

Bulk & Terminal Products Div.  
Precision Tank Gauges  
Mass Measurement  
LP gases and NH3



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Bulk & Terminal Products Div.  
Precision Tank Gauges  
Mass Measurement  
Refined fuels, oils, and  
petro-chemicals

## Justifications for investment in mass measurement precision gauges

Almost all business investment decisions start with a need, and the economic justifications to make the investment. We would like to present a list of possibilities for you to consider.

1. It takes labor to gather your inventory data, regardless of the quality of the data. Our suggested costs for that process are:
  - A. Minutes per day per tank to get the tank reading, pass it through to accounting and operations, & perform the accounting and operations functions: 36 minutes was a consensus of a number of bulk plant operators.
  - B. \$15 per hour for these minutes
  - C. 15% overhead burden on these minutes

Obviously these numbers are very conservative. You might plug in your own realistic numbers. The below table is per tank, merely multiply by the number of tanks to obtain the total expense involved.

Per Hour	Hourly burden	Daily Minutes	Daily dollars	Weekly dollars	Monthly dollars	Annual dollars
\$15	\$2.25	36	\$10.35	\$51.75	\$222	\$2,691

2. Almost everybody has several "**no fits**" per year. A "no fit" is when a delivery arrives at a tank site and the inventory was wrong and there is not adequate space for the full delivered load. In these cases usually there is a re-routing charge, and a forfeiture of the product not delivered. Strong consensus is there at least one of these per year, at a total **expense of \$1,000 per occurrence**. (If you disagree, plug in your number.)
3. Almost everybody has "**run outs**" due to weak inventory data. A run out is when a customer cannot be served without added expense due to false inventory data. A reasonable average number for this expense is **also \$1,000 per occurrence**.

4. LPG marketers are allowed to put more product in a tank per NFPA-58 when the inventory is measured in weight (mass). Typically this “increases your inventory capacity by 10% on each tank.. This **“added tank operating capacity”** has a value of over \$15,000 per tank. To purchase and install a tank for that added capacity would cost a great deal more.
  
5. Competitive “monitors” and gauges almost all deal in “level”, which does not account for true inventory, and it is believed none are willing to meet our third party verification on each and every gauge. Using a defective calculator to balance your check book would be highly unlikely. Why use inventory tools that cannot assure you of the best available data?