

In a year that has been difficult for all involved, this is a good time to reflect on what went right, what went wrong, what you can do to improve your company and how your business compares to others in the industry.

Please take a few moments to take the survey which you’ll find on the reverse side of this edition of “Oilheat Advisor.” Then fax it back to Gray, Gray & Gray at: (781) 407-0303.

If you prefer, you can complete the survey online

at our web site ([www.graymail.com](http://www.graymail.com)), or at our FuelExchange web site ([www.fuelexchange.com](http://www.fuelexchange.com)).

As always, ALL responses will be kept in the strictest of confidence.

If you wish to receive a copy of the results of the survey, please include your name, company, address and e-mail address. We’ll forward the results (including a state-by-state breakout) as soon as they are compiled.

Thanks again for participating in our annual Oilheat Survey. As “The Next Generation in Oilheat and Petroleum Accounting,” Gray, Gray & Gray is always ready to help you find ways to make your business more profitable.

*John Nardoizzi*



CERTIFIED PUBLIC ACCOUNTANTS  
**THE NEXT GENERATION IN ACCOUNTING**

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### Members





Thank you for participating in Gray, Gray & Gray's Ninth Annual Oilheat Industry Survey. We are interested in your opinions and information about your company and our industry. All information is confidential. Please complete this survey, then return it to us by FAX to: (781) 407-0303. Or access the on-line version of our survey at [www.graymail.com](http://www.graymail.com), or [www.fuelexchange.com](http://www.fuelexchange.com). If you choose to include your name, company and address, we will send you a copy of the results.

1. Company gross margin (check one in each column):

1999 (actual)

2000 (expected)

- |   |   |
|---|---|
| <input type="checkbox"/> Up significantly   | <input type="checkbox"/> Up significantly   |
| <input type="checkbox"/> Up slightly        | <input type="checkbox"/> Up slightly        |
| <input type="checkbox"/> No change          | <input type="checkbox"/> No change          |
| <input type="checkbox"/> Down slightly      | <input type="checkbox"/> Down slightly      |
| <input type="checkbox"/> Down significantly | <input type="checkbox"/> Down significantly |

2. What was your average TARGETED margin during the heating season just ending? \$ \_\_\_\_\_

3. What was your full selling price for a gallon of heating oil on:  
February 1, 2000? \$ \_\_\_\_\_  
March 1, 2000? \$ \_\_\_\_\_

4. How many oilheat customers do you have?  
Residential: \_\_\_\_\_ Commercial: \_\_\_\_\_

5. Which of the following employee benefits do you offer? (check all that apply)

- Group Life Insurance
- Group Disability Insurance
- Group Long Term Care Insurance
- Retirement Plan (401k)
- Cafeteria Plan (Section 125)
- Paid Vacation
- Paid Sick Days
- Education Assistance
- Signing Bonus (new employees)
- Recruitment Bonus (existing employees)
- Group Health Plan \_\_\_\_\_% company paid

6. Which of the following does your company offer? (check all that apply)

- Guaranteed pricing
- Price cap
- Budget payment plan
- Service contracts
- Free oil for new customers (oil coupons)
- Free service for new customers
- Tank monitoring system
- Central air conditioning
- Plumbing service
- Heating system installation

7. What is the AVERAGE hourly rate you pay:

Service Technicians \$ \_\_\_\_\_ per hour  
Service Manager \$ \_\_\_\_\_ per hour  
Dispatcher \$ \_\_\_\_\_ per hour  
Delivery Drivers \$ \_\_\_\_\_ per hour  
Sales People \$ \_\_\_\_\_ per new customer

8. Do you offer performance incentives to:

Service Technicians	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Dispatchers	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Delivery Drivers	<input type="checkbox"/> Yes	<input type="checkbox"/> No

9. What is the maximum price you charge for a service contract? \$ \_\_\_\_\_

10. What is the average number of service calls per day, per service technician you make (in season)? \_\_\_\_\_ calls

11. What is the average number of deliveries made per driver each day (in season)? \_\_\_\_\_ deliveries

12. What is your average drop (gallons delivered per stop)? \_\_\_\_\_ gallons

13. Excluding product (oil), what is your estimated cost per delivery? \$ \_\_\_\_\_

**Please use this formula to determine delivery cost:**  
**Add:** Driver Payroll + Payroll Taxes (use 8% of payroll or actual) + Employee Benefits (use 11% of payroll or actual) + (Vehicle Cost (cost = 10 years) x number of vehicles) + Vehicle Expenses + Insurance (except health/life).  
**Divide:** Total by Total Number of Stops per Year

14. What other energy products do you sell? (check all that apply)

<input type="checkbox"/> Propane	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Coal
<input type="checkbox"/> Gasoline	<input type="checkbox"/> Diesel fuel	<input type="checkbox"/> Heavy Oil
<input type="checkbox"/> Kerosene	<input type="checkbox"/> Electricity	<input type="checkbox"/> Other _____

15. What is the single biggest challenge facing your business right now (please check one):

- Volatile oil prices
- Competition from other dealers
- Competition from utilities
- Finding/keeping employees
- Stability of oil supply & prices
- Insurance costs
- Banking relationships
- Environmental regulations
- Other \_\_\_\_\_

16. Did this season's price spikes negatively affect any of the following relationships?

- |  |                                      |
|--|--------------------------------------|
| <input type="checkbox"/> Customers                                 | <input type="checkbox"/> Supplier    |
| <input type="checkbox"/> Banker                                    | <input type="checkbox"/> Employees   |
| <input type="checkbox"/> Family                                    | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> My desire to stay in the oilheat business |                                      |

17. Did the price spikes affect how you will buy oil next year?

- I will make more contract purchases
- I will make fewer contract purchase
- I will make no contract purchases

18. How much do you realistically think your business is worth?

- Less than \$200 per customer
- \$200-\$300 per customer
- \$400-\$500 per customer
- \$600-\$700 per customer
- \$800-\$900 per customer
- More than \$900 per customer

19. In the next 12 months, do you expect to change or upgrade your company's computer system?

- Yes
- No
- Not sure
- Recently upgraded

20. If "yes," to what platform will you upgrade?

- |                                |                                    |
|--------------------------------|------------------------------------|
| <input type="checkbox"/> Unix  | <input type="checkbox"/> Windows   |
| <input type="checkbox"/> Linux | <input type="checkbox"/> Macintosh |

21. Does your company have a web site?

- |                              |                             |                                  |                                |
|------------------------------|-----------------------------|----------------------------------|--------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Planned | <input type="checkbox"/> Never |
|------------------------------|-----------------------------|----------------------------------|--------------------------------|

**BONUS QUESTION (optional)**

22. If the Presidential election were held today, which candidate would receive your vote:

- Bill Bradley
- George W. Bush
- Al Gore
- John McCain
- Other \_\_\_\_\_

If you would like a copy of the results of this survey e-mailed to you, please include your name, company and e-mail address.

Name \_\_\_\_\_ Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone(\_\_\_\_) \_\_\_\_\_ E-Mail \_\_\_\_\_

I would like to be contacted about the following:

- Accounting/Consulting services.  FuelTrack management analysis report.  FuelExchange merger & acquisition service.