

LUCAS OIL

By David Swarts



DURING MY TIME DOING SHOPS FEATURES IN *ROADRACING WORLD* I HAVE ENJOYED HEARING AND RETELLING THE INSPIRATIONAL STORIES OF THE GREAT ENTREPRENEURS IN OUR INDUSTRY, BUT I THINK I MIGHT HAVE A HARD TIME TOPPING THE EYE-OPENING STORY OF FORREST LUCAS. WITHIN A RELATIVELY SHORT SPAN OF TIME, LUCAS WENT FROM BEING A HUMBLE OVER-THE-ROAD TRUCK DRIVER FROM INDIANA TO THE FOUNDER AND PRESIDENT OF LUCAS OIL PRODUCTS, A COMPANY BUILT ON OLD-FASHIONED VALUES AND GROWN VIA INNOVATIVE PRODUCTS AND MARKETING, ESPECIALLY ITS UNWAVERING SUPPORT OF ALL VARIETIES AND ALL LEVELS OF MOTORSPORTS, INCLUDING MOTORCYCLE RACING.

"WHEN I WAS 21 I LEASED MY FIRST SEMI AS AN OWNER-OPERATOR FOR MAYFLOWER. THAT'S HOW I STARTED," SAID LUCAS, POINTING OUT WHAT A BIG STEP UP THAT WAS FROM THE POVERTY HE ENDURED AS A CHILD.

For the next 15 years, Lucas drove a truck and eventually got to the point where he bought other trucks and hired drivers to haul freight across the country for his company, Lucas Lines. In the process of operating his trucking company, Lucas soon found the need for better products to keep his vehicles running down the road.

"We were having a lot of trouble," said Lucas. "Most of our freight was in and out of California. So you've got that long, hot desert out there to cross and you've got moun-

tains to pull. It was really hard on the trucks, the engines, the differentials. So I tried to find a way to make a better oil, to let the oil last longer and to help the parts last longer. We were having a lot of problems, but everyone was having a lot of problems back then."

Working with various oils and additives that were already available and using lots of trial-and-error methods, Lucas came up with his first products even though he had no formal chemical or mechanical training.



(Top) Lucas Oil's 100,000-square-foot facility in Corona, California. (Above) Lucas Oil founder and President Forrest Lucas started out as an owner-operator truck driver and now runs the fastest-growing chemical company in the U.S. motor vehicle industry.



Forrest Lucas started Lucas Oil after years of blending oils and additives to help improve the performance and reliability of his company's trucks as they traversed the deserts and mountains of the Western U.S.

"The (Heavy Duty) Oil Stabilizer was the first product, then our Fuel Treatment," said Lucas. "We were working on both at the same time. The fuel treatment got us an extra half-mile per gallon, which is a lot when you're getting four or five miles per gallon."

Lucas knew right away he had products to sell to others, but the hard part was figuring out how to sell those products.

"We knew the products would work, and we knew that most other truckers were having the same problems," said Lucas. "So we fixed up an old second-hand Dodge van, got it painted up real pretty and I hired this guy to go out and sell it to truck stops. We got some sold, the guys tried it, it worked and the word of mouth among truck drivers spread."

Success came slowly at first, but in 1989 Lucas incorporated Lucas Oil in Southern California, where he set up a truck yard after his wife Charlotte fell in love with the area during a trip. Eventually a dedicated production facility was set up, and Lucas Oil now has a 100,000-square-foot plant in Corona, California. The Corona facility mixes and bottles 30% of the company's products; houses its relatively new product development and testing laboratory; distributes products to the western U.S., Australia and the Far East; and is home to Lucas Oils Studios (more on that later). The company's other production facility, a purpose-built 700,000-square-foot plant located in Corydon, Indiana, produces 70% of Lucas Oil products and distributes them in the eastern U.S., Canada, Mexico, Europe and the U.K.

Word-of-mouth advertising only goes so far, however, and Lucas soon found himself looking for new ways to market his line of oil products, which quickly expanded with the development of Engine Oil Stop Leak, Power Steering Stop Leak and Transmission Fix.

"I developed a little gear demonstrator," said

Lucas, referring to the countertop, hand-crank gear lubricant demonstrators that have been fixtures on auto parts counters across the country for years. "That was harder to get fixed than anything, harder than the oil, but that really sold the stuff."

And it was that demonstrator that led directly to the Lucas Oil's first motorsports sponsorships.

"I had to get something on there to get people's eyes to come to it," said Lucas, who quickly found a dirt track racer and a drag racer to spon-

sor, painted up their cars, took pictures and stuck those pictures onto all his demonstrators. "So we had two race cars on it, and it worked. Everyone's eyes went to it, and when people would ask the guy behind the parts counter 'Does this stuff actually work?' the guy would say, 'Yeah, everybody says it does when they buy it.'"

Motorsports involvement continued to play a prominent role in the company's growth, larger than you might imagine.

"We got a lot of these independent auto parts stores, but we wanted to get into the big chains," said Lucas. "Those guys are really hard to sell. They want to see something that's being advertised a lot and they want to make sure it's already selling. But I noticed that they were all one way or another involved in drag racing. We weren't big enough to do huge advertising, but we had some money by then. We went and had an opportunity to sponsor an NHRA event, I think was in Chicago, and I knew all of the auto parts guys would be looking at it because they were all involved in some way. So we did the first one there. It cost \$100,000—which was a fortune for us then. Then a couple of months later we did another one. We had a race car out there—an old Top Fuel car—by then and some smaller cars we were doing sponsorship with, but none of the cars were front-running cars. But we kept sponsoring the races, and that got everybody's attention. If we were big enough to do that we were big enough to talk to."

One by one the big auto parts chain stores started carrying Lucas Oil, and Lucas said he left the biggest chain, Auto Zone, for last and let it come to him, which it did.

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Lucas Oil products are pumped into bottles on an assembly line in Corydon, Indiana.

Shops: Lucas Oil

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Not only does Lucas Oil continue to sponsor everything from Junior drag racers to offshore powerboats to motorcycles to professional pulling tractors and just about everything in between, the company has found new ways of maximizing its efforts by sponsoring events, buying fledgling racing series and even producing its own television coverage of its events.

"Several years ago, there's a lot of these little series going around," said Lucas. "They were all pretty weak. There wasn't much racing on television. It looked like there was room for it, but most of the series weren't very strong. We sponsored some of them, but none of them were very strong. So I talked to Bob Patison (Lucas Oil Executive Vice-President) one morning and said, 'We need to start buying up some of these little ol' series, put our name on them, get them on television and we will be in the show, so they can't take us out.' It's different if you just have commercials, where a guy can just change channels during commercials. And as these little ol' series fell apart if it looked like it would make a good show we would snap them up, dust them off, clean them up and put our name on them."

A good example of this is the Lucas Oil Off Road Racing Series, which is made up of several classes of off-road vehicles, including high-flying, 800-horsepower four-wheel-drive trucks, usually racing on purpose-built short courses in front of fans sitting in grandstands. The series was relatively unknown until Lucas



The lab at Lucas Oil's California facility has developed over 125 new products in the last two years, sometimes going from concept to finished product in as little as two weeks. That's in addition to performing quality testing, investigating technical issues and evaluating competing products.

Oil invested in it, which attracted lots of new sponsorship and with the sponsorship came crossover athletes as drivers, like Brian Deegan and Jeremy McGrath.

All of this was made possible via the television coverage Lucas Oil could guarantee via the small television production company



Drums of base oils are hoisted and poured into a 700-gallon mixing drum at Lucas Oil's Corona, California facility during formulation of one of the company's 140 different products.

it bought about four years ago. Now that company, Lucas Oil Studios, has grown from five to 15 employees, (including a full-time helicopter pilot), and can film, edit, do voice-overs and add graphics to race footage, providing ready-to-air programs for networks like SPEED, ESPN, Versus and NBC. And another benefit of having an in-house television studio is the fact that the company can now make its own television commercials, for Lucas Oil or for the racing series.

"That thing is growing so fast," Lucas said of Lucas Oil Studios. "It's just more and bigger and better, I guess. We're trying to get more time overseas and on the bigger channels here, more into the CBS type thing. And we have MavTV, a channel we own most of ourselves. We're trying to grow that thing up and get it to a higher level. We're adding more to that. That has grown crazy fast, absolutely crazy fast. But I don't know where it's going to end up. I don't see any end to it."

"We have more races than ever. We have this AMA (Motocross and Endurocross) we're doing. I think we're in our third year. That's turned out to be big and is going to Europe, and that's a new market we're looking at. We sell to some countries over there, but we really want to fill that up in the near future. So we're looking at having a lot of these racing shows go over there."

Lucas Oil is also looking to broadcast its racing series in Asia and South America. It is also positioning itself for multi-media applications like webcasting over the Internet to people who view shows on mobile devices like phones and tablet computers, according to Lucas Oil Studios Producer/Senior Editor Trevor Hocking.

Another area of planned growth for Lucas



An editing bay at Lucas Oil Studios in Corona, California. Four years ago, Lucas Oil bought a small television production studio, which now produces 300 hours of HD motorsports programming per season.

Oil is the two-wheel segment, with a full lineup of products including engine oils, oil stabilizer, chain lube, transmission oil and fork oil, with more to come. It has promoted these products by sponsoring motorcycle racing series like the WERA West Sportsman Series, events like the World Superbike/AMA Pro Superbike races at Miller Motorsports Park, AMA Pro teams like Richie Morris Racing's GEICO Powersports Suzuki and Bruce Rossmeyer's Daytona Racing and individual racers like former WERA West rider Chris Sromalla. The company has also expressed interest in buying a motorcycle sanctioning body and series, should the right opportunity come along.

Lucas Oil's sponsorship extends beyond motorsports into new areas for the company, areas where the company blazed another path for others to follow.

"I knew we were, I don't want to say, getting maxed out with motorsports, but there were a lot of people in the world who were not watching motorsports," Lucas said, adding he was contacted by the Indianapolis Colts NFL team to see if Lucas Oil would like to sponsor the team's new 75,000-seat domed football stadium. "My first impulse was there's no way we could ever afford anything like that! I got to thinking about it. 'How much would that actually cost? I don't even know what it costs. I should at least find out what it costs.' So I called back and told my guy to find out. It started out \$5 million the first year and so on until it was about \$6 or \$7 million. I thought, 'That's no more than it would cost to have a barely mid-pack (NASCAR Sprint) Cup car. That's doable for us.'

Two meetings later the deal was done.

"At that time most (stadium) sponsorships were from three to five years," said Lucas, "and they (Colts) were wanting to know if they could get it out to 15 years. I said, 'Let's just make it 20 years with the first right of refusal after that.' So they did. Now, all the newer stadiums are into the long terms and into the price range we're in and more. We kind of set the bar there, too, but it was a good thing to do.

"The Colts is a wonderful organization, good people, very straight up. They had to do their due diligence on us to see if we looked strong enough to be in business 20 years from now and to pay that much money, and we had to look at them and say, 'Are they always going to be the Colts that we know?' And I think they always will be.

"They have a lot of our values. They bring the players in, they teach them how to act around people, around women, how to spend their money, how to save their money—a great organization to be joined with."

And values are important to Forrest Lucas as a person but also as a business owner who prides himself on the fact that 99.9% of his company's 140 products are produced by his company, right here in the U.S. by about 400 hard-working employees.

"We are the most old-fashioned company in America, to tell you the truth," said Lucas. "The way we do business I try to run things like we're all one big team, a big family working together, not layers of aristocracy. And we do a lot of things the old fashioned way. We go out and contact people and treat them nice. Our vendors, we don't beat our vendors up. We try



Lucas Oil's facility in California includes an in-house graphics and marketing department that produces everything from graphics for TV broadcasts to advertisements to brochures to product labeling.

to be a model for other people, and a lot of people do consider us a mentor for it.

"Anywhere you go, whether it's one of my truck drivers, one of the guys out in the plant, here in a suit somewhere, (our employees) will be nice to you. Everyone in our company has to be, and we will not lie to anybody. No one is allowed to tell a lie to anybody. It's just very old-fashioned. That's the way people used to run the country, with a handshake. We're still handshake guys. You can call us up and make a deal over the phone. You don't have to have a contract. If we say we'll do it then it's done."

Forrest Lucas has grown his company from a side project at his small trucking company

into the fastest-growing chemical and lubricant producer in the American motor vehicle industry. Under his guidance, the company has also become one of the biggest players in motorsports sponsorship (with about 850 individual sponsorship deals of one sort or another) and is involved in running racing series and producing television shows.

The 69-year-old Hoosier has done it all while continuing to advocate and apply his personal values to the business—including treating people right, honoring handshake deals and keeping his word. In a lot of ways, the story of Lucas Oil is a reflection of Forrest Lucas himself, and it's a story that we're happy to share with our readers. **RW**



When he learned that putting his company's name on an NFL stadium would cost less than sponsoring a mid-pack team in NASCAR, Forrest Lucas cut a 20-year-deal to sponsor the Indianapolis Colts' new home.