

## Fuel and Lubricant Jobber Action Report Series: *Keys to Success in Selling Your Business — Fuel and Lubricant Jobbers*

*A high-impact report  
designed specifically to assist  
fuel and lubricant jobbers  
who are thinking about  
selling their business now,  
or in the future.*



Corporate Development Services for the Petroleum Industry

*Acquisitions • Divestitures • Alliances • Private Equity Financing*

## BACKGROUND

The fuel and lubricants industry is moving through a period of unprecedented change. A major contributor to the change is a growing trend toward mergers, acquisitions, joint ventures and strategic alliances. In less than five years, these corporate combinations have brought together such competitors as Exxon and Mobil; Chevron and Texaco; BP, Amoco, Arco and Castrol; Phillips, Tosco and Marathon; and Pennzoil and Quaker State, to name a few.

In addition, the emergence of hypermarkets is reshaping the industry. Hypermarkets such as Albertson's, BJ's, Costco, Kmart, Kroger, Meijer, Royal Ahold, Sam's Club, QuikTrip(QT), Safeway, Wal-Mart, Winn Dixie, have successfully penetrated the retail gasoline market space and others are expected to compete in both fuel and lubricants. These relatively new competitors are typically big, well funded, aggressive, and growing.

Such changes, along with others, present a wide range of challenges for virtually all participants in the value chain. One of the most significant challenges is the enormous cost pressure it puts on independent fuel jobbers and lubricant jobbers. These cost pressures strongly favor the economies of scale born from being big. As a result, many jobbers will face two fundamental business choices moving forward — whether to grow or sell.

For some, the die has already been cast; they are simply too small to compete and will likely have to sell. For others, survival will be based on their ability to grow and strong growth will undoubtedly require models that include mergers, acquisitions, joint ventures, and strategic alliances. **KEYS TO SUCCESS IN SELLING YOUR BUSINESS — FUEL AND LUBRICANT JOBBERS** is one in an ongoing series of *PetroTrends-Bywater Fuel and Lubricant Jobber Action Reports* designed specifically to assist independent fuel and lubricant jobbers address these challenges. Other reports in the series include:

- Developing Winning Strategic Alliances for Growth for Fuel and Lubricant Jobber Businesses
- Acquiring Fuel and Lubricant Jobber Businesses
- Assessing Growth and Shareholder Liquidity Options for Fuel and Lubricant Jobber Businesses

**KEYS TO SUCCESS IN SELLING YOUR BUSINESS — FUEL AND LUBRICANT JOBBERS** is a multi-client *action* Report designed to assist fuel and

lubricant jobbers who are currently thinking about selling their business or who want to be proactive and prepare their business for sale, even if they do not plan on selling right now. It is an objective, hands-on Report that provides insights into the selling process in language that is easily understandable. The Report is not generic, rather it includes *specific* lessons learned with regard to the sale of a fuel or fuel jobber business.

Specifically, the report will address such issues as:

- Considerations when selling a fuel or lubricant jobber business
- Steps to prepare a business for sale (good practices even if you do not plan to sell now)
- The value of fuel and lubricant jobber businesses
- Identifying and qualifying buyers for your business
- Structuring and financing of transactions
- Completion of the deal
- Managing post-sale life

The report is based on the valuable experiences of, and lessons learned from, actual sellers of fuel and lubricant business, as well as best practices from the selling process of other similar type businesses. PetroTrends-Bywater's practitioners will perform the entire study. This team has real-world knowledge of running and advising fuel and lubricant businesses as well as hands-on experience in the acquisition and divestiture process.

## REPORT PRICE

The pre-launch price for the report is \$495. This price will be extended to subscriptions received prior to March 1, 2002. The post-launch price, after March 1, 2002, is \$595.

## PUBLICATION DATE

April 2002

## NUMBER OF PAGES

Estimated 75

## ADDITIONAL BENEFITS

The Report includes a case study, or step-by-step account, covering the sale of "ABC Jobber Company." To make the case more encompassing, questions and problems from several different cases will be worked into the story. In addition, the Report will include examples of documents used in the selling process.

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1. **Introduction**
2. **Executive Summary**
3. **The Fuel and Lubricant Value Chain:** This section provides insights and information on the structure of the fuel and lubricant value chain. In addition, it highlights the impact such issues as consolidation, branding, hypermarkets, supper jobbers, and others are having on the value chain and how these changes influence buy and sell activities at the jobber level.
4. **Considering the Sale of Your Business:** Why sell your business? When should you sell your business? What are your priorities? What should you expect from an emotional standpoint? What kind of professional help will you need? What legal and ethical pitfalls do you need to avoid?
5. **Taking Steps to Prepare Your Business for a Successful Sale (even if you do not plan to sell now):** What steps can you take to maximize your business's value? What factors are most important to buyers? What buyer concerns can be anticipated? How should you position your business?
6. **Determining the Value/Price of Fuel and Lubricant Jobber Businesses:** How does the market put a price on your type of business? What are the "rules of thumb" and benchmarks for valuing a fuel/lubricant jobber business? What are the typical business valuation methods?
7. **Finding the Right Buyer:** To whom should you sell your business? What are the different methods of sale for you business? How do you reach the best buyers? What should be included in the seller's Information Memorandum? How is confidential information protected? What do you need to know about negotiations? How should offers be evaluated?
8. **Structuring and Financing the Transaction:** What are your options as to financial terms? What tax issues should be considered? What is the difference

between an asset transaction and a stock transaction? How are key-employee contracts established? What is an earn-out? What should you know about seller financing? What is third-party financing?

9. **Completing the Deal:** What is a Letter of Intent? What can you expect during the due diligence process? What is the Purchase Agreement? What happens at the Closing?
10. **Managing the Post Sale Life:** What do you do now that you've sold you business?
11. **Summary** (including a key point checklist)

**Appendix 1:** Case study on the sale of "ABC Jobber Company"

**Appendix 2:** Example documents used in the selling process (e.g., Non-Disclosure Agreements, Letters of Intent, Purchase Agreements)

### CONTACT INFORMATION

To order **KEYS TO SUCCESS IN SELLING YOUR BUSINESS — FUEL AND LUBRICANT JOBBERS** please complete the enclosed Subscription Agreement and fax back to PetroTrends-Bywater CDS at **203-973-0345**.

For more information on **KEYS TO SUCCESS IN SELLING YOUR BUSINESS — FUEL AND LUBRICANT JOBBERS** or the services provided by the PetroTrends-Bywater CDS alliance, call us at **(732) 494-0405** or **(203) 973-0344 ext. 4107**, e-mail us at [tom\\_glenn@petrotrends.com](mailto:tom_glenn@petrotrends.com) or [kfiala@bywater-consulting.com](mailto:kfiala@bywater-consulting.com), or visit us on the web at [www.petrotrends.com](http://www.petrotrends.com) or [www.bywater-consulting.com/corpdev.htm](http://www.bywater-consulting.com/corpdev.htm)

FEATURES OF THE REPORT	BENEFITS OF THE REPORT	ADVANTAGES OF WORKING WITH PETROTRENDS-BYWATER
<ul style="list-style-type: none"> <li>■ Step-by-step guide of the selling process for a fuel or lubricant jobber business.</li> <li>■ Recommendations on steps to take to prepare a fuel or lubricant jobber business for sale (good practices even if you are not planning to sell now).</li> <li>■ Lessons learned from real-life experiences of sellers of fuel and lubricant jobber businesses.</li> <li>■ Case study of the sale of a fuel/lubricant business.</li> <li>■ Example documents used in the selling process.</li> </ul>	<ul style="list-style-type: none"> <li>■ Information and insights to assist with the decision to sell your fuel or lubricant jobber business.</li> <li>■ Understanding of what to expect if/when you decide to sell your business.</li> <li>■ Referable data and information to determine the approximate value of your jobber business.</li> <li>■ Excellent resource as you go through the selling process of your business.</li> </ul>	<ul style="list-style-type: none"> <li>■ Industry experience                             <ul style="list-style-type: none"> <li>– Project team members have real-world fuel and lubricants and merger/acquisition experience.</li> <li>– Staff professionals perform the entire project.</li> </ul> </li> <li>■ PetroTrends-Bywater delivers customer centric reports that are:                             <ul style="list-style-type: none"> <li>– High quality</li> <li>– Objective</li> <li>– Cost effective</li> <li>– On time</li> </ul> </li> <li>■ Integrity of work</li> </ul>

## PETROTRENDS-BYWATER CREDENTIALS

The PetroTrends-Bywater Corporate Development Services (CDS) alliance specializes in providing manufacturers and distributors of fuels, lubricants and related products and potential investors with the services they need to complete small- to mid-sized acquisitions, divestitures, alliances and private equity financings.

We believe that a company involved in one of these important activities, regardless of the transaction size, deserves a high level of professional assistance. It is our objective to provide this service with integrity and on a cost-effective basis. We therefore focus our efforts on only a limited number of clients' needs and devote the time necessary for a successful program. Our alliance supports clients in:

- Developing strategy related to acquisitions, divestitures, alliances, and financing.
- Preparing a business for sale.
- Determining the market value of a business.
- Selling all or part of a company.
- Finding appropriate acquisitions.
- Providing due diligence.
- Integrating acquisitions.
- Identifying joint venture or alliance partners.
- Raising private equity or venture financing.

PetroTrends, (a wholly owned subsidiary of FuelQuest), is a leading market research and consulting firm specializing in lubricants and fuels and jobber related issues. The firm's founder and president, Thomas F. Glenn, is actively engaged in the development of the *PetroTrends-Bywater Fuel and Lubricant Jobber Action Reports* and works closely with Bywater (its alliance partner) to assure the reports leverage the collective experience of both organizations. Thomas is well known in the industry for appearance on nationally televised CBS News Special on lubricants and monthly columns in Lubes'n'Grease magazine, and the Independent Lubricant Manufacturers Association's Compounding magazine. In addition, he has presented numerous papers at NPRA, ILMA, STLE, and other industry associations and trade conferences.

Kevin Fiala heads up Bywater CDS and has more than 12 years experience with privately-held companies and advisory work, and has performed several fuel- and lubricant-related acquisition assignments during his career. He is a contributor to such publications as *M&A Today*, *The Mergers & Acquisitions Advisor*, *ACG Network Newsletter*, and various industry-specific magazines. Fiala is also founder and president of the Connecticut Chapter of the Association for Corporate Growth (ACG) and is active at the national level of the organization.

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# SUBSCRIPTION AGREEMENT

Our company (hereafter "Subscriber") will subscribe to the PetroTrends-Bywater study, **KEYS TO SUCCESS IN SELLING YOUR BUSINESS — FUEL AND LUBRICANT JOBBERS**. This subscription is in accordance with the following terms and conditions:

1. The report will be published in April 2002.
2. PetroTrends-Bywater will provide Subscriber with three (3) hard copies of the report.
3. The report and its content will be retained by Subscriber for the sole and confidential use of Subscriber and its 51 percent or greater owned affiliates and subsidiaries, except those affiliates and subsidiaries in the business of publishing, market and marketing research, or management consulting. Subscriber will use all reasonable precautions to keep the report's content for its sole use. This restriction does not, however, apply to information that is or does become generally available to the public in print, or material already in possession of Subscriber.
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9. The pre-publication price for the report is \$495 for subscriptions received prior to March 1, 2002. The price for the report after March 1, 2002, is \$595.

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