A Primer on

Petron Dealership Program

Thank you for taking an interest in the Petron dealership program.

The Petron dealership program presents a unique opportunity to set up a business that will offer unlimited growth and potential. You will reap rewards in proportion to your efforts.

We hope that this will be a great opportunity for you and your family and look forward to a long and fruitful partnership with you!

Contents:

1. The Service Station Business
2. Dealer Profile
3. Selection Process
4. How to Apply
5. Dealer Application Form
THE SERVICE STATION BUSINESS

The business of service stations is basically a retail operation – buying, storing, and reselling fuels, lubricants and company sanctioned products at the right quality and time customers need them. On this score, all service stations are the same.

But why do some stations have more customers than others?

These factors are thought to be important in influencing motorist’s choice of station:

- **Location**
  - Travel time and accessibility

- **Station characteristics**
  - Station appearance
  - Merchandising
  - Quality of customer service
  - Personnel
  - Advertising and promotions

- **Image of the station**
  - Brand equity
  - Price
  - Business reputation of the dealer and public relations

**Quality of competitive outlets**

As you can infer from these factors, the business of service stations is not merely a matter of getting the “nozzle in the tank”. It is more of making sure that the motorists *come back again and again* and it all boils down to the ability of *delighting customers* more consistently than competition.

That is where the challenge of a dealership lies.

**Types of Service Stations**

Petron has three types of outlets:

- **Company-owned service stations (COSS)** – These are stations built, equipped and maintained by the company on either company-owned or leased lots. They usually have complete station facilities such as driveway, salesroom, service bays and convenience facilitates.
COSS dealer provides the operating capital which ranges from ₱4 million to ₱9 million depending on the size and array of services offered by the station. This covers among others stocks, tools and equipment like lubricators, wheel balancers, wheel aligner and for granting credit, accommodations. Dealer pays a monthly rental for the service station facilities.

**Dealer Owned Service Stations (DOSS)** – These are service stations built and financed by the dealer who is usually the owner of the lot.

The company provides the major equipment like underground tanks, dispensing pumps, lifters and compressors which in themselves constitute a major investment.

DOSS are generally smaller outlets limited to filling activities as those found in small towns and fishing villages. However, there is also a number of large DOSS in urban areas.

**Micro Filling Stations (MFS)** - These are service stations built and designed to cater to the fuel demands of areas with untapped fuel demand.

Cost of investment is minimal as the company shoulders the cost of equipment and signage, while the dealer invests in the cost of the station’s construction.

MFS outlets are smaller outlets generating an average of 80 to 40 thousand liters a month.

**Tenure of Dealership**

Dealers of stations sign a dealership contract with the company covering a minimum period of three (3) years. The contract is renewable for additional three-year periods based on the performance of the dealer.

**Transfer of Dealership**

A dealer cannot transfer the dealership to his heirs or to anyone by succession, sale, assignment, etc. That right rests solely with Petron.

**Reseller Trade Division**

The function of maintaining, developing and ensuring the success of retail dealerships fall under the Reseller Trade Division of Petron.

Other questions pertaining to service station operating procedures will be entertained during an orientation for serious applicants.
DEALER PROFILE

Petron puts a lot of effort and care in the selection of dealers because careful selection is everything in the success of a service station.

Dealers are “PETRON” to the public. They are therefore the main link between the company and the largest number of its customers – the motorists. They can enhance the value of the Petron image or ruin it depending on the way they serve the motorists.

A dealer who fails to give friendly, prompt and efficient service or fails to maintain accepted standards of appearance of the station and personnel discredits the Petron image and harms the business of his fellow dealers.

What then are the qualities of one who eventually joins the family of Petron dealers?

Let us answer this by pointing out the common traits shared by our best dealers:

- They like people and serve them well.
- They find satisfaction in helping others solve their problems.
- They treat their people well.
- They talk to the personnel and ask their ideas and problems.
- They are proud of the Company and their business.

To be sure, those who exhibit these qualities consistently win and command the highest share of the market in their trading area and enjoy the highest returns on their investment.

Now take a look at the checklist of Selection Criteria and see how many of this attributes you possess. Following this is the Performance Criteria, which at this point, you ought to know to be able to assess your fitness with the business.

**Musts:**

1. Must meet established capitalization required for a given dealership (this will range between ₱ 1 million to ₱ 9 million depending on the type of station available).
2. Must be able to dedicate most of his time, if not all, in running the station.
3. Must be dynamic and have the aggressiveness and desire not just to operate a service station business but to be the number one in his trading area.
4. Must be perceptive to new ideas and suggestions, pleasing in personality, and have good moral character that will assure the company of loyalty.
5. Must be willing to undergo a four-week Dealer Management course
6. Must have no past record of criminal case.
7. Must not be operating any existing Petron station or that of any other oil company.
**Wants:**

1. Desirable if the spouse and/or any other member of the family can help in the business.
2. Desirable if applicant’s capitalization is backed-up by real estate properties for use as future collateral in expanding the business.
3. Desirable if applicant has previous record of business or employment success.
4. Desirable if applicant has no known vices
5. Desirable if service station can become his full-time business
6. Desirable if applicant is a member of any civic group in the community, i.e. Rotary, Lions, Kiwanis, Jaycees, etc.
7. Desirable if applicant is a resident of the community where the station applied for is located
8. Desirable if dealership is single proprietorship.
9. Desirable if applicant is not more than 45 years of age.

**Performance Criteria**

- **Quantitative:**
  - Sales volume growth
  - Market share
  - Financial – sales revenue, profits and return on investments

- **Qualitative:**
  - Quality of station and personnel appearance/presentation
  - Merchandising
  - Quality – customer service
    - Steady growth of new customers
    - Retention of old/regular customers
    - No customer complaints
  - Ability to plan
    - Business strategy
    - New programs/promotions

- **Workforce:**
  - Sufficient manpower at all times
  - Alert and highly inspired frontliners and service personnel
  - Low turnover/absenteeism
  - No personnel injuries/accidents
THE SELECTION PROCESS

The selection process described here applies to Dealer Owned and Micro Filling Service Stations.

Phase I Screening
Phase II Training
Phase III Project Implementation

I. Screening:
- Dealer is required to have a potential lot that he/she owns or leases
- Dealer to submit letter of intent with the following attached documents:
  - Lot Plan
  - Vicinity Map
  - Transfer Certificate of Title (TCT)
- Dealer application to be submitted to Regional office for processing
  - Dealer is evaluated against criteria
  - Proposed lot is suitable for service station operation
  - Financial sound check
- Recommend site for approval of District Manager.

II. Training and Testing:
- A 3 day course will be given to the dealer on the basics of service station operation by the assigned Area Sales Executive.
- Dealer may be required to enroll himself in a 4 week Dealer Management Course (DMC) offered by Petron Corporation, to be held in the San Miguel Head Office Complex.

III. Project Implementation:

Applicants who pass the screening stage and received confirmation of site approval, will be required to sign a Lease to Company (LTC) for at least 10 years and deposit a cash bond of Php 200,000. Petron will provide dealer applicant with the construction drawings embodying the design and specifications of the Bulilit Station while the dealer shall secure all the necessary permits required by both the National and Local government Units (i.e. Locational, Building, ECC, Occupancy, Business, and other necessary permits).

Dealer investment consists of capital expenditure for the construction cost of the Bulilit Station, including site preparation, pre-construction phase of the project, as well as, working and operating capital requirements in business operation. On the other hand, Petron Corporation will provide the equipment and shoulder the cost of installation thereof. The type and quantity of equipment to be installed shall be provided in the Equipment Loan Agreement to be executed between the dealer and Petron Corporation.
HOW TO APPLY

1. Get to know the service station business by reading the Primer on Petron Dealership Program.

2. Accomplish the Dealer Application Form consisting of three parts:

   Part I. Dealer Application
   Part II. Financial and Personal Statement
   Part III. Business Plan

3. The initial screening will be based on the content of the application. So take time to fill out the required date and information. Do not leave blank spaces. Put “NA” in the blank if information sought is not applicable to your case.

4. Submit application to:

   Luzon applicants:
   Network Expansion Group
   Luzon Reseller
   Ground Flr. San Miguel Head Office
   Complex, 40 San Miguel Avenue
   1150 Mandaluyong City
   Tel No. (02) 884 9251

   Visayas and Mindanao applicants:
   Network Expansion Group
   VisMin Reseller
   Petron Corporation
   Mandaue Terminal
   Looc, Mandaue City
   Tel Nos. +63032-3447341 to 44 loc. 50158

5. Applicant will be informed in writing, or thru a call, of the status of his/her application after the preliminary screening phase.

6. Petron shall only process applications forms duly filled-up and with complete attachments. There is no need to follow-up applications as all applicants shall be informed of their status.
PETRON CORPORATION
Service Station Dealership Application Form

Name of Applicant: ________________________________

Date of Application: ______________________________

Location of Service Station
Applied For: ________________________________

This form will help us become acquainted with your accomplishments and qualifications as a prospective dealer. Read each item carefully and answer accurately. Answer all questions completely. Be sure to write additional comments as requested.
# Personal Information

Name (in full): __________________ _______

Age: __________________________

Date of Birth: __________________ Birthplace: __________________

Ht. __________________ Wt. __________________

Home Address: __________________

Home Tel.: __________________ Fax: __________________

Business Address: __________________

Business Tel.: __________________ Fax: __________________

TIN: __________________ SSS: __________________ Citizenship: __________________ Marital Status: __________________

No. of Dependents: __________ Name of Children __________ Age __________

Name of Children below 21: __________ __________

Spouse’s Name __________________

(Indicate address, if different from you)

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**Educational Attainment:**

Presently Employed? Yes/No

- Primary
- Elementary
- HS Undergraduate
- HS Graduate
- College Undergraduate
- College Graduate

Highest level achieved: __________________ Degree: __________________

Name of college and/or postgraduate school: __________________
# Employment/Business Experience

Present occupation:  
Position:  
Date employed:  
Company:  
Address:  
Tel. No.:  

Describe duties, responsibilities:

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<th>Date</th>
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<td>From</td>
<td>To</td>
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<td>Company/Employer</td>
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<td>Earning</td>
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</table>

Previous employment/business experience. Begin with your most recent. (Use extra sheet if necessary)

Type of work – describe briefly

Activities in previous work with very much experience-check as many as possible:

- [ ] Indoor work
- [ ] Clerical
- [ ] Mechanical
- [ ] Outdoor work
- [ ] Contact with person
- [ ] Auto repair
- [ ] Physical activity
- [ ] Selling
- [ ] Eqpt maintenance
- [ ] Standing, moving
- [ ] Supervision
- [ ] Housekeeping

Have you ever been self-employed? If so, explain.

If you have sales experience, indicate line or product sold.

Type of selling:  
Chief product sold:  
Did you contact customer in their home/office?  
- [ ] Inside  
- [ ] Outside  
- [ ] Yes  
- [ ] No
Financial Information

Do you own your home (partially or entirely paid for)?

At what age did you begin to support yourself? Please elaborate.

Have you any financial obligations such as loans, debts, or liabilities? Exceeding a total of ₱ 500,000 (other than current bills or mortgage)?

**Source of Income**

<table>
<thead>
<tr>
<th>Applicant’s Employer:</th>
<th>Position:</th>
<th>Salary PA:</th>
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<tbody>
<tr>
<td>Address of Employer</td>
<td>How long connected?</td>
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<tr>
<td>Spouse’s Employer</td>
<td>Position:</td>
<td>Salary PA:</td>
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</tbody>
</table>

Will you resign if appointed dealer?

**Other Source of Income**

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Est. Annual Income</th>
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<tbody>
<tr>
<td>Business Address</td>
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<td>How long established?</td>
<td>Is business still ongoing?</td>
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**Real Estate Property Owned by Applicant/Spouse, Valuation**

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<tr>
<th>OCT/TCT</th>
<th>Location</th>
<th>Area</th>
<th>Market Value</th>
<th>Mortgage if any</th>
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**Building & Other Improvements**

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<th>Description</th>
<th>Location</th>
<th>Area</th>
<th>Market Value</th>
<th>Mortgage if any</th>
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</table>
### Valuable Personal property Owned by Applicant/Spouse

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<tr>
<th>Car/Truck Make</th>
<th>Model</th>
<th>Plate No.</th>
<th>Where Registered</th>
<th>Mortgage if any</th>
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### Shares of Stocks

<table>
<thead>
<tr>
<th>Bonds</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Maturity Date (if any)</th>
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### Liabilities

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<th>Description</th>
<th>Location</th>
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<th>Market Value</th>
<th>Mortgage if any</th>
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### Credit and Bank Reference

<table>
<thead>
<tr>
<th>Name of Bank/Person</th>
<th>Length of Dealings</th>
<th>Kind of Dealings</th>
<th>Amount Deposited</th>
<th>Credit Extended</th>
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### Insurance of Applicant/Spouse

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<thead>
<tr>
<th>Name of Insured</th>
<th>Kind</th>
<th>Company</th>
<th>Amount</th>
<th>Maturity Date</th>
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### Assets

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<tr>
<td>Cash on Hand/In Banks</td>
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<tr>
<td>Inventory (Goods)</td>
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<tr>
<td>Accounts Receivable</td>
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<tr>
<td>Investments</td>
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<tr>
<td>Other Assets</td>
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<tr>
<td>Fixed Assets</td>
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<tr>
<td><strong>Total Assets</strong></td>
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### Liabilities

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<tr>
<td>Accounts Payable</td>
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<tr>
<td>Miscellaneous Accruals</td>
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<tr>
<td>Loans Payable</td>
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<td>Other Liabilities</td>
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<td><strong>Total Liabilities</strong></td>
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**Net Worth**

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<tr>
<td><strong>Total Liabilities &amp; Net Worth</strong></td>
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### Annual Average for the Last Three (3) Years (₱):

- Net Sales : 
- Gross Income : 
- Net Income : 

### Other Information

**Health**

Do you have any physical handicaps or special precautions and worries about health that would be shown by a medical examination? (For example: hearing, eyesight, foot ailments, rupture, allergies, lung or heart condition, stomach condition, headaches, arthritis, sinus, asthma, affected by fumes or cold.

- Yes  
- No  

If yes, explain

________________________________________________________________________

Have you had any illness during the last five years that required the services of the physician?

- Yes  
- No  

If yes, explain

________________________________________________________________________
**Social Activities**

List your sports and recreational activity:

______________________________________________________________

______________________________________________________________

Leadership/Academic awards, prizes, recognition in sports, hobbies, etc.:

______________________________________________________________

______________________________________________________________

List all civic social, military, business organization or clubs where you are an active member:

______________________________________________________________

______________________________________________________________

How will your home condition influence your success in this type of business? (Consider your family friends, ambitions, home worries, finances and living requirements);

______________________________________________________________

______________________________________________________________

**Personal References**

List 3 persons who have known you for 5 years or more (not relatives or former employers):

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<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Business/Occupation</th>
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I hereby certify that the information furnished above are true and correct to the best of my knowledge.

______________________________________________________________

Signature of applicant