

IN PROFILE

Pioneer Petroleums: “Service Driven Spirit” pumps up Canada’s largest independent gasoline retailer

Pioneer Petroleums is a genuine entrepreneurial success story.

From a standing start, with a single service station on Hamilton mountain in 1956, the Burlington-headquartered company has grown into Canada’s largest privately-owned independent gasoline retailer.

Currently the company operates approximately 150 Pioneer-branded service station/convenience outlets in Ontario primarily in the Golden Horseshoe Region. In addition, it operates approximately 100 Esso-branded (a mix of dealer and corporately-owned sites), in northeastern Ontario and Manitoba.

A key component of Pioneer’s business, in addition to fuel retailing, is its strong merchandising programme, which has grown to over 100 stores, involving strategic partnerships with household names such as Tim Hortons, Country Style, Mr. Sub and Williams Coffee Pubs.

Across its stations, Pioneer pumps out an impressive 1.4 billion litres in fuel volume annually, with close to \$200 million yearly in ancillary services such as fast-food offerings, convenience merchandise and car washes.

Growth strategy

Founded in 1956 by Murray Hogarth, for decades the company operated as a family business. Its pioneering spirit has kept Pioneer at the forefront of its industry and led to a number of industry-leading initiatives.

It was the first to put pump attendants right at the pumps for instant service. Pioneer was also an early adopter of loyalty programmes. Beginning with gift collector stamps in the late 1950s, the company updated to a paper-based Bonus Bucks programme, that today has morphed into an electronic card version (which can be redeemed not only for merchandise but also for gas). For decades, customers could pull into a Pioneer station for a car wash, a time-saving option that was re-branded and updated in the past several years, to the “Clean Express” Programme.

In 1993 — in a bold move that anticipated evolving trends in what was clearly becoming an ever more competitive industry — Pioneer altered its ownership structure. It entered into a joint venture partnership agreement with Suncor Energy Products of Toronto.

The partnership, undertaken at a time when the refinery industry was quickly rationalizing, guaranteed Pioneer a steady, consistent flow of quality products at competitive prices.



Tim Hogarth

Pioneer Petroleums Snapshot

- Founded in 1956 with a single service station by Murray Hogarth.
- Company vision from day one: dedicated to making our customers’ experience the best it can be by searching for new, innovative ways to add value.



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It also signalled the beginning of aggressive expansion by the company that continues to this day, says Tim Hogarth, President and CEO. "We're very entrepreneurial in how we look at growth opportunities," he explains. "We don't spend a lot of time sitting around the table at board meetings. If we see an opportunity, we're on it right away."

This has meant keeping a sharp eye out for what is happening in other chains. Over the years, Pioneer has been a consolidator of competing small chains in Ontario (familiar names such as Olco or True Value spring to mind), rebranding and converting the stations to the Pioneer business model.

It is a strategy that still drives Pioneer. "We continue to look for consolidation opportunities, both in Ontario and other parts of the country," he says.

As part of its ongoing growth strategy, the company reinvests approximately 50 per cent of its earnings back into the business.

At the same time, management is insistent, says Hogarth, whose brother Geoffrey is Director of Marketing, on "culling the tail end of our network, closing under-performing stations in order to drive efficiency."

Demographics change, traffic patterns change, so it's essential to constantly review and evaluate the profitability of locations. "You can't rest on your laurels in an industry that's as competitive as this one," he says bluntly.

Pioneer's commitment to excellence has been recognized by the business community. In 2000, it qualified as one of Canada's 50 Best Managed Companies. After requalifying for six years, the company became a member of the programme's elite Platinum Club.

Giving back to the community

Pioneer's commitment to the communities it serves "extends far beyond our pumps," says Hogarth. In fact, he says, the company believes its success is intrinsically linked to the communities it serves.

Through the Pioneer Petroleums Children's Foundation, the company and its employees (many of whom have been part of the Pioneer extended family for years), support and encourage organizations as diverse as the Duke of Edinburgh's Award, the CHML Christmas Tree of Hope, and the unique School Community Bucks programme.

Teamwork drives Pioneer, says Hogarth. The company's retailers – and their customers – have participated in annual campaigns to raise money for their local Children's Hospital for more than a decade through the "Give What You Can" campaign.

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