

Essential Technology Guide

For Petroleum Jobbers, Distributors & Retailers

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Shrinking margins and increasing overhead costs are big concerns for today's petroleum marketers and retailers. Finding tools that allow managers and executives to adequately wrap their hands around business expenses and inventory levels is essential to success in today's market.

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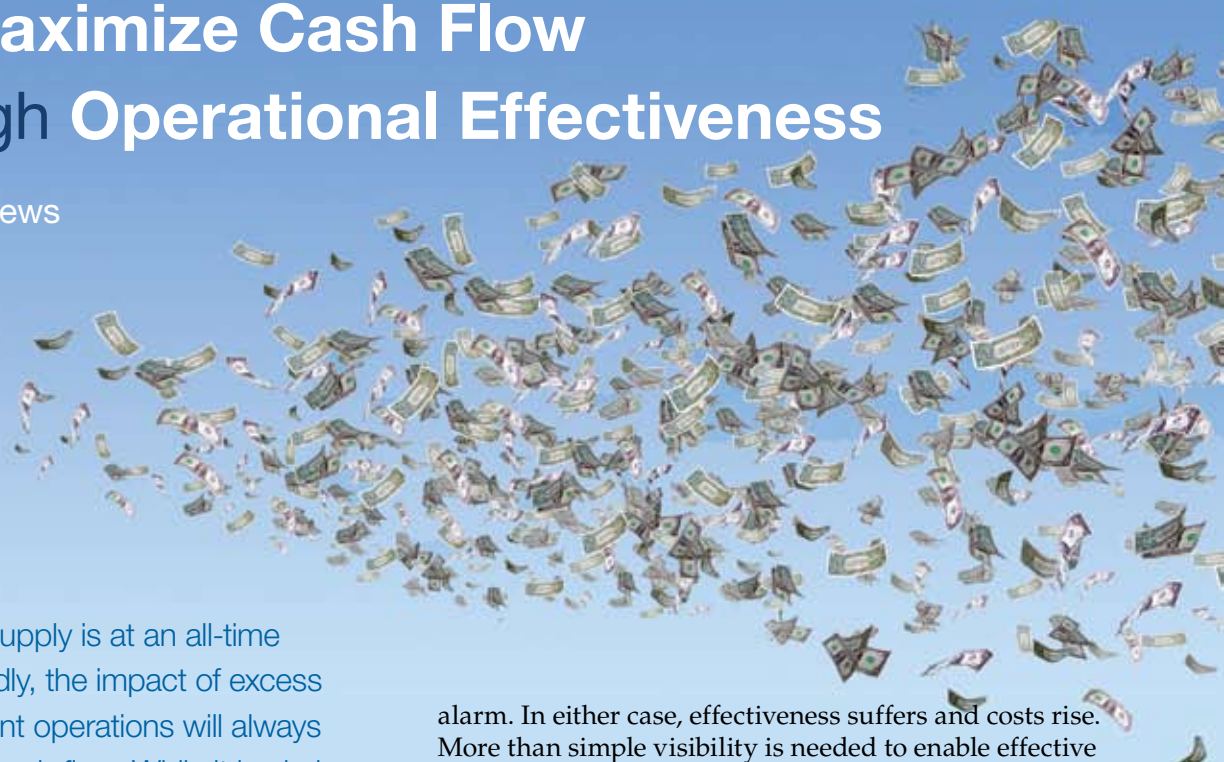


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How to Maximize Cash Flow Through Operational Effectiveness

By Bill Mathews



Whether the cost of supply is at an all-time high or fluctuating wildly, the impact of excess inventory and inefficient operations will always cripple a company's cash flow. While it is obvious that inventory costs money, most companies are not aggressively seeking to exert control and carry fewer overall gallons. The same holds true for operational efficiency, where transportation savings can be generated from the company fleet or from outsourced carriers. These savings will flow directly to the bottom line, enhancing positive cash flow. In order to achieve these desired results, it is the duty of companies like ours to provide the proper tools to operations, and stop asking them to try and keep up with an increasingly complex operating environment. Let's take a closer look at your Inventory Management and Delivery Management.

Inventory Management

Many companies have invested heavily in tank monitors and telemetry in order to track inventory levels for their customers. As an unanticipated consequence these companies can actually become less efficient because they either can't keep up with the information overload from too many different data points, or they effectively become slaves to the low stock

alarm. In either case, effectiveness suffers and costs rise. More than simple visibility is needed to enable effective inventory management. Companies need to be thinking in terms of carrying the least amount of inventory possible, while still being able to serve the customer. Doing this requires more than aggregating data from telemetry readings. It requires a robust system able to track inventory levels over time and predict usage rates into the future. It is this demand forecasting capability that allows financially savvy companies to drive down their stock levels, thereby increasing cash flow, in both bulk plant and retail operations.

Combining demand forecasting with integrated order generation can further enhance the bottom line by freeing up resources and eliminating data input errors. At this level, operations personnel can now start managing by exception when it comes to determining who gets serviced each day. When you consider all the data that we ask dispatchers and operations managers to maintain, it is amazing that they achieve as much as they do. And every minute that we relieve from operations management in the form of task work is a minute that can be used to make operations more efficient. This theme can be extended even further when you add route planning and dispatch to the discussion.

Delivery Management

ORTEC has spoken to hundreds of companies across the country. Nearly every one of them had been taking a "seat of the pants" approach to their most critical daily decisions. There is very little in the way of decision

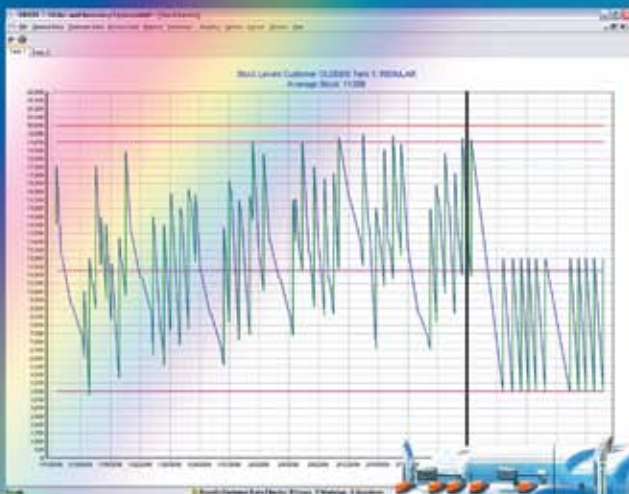
Would you like to find some hidden cash? Just follow the transport

Top Questions answered by ORTEC:

- How can I get more production from each vehicle?
- Can I make more efficient deliveries?
- Can I lower my overall inventory and free up much needed cash?
- Am I making the best supply decisions?

Live Customer Benefits:

- ✓ Reductions in miles driven
- ✓ Reduced inventory costs
- ✓ Reduced planning time
- ✓ 30% reduction in the number of deliveries
- ✓ 39% increase in average delivery per customer
- ✓ 74% reduction in no-fits
- ✓ 100% control over inventory decisions

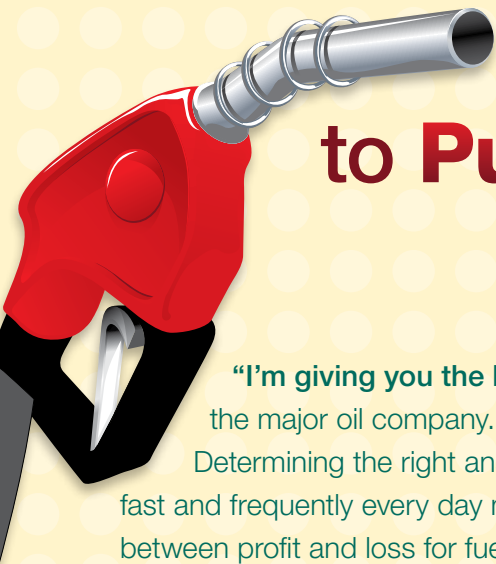


Inventory levels before and after ORTEC

Let us show you how
ORTEC can improve
your cash flow



ORTEC provides distribution and inventory solutions to mid and large sized petroleum marketing companies. Our clients are able to improve their cash flows and lower operating costs through the use of ORTEC Advanced Planning Systems. For more information call an ORTEC specialist at (678)392-3100, or e-mail cash@ortec.com.



Leveraging Pricing Automation to Pump Up Oil Jobber Profits

by Rich Lisauskas

“I’m giving you the best price,” says the major oil company. **True or False?**

Determining the right answer to this question fast and frequently every day means the difference between profit and loss for fuel buyers. Gasoline and diesel buyers use many methods but those who still rely on manual pricing compare to someone driving 35 mph in the fast lane while the rest of the world zooms by.

Using “traditional” methods such as phone, fax or even regular e-mail to find the best fuel price in this era of \$100-\$150/bbl crude oil puts businesses at tremendous risk. Years ago, when prices changed by only a half-cent, it wasn’t a big deal. But in this era of volatility, half-cent changes are not the norm – 3 cent, 5 cent, in some cases 10 cent/gallon increases are common. If fuel buyers don’t automate the buying price process, their competitors will zoom by them!

Why? One word – “volatility”

With supply tight and prices surging, fuel buyers have to be smarter about the way they purchase gasoline and diesel. It used to be simple – but not anymore. Fuel buyers now must have a complex understanding of the “fuel chain” to remain competitive. They have to be aware of diverse pricing formulas that incorporate spot, futures and branded or unbranded rack pricing “benchmarks.” They have to juggle a complicated fuel slate that changes throughout the year, and stay aware of pricing “arbs” between terminals. Add to that continued supply outages, a decaying infrastructure, product allocations, and finally, the challenge of just gathering the price information, whether it’s sent via satellite, arrives in an e-mail, or whether the fuel buyer has to go to the suppliers’ website. Ten years ago, fuel buying decisions were simple – but that’s changed dramatically.

Now prices can swing wildly, going from \$3.50/gallon to \$3.60 and then down to \$3.45, all in 24 hours. The pricing environment is so volatile that it prompts jobbers to buy at terminals 50 to 150 miles away where the market may be less volatile and prices may be markedly cheaper (even after delivery charges are factored in). Timing of the purchase has also become more critical as jobbers have to contend with many of their suppliers changing their daily prices at 6 pm instead of midnight – which reduces the window to “beat” an increase.

To manage all this information and get the best buying price, automation through software/Internet systems provides a critical business advantage. Jobbers still using the technology of five or 10 years ago, such as paper, pencil, spreadsheets and even e-mail to track price changes, risk their margins and fail to optimize purchasing. Wholesalers using older technology face increasing bottlenecks in sending price quotes out to their customers on a timely basis. Marketers, jobbers and wholesalers leveraging the latest pricing automation tools can protect their margins, grow their business and save money even during increasingly volatile times.

3 Key Areas

Where software automation helps marketers and jobbers overcome fuel buying challenges

With market volatility and pricing at unparalleled levels there are 3 critical areas where pricing automation software can help you save time, reduce costs and protect your margins:

- **Eliminate Costly Mistakes** – as prices rise, mistakes are more and more costly. Not gathering all your pricing options or missing a price change can easily eat through any profits you make on a load. Mistiming or misquoting a customer can cost you thousands of dollars

instantly. Automated pricing capture and centralized pricing management/best buy software solutions can eliminate mistakes, keep you from missing prices and provide a single consolidated view of all your pricing options so that you make the optimal purchasing choices.

- **Stay on Top of Mid-day Price Changes** – with the price of petroleum products setting records and making news daily, prices are moving throughout the day and the changes are significant (20+cts/gal). Automated pricing software can help ensure you have the pricing data at you fingertips to quickly analyze and determine the best timing and pull points to minimize costs and protect your margins.
- **Deliver Timely Customer Price Quotes** – timing your price quotes to match market moves is just as important as making the right purchasing decisions. In a volatile market you must provide your customers with timely price quotes with margins you can live with as prices jump. Automated pricing software can create

customer specific competitive pricing, quickly adjust margins “on the fly,” and deliver mid-day price changes that keep you ahead of the price change curve.

To learn more about how companies just like yours are utilizing pricing automation software to save time, reduce costs and protect their margins, visit <http://whitepapers.opisnet.com> and click on the link titled Leveraging Pricing Automation to Pump Up Oil Jobber Profits.



About Axxis

Axxis, an OPIS Company, is a leading provider of integrated software and market data solutions for the refined petroleum products and agri-business industry. Axxis offers a Decision Support Software suite that enables their customer's decision makers to successfully buy and sell refined petroleum products, renewable fuel products and other commodities by transforming basic market data into meaningful information.



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- BOL, Invoice and Other Transaction Capture
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- Best Buy – Purchasing Management
- Rack, Spot and Contract Price Determination
- Price Build-up, Quotation and Notification
- Dispatch and Order Management
- Customer Web Portals
- Inventory Management
- Retail Price Determination
- Back Office Accounting Integration



Experience the benefit of automating your entire pricing process!

To learn more about Axxis Software, or to request a free demo, contact Rich Lisauskas at 603-216-5353 or email rlisauskas@axxispetro.com.

Web 2.0...

Hype, Fiction or Essential Technology to Drive Profitability?

By Gary Bevers and Lisa Calhoun

I'm about to tell you about the one technology that has the key to revolutionize our industry. It's prevalent. It's cheap. It's standardized. It's solid. And, the interesting thing is, you already know about it, and you've probably dismissed it. Let's look at some recent numbers that may revive your interest.

1. 73% of business decisions are first researched online (Enquiro, 2004 B2B Marketing Study).
2. 40 million cell phone users — 15% of us with cell phones — use their phones to look up information online (Neilson, 2008). 95 million actually pay for Internet access from their cell phones. The assumption is that these are often power business users.
3. Most journalists prefer to research your company using an online press room on your Web site (TekGroup 2007). And 81% of them used a search engine to find out about you in the first place (Seventh Annual Middleburg/Ross Survey of Media).

Welcome to Your New Marketing Department

Clearly, your web presence can be a defining force in your ability to influence your market and brand your business. Yet as I go from conference to conference speaking on technology trends and standardization in our industry, I find almost everyone discounts the value of their Web site. It brings them no leads and its information is out of date. That's a shame, because there's no technology with greater power to transform our fortunes. While other industries are moving into "Web 2.0," many of us in petroleum marketing and distribution are still stuck with a first generation site for which we have little to show — no metrics, no sales, no support. It is then no surprise that I get such push back about investing more in your Web site.

But while the price per gallon of fuel has been sky rocketing, the price per web presence has hit rock bottom. The ROI on a well designed Web site is impressive. The good news is that web-based technology has come of age, and building strong, reliable, content-rich sites that rank well in search

engines, drive business and stand up to traditional ROI analysis is easier than ever.

"Whether you need to update the market, capture prospects, recruit employees or deliver crucial data to your clients, leveraging your Web site delivers the bang you need for your buck," says Doug Haugh, who co-founded FuelQuest and is currently the CIO at Mansfield Oil, where one of his first priorities was revamping the 50 year old company's Web site.

Another progressive marketer, Ted Burke, President, Dennis K. Burke Inc., says "We've found our Web site to be an effective new business tool that gives us a competitive edge. We constantly add new content to our site to get our sales messages out to the Boston area without spending a lot of money. We can deliver useful information to our customers and the local community so it's a cost-effective resource for building good public relations. We recently added video and sound to our Web site as we're still finding new features we can utilize to extend our brand."

Five (New) Factors

Companies like these are investing in their online presence — and often experiencing double digit growth even in this economy. So ask yourself, why invest online if the first time you didn't get the results you wanted? Here are five new factors that make web technology the most essential technology you can master in your business right now.

1. Measurement is easy. In the last couple of years, free measurement tools like Google Analytics have made it easy to find out how many people visit your site, which content is most popular, and which search terms they use to find you. Knowing these kinds of statistics makes ROI a snap, and also makes it brain-dead simple to rework your site as search terms and audience needs change.
2. Content management has come of age. Speaking of reworking, Web sites these days aren't brochure ware you post and forget — content management systems are practically off the shelf now and let you update your site easily as often as you like.

3. Design is more streamlined. Until recently, companies often turned to one individual who had to design, code, host and write a Web site. These roles are now streamlined and handled by professionals who specialize in each. This makes a competent, professional site more of a commodity. Decoupling high-value talents like programming or architecture from commodity services like hosting brings down the overall budget for your site.
4. Application development has matured. Instead of having a programmer develop custom applications for content management, e-commerce, document processing, product catalogues and what have you, tools are now standardized that allow rapid, almost turn-key creation of sites that perform as you need them to. Gone are the days when you need to pay a Web site developer to make changes to your site. You can do it yourself.
5. Search engines can reliably drive traffic. In one of the most significant developments of the last century, information online is now reliably findable with search technology that has evolved to be fast and functional. Rather than typing www.google.com, a lot of web users find themselves Googling Google for Google. Mastering the searcher's perspective is a fundamental new skill for online marketers. If you have great information and it's not being found, there's no cheaper way to get more exposure than organic search engine optimization. Organic search optimization is a methodology of creating content for your site by using a search-centric approach — in other words, creating the phrases on your site that people in our industry actually use when they use search engines. In fact, 77% of people click on organic links while only 18% will click on sponsored links (figuring it's not "real").

What's the payback for a new investment online? Simple — cost-effective empowerment. Your existing marketing, sales, distributor or recruitment materials will live a larger life online if they're deployed in ways they can be found and used. Explode your reach — refresh your Web presence with today's more powerful, less expensive tools. No it's not the hype of 2000 all over again. The Internet has come of age and delivers real value, in the real world to efficiently extend your sales and marketing efforts. Used effectively, Web 2.0 can save you money.

Bottom Line: The Internet is the essential technology sitting right under your nose to grow your business and improve your bottom line.



Gary Bevers

President, Bevers & Co.
Downstream Petroleum Solutions

Former publisher of National Petroleum News and winner of Exxon's PRIME Marketing Award of Excellence, Gary

Bevers is a popular speaker on technology. He currently serves as Executive Chair on API's PIDX Technology committee and is president of Bevers & Co. Downstream Petroleum Solutions, which focuses on systems, logistics and product development projects that help companies drive sales more efficiently, especially online. He can be reached in his Houston office at gbevers@beversco.com.

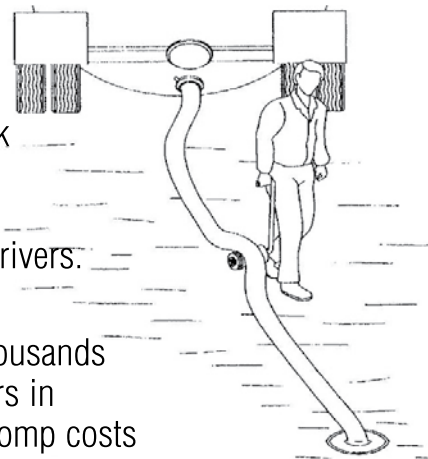
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President, Write2Market

President of Write2Market, an Atlanta marketing firm she founded in 2003 that focuses on online content, Lisa Calhoun has been cited in The Wall Street Journal and USA Today on trends in growing businesses. Write2Market helps growing firms influence their target markets. She can be reached at lisa@write2market.com.

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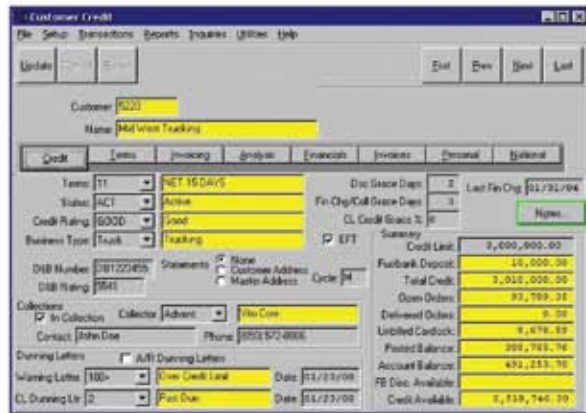
ADVENT Business Systems

Now More Than Ever ... Cash Flow Management is King

Managing slow paying customers and increasing customer defaults are making it harder and harder for petroleum marketers to succeed in today's tight economy. Cash flow management is king, as vendors require quicker payment terms than what jobbers traditionally require from their customers. U.S. Bank Advent Business Systems software solutions enable petroleum marketers to gain greater control over billing cycles, credit management and accounting practices. Advent can also help clients manage receivables and take timely action to increase cash flow and reduce credit risk.

Cash Flow Management

Unlike traditional accounting systems, Advent eliminates the need for traditional hard month-end close processes, enabling all sales to be checked against credit limits every day. Jobbers can track billed, unbilled and pending purchases against a customer's current credit limit. Additionally, they can view past due accounts and collection history with detailed summaries; store date- and time-sensitive notes, including "promise-to-pay" dates and amounts and set up customer "grace days" prior to placing a customer in collections status. All transaction history is stored in detail, and is centralized for multiple aging brackets and product lines, thus providing the credit and collections personnel with accurate account information.



View of customer credit setup and current status

With Advent, jobbers can:

- Assign credit limits and define terms specifically for each customer
- Assign aging terms based on number of days since delivery or by invoice date
- Utilize online collections programs to track past due invoices, store notes and notify the collections department

Credit Risk Management

To help lower credit risks, petroleum marketers can assign credit limits and define customer-specific payment terms based on the following criteria – number of days or day of the month from product purchase or invoice generation. Advent also consolidates customer credit across multiple product lines, and then integrates it within a dynamic

collections module. This allows businesses to automate the scheduling of collection calls, warning notifications and credit suspensions.



Date- and time-sensitive collection notes with reminder scheduling

With Advent, clients can:

- Merge warning and past due letters to communicate with your customers
- Determine grace days allowed before putting customers in collection status and applying finance charges
- Track open sales orders and non-invoiced cardlock transactions that are included in the credit limit review



ADVENT Business Systems



Advent creates and issues electronic funds transfer (EFT) notifications and warning notices based on pre-set customer credit limits. Advent can also automatically send out warnings, lock-sales order notifications and disable fuel cards when a credit limit is reached. This saves the marketer time, reduces losses and improves cash flow.

With Advent, petroleum marketers can:

- Define criteria to automatically turn off fuel cards when customer reaches credit limit
- Utilize online collections programs to track past due invoices, store notes and notify the collections department

Accounting Management

General ledger, accounts receivables and accounts payables functions are all fully integrated with all of Advent applications. Powered by single database architecture and date-sensitive transactional information, Advent eliminates the need for traditional hard month-end close processes. Clients can move from one month's transactions to another without interruptions.

The Advent general ledger stores all client transaction history in detail, available in either print or online formats. Advent centralizes account receivables information for multiple aging brackets and product lines, thus providing the credit and collections personnel with accurate account information. The Advent account payables process gives jobbers complete reconciliation of bills of lading (BOLs) and packing slips with supplier invoices. Easy point-and-click interfaces handle multiple BOLs per invoice. Automated dealer and company location credit card settlements are available through DTN and supplier imports.

Customer	Name	Started	Year	MM	CC	Credit Code	Card Rating	Current Bal	Last Invoice	Last Payment	Avg # Days Collected
1234	Midwest Trucking	11/01/98	12	MM	0	L1L	EPFN	100,000.00	09/18/07	07/02/06	134
11/08/98		11									
09/01/99											
1000-10											

Current credit and statistical payment analysis

With Advent, jobbers can:

- Manage multiple year budgets
- Customize financial statement formats
- Manage open-item receivables/payables
- Provide electronic bank reconciliation
- Perform electronic price imports and BOL reconciliation
- Process credit card transaction imports and automated reconciliation
- Run cash receipts, lock box, credit card and EFT transactions
- Charge all applicable taxes and report taxes individually by federal, state, city and county for the United States/Canada

Dedicated to the petroleum industry for more than 20 years, U.S. Bank Advent Business Systems team delivers comprehensive implementation support with best practice consulting, training and data conversion from all major systems.

To schedule a free consultation, contact: (650) 572-8866; adventsales@usbank.com or visit www.usbank.com/advent.





PROVISIONAL CREDIT: LIKE MONEY IN THE BANK

by Michael Robinson

In an interview with Time Magazine in 1965, Thomas W. Gormly, Senior Vice President of Pittsburgh National Bank, predicted a new era of credit-card merchandising, asserting that the U.S. is already a “long step towards a cashless and checkless society.” By the end of the decade, it seemed, cash would be completely replaced by electronic methods of payment. Yet as the decades have come and gone, cash has resisted obsolescence. In fact, according to the U.S. Treasury, paper currency in circulation has risen steadily through the decades. In 1975, there were an estimated \$380 for every person in the United States; by 2005, there were approximately \$2,578 in circulation for every U.S. citizen. Although today the acceptance of electronic forms of payment is nearly ubiquitous, the use of paper currency remains and likely will for decades to come. Still, managing cash from the time it is accepted to the time it is deposited into a bank and thereafter is labor-intensive, error-prone and fraught with risk. As such, dozens of pioneering financial institutions are working with leading safe manufacturers and armored car companies including Dunbar, Brinks and Loomis Fargo to apply modern advances in technology, logistics and electronic banking in order to streamline the cash-handling process from end to end. One result of this cooperation is a concept referred to as provisional credit, the prospect of crediting the bank account of a cash-intensive business for their cash deposit while it is still inside of their safe, and it stands to revolutionize the way cash is handled.

A Smarter Safe

The viability of a provisional credit program depends first and foremost on a bank’s ability to know the cash value of a safe’s contents electronically in real-time. In order to accomplish this, businesses deploy cash-controllers, smart safes that count and validate deposits as they are secured in the safe, time and date stamping all transactions and tracking them by each

user’s unique PIN. To facilitate provisional credit, cash-controllers must be web-enabled and flexible in the ways that they make information about the safe’s contents and transactional history available to authorized remote parties.

Secure Cash In Transit

A further requisite for a successful provisional credit program is that the bank must be assured that when it comes time to empty the safe, the contents against which it has credited its customer’s account will arrive at the bank without being compromised. Therefore, an armored car service provider that can be trusted to maintain clear, “closed-loop” accountability is essential. Many armored car service providers will guarantee the contents of a cash-controller safe provided that access to the counted and validated deposit is restricted to only while armored car personnel are on site to collect the deposit. By guaranteeing the deposit, the armored car company effectively reduces the risk of loss during transit to zero for cash-intensive businesses and their banks.

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*Results may vary

The Gatekeeper: Financial Institutions

A provisional credit program is not possible without a cooperating bank. Currently, dozens of banks have begun offering provisional credit to qualifying businesses, and many more are interested in working towards implementing such a program. As awareness among businesses and demand for the service rises, so will uptake among financial institutions. Ultimately, all parties involved stand to benefit in one way or another from initiating provisional credit programs.

For cash-intensive businesses, the principal benefit is clear: improving cashflow without the expense or risk of emptying a safe that has not yet approached capacity. According to John Rhodes of Loomis Fargo, a business using armored car service five days a week may be able to scale back to only two days a week using provisional credit. Retailers operating numerous locations may also choose to take advantage of the opportunity to consolidate their banking relationships and reduce banking fees by minimizing the number of physical cash deposits they make.

From the perspective of the armored car service provider, knowing how close their customer's cash-controller safes are to reaching capacity can allow them to more efficiently plan routes, potentially servicing and replenishing ATMs with funds collected from the cash-controller safes and thereby reducing the amount of cash exposure on their trucks on any given route. Although some businesses will reduce the number of armored car pickups and thereby the amount of business they give to their armored car service provider, Wayne Birely of Dunbar Armored believes that provisional credit stands to open up new markets for his industry, having a net positive impact on their business.

Similarly, financial institutions stand to see an overall benefit by attracting retailers with the service and expanding their overall clientele, even while some of their existing customers are reducing banking fees with the service. An important, but less obvious benefit for financial institutions is the potential to earn a small return on the liquid capital that each bank is federally mandated to maintain. Ultimately, provisional credit equates to onsite banking and stands to completely revolutionize retailers' businesses and beyond.

Michael Robinson

VP Business Development, Armor Safe Technologies

Michael Robinson is one of the managing partners of Armor Safe Technologies, a leading manufacturer of intelligent safes specializing in solutions that meet the needs of cash-intensive businesses including convenience stores and quick-serve restaurants as well as department stores, grocery stores and other large format retailers. Michael can be reached at 214-868-6210 or by email at mrobinson@armorsafe.com



Are you losing money?



With fuel prices so volatile, even the slightest delay in price information, an inventory miscalculation or a misrouted tanker can end up costing your company and customers hard-earned dollars.

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OUT & ABOUT

The Industry

Turning Green While Dumping Marginal Stores

by Mark Radosevich

One of my articles from last year dealt with the importance of liquidating marginal stores and trying to find solutions for sites that no longer are appropriate for continued retail petroleum use. While writing this follow-up piece I experienced an amusing encounter that reflects some interesting differences in the direction that our industry may be taking from one coast to the other.

At the recent Florida Petroleum Marketers and Convenience Store Association (FPMA) annual convention during a special membership workshop we met some visitors from California. They were attending the event to gain insight on Florida's retail petroleum business and how they could extend the "green retail initiative" eastward to this seemingly progressive state. They said that Florida's governor had encouraged them to attend as he wanted to foster a green program like that being promoted in western states like California, Oregon and Colorado. When they quizzed us about the extent of Floridians knowledge of their "carbon footprint" or asked if they would pay more for gasoline from a specially designed renewable energy retail facility that features solar power and E85, it seemed that motorists from the left and right sides of our country could be polar opposites of each other. Our visitors were surprised to hear that even with gasoline costing over \$4.00 a gallon, most Floridians would still cross a six lane highway at rush hour to save a penny, and that their carbon footprint is about as top-of-mind as the footprint they left in the snow when they exited the wintry north to populate the Sunshine State.

Our notion of a homogeneous petro-business from coast to coast was further altered after we heard about the many well-heeled western operators who are shelling out several million dollars per site to build "green" retail facilities designed to attract western eco-

motorists ready to pay a premium to get from point A to point B. After a spirited thirty minute dialog on the subject, we got the distinct impression that our guests were beginning to wonder how long it would take them to get to the airport and what was the best address to send the governor their expenses from this green-inspired boondoggle. As they rushed to catch a cab, we were able to reach a consensus on the importance divesting marginal c-stores to maintain marketer financial health.

In last year's article I challenged readers to relate the most interesting alternate uses for stores that they found. Responses were as diverse as a Mediterranean restaurant in Florida to a municipal rest room in New Jersey. Given the current retail environment, the level of shuttered sites littering the highways and byways of America will keep growing.

It wasn't too long ago that you could readily find a buyer for the 50/50 store; ones that do around fifty thousand gallons and about fifty thousand dollars of monthly inside sales. Now with sporadic fuel margins and higher investments required to secure supply, dealers are generally in crisis and the 50/50 store has less than a 50/50 chance for continued survival as an ongoing convenience and gas concern. The challenge then is for marketers to unlock captured equity tied to these losers by developing buyers for the sites outside the industry.

Successfully and consistently uncovering "alternate use" buyers will involve a greater level of preparation to support the site sales process than what is typically required for industry sales. Most national chains, whether they are QSR's, casual dining, auto parts, drug stores or banks, have specific criteria that need to be

addressed before they will entertain a site for purchase. Sites slated for divestiture must be evaluated for their alternate use potential by weighing factors such as the size and location of the property, the neighborhood demographics, traffic counts, growth patterns and other retail businesses located in close proximity. In many instances for example, smaller QSR chains want to be located near a McDonalds or Burger King and if the property size is suitable, they may have serious interest in acquiring the site.

Once a listing of potential alternate use buyers for a specific geographic region is completed, including their respective site selection criteria, then it's simply a matter of processing the targeted sites to determine possible buyer prospects. Presentation to the appropriate real estate development contacts follows. Working the process in the beginning with one or two select sites is helpful in developing the various contacts and procedures to enable a greater number of sites to be processed in the future.

Not all sites are destined for alternate uses and many may ultimately be shuttered for the foreseeable future. However, employing a disciplined effort to divest money-losing sites within or outside the industry is the best way to facilitate the recapture of equity and enable its deployment in more productive growth areas of the company whether that may be a "green" or more traditional angle.

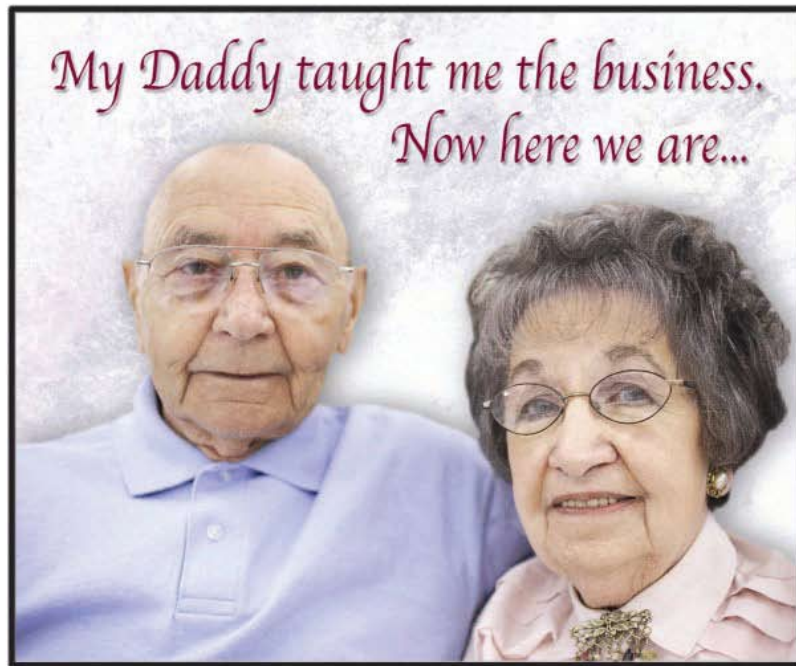


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Facility Branding 101

By Marie-Antoinette Silva and Jennifer Nagi

A well branded facility is like a large oak tree. What you see above ground is a healthy and continually growing tree, while under the surface there is a vast framework of roots.

Your company's brightly lit canopy or store front logo is like the awe-inspiring oak tree, inviting the attention of passers by. The real success of your facility brands lies in the root system that nourishes your customers brand experience across the entire facility; the store design, loyalty programs, POP promotions and community outreach to name a few. Without strong roots, your brand will not flourish.

The foundation for facility branding is built around the customer experience, which occurs from canopy to cooler. If a customer has difficulty fueling due to faulty or slow dispensers, or the acceptable credit cards and current promotions are not clearly communicated – you miss an opportunity for a positive brand experience. If a customer enters your store and makes a b-line to the restroom only to find the facilities dirty and out-of-order, or if your cooler is not stocked with the cold drink of choice – then you have just created a negative brand experience. Every experience with your facility will impact sales per customer visit and the very important “repeat visit.” Just as pruning the non-productive or unwanted sections from a tree allows it to rejuvenate and thrive, pruning away the negative experiences will also benefit your business.

The number one ingredient to growing a differentiated brand image is contracting a Creative Brand Expert. Many businesses mistakenly utilize in-house support, a friend or relative who aspire to be a creative designer and consequently they miss the opportunity for a robust, comprehensive plan for success. One of the benefits when leveraging professional brand designers is the extensive experience the designer brings to the table when translating the client's vision into reality. Professionals maintain best-in-class relationships with manufactures, printers and designers. They can

deliver new innovations, state-of-the-art conceptual renderings and project planning foresight to avoid common pitfalls in the re-branding project.

The successful branding program doesn't just end with a branding guideline for the facilities. Successful retail marketers understand that the answer to growing a strong retail brand lies in securing strategic relationships with industry professionals and co-marketing with highly recognized product brands. This cross pollination of branding and marketing creates a high-impact POP experience for your customer and motivates spontaneous purchase decisions in high profit segments.

Are you missing opportunities to grow sales between your brands first impression and the many points where your customer interacts with your brand? Turning positive experiences for the customers into long-term sustainable strengths for the organization is a win for both you and your customer. Developing the best plan will set you on course to facility branding success.



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Petro Canada Annual Report to Shareholders, 2004

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Petro Canada Annual Report to Shareholders, 2004

"This product has substantially reduced the time it takes to remodel, by at least 50%"

Roman Anisimovicz, Senior Staff Engineer, Husky Petroleum/REINFORCED PLASTICS Apr/07

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support for processes ranging from supply point selection, compartment utilization, or delivery planning (we have seen companies knock 10% off their delivery miles through better compartment utilization alone). As in the inventory example, our operations personnel are being asked to keep track of too many things at once, and they are not being supported with systems designed to automate these tasks. Something as seemingly mundane as building routes each day actually requires a high degree of sophistication to even get close to a good plan. There are simply more possible combinations than a human mind can handle. Even a fleet of less than ten trucks can have more than ten trillion possible combination choices every day. Most companies would like their dispatchers to consider those trillions of possibilities while simultaneously trying to determine which supply points make the most sense when considering available inventory, allocations and pricing. No one is that good, and even the best dispatcher has to limit the scope of what he or she will consider for a given day.

Just moving from a paper-based process to manipulating orders and trucks on a screen will not improve operations in any significant way. In order to truly impact cash flow, a system is needed that can automate the planning process and optimize the delivery plan to achieve the lowest total operating cost.

Factors that need to be included are driver pay, asset costs, compartment utilization, delivery windows, and supply sourcing. With a system meeting these requirements in place your operations staff will be freed up to actually start managing people, which will result in a further increase in productivity.

As a VP at ORTEC, of course I hope that you will contact us to help you achieve the operational efficiencies outlined in this paper. But whether you call ORTEC or not, do not forget what you are asking from operations, and keep looking for ways to streamline their workflow. I guarantee that it will pay dividends every time.



Bill Mathews

VP of Operations, ORTEC

Bill Mathews is the VP of Operations for Oil, Gas, and Chemical markets in the US. He has more than 20 years of direct operational experience from the front lines of distribution, and uses this background to help ORTEC produce the best possible solutions for its customers. ORTEC provides distribution and inventory software solutions to petroleum, industrial gas, and chemical distribution companies. ORTEC's clients are able to improve their cash flow and lower operating costs through the use of ORTEC Advanced Planning Systems.

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