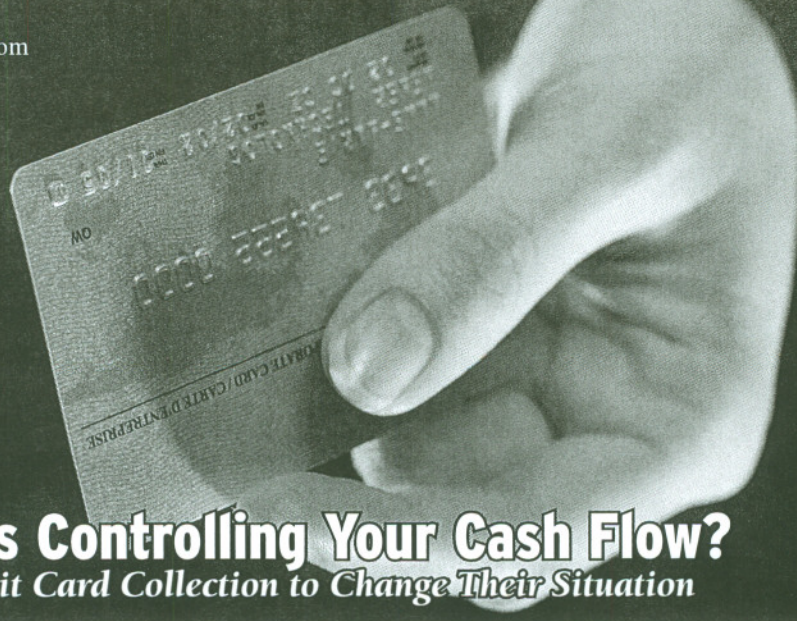


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Credit Card Collection



## Are Customers Controlling Your Cash Flow? Two Dealers Use Credit Card Collection to Change Their Situation

**OIL PRICES HAVE REACHED AN ALL-**time high this season, and dealers are faced with new challenges that they have never seen before. Customers are also feeling the sting this year, as they are seeing the highest oil bills in recent memory.

In the midst of these economic conditions, Steve LaPointe of Federal Heating in Winchester, Mass., noticed a new trend: along with the higher bills, customers were taking longer to pay. He had to look into a way to cut down his payment times.

"We have accepted credit cards as a form of payment for years, but never promoted it as a payment method until this year" LaPointe said. "By encouraging our customers to pay with their credit cards, we are giving them more time to pay their oil bill and at the same time almost eliminating the burden of collections. We also don't have to worry about bounced checks, because with credit cards you know immediately if the card is accepted or declined."

LaPointe said that Federal Heating has also been encouraging its customers to move to budget plans.

"It's a great tool to control cash flow, and if the budget customers pay via credit card, then you know on the first of every month you will have that money," he said.

About 15-20 percent of the Federal Heating budget customers pay by credit card, and LaPointe said it has had a positive impact on the company's cash flow. Additionally, Federal Heating has been

encouraging its pay-as-you-go customers to pay by credit card.

"We can simply push a button in our fuel software and automatically charge cards for delivery or service," LaPointe noted. "The customer still receives a statement from us, but we have our money within 48 hours."

Customers can be charged at any point during the month so cash flow stays consistent.

Diane Horan-Rodier of Hughes Oil in Roxbury, Mass., said credit cards are a way of life, and with more and more people paying their bills through online banking it's just a natural progression.

"We would get requests from our customers to pay online through our website, but we didn't have any back-end method in place to handle the information securely," she said. "The system we use with COCARD securely handles our customer's credit card information, protecting us against fraud and securing our data. Our customers have responded positively to the new payment method and we've benefited from the impact to our cash flow."

Hughes Oil has also benefited from the labor savings the COCARD system offers. With a large percentage of its customers paying via credit card, Horan-Rodier said it would take many hours to run all the charges each month. Now it's down to a matter of minutes, and her office staff has time to work on other issues.

The system from COCARD offers dealers two unique solutions. First, for cash flow automation, COCARD offers a user-friendly processing tool that replaces antiquated credit card terminals. The system securely stores a customer's credit card data so that the same information does not have to be re-entered month after month. It also has an option of automatically billing budget customers on the same day every month without any human intervention.

"It's amazing how much time we can save a dealer," said Tracy Richmond of COCARD. "We talk to many dealers and find they are still operating credit cards manually. In a matter of minutes we show them how to automate the entire process and take control of their cash flow."

The second aspect of the COCARD solution is expense reduction. Fuel oil dealers are classified in a unique way so they are able to see drastic fee reductions.

"We work with dealers both large and small and help them focus on improving their cash flow. We have shown dozens of dealers across the country how to receive payments faster and reduce the fees they pay," said Richmond.

Credit card payments are something many dealers are already utilizing. By making a few simple changes, dealers can drastically improve their cash flow while lowering their expenses and streamlining an antiquated process. 