How to Keep Your Gas Costs Down

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April 25, 2012 Rising gas prices have been a hot topic lately, and paying more at the pump affects everyone. Small-business owners are paying more each week to fill up both personal and business vehicles. The increased fuel prices are impacting the bottom line.

Earlier this year, Andrew Schrage, co-owner of the personal finance site MoneyCrashers, realized his company's gas expenses for January 2012 were 30 percent higher than what he spent on fuel in January 2011.

"As a result of skyrocketing gas prices I've had to take a serious look at how much this line item is costing my business," said Schrage.

Here are some ways to reduce those fuel expenses.

Use photos for estimates

Often a job requires two trips to the client site—one to give an estimate and another to do the work. Depending on the type of job, you may be able to eliminate one trip by having customers e-mail you photos that show what they need done.

"Over 90 percent of time, I can provide a firm or a ballpark estimate working from photographs. Instead of making two appointments and paying for gas to drive to the location twice, we only have to go once," said Jeff Hecker, a Fibrenew franchise owner in Pittsburgh, Pennsylvania.

Fibrenew has taken the concept to the next level with a feature on its website that lets customers upload pictures of the work needed.

Drive at night

Excessive idling and air conditioner use dramatically increases gas consumption. So, consider making deliveries or driving to out-of-town business meetings at night.

Borgman Ford Mazda in Grand Rapids, Michigan, suggests that you drive at night when there is less traffic to get better fuel efficiency. You also may be able to turn off the air conditioner to save gas.

Be creative with credit card rewards

Many companies are saving additional money by carefully selecting the best gas credit card for their business, based on cash-back and rewards programs. Some cards offer higher rewards if you spend more money each month, so using one account for all company cards might make sense.

Review the various credit card options and chose the best one for your location and needs.

"Instead of going with a gas-station rewards card, I signed up for the American Express Blue Cash Everyday Preferred card, which gets me 3 percent cash back on gas throughout the year," said Schrage.

Use load boards for long-distance deliveries

Borgman Ford Mazda recommends that businesses doing deliveries look into using load boards for transporting goods and packages. Often, trucks making deliveries have available space and other companies can pay a small amount to have their items added to the load.

Load boards, such as GetLoaded.com and TruckBuzz, help connect truckers who have space on their trucks with companies that need to ship items. Evaluate the costs of truck transportation and driving the items yourself to determine which is the most economical.

Make each trip on the road count

Hecker has saved a significant amount of money on gas by grouping appointments based on geographic area.

"Instead of driving to see a customer 20 miles away on Thursday because that is my next available appointment, I'll tell them that I'll be in their area on Wednesday," said Hecker. "Previously, I worried that I have to get this done quickly or the customer will go somewhere else. But in reality, that rarely happens."

By grouping appointments, he also has reduced the amount of time his employees spend in the car. That has improved productivity and allows them to serve more customers in a day.

The same principle can be applied by businesses that do not drive to work sites or customer locations. Instead of jumping in a company car for an errand, Schrage has his staff make conscious decisions about going out and hitting the road.

"I have established an informal rule that no one is to go out on an errand without asking all other employees present whether there's anything they need," said Schrage.

Get online instead of on the road

Use the Internet whenever possible, both for meetings and purchasing, to reduce the amount of miles you're driving.

Schrage orders office supplies online with free delivery from an office-supply retailer. He uses his Amazon Prime membership for free delivery on other items. Check with suppliers and retailers that you frequent and see if they offer free shipping or other incentives for online ordering.

Before scheduling an in-person meeting, consider whether the meeting can be held through video conferencing or with a phone call. Video-conferencing technology is inexpensive and easy-to-use.

"I've virtually eliminated face-to-face meetings for my senior staff, and have moved all of this online. I use Skype and, at times, GoToMeeting," said Schrage.

By making a concerted effort to reduce miles on the road and spend your fuel dollars consciously, you can help minimize the impact of higher pump prices on your business.

As an added bonus, spending less time behind the wheel means you and your employees will help the environment and save valuable time.

Jennifer Gregory is a journalist with more than 17 years professional writing experience. She blogs for Contently. Photo credit: Thinkstock

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