

Logo signs hit Michigan's highways

Pilot program launched at 30 sites; study to determine if signs will stay

With a ribbon cutting ceremony in Lansing the Michigan logo sign pilot program is well on its way. Several highway exits are already seeing logo signs for gas, food, lodging and camping. The signs are part of a three-year pilot program to study the benefits of logo signing to motorists and business. Thirty highway interchanges in Michigan have been selected for the project.

Sales representatives from Michigan Logos Inc., the company administering the pilot program, are making calls to businesses along the 30 interchanges (a list of these interchanges was printed in the April issue of *Service Monthly*). To be an eligible business your retail gasoline station must have continuous operation at least 16 hours per day, 7 days a week, be within 3 miles of the interchange, provide vehicle services such as fuel, oil and water, and have restroom facilities and public telephones available during hours of operation. The cost to rent space on a logo sign is \$1,320 annually (\$660 per direction, per year). This includes the rental fee for two mainline and two ramp signs. The rental fee *does not* include the purchase of your individual logo.

After three years the state will evaluate the program's effectiveness and decide whether to expand logo signs statewide.

At the ribbon cutting ceremony last month, officials said they were finally answering the request from motorists and business owners for highway logo signs.

If you are interested in participating in the program call Michigan Logos, Inc. toll free at 1-888-645-6467. If you have any questions please call Tony at the SSDA office at (517) 484-4096.



Above: This gasoline logo sign at the I-96 Okemos exit is expected to bring in customers to SSDA members off the exit. Right: From left, State Senator George McManus, Mike Kovalchick, general manager of Michigan Logos Inc., and Gary Taylor, M-DOT Highways Bureau Director, cut the ribbon to launch the highway logo project.



Inside SQ

June 1996

SQ What's really in store for you at the Annual Convention?

Page 14-15



SQ Brothers John and Pat Currie keep the family name going.



Page 6-7

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Features

10

Convention golf



We'll hit the greens with two days of golf at this year's Convention. Sign up now to toss around some great business ideas and hit a few balls on the fairway.

20

Computers in your business

The computer is no longer relegated to large offices. Dealers are seeing the daily benefits of computers and wondering how they ever managed without them.



Departments

- | | |
|----------------------|-----------------------|
| 2 Board members | 17 For Sale listings |
| 5 President's Corner | 18 Member Application |
| 9 Viewpoint | 23 News Briefs |

Articles

6-8 1996 Annual Convention

Complete coverage of educational and social events, as well as a registration form.

12 Legislative update

Consumers influence Legislation to bring equality to wholesale pricing.

16 Member news

Lansing area Amoco dealers bowl for local charity; station's most popular employee is a four-legged friend; and other members in the news.

19 Business Focus

Financial advisor Gregory Tarr asks the important question: what is your business worth?

22 Law Talk

Attorney Mark Cousens takes a closer look at arbitration, including situations where it can actually work against you.

Advertisers

Beckler Environmental	10
Blue Cross Blue Shield	7
Cech and Associates	24
Comerica Bank	23
Compatible Software Systems	21
Dodson	23
Eby-Brown	13
Hawkins Equipment	19
Mechanical Wash Systems	11
Mellema's Service Station Maintenance	5
Oscar W. Larson Company	2
Parks Omega	2
Simpol	9
Sunrise Environmental	15
Tell-a-Leak	5
Tire Wholesalers	8
Visser's	9
Young's Fuel Equipment	4

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President's Corner

Dennis Siderski, SSDA-MI President

Customers are looking; let's make sure we're known for what we do best



You'll learn how to analyze your business and competition; how to enhance the image of your business; and how to make the most of all your resources.

With the recent hike in gas prices we know customers are looking at our street signs more closely. Are they looking at other parts of our business more closely? Are we looking at the rest of business more closely?

We should be. Because of the negative image surrounding gas prices, we need to remind ourselves and our customers that there is more to us than fuel pumps. What other reasons do they have for choosing our location? Each station has a reputation and is known for something, whether good or bad.

All of us have something we're really good at with our business. Some of us have great landscaping, some are known for their mechanics, some provide outstanding customer service, and some create a niche with their c-stores. The key is taking those talents, building on them and marketing them to the public. Let's become known for what we do best.

At this year's Annual Convention August 4-7 (see pages 6-7 for details) you will

get tangible solutions for bringing your business ahead of the rest. Mr. Bill Bainbridge of InterLink Training and Motivation will present an intensive workshop on "Energizing your Business." You'll learn how to analyze your business and competition; how to enhance the image of your business; and how to make the most of all your resources.

More importantly we'll learn how to attract new customers and gain customers for life. Just because someone is a customer today doesn't mean they'll be back tomorrow. We need to prove

to them there is much more to us than a price on a sign. We need customers that will come to our station regardless of a difference in price. Gone are the days of stations that only sell gas.

Make a difference in your business this year. Attend the Annual Convention this August at Boyne Highlands for an investment in your business. There is more to your business than just price.

The Annual Convention is the largest dealer event in Michigan. If you need more information, or have questions, call SSDA at (517) 484-4096.

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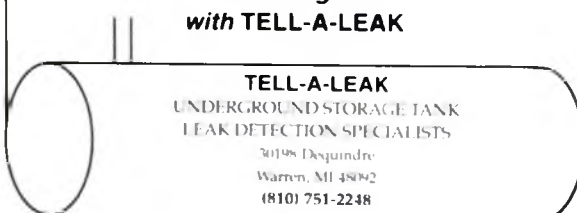
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*The phone is always ringing. Deliveries have to be checked.
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Where do you find the time to step back and take a good look at your
business? At the SSDA Annual Convention this August at Boyne
Highlands, you'll have three full mornings to do just that. Take a
couple days to recharge your batteries and get a better view of your
station and its path to success.*

INTERLINK: Energizing Your Business

No matter what you're selling, somebody can always meet or beat your price. So how do you compete? How are you going to make money? How are you going to attract new customers and keep existing ones coming back and buying more?

This interactive workshop, presented by Bill Bainbridge, will explore the planning and goal setting process, how to develop creative marketing ideas and how to motivate your customers and your employees. During the workshop we'll discuss many of the most critical issues facing us today. Learn the latest techniques for developing a solid business plan, negotiating better deals with suppliers, hiring and keeping good people, controlling costs, and using your marketing and co-op dollars more effectively. Valuable materials will also be provided for you to take back to your business.

Mr. Bainbridge is Director of InterLink Training and Motivation. As a consultant, he has worked for Town Fair Tire Co., Tire Centers Inc. and the Specialty Equipment Marketing Association. He is an automotive industry specialist that has addressed dozens of national and regional meetings and written numerous articles on the above topics.

"Business success is based on how well people communicate with each other," Mr. Bainbridge says. "How well owners communicate with employees, how well managers communicate with subordinates and how well everyone of them communicates with their customers." *"Energizing Your Business" will be presented Monday, August 5 and continue Tuesday, August 6.*



Mr. Bill Bainbridge

GAINSHARE: Productivity and Profits

In these times of 'help wanted' signs on every corner, we are all looking for successful ways to reward and motivate employees while increasing profits. Gainsharing could be the answer for you. During this workshop, presented by Thomas C. McGrath, we will look at what Gainsharing is, how it can work for you and how to successfully implement such a program at your station.

Group based gainsharing programs are growing in popularity because they are working. Gainsharing is designed to balance the needs of the employee (financial reward and satisfaction) with the needs of the business (productivity and profit). Based upon teamwork, goal setting and employee involvement, gainsharing is a program that can benefit the entire business.

Mr. McGrath is President of W.M. Jackson and Co., Inc. in Indiana. The company specializes in the implementation and evaluation of gainsharing programs, implementing more than 300 programs, including some in the gasoline retailing industry.

This session will be presented on Wednesday, August 7.

ALSO: We'll be talking about

- The latest in environmental regulations. Insurance, MUSTFA, clean up enforcement. We have invited Mr. Art Nash, chief of the UST Division of the DEQ.
- Buying and selling property for service stations. We have invited Mr. Neil Silver, an attorney specializing in real estate with possible environmental liabilities.
- A report on the association's first dealer roundtable group. Members of this group will talk about their experiences. We will also discuss the formation of new groups.
- The SSDA Annual Meeting.
- The automotive/gasoline industry and the Internet.



On the fun side

While our mornings at the convention will be devoted to improving our businesses, the rest of the day is reserved for fun, relaxation and great entertainment. It will be summertime in northern Michigan and we want to get you outdoors as much as possible.

We'll kick things off under the summer sun with an outdoor barbecue Sunday, August 4. Bring your appetite and join your friends for a great time. After our meetings break on Monday you'll have the afternoon free for taking in the sights of Harbor Springs, exploring the resort or teeing off at our golf outing at Little Traverse Bay Golf Club. Monday night we'll say thanks to all our members with a casual member reception. Tuesday afternoon we'll hold a second golf outing at Boyne (see page 10 for details) or you can spend more time taking in the surrounding sights. Tuesday will end with a bang with a performance by the acclaimed Young Americans. We'll



Members of the entertainment group The Young Americans entertain audiences at Boyne Highlands every summer. Don't miss out on your chance to be bowled over by their singing, comedy and dancing during our dinner theater program August 6.

treat you to dinner and a spectacular show with singing, dancing and lots of laughs.

We hope you'll join us this August at Boyne Highlands for a perfect mix of education and entertainment!

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Business: _____

Business Address: _____ City: _____ Zip: _____

Phone: _____ Fax: _____

The following member packages include a breakfast buffet all three mornings; all workshops and materials; Sunday's Outdoor Summer Barbecue; Tuesday's Young Americans dinner theater; and member reception.

- _____ \$299 for member and guest package
- _____ \$169 for member only package
- _____ \$129 for additional guest 15 years or older
- _____ \$49 for children under 15

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Please make checks payable to Service Station Dealers Association of Michigan

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☐ **Golf:** I am interested in golfing during the convention, please send information on the convention golf package.

☐ **Children:** I will be bringing children under the age of 12. Please send me information on Boyne's Young Explorers Club (child care during the day).

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High gas prices: Don't blame us!

Why are gas prices so high? The answers are the same ones given to me when I ask my daughters "who tracked the mud into the house?" First are the blank stares, then the shoulder shrugs, then the fingers start pointing, and finally the words spoken are "not me." The problem is there are foot prints of a particular size that only fit one person. The oil companies have taken the same path.

The headline in *The Oakland Press* read "Exxon chief: don't blame us," after Mr. Raymond, chairman of Exxon, spoke to the Detroit Economic Club. The problem is when it comes to why gas prices are so high, their foot fits the print.

It has been very easy to explain that it's not the dealers' idea, nor are we profiting from this gas hike. I explain there has always been three factors to setting our street price: 1) the wholesale cost of product, 2) competi-

tion among street prices, and 3) profit margin. Unfortunately, there are now only two factors because profit margins are vanishing. The wholesale cost drives our price. We must pass on an increase or decrease if we want to have anyone drive across our driveway, or if we want to pay the bills.

This problem is exacerbated with zone pricing, the tool used by the oil companies to set the wholesale cost by location, therefore controlling a dealer's margin. This control mechanism has not gone unnoticed by the consumer. Enough consumers complained about higher gas prices in Oakland, Macomb and Washtenaw counties vs. Wayne County, influencing two state representatives to introduce an open supply bill. This bill allows for competition at the wholesale level, eliminating zone pricing and reducing fuel costs for motorists. It is refreshing to know someone

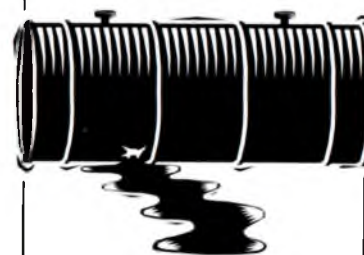
still cares and is brave enough to stand up for the small business person (see related article on page 12).

Michigan is not alone in trying to combat the problems. A consumer protection group in New York helped draft legislation allowing for open supply there. California recently introduced a bill that calls for divestiture of oil company operations and open supply. Dealers in Massachusetts have introduced a state Robinson-Patman act to combat zone pricing. This is just a sampling of what other states are doing.

It is time now to go to work and let our position be known. We need to contact our legislators and ask them to stand up for the small business person. We have wanted something to be done for a long time.. That time is here. Get involved. It's not too late.

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Tee off for a great time

Convention outings bring the beauty of northern Michigan to your golf game

Can you handle 36 of the most beautiful holes in golf? If yes, then suit up for the SSDA Annual Convention this August 4-7 at Boyne Highlands Resort. We're planning two outings that are sure to satisfy your need for challenging golf and your desire for the best scenic views in northern Michigan.

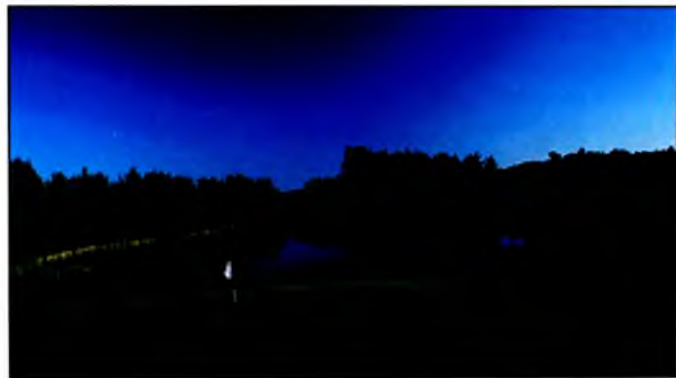
On Monday, August 5 we'll head to Little Traverse Bay Golf Club in Harbor Springs. Known for their breathtaking views, Little Traverse is an exclusive course with sloping greens, challenging water hazards and great attention to scenic details.

We'll stay right at Boyne Highlands Tuesday, August 6 for an outing on their most acclaimed course, The Heather. Designed by Robert Trent Jones, this course is heavily wooded with huge greens. The Heather also features the YARDMARK™ electronic scoring feature on all carts.

Sound good? Just mark the box for golf on your convention registration form (page 8) and we'll send more information. See you at Boyne!



The 15th Hole at Little Traverse Bay Golf Club.



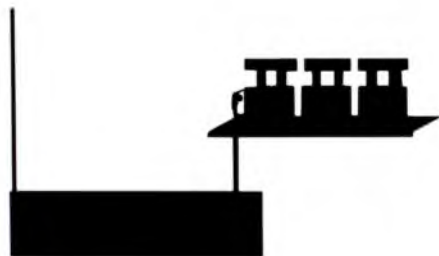
One of several water hazards on The Heather course at Boyne Highlands.

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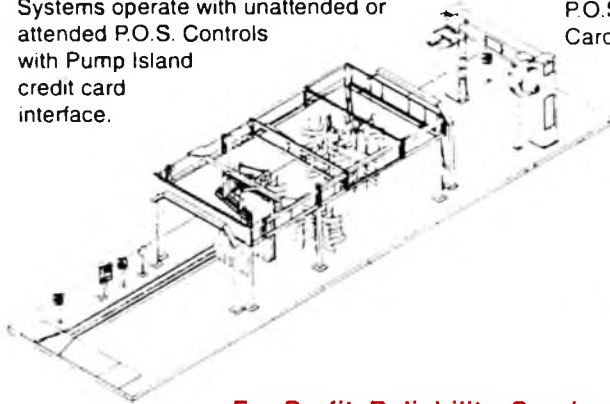
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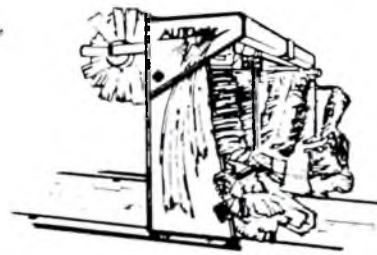
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Consumers speak out

Representatives introduce legislation to bring equity in wholesale pricing

"Pad pricing fuels disparity" was the headline in *The Oakland Press* March 1, 1996. This article was triggered by customer complaints of higher prices of fuel in Oakland and Macomb counties compared to Wayne County. The uproar was so great that even the legislature took notice. A number of letters were written by legislators to oil companies requesting information on why their counties were seemingly being discriminated against with price.

These inquiries were at the same time gas prices began to soar. This brought even more attention to the problem as oil company executives attempted to justify the huge price increases. At the same time they were explaining the increase, they also asked consumers not to blame them because they were not profiting from the price hike (see graph below).

As more information was gathered on this issue it became very clear this was not just a southeast Michigan problem, but was taking place all over the state, and in other states as well. While researching this issue many interesting facts began to surface. It was very difficult to get answers from oil companies as to why the wholesale cost of the same brand of gasoline can vary 2 to 12 cents within a couple of miles. It is even more confusing when compared with other products. Soft drinks, bread and even automobiles are the same wholesale cost throughout a region, state and, in some cases, the country. Certainly prices will vary at retail due to the economics and tax burdens of each location, but the retail price should not be controlled by the supplier who, in many cases, is in direct competition with their retailers.



Representative David Galloway



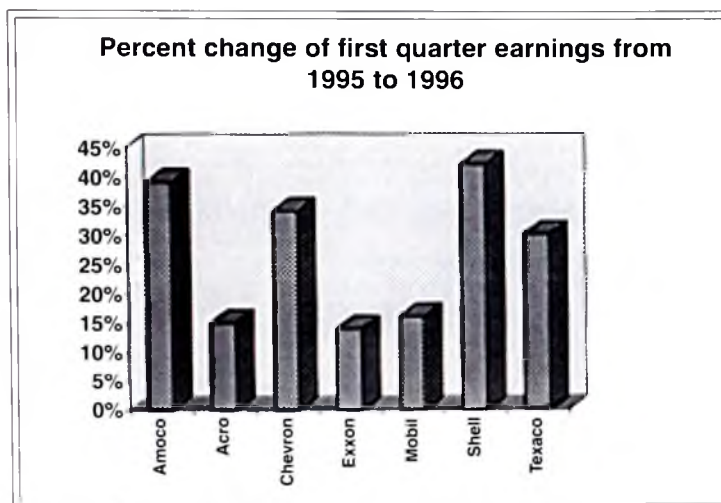
Representative Dennis Olshove

The last week of May finally brought action on this problem. Rep. Dennis Olshove, D-Warren, and Rep. David Galloway, R-Waterford, introduced legislation allowing the consumer to see lower fuel costs. In a memo to other House members, the two representatives explained their legislation as follows:

"To address the 'Pad Pricing' discrepancy, we are introducing a bill that amends the Motor Fuel Distribution Act (P.A. 134 of 1990). Specifically, our bill would allow retail gasoline outlets to purchase their branded product from any entity that employs that same brand. **The purpose of this legislation is to create competition at the wholesale level where it does not currently exist.** We believe that this competition will result in reduced motor fuel costs for consumers and will eliminate the current wholesale overcharging situation."

Rep. Olshove stated it's very important that the consumers of Michigan are treated fairly and are not discriminated against because of where they choose to live. This legislation is focussed on helping to eliminate those injustices. Even though the initial concern of Rep. Olshove and Rep. Galloway was for their constituents, it has become clear this legislation will benefit consumers all over Michigan.

Rep. Olshove and Rep. Galloway have shown their true concern for the motoring public of Michigan and the small business owner. In today's political climate it is exciting to see strong leaders stand up for what is right. It is time for us to stand behind these representatives and help them meet their goals.



From the Wall Street Journal April 23, 1996.

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- Annual Customer Survey

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Like Father *Like Sons*

By Amy Johnston

In Big Rapids the Currie name is as well known as Ferris State University, and probably more well known than the Amoco gas they sell at their station on Maple.

Brothers John and Pat Currie have been running their Amoco station since 1980, but they've worked in the gas business since they were old enough to hold a nozzle. Their father, longtime SSDA member Richard Currie who died in January, opened a White Elephant station in Big Rapids in 1948. While he and his wife raised 12 children in Big Rapids, Richard's business prospered and he became a true community leader. All of Richard's children worked at the station at some point, but John and Pat were the ones to carry on the family business.

"I don't think these guys played sports in high school," said Pat's wife Penny. "Their friends use to come to the station to hang out with them."

As the oldest son, John said working with his father just came naturally.

"I didn't know anything else to do. Dad wanted me to stay and keep the name going," he said.

As the only locally owned service station in town, and the only station with repair facilities, Currie's has created a solid niche in a small town community. The Currie name has become synonymous with quality auto service, community advocacy and honest business practices. John and Pat still use their father's original business motto: "The station on the corner that does business on the square."

Citizens in Big Rapids are so loyal to the Currie's station that when bridge construction blocked their road for a year, customers

drove out of their way to get to Currie's. John and Pat have not let this loyalty go unnoticed. Last fall they opened an expanded convenience/grocery store because their customers wanted more variety. John said they are looking into a fast food tie-in as well.

With a growing business in a changing industry, the Curries rely on SSDA to keep in touch with regulations. Their father joined the Association during his early years in the business, and John and Pat have always seen the benefits of a dealer network.

"If you have questions, there's always someone to answer them," John said.

John and Pat both know their father left big shoes to fill. Not only have the brothers succeeded in carrying on the family business, but they have followed their dad in community service. John sits on several community boards, including the County Road Commission of Mecosta County, the County Planning Board and the local hospital board. He is also manager of the county fair, and



In 1991 Richard Currie (middle) stopped by the station to see his sons Pat (left) and John. Richard started using wreckers in 1960 and now Currie's has eight wrecker trucks.



Above: John Currie, outside his new c-store, said customer demand convinced them to expand. Below: customers gather every morning for coffee and donuts in the Currie's new store.

FORMALITIES

- John and Pat are two of 12 children. Their father, Richard opened his first station in 1948.
- John is married to Deb and has three daughters and one son. Pat and his wife Penny have two sons and one daughter. John's children are already old enough to work at the station.
- Both John and Pat own farms in Big Rapids, and both sit on several community boards.
- They have been SSDA members since they purchased the station from their dad in 1980.

finds time to care for a 200 acre cattle farm.

Pat also farms, raises harness racing horses, and participates in groups like the Lions Club, Ferris State sports boosters and the Friends of Ferris organization.

The local paper in Big Rapids called Richard Currie "Mr. Big Rapids." John and Pat are well on their way to community legendary status as well.

The longevity of Currie's Inc. is not uncommon with members of SSDA. We are proud to work with dealers who still uphold honesty, quality and the sense of family commitment like John and Pat Currie.



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Members

Members in the news

The following SSDA members have appeared in their local papers. If your business makes the news, please let us know by calling SSDA at 517/484-4096. We monitor newspapers across the state, looking for our members in the news.

• **Duane Russell**, Shell Food Mart, Perry. Duane was featured in both the March 14 *Shiawassee County Journal* and the March 13 *Tuscola County Advertiser* for the new Shell Food Mart he is building in Perry. The station will include a Taco Bell restaurant and drive through car wash.

• **Larry Troy**, M-59 Crooks Auto Service, Rochester Hills. Mr. Troy was featured in the March 1 issue of *The Oakland Press* with a color picture and article on higher prices for fuel in Oakland County. Mr. Troy, whose station is in higher priced Oakland County, was trying to shed light on the price disparities. The article got the attention of several legislators who in turn asked the major oil companies for a response to the price disparity question.

• **Dennis Brewer**, Brewer's Service Inc., Ann Arbor. In a February 1 *Ann Arbor News* article on cold temperatures, Mr. Brewer was mentioned for his increase in towing business. He said most of his calls were for batteries and cars

that wouldn't start in the cold.

• **Jim Hazel**, Jim Hazel's Union 76, Battle Creek. In a February 3 *Battle Creek Enquirer* article on the cold temperatures, Kirk Cook, a mechanic for Mr. Hazel, was pictured working on a truck. The article mentioned the toll the weather was taking on vehicles.

• **Ed Hatherill**, Ed's Standard Service, Durand. Mr. Hatherill's station was named Business of the Month in the January 25 issue of the *Durand Express*. The article, with a picture, pointed out that Ed's father started the business in 1946; and they still offer full serve gas today. The article also mentioned the many other services at Ed's Standard Service, like a snack shop and full oil change service.

• **Several Lansing area stations**, including members Jim Little, Terry Kildea, Warren Barrone, and Richard



Amoco dealers bowl a winner for charity

On March 17, Lansing area Amoco dealers laced up their bowling shoes and raised nearly \$30,000 for a children's playroom at Lansing's Sparrow Hospital. It's a cause three SSDA members have committed a lot of time and energy to over the years.

On behalf of Lansing Amoco dealers, SSDA members Chris Haddad, Warren Barrone and Terry Kildea approached Sparrow Hospital four years ago hoping to offer their time to a worthy cause. After talking with hospital officials, the group committed \$125,000 over a five-year period to a children's playroom as part of the hospital's expansion efforts.

In addition to video sales at Christmas, balloon sales and individual store fundraisers, the dealers decided to host an annual Bowlathon for The Children's Miracle Network, the hospital's fundraising arm for children. The original goal was to raise \$6,000 - \$7,000 with each Bowlathon. This year the event brought in \$29,400, making it the largest single fundraising event for The Children's Miracle Network.

Chris Haddad, owner of three Lansing area Dunkin Donuts/Amoco stations, oversees the Bowlathon each year. He said there has been no shortage of volunteers or contributors.

"I don't remember if I've heard a 'no' from anyone," he said. "It's not hard to get support from the community. They recognize the value of Sparrow in our community."

"Sparrow Hospital is the place we all take our kids."

Much of the support has come from the industry. Suppliers like Amoco Oil, Eby-Brown, Laser Car Wash Equipment, the Oscar W. Larson Company, and SSDA contributed money and prizes to ensure a successful event.

Sixty six teams of five bowlers each collected pledges for their three games of free bowling. Prizes went to the best bowlers, participants with the most pledges, and winners of random drawings. Haddad said half the bowlers signed up through an Amoco station and the rest just heard about it on the radio and TV. Next year he's hoping to get the help of the *Lansing State Journal* to promote the event and reach even more people.

"I think this could really be something of a worthwhile event for Sparrow," Haddad said.

In the meantime, Lansing Amoco dealers will continue to find creative ways to give back to their community.

"I'm just happy to do my part. It's been a good situation," Haddad said.



Amoco dealer Chris Haddad says he's happy to do his part for Lansing's Children's Miracle Network. Haddad heads up the Amoco dealers annual bowlathon for the charity.

Fedewa, were mentioned in the January 17 issue of *The Lansing State Journal* for accepting used motor oil for recycling.

• **Warren and Andy Barrone.** Portland Amoco, Portland. Warren and his son Andy were featured in the February 7 issue of the *Ionia Sentinel-Standard* for the new car wash at their station in Portland. The Barrones purchased the station a year ago and recently added the car wash. The article detailed the various wash options available and included a picture.

• **Steve Bedwell.** Tekonsha Truck Auto Plaza, Tekonsha. In a February 7 *Battle Creek Enquirer* article on the proposed expansion of I-69, Mr. Bedwell was recognized for taking advantage of the highway's growth. Mr. Bedwell is planning to move his auto plaza to a larger site along I-69. The proposed expansion would make I-69 an international highway, linking Canada, the United States and Mexico.

• **Harry Parsons.** Harry's Service, Saline. Mr. Parson's station has been featured on television and in no less than five newspapers. The story is Charlie, the station's resident golden retriever who works the drive. Charlie, who belongs

to Harry's son Rick, greets every customer, takes money inside to the cashier, and attracts many repeat customers. In one article, Harry said Charlie is the best public relations the station could ask for.

• **Terry Kildea.** Kildea Kar Kare, East Lansing. Mr. Kildea was featured in the *Greater Lansing Business Monthly*. Each month the magazine reports on a particular business. In February they explored auto repair facilities. Mr. Kildea was one of the featured business owners. An extensive article and picture looked at the history of his business and outlined the services he offers today.

• **Fred Weberling.** Fred's Standard Service, Marshall. Fred, his business and his family, were featured in a community profile in the April 3 *Marshall Chronicle*. Accompanied by four pictures, the article detailed Fred's start in the business as a hometown son. It also touched on the honesty Fred brings to every job and every customer.



Charlie, the star employee at Harry's Service

For Sale

Car wash. A used rollover car wash. Nu-Star poly pad, five brush, soft cloth wash with underbody rinse. Good operating condition, well maintained, newer cloth. Used three years. Call Tim Mariner or John Racine at (616) 538-7990.

Station for sale. 3 bay car wash and convenience store with gas, diesel, K-1, beer and wine, Lotto and more. Port Hope, MI. Call (517) 428-4441.

Station for sale. Shell Auto Care station with three bays for sale. East Lansing, MI location. Purchase lease and equipment. Call (517) 322-4090.

Alignment machine. FMC brand, 4-wheel capabilities, priced to move with a guarantee. Call Rick Gram at (313) 886-1040.

Station for sale. Two-bay conventional station. Prime M-37 White Cloud, MI location. Contact Mike at (616) 689-6214.

Equipment. An Allen Smartscope with an oscilloscope. Call LeRoy Schultz at (313) 459-1049.

Gas station/c-store. An independently owned gas station with c-store in northern Genesee County. Excellent cash flow, terms available. Please call (810) 686-8626 in the evening.

Algonac station for sale. 120' x 120' frontage on M29 in Algonac. Two bays, c-store, full service and self-service. Gasoline, kerosene and diesel. Some equipment will stay. Across the street from public access to St. Clair River. At present a Sunoco, but can change. Call (810) 794-4310.

Station for sale. 150' of M24 frontage. Zoned for commercial use (c-store and/or full service). Asking \$250,000. Please call (810) 628-1875 for more information.

If you are interested in buying or selling an existing service station or equipment please call the SSDA at (517) 484-4096. We are keeping a running list of sellers and buyers.

Q. What can the SSDA do for me?



- A.**
- Provide you with one hour of phone consultation with our legal consultant.
 - Give you group insurance through Blue Cross/Blue Shield, which you can pass on to your employees.
 - Regular updates on legislative, regulatory and membership issues through Service Monthly newsletter and Service Quarterly magazine.
 - Save you up to 50 percent with a Visa/Mastercard program; with no transaction fees and a fixed rate of 1.98 percent.
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 - Give you additional promotional points toward Tire Wholesalers programs, as a Tire Wholesalers customer and SSDA member.
 - Host an annual convention each year filled with business advantages and entertainment.
 - Protect your interests by having an SSDA representative on the MUSTFA Policy Board.
 - Make sure your voice is heard in Lansing with an active legislative support network and PAC.
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 - Invite you to join a network of hundreds of other dedicated professionals in the industry who can help with advice and support.
- The SSDA can provide you with the knowledge you need and the savings you want.

Please send the application below to SSDA, 200 N. Capitol Suite 420, Lansing, MI 48933

APPLICATION FOR MEMBERSHIP	
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: () _____
COUNTY: _____	TYPE OF OWNERSHIP: <input type="checkbox"/> CORPORATE <input type="checkbox"/> NON-CORPORATE <small>SOLE PROPRIETORSHIP PARTNERSHIP</small>
ENCLOSED PLEASE FIND A CHECK FOR _____	
PLEASE CHARGE MY MEMBERSHIP TO MY MC OR VISA (PLEASE CIRCLE ONE) CARD # AND EXP. DATE _____	
PLEASE BILL ME	
ANNUAL MEMBERSHIP DUES:	ANNUAL ASSOCIATE MEMBERSHIP DUES:
_____ \$41 monthly (electronic banking)	_____ \$25 monthly (electronic banking)
_____ \$480 annual payment	_____ \$250 annual payment
Add \$120 per station after four stations.	
_____	_____
Signature	Date
June 1996 SQ	

Business Focus

Gregory S. Tarr, Advanced Planner Group, American Express Financial Advisors Inc.

Can you put a price on your business?

As your business grows, you may have to answer an important question: What is this thing really worth?

You may have heard some rules of thumb - a business is worth twice its annual billings or that its value is equal to the assets minus liabilities. While these guidelines may be useful in some situations, it takes more than simple formulas to determine the true value of your business. Your business is a complex entity, if you're going to tag an actual dollar figure on to it, you'll need to evaluate *everything* that goes into it.

Art Meets Science

Determining the value of a business is hardly pure science. In trying to make an assessment of its worth, an appraiser must consider many different factors. At the top of the list is the overall financial health of the business, as demonstrated by its liabilities, assets, cash flow and earning capacity. An appraiser also must consider the conditions of the marketplace. What does the future hold for your business in the form of new products or potential law suits? In many cases, an appraisal also will have to take into account the so-called intangibles, such as customer loyalty, brand awareness and other human factors.

It's All in the Premise

Perhaps the biggest consideration in any appraisal is the premise of value. That's the *reason* you are seeking an appraisal. There are many possible reasons for having a business appraised, includ-

ing:

- sale of a business or partial interest
- purchase of a business
- allocation of assets
- financing
- buy-sell agreements between owners
- condemnation proceedings
- estate planning
- succession planning

Depending on the reason the appraisal is being performed, you may find the value of your business varies. For example, if you were selling a stake in your business, you might have an appraiser determine the *fair market value* of the business what the business might fetch on the open market. However, if you want to take out insurance on your business assets, you would have an estimator determine the *insurable value* of the business.

Valuation Choices

When it's time to determine the value of your busi-

ness you can choose from among a range of methods:

Exhaustive appraisal: In some cases, such as sale of business, divorce, death of a principal, etc., you will need an exhaustive appraisal from a professional appraiser. This person will provide you with a legally sound valuation that can stand up to the scrutiny of the courts or the IRS.

Industry standards: Specific industries have established accepted methods of valuation.

Thumbnail sketch: If your business is not in the midst of a major change, you might consider having a financial advisor or accountant provide a basic thumbnail sketch of your business' value. These financial professionals can generally provide a good working estimate.

Computer software: Several business valuation

software packages are on the market. These are easy to use and can produce reasonably good estimates.

After the Valuation

Regardless of the valuation method you choose, you should be able to use the information to build a solid financial plan that encompasses both your business and personal life. Any capable business or financial advisor should be able to help you integrate your valuation with your long-term financial goals.

If you're going to put an actual dollar figure on your business, you'll need to evaluate everything that goes into it.

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Log On

Computers find their place in the gasoline retailing business

By Amy Johnston

Jerry and Pam Armstrong may not be speeding down the information super highway, but their BP station in Waterford is linked together by computer terminals, electronic scanners, computerized diagnostic equipment, and software that makes it all work.

Computers have allowed the Armstrongs, who are opening a second location in Troy, keep close tabs on their inventory, profits, fuel supply and regulatory paperwork. They are among a large group of gasoline retailers, who realize the initial investment in computers and software pays off when running a business as diverse as a service station.

Jerry and Pam use a software package specifically designed for gasoline retailers called Compatible Software Systems (see ad on page 21). CSS is basically an accounting system that performs tasks like inventory control for both repair and c-stores, accounts payable and check writing, payroll, generating repair orders, daily checkout, reconciling all bank accounts, and using customer history to generate follow up and thank you letters. Pam said they also use CSS to run a number of reports that can tell them where their profits lie. The Armstrongs are firm believers that an investment in computers up front saves a lot down the road.

"We don't think anything of buying a \$10,000 car wash and giving washes away to increase business," Jerry said. "You have to look at what computers are going to do over time."

They say their inventory tracking system itself saves them a great deal of time and money. When shipments come in the Armstrongs use a hand held scanner to quickly scan the merchandise and automatically send it into the computer. Their registers are linked to the com-

puter network so that every time an item is rung up it gets taken out of the computer's inventory list. They even have their repair shop set up so when an order is written, the parts are automatically taken out of inventory. Pam said the accuracy of this system is hard to beat. You don't have to worry about transposing numbers because they come straight from the register or a scanner. Also, it's easier to detect unaccounted inventory loss.

"If you're not computerized, how do you keep track of all that?" Pam said.

Being computerized also gives them greater control over their fuel supply. Each day a fuel storage report is printed on all tanks. "If you have a leak, you'll know right away," Pam said.

A computer network can also give a dealer more control over multiple locations and different managers. With one system to follow and one central location where all computer records are kept, it's easier to monitor stores when you're not there daily. Believe it or not, with computers you can spend more time away from your desk. The Armstrongs say it takes much less time to close out the store each night, do payroll and pay bills than it did before computers.

Today in service stations computers do much more than crunch numbers. Repair facility owners know that today's cars are highly computerized. Investing in computerized diagnostic equipment is essential. Jerry uses a PC with diagnostic software and "breakout boxes" to pin down what's wrong with a vehicle. Every few months he purchases a software upgrade so he is always up to date on vehicle technology. The PC is hooked up to the station's network, allowing the user to access all other programs and type up service orders right there. Computers also allow dealers to get a company's parts catalog on disk or CD Rom instead of filling shelves with manuals.

In the future look for electronic forms. Instead of piles of paperwork, you'll get your regulatory forms on disk or even via e-mail. The Armstrongs know a lot of this computer talk can be overwhelming, and even intimidating, for small business owners without a lot of disposable income.

"What really stops people, because we are small business owners, is the cost," Pam said. "They think they don't have the money and don't need computers, but they need to look at the long term benefits

"Fifteen years ago we said we didn't need a computer. Today we say 'go back, I don't think so.'"



Pam Armstrong uses an accounting software package for service stations.

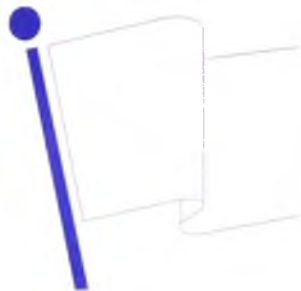


This hand held scanner is used to track all inventory coming into the Armstrong's station. The information is easily fed into a computer that tracks it as it's sold.

Flying Old Glory

*Summer is upon us
and the weather is
just right for flying
the American flag
at your station.*

*Following are
exerpts from the United States Code
on Flying the U.S. Flag.*



Time and occasions for flying the flag

- It is the universal custom to display the flag only from sunrise to sunset on buildings and stationary flagstaffs in the open. However, when a patriotic effect is desired, the flag may be displayed 24 hours a day if properly illuminated during the hours of darkness.

- The flag should be hoisted briskly and lowered ceremoniously.

- The flag should be displayed daily on or near the main administration building of every public institution; in or near every polling place on election day; in or near every schoolhouse during school days.

Position and manner of display

- At all meetings, in homes or other places, the flag of the United States should always be placed to the right of the presiding officer.

- No other flag or pennant should be placed above or, if on the same level, to the right of the U.S. flag, except during church services conducted by naval chaplains at sea when the church pennant may be flown above the flag.

- When the flags from two or more nations are displayed, they are to be flown from separate staffs of the same height. The flags should be of approximately equal size. International usage forbids the display of one flag above another in times of peace.

- The flag, when flown at half-staff, should be first hoisted to the peak for an instant and then lowered to the half staff position.

Respect for the flag

- The flag should never touch anything beneath it, such as the ground, the floor, water or merchandise.

- The flag should never be displayed with the union (the stars) down, except as a signal of dire distress in instances of extreme danger to life or property.

- The flag should never be used as a covering for a ceiling, or as a receptacle for receiving, holding, carrying or delivering anything.

- The flag, when it is in such condition that it is no longer a fitting emblem for display, should be destroyed in a dignified way, preferably by burning.



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*We can put icons for CSS
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*Further Enhance Your
Operations with
Windows,
Wordperfect
and Lotus*

**Consulting and
Training Available**

Arbitration: It's OK if it's fair

Arbitration is a terrific way to resolve disputes. But it rapidly loses its luster when a party to a contract is forced to agree to an arbitration procedure that waives certain statutory rights. Then the process is not a simple way to quickly solve problems. It is an excuse for a party with economic leverage to strip the other party of important protection.

Arbitration is the process of resolving disputes between parties to a contract. It is very common. It is used in all kinds of contracts. Arbitration is used to solve the most simple disputes — neighbors disagreeing over where a fence can be built — and the most complex — nations disagreeing regarding interpretation of trade treaties. It is very common in labor relations, commercial agreements and architectural contracts. It is a very good way to resolve disagreements; it is less complex, faster and cheaper than litigation. But it is not a good idea in every circumstance. This is particularly true when the process is used to protect one party and injure another.

Such a case occurred in Oregon not long ago. Graham Oil was a jobber, distributing Atlantic Richfield products. Even though it was a jobber, Graham was considered a franchisee under PMPA. The reason is that a jobber, just as a dealer, has a contract with a supplier that grants the jobber the right to sell branded petroleum products. And that

contract is subject to termination and non-renewal, just as is a dealer's contract. PMPA provides jobbers the same protections it provides dealers.

Graham had distributed ARCO products for nearly 40 years when ARCO decided to terminate Graham's contract. The reason is that Graham had not purchased the minimum quantities of petroleum products during a specified period. Graham sued ARCO under PMPA, claiming the termination violated that Act. But ARCO moved to dismiss the suit. ARCO asserted that Graham had agreed to arbitration of all disputes between it and ARCO. ARCO contended that the arbitration clause waived Graham those rights under PMPA that permitted Graham to begin the suit.

A United States District Court agreed with ARCO. It held that parties may agree to waive statutory rights, that doing so under PMPA was neither unlawful nor improper. Graham appealed to the United States Court of Appeals for the Ninth Circuit, located in California.

The Court of Appeals reversed the District Court. In an important decision for dealers, the court held that an arbitration clause cannot require a party to waive rights that exist under PMPA. This clause was unlawful because it stripped Graham of three important rights granted by PMPA.

First, the arbitration clause in the Graham/ARCO contract prohibited Graham from obtaining punitive damages against ARCO. Second, it prohibited Graham from obtaining attorney fees if it prevailed in an arbitration proceeding. Third, it reduced the time to lodge a claim against ARCO from a year to three months. The court held that the reduction of these rights was an example of a party with "dominant economic power" forcing on the weaker party adverse contract clauses. This was contrary to public policy. If this was allowed: "...franchisors could simply continue their earlier practice of presenting prospective franchisees with contracts of adhesion that deny them the rights and benefits afforded by Congress. In that way, the PMPA would quickly be nullified."

This decision is an important one to every franchise. The decision should make dealers feel a bit more secure regarding their rights under PMPA. It means that a franchisor cannot use an arbitration clause as a pretense to nullify PMPA.

But the decision does not mean dealers should always reject arbitration as a method for resolving disputes with suppliers — even disputes under PMPA. A well drafted, fair arbitration clause can provide a genuine outlet for dealer conflicts with franchisors. It can reduce costs; can make it possible to gain



This decision should make dealers feel a bit more secure regarding their rights under PMPA. It means a franchisor cannot use an arbitration clause as a pretense to nullify PMPA.

real relief for violations of contracts and for unfair dealing. What cannot be permitted is an arbitration clause that strip dealers of important rights.

Dealers can consider approving arbitration clauses if they preserve, rather than destroy, rights. Efforts to diminish PMPA should not be tolerated. But agreements to create a genuine and reasonable system for alternative dispute resolution may be a real benefit.

News Briefs

California may pass divorce law

California dealers are pushing for statewide divorce law after being faced with soaring DTW prices and shrinking margins. If such a law passes, it will be the country's first divorce law in 10 years.

The California dealer group Auto-CA is working with state legislators on a bill that would ban zone-pricing and company-operated stations. Jobbers would not be targeted by the measure, said Jan Speelman, executive director of Auto-CA.

As a side note, since the state of California began looking into rising prices, refiners have raised DTW prices by 2-5 cents a gallon, said Auto-CA.

House tobacco stamp bill faces opposition

Senate leaders and Governor Engler are opposed to a House tobacco stamp bill they say could wipe out the \$10 million or more in revenue the stamp is projected to raise.

The House bill requires a stamp on each pack of cigarettes sold in Michigan. Critics object to a provision that would reimburse wholesalers for the costs involved by doubling the tax collection fee to 2 percent and allowing wholesalers credits for stores that do not pay for product sold on margin. The Department of Treasury says this measure will cost as much or more than it generates.

The bill would also increase the current enforcement from two teams of five officers to six teams.

For the stamp program to be active all of next fiscal year, wholesalers need to be set up by October 1, 1996, which means the bill would have to be passed by both chambers by the June 14 summer break.

Scholarship available for children of dealers

Sons and daughters of SSDA-MI members are eligible for a scholarship through the national association.

Two scholarships, worth \$2,000 each, will be awarded this August from the Charles L. Binsted Memorial Scholarship fund.

The bill would also increase the current enforcement from two teams of five officers to six teams.

The scholarships are awarded to any association members' son or daughter who graduated or will graduate from high school in 1996 and who will begin classes within 13 months of the award date. Winners will be determined by the applicants who hold the ticket numbers corresponding to the Pennsylvania and New Jersey lotteries on Saturday, August 17.

If you're an SSDA member and are interested in applying, please call the SSDA office at (517) 484-4096 for an application.

Are you a part of Michigan's largest dealer network?

Call SSDA-MI today.
(517) 484-4096.

1.98% Rate No transaction fee



SSDA and Comerica Bank are proud to offer an improved merchant Visa & Mastercard program for SSDA members.

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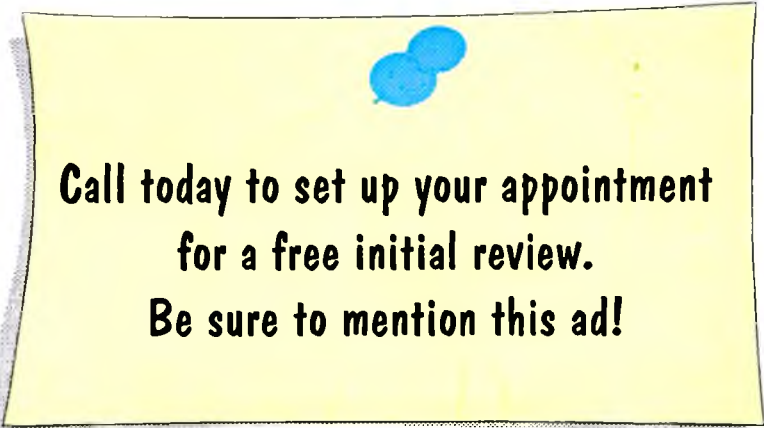
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