

We are focusing on business continuity and mitigating supply chain risks. This virus has caused increased workplace absences, lower productivity and travel restrictions. We are waiting on the final word from our captive insurance company on the coverage of communicable diseases, but I expect they exclude them.

Cash is the oxygen of our companies, so we need the maximum amount of cash in the bank, not just credit. Consider drawing down your bank line of credit today. If your bank line of credit is based on the value of the fuel inventory and/or your AR, the dollar amount of your line of credit is about to shrink as wholesale fuel prices drop by 25% or so. Hunker down and stop new capital projects or acquisitions since Cash is King.

Stay on the credit department and keep your customers within terms. If customers start running low on cash they turn to us and increase their trade credits. Be wary of taking on any large unsolicited customers now. They might not be paying their existing suppliers and turning to you for fresh credit lines.

Wells Fargo said yesterday that the corporate credit markets are losing liquidity. The bond market is closed to new issues from companies. So they are turning to banks for cash. Blackstone is advising their companies to draw down their bank credit lines to help prevent liquidity shortfalls amid signs of mounting stress in markets. Under normal circumstances, the lines are seldom maxed out, but if a sudden and sustained increase in companies started tapping their credit lines, it could eventually strain the banks.

Draw down all fuel inventories since the replacement costs are far below your average inventory cost. We are trying to pull down our 1.3MG of bulk plant and dealer consignment inventories. We are only buying regular and diesel in an attempt to pull down the side grades. Retail prices are going down faster than we can turn the inventory. We have a \$260K loss on fuel inventory valuation so far this week.

Another concern is the closing of public schools and its impact to our workforce. If schools close, then the parents will need to work from home, otherwise the office density would dramatically increase with children occupying all the conference rooms. We will lose our single-parent drivers, office, service techs and c-store workers with a public school shutdown. We have taken a quiet survey of single parents with school age children and made plans to work around their absences.

If we run short of labor for our stores, we plan to close the food concepts first. If we don't have labor then we plan to close highway stores next and keep the neighborhood stores open. Our principal obligation is to our people, to their families, and finally to the local community. We have a distant responsibility to the travelers passing through our towns.

Prepare your office team to work from home. Buy the necessary equipment today, because computers, cellular phones, scanners, firewalls and routers will become in short supply as more corporate offices close. The interruption of the electronics supply chain network and the Just in Time inventory systems will result equipment shortages. We have ordered extra electronic parts for the stores, restaurants, dealer, propane, commercial and office teams.

Our office team have a laptop, scanner, printer, iPhone and available home Wi-Fi. There was a thought of everyone taking home their desktop computer and screens, but even if each associate were capable of setting up his or her work computer at home, this would require IT support that is more technical. We do not want to expose the IT team to households, as they are mission critical to the daily operations.

Our folks are used to high-speed fiber optic internet speeds at the office, so their cable internet connection at home will seem slow, but still very workable. FaceTime or Skype meetings might be a problem from home with dropped connections, slow downloads, or loss of video feeds. The challenge with connectivity will be if schools are closed and the whole families is sharing a single Wi-Fi signal for work and entertainment.

Evaluate your sick leave policy. Two years ago we went to a Paid Time Off or PTO type of program that moved sick days, vacation days and personal days into one category. This type of system is much more flexible for the workforce dealing with the virus.

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