

## Can Motor Oil Be Green?

Company Profits By Protecting Environment

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Green. Perhaps no buzzword more aptly defines the current business climate than that simple color adjective. It stands for a lot of things. Environmental awareness, sensitivity and responsibility. A decision to perhaps make the right choice instead of the easiest one. And an overall sense that everyone on the planet shares an equal burden for its continued protection.

Green can be more than just a growing environmental awareness, however. For some savvy lube operators, it is also the color of increased profits and sales that come from customers seeking an alternative to traditional business.

The fast lube industry has long been green — it's just that few operators realized it. Yet fast lubes annually collect and recycle/reuse more motor oil, a potent environmental hazard, than any other entity in the United States. By some estimates, fast lubes collect and recycle nearly 250 million gallons of used oil each year. That's one-quarter of a billion gallons, which is a lot of used motor oil, oil that doesn't end up in our nation's lakes, streams, water wells, reservoirs, etc. It's a fact the industry is only now beginning to tout, yet one that has been standard operating procedure for the industry for more than 30 years.

Yet some in the industry are not satisfied with such an admirable contribution to our planet's environmental wellbeing. They seek to do, and be, more environmentally responsible.

One such company and one such man is The Lube Stop, Inc. and president Tom Morley. Headquartered in Berea, Ohio (a Cleveland suburb), and with 37 facilities in the Cleveland and Akron/Canton areas of Ohio, Lube Stop is one of the largest independent fast lube companies in the nation (holding 20th position in our 2008 Tops in the Industry ranking published in the March issue of NOLN). Morley joined Lube Stop in January 2004 after several years in the software industry. One of the first things that struck him about the fast lube business, he said, is the potential environmental liability — and thus responsibility — incurred by every oil change facility in the country.

“When I started at Lube Stop, I was new to the industry. Two things kept me up at night, employee safety and environmental liability. With an average of 1,200 gallons of oil inventory per store, that's a lot of potential environmental damage,” he said. “The challenge of running a company this size, where you can't have centralized company meetings, is that you have to formalize your thinking. You have to create an idea people can wrap their minds around. My hope is to create an environmental awareness in all employees, so a new lube technician doesn't pour oil down the sewer drain instead of disposing of it properly.”



To that end, Morley has implemented the Lube Stop Sustainability Program, a wide-ranging series of initiatives with a simple mission at its core: “Significantly reduce Lube Stop’s ecological impact and improve the communities in which it operates.”

“(Being green) is important to me personally,” Morley said. “I’ve always had a personal green streak, and it grew larger when I had kids. (Mankind’s impact on the environment) is impossible to ignore, and it is something we need to take seriously.”

Morley said to take that personal concern and translate it into something that could be embedded into the culture of an entire company required creating the mission statement.

“You have to clearly define the program, and link it into what you’re already doing,” he said. “Business 101 says you have to have a mission, and the mission of our sustainability program is quickly becoming part of the company’s core mission. (An environmental program) can’t be a one-off initiative. It has to become a core part of your strategy.”

#### The First Steps

With the mission created, Morley created a five-step path toward realizing the sustainability program. The first step centered on strategy development, and as part of that, Morley challenged Lube Stop’s senior management to incorporate sustainable business practices into the company’s overall corporate strategy. The company also joined several regional sustainable business groups to provide some level of accountability.

The second step of the program centered on the creation of sustainable operations. In other words, Morley wanted to make sure Lube Stop and its employees did more than meeting EPA regulations and minimums. He wanted to make sure everyone in the company would constantly look for ways to implement closed-loop product supply chains, as well as offer services that would reward customers and companies committed to improving the environment.

One of the most significant steps in that direction took place last month, when Lube Stop became one of the first fast oil change chains in the country to offer an oil change centered on re-refined motor oil, a service the company named “EcoGuard.” According to a customer

#### Lube Groups Show Their “Green” Side

More and more companies in the fast lube industry are putting their best foot forward when it comes to going green, with some even putting their money where their marketing mouth is.

One such company is Victory Lane Quick Oil Change, the Michigan-based fast lube chain with nearly 50 company-owned and franchised facilities. As part of its support for Earth Day 2008, Victory Lane donated more than 4,000 evergreen saplings to customers, schools and other organizations interested in planting trees. The company also promoted a “Used Oil Drive” aimed at encouraging do-it-yourself oil changers to recycle their used oil, oil filters and antifreeze at Victory Lane locations. The company advertised that it collects these items free of charge at any of its locations.

Even the industry’s trade group, the Automotive Oil Change Association (AOCA), has gotten onboard with the environmental issue, urging its members to actively support National Ground Water Awareness Week and throwing the organization’s support behind the National Ground Water Association. Together, the two associations will work year-round to raise awareness about the importance of properly disposing of used oil and other automotive fluids, lest those fluids end up contaminating the nation’s groundwater supplies. (AOCA notes that one pint of used motor oil can ruin one million gallons of water.)

We’ve also discussed in these pages the story of Robert Burke, who along with business partner Rob Kaplan operates Wayne Auto Spa in Wayne, New Jersey. (See “Operator Goes Green,” June 2007 National Oil & Lube News.) Burke has invested considerable time and expense into making Wayne Auto Spa one of the most environmentally friendly facilities in the country, with a laundry list of accomplishments like:

- Installing 58 solar panels atop the facility that generate as much as 20 percent of Wayne Auto Spa’s electrical needs.
- Installing energy-efficient lighting throughout the facility to further minimize power consumption.
- Investing in used oil burners to provide heat for the facility and to heat the water used in the carwash.

survey Lube Stop conducted, nearly half of the company's customers said they would purchase an oil change using re-refined motor oil, while another quarter said they might.

"Given the capabilities of today's re-refining techniques, the broad adoption and use of re-refined motor oil is long overdue," Morley said. "Our EcoGuard oil change is a more sustainable service that helps the environment, helps differentiate Lube Stop and furthers our mission to become a more sustainable business. I don't mind if competitors copy us on this one given the positive implications it could have for the environment."

The EcoGuard service will use Lyden Oil Company's ProGuard ECO Motor Oil, which is manufactured from re-refined base stocks and meets or exceeds manufacturer requirements. The re-refining process separates base oil from the depleted additives and contaminants found in used motor oil. The reclaimed motor oil is then re-refined into a Group II+ base oil before being blended with a new additive package, resulting in a dual-refined product that meets or exceeds ILSAC GF-4 and API SM specifications. The oil is available in both 5W-20 and 5W-30 viscosities.

Morley points out that 42 gallons of crude oil yield the same amount of base stock lubricant as one gallon of used oil, making re-refining one of the best uses for used motor oil. Plus, because the use of re-refined motor oil was mandated by President Clinton at the federal government level, Lube Stop aims to secure business from nearly 1,200 federal government vehicles in Northeast Ohio. Pricing for the EcoGuard service will be \$36.99.

In addition, Lube Stop also announced a partnership with Columbus, Ohio-based Heartland Petroleum to collect the company's used oil. Heartland is in the final stages of construction on the first oil re-refinery in Ohio. Once completed, the facility will create 15 million gallons of base oil stocks from used motor oil, including that oil collected from Lube Stop. Those stocks will be used to create more re-refined motor oil, creating the "closed-loop" system Morley envisioned.

"I want to make Lube Stop a case study for sustainability, something that transcends this industry and applies to business in general," he said. "I hope to make a mile-high accomplishment that other businesses in other industries can mirror, something that will inspire others to adopt similar programs."

- Using a water reclamation system in the carwash to minimize water usage.
- Using biodegradable, dye-free soaps with a neutral pH to make wastewater
- Using well water instead of treated city water for the carwash. more easily treatable.

For its environmental efforts, Wayne Auto Spa has been recognized by the New Jersey governor with the Governor's Award for Environmental Excellence, and the New Jersey legislature for environmental leadership. Burke hasn't stopped with his initial efforts, either. In recent months, he has been lobbying city officials to let the facility install a wind turbine with three 11-foot blades atop a 120-foot-tall lattice tower on the facility's property. The turbine could generate as much as 15 percent of Wayne Auto Spa's energy needs, further reducing the company's dependence on the general power grid. The project has met with fierce resistance from city officials, a disagreement that was the subject of an article in the New York Times in February.

Burke has spent thousands of dollars in legal fees to get the wind turbine approved, and even set up a section of the company's website ([www.wayneautospa.com](http://www.wayneautospa.com)) so interested consumers and other parties can donate to the fight. (Burke promises on his website to donate any funds that are not used in the legal battle to the New Jersey Environmental Lobby.)

"It's the cumulative effect of the small changes adopted by everybody in the world that's going to impact how clean and livable our environment will be," Burke told NOLN last year. "Every fast lube has an opportunity to make modest investments to reap valuable rewards by looking at their business in this way. It is our responsibility to make sure there is a planet here for our grandchildren."

## Reduce, Reuse, Recycle...and Tell Others

Morley's efforts to recreate Lube Stop as an environmentally conscious company didn't stop at creating a sustainable oil change loop. The third step of the company's sustainability program focused on reducing waste.

To that end, the company created recycling programs not only for used oil, but also for antifreeze and used oil filters. Plus, the company revised the way it ordered packaged lubricants, cut down on electricity and natural gas use, and sought ways to become more efficient in the storing and recycling of paper records.

"We sell about 25 percent premium oils — mostly high-mileage and synthetic — and most of those came in bottles," Morley said. "Over the last 12 months, we've moved to ordering and storing high-mileage product in drums. We've prevented over 100,000 bottles from going to the landfill in one year, plus the cardboard cases those bottles came in. Plus, we've been approached by our synthetic oil supplier about switching to kegs and drums. We'll realize a financial savings by ordering these products in bulk, plus eliminate waste."

By Morley's estimate, the company's waste-reduction strategies for motor oil use ultimately will keep nearly 250,000 bottles and nearly 30,000 cardboard boxes out of landfills annually, while a switch to using re-refined antifreeze will keep nearly 20,000 bottles and more than 3,000 boxes out of landfills.

"There's a ton of low-hanging fruit that can be picked in these areas by any company," Morley said of waste reduction. The company's efforts don't stop inside the service bays, either. By turning off POS computer system monitors every night, Morley estimates the company saves nearly 22,000 kilowatt-hours of electricity (or about \$3,000) every year, and a switch to using refurbished laser toner cartridges will mean nearly 500 such products are reused each year.

Then there's the issue of paper.

"The corporate office generates a lot of paperwork. We contract with a shredding company to collect, shred and recycle our paper waste," Morley said. "We've also cut our paper use nearly in half by printing on both sides of paper. We've saved the organization money and also saved on resources."

The company also is careful to recycle "e-waste," or broken or obsolete electronic devices including computer monitors, keyboards, CPUs, etc. Doing so can make you money.

"When you're in a corporate setting, you can recoup some of the costs of the original equipment," Morley said. "At the individual store level, you can at least recoup the costs of recycling. We contract with a company (ITscrap.com) that will pay us for some of the stuff we would have discarded in the past. It isn't as much as what we initially paid for the equipment, but it's better than throwing it away."

Morley has even taken the issue of recycling to his customers, going so far as to print a message on reminder postcards that the cards themselves will be recycled when they are brought into a Lube Stop location and redeemed.

"We are able to leverage our office recycling program to promote the fact that we will recycle customer reminder cards if they remember to bring them into Lube Stop when getting their oil changed," he said.

In fact, raising public awareness about Lube Stop's sustainability programs is the fourth step of Morley's program. According to the company's website, "Positioning a brand or a company as environmentally

friendly only works if it's true. Lube Stop has been recycling motor oil, complying with municipal and state environmental regulations, and operating in an environmentally responsible manner, since 1985. The company is extending that role to include educating its 30,000 monthly customers about the dangerous ecological effect waste oil has on drinking water, the importance of maintaining a well-running vehicle and supporting Northeast Ohio causes designed to make the region a better, safer place to live." Morley said such a message is beginning to resonate with consumers, leading to increased traffic at Lube Stop facilities.

"When I first joined Lube Stop I knew there was an environmental message to be told, but I didn't focus on it initially because the market wasn't ready to embrace it," he said. "Since 2006, the market has been willing to listen."

In fact, Morley said the buying public may soon demand that companies go green. After reading extensively on the topic, Morley said one of his favorite books on business and the environment is, "Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage" by Daniel Esty and Andrew Winston.

"These authors say that companies that don't focus on sustainability will be left behind. The public will increasingly put pressure on companies to be environmentally responsible," he said. "They talk a lot about companies having a social license, where those companies are responsible for the life-cycle of those products. Europe already has take-back laws on the books, and I expect we'll see similar laws here. Our industry is in a unique situation because we already take back the goods we install. We just have to communicate that message to the public."

As part of that effort, Lube Stop recently unveiled a series of commercials (viewable on the company's website at [www.lubestop.com](http://www.lubestop.com)) that explain to consumers the environmental benefits of fast lube service. Entitled, "Did You Know?" the commercials have been widely successful at drawing new business to the company, Morley said.

#### Individual Initiative

According to Morley, taking steps like the ones Lube Stop has implemented can eventually lead to a critical mass, a point where employees begin to suggest new environmentally responsible practices and procedures on their own. He calls that "individual initiative," and it's the fifth step of Lube Stop's sustainability program.

"Our employees are starting to flag wasteful practices," he said. "Part of (our) success...depends on ideas from employees across the company. The power of collective thinking is bigger than the sum of its parts, and our sustainability program promotes creative thinking throughout the company that results in a virtuous cycle of innovations."

Morley said the program's goal is to make "evangelists" out of as many employees as possible. These employees will then take their zeal for the environment not only to their jobs, but also to their families and communities.

That individual initiative can extend to fast lube operators, as well. To any operator who might think he or she can't make a difference to the environment, Morley has a direct reply: "That's the kind of thinking that can put you out of business. Customers will eventually demand that businesses be green."

He added that implementing sustainable and waste-reduction initiatives isn't as difficult as most people think. There are myriad resources available from a simple Internet search that can help operators find recycling options that will make their business a "greener" place.

"It's easy to research where you can recycle," he said. "And a number of organizations have already done the work for you. The Automotive Oil Change Association did all the legwork for promoting National Ground Water Awareness Week. All lube shops had to do was advertise the fact they supported it."

Morley said the first step in going green is simply to take a first step — but do it soon to reap the benefits. "If you do it now, you can take advantage of your efforts from a competitive differentiation and marketing standpoint," he said, adding that companies that wait too long risk becoming latecomers to the environmentally friendly party.

He did, however, caution against "greenwashing," or making environmental claims your company does not back up.

"As long as you are sincere and you have all your ducks in a row from an environmental standpoint, you can tell the public about it," he said.

For Morley, making Lube Stop a "greener" company wasn't motivated by increasing profits. He did so out of a deep-seated sense of personal and corporate responsibility. The fact that more customers are tuning in to that message is a bonus, but one others in the fast lube industry can take advantage of.

"We have a Kenyan proverb on our website that says we did not inherit the planet from our parents, we are borrowing it from our children," he said. "Knowing that gives me a sense of urgency to act."