Chemical Company Increases Routing Efficiency

TankLink

When ChemStation, the Ohio-based supplier of environmentally friendly cleaning chemicals, was in its infancy as a company, founder and CEO George Homan recognized an immediate challenge — one that would help determine whether ChemStation would survive those early years so perilous to all new businesses.

TankLink's web portal provides 24/7 critical information to enable the most efficient replenishment and delivery decisions.

The challenge was making their deliveries more efficient. ChemStation supplies customers with industrial soaps, which those customers use to clean everything from eggs to musical instruments to goose down to automotive mufflers. This variety of clients with such an array of needs meant a lot of guesswork when it came to replenishing stock. At times, the ChemStation trucks would be dispatched to top off the tanks of customers and have either not enough soap or come back with too much left over, which couldn't be reused.

Homan knew that he needed to develop some kind of monitoring system that would tell him which customers needed product when and exactly how much they needed. At first, ChemStation tried to develop an in-house solution. One problem was that the soap tanks that ChemStation supplied to its clients were often placed directly in "harm's way" — deep within coal mines, for instance. As such, monitoring equipment was prone to physical damage, and in many instances the phone lines — the necessary mode of monitoring communication in those days — would be exposed to water, which, to say the least, was problematic.

So then they turned to two-way radio monitoring. That system, however, necessitated close physical proximity to an existing landline, and it also created audible interference with the customer's phone line. That simply wouldn't do.

Even the advent of cellular technology didn't entirely solve the problem. ChemStation faced challenges when it came to powering its early cellular monitoring devices (they tried motorcycle batteries at one point). Beyond those

more rudimentary obstacles, there was the fact that carriers in those days were almost solely voice-oriented and were not willing to accommodate the rare customer who needed data service and data service only. That wouldn't change until the market demanded that carriers decouple voice and data services. When that finally happened, better monitoring technology resulted.

The same enterprising spirit that led ChemStation to recognize and attack the problem of delivery inefficiencies eventually led them to TankLink.

TankLink's remote-telemetry hardware monitors chemical levels and then uploads the data to a server, which is them immediately accessible by both supplier (ChemStation, in this instance) and customer. This system provides transparency, and the readily available, real-time data helps ease the customer's transition to a truly need-driven delivery schedule. As well, the fact that TankLink's monitoring equipment is installed inside the container prevents damage to the equipment — an important consideration if your tanks end up in some perilous places, as ChemStation's do.

By using TankLink's remote inventory data solution, ChemStation was at last able to maximize fill efficiencies by knowing the precise needs of each customer. As a direct consequence, ChemStation was able eliminate all Friday deliveries, in addition to consolidating routes on other days. Not only did this reduce fuel costs and labor hours, but it also meant fewer traffic accidents by drivers, which is a leading source of loss exposure for a company like ChemStation. And all of that is to say nothing of the money saved via the reduced need for invoicing. In essence, the same customer base is supported with measurably fewer resources. The savings that result can of course be used to grow the business elsewhere.

On another level, ChemStation's business is built around supplying customers with what Homan himself describes as a "low-priority item" — i.e., something not directly related to the product or service they sell. Regardless of what the customer's business is, what's used to clean the product or component isn't likely to be foremost on the mind of managers. Since remote monitoring allows ChemStation to make fewer deliveries, that means fewer interruptions for those managers. That, in turn, means less time away from the core mission of the customer's business. Remote monitoring allows ChemStation to be a more seamless part of their client's business, which is exactly what customers want from a low-priority supplier.

Telemetry also satisfied the customer's thirst for data. Even with a low-priority product like ChemStation's cleaning chemicals, customers — whether car dealerships with 120-gallon drums or large-volume clients like drilling rigs in the Gulf of Mexico — appreciate being able to monitor usage across facilities. And because TankLink's remote monitoring system requires no infrastructure on the part of the end user, the transition is largely a seamless process for the customer.

As always, implementing telemetry requires a bit of a culture change within the organization, particularly for a franchise business like ChemStation with more than 60 licensees nationwide. However, as Homan and all of ChemStation have learned, the benefits — vastly more efficient routing, lower costs, client appeal — make

remote monitoring well worth the investment.

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