

March 24, 1937

Mr. Wm G. Wilson,
c/o Quaw & Foley,
30 Broad St.,
New York City.

Dear Bill:

As a result of our conversation of last evening, I have given the income situation a great deal of thought. I am writing you in order that you may turn the fundamental facts over in your mind.

Basically the situation is that we need 400 identified dealers. With this number of dealers, the trickle of business on tires and batteries alone would insure our overhead. With the overhead insured, we would then be able to carefully build a merchandising program for the top flight dealers places of business. We would soon have one hundred, hard hitting, merchandising dealers.

I am assuming that April 1st will see us with 200 identified dealers. I would estimate that the additional two hundred identifications would take the months of April and May. I am positive that this is a conservative estimate. If we were to extend the present identification program for two additional months, we would need additional capital of approximately \$3500.00. During this identification period we would carry on the dealer work as we have been doing at the office.

Alternative #1 to the 400 dealer identification program would be the stopping of this exclusive identification work the week ending April 3rd, and to start hammering the dealers that are identified for business. I believe that with a well planned program of this kind we would very probably have this picture on a break-even basis before the end of May.

With a program of this kind, we would probably figure on our quota of 400 dealers being reached some time in August. (With straight selling and merchandizing work, the boys would have very little time for identification). Of course, I am leaving out a safety factor – that of dealers being more and more interested through seeing the signs out.

With alternative #2 will come the decision as to whether we are satisfied to approach the oil company with approximately 200 accounts and roughly, 24 million gallons of business. We must not overlook the fact that after we have made the gasoline identifi-

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cation of these dealers with an oil company, they would restrict further additions to the gasoline picture. I know this from previous experience. With the 200 dealer picture, we would not give the company complete and perfect coverage, and they would rightfully take the position that 200 dealers would give them an exceptional backbone for an additional 200 dealers under their own contract.

Alternative #3 is very much the same as #2, except that I would concentrate on building the gasoline picture just as rapidly as possible and would make the merchandising, furnace oil and Junior Sales program secondary to tying the gasoline picture together and quickly securing the profits from that picture.

I am of the opinion that I would be able to approach an oil company the middle of April with a partial gasoline picture that would assure us a net income in excess of \$100,000.00 a year. We would have an exceptional income before the end of May.

I believe it sums up to the decision as to whether we should build the complete picture before approaching the oil company, or go out next week with one aim, which would be to get an immediate income flowing in here with what we have.

I am not a bit disturbed about our situation, nor do I feel that our calculations were wrong in any way. We were aiming at a 200 dealer picture, and a 400 dealer picture appears on the horizon.

I am perfectly willing to go ahead on the 200 dealer picture and build that up. We could surprise you at how quickly we could secure a satisfactory income from these dealers.

If we set the 200 dealers picture, that should remain as our goal, and through elimination and addition, we should constantly raise the quality of these 200 dealers. With the 400 dealer picture there would undoubtedly be an extra one or two hundred dealers which should also give us the opportunity to week [sic] out and raise our standards.

Sincerely,

Henry G. Parkhurst

HGP:RH