



Touching Every Part of the Supply Chain

An Interview with Gary R. Heminger, President and Chief Executive Officer, Marathon Petroleum Corporation

EDITORS' NOTE Gary Heminger is also a member of the board of directors of Marathon Petroleum Corporation. He is additionally Chairman of the Board and Chief Executive Officer of MPLX GP LLC. He joined Marathon in 1975. In addition to five years in various financial and administrative roles, he spent three years in London as audit supervisor of the Brae Project. He worked with Emro Marketing, the predecessor of Speedway SuperAmerica LLC, for eight years



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in several marketing and commercial roles. In 1991, he was named Vice President of Emro Marketing's Western Division. Following that, he served as President of Marathon Pipe Line Company; Manager, Business Development & Joint Interest of Marathon Oil Company; and Vice President of Business Development for Marathon Ashland Petroleum. After serving in several additional positions, he was named to his current position in July of 2011. Heminger earned a bachelor's degree in accounting from Tiffin University in 1976 while already employed by Marathon Oil Company in Findlay, Ohio. He is past Chairman of the Board of Trustees of Tiffin University. He earned a master's degree in business administration from the University of Dayton, Ohio and is a graduate of the Wharton School Advanced Management Program at the University of Pennsylvania.

COMPANY BRIEF Marathon Petroleum Corporation (NYSE: MPC, marathonpetroleum.com) is the nation's fourth-largest refiner, with a crude oil refining capacity of approximately 1.7 million barrels per calendar day in its seven-refinery system. Marathon-brand gasoline is sold through approximately 5,300 independently owned retail outlets across 19 states. In addition, Speedway LLC, an MPC subsidiary, owns and operates the nation's fourth-largest convenience store chain, with approximately 1,490 convenience stores in nine states. MPC also owns, leases, or has ownership interests in approximately 8,300 miles of pipeline. Through subsidiaries, MPC owns the general partner of MPLX LP, a midstream master limited partnership. MPC's fully integrated system provides operational flexibility to move crude oil, feedstocks, and petroleum-related products efficiently through the company's distribution network in the Midwest, Southeast, and Gulf Coast regions.

What makes this company so special?

I believe we have a competitive advantage being headquartered in the Midwest. We have a very strong work ethic, and a culture and passion for working efficiently and doing the right thing.

These are values that have been embraced by generations of employees at this company, which has positioned us well in the many states in which we operate.

Is it challenging to maintain the culture as you grow?

Our culture permeates throughout, and we have continued to strengthen our culture as Marathon Petroleum has expanded and evolved. For example, we formed a joint venture in 1998 with Ashland Petroleum that made a tremendous contribution to our culture. As we grow Marathon Petroleum, we keep our focus on instilling our culture: hard work, innovation, and community involvement. We want to outwork our competition.

How do you show what makes an individual company unique in the space?

The real competitive position that Marathon Petroleum has is our logistics system. We want to touch every part of the supply chain; so it's not just refining or marketing, but we want to be very involved in the distribution. Having a strong distribution system gives us a significant competitive position because, at day's end, the lowest transportation cost wins in a commodity business.

Is technology a differentiator?

When it comes to technology, our key advantage is the ingenuity of our people – their ability to innovatively use the best technology available in the marketplace. We couple that spirit of innovation with a very strong training program and an operating excellence program to decrease our refining costs, enhance yields, and improve our operations.

We're one of the best in how we employ technology in our pipeline system, be it cathodic protection to monitor and mitigate corrosion, or inline inspection tools that are available in the marketplace. How we use our analytical skills to understand the data from the technology is one of our advantages.

For pipelines that are buried, we use computerized smart tools that can take an "MRI" of the pipeline. Our engineers and analysts have been able to work with the technology experts to take that technology to a new level.

In retail, we have applied many of our own technologies, thereby empowering key inventory systems. We have a proprietary loyalty program called Speedy Rewards; and we developed our own technology to ensure a fast response time – a customer puts his card into the pump and it immediately gives him the information he needs.

How critical has it been to build a diverse workforce?

A part of our culture and a key aspect of my job is developing people. We are successful, and will continue to be, because we don't train people in just one organization – we want to move people around to different jobs to learn our business and give them diversified experiences. We also focus on developing an inclusive culture, where we look at diversity of backgrounds and ideas as success factors.

How critical is community engagement for the company?

Our thousands of employees care about their coworkers, friends, and neighbors, so being involved in the communities where we do business is a natural part of what we all do. This holds true in refining, pipelines, retail, and our home office.

Unless we invest and reinvest in the communities in which we operate, we're not going to be successful. Our employees are very generous in all they give to their communities, whether it's their time, expertise, or other resources.

We challenge all of our employees to excel in safety, environmental stewardship, and community outreach. We recognize organizations that accomplish the most in these critical areas with the President's Award, which is our company's most prestigious recognition.

What makes for an effective CEO today?

To be a leader, you have to lead based on the desires and passions you have and, in my case, those are developing an employee base and company where we're all either pushing or pulling together. I believe in challenging our employees to do their best, and setting expectations for continual improvement.

Our board has said they have never seen a workforce that is so comfortable helping each other out. It comes from how we have developed people. The culture we have cultivated says that once you become a Marathon Petroleum employee, you become family. You look out for each other from a safety and operating standpoint, and you want to take the company to the highest level you can. ●