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Fuel STOP

Integrity, care, innovation, and communication are the key values at the core of Pacific Petroleum's business operations.

Images by Hannah Millerick

Pacific Petroleum has been a fuel distribution and service business owned and operated by the Hollows family since 1969. Its favourable reputation has been built on having a small-company feel while still offering all the services only a big business can provide.

It was established as an Esso fuel distributor in Wandoan, central Queensland, before a retail outlet was opened in Ashgrove, Queensland. From there, the company expanded into New South Wales, acquiring the Esso distributorship in Lismore and later in Coffs Harbour and Crafton. A bulk-fuel distribution

service was also launched at the rear of the Brisbane transport terminal at a similar time.

In 1990, Mobil Oil Australia bought Esso's retail network, which resulted in a new company being formed—50 per cent owned by the Hollows family and 50 per cent owned by Mobil. Various business acquisitions across South-East Queensland ensured significant growth as Pacific Petroleum cemented itself as one of Mobil's largest distributors in the country. A focus was placed on the metropolitan and commercial industrial market, as opposed to simply being a retail service for farming communities, which had been a focus in the past. In 2013,

the company expanded into Mackay and Toowoomba, Queensland, which further grew its fuel circulation network across eastern Australia. The move was undertaken to meet the needs of agricultural, mining, industrial, and other customers in these regions as part of the company's commitment to client service.

Michael Hollows is the second-generation family member running Pacific Petroleum. He currently works as the managing director, making decisions alongside his father, Ivan Hollows, who founded the business and holds the role of director. Michael's sister, Kristy Staples, is also involved. She is the company >



secretary and looks after the human resources and administration function side of the business. Collectively, the key management team have more than 100 years of combined industry knowledge and experience, which enables them to clearly understand customers' needs while being familiar with all kinds of market conditions.

Michael fondly remembers the early days of the family business operation. He recalls, as a child, running around the truck stop at Wandoan, the little depot and petrol station at Lismore, filling oil bottles and helping to do a full driveway service. He says there used to be thousands of fuel distributors in Australia, while nowadays there are only about 150 left. Over the years, Michael has seen the business adapt and develop in order to meet the competitive demands of the industry.

"I had finished school, done a business degree at university, and was not really planning on working in the family business at the time," Michael says. "I was working for Stratco, which was a building products company, when I left university, and it was only when Mobil had bought out Esso's assets in Australia and took an equity position in the family business that I joined the company.

"So that is where it sort of all started. In the early days, I think I was in customer service, and worked my way through into various sales and marketing roles. Because I had done a business degree, majoring in marketing and minoring in law, I got more involved in the sales and then eventually took on the role as the marketing manager for the organisation. I took on the general manager role in the late 90s, and then took on the managing director role when we bought

"Really, we're a service company. We're not making the oil or making the fuel; we're essentially selling those branded products in conjunction with our services out into the marketplace."

- Michael Hollows

Mobil shares in the business in 2005, not long after the global merger between Exxon and Mobil."

Pacific Petroleum has proudly continued its relationship with ExxonMobil, which has been going strong for more than 45 years. Other affiliations and partnerships are constantly being nurtured with banking and financing partners, as well as suppliers. In 2007, Pacific Petroleum became an authorised importer and distributor of Phillips 66 lubricants, and in 2013 added Shell lubricants to its premium range of products. Shell manufactures and manages a diverse range of products and services for motorists, transport providers, and industrial applications, working in sectors ranging from automotive and mining to power generation and commercial transport.

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relationships with our suppliers, particularly with trusted brands,” Michael says. “Really, we are a service company. We are not making the oil or making the fuel; we are essentially selling those branded products in conjunction with our services out into the marketplace. So it is extremely important that we have trust within our suppliers and trust in their products.”

Michael says there are four key beliefs that are paramount in Pacific Petroleum’s operations: integrity, care, innovation, and communication. The business makes it a priority to employ staff who share that same ideology.

“Arthur J. Gallagher (incorporating OAMPS), is proud to provide insurance solutions for the Hollows family and Pacific Petroleum for 15 years. We admire how Pacific Petroleum treats their people and customers, and we look forward to working together as they continue to grow.” - Amedeo Pase, Principal Broker, OAMPS Insurance Brokers Ltd

“With integrity, we talk about being honest, being accountable, doing what you say you will do, and always looking for the win-win. With care, it is always to do the right job and do your best. People matter, and safety is paramount, I think, particularly in our industry—we’re dealing with dangerous goods, so safety is obviously an integral part of what we do. With innovation, we’re looking for a better way to do things. We question what we do, and we’re looking to offer something different. Communication—we talk about how to tackle the issues, not the people, explain why we do things, try to make our information timely, and be accessible. Those are the core values that we have within our organisation.

“I think it is really hard to develop beliefs and values within people. I guess the trick for us is trying, through that interview process, to get staff with similar values and beliefs that we have as an

organisation. I don’t necessarily believe you can train beliefs or values, but I think it’s important you stipulate what they are and try to match the people with those core values.

“The focus for us as an organisation is really around the people, so we start with our people. Then it’s making sure the relationships are right with our customers. So for us it’s all about maintaining those relationships. I’ve been extremely happy with some of the growth I’ve seen with our people. We have a lot of 20-years-plus employees. I guess the longevity in our staff is something that we’ve really been proud of.”

When Mobil bought out half of the company in the early 90s, Pacific Petroleum was somewhat geographically bound in terms of its efforts solely into the region of South-East Queensland, where it was based. Nowadays, since

repossessing full ownership of the company, Pacific Petroleum has had the opportunity to spread its wings, Michael says. With fewer than 150 fuel distributors left in the country, there are more opportunities for growth and much more rationalisation in the distributor network.

“We’ve got a site going in Melbourne and one up in Mackay, Queensland, so we’re pretty much up and down the east coast now. A lot of people who are still in the business are a lot bigger than they were years ago. It is an extremely competitive industry. It’s high volume, low margin. So you really need to keep an eye on your costs. That’s probably been something that we’ve really enjoyed trying to manage over the years.

“We’ve had some significant growth in the past 12 to 18 months, and it is continuing to grow. I guess that’s probably been one of our biggest challenges—maintaining the growth as well as

the consolidation. When we go on periods of growth, we then look to consolidate and make sure everything’s running smoothly before we take that next step up the mountain.”

Michael says challenges are always going to present themselves in a business environment, whether it’s through dealings with people or by trying to execute the appropriate operational strategies. “I think there’s always different challenges. I guess some of the big ones have been managing the relationships.

“From our perspective, when we were an equity with Mobil, the change in personnel was a challenge. We were fairly constant on our side of the partnership, but we were dealing with a number of different directors from the Mobil side of the business and, as corporate policy dictated certain changes, sometimes that made the relationship a challenge. So there were certainly some challenges in managing the needs of a family

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business compared to the needs of a corporate partner.

“During the global financial crisis, our largest customer went into receivership. That certainly presented some challenges for us too. There have certainly been some challenges, and I’m sure there will be plenty more challenges down the track—but that’s what makes it all fun and exciting. It’s never boring.”

Pacific Petroleum prides itself on having a small-company ethos while still offering big business a service that is approachable and personalised. Over more than four decades, it has helped thousands of businesses in the transport, earthmoving, construction, automotive, agriculture, energy, >

“It’s easy to work with the professional and communicative team at Pacific Petroleum. We are regularly updated on future plans and direction of the company. We work closely with them to obtain the best finance solution required.” - Lisele White, Equipment Finance Broker, Finlease



Arthur J. Gallagher, the ‘locally grown’ global has arrived

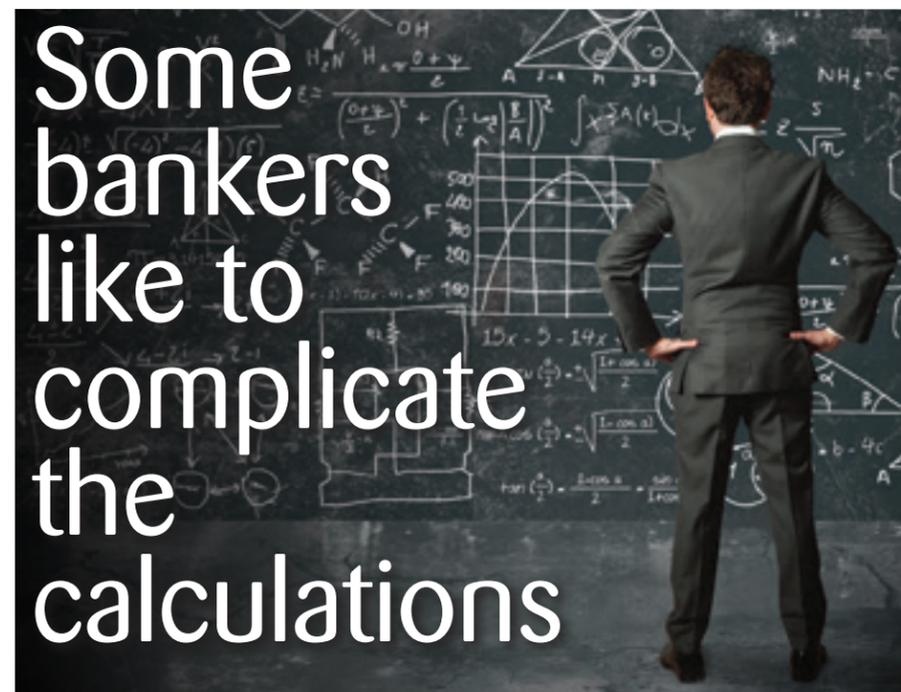
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and mining industries in Australia, New Zealand, and Papua New Guinea. Its success is reliant upon its ability to meet customer requirements with the timely supply of quality products and services, provided through safe working conditions and sound commercial practices.

Pacific Petroleum specialises in a number of areas, including on-site and project refuelling with a range of small and large fuel trucks, an on-site delivery service for short- or long-term projects, a network of bulk fuel depots, a fleet of delivery vehicles, and local or national fuel cards that enable fleets to get in and out easily and quickly to save time and money.

"Pacific Petroleum's consistent growth in a competitive market is a testament to their management. Commercial Indemnity remains a strong supporter of Michael's business providing unsecured credit facilities which free up working capital and improve cashflow, both critical in today's market."
- John Gardiner, Director, Commercial Indemnity Pty Ltd



Furthermore, Pacific Petroleum offers innovative technology, equipment, and services that are available to lease, hire, or buy; fuel cartage services; and lubrication surveys, analysis, and testing.

"For us, it is really about concentrating on our niche within the market. Family businesses and small to medium enterprises is where we excel in the market," Michael says. "That's particularly the area where we try to concentrate our efforts. In terms of key messages, for us it's all about

people and relationships. That's one of the key things we try to promote within our company.

"Technology is enabling us to spread our wings. We're certainly looking to increase our presence up and down the east coast of Australia. We have some aggressive growth plans, but once again we've got to temper that with consolidation and ensure we have appropriate cashflow to grow. We have a few strings to our bow, and there's plenty for us to get our teeth stuck into." ●

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