

Controlling cash flow

COCARD executive says the positives of accepting credit cards outweigh the negatives

THIS IS AN EXCLUSIVE INTERVIEW WITH TRACY RICHMOND, executive vice president and partner with COCARD, Inc., of Beverly, Mass.

Fuel Oil News: What do you hear from fuel oil marketers as you speak with our readers around the United States?

Tracy Richmond: The story we hear is often the same, even though the price of fuel oil is lower than we all thought it would be, many homeowners and businesses are struggling to pay for their heating oil. There are loyal customers that pay within the 10 days every single month, yet there are “the other guys” who do not. There are many accounts that go out 30, 60 and 90 days and still have not paid their bill. How many times can a fuel oil marketer call and ask for payment? We feel it is wise to look for other options.

FON: We are seeing many fuel oil companies in a state of transition. One generation is passing the business or portions of the business on to the next generation. How is this affecting what COCARD brings to our industry?

Richmond: We were recently approached by a young man from the second generation of an oilheat marketing firm. He was frustrated. He knew they were losing business because they did not take credit cards as a method of payment. He would hear a customer call and he would cringe each time his customer service rep would say, “No.” Finally, he convinced his dad that it was “time to get with the program.” I followed up with him and here was his response:

“We are very happy with our choice in using credit cards. I still can’t believe my father went as many years as he did without. By now taking credit cards, we had some customers pay off their balances and sold a few larger money jobs that we may not have gotten. Most of our customers are still paying by check and/or cash, which is what we prefer to avoid fees, but more and more newer customers have been asking us if we take cards or not as

part of their evaluation. It has proven to be a great decision.”

FON: What are other solutions dealers can use to improve cash flow?

Richmond: Many of the dealers we consult with have hundreds of customers on budget plans. Budgeting is becoming more and more of a factor when homeowners are juggling expenses. So our question to a fuel oil marketer is: “How many days after the due date will you wait for a check?” We answer the question for them: Dealers that are focused on cash flow are not waiting for these checks. They are moving their budget payments to EFT (electronic fund transfers) or credit cards and are setting up these accounts to be automatically drafted on the due date. Using this method, the fuel oil dealer controls when they are paid, not their customer.

FON: What complaints do you hear about credit-card processing fees and how do you meet that concern?

Richmond: If a dealer is complaining about credit-card processing fees, then they are not processing with the right company. Dealers should work with a firm that understands the fuel oil industry and has experience in the home-heating-oil market. We work with nearly 300 fuel oil marketers across the country to improve their cash flow and control their expenses. We can offer MasterCard rates below 1 percent. So we ask our prospects, “Is 1 percent too much to pay to control your cash flow?” And we ask: “What is it costing you to wait 60 days to receive a payment?” | **FON**



COCARD can be reached at (866) 849-880 or by visiting www.cocardprocessing.com.