Wholesale Pricing & 200+ Pages of Info - CLICK HERE!!

From the President's Desk...

I have been approached many times over the years by large corporations wanting to buy AMSOIL. Obviously, I turned them down flat. My commitment has always been to our Dealers and to Multi-Level Marketing. Our Dealers helped this company get where it is today, and everyone here at AMSOIL knows I am serious about supporting and preserving the AMSOIL opportunity. Many of our Dealers have invested years of hard work with the knowledge that AMSOIL would always be there for them, and I intend to see that it is.

That's why recent changes were made to our Marketing Plan limiting Retail On-the-Shelf accounts to businesses with no more than 12 retail outlets. The name AMSOIL has gained so much recognition, large retailers have started to take notice as more and more consumers are asking for our products. Now, after all these years, they want AMSOIL products on their shelves. In some ways, that's wonderful because it means everything we've been doing to promote our products is working. But the downside is that we don't want big discount chains competing with and undercutting our Dealers.

Our Retail Program is designed for the small retailer. That's our market. That doesn't preclude having one store out of many being a Retail Account. We have many accounts that are one retail outlet of a much larger chain. Most of those are franchises, which make them, in essence, small retailers.

What got me on the subject of writing about the 12-store rule was something that happened here recently demonstrating our commitment to protecting our Dealers is real. AMSOIL Director of Sales, Peter Haines, took a call from the purchasing agent of a large retail chain with over 2,500 stores. Peter was told that this chain wanted to put AMSOIL products into all their stores but they didn't want to deal with any "middlemen."

Peter explained that AMSOIL does not sell its products through large retailers, but through its Dealers and small Retail On-the-Shelf Accounts. The purchasing agent asked Peter what his title was and Peter told him. The man was flabbergasted, "You're the Director of Sales and you're telling me you won't sell us product? You must be out of your mind!"

Peter assured him he was perfectly sane, but as a large retail chain, his company did not qualify as an AMSOIL Retail Account. The man couldn't believe he was being turned down and told Peter to think it over and call him the next day.

As soon as he finished the call, Peter went to AMSOIL General Manager, Dean Alexander, for assurance that he had done the right thing. It goes against a salespersons' grain to turn down sales, and Peter knew he had just turned down a multi-million-dollar sale. Dean told Peter that he had indeed done the right thing. The 12-store rule was there to protect the Dealers and AMSOIL was going to live by it. Both Dean and my son, Alan, know how I feel about supporting our Dealers, and they would never do anything that might hurt them.

It was shortly after that incident that another retail chain called and again spoke to Peter Haines about putting our products into their stores. Again, Peter told them they did not qualify under our rules of marketing, and again they were stunned to be turned down. Peter did mention to me that both of these purchasing executives were very impressed that we would go to such lengths to protect our Dealers' interests.

I don't mention the names of these retailers here because it might prove embarrassing for them. The point is, times are changing and we've got to change with them. The 12-store rule was instituted after consultation with our attorneys and the AMSOIL Leadership Council. It seemed an appropriated way to preserve the integrity of our business and protect the interests of all our Dealers.

I realize that some of our Dealers might feel this rule limits their ability to "hit the jackpot" by signing up some large retail chain, but as you can see by our rejecting the sale to these two large retailers, the sword cuts both ways. We live by this rule as well, because long-term, we know what is good for our Dealers is also good for us.

This situation reminds me of the old saying, "Be careful what you wish for. Your wish might come true." Being on the shelves of large multi-store retailers seemed like a good thing until it became a real possibility, then the pitfalls became apparent. We responded to this challenge immediately and thoughtfully, motivated by a desire to protect the integrity of our Marketing Plan and the interests of AMSOIL and our Dealers. We reinforced the AMSOIL opportunity with this new rule, for you and for future AMSOIL Dealers.

A. J. "Al" Amatuzio
President and CEO, AMSOIL INC.

Wholesale Pricing & 200+ Pages of Info - CLICK HERE!!