

**RICHARD SALINSKY: SIGMA'S
2011 DISTINGUISHED MARKETER**

**AN INTERVIEW WITH ExxonMobil
Fuels Marketing**

**2012 SIGMA EXECUTIVE LEADERSHIP
CONFERENCE PROGRAM**

**REST AREA COMMERCIALIZATION:
BAD FOR BUSINESS**

Sept | October 2011
igm



SIGMA

AMERICA'S LEADING FUEL MARKETERS



RICHARD SALINSKY: SIGMA'S 2011 DISTINGUISHED MARKETER

Most people look back on a career and must admit the years have really been a series of careers. Even those who retire after working for a single company have likely held a

succession of positions, each demanding new skill sets to meet new challenges. As times and circumstances inevitably change, people reinvent themselves at key turning points to launch each new phase of their careers.

The story of Richard Salinsky, recipient this year of the SIGMA Distinguished Marketer Award, given to an individual whose deeds and efforts have made a significant contribution to the retail fuel industry, illustrates these truths. In nearly half a century of involvement with the petroleum industry, he has transitioned from rising corporate executive, to independent entrepreneur, to company CEO, to consultant, to elder statesman.

An out-of-work executive who took a lease on a single abandoned service station, Salinsky ultimately built his Best Petroleum into one of New England's most recognized fuel and convenience store brands. Then, after selling his franchise, dealer, and wholesale businesses and leasing the majority of his locations in 1999, he leveraged his hard-won wisdom as a consultant to marketers, refiners, banks, and law firms. As president today of Best Petroleum LLC in Lynn, Massachusetts, he also continues to operate a limited number of retail fueling sites, which keeps him up to date with industry trends and regulations.

At each stage, Salinsky says, "I've had to come to grips with myself—who I am, what are my strengths and weaknesses. I'm fortunate and blessed to have made decisions



Twenty by twenty abandoned ramshackle building site of Richard's first location.

that put me in the position I am now. But things could have gone the other way."

Taking Stock of Himself

In the booming postwar economy of the 1960s, Salinsky had marked out for himself a promising career as a vice president for Bay State Petroleum, then one of the largest independent gasoline marketers in New England. Visions of big salaries, maybe even the astronomical sum of \$50,000 per year, seemed possible. But while attending college and law school and devoting eight years' service with the company, in 1971 he lost his job due to a corporate takeover.

Years later, Salinsky realized his seeming misfortune turned out to be "the best thing that ever happened to me." The

independent refiner that bought Bay State later went bankrupt and, ironically, Salinsky bought some of his former employer's retail sites at 20 cents on the dollar. But at the time of his firing, the outlook was not so rosy.

Fellow Bay State senior VP Joel Ehrlich, Richard's brother in law, was in the same boat and, in March 1972, the two men were on their way to check an opportunity in Rhode Island. But they took the back roads to scout other options and chanced on an abandoned site in Boston's outer suburbs. Though the pumps were gone, Salinsky spotted a single fuel island under a small canopy, plus a few pipes from the side of a ramshackle 20x20 building to indicate the presence of storage tanks below. ▶

RICHARD SALINSKY: SIGMA'S 2011 DISTINGUISHED MARKETER



Richard in front of his fully developed first location.



Richard and his wife, Esther.

◀ Salinsky and Ehrlich called the phone number on the small "For Lease" sign. Then to outfit their new site, they redirected \$10,000 they had already borrowed in home improvement loans. Seven days a week Salinsky pumped gas from 6 a.m. to 6 p.m. and scouted in the evenings for additional locations. Ehrlich spent his mornings doing paperwork and scouting for new sites, and then manned the pumps from noon to midnight. After buying contiguous property, the site now contains a 25,000 square foot strip plaza and gas station and kiosk at the entrance.

"I didn't know I was an 'entrepreneur,'" recalls Salinsky. "I'd just lost my job—

and, in fact, I'd lost a career option that I had planned and pursued for eight years. So I had to decide what to do and figured petroleum was what I knew best. At that point, there was no money and no master plan, just a need to support my family."

Still, Salinsky had to take stock of himself. Rather than look for another corporate job with a guaranteed paycheck, he learned from his earlier job experience that "because of my personality I didn't want to work again for someone else." At the same time, he adds, "I knew that I had the ability to be tenacious and take the hits that come with running your own business. Playing high school football and being the smallest one on a championship team gave him the never quit attitude and the tenacity not to give in. Even if it sometimes seemed like we were going nowhere, I could see the goal line."

If these were Salinsky's strengths, he also had to account for his weaknesses. He and Ehrlich were both experienced in operations and knew how to equip and run a station. "But we knew nothing about how to negotiate site leases or obtain permits," Salinsky recounts. "It meant not only learning these things on the fly, but learning to enjoy a new side of the business

that had been foreign to me." Ehrlich was a brilliant CPA and taught Salinsky how to understand and read financial statements. Salinsky remembers some permits took him ten to fifteen years to obtain and he even sued his home town and won the right to go self service and add a c-store.

The two men, however, were quick studies and within a year had leased three more sites. The name Best Petroleum was chosen after Ehrlich's young son, Louis, exclaimed, "Why not just say you sell the best gasoline!" Things were looking up, until that October of 1973 when news of an Arab oil embargo shocked the nation. The government rationed gasoline to fueling stations based on their prior year's sales, but Salinsky and Ehrlich had no such track record and were excluded. Yet their tenacity and willingness to take the hits eventually won the day as repeated appeals finally secured them a fair allocation.

Ten years later Salinsky bought out his partner and became sole owner. By 1996, when Best Petroleum was profiled in an *Independent Gasoline Marketing* cover story, the company was a \$50 million-a-year operation. The private Best gasoline brand and proprietary Munchies Place convenience store concept were very well known in New England. Yet at age 50, Salinsky was once again feeling the need to reinvent himself or possibly lose everything.

The 1996 *IGM* story aptly described his "built-in penchant for teamwork and harmony—a characteristic that had long been at conflict with his need to control details." On the one hand, Salinsky said at the time, "The details are what make you a lot better than your competition." But on ▶

RICHARD SALINSKY: SIGMA'S 2011 DISTINGUISHED MARKETER



Josephine Terrazzano, Gene Cross, Annette Angelo, Richard, Paul Ferrari. All have been with Richard and Best for more than 25 years.

◀ the other hand, employees complained of micromanagement and Salinsky himself sensed an atmosphere of grouchiness and infighting around the company. He welcomed disagreements but drew the line at disagreeableness.

Convinced that any change needed to start with him, Salinsky hired a consultant to assess his personality and that of his senior managers. The assessment confirmed that Salinsky likes to work with facts and structures, yet bases his decisions on personal values and strives to promote group harmony. To bring his diverse team together, he and Greg Ehrlich then a VP of operations, who Salinsky says is the smartest kid he ever met, organized a series of management retreats in which senior leaders devised a company mission statement, articulated an employee relations philosophy, decentralized the organization chart through a work-team approach, and emphasized participatory rather than autocratic management.

For his part, Salinsky learned to be less detail-oriented and “let go” by delegating more. As all the levels of the organization—from the stores to the front office—became more involved, people were happier and produced effective solutions

to all those details Salinsky once handled himself. The new team approach might take longer than the old seat-of-the-pants style of making decisions, but it generated more growth for Best Petroleum.

Looking back on those times, Salinsky admits, “I’m a fixer by nature and don’t like tension and confrontation among people. But the way I managed things in our startup days wouldn’t work after the company had grown into a large, professional operation. Yet it wasn’t easy for me to learn how to delegate and stop micromanaging.”

Two factors were the key in getting Salinsky through the adjustment. First, he explains, “I have a natural desire to help people and get enjoyment from doing that. Before, I always tried to do it directly. But I found that I could help people more, and they would do a better job, if I gave them a chance to try things themselves and even to learn from their failures.” Second, he credits his wife Esther with helping him gain a broader perspective. Most current employees have been with him more than 25 years as well as Armen Derderian, his long time friend and advisor for more than 30 years, and he says “they along with my wife Esther are the keys to my success. Esther looked after my girls Gayle and Michelle when I was

too busy working seven days a week. Today Esther still lays out my clothes so I won’t embarrass her or myself.” The Salinsky’s have been blessed to have two great sons-in-law, Steve and David, seven grandchildren ages three to nineteen, a new dog, and best friends at SIGMA.

The Ultimate Lesson

Not long after Salinsky learned to let go, he took the lesson to its ultimate conclusion in 1999 by selling his dealer, franchise, and wholesale businesses and leasing the majority of his sites. “Some of our key people were thinking about moving on,” he recalls, “and with the ongoing consolidation of the industry at that time, we put together a joint venture deal with another company so that we could expand and remain a player. But they preferred to do it as an acquisition.” While they weren’t the ultimate buyers it made sense doing a deal.

Twenty-seven years after entering business with a single station and then building Best Petroleum into a regional powerhouse, Salinsky was faced with the ultimate lesson—knowing when the time was right to move on. Once again, he had to reinvent himself.

“I agreed to be a consultant for the new owners,” Salinsky recalls, “and I think ▶

RICHARD SALINSKY: SIGMA'S 2011 DISTINGUISHED MARKETER



Gene Cross, Richard, and Paul Ferrari reviewing plans.

◀ they were amazed when I actually took it seriously.” But though he enjoyed remaining involved, he now admits, “As I took on the consultant role, I could be a bit abrasive with the employees of other companies. I felt my loyalty was to the executives who’d hired me. So I thought that I had to be tough and, frankly, somewhat dictatorial.”

In transitioning to his new career as a consultant, Salinsky says he still “struggled with the core of my being which will always be detail-oriented.” Yet to succeed, he knew that he had to “regulate” that part of himself. Companies want consultants who bring their own perspectives and wisdom to the table, not just “enforcers” of the company line and who then push everyone to straighten up. Salinsky particularly enjoys doing consulting with Greg Ehrlich, President of Convevo Partners.

As Salinsky mastered the art of “coming alongside” others, he found that “I really enjoy just talking with people, doing what I can to give something back and help them.” In a 2002 *IGM* article on “life after retail,” a relaxed Salinsky was pictured in a blazer and open-collar shirt, patiently teaching others as he pointed to a flip chart.

The image was a stark contrast to his 1996 cover photo when he appeared in a pinstriped suit and power tie while talking into a new device, then used primarily by on-the-go executives, called a cell phone.

Salinsky told *IGM* in 2002 that his newest incarnation as a consultant still gave him an outlet for his detail-oriented side. “[It’s like] peeling an onion,” he said at the time. “I don’t just look at the externals, but instead I go through the organization layer by layer.” Yet his emerging people skills were also on display. “Rather than stop and just analyze [a client’s] paperwork, I went out and talked to people [and] visited a sampling of store locations.”

Today Salinsky wears two hats as principal of Executive Petroleum Consulting LLC and president of Best Petroleum LLC. In the latter role he continues to operate a limited number of retail fueling sites and manage a shopping center and various condominium properties.

Now with his recognition by SIGMA as a Distinguished Marketer, which has only been awarded twenty times in SIGMA’s fifty-three years, and as the first marketer from New England to receive the recognition

in three decades, Salinsky is taking on the role of an industry elder statesman. Developing future leaders is important to him, as he hopes his award “can be an encouragement to marketers who may never be a SIGMA president but whose involvement is just as necessary for advancing the association.” In his 30 years (and counting) of SIGMA membership Salinsky declined national office but has chaired or served on almost every association committee and spent an unprecedented five terms on the board of directors.

If Salinsky had to reinvent himself at each phase of his career, he also believes that some things—about himself and about independent marketers—have remained constant. “Even if SIGMA members aren’t the ‘rough, tough mavericks’ of the old days, they’re still independent in thought and have an overall attitude of being innovators,” he states.

“Independent marketers have always adapted,” Salinsky continues, “whether it was responding to the oil embargoes or coming up with a plan for affordable tank insurance. In every decade there are maybe two or three defining issues, but independent marketers can survive because they’ve had to master all aspects of their businesses. I am honored to have fellow SIGMA leaders like Leo Liebowitz, Mike Ports, Doug True, Tim Columbus, and Paul Reid as great friends and role models.”

As for his own future, Salinsky says, “I love what I’m doing in my life.” When asked about any plans for retirement, he laughs, “Are you kidding? Esther says she married me for better or for worse—but not for lunch!” **igm**