

From Rags to Riches

Sergei Gorloff went from a \$7 net worth to owning 18 c-stores and a software company

By Brian Berk

Those who think rags to riches stories are only the creation of Hollywood producers have not heard the story of Sergei Gorloff.

When the future convenience store owner and CEO of technology company Petrosoft LLC first arrived in the United States from Moscow in September 1991, Gorloff had only the equivalent of \$7 in his pocket and did not speak any English. Today, he owns 18 c-stores and gas stations — including the real estate — and operates another four locations as a franchisee. He is also head of a software company he founded that has more than 1,000 clients.

“When I came [to the U.S.], I just wanted to see what the country was all about,” Gorloff recounted. “I heard a lot about America, and I wanted to see it with my own eyes.”

While at an immediate disadvantage, he did have three things on his side: his youth, at just 24 years old; no fear of failure; and a tremendous amount of ambition.

Good fortune didn't hurt either. Upon arriving at John F. Kennedy Airport in New York City in 1991, he befriended a Russian taxi driver. “I told him I needed some work,” Gorloff recalled. “He told me he knew a guy in New Jersey [who could help]. The man owned 12 or 13 gas stations.”

Gorloff was willing to start small. His first American job was as a gas station attendant, and he liked working in a small business because every day was different and he met a lot of people. “If you are doing a good job, you start to see results immediately,” he said.

Gorloff was so successful in his role that he was quickly promoted to manager of one store, then five stores, and eventually offered his own Sunoco APlus



franchise store in Pittsburgh in 1994.

“Sunoco liked that I pumped a lot of gallons, was very aggressive on pricing and began several different programs,” he said. “In-store merchandise sales also increased dramatically.”

By the end of the following year, he owned 12 locations and today, he owns and/or operates a total of 22. “I always felt like I could own more than one store, or even more than two or three,” he added.

Gorloff's stores are located primarily in Pennsylvania. Four of the locations he owns are marketed under his own brand, Market 24. Gas at most of the locations is sold under the Sunoco banner, while a couple of his stations are incorporated under the BP and Shell brands.

Unlike some other c-store operators, Gorloff does not focus on specific niches such as foodservice, alcohol or

candy and snacks to boost sales. Instead, he focuses on one thing: margin.

“My store profit is higher than the industry average,” he said. “I don’t believe in selling items at cost, I believe in margin. If an item carried less than [my desirable margin], I don’t think it would work for me.”

Gorloff also thinks outside the box when it comes to promotions. “A lot of people have promotions during slow hours,” he said. “I do the complete opposite. I have promotions during peak hours when we have a lot of people passing by our station.”

BACK TO HIS ROOTS

Despite owning several successful businesses, Gorloff could not shake the desire to work in the technology field, in which he received collegiate training in his native Russia. Proving that “necessity is the mother of all invention,” he found a way to combine his software skills with the convenience stores he operates.

“Back in 1998, I had 18 stores in five different states,” he explained. “They were spread 500 miles apart. It was a challenge because I could not see employees on a regular basis.”

The Path to Success: A Timeline

1991: Sergei Gorloff arrives at John F. Kennedy airport in New York from Russia and is immediately connected with a gas station owner via his cab driver.

1992: Gorloff is named manager of a Sunoco APlus convenience store and gas station in Philadelphia.

1993: Gorloff manages five APlus locations.

1994: Gorloff is presented with his first c-store franchise opportunity.

1995: Gorloff owns 12 c-stores and gas stations.

1998: Gorloff grows his business to 18 stores in five states.

2000: Gorloff creates the Petrosoft LLC software prototype for use at his stores.

2003: Petrosoft becomes an incorporated business.

2004: Petrosoft begins selling its software to other convenience store chains.

2013: Gorloff owns and/or operates 22 c-stores and gas stations.



Sergei Gorloff's convenience stores and gas stations focus on margin the most.

Gorloff was forced to drive from location to location and often needed to sleep in his car on given nights. “The problem was collecting information from each site to make real-time decisions on pricing, margins, etc.,” he recalled. “Our business is all about nickels and dimes. If you lose 1 percent in margin here and there, you could go out of business.”

As a believer in technology, he sought software solutions to solve his problems, spending \$30,000 on software. After three months, though, he realized he wasn’t using it at all.

“The problem was the software was installed at each store, but we had nobody to maintain it,” he said. “I had to spend 20 hours a week myself to maintain it.”

Trusting that he could build a better “mouse trap,” Gorloff went to work creating a software solution that could collect data automatically and be accessed by anyone in the company simultaneously.

“Everyone talks about the cloud now, but in 1998, there was no such thing. There wasn’t even Google,” he noted. “But I figured the best way to create the software was through the Internet.”

With the help of some software engineer friends, Gorloff developed a working software prototype and began using the program at his stores in January 2000. About a year after implementing the software in all of his stores, he realized that other convenience store retailers could benefit from the technology as well. Hence, Petrosoft LLC was born.

Gorloff started by providing Petrosoft software for free to a couple of friends in the convenience store industry. The software analyzes a c-store chain’s inventory, can provide projections and handles automatic ordering, among other things.

“They loved it and we incorporated in 2003,” he said. The company started to sell the software commercially in 2004. Over the last nine years, Petrosoft has grown to employ 90 people and now serves approximately 1,200 customers.

“I always thought I would make it somehow and I did,” Gorloff said. ■