

Convenience Store News

Victron Energy Grows Through Unique 'Mega Store' Model

DALLAS -- Victron Energy, a fuel distributor that leases 115 convenience stores and supplies fuel to more than 200 locations, attributes its success and growth during these difficult economic times to its unique franchise model and utilizing automated fuel management technology to save significant expense dollars through load shifting, improved retains and runouts, and lower administrative costs.



Victron President Ali Sharaf, a Syria-born entrepreneur who moved to the United States in 1986 and opened his first convenience store that year, and Vice President and COO Walid Alameddine said the company focuses on building "mega" stores ranging in size from 12,000 to 15,000 square feet with multiple profit centers including branded foodservice franchises, tunnel car washes and fresh jerky facilities.

Because of its franchise model, Victron directly employs only 46 people. "We are a wholesale distributor at the core, but have many different foodservice associations including Subway and McDonald's," said Alameddine. Victron owns and leases the various locations, primarily in the Dallas/Fort Worth Metroplex, but is expanding into east Texas.

The company sells fuel under the Exxon, Mobil, Shell, Chevron, Texaco, Valero, Conoco and Phillips banners, according to Sharaf.

Both Sharaf and Alameddine believe they have the right business model for today's challenging economic times.

"This is due to the model that we operate under," Alameddine explained. "We build mega stores – 12,000, 13,000 or 15,000 square feet. This allows each store to have multiple profit centers. It also allows them to be less reliant on fuel sales."

In regards to fuel, Victron launched FuelQuest's FMS solution in October 2005 to automate its fuel dispatching, turning a manual process that took two people up to eight hours each into a mere four-hour task. The result has been a 75-percent reduction in time and fewer human errors.

Sharaf noted, however, that Victron did not reduce its dispatch team workforce due to automating the process. "To the contrary, FuelQuest helped tremendously because we have grown the business over 100 percent since we implemented the fuel management system without hiring any additional employees to handle the dispatch of additional fuel."

More recently, Victron moved from Petrodata to DM2 within the past year. This change updated its system to what they call the "best accounting software." In the future, Sharaf and Alameddine would like to have the truck driver's delivery information feed directly into Victron's accounting system, which would further automate the process of managing their fuel delivery and invoice generation.

"With nearly 300 million gallons [that the company supplies each year], you can imagine, we generate quite a few invoices," said Alameddine.