

# Gray, Gray & Gray Oilheat Survey Results 2003

Our 12th annual Gray, Gray & Gray Oilheat Survey has, more than ever, uncovered the core of our industry. For the first time our survey was entirely web-based, which allowed us to ask more in-depth questions. On the down side, the anonymity of the web prevents us from breaking down the results on a state-by-state basis.

However, I think you will find the results below to be interesting and even eye-opening. How does your fuel oil company measure up against the rest of the industry?

John Nardoizzi

1a. Compared to 2001, company gross margin in 2002 was:

Up Significantly	11%
Up Slightly	49%
No Change	14%
Down Slightly	17%
Down Significantly	9%

1b. Compared to 2002, we expect 2003 gross margin to be:

Up Significantly	23%
Up Slightly	44%
No Change	18%
Down Slightly	12%
Down Significantly	3%

2. What was your average targeted margin during the heating season just ending? Avg: \$0.39

3. How many oilheat customers do you have?  
 Total (avg.): 3,446  
 Residential (avg.): 3,153  
 Commercial (avg.): 293

4. Which of the following employee benefits do you offer?

Group Life Insurance	44%
Group Disability Insurance	23%
Group Long Term Care	0%
Retirement Plan	44%
Cafeteria Plan (Section 125)	29%
Paid Sick Days	54%
Education Assistance	35%
Incentive/Performance Pay	17%
Group Health Plan	62%
Percent Company Paid (avg.):	79%

5. Does your company offer the following?

Guaranteed Pricing	42%
Price Cap	54%
Budget Payment Plan	63%
Service Contracts	44%
Free Oil for New Customers	17%
Free Service for New Customers	10%
Tank Monitoring	10%
Central Air Conditioning	33%
Plumbing Service	6%
Heating System Design/Install	54%

6. What percentage of your customers are on a "price cap" plan? Avg: 33%

7. What is the maximum price you charge for a service contract? Avg: \$180.12

8. What is the average hourly rate you pay:

Service Technicians	Avg: \$16.34
Service Managers	Avg: \$21.24
Dispatchers	Avg: \$15.99
Delivery Drivers	Avg: \$14.73
Sales Person	Avg: \$14.45

9. What is the average number of service calls per day, per service technician, you make (in season)? Avg: 5.0

10. What is the average number of deliveries made per driver each day (in season)? Avg: 26

11. What is your average drop (gallons delivered per stop)? Avg: 171.0

12. Excluding oil, what is your estimated cost per delivery? Avg: \$23.12

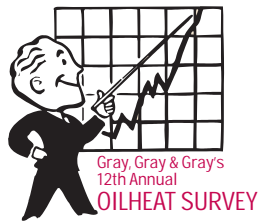
13. How much do you realistically think your business is worth?

Less than \$200 per customer	6%
\$200-\$300 per customer	22%
\$400-\$500 per customer	56%
\$600-\$700 per customer	13%
\$800-\$900 per customer	3%
More than \$900 per customer	0%

14. What type of entity is your business?

Sole Proprietorship	9%
Partnership	0%
S Corporation	50%
C Corporation	38%
Limited Liability Corporation/Partnership	3%
Subsidiary of a Larger Company	0%





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15. For the 12 months just ended, what was your TOTAL sales volume? Avg.: \$3,854,707

16. For the 12 months just ended, how many gallons of heating oil did you deliver? Avg.: 2,393,859

17. How many paid service contracts do you have? Avg.: 1,187

18. How many free service contracts do you have? Avg.: 113

## OIL DEPARTMENT (last 12 months)

19. What were your total oil sales? Avg.: \$3,062,665

20. What was your cost of sales for oil (product cost)? Avg.: \$2,044,403

21. What was your Oil Department payroll? Avg.: \$209,348  
(Drivers & dispatcher only. Does not include owner's salary.)

## SERVICE DEPARTMENT (last 12 months)

22. What was your sales volume for service contracts? Avg.: \$242,041

23. What was your sales volume for other service? Avg.: \$436,675

24. What was your cost of sales (parts) for the Service Department? Avg.: \$251,755

25. What was your Service Department payroll? Avg.: \$296,854

## INSTALLATION DEPARTMENT (last 12 months)

26. What was your sales volume for your Installation Department? Avg.: \$1,159,379

27. What was your cost of materials for your Installation Department? Avg.: \$657,675

28. What was your payroll for your Installation Department? Avg.: \$295,831

## ADMINISTRATION EXPENSES

29. What were your administrative expenses? Avg.: \$764,713  
(Includes other payroll, owner's payroll, insurance, vehicle expense, advertising, professional fees, office expense, utilities, real estate, taxes, rent, employee benefits, repairs & maintenance, retirement plans, environmental remediation, etc.)

30. How many delivery trucks did you put on the road? Avg.: 7

31. Total number of delivery stops? Avg.: 18,041

32. Number of service trucks? Avg.: 10

33. Total number of employees? Avg.: 20

34. Number of oil drivers? Avg.: 5

35. Number of service techs? Avg.: 8

36. What was your owner's salary/payroll, including bonuses? Avg.: \$121,857



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