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From piling up compost heaps to tapping recycled vegetable oils, small businesses are gearing up in new ways to control gas costs.

Scott McAdam in McAdam Landscaping's compost pile. The nursery, by doing its own composting, saves the cost of 20 daily truckloads to an off-site location.

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—Scott McAdam

**S**cott McAdam personified a lot of small-business managers. His Chicago-based company, McAdam Landscaping, with a fleet of 25 trucks, had spent \$118,000 on gasoline the first half of 2008, up \$47,000 from the previous six months. He knew that things couldn't continue this way. He also knew he couldn't pass on the fuel costs to his customers, even if he wanted to. “We have maintenance contracts that extend three years out,” McAdam says. “We really can't go back and ask for higher fees, so we have to be creative in trying to tighten up somewhere else.”

Across the nation, entrepreneurs and small businesses have been doing just that: being creative, refusing to let high prices cost them—not just money but their entire businesses—and proving that in an era of soaring fuel costs, a business can still excel.

But it takes some creative thinking, particularly if you use fuel frequently.

All businesses experience the effects of rising gas prices, but none more so than businesses that regularly rely on transportation to survive.

So while the megacorporations drill for oil, you can dig into this story for ideas and ingenuity that just might help you develop a strategy for a happy ending.

#### Idea #1: Study Your Infrastructure

McAdam did what many business owners are doing: manage costs. He tries to minimize overtime and schedules his maintenance crews to service yards in the same neighborhoods, improving “route density,” so they aren't driving all over the city wasting fuel.

He considered “electric blowers and electric this,” but found himself fretting that it would only be a matter of time before some litigious-minded pedestrian would trip over the cord.

But he really found a sweet spot of savings when he bought a soil recycling machine. It can take the debris out of the earth, so crews are able to

reuse and improve the customer's soil rather than trucking in replacement dirt. These machines typically cost \$88,000, but McAdam calculates that the purchase will save him \$70,000 in trucking costs a year.

“So for us, it makes environmental sense and dollar sense,” says McAdam.

#### Idea #2: Spend a Little Time, Not Money

Nothing groundbreaking here... but not everyone knows this, so it's worth mentioning: There are websites such as [GasBuddy.com](#), for one, and [Automotive.com](#) that will help you locate the cheapest gas prices for your drivers who are filling up.

[GasRunner.com](#) is a fairly new mobile-optimized website that allows consumers to search for the lowest gas prices from a mobile phone.

#### Idea #3: Reuse your oil

Clean Burn might be a company that your business should get to know. Clean Burn sells boilers and



## Quick tips for saving gas

**Check your tire pressure daily** → But don't overinflate—the myth of overinflating tires saving gas is just that, and it results in a rougher ride.

**Lock your vehicle's fuel tanks** → Siphoning gas has come back in vogue, and a big or small commercial truck is going to look awfully tempting to a crook.

**Turn off vehicles** → Encourage your drivers to reduce their idling time.

**Consolidate** → If there is a lot of extra space in a delivery truck, determine whether you can possibly wait until you can fit in another delivery into the vehicle. Fewer trips result in less money spent.

**Install GPS in your company vehicles** → You can monitor and curtail unauthorized use of vehicles, especially during nights and weekends.

**Find out where people live** → Before you hire a contractor or new employee, if they're going to be using company vehicles, you might want to consider where they live.

furnaces that run on used motor oil. If you have an auto mechanic shop, a bus company, an ambulance service or you repair RVs or boats—in other words—at least one of your employees is usually covered in used motor oil, you could invest in a Clean Burn product and in return use your motor oil for free heat. And if you're paying money to have your used motor oil taken off the premises you'll save money there, too.

#### Idea #4: Got vegetable oil? Or want some?

Wing Zone, a 120-unit delivery and takeout national chain, is in the testing stages of using its own discarded vegetable oil as fuel. It makes sense. Vegetable oil is becoming a viable alternative fuel, Wing Zone has plenty of it, and it delivers food. Will it work for your business? If you drive a lot, it might, says Jeff Daughenbaugh, director of construction for the Wing Zone Franchise Corporation. “Wing Zone is saving about \$140 per week right now at our training store. That's \$7,280 a year. Also consider the maintenance costs—approximately \$400 a year—so actual savings will be about \$6,880 a year. If conditions are right for someone, they can save money, but it all depends how much they plan on driving.

“For someone with a long commute, this is a home run. If you plan on driving only a few miles a day, it will take some time for the system to pay for itself, and I'm not sure you'd want to take up this endeavor.”

You don't have to have your own vegetable oil to consider using it as a fuel. Plenty of restaurants use

vegetable oil, and that can be an opportunity for businesses that need fuel. College Hunks Hauling Junks may be a franchise business with a funny name, but it's a serious business, with 75 trucks in 15 cities across the country. “Gas used to be 2 percent of the budget,” observes spokesman Jesse Landis, “but now it's doubled to 4 percent. It costs \$130 to fill one of the trucks. We spend between \$4,000 and \$6,000 on gas on a month in Washington, D.C. alone. They have eight trucks.” Now several owners in the franchise have been installing converters on their trucks so they run on vegetable oil.

#### Idea #5: Partner with your competitor

Oh, it sounds crazy, all right and it may be, depending on your business. But in many instances it can work to benefit both of your businesses.

In Minneapolis, Allina Medical Transportation has a fleet of 92 vehicles, including ambulances and vans, and spent \$754,000 on fuel in 2007. In 2008 they expected to spend at least \$1.1 million.

That's why Allina has been working with LifeLink III, a Minneapolis-based nonprofit consortium, as well as a St. Paul competitor, HealthEast Medical Transportation, to decide whether they should form a cooperative to buy fuel in bulk and even to set up a gas-station-like facility for ambulances.

They've also shared fuel strategies with each other, knowing that this will help both companies. And no matter what happens to fuel prices, Allina and HealthEast likely will continue to work together, given the money they're saving by doing so.



From their homes a McAdam Landscaping crew drives straight to and from a job site and saves fuel by not driving to the nursery before and after work.