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food products (full kitchen) and Gourmet espresso coffee offerings, each of which may be accessed via counter service under roof or by utilizing a drive-through lane adjacent to the rear of the building. There is also a free-standing, full-scale, quick lube operation. All of this is arranged neatly and efficiently on about an acre of land. Needless to say, this business owner is very pleased with the results here and is most anxious to replicate the operation again and again throughout Southern California.

And Devin Sloane is not alone. Many others in the industry are maximizing gross profit and R.O.I. through the generation of mega-volumes and multiple profit centers on the same lot. One of these others will soon be challenging Mr. Sloane for his "top volume Mobil unit title" if he can maintain the first month volume of 24,000 gallons per day generated recently on the same intersection with a newly rebuilt, modern ARCO!

Ken Williams, founder of PMI-Petroleum Marketing Information in Orange County, California has over 100 clients who subscribe to his monthly marketing services. Ken, who has a dozen plus years first hand operational experience with retail gasoline outlets doesn't even call this business a gas station anymore. To Ken, these businesses are Multi-Phase Marketing Systems which provide products and services to the motoring public in a convenient, efficient, pleasant atmosphere at a bargain price. His business vocabulary does not include the words "service" or "margin." Ken focuses his clients' attention on profit, expense control and bottom-line results in upward-moving and downward-moving pricing trends and marketing methods utilizing oil company programs and customized tactics designed to optimize the strengths of each client's specific location.

So, as you can surely see from the foregoing, fighting tooth and nail to preserve some minimum margin and getting all worked up defending that philosophy to anyone who will listen is fast becoming an exercise in futility and just plain irrelevant. What dealers should be doing is what the big boys are doing (and what Big Oil has always tried to do), concentrate on answering the big questions, including:

1.How do I learn to think of my business as Multi-Phase Marketing Systems and focus my attention on total gross profit, expenses, net profit before taxes/debt service and return on investment (ROI)?

2.Can I achieve super volume levels with my current station design, equipment, profit centers? If not, will my supplier demo this place and build a modern configuration with super volume capabilities?

3.Must I plan to sell the business and look elsewhere for a source of income in a non-related field (i.e. food, entertainment industries are hot right now).

4.Should I go find a piece of land, buy it and build my own facilities? If I do, how can I be fairly sure I'm using the correct design and choosing the best profit centers for that particular site?

5.How do I assemble a team of expert advisors to help me avoid costly mistakes and enhance my chances for early and continuing success (real estate consultant and broker, real estate attorney, architect, zoning expediter, permit runner, financial consultant for loan procurement, marketing consultant, savvy and experienced accountant, etc., etc.)? And what will this "Dream Team" cost me?

6.How do I negotiate a fair market deal involving a long term supply agreement with the major oil company of my choice and what consultant can advise me on this?

Since a lot of dealers have spent many years doing pretty much what their fuel supplier (and landlord) tells them to do, they are not unlike the major oil company employee who works hard, stays focused on the day-to-day activity and spends little time considering alternative methods of generating an income stream. As such, they are unprepared and fearful.

Making big decisions are difficult for those folks. But difficult or not, it's time to decide, right now...AM I GOING TO LEAD, FOLLOW, OR GET OUT OF THE WAY?

Major oil companies have toughened the language in their franchise agreements, leases, and product contracts. Resistance is strong. Fears are at an all time high. Though not in so many words, dealers are being told to "shape up or ship out!" And this has even the most loyal, favored, long-term dealer nervous. Very nervous.

Now, I suppose some dealers think the major oil companies have pretty well finished divesting themselves of what, in their own opinion, are termed "uneconomic properties." In other words, stations which don't buy and resell enough fuel. And are not expected to do so in the future even with a new $1.0 million rebuild in place.

Well, guess again folks. They are not through unloading low volume stations at all. You see, "low volume" keeps on getting redefined as more and more dealers creep into the ranks of those dealers who buy and resell higher amounts of fuel each year. And with some of those "super volume" locations out there leading the way in the 8 million gallons per year range, it may not take forever for your own unit to become reclassified as "low volume" and "uneconomic" and get itself added to the list of "suspect units," or even become part of the "properties to be surplussed listing" maintained by your supplier. This could be happening right now without your knowledge since most lower level company representatives are unlikely to be personally aware of these lists and the middle and upper management folks lack the courage to come right out and lay it on the line for you the way it really is.

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