

Making headlines



Fiona MacLeod

feedback from our franchise community. The goal is to share news and best practices that franchisees will find helpful in the everyday business of running a franchise.

The big news

As you know, there's a lot of big news happening with *ampm* lately. In October 2007, we announced that *ampm* would be our national convenience store brand for the United States. In November 2007, we announced that we will be selling all of our company-owned, company-operated sites to franchisees, dealers and large distributors by late 2009.

Both of these decisions are headline news in and of themselves. There are many reasons why these decisions make sense. The most compelling, however, is that *ampm* is a powerful brand that allows us to compete in the marketplace. Linking the *ampm* brand with the entrepreneurial spirit of local business owners makes that proposition even more powerful.

The changes signal a new era of growth for the brand. I am genuinely thrilled to bring such a fun and customer-centered brand to a national level. Extending the *ampm* brand across the United States will be a fantastic thing for our customers, for our franchisees and for BP.

Until next time

We look forward to delivering Too Much Good Stuff to your mailbox several times a year. More importantly, we look forward to delivering Too Much Good Stuff in the way of food offers, beverages, and snacks and tobacco products to our customers every day — in the a.m. and the p.m.

Sincerely,



Fiona MacLeod
President, BP U.S. Convenience Retail

P.S. We have set up an e-mail address to encourage franchisees to send in their story ideas for upcoming issues and to invite feedback to help us improve. Please take the time to drop us a line at TMGS@bp.com. We really do want to hear from you.

Greetings!

Welcome to the first issue of Too Much Good Stuff. For some time the Franchise Advisory Council has asked for a communications channel for sharing BP news with franchisees, as well as a channel by which franchisees can share news with each other.

Too Much Good Stuff is a professionally managed publication through which we can accomplish both goals. The publication will be overseen by our internal communications team, but will receive input and

Arizona franchise owner bats a thousand

While growing up in Southern California — and later Tucson, Ariz. — Russ Scaramella dreamed of one day pitching a no-hitter in Dodger Stadium.

Today, at age 41, Scaramella's day-dreams of ERAs and winning percentages are long gone, but this self-taught entrepreneur has still managed to rack up some impressive stats.

Since building his first gas station from the ground up seven years ago, Scaramella has acquired 16 ARCO and *ampm* locations throughout the state of Arizona. Along the way, he picked up a Louisiana-bred business partner, Delery Guillory; expanded

By the time he was 32, he was ready to sell. After spending less than two years as a consultant to the new owners — a job, he says, that consisted of spending his days on the golf course — Scaramella was ready to trade up. During lunch one day, a former colleague mentioned gas stations.

"My friend says, 'All you have to do is open the doors and cars line up,'" recalls Scaramella. "I thought, 'I love retail and I love real estate. This is a great fit for me.'"

Scaramella, who currently lives in Scottsdale, Ariz., with his wife and four children, immediately began meeting with oil companies and



Photo by Mark Skalny

Russ Scaramella spent his late teens and early 20s shooting up the corporate ladder at Price Club, a warehouse club that revolutionized retailing and set the stage for stores such as Sam's Club and Costco.

his employee roster to 170; and grew his revenues.

That pace would be challenging for most people, but for Scaramella, who handles most of the day-to-day operations of the business, it's a day at the ballpark compared to what he has known.

From food to fuel

While still in his 20s, Scaramella bought Famous Sam's, a small sports bar and restaurant chain. Within six years he, as a franchisor, owned 40 eateries that employed 1,000 people in three states.

scouting locations. He eventually found the perfect site and then contracted with ARCO.

"The ARCO and *ampm* offer is a great deal," says Scaramella. "Plus, I just love the culture. The competitiveness and energy are very appealing to me."

Nearly a decade later, Scaramella is still a big *ampm* fan. He credits a number of his accomplishments to the *ampm* concept and brand, as well as the support from the regional office in La Palma, Calif., and his franchise consultants, Joe Ritchie and Mark Wellman.

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EDITORIAL STAFF

Editor
Gary Hernandez, communications manager

Associate editor
Julie Saviano, communications coordinator

SUBMISSIONS

If you would like to share a comment, ask a question, submit an idea or contribute to an upcoming issue, contact the editorial office as listed.

EDITORIAL OFFICE

BP Products North America Inc.
1323 Bond St., Suite 179
Naperville, IL 60563 USA
Attn: TMGS
Telephone: (630) 388-4129
Fax: (630) 717-3076
E-mail: TMGS@bp.com

ADDRESS CHANGES

POSTMASTER: Send address changes to Too Much Good Stuff, BP Products North America Inc., 1323 Bond St., Suite 179, Naperville, IL 60563 USA.

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Zero tolerance: making something out of nothing

If you dropped a penny on the ground, would you pick it up? What about 150,000 pennies?

Few people would leave \$1,500 on the ground, but you might be leaving that kind of money on the table — one cent at a time.

Marc Strauch realized he was doing just that by not regularly calibrating the pumps at his six Sacramento, Calif.-area locations. At current gas prices, even a small variance could cost him a pretty penny.

“In today’s business environment,” says Strauch, “you can’t afford to lose gallons because you are dispensing even slightly more a gallon. That can really add up.”

Strauch, who owns the *ampm* franchises with his brother, offers the following hypothetical example. If a gas station sells 300,000 gallons of gas per month at \$3 per gallon but “loses” 500 gallons because each pump is slightly over, the owner

has lost \$1,500 per month. That’s \$18,000 per year.

His solution: to make sure that each pump is calibrated to zero on a regular basis. For the Strauchs, that means calling out the maintenance company every six months (or more if needed) and fastidiously checking the documentation after each adjustment just to make sure.

Strauch and his brother speak from 17 years of experience owning *ampm* franchises.

“In the back of our heads we always knew we should keep an eye on the variance, and we told ourselves that if it ever got too big we would do something about it,” Strauch says.

“In the business climate we are in now, we realized the time has come. We need to be as close to zero as possible.”



Arizona franchise owner bats a thousand

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“The people I work with are super,” says Scaramella. “I really appreciate and respect how knowledgeable and passionate they are.”

The three Ps: people, product, profits

This humble self-starter is quick to point out that many of his achievements are due to his winning lineup: his corporate staff and store employees, many of whom have been with him for years.

He brought on board some trusted employees from his restaurant days. According to Scaramella, when he and Guillory purchased the company-owned sites, they also retained all the employees — with their pay, benefits and seniority intact.

“It’s all about people, product and profits,” says Scaramella, who believes keeping the existing staff made the transition smoother. “Without people, the others don’t exist.”

The three Es: embrace, execute, excellence

In addition to hiring a great team, Scaramella espouses the three Es:

embrace, execute and excellence. He promotes this philosophy by posting signs in his stores, as well as by emphasizing the concept with his managers.

“If you don’t embrace and buy into the offers that *ampm* is bringing you,” says Scaramella, “You have basically given up.”

Next, he says, it’s important to execute the concepts and offers. That means making sure the displays are put up properly, plus ensuring that employees know about the programs and are trained to up sell.

Finally, says Scaramella, everything needs to be done with excellence, from the basics — such as clean restrooms, properly priced products and stocked shelves — on up.

“If you do these three things,” says Scaramella, “your customer satisfaction scores and sales will be right behind it.”

What’s on deck

Scaramella plans to continue using this winning game plan as he heads into the future.

“We are planning on building four NTIs (new-to-industry locations) in and around the metro Phoenix area,” says Scaramella. “We would like — and hope — to continue growing in the ARCO and *ampm* system.”

Do you have any tips you’d like to share with your colleagues? Tell us about your best practices by sending an e-mail to TMGS@bp.com.

onthemap

ampm locations with BP or ARCO-branded fuels



Arizona (ARCO)	71		
Atlanta (BP)	33		
Bakersfield, Calif. (ARCO)	20		
Chicago (BP)	57		
Eugene, Ore. (ARCO)	9		
Fresno, Calif. (ARCO)	16	Portland, Ore. (ARCO)	35
Indianapolis (BP)	15	Reno, Nev. (ARCO)	13
Las Vegas (ARCO)	40	Sacramento, Calif. (ARCO)	87
Los Angeles (ARCO)	326	San Diego (ARCO)	81
Orlando, Fla. (BP)	27	San Francisco (ARCO)	86
Pittsburgh (BP)	2	Seattle (ARCO)	115

estimated sites as of April 30, 2008

Do you have a franchise story to share? Tell us at TMGS@bp.com.

 **mark your calendar!**

ampm Franchise Convention and Trade Show

Disneyland Hotel
Anaheim, Calif.
Sept. 8–10, 2008

