



March-April, 1987

# NEWS

OFFICIAL PUBLICATION OF SERVICE STATION DEALERS ASSOCIATION OF MICHIGAN



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Workers' Compensation  
Program Returns  
\$115,533.45 in dividends  
to dealers (13.5% of  
premiums paid) *(see page 5)***



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## SERVICE STATION DEALERS ASSOCIATION OF MICHIGAN NEWS

Formerly Retail Gasoline Dealers News  
Established 1929

Vol. XLXI — Number 2  
March-April, 1987

Official Publication of the  
**SERVICE STATION DEALERS  
ASSOCIATION OF MICHIGAN, INC.**

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## Message From The President

by  
**George  
Schuhmacher**  
*President  
Service Station  
Dealers Association  
of Michigan*



## 24 Hour Operation - A Big Issue for Dealers A Good Reason To Join SSDA-Michigan

The Service Station Dealers Association of Michigan prides itself on recognizing the concerns of service station dealers and doing something about these concerns.

The 24 hour operation is a costly issue with dealers as staying open 24 hours is becoming a condition on opening a new franchise or keeping a franchise for many service station dealers.

It is very important that dealers know their "rights" when it comes to 24 hour operation — and that's why I would encourage all readers not to miss the very informative article written by Mark Cousens, SSDA-Michigan legal counsel in this issue of **SSDA News**. It will give you some insights into what you as a dealer can do.

As Mark Cousens points out in the article, changing to a 24 hour operation is a big move. Dealers must be concerned about security, labor costs, and of course profitability.

When opening 24 hours cuts into your profitability, then you should make a good case to your supplier.

The 24 hour issue is another reason service station dealers throughout Michigan should join our organization — so we as an industry can present a strong united voice for dealers. Join today.

Membership applications are in this issue of **SSDA News**.

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**S a v i n g s.**

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# SSDA-Michigan Workers' Compensation Program Returns \$115,533.45 to Participating Dealers

SSDA-Michigan dealers participating in the association-sponsored workers' compensation program received savings dividends last month totaling \$115,533.45 or 13.5 percent of premiums paid from November 1, 1985 — October 31, 1986.

The program, underwritten by the Dodson Insurance Group, has returned over three million dollars (\$3,247,879) to participating dealers since it began.

George Schuhmacher, SSDA-Michigan president, expressed pleasure at the savings dividends for SSDA-Michigan members. "Our association's outstanding workers' compensation insurance program is one of the big reasons our membership is growing," says Schuhmacher. "We hope the future brings more such savings that are possible because of our efforts to create a safer working environment."

**The program has returned over three million dollars to participating dealers since it began.**

Schuhmacher warned service station dealers to watch out for workers' compensation deals offered by companies.

"With various rates, special discounts, adjustments and deals being offered, many dealers "think" they are being offered less expensive coverage, but often end up paying far more for proper protection.

"When comparing various bids or quotes, be sure that those offers use the *proper* payroll figures and classifications and that the bottom line is correct. Getting a low bid is one thing but finding at audit time that you owe a large balance is altogether different," warns Schuhmacher.

## Station Safety Check List

If the answer to any of the following questions is "NO," you are urged to correct the deficiency to avoid potential injuries.

	YES	NO
Are walking surfaces kept free from grease, oil, parts and tools?	( )	( )
Is housekeeping adequate to prevent the accumulation of materials?	( )	( )
Are exits clear of obstruction?	( )	( )
Do you have all electrical equipment double-insulated or grounded?	( )	( )
Do you inspect extension cords and replace those that are worn or broken?	( )	( )
Have employees been told not to use gasoline for cleaning purposes, including hands?	( )	( )
Do you have emergency phone numbers posted?	( )	( )
Is eye protection used during any grinding operations?	( )	( )
Is an approved respirator used when heavy dust is generated in the shop?	( )	( )
Is the "No Smoking" rule enforced and "No Smoking" signs posted near gas pumps and areas where work is done on batteries?	( )	( )
Do you have the battery charging area well-ventilated and away from flammable liquids?	( )	( )
Are compressed gas cylinders separated by a non-combustible barrier and securely held in a cart or against a wall or workbench to prevent them from falling?	( )	( )
Do you use non-flammable solvent in the parts cleaner?	( )	( )
Are all solvent-soaked, greasy, or oily rags kept in an enclosed storage room in a metal container with a cover?	( )	( )
Do you have the proper type of fire extinguisher for the material you are using?	( )	( )
Are extinguishers mounted so the distance from the top of the extinguisher to the floor is no more than 5 feet if the extinguisher weighs less than 40 lbs., or no more than 3½ feet if it weighs more than 40 lbs.?	( )	( )
Do you have a monthly program to inspect fire extinguishers for proper location and in operating order?	( )	( )
Do your employees know where the fire extinguishers are located and how to use them?	( )	( )
Are all rotating pulleys, belts, wheels, etc. properly guarded?	( )	( )
Is the safety leg or hoist safety pin always positioned when using lifts?	( )	( )
When using the lift, is each vehicle checked for proper positioning just after wheels have left the floor?	( )	( )
Are support stands always used after the vehicle has been raised with a hydraulic jack?	( )	( )
Is a heavy cloth used over the radiator cap to protect hands and face from steam and hot coolant?	( )	( )
Is a battery carrier strap used when removing batteries?	( )	( )
Is automobile exhaust piped outside the building?	( )	( )
Are walking surfaces in service bays free from clutter or obstructions?	( )	( )
Are restrooms maintained in a clean, orderly, and sanitary condition?	( )	( )

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## Cost of 24 Hour Operation

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So you've decided to operate on a 24 hour basis. Your franchisor will be pleased and in many cases will assist you with cost abatement programs through volume incentives or hour of operation incentives. In order to get a handle on your costs, here is a preliminary outline of conservative cost estimates with which you should be familiar.

### **COST ANALYSIS FOR 30 DAY PERIOD —**

#### **GOING FROM 6 TO 10 OPERATION TO 24 HOURS:**

Payroll	8 x \$5 x \$30	\$1,200
Payroll Tax	1200 x 11%	132
W/C Insurance	1200 x 4.1%	49
Casualty Insurance	Exposure Element	50
Hospital Insurance	1½ People x \$95	143
Supplies	Additional Utilization	50
Utilities	Mostly Elect. for Lighting	500
Uniforms	1½ People x \$30	45

**Additional Identifiable Cost Total** **\$2,169**

#### **HIDDEN COSTS —**

MANAGEMENT TIME: Employee Selection; Employee

Turn-Over; Employee No-Show; Employee Theft

BOOKKEEPING TIME: One more shift reconciliation

SECURITY SYSTEM: Amortization of capital expenditures

ADVERTISING: To promote 24 hour business

**Variable Hidden Cost Estimated Total** **\$ 600**

In conclusion conservative estimates on additional costs for 24 hour operations are about \$2,700. Since repair services are NIL on the midnight shift you need to look to gasoline sales and proportionate inside sales increases to recover this cost. Since each station has a different starting place for analysis of the production requirement to overcome the additional cost of 24 hour services it must be identified on an individual basis. Some dealers are C-stores, have only 2 bays, are already 18 or 20 hour operations, have mature backrooms, high traffic counts, little competition and reside in stable communities. Those are just a few of the factors that a market study would address. If your franchisor has asked you to operate on a 24 hour basis, it is probably true that as a large company they have made research studies before committing capital and overhead to this type of a marketing plan and will be glad to make their research available to you. They know that if a 24 hour operation is not profitable it will be counter productive to your volume through-out, because, if additional gasoline and inside sales do not cover your increased overhead you will probably end up by raising the price of your gasoline so that your margin will help with that overhead. This marketing move is more likely to reduce the amount of volume in overall operation by more than the increase experienced by your nighttime business. Since the franchisor knows that they would lose volume on a 24 hour operation due to the price increase factor then you

know that they must have done a market study to support the enforcement of a 24 hour operation.

You should know as much about your marketing opportunities as possible. Get the traffic counts at your location and find out what percentage of that traffic you've drawn to your location by doing a study of your customer count. Do a market survey to find out how many other 24 hour stations are in your area, with whom you will be sharing that lower nighttime traffic count. Ask your franchisor for promotional ideas and materials to assist you in making a 24 hour operation profitable.

Use the new SSDA MIDNIGHT LOG to analyze your operational costs and profit activity. This log has been developed so that you can measure the profit and progress of your 24 hour operation. You should share this information with your franchisor so that he may make recommendations to support your 24 hour position. Your franchisor and his representative are both concerned that a 24 hour operation be profitable and effective so that its continued operation will not be disrupted by dealer change-overs, certified funds, high theft exposure, employees injury and an overall volume decrease. Work closely with your franchisor since his resources for information and support are vast and the fact that he is particularly concerned with your personal success.

Knowing that wages should be only 35% of gross profit it stands to reason that \$1,200 in additional payroll should produce \$3,428 in additional gross profit. This also makes sense if your midnight operating costs are going to run over \$2,700. The fact is, unless you're extremely unique, your midnight shift will not support itself by itself. The daytime business must increase too. The only way you'll be able to see the change is to use the SSDA MIDNIGHT LOG and deduct all the factors in its totals from your operating statement for the same month. You must see the operation without the midnight figures in it. With these "net" numbers you can compare that to your historical data to see the possible results of the influence of the midnight shift.

Work with your accountant after you have gathered your detailed midnight cost information so that he can show you the production levels necessary to regain and improve your profit structure.

It's easy to see the dangers of 24 hour operation but there can be a bright side. Many dealers that have operated that way wouldn't do it any other way. 24 hour provides for more aggressive driveway merchandising, 3 8 hour shifts reduce overlapping and premium pay for overtime. Clean-up time provides for more pleasing work conditions during the day.

Some stations shouldn't be 24 hours. This you'll find out in a good analysis. If the decision to become 24 hours is not a prudent one, your struggle with the economics of that decision will be based on how to reduce your losses rather than how to increase your profits and that will damage your relationship with everyone related to your business. With good financial decisions both you and your supplier will prosper.

# Is 24 Hours the Right Time for You?

*Editor's Note: This article was written by Mark Cousens, SSDA-Michigan Legal Counsel 313-559-2110.*

With increasing frequency dealers are being informed that, as a price for agreeing to a new franchise, they must operate their facilities on a 24 hour basis. For many dealers this is a radical change in their business operations. Dealers accustomed to having a definite beginning and a definite end to their business day now contemplate the prospect of operating the premises without stop.

A 24 hour operation presents a myriad problems. These problems range from minor to very serious. Minor problems, such as increased bookkeeping and accounting obligations, are usually easily overcome. Other problems are not so easily overcome. For many dealers a 24 hour operation presents personnel and security problems. Cashiers must be protected, but the protection should not turn the station into a fortress. No customer enjoys doing business at a facility which has been turned into a maze of bullet-proof glass and double-locked security doors. Personnel problems are also difficult to overcome. Finding trustworthy people to operate a 24 hour facility can be a major headache, if not a major obstacle.

The most significant problem, however, is the question of profitability. Extending operations to 24 hours increases overhead. It is inevitable that certain direct costs will increase, such as utilities and payroll. It is also inevitable that certain indirect costs will increase as liability insurance, workers' compensation insurance and unemployment taxes are assessed. For some dealers the increase in sales associated with night-time operation will not justify the increase in costs.

For some dealers, the increase in costs will not pose a significant difficulty. The change may be a nuisance which the dealer can overcome. For other dealers, however, the change may result in a reduction in profitability. Profitable stations may become marginal; marginal stations may become unprofitable. It is possible that a 24 hour operation could force a dealer into serious financial trouble.

Dealers anticipating real financial problems as a consequence of 24 hour operation have alternatives available. Those dealers should not routinely acquiesce to a demand that they reduce their business to an unprofitable status. This article describes some steps a dealer can take to challenge the supplier's demand, if that demand is unreasonable.

The problem discussed here is not solved by PMPA, the Petroleum Marketing Practices Act. Under PMPA, grounds for nonrenewal include a failure of the dealer and

the supplier to agree on proposed changes to the terms of the franchise. Most courts would consider a shift to a 24 hour operation to be a change in the terms of the franchise. Therefore, a supplier's demand that the dealer operate 24 hours cannot simply be refused, lest the dealer provide grounds for nonrenewal of his franchise.

In other words, under the present state of the law a dealer who outright refuses a demand for 24 hours may face nonrenewal. To be sure this should not prevent dealers from arguing vigorously in support of their position, and demanding fair and reasonable treatment by their supplier. In the final analysis, however, as presently written, PMPA gives to the supplier the authority to end its relationship with the dealer if the dealer and supplier reach an impasse on changes to the contract. Amendments to PMPA presently pending in Congress if adopted, will solve this problem.

Dealers facing a demand that the shift to a 24 hour operation should carefully research the issues to give themselves some bargaining leverage and prepare to confront their supplier. The first part of this task involves determining the size of the market. The road commission for each county regularly obtains counts of vehicles passing major intersections. These traffic counts are available free or at a nominal charge from the county road commission. A dealer should obtain this information promptly to ascertain how extensive night-time traffic really is. The results may be interesting and may indeed, persuade the dealer that a substantial night-time business is available. The results may also persuade the dealer that there is a minimum of night-time business possible, as night-time traffic passing his station is minimal.

The dealer must next determine the probable cost of operation of a 24 hour facility. Using actual costs, the dealer should determine the probable increase in utilities, insurance, personnel and other direct and indirect costs of operation which would be encountered in running a 24 hour business. This requires some caution, as guesses will not suffice.

Armed with this data, the dealer should be able to project the cost of operation and probable revenue associated with operating a 24 hour facility. This computation should be laid against the dealer's total profitability to determine whether a 24 hour enterprise will do significant economic damage to the dealer's business. For some dealers, a 24 hour facility will mean economic disaster. For others, the increase in costs will be bearable, but will reduce their overall profitability by a significant amount. Still others will project no change in overall profitability; and some will project an increase in revenue.

Dealers anticipating economic hardship should notify their

## 24 Hour Operation (continued)

supplier of their projection. This information should not be kept secret; the supplier should be given all of the information that the dealer has accumulated and the projections which the dealer has made. The supplier should be invited to correct any of the information or challenge the conclusion which the dealer has reached. A face-to-face meeting is best.

In some cases the supplier may be persuaded by the dealer's logic. In most others, however, the supplier will remain unmoved. After all, a supplier's motivation is the sale of its product. Dealer profitability is not the supplier's primary goal.

If the supplier remains unpersuaded, the dealer has three options: he can leave the premises voluntarily, deciding that the economic hardship is excessive; he can refuse to sign the proposed agreement and call the supplier's bluff, expecting that a notice of nonrenewal will follow; finally, the dealer can sign the franchise under protest, and simultaneously notify the supplier of the projected hardship.

Quitting the business is an extreme solution. It is unnecessary and punishes the wrong person. Refusing to sign the new franchise on a 24 hour basis is also an extreme solution. It invites a crisis as the dealer must argue the 24 hour issue in an "all or nothing" situation. If the supplier issues a notice of nonrenewal (for failure to agree on changes to the franchise), the dealer must then go to court. Such a case would be difficult to win, and, if lost, requires the dealer to vacate the premises.

Dealers facing a supplier demand to convert to 24 hours should consider signing the franchise under protest. The dealer's objection relates to the economic blackmail perpetrated by the supplier. Signing under protest, however, does not place the dealer's relationship with the supplier in jeopardy. It allows the dealer to remain in the premises while experimenting with 24 hour operation and, if necessary, while challenging the 24 hour requirement.

Assuming a dealer reaches impasse with the supplier,

the dealer may sign the franchise, while simultaneously delivering to the supplier a notice that the dealer's signature on the franchise does not constitute a waiver of the dealer's rights under the Petroleum Marketing Practices Act or applicable state or federal law.

The letter should contain a careful explanation of the dealer's reason for opposing the 24 hour requirement. This should include a description of, and copy of all of the data the dealer has previously collected. The letter should explain that the dealer expects to suffer economic hardship under a 24 hour operation. It should conclude that the dealer will experiment with 24 hour requirement; the dealer will operate, in good faith, on a 24 hour basis long enough to give the requirement a fair opportunity.

If the dealer indeed experiences economic hardship as a result of the 24 hour requirement, the dealer will notify the supplier. The supplier will then be invited to relieve the dealer of the 24 hour obligation. If the supplier refuses to do so, the dealer will begin suit asking judicial permission to abandon the 24 hour obligation.

This procedure is, of course, not foolproof. It is, however, designed to give a dealer a fighting chance to avoid what would otherwise be serious economic hardship. Each case, however, will be controlled by its own facts. A minor economic hardship will, in all probability, not justify a dealer's abandonment of the 24 hour requirement. However, a serious economic hardship, which is supported by objective data, will be of interest to all but the most hardened of judges.

Suppliers reading this article may warn dealers that the process will be disfavored, or even rejected. No dealer should fear such a comment. This article was not written with the permission of any supplier nor was it written with any concern for how any supplier might react. Dealers should be prepared to act in their own self-interest when their survival is at stake.

The procedure outlined here should not be followed without advice from an experienced person. Each dealer's circumstances will be different. Dealers seeking assistance or information should contact the Service Station Dealers Association-Michigan.

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We carry a complete stock of compressors, clutches, valves, OEM condensers, evap. cores, fittings, Freon & tools, heater cores & fan clutches.

*The Auto  
Air Conditioning  
People*

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DAILY DELIVERY  
& U.P.S.





### **Ron Bernas Appointed to SSDA-Michigan Board of Directors**

Ron Bernas, owner of Harvard Row Shell in Southfield, has been appointed to the SSDA-Michigan Board of Directors. Bernas has been a service station dealer for 18 years. He replaces Ted Lentz who resigned from the Board.

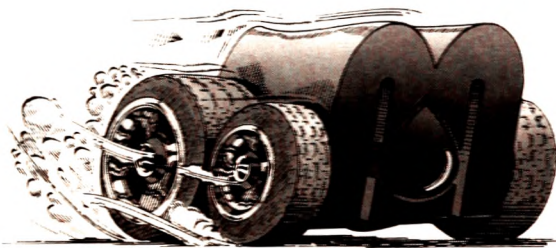
### **Ted Lentz Becomes First SSDA-Michigan Director Emeritus**



Ted Lentz, who has served 16 years on the SSDA-Michigan Board of Directors, has been appointed the first Director Emeritus of the SSDA-Michigan.

The SSDA-Michigan Board of Directors made this "first" after Lentz resigned as a Board of Director member. Lentz also served as SSDA-Michigan president.

He leases Saginaw-Waverly Service (AMOCO) in Lansing. "Ted has made an outstanding contribution to the growth of SSDA-Michigan and the Director-Emeritus position is in appreciation for his years of dedication," says George Schuhmacher, SSDA-Michigan president.



## **High Performance Vehicle**

Put your business on the road to higher profits with Mid-States Petroleum, Inc., a full-line petroleum marketer of gasolines, diesel fuels, fuel oils and aviation fuel.

Mid-States can show you how to use racing fuel as a vehicle to achieve high performance profits, with the following advantages:

- Major brand affiliation available
- Competitive prices
- Retail site selection
- Extension of credit
- 4 grades of racing fuel
- Consistent supply
- Prompt delivery by the drum, tankwagon or transport
- Available through numerous sales and distribution centers throughout the Midwest
- Complete advertising and marketing support

Put Mid-States' high performance vehicle to the test today...it's a sure way to give your business some real "get up and go"!



**Mid-States Petroleum, Inc.**  
P.O. Box 186 • Troy, Michigan 48099  
In Michigan, call 1-800-482-2611  
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# **\$1000 REWARD WANTED**

- Dealer owned and operated service stations.
- We are looking for a few GOOD DEALERS to make the big change to Marathon.
- Affiliate with a major flag that is going to remain in the Michigan market.
- Reward paid upon acceptance by the following Marathon jobbers only.



## **Southeastern Marathon Jobber Group**

**East Side Oil Co. 11001 Hearn, Detroit, MI 48213**  
*Contact: Bob Smith 313-921-2223*

**Carlton Oil Co., 2115 South State St., Ann Arbor, MI 48104**  
*Contact: Dave Carlton 313-994-5540*

**Monroe Marathon Co., 12 East Third St., Monroe, MI 48161**  
*Contact: James (Birdie) Burchette 313-241-4004*

**Marathon Flint Oil Co., 1919 S. Dort Highway, Flint, MI 48503**  
*Contact: Dave Roeser 313-234-6678*

## Saturday, May 9

### Hazardous Waste and Used Oil Workshop Planned

If you maintain or repair automotive vehicles, the products you use probably contain hazardous chemicals. Any wastes produced from your activities — including solvents, paints, thinners, fuel wastes, acids, and paint removers — may be hazardous wastes subject to state and federal legal requirements.

A workshop to provide you with information about *small quantity hazardous waste management* is being co-sponsored by the Service Station Dealers Association-Michigan and the Automotive Service Council:

**Saturday, May 9, 1987**

9 a.m. Noon

Holiday Inn, Livonia West (Holidome)

6 Mile Road, just East of I-275, Livonia

The program, presented by Waste Systems Institute of Michigan, Inc., will include the following topics:

- Legal liability for managing hazardous waste
- Complying with the law
- How to inventory your facility for hazardous waste
- Michigan requirements for used oil management
- Recycling options for solvents and oils
- Cost-saving tips

According to the U.S. Environmental Protection Agency, used motor oil is not a hazardous waste *if it is recycled*. However, even small spills of oil can contaminate soils and groundwater, leading to expensive cleanups. Come to the workshop to learn what you should do at your shop to avoid problems, legal liability, and cost.

Waste Systems Institute is a non-profit organization providing basic information to Michigan businesses. The workshop information is being prepared specifically for this meeting to address the needs of the vehicle maintenance industry. Come with your questions and concerns — non-governmental experts will be present to provide assistance and advice.

All participants will receive a seminar notebook covering basic requirements and recycling options. This is a one-time opportunity for service station dealers throughout Michigan.

The workshop charge of \$5 per person is payable at the door. A higher registration fee will be charged to persons who are *not* members of the Service Station Dealers Association-Michigan or the Automotive Service Council.

**Space is limited — you must pre-register to assure a place at the seminar.** To pre-register, please fill out the following form:

-----  
Your Name: \_\_\_\_\_

Business Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

No. of Persons Attending: \_\_\_\_\_  
-----

Mail this registration form to:

Small Quantity Seminar  
Service Station Dealers Association-Michigan  
24333 Southfield Rd., Suite 111  
Southfield, Michigan 48075

Contact the SSDA-Michigan at (313) 557-3940 for further information.

## Vulcan Equipment, Towing Equipment Pioneers, Announces "ADD-ON"

Vulcan Equipment, pioneers of "Damage Free" towing products has just expanded its line of "WHEEL SNATCHERS" to include an ADD-ON. The Model 830 comes complete with a self contained electro/hydraulic power pack while Model 832 is designed for tow trucks with an existing hydraulic system.

Both Models 830 and 832, feature Vulcan's patented strapless wheel retainer system which allows for fast, sim-

ple, efficient and safe wheel-lift hook up. The low profile stinger extends to over 62" for long overhang vehicles and includes Vulcan's heavy duty centre pivot.

The Vulcan "WHEEL SNATCHER" ADD-ON, Models 830 and 832 allows an operator to get into wheel lift towing for low capital cost with high profit returns.

For further information, contact:

Harry L. Dykes,  
1425 Eudora  
Caro, Michigan 48723  
517-673-3836,  
Toll-Free 1-800-622-5757.



# 15 Questions To Ask Your Tax Advisor

by  
**Dick Vinet**  
**Duffy-Vinet Institute**

*The material presented in this article is taken from DVI's new two-day advanced management seminar for automotive service business owners and managers.*

*For seminar information, please call 1/800/USA-BEST all between 8 a.m. - 4:30 p.m. EST, ask for operator 6.*

1. Are there any company assets (present or future) which should be personally owned by me or my family?
2. Can I lower total family taxes by moving certain income-producing assets to my children?
3. What should my salary be to optimize marginal tax rate analysis and reduce total corporate and personal taxes?
4. Should my spouse work part-time for my business to take advantage of another annual IRA deduction?
5. Which is better for me — the actual or standard method of deducting automobile expenses?
6. Have all personal and business tax credits been taken?
7. Should we take advantage of the annual \$5,000 expense option for equipment purchases?
8. Instead of selling property and paying capital gains tax, should I trade it for equivalent property and postpone the tax?
9. Should I effect a sale and leaseback of certain company assets with members of my family?
10. Am I paying too much in estimated taxes?
11. To lower employer retirement costs, should I integrate with Social Security?
12. Do I have umbrella insurance to protect the wealth I've built?
13. The value of my business properties and home has substantially increased. Have I considered increasing the amount of my insurance and/or the deductibles (i.e., more coinsurance)?
14. Do my fringe benefit plans need revision to reflect recent legislation (e.g., top-heavy rules for retirement plans)?
15. How does the alternative minimum tax affect me?



## YOUR FIRST CHOICE FOR **MOTOR OILS** AND **LUBRICANTS**

- Bulk, cases, or drums
- Pick up or delivery
- Competitive prices

**Mid-States Petroleum, Inc.**  
P.O. Box 186 • Troy, Michigan 48099  
In Michigan, call 1-800-482-2611  
Rest of USA, call 1-800-554-0500



**Kennedy Oil Company**  
(A division of Mid-States Petroleum, Inc.)  
112 East Central • LaGrange, IN 46761  
(219) 463-2904

## Former SSDA-Michigan President Dies

Charlie Slayton, former president of the SSDA-Michigan, died Friday, March 13 in Oakwood Hospital, Dearborn.

Slayton, 78, retired as owner of Charles Slayton Service located at 750 North Telegraph in Dearborn. Slayton also served a number of years on the SSDA-Michigan Board of Directors.

Slayton is survived by two sons, Charles, Jr. and Gene, who runs the station, four daughters, 16 grandchildren, and seven great-grandchildren.

## Retirees SSDA-Michigan Dues Reduced

Retirees have been given a membership dues reduction in the SSDA-Michigan.

At its February 11 meeting the SSDA-Michigan approved membership dues "equal to 25 percent of the regular membership dues" for retirees. To qualify for this membership dues reduction, a retiree has to have been a member of the SSDA-Michigan no less than five full years immediately preceding retirement from the business.

## Meyers Automotive Receives Award

Meyers Automotive of Warren, Michigan, a warehouse distributor of automotive parts for the aftermarket, has been selected to receive an achievement award from the Automotive Training Managers Council for excellence in providing technical training in 1986.

To be considered for this award, of which only five are

presented annually Meyers Automotive built a multimedia training facility at its warehouse and presented qualified instructors to teach classes on a various range of topics.

Meyers Automotive accepted this award at the ASIA Big I Show in Atlanta, Georgia March 9-12.


## RYKOwash...Bank On It!

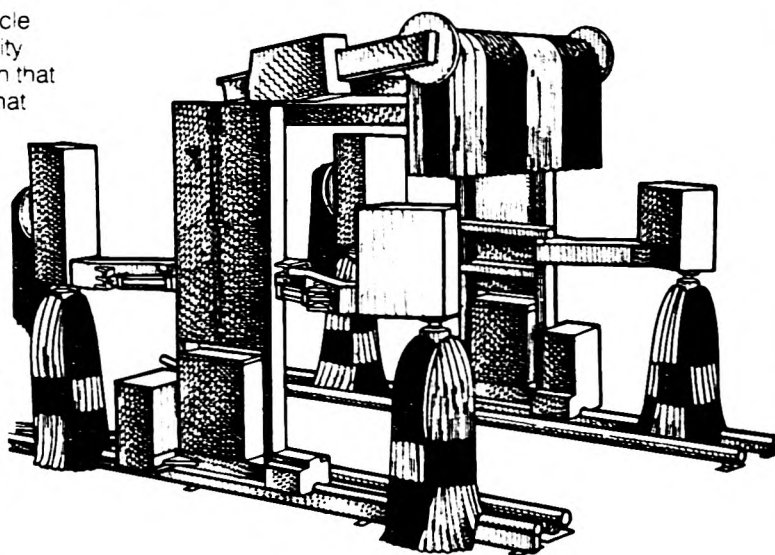
Choose RYKOwash automatic vehicle wash equipment for reliability, durability and easy maintenance...a combination that spells money in the bank. And isn't that the whole idea?

RYKO® builds wash systems to last, with rust-free, corrosion-resistant aluminum and simple, trouble-free design.

And because the system works so dependably, you can count on RYKOwash to deliver satisfied customers, wash after wash.

Tailor your RYKOwash with Select-A-Cycle, offering "Speed Wash" to handle increased customer traffic and "Super Wash," which increases profit and provides superior cleaning.

We'd like to show you more ways dependable RYKOwash and the whole RYKO line of vehicle wash equipment and accessories can earn profits for you. Call us today. 



**JPF ENTERPRISES, INC.**

"The Finest in Car Wash Systems"  
Sales — Service

41551 Woodland Creek Dr  
Novi, Michigan 48050  
(313) 349-0224



# PMPA Plus Nine

## The Notice of Nonrenewal

by Mark Cousens  
SSDA-Michigan Legal Counsel  
Miller, Cohens, Martens and Ice  
313-559-2110



Before a franchise may be nonrenewed or terminated, the franchisor must give a notice to the dealer. The notice is a strict requirement of the law. PMPA stipulates three things about the notice: the notice must be given on time, must contain certain information, and must be accompanied by a summary of the dealer's rights under the law.

The notice must be given not later than 90 days before the date the termination or nonrenewal is to be effective. This requirement of the law has been strictly interpreted. The notice must be on time. If it is late, the notice will be considered void. Without the notice, the nonrenewal or termination is likewise void. In short, no notice, no termination or nonrenewal.

PMPA does permit giving less than 90 days notice if it would not be reasonable to require the longer period. This is meant to allow shorter notice if a dealer abandons a facility, commits some fraud, or dies. Short of these extreme situations, 90 days notice is mandatory. A longer notice (180 days), is required in cases of a supplier's complete withdrawal from a marketing area.

The notice must contain the reasons for the termination or nonrenewal. The reasons must be clearly stated, and be those permitted by the Act.

This is particularly important. In a suit to challenge the termination or nonrenewal, the reasons that the franchisor relies upon may only be those that were listed in the notice. Reasons that are thought up later will not justify termination or nonrenewal.

The notice must include a statement of a dealer's rights. This statement is a particular form drafted by the U.S. Department of Energy. A statement written by the supplier will not suffice.

This notice is, obviously, very important. A dealer receiving this notice must pay **immediate** attention. Regretably, some dealers ignore the notice, assuming that they have 90 days to worry about it. This is untrue. PMPA allows a dealer to begin suit to challenge the termination or nonrenewal. However, dealers have only 90 days after the date of the notice to begin the suit if they want to take advantage of the Act's special standards for issuance of a temporary injunction (the suit can be filed up to a year afterward, but the standards for issuance of an injunction change).

In other words, when the dealer gets the notice, a clock begins running. The dealer must not ignore the notice, assuming that the problem will go away. The dealer must protect his rights, and has only 90 days to do so. The dealer cannot seek help a few days before his franchise expires, and expect to get it. A legal challenge takes time: even the best lawyers cannot act instantly.

Some dealers do seek legal counsel in response to the notice. However, lawyers unfamiliar with PMPA often have little idea how to help the dealer. They often do little more than write a letter threatening dire consequences unless the franchise is renewed. Of course, such letters are customarily ignored by a supplier confident of its position. The letter may seem like a useful gesture, but it may accomplish nothing and waste valuable time.

A dispute between a dealer and a supplier may be capable of amicable resolution; however, a notice of termination or nonrenewal should be treated like a declaration of war. The dealer should assume that he will have to fight the supplier in court. That requires the dealer to act promptly to protect his rights.

## Tap Booming Pick-Up Truck Market

While consolidating parts purchases with one or two outlets usually increases bargaining power, dealers making large annual purchases can speed up parts deliveries by dealing with three or four jobbers.

*Example:* Al Ehrlich, a high-volume Chicago service station dealer, has four hot lines in his service desk going to four local jobbers. When he needs a part he calls the jobbers one at a time. First one with the part in stock gets the order. When the next part is needed, first phone call goes to the jobber who filled the last part order. Each jobber knows about the others; all know the fastest service gets the order.

## Have Pick-Up Truck; Will Profit

Two years ago, Tom Linhard and his wife wanted to go into the quick lube business but they didn't have the cash to do it. So they bought a small red pick-up and started offering a mobile oil change service instead.

Today, the Linhards have 10 employees and two trucks, and their "Kwik Kare" business is making plenty of money servicing 20-30 cars/day at hotels and small airports for firms like Hertz and Avis.

Kwik Kare's prices depend on the number of vehicles serviced, but Linhard usually gets \$15-\$20/car for his mobile oil, lube, filter change and tire rotation service.

Meanwhile, the Linhards have a new venture — a full automotive repair shop near Los Angeles International Airport where they specialize in repairing rental cars to be sold to consumers.



# APPLICATION FOR MEMBERSHIP SERVICE STATION DEALERS ASSOCIATION OF MICHIGAN, INC.

24333 Southfield Road • Suite 111 • Southfield, Michigan 48075  
Telephone: 313/557-3940



I (We), by submitting this application and the payment of scheduled dues, hereby apply for membership in the Service Station Dealers Association of Michigan, Inc.

BUSINESS NAME: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ MI ZIP: \_\_\_\_\_ PHONE: (    ) \_\_\_\_\_

BRAND OF GASOLINE SOLD: \_\_\_\_\_

TYPE OF OWNERSHIP: *(Check appropriate box)*

☐ SOLE PROPRIETORSHIP

☐ PARTNERSHIP

☐ CORPORATION

## LIST OWNERS/PARTNERS/CORPORATION PRESIDENT AND TREASURER:

NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

RESIDENCE ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ ZIP: \_\_\_\_\_ PHONE: (    ) \_\_\_\_\_

NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

RESIDENCE ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ ZIP: \_\_\_\_\_ PHONE: (    ) \_\_\_\_\_

## LIST ADDITIONAL STATIONS OWNED

1 STATION NAME: \_\_\_\_\_ BRAND: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ ZIP: \_\_\_\_\_ PHONE: (    ) \_\_\_\_\_

2. STATION NAME: \_\_\_\_\_ BRAND: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ ZIP: \_\_\_\_\_ PHONE: (    ) \_\_\_\_\_

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

### DUES SCHEDULE

Annual Dues \$200.00

Second Station @ \$50.00 \_\_\_\_\_

Additional Stations \_\_\_\_\_

@ \$25.00/each \_\_\_\_\_

Partners @ \$12.00/each \_\_\_\_\_

Total \$ \_\_\_\_\_

### I would like information on those items checked below:

☐ Michigan Bankcard-Visa/MasterCharge

☐ Dodson Workers Comp. Insurance

☐ Blue Cross/Blue Shield of Michigan

☐ Equipment



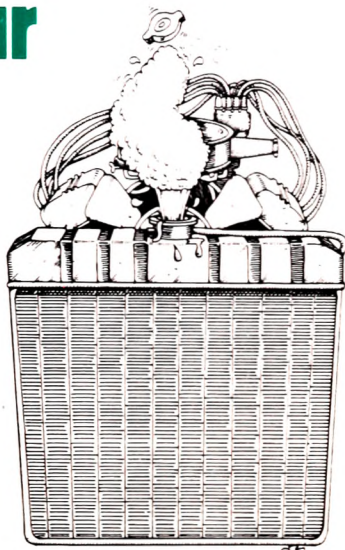
# A dirty cooling system can make your engine run hot

When dirt, rust and sludge deposits clog the passages in your heater core, you're in for a long, uncomfortable winter behind the wheel.

That's because these blockages prevent your cooling system from circulating hot coolant from the engine through your heater to warm the inside of your car.

But you really don't have to freeze this winter. Because there's a method of cleaning out your car's entire cooling system, including the heater core. With WYNN'S

# and your heater run cold.



X-TEND Power-Flush and WYNN'S X-TEND Cooling System products. A new approach to cleaning and maintaining your automobile's entire cooling system, while helping to maximize cooling system efficiency.

WYNN'S X-TEND Power-Flush unit uses pressurized water and air to flush even those hard-to-reach areas of your cooling system.

So act now, before a dirty cooling system can cause your heater — and your blood — to run cold.

## Wynn's XTEND Power-Flush

For further information or personal demonstration please contact:



## W & S DISTRIBUTING, INC.

2936 Bay Road

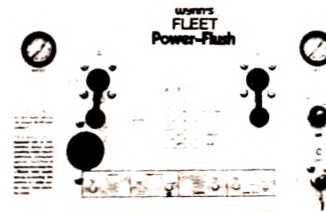
Saginaw, Michigan 48603

Telephone: Saginaw (517) 792-7900 Warren (313) 978-7397

## Wynn's XTEND

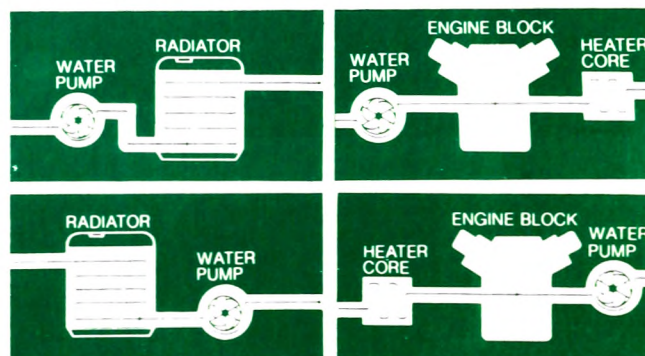
# Power-Flush

a major advancement in automotive cooling system maintenance equipment



Water pressure, air pressure and the sight glass located on the face of the unit, allows the operator to completely control the flushing procedure and visually monitor the progress.

Residue removed from the cooling system is directed down the shop drain, helping keep the work area clean and dry.

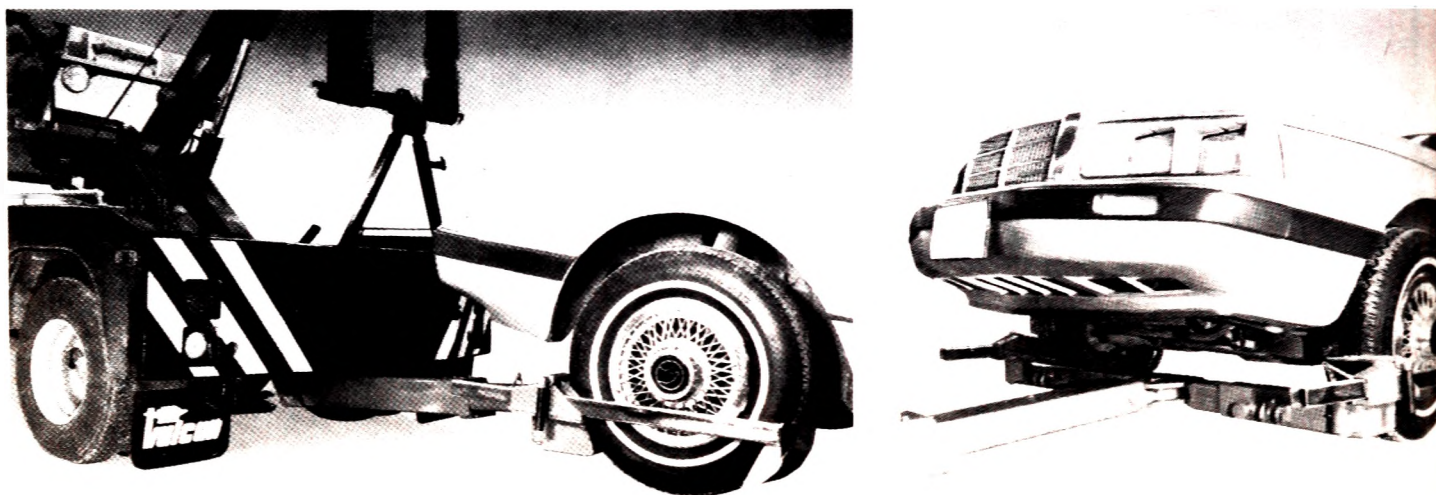


WYNN'S Fleet Power-Flush utilizes multi-directional pressurized water and air turbulence to quickly and effectively flush and "scrub" all internal components of today's automobile cooling system.

This flow diagram illustrates the flushing direction. Surfaces on the system are "scrubbed" forward and backward to dislodge built-up deposits.

## Wynn's XTEND Power-Flush

Advanced Cooling System Maintenance



# ***The Snatcher®***

## *The Add-On System for "damage free" wheel lift towing.*

The Vulcan Snatcher enables you to convert your conventional tow truck for "damage free" wheel lift towing at an amazingly affordable price.

Now you can have the benefits of Vulcan's patented Wheel Retainer System; designed to give you the profitable experience enjoyed by Vulcan Wheel Snatcher owners.

With minimal training, you will be able to hook up most cars for damage free towing in less than a minute. This means more calls per day without damage claims.

- The 3,500 lb. rated **Vulcan Snatcher** can be easily retrofitted to most conventional sling tow trucks for damage free wheel lift towing.
- The patented "strapless" wheel retainers makes the **Snatcher** the fastest and easiest hookup system in the industry.
- **Low Profile Stinger** extends over 60 inches to handle long overhang vehicles.
- Wheel Retainers grip the wheel up towards its center line and securely holds the car in fast starts or panic stops without safety straps.
- Vertically adjustable **Wheel Retainers** clear curbs and other road obstructions.
- The **Vulcan Snatcher** is available in Model 830 Electric Hydraulic for mechanically operated trucks and Model 832 Hydraulic for hydraulic powered units.

For more information, contact



**HARRY DYKES**

1425 Eudora • Caro, Michigan 48723  
517-673-3836

Toll-Free 1-800-622-5757