

NBIF makes progress on key issues, improves communications process

While the 2005 edition of the National Business Improvement Forum was forced to take a detour from New Orleans to Las Vegas following Hurricane Katrina, it didn't deter either the participating distributors or ExxonMobil Fuels Marketing from carrying on the NBIF tradition of mutual respect, frank communication and a commitment to improve business practices.

Held at the Westin Hotel just prior to the NACS convention in mid-November, the NBIF followed a familiar two-day format, with topics derived from regional BIF events held in the summer and fall. A conference call two weeks before the NBIF consolidated the list of topics, which was circulated to ExxonMobil subject-matter experts in order to prepare specific responses to the issues raised.

The ExxonMobil team was led by U.S. Retail Sales Director **Mark Shores** and Distributor Business Manager **Ken MacGibbon**. Subject-matter experts included **Tony Turchi** (Pacesetter), **Ken Shriber** (Speedpass), **Alex Roth** (Marketing), **Greg**



Distributors and ExxonMobil Fuels Marketing met in Las Vegas in November for the annual National Business Improvement Forum. Three distributors who participated in the talks give us their first-hand reports.

Hodgdon (POS technology), **Bill Wang** (Card Programs), and **Darren Rebelez** (*On the Run*).

Distributors were represented by **Doug Alexander** (Story Distributing Co.), 2005 NBIF Chairman **Kirk Bradley** (Lee-Moore Oil Co.), **Tom Frawley** (Johnson & Dix Fuel Corp.), **Steve Lightle** (B-B Oil Co.), 2006 NBIF Vice Chairman **E.J. Marino** (Marco

Petroleum Inc.), **Mark Ogren** (Croix Oil Co.), **Tim Rice** (Rice Oil Co.), 2005 NBIF Vice Chairwoman and 2006 NBIF Chairwoman **Lynn Wallis** (The Wallis Companies), and **Barney Yorkston** (Yorkston Oil Co.).

ExxonMobil Today asked Doug Alexander, Kirk Bradley and Lynn Wallis to

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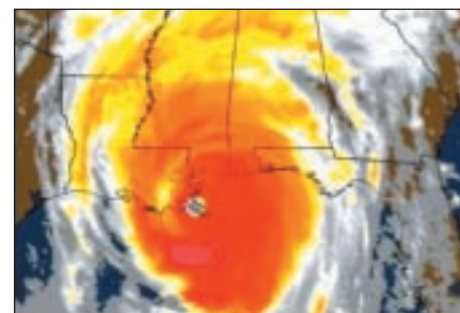
Distributors stand out in hurricane relief

When the one-two punch of Hurricanes Katrina and Rita hit the Gulf Coast in late summer, distributors and ExxonMobil Corp. were quick to respond and played an instrumental role in relieving the suffering that afflicted millions of people.

Assistance came in many forms. At the corporate level, ExxonMobil committed more than \$13 million to relief efforts related to the storms and donated fuel to first responders in the impacted areas. Distributors helping to deliver the donated fuel included:

- Clark Oil Co.
- Denny Oil Co.
- Lard Oil Co.
- Pine Belt Oil Co.
- Polk Oil Co.
- Price Oil Co.
- Southern Oil Co.
- Retif Oil & Fuel Inc.
- Richard Oil Co.
- Tri-Con Inc.

ExxonMobil also established a hurricane relief matching-fund program for employees, retirees, surviving spouses, distrib-



utors and dealers worldwide, matching individual contributions up to \$50,000. The program has been extended until March 31, 2006, and more information and a donation form are available on the portal.

Distributors in action

Without exception, reports from all the affected areas – from Texas to Florida and

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NBIF 2005: Meeting reports from Lynn Wallis and Kirk Bradley

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share their perspectives on the NBIF program and this year's meeting. We thank them for their cooperation, and here are their reports:



"Every distributor has to be willing to take some time, look at what their issues are, and give feedback to their representatives so we can adequately represent all marketers."

I want to give a perspective on what I believe is the NBIF's purpose and why I believe it is a good process.

NBIF gives distributors a chance to have input not only into a variety of programs but a voice for the whole relationship between ExxonMobil and the distributor class of trade. This is a positive thing because it is not ExxonMobil saying "this is what we think is best for your business." They are really trying to get with us, and I think it's moving in the right direction as far as ExxonMobil seeking input earlier in the process rather than after something has been finalized.

I also believe they are really trying to understand – from a distributor point of view – what's driving our business, what the opportunities are, what the difficult challenges are, so that they can better help us – through this relationship – be more successful.

Changes ahead

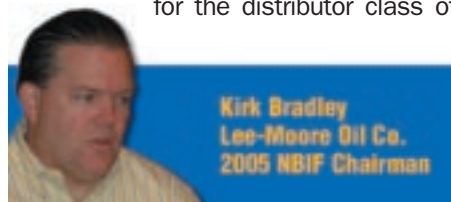
Distributors have to be involved in NBIF. It is one thing to sit back in your office and say "I don't like this or I think this should be a little different," but we as council members have to get the people we represent to give us feedback and become engaged. Every distributor has to be willing to take some time, look at what their issues are, and give feedback to their representatives so we can adequately represent all marketers.

To further improve communications

next year we are going to change the current system where we meet one time in the fall after having our regional meetings and follow up with a conference call to pull together and prioritize all of the information, concerns and suggestions for the national meeting.

What we will do next year – and ExxonMobil is in agreement – is have a quarterly conference call so we are not just waiting for that one chance per year to highlight all of the things we want to talk about. Council members and ExxonMobil will participate in this call. Hopefully by doing it more often, it will become easier for us to get input from other distributors who are not serving on the council and stay more focused on the important issues we're facing.

As we move forward, I think it is key that distributors are thinking about how they are going to operate their businesses and how ExxonMobil can work with them to make their businesses successful. But we have to always remember that it is a team effort, and as council members we should stay focused on what provides value for the distributor class of



"Concern has grown over the long-term viability of the distributor class of trade. The profitability to ExxonMobil of the distributor channel and the profitability of the underlying distributors are two different things."

I think we have a great system with the NBIF and in my tenure what I've seen happen is the development of a really solid forum, with the regional BIFs providing issues of concern so you get the topics where geography matters. There are differences and the regional BIFs allow those regional issues to bubble up in a very productive way.

What we've also seen starting to happen is that ExxonMobil has been working much harder to integrate the distributor



trade and what can bring strength and growth to the brand.

At the same time, we would like to see ExxonMobil give us a clear direction – and this was discussed at the last NBIF – as to what they think the distributor model of the future should look like. I think that would be helpful for us to know so we can align what we are trying to achieve as a business with what they see as a successful distributor. ExxonMobil has touched on bits and pieces of it but I don't think we have a clear sense of what that vision is.

channel into the testing of new ideas and solutions, so they can test them not only in a CORS environment but in the distributor environment. The Instant Activation program with Speedpass is a good example, with distributors participating in the beta testing and providing valuable feedback.

The first part of our meeting this year was to review the issues from last year and see what was still in process and what had been accomplished. And I think the good news here is that certain issues are being accomplished and that's good feedback for Ken MacGibbon and his team.

Good examples include the instant activation on Speedpass to make it a more-effective tool and making Speedpass optional in some areas. In technology, ExxonMobil has looked at ways to extend

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NBIF 2005: Doug Alexander says 'process working well'

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the life of the G-site and also provide lower-cost options, recognizing that not all markets can support implementing the highest levels of technology. Moving forward in areas like these are what I believe is the mission of this forum and I believe it's working.

Tactical and strategic issues

I think ExxonMobil has done a great job of addressing the tactical issues and there is a lot of good work being done. An integrated payment system strategy is scheduled to roll out in 2006-07, more resources are being added to *On the Run*, and some new advertising will be out there soon.

But the overarching question that we spent a big chunk of time with on the second day was: What is ExxonMobil's roadmap for the profitability of its distributors and its brands? And a corollary question is: What is ExxonMobil's brand approach to be able to hold and grow market share? There was a lot of anticipation about these topics at the April convention and we didn't feel like they were adequately addressed.

Those are the bigger-picture strategic issues. There was discussion about it, and responses you get may involve Speedpass, *On the Run*, or market conversions. The distributor community feels those are pieces of the puzzle but they are not the whole picture and that's what we're looking for from ExxonMobil.

Concern has grown over the long-term viability of the distributor class of trade. The profitability to ExxonMobil of the distributor channel and the profitability of the underlying distributors are two different things. The question that we tried to posit was toward the profitability of the distributors. ExxonMobil has good people and they are working on it but we are not seeing a knitting together of an overall strategy that says "if you do these things, this is a way we think distributors can be profitable." The response is that it is difficult across markets and business models to have a singular solution. We said, "Give us a matrix approach that takes into account geographic differences."

I want to be clear that in many areas we applaud ExxonMobil. The hurricane period showed the strength of the company and everybody felt great about how hard ExxonMobil worked to keep us wet as well as helping us through



"The wholesale side (of the fuels business) needs a new emphasis and a new vision in order to adequately make the Pacesetter pillars effective."

First off, we have to look at the 2004 NBIF and the issues that came up and how those issues were addressed in 2005. We had really good groups for both years – with a lot of the same people. We moved a lot of issues to the forefront and since we got along really well, we were able to talk freely and Kirk Bradley did a fine job as chairman.

One way of knowing that the process is working quite well is that a lot of those issues raised in 2004 have been met.

all the various regional issues. ExxonMobil performed extraordinarily well and that sentiment was universal.

Ken and his team have done a great job trying to be responsive to the needs of the distributor community and I believe there is a commitment within ExxonMobil to the distributor community.

Some are still a work in progress but in the long run a lot of the issues have been addressed. And they wouldn't have been addressed if not for the NBIF.

The Speedpass initiatives are one example. We also formed committees to improve distributor engagement in other areas, such as brand programs, communication and technology. They are still works in progress but are very positive points.

On the portal, we all recognize that there are still problems in terms of ease of use but upgrades continue to be made to the site. One of the things that came out of the 2004 NBIF that is implemented now is the monthly portal update email, and the indication is that it will be expanded and made even better in the next year.

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On the Run Web site opens

With approximately 700 locations across the U.S., the growing *On the Run*[®] convenience store franchise has been adding addresses on a regular basis. Now it has one in cyberspace.

The acquisition of the www.ontherun.com Internet address raises the franchise's profile and broadens the reach of the "Fast. Fresh. Friendly." message that's at the core of the *On the Run* concept.

Visitors to the home page are greeted with a streaming video that offers a glimpse of the "wide easy spaces," "friendly faces," "fresh beginnings," and "fresh brewed" offerings they can expect at an *On the Run* store.

Navigation headings at the top of the page include:



- Food, Coffee & More
- Franchising
- Our Stores
- Worldwide
- Find Stores & Jobs

Logo buttons offer fast access to information about the Bengal Traders and Wash n' Run offerings; and the "Contact us," "Newsroom," and "Franchisee portal" can be reached in a single click.

NBIF 2005: Your voice matters

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To follow up on what Lynn and Kirk said, one of the main things we asked ExxonMobil about was their roadmap for its distributors and the ExxonMobil brands. The cost of doing business continues to rise but the brand value seems to have declined and this trend is continuing. What is the company's vision for where we need to be? We thought some of the messages at the 2005 convention were not strong enough and need to be re-evaluated.

Wholesale focus

A big concern among the entire group was ExxonMobil's support and direction for the fuels part of the business. The wholesale side needs a new emphasis and a new vision in order to adequately make the Pacesetter pillars effective. The whole group was in unison talking about this, as it was an issue that was raised in all of the regional BIFs.

It's always a work in progress – the big concerns are always going to be there and we realize you are never going to make every distributor totally happy. But the NBIF brings these issues more clearly to the forefront than just sitting down in a one-on-one situation.

It also needs to be noted that along with the criticisms there were many compliments for ExxonMobil, too, from the advancements on Speedpass to their pricing and supply actions during the hurricanes. Distributors in the Southeast thought the company handled it better than anybody else.

I believe the NBIF is a great forum and I think Lynn will do a great job leading the group in 2006. She has some really good ideas for expanding communication, not only among NBIF members but also with the company. I think this is really important, and that meeting just once a year isn't enough.

With the quarterly meetings, issues won't die or be forgotten and may even lead to faster resolution. We're all there for the same purpose – to make the company better.

2006 NBIF distributor roster

Northeast

Ed Cuccurullo
Warex Terminals Corp.
845-561-4000
ecucc@warexterminals.com

Tom Frawley

Johnson & Dix Fuel Corp.
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tfrawley@jdix.com

Midwest

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573-885-2277
lwallis@mail.wallisco.com

Mark Ogren

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mogren@croixoil.com

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ejmarino@shopasnak.com

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Story Distributing Co.
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Steve Lightle

B-B Oil Co.
501-268-6107
slightle@doublebees.com

Barney Yorkston

Yorkston Oil Co.
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barneyy@yorkstonoil.com

Speedpass promotion tops goal; 200,000 new devices

Thanks to a strong effort across all classes of trade, the summer's Speedpass promotion achieved its target enrollment goal and resulted in more than 200,000 new Speedpass devices being issued into the marketplace.

"Speedpass delivers on our pledge to provide Speedy, Rewarding Purchase experiences to the consumer, which supports the first Pacesetter pillar," says ExxonMobil's Ken Shriber, Speedpass Program Manager. "We can all take pride in the effort this summer which resulted in an extremely successful Speedpass promotion, and we look forward to continuing to grow the Speedpass brand."

By the numbers

From June 1 to Aug. 31, distributors talking up Speedpass generated more than 13,400 approved Speedpass accounts and had 49 locations that were among the first 100 to book 10 accounts. Congratulations to these distributor locations, which represent the top 10 generators of new Speedpass accounts:

Distributors in the Western region edged out the Midwest for the most new accounts and the average number of new accounts per store; while the Northeast region also turned in a strong performance.

Distributor	Store Location	New accounts
Bountyland Petroleum Inc.	Seneca, S.C.	233
Petr-All Petroleum Consulting Corp.	Williamson, N.Y.	218
Moyle Petroleum Co.	Roy, Utah	148
Arch Energy	St. Louis, Mo.	145
Hightower Oil Co.	Batesville, Miss.	141
B-HT Investment Co.	Harrisburg, Ark.	133
Yorkston Oil Co.	Bellingham, Wash.	128
Moyle Petroleum Co.	Bountiful, Utah	127
Hightower Oil Co.	Grenada, Miss.	98
Petr-All Petroleum Consulting	Windsor, N.Y.	93



With more than 200,000 new Speedpass devices in circulation, the 2005 summer Speedpass promotion was one of the most successful ever. Look for more exciting Speedpass programs in 2006.

New H&H Oil store puts big emphasis on ‘fresh’

H&H Oil Co. likes doing things big. A couple of years ago, we featured one of their stores that had a 20-room hotel on the second floor. The newest H&H Oil facility continues that tradition, but this spacious new store in Burleson, Texas, puts the focus on fresh.

With its Tiger Farms Market, the Waxahachie, Texas-based distributor is tapping into the growing consumer preference for healthy choices by offering a super-market-sized fresh produce section and a complete vitamin and supplement shop. “People are definitely more interested in these things now,” says H&H Oil Vice President Walid Alameddine, “and we’re giving them the choice of both organic and non-organically grown produce.”

It’s a labor-intensive offering that requires frequent product rotations, but Walid says it’s attracting lots of interest in the fast-growing communities in an area just south of Fort Worth. “You just need to stay on top of it for freshness,” he says.

Wide open spaces

Open from end to end on the interior, H&H Oil had plenty of room for a restaurant that offers upscale and specialty items ranging from buffalo and Kobe beef burgers to turkey melts. “We have sandwiches that you won’t find anywhere else,” Walid says.

Gourmet coffee and smoothies are available nearby, along with a full convenience store and seating areas that include a palm tree and water falls rounding out the interior amenities.

Fast movers

While customers are welcome to leisurely sort through the produce in search of the ideal artichoke, the Tiger Farms Market can get them on their way in a hurry when it’s time to go. Exxon-branded motor fuel flows through 10 Speedpass-equipped MPDs on the outside, while the main section of the store features five checkout lanes and the c-store has a semi-circular transaction area with three G-Site terminals.

Since opening in August, Walid says sales are meeting expectations. “We’ve accomplished what we needed to do for the shorter term, but we’re still ramping up.”

Like its other Texas-sized stores, H&H Oil expects big things.



H&H Oil Co.'s Tiger Farms Market in Burleson, Texas, doesn't take a backseat to any supermarket when it comes to fresh produce.



You can't miss H&H Oil's Tiger Farms Market on State Highway 174 in Burleson, Texas. Just look for the windmill.

Hurricane relief: Distributors make extraordinary efforts

From Page 1

hundreds of miles inland – showed that distributors and ExxonMobil did their best to keep stores open and supplied with motor fuel and critical merchandise. Beyond this extraordinary effort, distributors from both near and far went the extra mile to bring relief to storm victims.

ExxonMobil Today asked distributors and Territory Managers to share their stories. TM Sandra Womack reported that almost every distributor in her area, which includes parts of Tennessee, Mississippi, Louisiana and Florida, played a role in recovery efforts.

We're publishing several accounts we received, and salute everyone who helped people cope with a pair of the greatest natural disasters in U.S. history.

E.J. POPE & SON INC.

Mount Olive, N.C.

Collecting employee donations and matching them for an anticipated donation to the Red Cross of \$10,000.

ROYCE GROFF OIL CO.

Castroville, Texas

Worked with San Antonio's Southwest Research Institute to move fuel into the affected areas. Also donated a van-load of water from its stores.

SRRAM

Lincoln, Neb.

Donated the proceeds from two days of car washes to hurricane victims.

JOHNSON OIL CO.

Gonzales, Texas

Led an effort to adopt sister city Gonzales, La. Set up a 44-foot box van in front of the office and donated several days of fuel profits and car wash proceeds. Newspaper and radio announcements resulted in a full van and a \$10,500 donation. They personally delivered the goods and received a warm and emotional reception. Also assisted a FEMA contractor in making fuel deliveries to Beaumont, Texas.

J.W. GORDY FUEL CO.

Delmar, Del.

Bill Gordy and his son, Jeremy, spent a



Pine Belt Oil had to cope with severe damage to some of its stores while providing critical fuel supplies in the aftermath of Hurricane Katrina.

The banner says it all. From left, Johnson Oil's Larry George and Ellen Johnson share a moment of camaraderie with Gonzaleans Helping Gonzaleans project manager Kenny Matassa and volunteers Bobbie and Walter Leftwich.



week in New Orleans as relief volunteers. Both are members of the Salisbury, Md., Fire Department, which provided a special technical rescue team to conduct urban search and rescue. Bill's team searched more than 500 heavily damaged and flooded homes. The team stayed at the home of Lard Oil Co.'s Johnny Milazzo.

PINE BELT OIL CO.

Hattiesburg, Miss.

Company-wide effort and ExxonMobil assistance kept fuel supplied to key service-providers in the area, including hospitals, nursing homes, first responders, and power companies. Some drivers record-

ed workweeks in excess of 100 hours. Pine Belt Oil also had to cope with severe damage to some of its stores in the aftermath of Hurricane Katrina.

WALLIS COMPANIES

Cuba, Mo.

Fund-raisers at several retail locations collected more than \$5,000, which the company matched. Also collected contributions from its network of retailers and matched those donations as well.

JERRY WILLKOMM INC.

Sturtevant, Wisc.

Contributed the fuel for a semi-trailer truck delivering relief supplies to victims.

Holiday cash card hits a hot market



The new-look ExxonMobil Holiday Cash Card provided an attractive choice for the increasing number of consumers who put gift cards at the top of their holiday shopping lists.

Sporting a design chosen by retailers who attended the New Orleans convention, the Holiday Cash Card comes in \$25, \$50 and \$100 denominations and can be used to purchase just about anything at any Exxon or Mobil location. In addition to helping stores tap into a hot retail segment, retailers were also able to take advantage of two special offers:

- Orders made online at www.drivercash.com (\$4,000 minimum) by Nov. 30 received a counter display (\$30 value) and two promotional wobblers at no charge.
- Cash card transaction fees were waived for the holiday season (Nov. 1-Dec. 31, 2005).

In a recent edition of the *Washington Post*, Marshall Reavis, managing director of SVM LP, an issuer, marketer and distributor of prepaid gas gift cards for ExxonMobil and other major oil companies, was asked about the gasoline prepaid card business. "It's growing spectacularly," he said. Expect a lot of gas as stocking stuffers this season, Reavis added. He expected sales of gas gift cards over the holiday season to be "at least three times" what they were last year.

'Get Carded Here' PLCC kits available for ordering on RPM Web site

Building on the successful spring relaunch of the ExxonMobil Private Label Credit Card (PLCC) – which resulted in more than 80,000 new cardholders – the “Get Carded Here” POP PLCC enrollment kit is now available for purchase on the RPM Web site.

Developed for use during events such as Grand Openings, Customer Appreciation Days or Retail Conversions, the kit includes a window sign, corrugated pole sign, balloons, take-one applications and a take-one holder. Retailers shouldn't use the kit as a stand-alone promotion, and need to make sure there's a table set up for easy sign-ups.

Retailers in western New York recently enjoyed success with the Get Carded Here kit by coupling it with regular “5 cents off” customer appreciation days and by offering a free car wash and travel mug with every application. As with the earlier PLCC promotion, approved customers will receive a \$10 statement credit after their first purchase using the ExxonMobil Credit Card.

“By continuing to support the PLCC program, retailers not only build their PLCC card base but will better realize the cost-savings benefit the PLCC offers through lower transaction fees,” says Maria McMunn, Retailer Relationship Manager

for the PLCC. “It's a great program for keeping costs low and increasing customer loyalty.”

Getting there

Get Carded Here kits can be ordered by accessing the RPM Web site via the portal. From the RPM home page, click on “My Store,” then “Items,” then “Credit/ATM Cards.” The cost of the kit is \$50.

New RPM subscriptions

Since the launch of the RPM Web site in April, retailers have been signing up for RPM Subscription Plans to get their fuels and service bay marketing materials all at once and at a discount. Also added to the Subscription Plan lineup during 2005 were C-store and car wash materials.

Subscriptions to RPM don't expire, so



you only have to do it once to take advantage of these offers for years to come. Check out the RPM home page for subscription information under the “My Store” heading.

Tiger Peg Capital elects new directors, lowers spread

Tiger Peg Capital, the distributor-operated lending organization, announced the election of three new members to the Board of Directors and a reduction in the spread of its borrowing rate.

The new members of the Board are:

- Pat Gilligan**, Gilligan Oil Services Inc., Cincinnati, Ohio
- Bryan Hinze**, Red Eagle Oil, Inc., Cody, Wyo.
- Mike Lins**, Texor Petroleum, Riverside, Ill.

They join Tiger Peg Capital's current Board members:

- Ron Craddock**, Craddock Oil Co., McComb, Miss.
- Carlos Garza**, La Lomita, Inc., Edinburg, Texas
- Craig Hoppen**, J&H Oil Co., Wyoming, Mich.
- Steve Lightle**, B-B Oil Co., Searcy, Ark.
- Brian Monette**, Adirondack Energy Products Inc., Malone, N.Y.
- Trent Propst**, Propst Brothers Distributors Inc., Concord, N.C.

The Board also thanked the following

directors, whose terms recently expired, for their commitment and service to fellow distributors:

- Tim Rice**, Rice Oil Co., Greenfield, Mass.
- Jon Stewart**, Tri-Star Marketing Inc., Urbana, Ill.
- Glenn Zirkle**, WSCO Inc., Portland, Ore.

In addition to electing new officers, the Board also voted to lower Tiger Peg Capital's rate spread from 210 basis points to 190 basis points over commercial paper.

Tiger Peg CAPITAL

FOR MORE INFORMATION:

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www.tigerpegcapital.com

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