

# Tribal Retail Propane Business

## Execution and Operational Setup

Once the business case for the tribal retail propane business is complete and all stakeholders agree to move forward, the next steps focus on execution and operational setup. Here's a breakdown of the critical next steps:

### 1. Formalize the Business Structure

- **Incorporate the Business:** Establish the legal entity for the propane business, whether it will be a tribal corporation, LLC, or another business structure. If required, this process should include registering the business with the state and tribal authorities.
- **Secure Necessary Permits and Licenses:** Apply for all required permits and licenses to operate a retail propane business, such as hazardous materials handling permits, propane storage and transportation permits, and any other regulatory requirements specific to the state or tribal law.
- **Draft Agreements:** Prepare formal agreements for key partnerships, including suppliers, equipment providers, and any external vendors. Also, draft employment contracts and any necessary non-compete or non-disclosure agreements.

### 2. Secure Financing and Capital

- **Finalize Funding Sources:** Confirm capital investment from tribal economic development funds, government grants, or private investors. If necessary, apply for SBA loans or tribal financing programs to secure additional funding.
- **Budget Allocation:** Create a detailed financial plan for how capital will be allocated across key areas such as infrastructure (storage tanks, trucks, facilities), inventory procurement, staffing, and marketing.
- **Cash Flow Planning:** Ensure there is sufficient working capital to cover the initial months of operation, including equipment procurement, salaries, and operating costs until the business starts generating revenue.

### 3. Procurement of Equipment and Infrastructure

- **Purchase Propane Tanks and Trucks:** Start the procurement process for propane storage tanks, delivery trucks, and any other equipment necessary for the operation. Secure contracts with equipment vendors and arrange for delivery and installation.
- **Site Selection and Build-out:** Identify and secure the site(s) for storage, distribution, and office operations. Build out any required infrastructure, including bulk storage facilities, office space, and parking for delivery trucks. Ensure the site complies with safety and environmental regulations.
- **Set Up Technology Infrastructure:** Implement a customer management system (CRM), accounting software, inventory tracking, and route optimization tools. These systems will streamline operations and help manage orders, deliveries, and customer service efficiently.

## 4. Secure Propane Supply

- **Negotiate with Suppliers:** Finalize supply agreements with wholesale propane suppliers to ensure a reliable and cost-effective source of propane. Consider long-term contracts to lock in favorable pricing and protect against market fluctuations.
- **Determine Inventory Levels:** Establish initial inventory levels based on projected customer demand, considering both residential and commercial segments. Ensure adequate storage capacity to accommodate peak demand periods.

## 5. Build the Team

- **Hire Key Personnel:** Start recruiting and hiring for key roles, including managers, delivery drivers, and customer service representatives. Ensure all employees are properly trained in propane handling and customer service.
- **Provide Safety Training:** Conduct mandatory safety training for all staff, covering propane handling, transportation regulations, and emergency procedures. This is essential for complying with regulatory requirements and ensuring a safe working environment.
- **Establish Management Structure:** Clearly define the management hierarchy, roles, and responsibilities within the organization. Ensure accountability across operations, sales, safety, and customer service.

## 6. Develop Sales & Marketing Strategy

- **Create Online Presence:** Set up a website and Facebook page. At a minimum, the website should include a Home page, About Us, Service/Products, and Contact pages. Use the Facebook page for advertising, run contests and giveaways, and build relationships with your target audience.
- **Launch Marketing Campaign:** Roll out an initial marketing campaign targeting residential and commercial customers. Use a mix of digital marketing, social media, direct mail, community outreach, and advertising in local media (e.g., newspapers, radio) to build awareness.
- **Create Sales Materials:** Develop sales materials such as door hangers, flyers, pricing sheets, and website content that outline the benefits of the propane business. Highlight any tribal, environmental, or community-oriented advantages that can appeal to customers.
- **Establish Sales Channels:** Build relationships with key commercial clients, as well as local businesses and government entities. Set up direct sales efforts and create sales incentive programs for early adopters or large contracts.

## 7. Regulatory Compliance and Safety Procedures

- **Safety Compliance:** Ensure all equipment and infrastructure meet federal, state, and tribal safety standards. Develop safety protocols for propane storage, handling, transportation, and emergency response. Refer to NFPA 58 the Liquefied Petroleum Gas code published by the National Fire Protection Association (NFPA). It provides safety requirements for the design, construction, installation, and operation of liquefied petroleum gas (propane) systems.
- **Insurance Coverage:** Secure insurance policies that cover business liability, property damage, workers' compensation, vehicle insurance for delivery trucks, and coverage for hazardous materials handling.

- **Environmental Compliance:** Obtain any necessary environmental permits and ensure that the business is in compliance with all federal and state environmental regulations, particularly concerning propane storage and emissions.

## 8. Set Up Operations

- **Route Planning and Logistics:** Develop an efficient route-planning system for propane deliveries to ensure timely service and minimize operational costs. Implement software for route optimization and tracking.
- **Customer Service Setup:** Set up a customer service system with phone, email, and online support options. Create processes for handling orders, customer inquiries, and troubleshooting service issues.
- **Inventory Management:** Set up an inventory management system to track propane supply levels, reordering schedules, and bulk deliveries from suppliers.

## 9. Pilot Launch

- **Test Operations:** Conduct a soft launch or pilot phase in a small, targeted area to test delivery systems, customer service protocols, and operational logistics. Use this phase to identify any operational challenges or areas for improvement.
- **Gather Customer Feedback:** Collect feedback from early customers to improve services, delivery efficiency, and product offerings. Use this data to refine processes before a full-scale launch.

## 10. Full-Scale Launch

- **Launch Officially:** Once systems, staff, and operations are running smoothly from the pilot phase, initiate a full-scale launch. This includes expanding marketing efforts and making full use of distribution and sales channels to reach a broader customer base.
- **Monitor Key Metrics:** Track performance metrics such as customer acquisition rates, delivery times, revenue growth, and profit margins. Continuously refine operations based on data to improve efficiency and customer satisfaction.

## 11. Ongoing Operations and Scaling

- **Monitor and Scale:** Continuously monitor operations, customer satisfaction, and market demand. Adjust business processes as needed and begin scaling by expanding to additional service areas or diversifying the customer base.
- **Continuous Improvement:** Implement a continuous improvement strategy to optimize logistics, refine customer service, and enhance operational efficiency. Regularly review financial performance and adjust the business plan as necessary.
- **Plan for Expansion:** As the business stabilizes, explore scaling options such as increasing delivery capacity, adding new service areas, and expanding into other propane market sectors (agriculture, cylinder, industrial, etc.).

By following these steps, the propane business will transition smoothly from concept to operation, laying the groundwork for long-term success.