



# AVANTI

November/December 2010 THE VOICE OF 7-ELEVEN FRANCHISEES

**Challenges and Opportunities**  
**Knowing Your Community**  
**Food Service Standards**  
**A Key Link In The Chain**  
**Functional Silos**



**The WOTC Program:**  
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## **Business Benefits** **When Communication** **Increases**

**Classification Of Stores**  
**Don Quixote or Led Zeppelin?**  
**The Constant In Business**  
**Good Customer Service**

# Fanta<sup>®</sup> Frozen Flavors and Slurpee: A Perfect Match

- 1 Fanta<sup>®</sup> is the #1 Frozen Beverage Brand in the US
- 2 Fanta<sup>®</sup> is the #1 Fruit Flavored Single Serve Soft Drink in the World
- 3 Teens Love Frozen and Teens Love Fanta<sup>®</sup>.



#### Frozen Beverage Incidence Index



#### Fanta Incidence Index



Please Call Your Local Distributor to Order  
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**GO GREEN**  
**GREEN SWEETS  
CIGARILLOS**



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60 Count Box



3 for Price of 2 Pouch



60 Count Box



3 for Price of 2 Pouch

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# Every Storeowner Has A Chance To Win One of Three Harley-Davidson Sportster Motorcycles!

## To Enter One Or Both Drawings:

- 1 Increase sales of 7UP, Sunkist, Canada Dry, A&W and Welch's brands by 10% over last year! You will be automatically entered to win one of two Harley-Davidson® Sportster® Forty-Eight™ Motorcycles! All pack sizes are eligible, including 20 oz., 12 pack, 2 liter and 1 liter. Growth will be measured by 7-Exchange store scan data.
- 2 Add 7UP, Diet Dr Pepper, Sunkist Orange or Hawaiian Punch to your fountain, and send in your first receipt as proof of purchase. You will be entered to win one Harley-Davidson® Sportster® Forty-Eight™ Motorcycles and will get a \$75 check just for installing!



**Three Winners Will Be Chosen By Drawing At The National Coalition Convention and Trade Show, July 17-21, 2011.**

Contest Runs From January 1, 2011 to May 31 2011

CUT HERE

To qualify for the fountain portion of this contest, please fill out and mail this coupon, along with a copy of your first fountain product invoice, to: 2011 DPSG New Availability Program c/o FulfillPlus, Inc., 5670 Guhn Rd., Suite 200, Houston, TX 77040; or E-mail to: [DPSGrebates@fulfillplus.com](mailto:DPSGrebates@fulfillplus.com) Subject: 2011 DPSG New Availability Program c/o FulfillPlus, Inc. Franchisee Name

Franchisee Name \_\_\_\_\_  
 Brand Replaced \_\_\_\_\_  
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**Non-colas are outperforming Colas YTD at 7-Eleven!**  
**Fountain Carbonated Soft Drinks on average deliver 80% gross margin!**



**DR PEPPER SNAPPLE GROUP**

# Be One Of 75 Franchisees To Win \$500!

In Kraft's First Half Franchisee Sales Growth Incentive Contest!

## Earn Points Three Ways For A Chance To Win!

CONTEST RUNS JANUARY 1, 2011 TO JUNE 30, 2011

1. Stock 12-20 Qualifying SKUs
2. Order 1-3 Qualifying Shippers
3. Increase sales of Qualifying SKUs 3-10% over last year



### QUALIFYING SHIPPERS

1. NCAA March Madness Shipper, Available Jan. 3, 2011  
IRC teapad: 3 free tubes w/Bud purchase, buy 2 tubes, get 2 free, \$.55 off 2 tubes (CA only)
2. Official Nut Bud Bowl Shipper, Available Feb. 15, 2011  
IRC teapad: \$.75 off Coke 20 oz. & 1 tube nuts
3. Roasted In To Bring Flavor Out Shipper, Available April 1, 2011  
IRC teapad: FREE Almond w/Pistachio tube
4. Grab a Crunchy Hearty Handful Shipper, Available May 2, 2011  
Trail Mix 2 for \$4.00, Fully funded Promomaster  
IRC Teapad: \$.50 off any beverage
5. Not Your Ordinary Combo Shipper, Available May 30, 2011  
Coke 20 oz. & Corn Nuts for \$2.00, Fully funded Promomaster
6. Grab A 1-2 Crunch Combination Shipper, Available May 30, 2011  
Coke 20 oz. & Corn Nuts for \$2.00, Fully funded Promomaster

### How Points Are Awarded

	1 point	2 points	3 points
Number Qualifying SKUs Sold	12-15	16-19	20-plus
Percent Unit Sales Increase vs. Prior Year	3 to 6%	7 to 9%	10%-plus
Number Shippers Purchased	1	2	3

Quarter 1 and Quarter 2 scored separately, and points for both will be combined!  
75 Stores with the highest number points win \$500!\*

### QUALIFYING SKUs

ITEM	SLIN	UIN
<b>TUBE NUTS</b>		
Planters Tube Salted Peanuts 1.75 oz.	302504	069930
Planters Tube Honey Roasted Peanuts 1.75 oz.	302503	070276
Planters Tube Heat Peanuts 1.75 oz.	302523	070433
Planters Smoked Almond 1.5 oz.	302211	790089
Planters Dry Roasted Pistachios 1.75 oz.	301905	521823
Planters Flavor Grove Pistachios Jalapeno 1.5 oz.	NEW!	NEW!
Planters Flavor Grove Pistachios Salt & Pepper 1.5 oz.	NEW!	NEW!
Planters Deluxe Mixed Nuts 2.25 oz.	NEW!	NEW!
Planters Deluxe Jumbo Cashews 2.25 oz.	NEW!	NEW!
Planters Trail Mix 1.7 oz.	302016	011726
Planters Tube Honey Roasted Cashews 1.5 oz.	301996	896225
Planters Tube Salted Cashews 1.5 oz.	302127	070854
Planters Flavor Grove Sea Salt & Olive Oil 1.5 oz.	300999	260182
<b>BAG NUTS</b>		
Planters Dry Roasted Peanuts 6 oz.	NEW!	NEW!
Planters Dry Roasted Peanuts 5 Alarm Chili 6 oz.	NEW!	NEW!
Planters Salted Peanuts 6 oz.	301889	497321
Planters Honey Roasted Peanuts 6 oz.	301891	497131
Planters Honey Roasted Cashews 3 oz.	303219	346551
Planters Salted Cashews 3 oz.	300314	346510
<b>TRAIL MIX</b>		
Planters Trail Mix Fruit & Nut 6 oz.	301863	037747
Planters Trail Mix Nut & Chocolate 6 oz.	301864	045013
Planters Trail Mix Nuts Seeds Raisins 6 oz.	NEW!	316794
<b>CORN NUTS</b>		
Corn Nuts Original 4 oz.	300256	428219
Corn Nuts Ranch 4 oz.	303199	427856
Corn Nuts Chile Picante 4 oz.	301014	428110
Corn Nuts BBQ 4 oz.	300252	428300



Scoring and Eligibility: 7-Exchange data will be used to capture number of SKUs sold and percent sales increase. McLane purchase data will be used to capture number of shippers purchased. Stores in operation for 12 months by January 1, 2011 are eligible to participate. Winning stores will be confirmed and approved by the National Coalition. Payment will be made through the National Coalition.

\*In the event of a tie, winners will be chosen by drawing.

Sales are up by  
**18.5%**  
at 7-Eleven stores\*

# Freshen Up Your Sales



### Top 3 Reasons to Carry Mentos® Rolls:

1. All Mentos® Rolls are up in sales versus prior year.\*\*
2. Mentos® Rolls are the number #1 mint brand in the convenience channel.\*
3. Mentos® Rolls Mint, Mixed Fruit and Strawberry are all in the Top 8 mint front end items.\*

UIN# Mint 386904 • Fruit 386912 • Strawberry 386979  
Cinnamon 386961 • Green Apple 386987 • Rainbow 218990  
SLIN# Mint 0140270 • Fruit 0140704 • Strawberry 0142021  
Cinnamon B140637 • Green Apple D140956 • Rainbow 0142325

MENTOS® is a registered trademark of Perfetti Van Melle, B.V.  
\*IRI National C-Store Latest 24 weeks ending 10/02/2010 ranked on unit sales  
\*\*Dollar Sales % Change Prior Year. IRI National C-Store Latest 24 weeks ending 10/02/2010

Contact your local **PERFETTI** representative or customer service at 1-800-283-5988



# GIVE YOUR CUSTOMERS A WHOLESOME START TO THE NEW YEAR WITH



## 2/\$1.00

on PromoMaster

Kellogg's® Nutri-Grain® Bars, Kellogg's® Special K® Cereal Bars, and Kellogg's® FiberPlus™ Bars, Single Serving Size

Mix or Match!



SLIN 300108



SLIN 300104



SLIN 300107



SLIN 301649



SLIN 302150



SLIN 300349



SLIN 300346

Order Now!

Promotion Ends 2/14/11.

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# TILT YOUR SHELF

EDGY ATTITUDE, INTENSE NEW FLAVORS, NEW 24 OZ. CAN

**BOLD NEW DESIGN DELIVERS THE ATTITUDE CONSUMERS WANT**

**FMB SINGLE SERVE PRODUCTS ARE ON THE RISE +38%\***

*\*IRI TOTAL US CONVENIENCE, 12 WEEKS ENDING 7/11/10*



**ALWAYS TILT RESPONSIBLY**

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**GREAT BRANDS, QUALITY PRODUCTS!**  
to drive sales in every store!



Unilever Ice Cream

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SLIN:190046



SLIN:190225

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—Iris Yost, 7-Eleven Franchisee, SNFOA, V.P., Las Vegas



Supreme Protein – Carb Conscious 96g  
**Peanut Butter Pretzel Twist**  
SLIN: Pending UIN: Pending  
12 ct. Box



Supreme Protein – Carb Conscious 96g  
**Caramel Nut Chocolate**  
SLIN: 302401 UIN: 370569  
12 ct. Box



Supreme Protein – Carb Conscious 96g  
**Peanut Butter Crunch**  
SLIN: 302338 UIN: 626515  
12 ct. Box



Supreme Protein – Carb Conscious 88g  
**Cookies 'n Cream**  
SLIN: Pending UIN: 142539  
12 ct. Box



Supreme Protein – Carb Conscious 96g  
**Rocky Road Brownie**  
SLIN: 301924 UIN: 526368  
12 ct. Box

[supremeprotein.com](http://supremeprotein.com)

\* Source: IRI Bars\_CStore\_52\_Wk\_ending\_9.5.10  
High protein bars with sales over \$5 million

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# THE NEW HEINEKEN TACTILE CAN...

## INNOVATION YOU CAN FEEL. PROFITS YOU CAN TOUCH.

New tactile ink printing technology creates a 3D look and feel to the can!

Creates greater opportunity for incremental sales and profit.

The launch will be supported with marketing activity, such as TV and print advertising, PR events, and in-store POS.

A new 3x4 suitcase package makes it easier to stack and display:



**LAUNCHING IN MARCH 2011!** ★ AVAILABLE IN 12 OZ, 16 OZ, AND 24 OZ. CONTACT YOUR HEINEKEN REPRESENTATIVE FOR MORE DETAILS!

Please visit: [EnjoyHeinekenResponsibly.com](http://EnjoyHeinekenResponsibly.com)

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# AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES  
NOVEMBER/DECEMBER 2010



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AVANTI is published by the National Coalition of Associations of 7-Eleven Franchisees for all independent franchisees, corporate store managers, area licensees and interested parties. National Coalition offices are located at 3561 East Sunrise Drive, Suite 113, Tucson, AZ 85718. For membership information, call 617-479-7110, e-mail [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com) or fax to 520-577-4688. AVANTI Editorial and Advertising Offices are located at 116 Bellevue Ave., Suite 304, Langhorne, Pennsylvania 19047. For advertising information, call Sheldon Smith at 215 750-0178 or fax to 215 750-0399; on-line, send messages to [sheldon.smith5@verizon.net](mailto:sheldon.smith5@verizon.net).



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# Member News

## Mark Your Calendar For The Coalition's 2011 Convention!

The National Coalition of Associations of 7-Eleven Franchisees is pleased to announce its 2011 Annual Convention and Trade Show is scheduled for the Paris Hotel and Casino in Las Vegas!

**July 17-21, 2011** (Trade Show July 20-21).

A new e-mail address has been set up for questions and requests for information.

All queries should be addressed to: [conventionchairman@ncasef.com](mailto:conventionchairman@ncasef.com).

We hope to see you there!



### 7-Eleven Discussions With Casey's Terminated

7-Eleven, Inc. confirmed recently that discussions with Casey's General Stores, Inc. regarding a potential transaction have terminated. SEI made a preliminary proposal of \$40 per common share to acquire the 1,524-store chain on September 2, 2010. After completing additional due diligence, 7-Eleven raised its offer to \$43 per common share, which was turned down by Casey's. SEI's buyout offer came at the height of Couche-Tard's hostile takeover attempt of Casey's. The Canadian c-store retailer abandoned its takeover bid shortly after allowing its tender offer to acquire all of Casey's outstanding shares to expire.

"While we are no longer in talks with Casey's regarding a transaction, our strategy is to grow aggressively in the U.S. and Canada. We will continue to pursue transactions that make sense for our company to maximize shareholder

value," SEI President and CEO Joe DePinto said in a released statement. "Expanding our store base enables us to further leverage our merchandising expertise, proprietary distribution network and scale in order to provide more convenience to our customers," he added.

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**Sheldon Smith**  
PUBLISHER & ADVERTISING SALES  
215 750-0178  
[SHELDON.SMITH5@VERIZON.NET](mailto:SHELDON.SMITH5@VERIZON.NET)

**John Santiago**  
ASSISTANT EDITOR  
215 750-0178  
[AVANTIMAG@VERIZON.NET](mailto:AVANTIMAG@VERIZON.NET)

**Tricia Kessler**  
GRAPHIC DESIGN  
KESSLER DIGITAL DESIGN

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## NATIONAL COALITION OF ASSOCIATIONS OF 7-ELEVEN FRANCHISEES



### NATIONAL OFFICERS

**Bruce Maples**  
NATIONAL CHAIRMAN  
520-577-8711 • [bmaples@maplesco.com](mailto:bmaples@maplesco.com)

**Joe Galea**  
EXECUTIVE VICE CHAIRMAN  
650-906-7936 • [jgalea@aol.com](mailto:jgalea@aol.com)

**Arnold J. Hauptman**  
GENERAL COUNSEL  
516-541-7200 • [ajhauptman@aol.com](mailto:ajhauptman@aol.com)

**Jivtesh Gill**  
VICE CHAIRMAN  
209-481-7445 • [j2jgill@aol.com](mailto:j2jgill@aol.com)

**Roger St. George**  
VICE CHAIRMAN  
360-500-1248 • [rdsaint@yahoo.com](mailto:rdsaint@yahoo.com)

**Jatinder Singh**  
VICE CHAIRMAN  
702-249-3301 • [jksingh@comcast.net](mailto:jksingh@comcast.net)

**Anas Abboud**  
TREASURER  
215-946-4608 • [abboud6@verizon.net](mailto:abboud6@verizon.net)

CONVENTION CHAIRPERSON  
520-577-8711  
[conventionchairperson@ncasef.com](mailto:conventionchairperson@ncasef.com)

**John Riggio**  
MEETING/TRADE SHOW COORDINATOR  
262-275-3086 • [jrpinc@charter.net](mailto:jrpinc@charter.net)

**Sheldon Smith**  
AVANTI PUBLISHER  
ADVERTISING MANAGER  
215-750-0178 • [sheldon.smith5@verizon.net](mailto:sheldon.smith5@verizon.net)



The Voice of 7-Eleven Franchisees  
November/December 2010

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# PURE PROFITS FROM THE #1 BOTTLED WATER BRAND IN THE U.S.

Popular item<sup>2</sup> with easy-flip open-close cap for those active shoppers just coming from work or exercising.

## HOT PROMOTION!

best value **2/\$2**

Promotional Period Jan 1<sup>ST</sup> – Feb 15<sup>TH</sup> 2011

## EMBRACE THE PURE LIFE™



<sup>1</sup> Beverage Marketing 2010  
<sup>2</sup> Nielsen study 2009 - one of the top 3 sizes preferred by C-Store shoppers

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# Take Advantage Of The WOTC Program And Earn Huge Tax Credits!

Franchisees can offset their federal income taxes significantly by signing up for the Work Opportunity Tax Credit program, which awards tax credits for hiring certain classes of employees, including military veterans, food stamp recipients, and "disconnected" youth, among others. SEI revamped its WOTC program in 2009, making it easier for storeowners to reap the benefits of these tax credits. However, to date few franchisees have signed up for the program and are missing out in millions of dollars in federal income tax credits.

One franchisee who is not missing out is Paul Wirkus, who has a store in San Diego. Paul was able to get about \$100,000 in federal and state tax credits over 2009 thanks to the Atlanta Tax Credit Processing Center (ATCPC), the company contracted by SEI to oversee the WOTC program and provide other services. While Paul's case may be extraordinary, most franchisees stand to gain thousands in tax credits if they understand the opportunity and know what to do to win the credits.

Under the deal signed with ATCPC, franchisees will not be charged an up-front fee to participate in the WOTC program, nor will they be required to sign a contract for each new hire. A negotiated processing fee of 15 percent will be paid to ATCPC at the time the credits are distributed, for a net benefit to franchisees of 85 percent.

Participation in the program is completely voluntary. To get started, interested franchisees can visit [www.atpc.net](http://www.atpc.net), a website created specifically to guide 7-Eleven franchisees through the WOTC process. Then, all store-owners have to do is follow a few easy steps:

- Complete a Power of Attorney (IRS Form 2848,) included in the WOTC packets (available for download at the website). The form allows ATCPC to apply for the credits on your behalf.
- Have each new employee complete IRS Form 8850, the Employee Tax Credit Survey, and the Disconnected Youth Self-Attestation Form (also available for download at the website) while they complete other new hire forms, such as Forms W-4 and I-9.
- Immediately mail the forms to ATCPC at: Atlanta Tax Credit Processing Center, LLC P.O. Box 11809, Atlanta, GA 30355



18112009  
Form 8850 Pre-Screening Notice and Certification Request for the Work Opportunity Credit  
OMB No. 1545-0047

Job applicant: Fill in the lines below and check any boxes that apply. Complete only this side.

Your name: \_\_\_\_\_ Social security number: \_\_\_\_\_

Street address where you live: \_\_\_\_\_  
City or town, state, and ZIP code: \_\_\_\_\_

If you are under age 40, enter your date of birth (month, day, year) / / \_\_\_\_\_

1  Check here if you are completing this form before August 28, 2009, and you are on August 28, 2009. If so, please enter the address, including county or parish name, of the business where you are being hired. \_\_\_\_\_

2  Check here if you received a conditional certification from the state workforce for the work opportunity credit.

3  Check here if any of the following statements apply to you:

I am a member of a family that has received assistance from Temporary Assistance for Needy Families (TANF) for at least 90 days during the past 18 months.

I am a veteran and a member of a family that received Supplemental Nutrition Assistance Program (SNAP) benefits (food stamps) for at least 3 months of the past 9 months.

I was referred to me by a rehabilitation agency approved by the state, a local program, or the Department of Veterans Affairs.

I am at least age 18 but not age 40 or older and I am a member of a family that:

- a. Received SNAP benefits (food stamps) for at least 3 months of the past 9 months.
- b. Received SNAP benefits (food stamps) for at least 3 of the past 9 months.
- c. During the past year, I was convicted of a felony or released from prison.
- d. Received supplemental security income (SSI) benefits for any month and I am a veteran and I was discharged or released from active duty in the past 540 days, for at least 4 weeks during the past year, I received unemployment benefits for at least 4 weeks during the past year, or
- e. During the past 6 months, I have not attended a secondary, technical, or postsecondary education program for at least 120 hours per week, not counting periods during which I was on leave.

I am at least age 18 but not age 25 or older, and:

- a. During the past 6 months, I have not attended a secondary, technical, or postsecondary education program for at least 120 hours per week, not counting periods during which I was on leave.
- b. During the past 6 months, if I was employed, during each consecutive 15-day period I would have earned if I had worked for the employer during the 3-month period, and
- c. I do not have a certificate of graduation from a secondary school or a certificate or diploma that was awarded at least 6 months ago, or I have been admitted to a technical or postsecondary education program.

4  Check here if you are a veteran entitled to compensation for a service-connected disability you were:

- a. Discharged or released from active duty in the U.S. Armed Forces, or
- b. Unemployed for a period or periods totaling at least 6 months.

5  Check here if you are a member of a family that:

- a. Received TANF payments for at least the past 18 months, or
- b. Received TANF payments for any 18 months beginning after August 5, 1995, after August 5, 1995, ended during the past 3 years, or
- c. Disposed being eligible for TANF payments during the past 2 years but one those payments could be made.

Signature—All Applicants Must Sign Under penalty of perjury, I declare that I gave the above information to the employer on or before the date indicated here, correct and complete.

Job applicant's signature: \_\_\_\_\_ Date: \_\_\_\_\_  
For Privacy Act and Paperwork Reduction Act Notice, see page 2.

THE FOLLOWING MUST BE COMPLETED (Blue or Black Ink ONLY):

7-ELEVEN TAX CREDIT SURVEY (Form 8850) YES NO

PLEASE WRITE CLEARLY

First name: \_\_\_\_\_ Last name: \_\_\_\_\_

Street address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone (include area code): \_\_\_\_\_

PLEASE CHECK ALL THAT APPLY:

I am a veteran of the U.S. Armed Forces (AND) a member of a household that received Supplemental Nutrition Assistance Program (SNAP) (Food Stamp) benefits for at least a 3-month period ending on the last date. (Please check 224 Certificate of Release or Discharge from Active Duty)

I am a veteran of the U.S. Armed Forces (AND) was discharged or released from active duty within a year before my hire date. (Please check 224 Certificate of Release or Discharge from Active Duty)

I am a member of a household that received Supplemental Nutrition Assistance Program (SNAP) (Food Stamp) benefits for at least a 3-month period during the last 9 months, but I am NOT a member of the household.

If you've checked either box above, please provide the primary household recipient's name: \_\_\_\_\_

I was referred to 7-Eleven by:  In-person (Qualification Agency)  In-person (Referred under the Ticket-to-Ride Program)  The Department of Veterans Affairs

Counselor's Name: \_\_\_\_\_

I am a member of a household that received Temporary Assistance to Needy Families (TANF) for at least the last 18 months (before) I was hired.

I am a member of a household that received Temporary Assistance to Needy Families (TANF) for at least 18 months (before) I was hired.

I am a member of a household that received Temporary Assistance to Needy Families (TANF) for at least 18 months (before) I was hired.

I am a member of a household that received Temporary Assistance to Needy Families (TANF) for at least 18 months (before) I was hired.

I was convicted of a felony OR was released from prison for a felony conviction during the year before I was hired. (Please check 224 Certificate of Release or Discharge from Active Duty)

I received Supplemental Security Income (SSI) benefits for any month ending within 90 days before I was hired.

I am an unemployed veteran who served on active duty (other than active duty for training) in the U.S. Armed Forces for a period of more than 180 days (AND) was discharged or released from active duty during the 3-year period before I was hired (AND) received unemployment compensation for 4 weeks or more during the last 9 months.

I am an unemployed veteran of the U.S. Armed Forces (AND) was discharged or released from active duty by a service-connected disability during the 3-year period before I was hired (AND) received unemployment compensation for 4 weeks or more during the year before I was hired.

I am at least 18 years old, but not yet 25. If so, please complete the DISCONNECTED YOUTH SECTION in this packet.

I am related to the employer (spouse, son, daughter, grandchild, brother, sister, step-brother, step-sister, father, mother, grandparent, step-father, step-mother, nephew, niece, aunt, uncle, grandniece, grandnephew, cousin, partner, or partner-in-law).

I hereby authorize agencies, individuals, or organizations to release information to The Atlanta Tax Credit Processing Center, LLC. I acknowledge this information will only be used to qualify my employer for the Work Opportunity Tax Credit and/or state and local credits.

Employee's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Instructions for completing this form are located in this packet.

Please note that the federal government requires applications for credits to be received within 28 days of a new employee's start date. In order to maximize the tax credits, the forms for each new hire should be completed and mailed as quickly as possible. Credits are awarded based on employee's eligibility, number of hours worked, and the timely receipt of the forms.)

## Take Advantage of the WOTC Program and Save Tax \$\$\$!

This is a program set up by SEI so franchisees can take advantage of this important tax credit opportunity. Visit [www.atpc.net](http://www.atpc.net) and follow the instructions. Questions? Call 404-995-8282.



# Improve Margins With Warehouse Delivered Snacks!

## Buy Two Pringles Take-Home for \$4 Nov 15-28! Four Flavors Represent 80 Percent of 7-Eleven Sales!

Pringles is the #1 Cannister Chip!



### Super Stacks (unit UPC)

Original	Sour Cream & Onion	Cheddar Cheese	Barbecue
6.42 OZ (182g)	6.38 OZ (181g)	6.38 OZ (181g)	6.38 OZ (181g)
UIN 420042	UIN 420430	UIN 420638	UIN 421230
SLIN 300013	SLIN 300016	SLIN 300004	SLIN 300008
0 37000 22996 4	0 37000 23004 5	0 37000 23005 2	0 37000 23006 9

If you need a Pringles Gravity Feed Rack, call Cari Martin at 214-366-3101.

Available through McLane

### Grab and Go (12 per case)

Original	Sour Cream & Onion	Cheddar Cheese	Barbecue
2.6 OZ (74g)	2.6 OZ (74g)	2.6 OZ (74g)	2.6 OZ (74g)
UIN 117895	UIN 117937	UIN 118141	UIN 118117
SLIN 301706	SLIN 301538	SLIN 301534	SLIN 300116
00037000185208	00037000185222	00037000185185	00037000185154



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German Sausage  
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Bahama Mama  
Smoked Spicy  
German Sausage  
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Gourmet To Go  
Jalapeno 'N Cheddar  
Sausage  
3 to 1



Gourmet To Go  
Jalapeno 'N Cheddar  
Sausage  
6 to 1



Hot 'N Spicy, Inc. 1-800-641-5661



**NCASEF And SEI Double Reward In Store Clerk Case**

The National Coalition and 7-Eleven, Inc. are offering \$30,000 total in reward money to the person or persons who furnish information resulting in the apprehension, arrest and conviction of the person or persons who murdered a 7-Eleven sales associate at 7753 Baltimore Annapolis Blvd. in the early morning hours of August 9, 2010. The reward is double what was offered in August, thanks to a \$15,000 commitment made by the National Coalition.

Bruce Maples, chairman of the national franchisee group, said, "Crimes like this affect all franchisees. We want to do everything we can to support local law enforcement in arresting the people responsible for the homicide. We hope a larger reward will provide more incentive for persons with information to come forward. The person responsible for this crime must be apprehended."



NCASEF and SEI have doubled the reward for information in a clerk's murder.

**Vegan Menu In NY**

Eight 7-Eleven stores in Manhattan have recently begun testing several vegan food options, reported the *New York Daily News*. The items include artichoke spinach noodles, vegetable lo mein and two types of dumplings—all minus meat, egg or dairy—for \$6 each.

"There was demand in the New York and Philadelphia area, not only from our customers but from our employees and franchisees, some of whom are vegetarians," Margaret Chabris, director of corporate communications, told the newspaper.

**7-Eleven Among Top 10 Franchise Systems**

7-Eleven came in No. 2 on Franchise Times' 2010 Top 200 Franchise Systems. The Top 200 is based on a combination of companies' self-reported worldwide sales and unit counts, and Franchise Times' own research using mostly publicly available information or some of its own sources. According to the list, SEI has \$58.9 billion in sales and 37,357 stores international-

ly, 96 percent of which are franchised. McDonald's took the No. 1 spot with \$72.38 billion in worldwide sales. KFC came in a distant third with \$17.8 billion. Other c-store chains on the list include Couch-Tard's Circle K at No. 7 (\$9.93 billion), and BP's

**Alcoholic Energy Drinks Unsafe**

The U.S. Food and Drug Administration recently warned four companies that the caffeine added to their malt alcoholic beverages is an "unsafe food additive" and said that further action, including seizure of their products, is possible under federal law. The companies receiving warning letters and their products are:

- Phusion Projects, LLC—Four Loko
- United Brands Company Inc.—Joose and Max
- Charge Beverages Corp.—Core High Gravity HG, Core High Gravity HG Orange, and Lemon Lime Core Spiked
- New Century Brewing Co., LLC—Moonshot

Immediately following the agency's mandate, the four companies stopped shipping their products to stores. Charge Beverages and New Century

*continued on page 25*

**Play The Name Game!**

Look carefully at each page in this issue. Somewhere in this magazine a line is hidden that contains the words \$Name Game Winner + person's name + city\$. If you find this line, and if it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. Uncollected money is automatically added to the next issue's total.

NCASEF Members only. This issue's total: \$100.



Vice Chairs relected at the October Board of Directors meeting: Jay Singh, Southern Nevada Las Vegas FOA, Roger St George, Pacific Northwest FOA and Jivtesh Gill, Central Valley FOA.

# Biggest Product Launch in 2011



THE ULTIMATE IN **Peanut Butter** SATISFACTION!

Standard Singles 18-Count Box

UIN 500728

Available Through McLane

**MARS**  
chocolate  
north america



## Kraft Announces First Half Contest Winners!

Kraft Foods has announced the seventy-five \$500 winners of its 2010 First Half Franchisee Incentive Contest. To enter the contest, franchisees had to stock eligible Planters SKUs between January 1 and June 20, 2010. Kraft then conducted three drawings to select 25 winners each based on the number of SKUs carried in the stores: Level 1—stores selling 5 or more eligible Planters SKU each month; Level 2—stores selling 8 or more; and LEVEL 3—stores selling 14 or more. Congratulations to all the winners!



- |                                       |                                       |  |
|---------------------------------------|---------------------------------------|--|
| Aamir Javed—Pittsburg, CA             | Harry Reinhardt—Frederick, MD         | Mohammed Hossain—Arlington, VA         |
| Abdesslam Lahlou-Amine—Clearwater, FL | Helen Kim—La Habra, CA                | Nirav Desa—Trevose, PA                 |
| Abdul Halim—Kissimmee, FL             | Hosi Amroli—Canoga Park, CA           | Nitignaben Shah—Gaithersburg, MD       |
| Ajit Nambiar—Canton, MA               | Itaf Hussain—Sterling Heights, MI     | Ravinder Waraich—Portland, OR          |
| Amar Singh—Vista, CA                  | Iraj Nikzi—Mcminnville, OR            | Raymond Varner—West Los Angeles, CA    |
| Amir Aslam—Baltimore, MD              | Jagjodh Dhillon—Colorado Springs, CO  | Richard Rose—Reno, NV                  |
| Angela Goldsmith—Elkhart, IN          | Janitha Katudeniya—Lake Grove, OR     | Richard Szuran—Las Vegas, NV           |
| Arvind Chaudhari—Matawan, NJ          | Jaspal Rayat—Mesa, AZ                 | Saedeah Bashi—Aloha, OR                |
| Bahram Shahrivini—Puyallup, WA        | Jay Herning—Wolverine Lake, MI        | Sajid Ahmed—South Elgin, IL            |
| Barry Yost—Las Vegas, NV              | Jayesh Patel—Belvidere, IL            | Sajid Chaudhry—Woodlawn, MD            |
| Bharat Desai—Tinton Falls, NJ         | Jayesh Patel—Point Pleasant Beach, NJ | Satnam Singh—San Jose, CA              |
| Billy Hampton—Suffolk, VA             | Jivtesh Gill—Stockton, CA             | Sean Mckenna—Fort Myers, FL            |
| Carolina De Jesus—Chula Vista, CA     | Joyati Bhattacharjee—Henderson, NV    | Sejal Patel—Denver, CO                 |
| Chang Lee—Manassas, VA                | Judy Ocallaghan—Oviedo, FL            | Shellie Fountain Jr—Fredericksburg, VA |
| Cynthia Nguyen—Poway, CA              | Ketan Patel—Itasca, IL                | Shinda Upple—Bakersfield, CA           |
| David Cowles—Lake Zurich, IL          | Khalid Ibrahim—Sanford, ME            | Somsak Pattaphongse—Tustin, CA         |
| David Phillips—San Jose, CA           | Khalid Raja—Fredericksburg, VA        | Tahira Niaz—El Segundo, CA             |
| Diane Day-Innes—North Las Vegas, NV   | Khawaja Katariwala—Batavia, IL        | Thomas Davis—Las Vegas, NV             |
| Donald Olander—Vancouver, WA          | Kimberly Sattar—Toledo, OH            | Thu-Lan Ly—Dunn Loring, VA             |
| Donald Wills—Breckenridge, CO         | Manreet Bajwa—Colorado Springs, CO    | Timothy Ciochon—Lebanon, OR            |
| Dwight Mcdaniel—Falling Waters, WV    | Moe True—Dallas, TX                   | Tirath Sahota—Sacramento, CA           |
| Edward Ng—Santa Clara, CA             | Mohamad Iskandar—Dorchester, MA       | Urvi Ray—Bloomfield, NJ                |
| Elliott Skuro—Los Angeles, CA         | Mohamad Obeissy—Fort Myers, FL        | Vikas Lamba—Chicago, IL                |
| Gladis Sanchez—Salt Lake City, UT     | Mohammad Amiri—San Diego, CA          | Vincent Chu—San Jose, CA               |
| Ha To—San Jose, CA                    | Mohammad Pournaghshband—              |  |
| Hafta Kitessa—Silver Spring, MD       | Mountain View, CA                     |  |

Brewing said they no longer are producing their alcoholic energy drinks, while Phusion Projects said it will remove caffeine and other stimulants from its drinks. At least four states have banned the alcoholic energy beverages because they have led to alcohol poisoning, car accidents and assaults.

## McLane To Distribute Wine And Spirits?

It appears McLane is looking to get into the wine and spirits distribution business. *Wine & Spirits Daily* reports that McLane, which is owned by Warren Buffet's Berkshire Hathaway, has recently applied for liquor distributor licenses in Virginia, Florida and Washington. McLane already holds this license in Tennessee, Georgia and North Carolina, and a temporary distributor license in Florida. In March 2010, Berkshire Hathaway announced that McLane acquired Kahn Ventures, parent company of Empire Distributors in Georgia and North Carolina. McLane more recently acquired Horizon Wine & Spirits Inc., a liquor distributor based in Nashville, Tennessee.

## Slurpee Summit Spawns Unity Tour

When President Barack Obama jokingly said in early November that he might serve Slurpees during an upcoming meeting with incoming House Speaker John Boehner, SEI made an offer to the White House to install Slurpee machines and to host a Slurpee Summit. The company then launched a 14-day road trip to Washington, D.C. with five sampling trailers dubbed the Unity Tour, stopping in several cities along the way. SEI even introduced a new Slurpee flavor for the occasion—"Purple for the People," a blend of red

and blue colors. Although the summit itself was canceled when the November 18 meeting between Obama and Boehner was postponed, SEI nevertheless spread the "Slurpee love" by handing out free full-size Slurpee drinks in choices of red, white, blue and purple outside of Union Station, and sponsored an event that evening featuring live entertainment and Slurpees.

## New Stores In Metro Detroit

SEI recently opened six new stores in Metro Detroit as part of a plan to expand in urban areas where it already has a strong presence, reported the *Detroit News*. The new stores further solidify the region as one of 7-Eleven's most

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### Am I Don Quixote or Led Zeppelin?

By Allison Talaske President, Greater Hampton Roads FOA

Given the modern era in which we live, with communication devices at our fingertips, how is it we find ourselves "out of sync" with those whom we should be most closely associated?

The essence of communication being the "imparting of thoughts or information by speech, writing, or signs" is as difficult today as it was in primitive times. Men drew on cave walls the animals they had encountered because the dummies they were trying to talk to just didn't get it.

Here in the 21st century, I more often than not feel like Don Quixote or Led Zeppelin. I'm either gallantly fighting windmills with chivalrous intent, or I'm stuck in a communication breakdown! We as an organization, like all companies today, need some serious help with our communication skills. I would like to offer a few principles of good communication.

Here's a biggie...LISTENING! When you find yourself in a room full of people, in a meeting, or just one-on-one, LISTEN. Try to HEAR what the other person is saying and BE OPEN TO NEW IDEAS. If a CEO speaks and no one listens, does he REALLY make a sound?

Seriously, when Joe DePinto says something, if the minions don't pay attention, it's as if nothing was said at all. Lately, I find that the FOAs are the source of information to the market leadership in reference to new information gleaned at National Coalition meetings. This can be a source of frustration to the FOA and to the market leadership. As a former field consultant, I remember the days of "zoning out" during the Tuesday

meetings. Not from Attention Deficit Disorder, but because we were often derailed into minute details of some new insignificant process while foregoing the greater VISION. "Hand the robots their marching orders and send them off." Which leads me to the next principle.



"Communication means listening, but also delivering VISION, rather than details."

COMMUNICATE YOUR VISION! Too many times leaders try to micromanage their new project or team. Don't incorporate all of the details in the initial offering. The reason for having a team is to get their input and ideas as well. Don't smother them with too much information. Hit the high points, I mean the REALLY big ideas. In other words, make them share your VISION first. You can discuss details as you come to realize that we all share the VISION. And always solicit

feedback, as you may find YOUR vision can be improved upon by the vision of others. This then constitutes a team or partnering!

In conclusion, I would like to say that I thoroughly enjoy being a franchisee. I have spent 17 years with 7-Eleven and I believe in the brand. I do not write this to harm or take away anything from SEI. I spend the time and energy on this article because I want to see the brand grow. I want to see the vision, and share MY vision. Ultimately, I feel the focus should be on the customers. However, many articles are written or read, THAT is MY vision. I impart to you, the reader—be open to new ideas. Listen. When you are sharing your ideas, remember your audience and don't smother them with details.

Allison Talaske can be reached at jralta@cox.net or 757-870-6709.

successful markets, according to the newspaper. Metro Detroit has more than 200 locations and is the highest-selling market for the company's popular Slurpee. A retail analyst told the *Detroit News* 7-Eleven succeeds in working-class areas like Metro Detroit because it's more accessible than many grocery stores, and cleaner and safer than nearby independents. Additionally, 7-Eleven's convenient locations at hundreds of corners around the city make it an easy choice for consumers who have limited transportation and can't get around.

### 7-Eleven Acquires 183 Florida ExxonMobil Locations

SEI announced it will acquire ExxonMobil's retail interests in 183 Florida sites. The transaction is expected to close early in 2011, subject to standard closing conditions and regulatory approvals. Terms of the deal were not disclosed. Included in the acquisition is a combination of company- and dealer-operated sites located in Orlando, Southwest Florida, Palm Beach and Broward County. The 183 sites include five unused parcels of land. The majority of locations will be rebranded as 7-Eleven operations, and all will retain the Mobil gasoline brand, allowing customers to continue to purchase Mobil-brand fuel and use the ExxonMobil credit card.

After the transaction closes early next year, SEI said it will begin remodeling and reimagining the locations, with work anticipated to be completed over a two-year period. Each location will carry 7-Eleven signature products, such as Slurpee and Big Gulp beverages, fresh food and grill offerings, along with standard convenience-store items. SEI said it will extend employ-

continued on page 29

FIRST CUSTOMER ARRIVAL: OCTOBER 18TH, 2010

# INTRODUCING NEW BUTTERFINGER® SNACKERZ KING SIZE!



BUTTERFINGER® KING IS HOT!

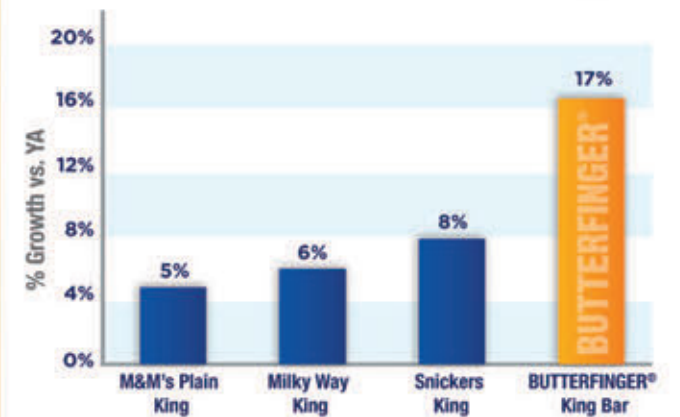


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Source: AC Nielsen, 4COT \$ Volume Growth 2009

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Member News



CONTINUED FROM PAGE 26

Bits & Pieces

**Holy McNuptials, Batman!** Starting in January, McDonald's locations in Hong Kong will offer on-site **wedding ceremonies complete with meal deals for guests**, a wedding cake made from the fast food chain's famous apple pies, and even Happy Meal toys for party favors, reported the *New York Daily News*. • **Walmart** announced it has offered to acquire 51 percent of the shares of **South Africa-based Massmart Holdings Limited**. The acquisition would allow Walmart to accelerate its growth and expansion in South Africa, the company said. • **A new study by Northwestern University and the University of California claims that fast food does not cause obesity**. The study reported that obese people who ate restaurant meals also **eat more when they eat at home**, so taxing fast food fare high in calories would likely not affect the waistlines of Americans. • ExxonMobil recently introduced the **"Exxon Mobil Fuel Finder" iPhone and iPod touch application**, which provides drivers with **real-time maps**, driving directions and station information for more than 10,000 Exxon and Mobil retail locations across the continental United States. • **Michigan has banned the sale of caffeinated alcoholic beverages** like Joose and Four Loko in light of studies that have shown the caffeine added to these malt alcoholic beverages is an **"unsafe food additive."** • Casey's General Stores, Inc. announced an asset purchase agreement to **acquire up to 44 Kabredlo's locations**, which include 22 in Nebraska, 21 in Kansas and 1 in Oklahoma. All will be converted to Casey's General Stores. • **Dunkin' Brands, the parent company of Dunkin' Donuts and Baskin-Robbins, announced the opening of its 16,000th location worldwide**. The location, a new Dunkin' Donuts restaurant located in Tian

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ment offers to all of the approximately 1,300 impacted ExxonMobil employees upon successful completion of their pre-employment screening process and continued satisfactory performance. SEI currently operates and franchises 610 stores in Florida.

Growth Opportunities In Dallas Area

With Texas at the forefront of its 2011 growth plans, SEI has started searching for sites in Dallas/Fort Worth and Austin, reported citybizlist.com. Confidential sources told the online real-estate publication SEI is scouting for up to 400 sites in North Texas and 100 in the capital city. Darrell Hernandez, Lou Miranda and Pete Podesta of UCR Dallas will represent the company for its search in Dallas/Fort Worth and Waco, while Rodger Anderson, Dean Vandergriff and Jon Smalling of UCR Austin will lead the search in Austin and its surrounding markets.

Prototype Store In Port Orchard

SEI recently introduced a new type of 7-Eleven store when it opened its latest location in Port Orchard, Washington, according to the *Port Orchard Independent Reporter*. One of several to come to the area in the near future, the store on Bay Street across from City Hall has a clean, friendly atmosphere and emphasizes fresh food and coffee instead of beer and cigarettes. SEI told the newspaper it wants to provide people with healthier options, and plans to entice customers to the new store by giving away free fresh

breakfasts (muffins, fruit and coffee) and lunches (partial sandwiches, fruit and chips) for several days.

Alcohol Sales Permits In Dallas

7-Eleven is among the many retailers in Dallas who have applied for beer and wine sales permits since November's elections eliminated the city's dry areas, reported the *Dallas Morning News*. The process normally takes two months, but it could take longer with as many as 2,000 retail and restaurant applications expected. SEI is preparing applications to sell beer and wine for each of its 42 Dallas locations affected by November's election. Merchandise sales average 10 percent to 15 percent higher in convenience stores that sell alcoholic beverages because customers who buy them also buy other items, according to the article.



SEI is looking for growth opportunities in Dallas and Austin, Texas.

Couche-Tard's Net Earnings Rise

For its second quarter, Alimentation Couche-Tard Inc. announced net earnings of \$105.6 million, up \$17.4 million or 19.7 percent compared to the second quarter of fiscal 2010. Net earnings are up 31.1 percent since the beginning of the fiscal year, the company said. According to the Canadian c-store retailer, net earnings include fees related to the public tender offer to acquire Casey's shares, a non-recurring impact on net earnings of approximately \$7.0 million or \$0.04 per share on a diluted basis. In the fourth quarter

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ter of fiscal 2010, a gain on disposal of Casey's shares of \$11.4 million net of income taxes had been recorded.

Couch-Tard also announced same-store merchandise sales were up 4.9 percent in the United States and 1.6 percent in Canada. Consolidated merchandise and service gross margin in proportion to sales were up 0.5 percent at 33.7 percent. Additionally, same-store motor fuel volume increased 0.5 percent in the United States and 5.3 percent in Canada.

### New Warnings And Graphics For Cigarette Packs

As part of a broader strategy to help smokers quit and prevent children from starting, the U.S. Department of Health and Human Services (HHS) recently unveiled a new comprehensive tobacco control strategy that includes proposed new bolder health warnings on cigarette packages and advertisements. Once final, these health warnings on cigarettes and in cigarette advertisements will be the most significant change in more than 25 years.

The proposal includes nine new larger and more noticeable textual warning statements and color graphic images depicting the negative health consequences of smoking on cigarette packages and in cigarette advertisements. The public has an opportunity to comment on 36 proposed images through January 9, 2011, HHS said. If the plan moves forward as scheduled, Food and Drug Administration officials will select the nine statements and images to be used no later than June 22. Rules requiring the use of the new images and warnings on all cigarettes distributed for sale in the



Sales of private label water have thrived during the recession.

### Private Label Water Thriving

While sales of brand name bottled water have dropped during the recession, retailers with private label water have seen their sales increase, reported *Convenience Store Decisions*. In the year between the summer of 2008 and the summer of 2009, private-label bottled water sales were \$120.9 million, a jump of 7.4 percent from the previous year, the trade publication reported, citing data from SymphonyIRI in Chicago. However, brand name bottled water retailers expect sales to rebound next year. Studies show that while consumption dropped 2.5 percent in 2009, bottled water held steady at 29 percent of the liquid refreshment marketplace.

### Cigar Sales Rising

The cigar segment is expected to have another good year in c-stores, thanks in part to manufacturer innovation and tax-weary cigarette smokers jumping to large filtered cigars, reported *CSNews Online*. The Convenience Store News 2010 Industry Report revealed a 25 percent increase in cigar sales last year, from \$14,897 per store in 2008 to \$18,567 per store, as retail prices rose with the increase in the federal excise tax, which pushed wholesale prices more than 32 percent. This year, retailers and wholesalers are again reporting strong sales and continued consumer interest in the segment.

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U.S. would then take effect by October 22, 2012.

### Bits&Pieces...continued from page 29

Li plaza in Shenzhen, China, represents the 20th Dunkin' Donuts in Mainland China. • Denny's recently opened its first **Denny's Café** location, marking the first fast-casual restaurant for the company. Denny's Café offers a smaller version of the traditional Denny's experience that caters to guests with **a more streamlined menu, counter service ordering and a smaller real estate footprint** that allows for easier entrance into urban, more densely populated markets. • While more consumers will buy electric vehicles in the next year, large numbers of them still consider the purchase of **electric cars** as too costly, according to a new *J.D. Power and Associates* report. • Proton Energy Systems, a leader in on-site hydrogen generation, and **SunHydro, an upcoming chain of hydrogen fueling sta-**

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### National Coalition Offices In Tucson

National Coalition offices are located in Tucson, Arizona. All queries and requests for information should be directed to the address below:

#### National Coalition of Associations of 7-Eleven Franchisees

3561 East Sunrise Drive, Suite 113  
Tucson, AZ 85718  
Office 520-577-8711  
Fax 520-577-4688  
E-mail: nationaloffice@ncasef.com



National Coalition of Associations of 7-Eleven Franchisees

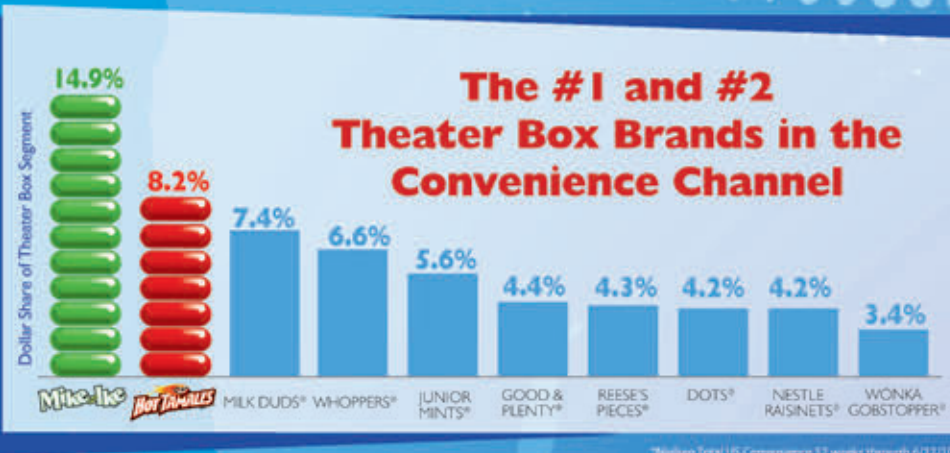


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NEW

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THEATER BOXES	UIN	SLIN
MIKE AND IKE® Original Fruits 6oz Theater Box 12 ct box	299198	141789
HOT TAMALES® Cinnamon 6oz Theater Box 12 ct box	591255	142072
MIKE AND IKE® RED RAGEOUS!™ 6oz Theater Box 12 ct box	378521	142070
MIKE AND IKE TROPICAL TYPHOON® 6oz Theater Box 12 ct box	299263	142067
MIKE AND IKE BERRY BLAST® 6oz Theater Box 12 ct box	298992	142065
MIKE AND IKE® ITALIAN ICE™ 4.2oz Theater Box 12 ct box	369124	142059
MIKE AND IKE® LEMONADE BLENDS® 4.2oz Theater Box 12 ct box	478339	141781

#### BIG BOXES

BIG BOXES	UIN	SLIN
MIKE AND IKE® Original Fruits 9.5oz Theater Box 12 ct box	833822	141455
HOT TAMALES® Cinnamon 9.5oz Theater Box 12 ct box	833756	141452

#### COUNT GOODS

COUNT GOODS	UIN	SLIN
MIKE AND IKE® Original Fruits Count Goods 24ct box	310755	141374
HOT TAMALES® Cinnamon Count Goods 24ct box	310763	140135
PEANUT CHEWS® Original Count Goods 24ct box	348524	142271



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## States And Localities Striking Down Blue Laws

More states and communities across the U.S. are allowing Sunday liquor and alcohol sales or moving sales start times to as early as 6 a.m., reported *USA Today*. Since 2002, 14 states have joined the list of states allowing Sunday sales of distilled spirits, bringing the total to 36, according to the Distilled Spirits Council of the United States. A spokesperson for the spirits council said blue laws "simply don't make sense

in today's economy. They inconvenience consumers and deprive states of much-needed tax revenue."

Among the state and local governments that have recently changed their blue laws:

- The mayor of Carthage, Mo., recently voted to allow alcohol sales at 9 a.m. Sundays instead of 1 p.m.
- The Michigan Legislature approved a bill in November allowing liquor sales at 7 a.m. on Sundays instead of the current noon start time.
- A Massachusetts law that took effect

*continued on page 34*

## Bits&Pieces...continued from page 30

**tions, recently unveiled its first solar-powered station** at its headquarters in Connecticut, marking the start of the East Coast "Hydrogen Highway" SunHydro is creating to make it possible to travel from Maine to Florida on sun and water. • **Krispy Kreme Doughnut Corporation announced that it is introducing new branded packaging** in convenience, mass merchant and grocery stores. Package upgrades, new signature products, and im-

*continued on page 44*

## Relationships...The Constant In Business

By Mike Foster, President, St. Louis FOA

Good morning Bob! Thank you! How about a fresh muffin with your coffee today, Margie? Julio, I'll be right there to check you in. Sorry to hear about your mother, George, she was a good woman. If there is anything you need, please call.

On any given day, in any given 7-Eleven, a veritable "beehive" of activity occurs around the clock. Customers, vendors, employees, salesmen, neighbors...all coming and going. From sunup to sundown, the cycle constantly repeats, like a metronome counting out the beat of a song. Sometimes watching all this is like watching a ballet, with each actor appearing on cue to dance out his or her individual part. As franchisees we are privileged to watch this play unfold. After all, we are in a way the directors and producers of it all.

In the ancient world, the Greeks were in pursuit of the quintessential element. After earth, wind, fire and water they believed there was a fifth element. In our world today we have store, customer, product and price. What is our quintessential element? I believe what is missing is relationship.

We have become so enamored with process, productivity, efficiency and num-

bers that one-on-one personal contact is a vague memory. Don't misunderstand, I welcome technological advances where the pursuit of faster, fresher, cheaper is a near reality, but I have yet to have a customer tell me it is our ordering system that separates us from the competition in a positive way. In fact, I have been in stores where the prime activity between 7am and 10am is racing the clock to finish the order, at the expense of the customer.

There is a saying attributed to a wise man of the ancient world—"There is nothing new under the sun." Those words of wisdom from centuries ago are still true. Every generation thinks they have a newfound wisdom. In our time, the MBAs come out of business school with a Blackberry, laptop and a scientific approach to business challenges. Take a look down Wall Street and Main Street these days and see how that's working! What they forgot was it takes relationships between all players—buyers, sellers, suppliers, distributors, everyone—for it to work.



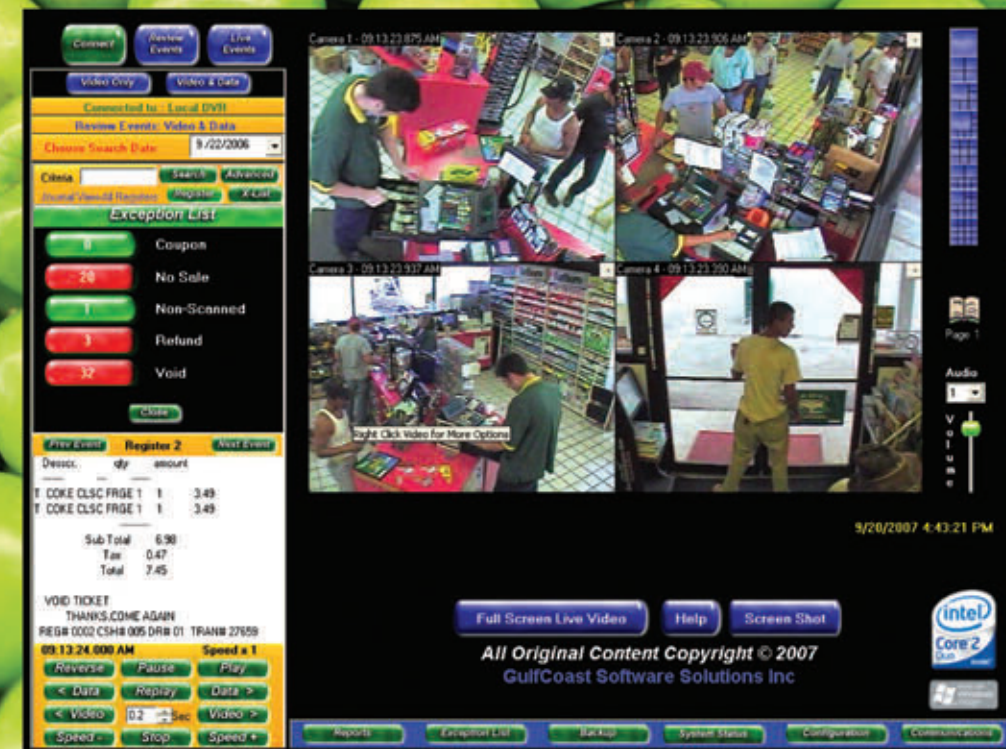
Checklists, PowerPoint presentations, graphs, and endless unreadable reports may be good yardsticks for measuring progress, but I believe that creates a false impression of the truth. Look no further than our nation's capital to see what "poll driven, scientific" decision-making looks like. Any wonder that most people are turned off by the "fad" or "crisis" of the week mentality?

The human touch, that quintessential element of relationship... that is where we need to focus our energy and time for our business to grow and prosper. Lasting relationships built upon honesty, integrity and trust, where yes means yes and no means no, a handshake is firm and all parties see value in the transaction, these are the supports we need to build upon.

EVERY transaction in the store (customer, vendor, field consultant, etc.) is based on relationship. Attempting to reduce that to a formula or equation leads to failure. The former Soviet Union was built on a "scientific approach." Where are they now? ■

Mike Foster can be reached at [mfoster762@frontiernet.net](mailto:mfoster762@frontiernet.net) or 314-640-0513.

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in June allows communities to permit alcohol sales by restaurants, but not package stores, starting at 10 a.m. Sundays instead of noon.

• Montgomery County, Md., recently began a six-month test of Sunday sales of hard liquor at county-owned beer-and-wine stores that are now closed on Sundays.

• An Arizona law that took effect in July allows alcohol sales at 6 a.m. Sundays instead of 10 a.m.

## Frozen Convenience Foods Expected To Grow

The market for frozen convenience foods will grow 2 percent by year-end to reach sales of \$17 billion in 2010, fueled

by a trio of strong performing categories that have offered products able to compete on the basis of freshness and quality with fresh convenience food, according to "Frozen Convenience Foods in the U.S." by market research publisher Packaged Facts. These three categories—frozen pizza, handheld breakfast food, and prepared vegetables—have infused the otherwise ambivalent market with the potential to increase 10 percent and approach \$19 billion in retail sales by 2015. Packaged Facts predicts the sales of frozen foods will thrive as marketers in other categories adopt similar strategies to compete with the parallel fresh convenience food mar-

The frozen convenience foods market is expected to grow 10 percent by 2015.

ket, restaurant takeout, and meals prepared from scratch by consumers.

The report further reveals that the colossal frozen pizza category and the burgeoning handheld breakfast category thrived when going head-to-head with restaurants and other foodservice outlets in the fight for customer dollars. In addition to their perceived quality and freshness, both categories benefited from marketer positioning that created an identity as products that were lower-cost alternatives to dining out. Similarly, the prepared vegetable category has triumphed on the freshness front via the development of steaming techniques. ■

## 'Bringing Back The Morning' In Iraq!

Zahid Anwar, President, South Florida FOA



Staff Sergeant Eduardo Colon with franchisee Zahid Anwar, who donated supplies to troops homesick for 7-Eleven coffee.

It all started with an e-mail sent to our CEC, Kathy Reina, by an Army staff sergeant detailing how his buddy serving in Iraq was homesick for a mug of 7-Eleven coffee. "Good evening, I am Eduardo Colon, a staff sergeant (SSG) in the U.S. Army recruiting command located in Miami Battalion in

up a package from 7-Eleven and find some real coffee to brew throughout the day. I would appreciate a response so that I can know what to do or how to go about getting a smile on a friend's face."

When Kathy read the e-mail, she knew immediately that something had to be done to honor the staff sergeant's request. She contacted me a few days later and shared the story with me. I agreed with Kathy that something had to be done, and asked her how I could help make Staff Sergeant Colon's request become a reality. She asked me if I could donate coffee, condiments and travel mugs to our soldiers in Iraq. I immediately placed the order and Kathy set up the meeting. Within a few days the staff sergeant, myself, and Kathy met at my store to present him with the token of our appreciation. To say that I was honored to be a part of putting a smile on the faces of our soldiers overseas is an understatement. It was one of my proudest moments as a 7-Eleven franchisee.

Now due to a small request from a soldier to our CEC, a platoon in Iraq is "bringing back the morning" with a cup of 7-Eleven coffee. The best part is that we are not stopping here. SEI and several other franchisees want to get involved as well in this worthy cause. Several orders have been placed and meetings will be set up on a monthly basis. This effort and generosity by all will keep SFC Loest's platoon in coffee well into the holiday season. ■



## Miller Lite® Aluminum Pint

Re-launch Spring 2010

### What Is It?

- 9-pack 16-oz. Wide-mouth aluminum bottle with resealable, twist-off cap
- Offers unique benefits: the combination of bottle and can, providing the perfect way to deliver the great taste of Miller Lite



### Shopper Insights & Benefits

- Enhances the Miller Lite taste experience
  - Unique, stylish, and innovative packaging delivers a new drinking experience
  - The wide opening provides an easy drinking, open flow that delivers great taste and aroma
- Provides the portability of a can and is unbreakable, so it's perfect for the bring-the-beer occasions like outdoor events, BBQs, picnics, and trips to the beach
- Resealable lid locks in the great taste of Miller Lite

7-Eleven Item Number	Product Name	Product UPC
SLIN: 0100772	Miller Lite Aluminum Pint	3410000376



7-Eleven Item Number	Product Name	Product UPC
SLIN: 0100772	Miller Lite Aluminum Pint 9-Pack	3410057023



## Coors Light® Silver Bullet® Aluminum Pint

Date Available: 9/6/2010

### What Is It?

- Primary package that drinks like a bottle and cools like a can
- 16-oz. resealable aluminum bottle with a twist-off cap
- Wide mouth for a smoother pour
- Features Coors Light Cold Activated technology



### Shopper Insights & Benefits

- Aluminum gives a cold-to-the-touch feel
- Cold Activated technology tells consumer that the beer is cold
- Provides the portability of a can with a resealable lid

7-Eleven Item Number	Product Name	Product UPC
SLIN: 102359	Coors Light Silver Bullet Aluminum Pint	000000000



7-Eleven Item Number	Product Name	Product UPC
SLIN: 102358	Coors Light Aluminum Pint 9-Pack	000000000



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## From the National Office



### CHALLENGES AND OPPORTUNITIES

By Bruce Maples, Chairman

National Coalition of Associations of 7-Eleven Franchisees

**A**

s 2010 comes to a close, we hope we have seen the bottom of negative sales trends and the beginning of sustainable positive sales growth. Preliminary holiday retail sales numbers show consumers are gaining confidence in the economy and are once again starting to spend. Retailers have proven to the customer we can have the products they want, at the right price, and we are poised to recover quickly.

For many franchisees, this recovery will be easier if 7-Eleven continues to commit the resources to provide our stores with the best opportunity to succeed. Older stores need AQIP, and distribution is expected to become the next big test on franchisees' horizon. If franchisees are to take advantage of opportunities our system has to offer, together we must make sure we never miss a chance to gain a new customer or a potential sale. While some chains struggle to survive, 7-Eleven has the opportunity to grow. Profitable sales growth moving forward will be the lifeblood of the 7-Eleven system.

When I became a franchisee in the 1980s we dominated the marketplace. Competition was weak and 7-Eleven was king. The business model had not changed in decades. Everywhere we

opened a store we were successful. The Retail Information System, CDCs, Hot Foods programs and Business Transformation (BT) were all things very few of us thought about, let alone worried about. Today that has changed. Competition from different channels, growth in our own industry, and even more mobile customers have presented more challenges as the industry changes, but also more opportunities.

**"While some chains struggle to survive, 7-Eleven has the opportunity to grow."**

Franchisees are what made 7-Eleven the strongest and most recognized trademark in the world. The strength of the 7-Eleven system always has been and still is our franchisees. As

7-Eleven continues to grow the system through new stores, BCPs and acquisitions, the growth opportunities for franchisees are endless, but a proper balance is critical. We need to focus on what is right for the stores, franchisees and the franchise system. We need to make sure the focus remains on the customer. A healthy franchise system is a balance of what is best for the fran-

chisees and the franchisor. When system changes are made, franchisees MUST be involved in reviewing what impact those changes have on their businesses and the system.



One of the challenges for franchisees in 2011 is to sort out the benefits and the questions that remain after 10 years of the CDC and the beginning of a new distribution system in Business Transformation. 7-Eleven tried for over a decade to make the CDC daily distribution system work with a limited amount of success and with little or no input from franchisees. Daily delivery of fresh foods is vital to our business model but expensive to operate. Defining exactly what the goal of the CDC is has changed over the years, and the new

**"When system changes are made, franchisees MUST be involved in reviewing what impact those changes have on their businesses and the system."**

hot foods program and BT will inevitably change that again. 7-Eleven subsidized the CDCs for years before implementing a flat fee. Over time, as 7-Eleven expanded existing CDCs, opened more and closed some, the

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# From the National Office

CONTINUED FROM PAGE 37

company and franchisees still struggled with what the original concept was supposed to deliver.

The challenge and the opportunity for 7-Eleven will be to sit down with franchisees to define the value and assess the opportunity of the CDC and BT. Daily distribution has been and will continue to be a challenge, but getting the right items at the right price from a daily distribution system can give us a competitive advantage in the marketplace. The challenge is to provide the proper feedback that

helps 7-Eleven define the value and the role daily distribution plays in our stores. Clearly, franchisees do not want to miss an opportunity to gain a competitive advantage, but we do not want 10 years of BT without making the concept a success.

**“A healthy franchise system is a balance of what is best for the franchisees and the franchisor.”**

The coming year will be filled with challenges and opportunities. Working together we can continue to lead the industry and strengthen our brand. The challenge of BT is getting through the process, protecting franchisee incomes, and developing a new way of going to mar-

ket that gives us a competitive advantage. I challenge 7-Eleven management to work with franchisees to monitor changes in the system, and to take every opportunity to talk to local FOAs and the National Coalition to measure the effect of those changes on franchisees. Success is the common goal, and constructive feedback that flows both ways—from 7-Eleven to franchisees AND from franchisees to 7-Eleven—is necessary to move the system forward. The challenges we face are better solved together, because working together gives us the best opportunity for success.

I wish everyone a happy holiday season and a safe and prosperous New Year! ■

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## Business Issues



### LEGISLATION: KNOWING YOUR COMMUNITY

By Joe Galea, Executive Vice Chairman  
National Coalition of Associations of 7-Eleven Franchisees

**I**n travels to different parts of the country, I have had the opportunity to discuss many issues with franchisees and FOA leadership groups, and the conversations always focus on sales, merchandising, growth in the system, goodwill and other franchisee issues. Now one of the areas that increasingly occupies our discussions is local in nature, centering on what is happening legislatively in our communities and neighborhoods, in city council meetings, and in county and state legislative bodies.

In many states, tax deficits due to falling local revenues are causing county and government agencies to give serious consideration to tax increases and licensing fees that affect our businesses. Today, failing to keep track of local legislation can easily cost us money or cause limited visibility for products that our customers come in to buy.

Recently, 7-Eleven, Inc. and franchisees initiated support for credit card fee legislation that caused national credit card interchange fee reform. We educated our customers, collected signatures, visited Washington, D.C., attended press conferences, called on our congressmen and senators and were very successful in rallying national support for the interchange fee reform issue. We have more work to do, but we can learn from this experience by doing everything we can to track legislation locally and nationally that affects us.

Many states and counties are instituting new fees with bottle bills, plastic bag

taxes, licensing fee increases, tobacco and other "sin" taxes, 1099 rules, and many other bills that affect our businesses directly. In the San Francisco/Monterey Bay FOA we have organized a legislative committee to monitor changes and develop relationships with political groups at the town, county, and state levels.



We just learned there is talk of a possible soda tax in California, and many communities are instituting tobacco-licensing fees or fee increases to support local to-

bacco sting operations. The common knowledge is that when one city or municipality adopts a tax change, it is like a domino affect and others start looking at it, too. In San Jose we have been able to hold off a plastic bag tax, but it can come up at a later date. We invest so much in our stores that we cannot just accept whatever happens in our legislatures. Being totally involved and getting to know our community leaders will go a long way towards educating the electorate and our customers about our concerns.

I believe every FOA group needs to think about setting up a legislative committee, and committee members should be in charge of updating members about what is on the docket for each town or city council meeting. In San Francisco we have done this, and when we find an

issue coming up we show up in a large group, educate people and voice our concerns. We try to deliver the message that, "No matter how you perceive us, we are not the corner market that sells cigarettes or beer to an underage person." We are your community store, and we are there to support the local baseball teams, the local school functions and add value to the community. We drop e-mail notes to community leaders when they take the time to talk to us, and we have invited community leaders and even police officers to our golf tournament and holiday party to make them feel "part of us."

Other retail groups practice this method, and many hearings are well-attended by independents. As the industry leader, we have to do a better job of following through. 7-Eleven has lobbyists in every state, but we really need to know what is going on in every town and every county. The idea is to really understand all the legislation that could affect our businesses.

Over and over again I have heard customers say, "At my 7-Eleven, it is different." So I think that we ARE recognized and accepted for being part of the community, and that is exactly where we should be. ■

**"Failing to keep track of local legislation can easily cost us money or cause limited visibility for products our customers want."**

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**7-ELEVEN FOOD SERVICE STANDARDS**



By **Arnold J. Hauptman, Esq.**  
National Coalition of Associations of 7-Eleven Franchisees

**W**hether you are under the 2004, 2006, 2007, or 2008 agreement, you have certain very stringent obligations with respect to the sale of fresh foods. Some of you may remember when selling a sandwich meant the customer telling the clerk what he or she wanted on the sandwich, and the clerk either slicing the meats and cheeses, or slapping on the tuna or egg salad (sometimes made in the back room) on the bread. How many young clerks (including my own daughter) have lost the very tip of their fingers on the slicing machines? Were those the good old days or are you better off today, at least as it concerns the sale of fresh foods?

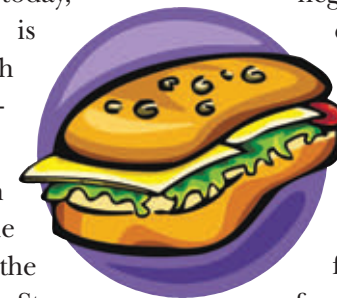
I recall, some years ago, when a re-store meant removing the deli stations from behind the counter. If the owner refused to have it removed, there would simply be no re-store. As usual, the then Southland Corp. played hardball, and eventually all owners capitulated. What resulted was uproar over ready-made sandwiches that were so unappetizing most were not sold before becoming out of date and were simply tossed out at the expense to both the owner and SEI.

Even SEI's execs had to admit—although after touting these sandwiches as the equivalent to the invention of the wheel—that the sandwiches simply stank. What followed was the total revamping of fresh food merchandising that we have today, which I understand is doing well and which our customers describe as tasty fare.

However, with such improvement came what is now known as the “7-Eleven Foodservice Standards” (paragraph 16 in the contract). To begin with, all perishable food products such as sandwiches, roller grill items, baked foods, salads, milk, yogurt, etc.

**“All perishable food products such as sandwiches, roller grill items, baked foods, salads, milk, yogurt, etc., and any other perishable products that SEI determines to be ‘fresh foods,’ must be purchased from recommended vendors.”**

(and any other perishable products that SEI determines to be “fresh foods”) must be purchased from recommended vendors. Beyond the purchase requirement, you also agreed to, at all times, be in compliance with SEI's standards, as well as with all applicable laws and ordinances, including the U.S. Food and Drug Administration Food Code. Of course, the most predominant requirement is not to sell outdated fresh



food products. Needless to say, all applicable standards that you are made aware of should be scrupulously followed. Any published outbreak of e-coli or similar contamination in a food product sold in 7-Eleven stores would negatively affect business in every store for a long time.

If required by local or state law, the agreement also mandates that any clerks handling fresh foods be first certified as qualified to perform such labor. In New York State, the Department of Agriculture requires that either an owner or manager undergo an eight-hour course on food safety and obtain a certificate for posting on the store premises. The course may be taken online or in a classroom. Moreover, SEI has the right to conduct surprise quality inspections, at any time and without prior notice, to determine if your store is in compliance. During these inspections, SEI can remove samples of food or non-food items, without payment (but subject to write-off) for testing by either SEI or an independent laboratory.

The penalties for standards non-compliance are very severe and include a declaration of a material

*continued on page 44*

**ARNOLD J. HAUPTMAN**  
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CONTINUED FROM PAGE 43

breach, which could—after several breaches—result in a termination of the agreement. If you do not cure any breach within a reasonable period, SEI may take action to remedy the breach, but at your expense. Upon receiving a third breach notice within 5 years, SEI reserves the right to either (1) remove all, or any part, of the Foodservice Facility at your expense, or (2) pursue other remedies, including termination of the agreement. But, be careful—if in SEI's opinion the breach involves damages to the health or safety of any persons, or involves non-compliance with a federal,

state or local health regulation, you may be required to stop serving any and all fresh food items immediately, and not resume such sales until the breach has been cured.

In the meantime, keep those sandwiches rolling! ■

**“The penalties for non-compliance with SEI's standards, as well as the U.S. Food and Drug Administration Food Code, are very severe and include a declaration of a material breach.”**

**Bits&Pieces...***continued from page 32*

proved display graphics are part of the company's broader efforts to enhance and grow its presence. • Jack Link's Beef Jerky and the **World Series of Poker (WSOP)** have announced the signing of a new multi-year agreement under which Jack Link's will continue to serve as the presenting sponsor of the world's longest-running poker tournament. • **Hershey Co. said its third-quarter net income rose 11 percent and revenue increased 4.7 percent to \$1.55 billion.** • Michigan lawmakers are considering a proposal that would prohibit a person getting welfare, food stamps or Medicaid **from collecting a lottery prize of more than \$600**, the *Lottery Post* reported. Any money over \$600 would go to the state School Aid Fund, as does all unclaimed lottery prize money. • **More than 55 Target stores in the Chicago area have been redesigned to feature an open-market grocery layout**, stocked with a se-

*continued on page 52*

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**Cherry Garcia**

Cherry Ice Cream with Cherries & Fudge Flakes

Source: IRI (Information Resources Inc.) 7-Eleven database. 52 weeks ending 11-30-09.

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## The DLC: A Key Link In The Chain

Jivtesh Gill

VICE CHAIRMAN, NATIONAL COALITION

Communication, as we all know, is a crucial function of any healthy system. In a system like ours, where so much is going on, so much is changing on a daily basis, and so much needs to be adjusted and repositioned constantly, I cannot emphasize enough how important it is that we share information with each other on an ongoing basis.

As 7-Eleven franchisees, there are several ways we communicate with SEI. Our most direct contact with the company comes through our frequent interactions with our field consultants and market managers. Other avenues that allow franchisees and FOA leaders to meet face-to-face with SEI upper management to put forth their opinions, concerns and ideas include the President's Leadership Council (PLC), the Division Leadership Council (DLC), and the newly formed National Business Leadership Council (NBLC). Over the last year or so we lost the PLC, and DLC meetings were discontinued.

Recently, however, Dallas has reinstated the DLC meetings nationally, and I would like to congratulate SEI for doing that because the DLC lately has played a pivotal role in facilitating this line of communication between storeowners and corporate. With this move, I believe SEI has taken an important step towards learning the pulse of the franchise community and what our concerns and issues are, as well as getting effective feedback from franchisee representatives. It is essential for the Division vice president to learn firsthand from franchisees and their leadership how we feel about our system, what changes we would like to see, how

aligned we feel with the direction of the company, and any other ideas or concerns we might have.

I attended the North Pacific Division's first DLC meeting in Seattle in November, and I must say I walked away with a sense of added confidence and trust. Present at the meeting were all the FOA presidents for the Division, all of the franchisees who are part of the NBLC, and one franchisee from each market. There was a brief report from Division management about the current situation with sales, and statistics and data

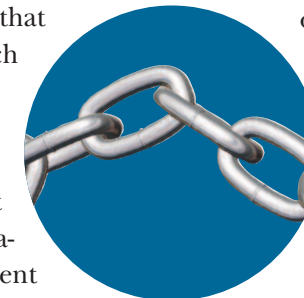
on the Division, and an elaborate merchandising plan, but there was also ample time set aside for open discussion and candid dialogue. Ideas and issues were gathered from around the room and everyone was provided with the opportunity to discuss each topic in a very open format. I truly believe that any time we can sit together with our franchisor and listen to their perspective and present ours, we can come to better decisions or better conclusions.

It's a good exercise that benefits all the stakeholders.

Some of the issues we discussed at the meeting have been around for a long time and are ones we continually work on, and there were some new issues, as well. As for

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JIVTESH GILL CAN BE REACHED AT  
209-481-7445 OR [jjgill@aol.com](mailto:jjgill@aol.com)



"The DLC lately has played a pivotal role in facilitating the line of communication between storeowners and corporate."

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## The DLC: A Key Link In The Chain *continued from page 47*

the continued issues, accounting and facilities were probably the top two discussed. We also talked about franchisee concerns with help desk support and audits resulting in huge shortages. Stores running out of promotional cups and support for low-volume stores were also hot topics at the meeting.

So what was the net effect of the meeting? There was a lot of passion in the room, but I didn't feel like the meeting was one sided—there was open discussion and we were able to get our concerns across clearly to Division management, who said they would follow up our issues. Our hope is that some solutions come out of each DLC meeting, even if it's just one or two. If nothing else, this

“Our hope is that some solutions come out of each DLC meeting.”

will show that we are actually moving forward. I would like to encourage franchisees to get involved with their representatives on the DLC and let them know the topics that are important to you so they can take them up the ladder. My sincere hope is those topics get some follow up and ownership from someone who is going to work on them so we can have some sort of resolution. Building confidence and trust is what builds a winning team, and the open dialogue between franchisees and SEI during these DLC meetings is a huge step in that direction. We may not agree on everything, but at least we're on the same page when it comes to improving sales and growing the system. ■



## Functional Silos Within 7-Eleven

Roger St. George  
VICE CHAIRMAN, NATIONAL COALITION

7-Eleven, Inc. has always experienced change. From its humble beginnings as an icehouse in 1927 that began selling milk, bread and eggs, to over 32,000 stores worldwide today. There are now over 7,100 7-Eleven stores in the U.S. and Canada, with more coming through organic growth, acquisitions and the Business Conversion Program. Now SEI has embarked on a quest to create a new business model for distributing products to the stores with the Business Transformation system (BT). It can be exhilarating to be part of a dynamic company, but dynamic growth and change can also be confusing and frustrating to franchisees, who then start to wonder if 7-Eleven

has a unified business plan. These days it seems franchisees are receiving conflicting information. It is as if the different departments within 7-Eleven are seeking goals and developing plans irrespective of the goals and plans of other departments. There is actually a managerial term for this type of division of labor within an organization—Functional Silo. Functionally,

“It can be exhilarating to be part of a dynamic company, but dynamic growth and change can also be confusing and frustrating to franchisees.”



*continued on page 52*

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\*Top-performing products are determined using the McLane Item and Sales Analyzer (formerly MPulse).

\*\*Source: American Wholesaler Marketers Association

Note: Lead time is four to six weeks on orders of more than 125 racks.

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## Functional Silos Within 7-Eleven continued from page 49

each department has established goals that are well thought out with processes designed to achieve these goals, but each department is focused inwardly on its objectives and there is a lack of interaction or sharing with other functions within the organization. This becomes problematic when the goals of one department run counter to another department's goals.

Earlier this year franchisees were told the mandate was for 7-Eleven to have cookie cutter stores. The analogy given involved the big box retail chain Target: every Target store is identical, so a customer shopping in any Target in any city would know exactly where any item would be.

Recently, stores received the Fall/Winter schematics from the merchandising department.

This "Book" contained extremely detailed measurements of shelf height and product placement. The schematics had many of the shelves placed at the top of the gondola in order to maximize the number of items carried for our customers. Unfortunately, the spacing of the shelves made the product too tight to rotate as new inventory was received. More importantly, the spacing of the shelves made it frustratingly difficult for customers to remove the product from the shelf in order to purchase it.

At the same time, after a recent change in philosophy (it seems), more POP is being produced in order to communicate the values offered to our customers—especially

the number of window signs, including window signs inside the store for the first time.

The Facilities Department recently embarked on making 7-Eleven stores more energy efficient. This endeavor will save 7-Eleven millions of dollars annually. One portion of the project has been the installation of LED exterior lighting. Pole lights, wall wash lights, apron lights, gasoline canopy lights, and even some exterior sign lights are now illuminated with LED lights. Franchisees have expressed concern that the exterior of the stores appear to be much darker now, and are worried about the potential for increased violence outside our stores. The Facilities Department has responded by stating the LED lights are directional lighting and therefore appear dimmer. The lights above the store apron are intended to

**"Siloism occurs when different departments are seeking goals and developing plans irrespective of the goals and plans of other departments."**

light the storefront banner board to highlight the message of the month.

Another part of the program to reduce energy costs is the installation of water saving devices on all sinks. Franchisees doubt that a significant amount

of water will be conserved with these devices, since the reduced water flow only increases the amount of time spent by the sales associate to accomplish tasks like rinsing coffee pots or urns to provide the best tasting cup of coffee for our customers and filling the three-compartment sink to provide a safe food service program. With these water-saving devices the time it takes to even wash hands has in-

*continued on page 55*

## Bits&Pieces...continued from page 44

lection of fresh produce, fresh meat and baked goods, as well as reinventions in several other areas throughout the store like beauty, home, shoes and electronics. • A study by the University of California-Riverside reveals that **e-cigarettes, which deliver nicotine in a vaporized form**, are not a safe substitute for regular cigarettes, reported *The Examiner*. The study discovered shows many flaws that could cause serious public health problems in the future if uncorrected. • Taking "green" to the next level, Kimberly-Clark has tweaked its **Scott Naturals line of toilet paper by removing the inner cardboard tube**, reported the *Philadelphia Inquirer*. The company said it made the move because consumers do not usually recycle the tubes, which creates about **160 million pounds of waste per year**. • Eighteen Walgreens locations in Houston will soon sport **electric vehicle recharging stations as part of NRG Energy's eVgo network**, the nation's first privately funded and comprehensive electric vehicle-support system. • **McDonald's posted a 10 percent gain in third quarter profit** after luring more customers with new menu items in the U.S. and expanded operations in Europe. Net income rose to \$1.39 billion, or \$1.29 a share, the company said. • **Having two or more employees working every late-night shift in a convenience store** does nothing to prevent robberies and only makes things worse when robberies occur, national convenience store security specialist Rosemary Erickson told the *Des Moines Register*. **"Two clerks does not make it less likely that you will get robbed,"** she said. "And if you do get robbed, you end up with two dead clerks." • **Snyder's of Hanover will begin construction on a solar farm**, the largest ground-based solar energy system in Pennsylvania,

*continued on page 56*

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## Functional Silos Within 7-Eleven continued from page 52

creased exponentially. It literally takes more than one minute for hot water to reach the hand wash sink in our stores. This negatively impacts our goal of providing an exceptional customer experience at 7-Eleven.

The Operations Department has now introduced an initiative to lower the profile by removing all products extending above the top of the gondolas in 7-Eleven stores. This is to improve visibility across the store and to enhance the perception of a more secure shopping environment. When questioned how to accomplish this goal while utilizing the schematics provided by the Merchandising Department, the Operations Department informed franchisees to ignore the schematics and just remove shelves and reduce the product offering. This seems to fly in the face of the Merchandising Department's goal for cookie cutter stores.

Additionally, the Operations Department has been telling franchisees to remove all merchandise from inside the windows. This includes newspaper racks, magazine racks, copy machines, and beer or soft drink displays. Also, all graphics attached to the windows are to be removed and only limited window signs are to be posted. The goal is to increase the lighting on the apron to make the store appear safer, especially for female customers. This seems to be a fix to the LED energy saving program. Our first aisle has the most customer traffic and presents the greatest merchandising opportunity!

While franchisees are independent contractors in the operation of their respective stores, franchisees also pay a sizeable amount of their gross profit in anticipation of receiving the "best in class" business advice. One has to wonder if this is the best we can receive. ■



## The Classification Of Stores

**Jatinder Singh**

VICE CHAIRMAN, NATIONAL COALITION

Franchising a 7-Eleven store is a unique experience. The process is systematic—one has to go through different stages right from the beginning, from a franchising packet to the signing of the agreement.

The Franchise Offering Circular contains lot of information to educate the potential franchisee so he or she can make the right decision according to their financial capabilities. Exhibit H contains unaudited statements of average franchisee sales and earnings for the calendar year for the area, and stores are ranked as Top Third, Middle Third or Bottom Third. Some other letter

**"Exhibit H ranks stores as Top Third, Middle Third or Bottom Third, and performance factors place a store in a Green, Yellow or Red category."**

codes refer to other categories, like free-standing or strip locations. In short, these stores are divided into three categories—A, B and C. As all 7-Eleven storeowners know, franchise fees and goodwill amount play a big role in deciding the purchase of a particular location.

Once you are in the system there is another classification for stores, this one based on performance, and many factors play a role in

*continued on page 56*

**JATINDER SINGH CAN BE REACHED AT**  
702-249-3001 CELL OR [jksingh2003@yahoo.com](mailto:jksingh2003@yahoo.com)

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## The Classification Of Stores continued from page 55

which category a store falls into— Green, Yellow or Red. These factors include electronic ordering, resets, items carried by the store, grill management, and weekly sales of some items. Most of us work very hard to get our store to the Green Level, but if a store is already in the Bottom Third it is very hard to achieve this goal because of limited resources. Even if a Bottom Third store carries some of the items just to be in that level, these items may not sell in that store.

**“Top-level stores seem to get all the attention from SEI upper management, as well as repeat visits from corporate brass.”**

CEC inspections are playing a big role in keeping our stores clean, and the level of cleanliness has gone up in stores nationwide. However, at present the cleanliness scores given out vary according to the inspector.

In other words, a universal scoring system appears to be lacking so the scoring is more subjective than anything else. This is not good news, as the cleanliness score also plays a role in which level or category your store falls under.

Additionally, the CEC inspector's judgment of other factors also influences which category a store falls into. For example, if your write-offs are not in line with your sales, your store is marked as not forecasting correctly and is downgraded for not populating all the

factors. Your order writers may be ordering different categories, but if they are not assigned to the categories in the system, it shows up as you not having any order writers.

A second set of eyes is always good for judging the performance or conditions of the stores, and that's where the field consultant enters the picture. Field consultants have their own store walk forms to help us achieve another level of perfection, and they are all bound to report on compliance-based forms or store condition reports. Sales of new items or items of the month are also tracked for compliance.

Top-level stores seem to get all the attention from SEI upper management, as well as repeat visits from corporate brass. This whole process tends to leave owners of average stores feeling slightly ignored as the favorite, top-level stores get all the facelifts and upgrades in preparation for these visits from SEI higher ups, while the average franchisee may have to wait a longer time for even small repairs.

Lately, there has been a change in certain areas where higher management is visiting stores unannounced and the true picture comes out. Results will be very favorable if we all work hard to pay attention to Bottom Third stores and do everything possible to bring them up to the next level. This will help bring the performance of all 7-Eleven stores to a new level, and the average franchisee will not feel ignored. ■

## Bits&Pieces...continued from page 52

with over 16,000 panels spanning twenty acres. The solar farm will reduce greenhouse gas emissions in excess of 230 million pounds of carbon dioxide over a 25-year period. • **PepsiCo Inc. is buying Russian dairy products and fruit-juice maker Wimm-Bill-Dann** in a deal valued at \$5.8 billion, marking one of the biggest foreign investments in Russia outside the energy sector, reported the *Wall Street Journal*. • Four lucky fans from across the United States have been selected as **finalists in the Kellogg's Pop-Tarts Pop It Forward Contest**—a national search for fun and creative ideas for sharing one million Pop-Tarts toaster pastries. • **Starbucks has taken its mobile payment application option to New York City**, allowing Big Apple customers to swipe their BlackBerry or iPhone at the register to pay for their coffee at 300 locations throughout the city, reported *Online Media Daily*. The app produces a **2-D barcode that users hold over a countertop scanner** to make purchases, check balances, add funds with a credit card or locate another Starbucks. • A professor at Kansas State University recently went on a **junk food diet** to prove that in weight loss, pure calorie counting is what matters most—not the nutritional value of the food, reported CNN. **After 10 weeks, the professor—who supplemented one third of his 1,800 calories a day “Twinkie” diet with multivitamins, protein shakes and vegetables—lost 27 pounds.** • Cigarette sales in Montana have dropped 35 percent in the last decade as a result of increased state cigarette taxes, health advocacy programs and a struggling economy, reported *Billings Gazette*. • Wendy's debuted a two-month television and radio campaign aimed at reaching a greater segment of the U.S. Hispanic market, reported *Marketing Daily*. **Dubbed “Sabor de Verdad” or “Real Taste,” the campaign is tied to an expansion**

continued on page 84

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## What Is Good Customer Service?

By Navdeep Gill  
Vice President, Pacific Northwest FOA



**G**ood customer service is the livelihood of any business. We can offer promotions and we can slash prices to bring customers back, but without good customer service we will not be profitable for long. Good service is all about sending customers away happy enough to tell their friends about your store.

What is good customer service? It is not as ingenious a question as it appears. Many of us have no real idea if we are providing good customer service or not. Many of us assume that we do because we do not receive a lot of complaints. The number of customer service complaints one gets is a fine benchmark for bad customer service, but it does not give us an idea of how good one's customer service is.

There are a whole lot of people out there who are not going to complain to you if they come into your store and receive bad treatment. They simply will not come back to your store. These "silent complainers" will most likely tell several other people of their poor treatment, as they have friends, and their friends have friends. The reputation of your store's service will spread

quickly. As a 24/7 business, we cannot constantly watch our employees, and good customer service begins with the first contact a customer has with a sales associate. The road to better customer service starts with hiring the best staff, training them, and continuously coaching these employees. That is the key.

As we know, good customer service consists of the following: a warm and sincere greeting on first contact to welcome them to the store; merchandising our

One of the most important things our sales associates can do to successfully satisfy the customer is to help the customer find the product he or she needs. Thus, sales associates need to know the layout of the store. Since we offer different promotions every month (which start and stop on certain dates), it is very important that we make our staff aware of the current promotions and teach them to utilize these to maximize sales and dollar profit. Also, our sales associates' neat and clean appearance is very important.

Personal conversation can also reveal how satisfied customers are with our service. When we are in our stores we should engage customers in conversation about the level of customer service he or she experienced. Finding out what our customers are truly thinking is key to providing the kind of customer service that will

*continued on page 60*

**"Customer complaints are a fine benchmark for bad customer service, but do not give us an idea of how good one's customer service is."**

store with quality products based on what our customers' needs are; providing a clean environment to shop and suggestive selling; providing a proficient way to complete the transaction; and lastly, sincerely and warmly thanking all customers for their business and inviting them to come back.

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OR 253 261 4455.

# What Is Good Customer Service?

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bring them back.

As we have limited payroll dollars to spend, we expect our employees to multitask during their shifts. This may also affect their ability to provide good customer service. For example, if they are assigned to order, stock, and clean on top of keeping the store ready for CSC visits, this could affect the customer service in a negative way. In order for us to best staff our stores and assign the tasks for different shifts, it is very important that we analyze our customer traffic during different parts of the

day, different days of the week, and different days of the month (most of our stores experience higher customer traffic in the beginning of the month compared to the end of the month).

Store environment is as important as greeting the customer on first contact.

**“The road to better customer service starts with hiring the best staff, training them, and continuously coaching these employees.”**

**“Personal conversation can reveal how satisfied customers are and the key to providing the kind of customer service that will bring them back.”**

We as franchisees can train and coach our employees to do their part in providing the best customer service, but when it comes to the physical appearance and shopping environment of the store, franchisees can only do so much. Some things are just out of the franchisee’s control, and are SEI’s responsibility to remedy.

For example if a customer sees the store floor or parking lot in bad condition, or equipment not in good running condition, then the

customer will think that either the storeowner does not care about it, or he is greedy and does not invest any profit back into the business. The customer does not know if a repair is SEI’s responsibility or the franchisee’s responsibility. Therefore, it is very important for SEI to fulfill its obligations as per the agreement. Lots of our fellow franchisees often complain that their work orders for repairs that are SEI’s responsibility are either ignored or closed with a response that there is no budget for these repairs in the current fiscal year.

As the cost of products goes up, we have to offer value to our customers in order to retain

them. The National Coalition and local FOAs should work closely with vendors to provide our customers with competent prices for the products.

The old saying that “The customer is always right” still holds a lot of weight. Another valuable aspect of good customer service is to be willing to accept criticism. Listen to your customer’s feedback, but do not dismiss it just because you may not agree with it. Complaints must be resolved in an efficient and timely matter. Listen to your customers and provide them with what they want—fair prices and a good shopping experience. They will return again and again. ■

## Join The National Coalition Of Associations Of 7-Eleven Franchisees

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# Presidents' Reports

National Coalition FOA presidents and vice presidents gathered October 26 and 27, 2010 for an Affiliate Member Meeting and October 28-30 for the Coalition's Board of Directors Meeting. Topics discussed at the Board meeting included the CDC flat fee, gasoline policy, the cost of goods initiative, maintenance, CEC surveys, Business Transformation, NBLC updates, and Coalition business. SEI's Keith Jones and Joe Albanese presented on legislative issues and maintenance.

## **Ch** 7-Eleven FOAC Joe Rossi, President

Chicagoland Stores Performance Highlights through October 2010: Sales PSD—\$3,295; Sales PSD change versus last

year—\$289; Sales PSD percent versus last year—9.6 percent; Margin—36.1 percent; Margin Change versus last year—0.63 percent (LY 35.5 percent); GP\$ Change versus last year—10.9 percent.

Categories change versus last year (dollars, percent): Foodservice—\$24, 8.4 percent; Vault—\$145, 15.1 percent;



**Southern California FOA President Karam Dhaliwal urged the Coalition to report on the progress of BT to members.**



**Election Committee Chair and Phoenix FOA President Jerry Sahnan oversaw the vice chair elections.**

their seasonal change and have been working on lowering the profile of the store. We just received word that the new download is canceled until 2011.

We will have our first DLC meeting in November for 2011. Our holiday party is November 11. We are looking forward to getting together and having a great time. There will be a mini holiday trade show before the party, and it looks like the event will be a big success.

We have just introduced Lakeview Farms through the CDC, and it looks like these items will be a great addition to our fresh food line. The hot foods program continues to roll out, and we are working on the maintenance agreement for the equipment. We



**Vice Chair Roger St. George reported on renegotiated cigarette contracts and the 1099 rule change.**

Cigarettes—\$104, 11.3 percent; Processed Food—\$19, 6.0 percent.

We have been blessed with great, unseasonably warm weather and it looks like it will continue this month. Our Markets have just completed

hope to have this worked out soon. We also hope to be able to increase margin on this category, which will help grow this line.

We are awaiting the holiday season to see if customers will do more spending. We all hope so.

## **PA** Delaware Valley FOA

M. Al Haffar, President

While sales in our Market were minus 3.4 percent by mid-November, some stores were experiencing up to an 8 percent increase. Our last FOA meeting was very well attended. As a matter of fact, it had the highest attendance

on record. We addressed many local and national matters. The CEO of the Facility Maintenance company, among with other vendors, was present and addressed maintenance issues franchisees are experiencing. Many franchisees are not happy with out-of-contract billing and the process to claim an unjust bill made by the company. The FOA meeting also focused on challenging issues like improving sales, customer counts, promotions and how to deal with the cleanliness program. Some in the room felt that the program is being misused and evaluators need better calibration. Our next meeting will take place on December 13.

## **Ut** Utah FOA Zachary Weatherman, President

We have started to see a slight increase in sales in our area, although franchisee income continues to decline. This is a great concern to many franchisees and is causing some low morale. We will be holding a round table meeting with our market manager and field consultants to discuss how we can help fix the situation. We continue to grow membership in our FOA and are working on a local level with many of our vendors to try and increase our GP as much as possible. We have had some success in doing this. I prefer to see the glass as half full—let's hope the worst is behind us and next year is better than this one.

**“One major priority of the National Coalition has to be helping low volume store owners succeed.”**

—Bruce Maples, *Chairman, National Coalition*

## **RM** Rocky Mountain FOA Wayne Mathews, President

Summer in Colorado by most accounts has been a good one, with many stores showing double-digit growth. RMFOA in conjunction with SEI raised \$71,000 for the MDA during the in-store drive. We are very proud of our



**Chairman Bruce Maples urged the Board to look at tracking important legislation.**

members and the efforts they put into raising money for such a worthy cause.

We are looking toward 2011 and our first trade show tied in with our charity golf event. Thanks to our vendor partners and the MDA staff, the RMFOA raised an additional \$18,000 for MDA at our October event. The 2011 MDA golf event is scheduled for Friday, August 18 at the Broadmoor Hotel in Colorado Springs. We look forward to a full field of golfers and hope to set a new mark in our fundraising for the MDA.

We are currently working with SEI—led by Don Buck, Mar-

ket Manager 1604—on Packages From Home with Frito Lay products. The consumer purchases the nuts or seeds and Frito Lay will send the donation to our troops overseas.

We just completed our second truckload purchase with Sam's Club and Peak Windshield Wash, saving our franchisees 83 cents per bottle and over \$4,100 in costs as we kick off winter.

In our Colorado Springs market we experienced our first challenge with the new 90-day accounting policy, and with the support of the National Coalition we were able to save our franchisees well over \$100,000 in backdated invoices. There are still many questions with respect to the new policy, such as will SEI decide to change the policy to fit their needs and the policy not being equally fair to all franchisees. I just hope all decisions are made thinking of the effect on both sides of the ledger.



**San Diego Vice President Gene Villigrana questioned where costs will rise if CDC flat fees are removed.**

October sales were down by 0.4 percent. Fresh Food sales average is \$210 per day, up 4 percent in food

for the month. Monthly average sales are \$2,998 per day—5.9 percent down compared to last year. Sales trend in July was \$2,990 per day—4.5 percent down compared to last year. Sales trend in August was \$2,960 per day—6 percent down compared to last year. September sales trend was \$3,030 per day—2.7 percent down compared to last year.

Similar to across the country, the CEC is more of a concern to storeowners than taking

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# Presidents' Reports

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care of customers. More than \$13,000 in gasoline fines has been handed out to stores by government agencies in the last 90 days. We have a new market manager, who is working very hard to improve things in Arizona.

## NC Northern California FOA

Jay Brar, President

The weather has been playing hide and seek this year on most of us. A long wait for

**“Using the cleanliness survey as a tool to serve LONs and breaches is not the point of the survey.”**

—Arnie Hauptman, National Coalition General Counsel



Suburban Washington FOA President Elias Waldu reported 100 new stores being opened inside the Washington, D.C. beltway.



Simply Orange's Tony Beneventi announced a new contest if franchisees try Simply Orange SKUs.

hot summery days finally turned out to be worthwhile, as the first real showers of the fall and winter were pushed back toward the last week of November. As a result, area franchisees were able to maintain steady sales.

Franchisees are surely cashing in on their most popular everyday deals, such as “2 for 2 Mix or Match” for the grill items; “2 for \$5.49” for milk gallons; “2 for \$4” on certain energy drinks; and “99 cents” for coffee re-fill or muffin, etc.

The Market has been experiencing a positive sales trend in most categories, while the rest of the nation has just survived a negative campaign approach by the nominees in the November elections. As negativity has no room in our c-store business, only a positive approach will be our ticket to better results.

The area CDC is trying its best to meet its promise to deliver fresh and quality products to the stores. Although the CDC has made quite an improvement in its timely deliveries, some wrinkles still need to be ironed out. Franchisees get frustrated when a proper order is not delivered to a store. In such events, the store suffers a setback in its sales. It is very common for franchisees to find shortages in items delivered, damaged items in the trays, and encounter CDC truck drivers who are not polite, courteous, or supportive.

The Flat Fee rate on CDC deliveries is still an issue in the eyes of franchisees. As the CDC is stretching its wings farther into the neighboring markets, the FOA presidents of these areas could definitely help franchisees by guiding them and getting them actively involved to receive better services.

In a Division Leadership Council meeting held in Seattle on November 17 and 18, a number of topics, issues, and concerns were addressed. This was the first meeting under the leadership of Larry Hughes, new Division Vice President. During the meeting Larry paid full attention to every franchisee and the SEI staff members, listened to attendees' concerns, and handled the meeting gracefully.

The DVP, in this a day and a half meeting, interacted with members invited, and showed a lot concern, support, and promise.

I must mention here that, unlike previous DLC meetings, now there were many franchisees connected to the National Business Leadership Council from this Division attending, as well as other “franchisees selected by



Executive Vice Chair Joe Galea called for regular DLC meetings in every Division as a means to solve problems and raise issues.

the Market.” In other

words, we have now at the Divisional level—as well as at the national level—a company-selected leadership. Well, it all boils down to the conclusion that leadership at any level should not overlook situations where both franchisees and SEI could create mutually profitable goals. Overall, the meeting was very productive, healthy, and optimistic.

After meeting and talking to franchisees from different areas, I was able to gather some observations. Franchisees expect much more from FOAs and the National Coalition. Local franchisees depend in many ways on the local FOA, and the local FOA places high hope on the National Coalition. On the same note, I urge FOA members to participate in their respective FOAs and get involved with real passion. A strong Action Plan and an Aggressive Approach on all concerns and issues is much demanded from our National Executive Body.

On behalf of our FOA, I would like to compliment Bruce and his team for their sincere efforts, extreme hard work, and the necessary steps being taken to resolve issues. Keep up the good work, guys!

continued on page 66



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# Presidents' Reports



**Rocky Mountain FOA President Wayne Matthews** said snuff and cigars drive the new Philip Morris agreement.

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## Ba Baltimore FOA

Linda Haddaway, President  
Susan Copenhaver,  
Vice President

We held a very successful golf tournament along with the Washington, D.C. and Suburban Washington FOAs in September to benefit St Jude's, and raised over \$16,000. Thank you to all involved!!

Baltimore is still struggling with sales and trying to pull out of the recession. October had better than average temperatures, although sales only showed a 3.6 percent increase over last year. However, we were higher than the Division increase of 2.9 percent. We are hopeful for a continued positive trend. Our area is slated to have the new coffee bars installed within the next 3-6 months. Physical plant updates are always welcomed!

Overall morale is poor in our area. Encroachment is a huge issue that is on the minds of many franchisees. Our livelihood is at stake. The Baltimore/Washington area is a proposed huge growth area for the company.

We are seeing inconsistencies in field consultants' approach at the store level. Stores are being threatened with an LON without good cause. Until the wording in the contract is changed from "Independent Contractor/Franchisee" to "Manager" we must continue to exercise our rights and stay strong TOGETHER. United we stand.



**SEI Maintenance VP Joe Albanese** told franchisees not to accept mediocrity and to tell the company loud and clear.

**"Talking about legislation and the customer experience is not addressing the issues most important to franchisees."**

—Jim Nunnally, San Diego FOA



**Texas FOA President Bob Price** commented that the criteria for CEC evaluators seems to change from month to month.

## CP Columbia Pacific FOA

Bill Huffman, President

The Oregon Markets showed an uptick in sales this fall. October ended with sales up about 8 percent. Franchisees are still struggling with the cost of labor. The minimum wage in the State of Oregon will increase on January 1, 2011 to \$8.50 per hour.

An issue that affected stores outside of the Portland Metro area this fall involved a



**Northern California President Jay Brar** commented that franchisees on the new NBLC are not all FOA leaders.

bill-back error on Pepsi BIBs that were purchased from local Pepsi Bottlers. Accounting invoiced the bill-back per gallon, instead of invoicing the bill-back per 5-gallon BIB. After 12 months, Pepsi caught the error and billed SEI \$317,000. This amount was charged back to the stores, with the result that some stores had over \$10,000 charged to the cost of goods in September. After many phone calls to the Store Support Center in Dallas, an existing policy was enforced that limits charges and credits to 90 days. This policy saved our franchisees \$217,000. The Columbia Pacific FOA would like to thank Bruce Maples for his help in resolving this issue.

On November 18, 2010, the Division Leadership Council for the Pacific Northwest Division met for the first time this year. This is a much-needed forum. The Council has members from each Market. Market 2363 will be represented by Baljeet Singh and myself, and Market 2362 will be represented by Harbhajan Ghotra. I applaud Division VP Larry Hughes for reaching out to the franchisee community with this forum.

On Saturday, November 27, at 10:00 pm, franchisees received a call from their field consultant informing them that Four Loko and Joose (energy/malt beverage alcoholic products) needed to be removed from the shelves immediately, as the Oregon Liquor Control Commission had banned sales of these prod-

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# Presidents' Reports

continued from page 66

ucts that afternoon. As of the date of this writing, the distributors that we purchased these products from are forbidden to pick up this product and issue refunds to the stores. This may result in a significant loss to franchisees.

Looking ahead to 2011, one of the challenges we will face is preventing the banning of plastic bags in the State of Oregon. Our Northern Vice President, Ravinder Warish, and I will be leading the opposition to this proposed bill that will be presented to the Oregon Legislature early next year. We are being assisted by the team of lobbyists that work with SEI on legislative matters.



New England FOA President Dennis Lane reported on the FOA's largest meeting ever, with CEO Joe DePinto as guest speaker.

0.10 percent; Non-Alcoholic Beverages, minus 4.85 percent; Alcoholic Beverages minus 3.51 percent; Fresh Foods plus 3.99 percent; Hot Beverages minus 0.46 percent.

Franchisee Net Income before G&A is down 0.3 percent YTD October over YTD October 2009. The division opened 20 new stores YTD as of October—13 traditional franchise stores and 7 BCP stores. Customer count is down and the weather has not been too helpful. Franchisees are struggling. More stores are coming next year.

Regarding BT, it seems SEI has improved on the distribution side, and also on the financial. This is a positive step in the right direction. SEI's BT team provided the following update on the pilot:

- Looking at a comparison between the four BT Markets (2171, 2172, 2174 and 2175) and the three Control Markets (2133, 2136, and 2173), in October BT same store sales were up \$842 per store versus being down (\$760) in the control stores—a difference of over \$1600.

- Average Per Store Month Merchandise Gross Profit was up \$178 in BT stores, while down \$500 in Control Markets. Merchandise GP percent was down in both the Control and BT Markets,

but margin improvements did occur in key consolidated categories (Candy, Frozen Treats, Groceries/Frozen Foods, Non-Foods, Non-Carbs and Soft Drinks) in the month of October.

- Margin declines in categories not affected by Business Transformation also occurred in October. Declines occurred in Beer, Cigarettes, Coffee and Fresh Foods. There are a number of factors causing these declines.

- Labor as a Percent of Sales—As a percent of sales, labor was favorable in BT stores versus Control stores by 0.1 percent. Inventory Turns have increased over last year in the BT stores by 1.2 turns versus 0.42 turns on the Control markets.

- Bottom line: Franchisee Gross Profit Less Labor increased in BT Markets by \$218, while it was down \$79 in the Control stores.



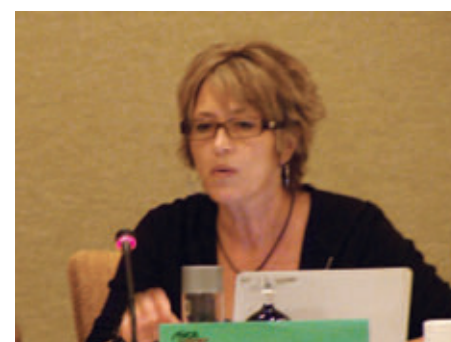
Central California President Sunny Chauhan reported a disparity in cash gas prices of 12-14 cents per gallon.



Advantage Marketing's Greg Vanderlann presented new products for Energizer, Ichill, and Maruchan.



FOA of Greater Los Angeles franchisees reported from the trenches of BT.



Southern Nevada Las Vegas FOA Vice President Iris Yost reported her NBLC committee faulted the new item process.

**“FOA presidents cannot be excluded from the NBLC because we represent franchisees and we are able to address the issues.”**

—Joe Galea, Executive Vice Chair, National Coalition

## CC Central California FOA

Sunny Chauhan, President

The Market is up 4.12 percent through October 25 and our Division is up 5.29 percent for the same period. Our customer counts are up 30 customers per day. We are projected to close October up 3.5 percent.

We are scheduled to get a CDC roll out in the Fresno Market area on November 1. The CDC will also service 20 stores from the Chico area. We had several discussions on the CDC Flat Fee with SEI senior management at the Division level, and also asked for their support on heavy media advertising once the CDC is rolled out. Along the same lines we

have asked to be treated as part of the CDC in the Bay Area as promised before, since we are pulling out of the same CDC as the Bay Area stores and should not be treated as a separate CDC. Division has considered looking into our requests and has promised to get back to us by early January 2011.

The latest pricing strategy adopted by our Gasoline Department has been of great concern to the customers. The Gasoline Department in the past priced us at approximately 5 cents above the cash price and approximately 5 to 8 cents below credit pricing, bearing into consideration the cost and CPG, volume output, and so forth. However, the recent strategy of pricing 2 cents below the competitor's credit card price and in many cases 2 to 4 cents above the competitor's credit card price

has infuriated many of our customers, as it creates a big gap between our competitor's cash price and ours. In some cases a disparity of 12 to 14 cents. The Gasoline Department needs to revisit this because it is also creating a negative effect on in-store merchandise sales. Our holiday party is scheduled for December 3rd.

## LV Southern Nevada/Las Vegas FOA

Jay Singh, President

In Market 1607, sales compared to last year are up 0.90 percent; Fresh Foods to last year is up 1.4 percent. CEC results show 80 percent for most stores, with only three stores below 70 percent. Market 1608 sales compared to last year are down 1 percent; Fresh Foods to last year are up 1.07 percent; Margin to last year is 33.9, down 1.75 per-

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## SC Southern California FOA

Karam Dhaliwal, President

Southwest Division financials YTD October 2010 are as follows: 2010 Sales Increase/Decrease Over 2009—January minus 3.5 percent; February plus 0.1 percent; March minus 0.6 percent; April minus 1.8 percent; May minus 2.9 percent; June plus 1.6 percent; July minus 1.5 percent; August minus 1.3 percent; September minus 0.9 percent; October minus 0.4 percent.

Sales YTD October is down minus 1.8 percent. YTD Margin is at 38.62 percent; YTD down 0.37 percent to last year.

Sales Drivers—Top five categories October YTD (percent Dec YTD): Cigarettes minus

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Chicken & Monterey Jack.....	517623
Buffalo Chicken.....	436063
Beef Taco & Cheese.....	530311
Steak & Jack Cheese.....	312777
Jalapeño & Cream Cheese.....	615302
Spinach & Artichoke.....	753152
Supreme Omelet.....	341859

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# Presidents' Reports

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cent. CEC results show 80 percent for most stores with only 7 stores number of stores below 70 percent.

The Las Vegas area still has about 14 percent unemployment. New construction is at its lowest level in many years, with a very high percentage of home foreclosures; the local economy is still very soft.

Our annual election for half of our Board members was held November 19, 2010. As a result, we have two new board members—Sonia Maxwell and Harji Dhillon—and three returning Board members—Aswin Shah, Harvey Gill and Karan Singh. Our holiday party is scheduled for December 10, 2010. Happy Holidays and Happy New Year to all.

## DC Washington, D.C. FOA

Mark Chiochankitmun, President

Our second TriState FOSE St. Jude Children's Hospital Charity Golf Tournament with

charity organization. Our TriState FOSE Vendor Appreciation Dinner is on December 2, 2010 at 6pm.

SEI is very actively growing stores in the Washington, D.C. area, from traditional 7-Eleven stores to BCPs, acquisitions and re-branded Exxon stores.

Washington, D.C. has been identified as a dense population area for new stores and our half-mile policy is said to be excluded by William Engen, the Chesapeake Division vice president. (We disagreed, downtown yes, but uptown no).

SEI is planning to spend a lot of money on AQIP, the new coffee program, and to drive standardization on the national layout in the D.C. area.

Franchisees in our area are very concerned about the encroachment issue, and the lack of communication and franchisee involvement on major

**“The biggest challenge c-stores face legislatively is budget deficits in state and local governments.”**

—Keith Jones, Government Affairs, 7-Eleven, Inc.



NCASEF General Counsel Arnie Hauptman urged franchisees who receive breaches as a result of cleanliness to respond with a letter.

**“The National Coalition should be a guiding force in keeping pressure on SEI to make Business Transformation work.”**

—Karam Dhaliwal, President, Southern California FOA

the Baltimore FOA and Suburban Washington FOA was a very successfully event. Franchisees, our vendor partners and SEI management all had a lot of fun. The event provided a great opportunity for us to get to know our business partners better again while generating lots of money for this great

store changes. Most importantly, franchisee morale is at an all-time low. Many of us feel like employees of SEI instead of independent storeowners (like soldiers being neglected on the front line). Washington, D.C. sales were up over 7 percent, with 41 percent average GP in October.

## LI United Franchise Owners Of Long Island

Tariq Khan, President

Financials for the Long Island, New York region of the Northeast Division are as follows: Northeast Division up 3.5 percent; Nassau County—4.6 percent up; Suffolk County—2.5 percent up; Queens, NYC—7.0 percent up.

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FOA of Greater Los Angeles President Diana York said it was clear there is no room on DLC meeting agendas for other issues.



Joe Saraceno FOA President Matt Mattu said the franchisees and corporate must maintain healthy relationships to succeed.



NCASEF Treasurer Anas Abboud reported the Coalition is in good financial shape.

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UIN Grocery	UPC (Package) Mfg - Retail Pack	Description	Pack	Size	Unit Cost	SRP	Penny Profit
	61706-12184	Double S Dip - Black Bean	6	15 oz	\$2.08	\$3.49	\$1.41
	61706-12185	Double S Dip - French Onion	6	15 oz	\$2.08	\$3.49	\$1.41
	61706-12186	Double S Dip - Salsa Con Queso	6	15 oz	\$2.08	\$3.49	\$1.41
	61706-12187	Double S Dip - Stadium Style Cheddar	6	15 oz	\$2.08	\$3.49	\$1.41
	61706-12188	Double S Dip - Mixed Counter Display [3 jars of each flavor]	12	Display	\$2.08	\$3.49	\$1.41
	6170612190	Double S Dip - Empty Wire Rack	1	Empty	\$0.00	\$0.00	N/A

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\* U.S.C-Store Data — SS Dips/SCQ, 52 weeks ending 4/18/10

# Presidents' Reports

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In September the Division was up 4.3 percent; Nassau County up 5.2 percent; Suffolk County up 2.7 percent; Queens, NYC up 7.4 percent. In GP\$/Percent: Nassau County—\$2,422/36.5 percent; Suffolk County—\$2,423/37.5 percent; Queens, NYC—\$2,421/37.0 percent.

We will be holding elections for our Board and officers on November 30. Our Holiday Party will be held on December 2. Our annual trade show is scheduled for April 5, 2011 at the Borgata Hotel in Atlantic City, NJ.

Right now a lot of the Long Island stores are getting AQIP with the new coffee bar and the upgraded brewers. It looks wonderful, but a number of these stores have seen their coffee sales drop, and several customers have commented that they don't like the new coffee bar.

Although there are many customers who indeed like it, there is a concern in the franchise community whether the new coffee bar will be successful. Franchisees are in favor of any kind of change that upgrades stores and upgrades equipment. However, we are concerned about the potential decline in coffee sales. There is now some reluctance among some franchisees about getting the new coffee bar because of this.

When we spoke to local SEI management about this situation, they said coffee sales were already declining in most of our stores—unit movement is down anywhere from 50 to 60 cups per day compared to last year, which was also down the same amount of cups. When you get new equipment you expect to get a bump in sales, but 7-Eleven's point of view is that Starbucks and all the other coffee houses have this equipment, so we need to get on the same boat.

Sales have been soft, partly because of the cigarette tax increase passed in New York. As I mentioned in my previous president's report, some stores have had cigarette sales drop by 30 packs per day—some less, some more. This is a big concern for us because we are also losing customers because of it.

SEI is growing the number of stores on Long Island very aggressively. Twenty-five new stores opened at the beginning of the

year, and another few stores may open before the year is out. It's good that the company is growing, but many franchisees are concerned that SEI is saturating the market, which impacts us as individual storeowners.

We are still waiting for a decision to be made on our litigation on the cigarette license fee. We are also part of a lawsuit filed against

ing the store is given a \$300 fine. It seems that every time we turn around, the state or county is penalizing the storeowner for something.

Franchisees and their employees are very concerned about the new pay card/paycheck issue, and we have voiced our opinion to corporate.



**National Coalition Vice Chair Jay Singh criticized Store Asset Protection systems as virtually useless.**

**“Some members of the NBLC pose a concern, because they are not as informed as FOA presidents.”**

—Matt Mattu, President,  
Joe Saraceno FOA

the state because New York City wants us to put graphic pictures of the effects of smoking in our stores. With the help of Philip Morris and other tobacco manufacturers, we decided to support the litigation against the State of New York on this issue.

Another issue we are dealing with is the Agriculture Department going after stores very aggressively, issuing violations with a \$600 penalty for something as simple as not keeping the cream cheese used for bagels in a refrigerated area. No warning, they just give you the fine. Also, Nassau County officials are going around to see if stores that have a refund policy post the policy sign where it is visible to the customer. If the refund policy sign isn't properly posted, instead of a warn-

## CV Central Valley FOA

Sukhi Sandhu,  
Vice President

It's hard to believe another year is almost gone! This is the time of year for holiday parties, friends and family. This year our FOA Christmas party will be held in Modesto, CA, and it always proves to be a jolly evening. Franchisees, vendors and SEI folks put on their Sunday best and shine up their shoes for an exciting evening of good food, great prizes and, of course, spectacular moves on the dance floor.

Some exciting news recently was the expansion of the CDC further down into the Central Valley area, now reaching the Fresno area. Fifty-two stores were added to the Bay Area CDC. While this hopefully will improve our buying power and brand image, change is sometimes difficult to swallow. The markets hosted a kick-off meeting that included the franchisees whose stores were going to be added and also a few franchisees who currently have the CDC to help field questions and give their real world perspective on the program. Franchisees were a bit disappointed as they only received one week of deliveries with no distribution charges compared to what they wanted—several months free until the fresh foods started to boost sales. Initial order quantities came in a bit lower than expected, but with the abnormally cold temperatures and the holidays we expect things to pick up in December.

As we are all still adjusting to the CEC program, it begs the question of what is the company's responsibility in all of these “image” issues that are noted by the CEC surveyors in the stores. Either way, whether a

counter is dirty or worn down due to age, visually we are not sending a “fresh” image to our customers. Our customers do not differentiate between what is the store operator's responsibility or the corporation's responsibility; they just know they are still walking into worn down, tired looking stores. AQIP has come and gone with only pockets of stores being remodeled here and there. If we are going to send a strong consistent message to our customers that 7-Eleven is still their convenience store of choice, then all stores need to receive a remodel package.

We hope everyone has a happy end to 2010 and joins the Central Valley FOA franchisees in welcoming in a profitable 2011!

## Si Sierra FOA

Serge Haitayan, President

The CDC reached Fresno in November of 2010. For years SEI tried to bring the CDC down to Fresno from the Bay Area with no luck. This year they delivered the CDC, along with an average devastating flat fee of \$68 per store. The CDC, 15 years after its conception, is still a very unpopular aspect of our business, despite what SEI claims. There



**Baltimore FOA Vice President Susan Copenhaver cited encroachment as one of the largest issues in the Baltimore area.**

is no need for everyday milk deliveries, no need to take grill items and tobacco out of McLane to be delivered by the CDC. The cost of operating these CDCs is very high, and charging stores flat fees may be illegal. It is high time to rethink this concept and stop the process of shifting labor from vendor DSD to franchisees.

**“We don't want to be the best company at fixing machines; we want to be the best at making them not break.”**

—Joe Albanese, Facilities Maintenance, 7-Eleven, Inc.

Our FOA feels that the CDC came down to Fresno at the wrong time of the year—when sales were declining rapidly—and the flat fee is too high for our volume. We worked very hard to have our stores' flat fee realigned based on volume. Fifteen years ago the CDC was a test, and despite a lack of success, it rolled out across the country. Does that sound like Business Transformation?

Stores are experiencing inventory overages, only to find out that SEI is not recapping EDI invoices that vendors did not transmit on time. Come to find out, SEI has stopped since July of this year checking our Receiving logs and relying only on vendors to transmit their invoices via EDI.

## GB Greater Bay FOA

Baljit Chahal, President

Because the weather has been pretty decent, it has helped sales: Merchandise Sales



**Executive Vice Chair Joe Galea emphasized the importance of DLC meetings in solving local issues for franchisees.**

plus 5 percent; Food Service plus 9 percent; Coffee plus 2 percent; Slurpee minus 3 percent; Snacks plus 6 percent; Cigarettes and Tobacco plus 16 percent; Non-Alcoholic Beverages minus 2 percent; Beer: Super Premium plus 2 percent, Budget plus 40 percent.

Promos include Pepsi 8-Pack Cans 2 for \$4 and Glazed Donut Holes 6 for \$1.19 and

12 for \$1.99 (are very popular with customers). Both have done very well.

Franchisees are unhappy because stores are not getting AQIP. Also, the hot food program is not being rolled out. Our annual Holiday Party is on December 10 at the Newark Hilton in Newark.

## De Denver FOA

Robert Marquez, President

Denver Chapter FOA franchisees met for their first Annual Christmas Gala sponsored by 7-UP/RC Bottling Co, Division of DPSG. The entire group spent an evening enjoying a banquet, socializing, and gambling in Black Hawk at the Isle Capri Hotel. Many thanks to vendors such as 7UP/RC Bottling Co, Division of DPSG, Readdy Ice & Coca-Cola of Colorado for their generous contribution to this eventful and fun overnight gala.

In addition, Colorado franchisees have been busy with many positive functions. 7-



**Smokey Mountain Chew VP Dick Hunsberger presented Straight, a new flavor herbal chew.**

Eleven of Colorado has partnered with Hearts Over America and Frito Lay to support our troops deployed to Afghanistan. The event is driven by customers who are choosing to show their continued support to our troops by purchasing any Frito Lay sunflower seed or nuts at the stores. The event kicked off on

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# Presidents' Reports



Columbia Pacific President Bill Huffman reported successful resolution of a Pepsi invoicing issue on 5 gallon BIBs.



Great Bay FOA Vice President AJ Nijjar said Northern California franchisees were unhappy AQIP has not come to the area.



FOA Chicago President Joe Rossi worked on an extended cleanliness assessment form to add "condition of store."



FOA of Greater Los Angeles Vice President Kevin Nijjar questioned whether BT participants were able to order SSIs.

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November 7 and will run through December 12. After two weeks, 7-Eleven of Colorado has donated \$16,479 in products to our troops. We have seen a tremendous response from our customers in this event, and we are very proud to have partnered with Hearts Over America and Frito Lay.

Also, in September, Colorado stores partnered with a new bakery supplier, Bake Fresh. Since the change, we've seen a 25 percent increase in fresh bakery sales. Based on current trends, improved efficiencies, lower cost and a higher quality product, we predict an estimated \$935,156 increase in gross profit dollars for the franchisees annually. We've been running a "2 for \$1" glazed donut promotion, and stores in Colorado have sold 772,887 glazed donuts since the beginning of September. By the end of December we anticipate to be over one million glazed donuts sold in our 240 CDC stores.

Have a safe and happy Holiday Season!

**"If the CDC flat fee goes away, costs will likely return to cost of goods."**

—Bruce Maples, Chairman, National Coalition

## SW Suburban Washington FOA

Elias Woldu, President

On October 13, 2010 the Chesapeake Division held the first and the last DLC meeting for 2010. The time was limited, but it was a positive step forward to bring the franchise leadership to a round table discussion.

On September 15th, Suburban Washington joined forces with the Baltimore and

Washington, D.C. FOAs, under the umbrella of the TriState FOSE Association to conduct its second annual charity golf tournament benefiting St. Jude Children's Hospital. Ninety-six golfers played the PGA-qualifying course at Little Bennett in Clarksburg, Maryland. The weather was phenomenal, the food



Franchisees in the Board meeting gallery came to listen and observe. All franchisees are invited to attend Board Meetings.

was great, and a good time was had by all as we raised over \$16,000 for the hospital. Our thanks once again go out to our vendor partners, who helped us make this event a success. We also thank our fellow franchisees from the San Francisco/Monterey Bay FOA for joining us for this event.

From the business side, Markets 2541 and 2543 are currently rebounding from a sluggish 2009. In general, food service is up and grill, packaged bakery and fresh bakery are down in the third quarter. However, Market 2543 has led the Chesapeake Division in sales increases over the past five months, with gains of 7.8 percent in June, 8.2 percent in July, 6.3 percent in August, 9.2 percent in September and over 7 percent in October. Gains were achieved in a number of categories, with cigarettes, fresh food and non-alcoholic beverages leading the way.

According to SEI, there are about 100 new stores to be opened inside the Washington, D.C. beltway, and 98 percent of the stores are on the AQIP planning board. Happy holidays to you and your family.

continued on page 76

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0 9 9 0 8 5	90280-15005	W-F Brown Jersey Glove 9 OZ	1	1 PR	\$0.44	\$1.39	\$0.82
0 9 9 4 9 9	90280-15055	W-F Leather Palm Safety Cuff - LG	1	1 PR	\$1.38	\$2.99	\$1.20
3 1 5 2 7 5	90280-15084	W-F Latex Dipped Glove - Blue	1	1 PR	\$1.40	\$3.69	\$1.87
0 9 9 1 9 2	90280-15025	W-F Dotted Canvas	1	1 PR	\$0.56	\$1.59	\$0.86
0 5 1 5 6 5	90280-15027	W-F Disposable Nitrile	1	1 PR	\$0.82	\$2.69	\$1.62
0 3 1 8 2 3	90280-09007	Qual Brit Soft White 57 Watt Bulb	1	2 PK	\$1.03	\$2.89	\$1.69
1 4 1 2 5 9	90280-09016	Qual Brit SF CFL 14 Watt Bulb	1	2 PK	\$3.99	\$8.99	\$4.00
2 3 4 0 2 1	61706-24102	CVP Transparent Tape	1	1	\$0.45	\$1.89	\$1.31

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# Presidents' Reports

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## CN Cal-Neva FOA

Richard Rose, President

Since the last president's report, we had our two major events for the Cal-Neva FOA. The first, held in August, was the Lasagna Feed at the MDA Summer Camp. Franchisees cooked, served and cleaned up for the



Chairman Bruce Maples said franchisees do not have to sign the new tobacco agreement, but there is a lot of money on the table.

campers. The joy we get cannot be measured, and the "thank you" is shown on the faces of the campers.

The second event was the Lou Magnotti Golf Classic benefiting the MDA Summer Camp, Battens Disease, and this year the Girls and Boys Club of Gardnerville. Building on the successes of the previous years, the Golf Classic this year outdid our greatest hopes. Thank you all for the help and support, and for your friendship.

This year three stores have been given back to the corporation. This has caused franchisees to take a hard look at our own operations. Franchisees have been expressing concerns about going into the winter with lack of equity reserves.

This year started with the promise of our stores being remodeled. However, shortly after getting the news we were told that all remodels have been put on hold. The Cal-Neva franchisees have stood up for 7-Eleven and have met every challenge—including

## "The new, simplified SSI process cuts down the number of fields from 29 to 9."

—Jivtesh Gill, Vice Chair, National Coalition

making a CDC work, which Joe DePinto thought could not be done. Now the franchisees of Northern Nevada and Lake Tahoe are asking again, "When it is going to be our turn?" I am proud of what we have done in this area, but when is enough, enough? SEI, we need help—our stores are old and not well maintained. The customer experience is at the curb and our stores are in need of paint. One option would be that we make the Reno-Tahoe area a test market/study area. Our media is within this basin, we have very little overflow from other metropolitan areas, and our franchisees have supported SEI and know how to make programs work.

The franchisees have been fighting the economy in Northern Nevada, where the unemployment rate has led the nation. Our sales are up 1.28 percent and are close to 2008's third quarter sales. Year-to-date sales are down 0.55 percent. Our Gross Profit Dollar is flat for the third quarter and year-to-date GP\$ is down 1.08 percent.

## NE New England FOA

Dennis Lane, President

The New England markets continue to show some of the strongest results in the country. As we move into winter almost all of the approximately sixty White Hen stores have been converted, or will be by the end of the year. The New England FOA continues to welcome these new 7-Eleven franchisees into the system.

## "Scanning is faster, cheaper and more accurate, with more benefits than drawbacks."

—Dennis Lane, President, New England FOA

On November 11 the New England FOA had the biggest meeting in our history. Franchisees from all over New England came to hear SEI President and CEO Joe DePinto, Senior VP Merchandising and Logistics Jesus Delgado-Jenkins and Senior VP Government Affairs Keith Jones address the group. Jeff Schenck, Senior VP National Franchise, Northeast Division VP Bob Cozens, Northeast Division Sales Manager Tom Marino, and all New England Market Managers also attended.

Carrie Niggli from Coca-Cola Refreshment, Mark Gramlich from Kellogg's, Paul Shayne from White Wave Foods and Tina Crisfulli from Relax-Zen also presented at our meeting. Peter Doyle from Mother Parkers, as always, came to support our meeting and discussed one of our most important categories with the group.

Elections were held and all officers were reelected—Dennis Lane, President; Mark Guest, Senior VP/Secretary/Treasurer; Steve Jones, Senior VP Maine; Kurshid Siddiq, Senior VP Rhode Island.

This meeting was a great way to end 2010 and open communications with franchisees and SEI as we move into 2011.

## SL St. Louis FOA

Mike Foster, President

October was a surprisingly strong month for sales as the weather was unusually warm and dry. October of last year we had 23 days of rain. Sales finished up nearly 7 percent. November reverted to form with sales flat. Missouri now has the lowest tobacco taxes in the country (\$0.17 per pack) and the legislature is on record as being opposed to any and all tax increases. While this drives sales volume—especially for stores close to the Illinois or Kansas borders—the effect on gross profit margin is not good. All but one Missouri store sells beer, and some even have wine and liquor. We are slated to get a new market manager after the first of the year. We are



UFOLI President Tariq Khan wants regular quarterly meetings with the Division.



Dr Pepper Snapple's Chris Perry described a new 7UP Dr Pepper Snapple Giveaway of three Harley Davidson motorcycles.



Acosta's Beth Goldsmith presented Burt's Beeswax Pomegranate #7 Lip Balm plus the Mike & Ike's line.



San Diego President Jim Nunnally questioned why AQIP is on hold and why the PLC was discontinued.

planning a general membership meeting right after the New Year.

## NW Pacific Northwest FOA

Maninder Walia, President

Financials for our area YTD, up to month ending October 30, 2010, are as follows: Sales up 1.2 percent; Gross Profit down 2.1 percent; Gasoline Income down 69 percent; Gross Income up 0.3 percent; Net Income Before G&A up 3.8 percent; Net Income up 0.75 percent; Food Service Category is up by \$60 PSD; Fresh Food Sales are up \$15.

Our first DLC meeting was held at the Division office in Kent, WA on November 18. It was chaired by Larry Hughes, Pacific Northwest Division VP, and was attended by FOA presidents from throughout the Division, as well as franchisee members of the DLC. Larry Hughes talked about growth in our Division in the last four months despite the tough economic circumstances, and emphasized the importance of customer service in growing our business. He also said 2011 is going to be the Year of the Customer. Allen Grant spoke about areas of growth in Food Service sales, and said we need to achieve the goal of \$711 PSD in Food Service.

Market Manager Jeff Mason (Market 2361) gave a presentation about how a clear inside view of the store helps increase the confidence of female customers shopping at our stores, which will eventually increase our overall sales.

Other issues that were discussed included:

- Independent Contractor status of franchisees—field consultants and market managers should not order any product in the store without franchisee's consent.
- Electronic Payroll, Money Network cards being sent to all employees who didn't sign up for Direct Deposit.
- New printer/scanners being installed in stores, eliminating the need to mail in Receiving Logs everyday.
- LONs being issued within 24 hours for Low Net Worth; Corporate should take a compassionate view and give the franchisee at least 72 hours to take care of it.

## "The 1099 rule change, for vendors over \$600, as part of the healthcare bill, is bad for business."

—Anas Abboud, Treasurer, National Coalition

- Gas island maintenance should be the responsibility of corporate.
- CEC inspections not being evaluated consistently; franchisees understand the importance of clean stores, but CEC inspectors should look at the store from customer's view rather than going into minute details.
- CDC delivery fee should not be charged to the stores.
- More local/national advertising to increase customer counts in the stores.
- Julie Daughtery talked about the inventory overages/shortages process and how it is going to change in January 2011, when inventory overages/shortages will be booked in the same month.

The meeting ended on a positive note, with Larry Hughes assuring all those present that he will take the issues discussed at the meeting to 7-Eleven corporate and try to resolve them.

Elections for the Board of Directors of the Pacific Northwest FOA were held for the first time on June 30, 2010, and 9 directors were elected to represent the FOA. The officers of the Board are Maninder Walia—President, Navdeep Gill—Vice President, Davinder Dhani—Treasurer, and Mike Tala-joor—Secretary.

The Pacific Northwest FOA Monthly Dinner Meeting was held on November 18 at the Embassy Suites in Tukwila. Franchisees present at the meeting shared their concerns about declining GP percent in our Seattle markets compared to markets in Northern California. 7-Eleven corporate is not responding to issues relating to improvements in stores. Inconsistent grading by CEC inspectors has become a big headache for all the franchisees.

Our FOA Holiday Party sponsored by Monster Energy will be held at the Hilton Seattle Airport on December 17, 2010. Our

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# Presidents' Reports

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second annual trade show is being planned for the last week of March 2011.

## NJ Metro New Jersey FOA

Karamjeet Sodhi, President

Sales in our area year-to-date are 4.7 percent, and in new stores sales are up 8.4 percent. GP percent is 35.71 percent. As everyone knows, in the northeast—especially New York and North Jersey—SEI opened about 30 new stores, almost 25 of which are BCPs. With this, the encroachment complaint is getting bigger from present franchisees. Thanksgiving was very slow. Our first Metro New Jersey FOA Trade Show was held in November at the Tropicana Hotel in Atlantic City. It was a great success. Our Holiday Party is on December 10 and we expect about 450 attendees.



Sixty-eight Board members and 20 local California franchisees attended the meeting in Dana Point.

sion-proof business."

I believe every franchisee supports and embraces the 7-Eleven system, and clearly wants to help the system to succeed. It is crucial for a successful franchise system to have the franchisor and the franchisees obtain and sustain a healthy relationship because that surely reflects on the customer. Presently, franchisee morale is down and we are uncertain about the future, especially in regard to how new agreements will affect them. The last couple of years have been tough on the franchisee's bottom line, and it



UFOLI Vice President Phil Castaldo questioned why Long Island stores were not getting a lift from the new coffee program.

the solutions for better negotiations and fair agreements.

That reminds me of a chat with former FOA President Joe Saraceno when I asked him about his best speech and he said, "Matt, it was only eight words long. I was sitting with John Thomson in Hawaii as National Chairman and after Dick finished his speech, I went to the podium and said, 'Dick, we need an agreement we can live with.' And boy oh boy, the place blew away with a standing ovation!"

We are in dire need of those moments where we can sit together with 7-Eleven and negotiate our new agreements. We must become an integral part of the strategic management

of 7-Eleven, which must entail specifying the company's mission, vision and objectives so we can obtain a mutual and respectable relationship that will positively reflect our future growth. We must have an annual National

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## JS Joe Saraceno FOA

Matt Mattu, President

The Joe Saraceno FOA would like to wish a Merry Christmas and a Happy New Year to all 7-Eleven franchisees throughout the nation, as well as their friends and families. We will be having our Holiday Party on December 15, 2010.

As we are all well aware, the economic conditions of the double dip recession have affected all businesses. It is a fact that our hard work, adoption of aggressive selling concepts, commitment to exceptional customer service, true leadership, and of course, a legendary brand name have kept us in a positive cash flow. I have heard customers comment to me that "7-Eleven is a reces-

seems to be continuing in the same direction.

Let us turn a new chapter in 20-"Eleven" and enter the Winning Circle by making the New Year prosperous for the franchisees and 7-Eleven, Inc. Let us learn from yesterday and hope for a better tomorrow. Let us build together with all the wisdom and expertise that experience can instill in us, and share our knowledge. Let us be part of



Virginia FOA President Waqar Sheikh said the CEC surveys are hurting franchisee morale in Virginia.

**"Doing gas surveys for 1.5 cents profit is counter-productive."**

—Overheard at the Board Meeting

# A full line of trash bags exclusively designed for 7-Eleven Franchisees

## Clear color bags

Large 2 ft COFFEE BAR liner Bags per roll: 225



SLIN: 530340  
UIN: 482620

42x34, 40-gal

## Black color bags

KING KAN "Square" outside Bags per roll: 100



SLIN: 530471  
UIN: 482331

50.5x46, 50-gal

Small 1 ft BEVERAGE BAR liner Bags per roll: 300



SLIN: 530207  
UIN: 482414

32x34, 30-gal

65-gallon can Bags per roll: 75



SLIN: 530173  
UIN: 048231

52x49, 65-gal

COFFEE BAR & ROUND OUTSIDE Bags per roll: 110



Northeast area

SLIN: 530072  
UIN: 018853

30x46, 32-gal

ROUND OUTSIDE Bags per roll: 125



SLIN: 530044  
UIN: 482380

37x46, 44-gal

CASH REGISTER & RESTROOM AREA Bags per roll: 225



SLIN: 530472  
UIN: 482497

32x46, 32-gal



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# Presidents' Reports

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Forum for open discussions that will benefit both sides.

I would like to share a little study conducted by U.S. News and World Report. As we all know, our sales reflect two major factors: Weather, which is "not" in our hands; and Customer Service, which is "totally" in our hands. Here are few statistics from the U.S. News study:

- The average American business loses 15 percent of its customers each year.
- 68 percent of customers who stop buying from one business and go to another do so because of poor or indifferent service.
- 14 percent leave because of an unsatisfactorily resolved dispute or complaint.
- 9 percent leave because of price.
- 5 percent go elsewhere based on a recommendation.

## "Getting new items into the system was the focus of our NBLC committee meeting."

—Iris Yost, Southern Nevada Las Vegas FOA

- 1 percent die.
- 82 percent go somewhere else because of a customer service issue.

The Harvard Business Review says you can increase your bottom line profit by 25 percent to 95 percent if you prevent 5 percent of your customers from leaving. Well, it's something to consider very seriously with new competition popping up on every corner, including other 7-Eleven stores. So let's put a smile on our customers' faces when they leave our stores!



Delaware Valley FOA President AI Haffar said the new update will delete only items not purchased in the last 45 days.

My best wishes to all for a prosperous 2011.

## Va Virginia FOA

Waqar Sheikh, President

The cleanliness program is a big concern in the Chesapeake area. Everyone agrees that our stores must be neat and clean, and our employees must be neat and well groomed because that's the first thing customers notice when they enter any business, whether it's a 7-Eleven, Walmart, or any grocery store. However, it seems the full responsibility to maintain store cleanliness falls entirely on the franchisee when SEI should share in 50 percent of that responsibility. Franchisees are invested in the cleanliness program. Some even have an extra employee

who does all the cleaning, which takes extra money to set aside. When I asked SEI how much of a budget they have so they can fulfill their part of the cleanliness program, they said they have not set aside anything for that.

There's no arguing that the customer experience breaks down if the store is filthy and unkept, with merchandise blocking the floor. But the customer experience also breaks down if there are potholes in the parking lot, the parking lot area is not well lit, the parking



Tucson FOA Vice President Paul Miller said more than \$13,000 in gasoline fines had been handed out by local government.

## "We have some problems with service providers, and with accounting, which is causing us to look for better companies in some areas."

—John Pavia, Executive Vice President, FM

lines are faded, the CDC baskets are stacked in a big pile outside the store, equipment inside the store is old and looks bad, or the store interior is in desperate need of a fresh paint job. All of these are SEI's responsibility to fix.

Customers feel unsafe if there are not enough lights outside the store. Our competitors—whether it is Wawa, Sheets, Exxon, or Shell—have huge lights outside their new stores. We are now using moonlights outside our stores, which are dimmer than the lights we used before. The gas stores have to ask many times to get power washes done, otherwise it is not done for years. This is all SEI's responsibility.

In the last report I saw for the Chesapeake Division, 100 percent of the stores passed the 70 percent minimum required for the CEC program, so franchisees are doing their part to keep their stores clean. But again, when you remind SEI of their responsibility, they say they don't have the budget for it.

We have a Holiday Party during the third week of December, and with the money made from our trade show I am sending each of the Virginia FOA members a custom made gift from the online 7-Eleven store. ■



San Diego Board member Dave Hendricks urged the Coalition Board to investigate the contribution of BT to distribution.

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(for a detailed description of these products look in this issues "Vendor Focus").



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7-11 SLIN# 320790  
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7-11 SLIN# 320761  
MCL UIN# 276477  
Blu Magic BC 2pk Cigarillos



### 2XXL Cigar Wraps

7-11 SLIN# 321197  
MCL UIN# 376178  
Purple Grape 2XXL Cigar Wrap



7-11 SLIN# 321198  
MCL UIN# 376285  
Krush 2XXL Cigar Wrap



7-11 SLIN# 320222  
MCL UIN# 376186  
Wet Mango 2XXL Cigar Wrap



### EZ Roll Flav-R-Less

7-11 SLIN# 321185  
MCL UIN# 353789  
Flav-R-Less EZ Roll Single

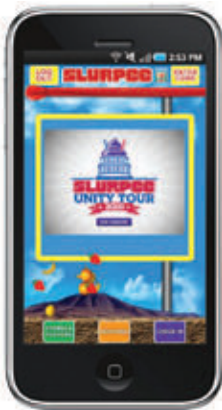




# SEI News

## Slurpee Goes Mobile

SEI announced that its famous frozen, carbonated Slurpee drink now has its own application available for iPhone and Android through iTunes and Android marketplaces. The Slurpee application makes it easy for Slurpee fans to find 7-Eleven stores to get their Slurpee fix on the road or in their own hometown. The App also provides information on the nearest 7-Eleven stores and goes a step further by providing driving directions. Participants can also log which Slurpee flavors they find at each 7-Eleven store for other fans to view through the app. The application further allows fans to enter Slurpee Nation reward codes, browse and purchase items with one touch through the Slurpee Nation rewards program, previously only available to Slurpee-lovers through [www.slurpee.com](http://www.slurpee.com).



## 7-Eleven May Move Into Illinois Highway Oases

The Illinois State Toll Highway Authority said they received a request from ExxonMobil to transfer their lease for gas stations and convenience stores at the seven state tollway oases to 7-Eleven, Inc., reported the *Daily Herald*. Tollway officials are presently reviewing ExxonMobil's proposal. ExxonMobil, which operates both gas stations and On The Run c-stores outside the glass-covered rest stops, has 17 years left on its 25-year lease deal with the Illinois State Toll Highway Authority, but has been trying to get out of the deal

since 2009, according to the article.

In March, tollway officials denied a similar request by ExxonMobil to hand the lease over to Lincolnshire-based Combined Oil Co., saying they were concerned the company didn't have the deep pockets to handle liability issues or any financial stresses, which should not be the case with 7-Eleven. While the shops inside the oases have underperformed traditionally, the gas stations and c-stores managed by ExxonMobil have consistently exceeded revenue expectations.

## A Millennial Vintage

For legal-age millennials wanting to upgrade their wine selection without breaking the bank, 7-Eleven, Inc. is adding Cherrywood Cellars to its best-selling line-up of proprietary wines. The mid-tier-priced wine (\$7.99 - \$8.99 per bottle) is available in three varietals—chardonnay, cabernet sauvignon and merlot. The cost for a bottle of Cherrywood Cellars wine falls between Yosemite Road, the company's first globally sourced product and priced at an entry-level \$3.99 per bottle, and Sonoma Crest, a premium wine comparable to a \$15 bottle, but value-priced at \$9.99.

Millennial-aged consumers, also called echo boomers or Generation Y,

were born between 1975 and 1999. Estimates are that they will soon outnumber once-dominant baby-boomers. According to Wine Business Monthly magazine, wine marketers have primarily focused on the big-spending baby-boomer generation. The latest to come of legal age, millennials already drink more wine than their older Gen X siblings and have played a significant role in the growing popularity of wine-drinking in the U.S., the Wine Market Council reported in a recent study.

SEI said it has had great success with its ventures into the proprietary wine business. Within months after being introduced, Yosemite Road Chardonnay and Cabernet Sauvignon wines rose to No. 1 and 2 in sales at 7-Eleven, ahead of the leading branded reds and whites from well-known wineries. Likewise, 7-Eleven's Sonoma Crest and Thousand Oaks proprietary wines also land among the company's top-sellers.

## Free Slurpees On 'Purple Friday'

SEI celebrated people coming together by offering a free, small Slurpee drink on "Purple Friday"—November 26. 7-Eleven extended the fun of its Slurpee Unity Tour that visited 14 cities before arriving to Washington, D.C. for a Slurpee Summit. On November 26, or "Purple Friday" as 7-Eleven dubbed the day, a free, small Slurpee drink was available at participating 7-Eleven stores upon presentation of an online coupon.

SEI has added Cherrywood Cellars to the proprietary wine offering.



*continued on page 84*

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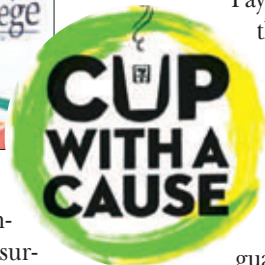
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# SEI News

## Will Ferrell Heats Up 'Coffee Cup With A Cause' Campaign

Actor Will Ferrell is warming up the winter season with his 'Coffee Cup With A Cause' cup as the fifth celebrity-designer in SEI's cause-marketing campaign. Ferrell's frosty 'Coffee Cup With A Cause' will benefit Cancer for College, a California-



based charity providing support and inspiration to cancer survivors through academic scholarships. Fans can come in from the cold at participating 7-Eleven stores across the U.S. to purchase his snowman cup, on sale from November 15 through January 3 or while supplies last. 7-Eleven guarantees a \$250,000 minimum donation to Cancer for College, but the support could increase depending on the number of cups sold.

## New Solution Allows Customers To Pay Online Bills At 7-Eleven

Millions of consumers who depend on or prefer to pay with cash for goods and services like their utilities, loans, or groceries have a new option to go online and pay offline at a local 7-Eleven. The PaymentVision and PayNearMe solution available in 6,000 7-Eleven stores provides consumers with a method of payment that

is simpler to use and often far less expensive than current payment alternatives, such as pre-paid debit cards, walk-up bill pay or money orders sent by mail.

In the past, online cash payment initiatives have largely faltered due to the challenge of collecting on a promise to pay. With PaymentVision's universal ACH (electronic checks) and credit card gateway incorporating PayNearMe's cash-payment technology and the ubiquity of 7-Eleven's nationwide, billers, financial institutions, commercial customers and municipalities can now better accommodate cash consumers. Clients are notified in real-time as their respective customers pay at 7-Eleven, and all cash payments are guaranteed good funds, eliminating any risk of fraud or charge-backs.

Clients are notified in real-time when customers pay using PayNearMe.

## 7-Eleven Vcom Kiosks To Feature Ads

Approximately 2,200 Vcom financial kiosks located in 7-Eleven stores in the U.S. will soon feature third party ads as a result of a deal inked between Cardtronics, Inc. and i-design, the United Kingdom-based provider of the atmAd marketing platform for self-service devices. i-design will sell ATM advertising space to third-party brands on behalf of Cardtronics, allowing these advertisers to place their messages on Cardtronics' ATMs and Vcom kiosks equipped with i-design's atmAd software in the United States. The delivery of advertisers will be managed by i-design's well-established, full-service media sales operation, which works with an extensive list of global, blue-chip advertisers. ■

## Bits&Pieces...continued from page 56

sion of the chain's 99-cent menu and will serve as a launching pad for a long-term campaign to attract more Hispanic consumers. • **Lance, Inc. and Snyder's of Hanover recently announced the completion of their merger**, first announced July 22. The transaction brings together Snyder's, a global leader in pretzels and a U.S. leader in specialty snacks with Lance, a U.S. snack food leader in sandwich crackers, potato chips, and cookies. • **McDonald's plans to raise menu prices in 2011** to counter higher costs, reported the *Wall Street Journal*. The fast food chain has not raised prices in more than a year and has been thriving on its lower prices. • **Capital Petroleum Group LLC recently closed on the purchase of 72 ExxonMobil locations** in the New York City metropolitan area. The deal is part of ExxonMobil's efforts to divest itself of its company-owned and operated stores. • **The American Dietetic Association and ConAgra Foods recently announced the renewal of the national program for Home Food Safety**, educating consumers about the serious health issue of food borne illness in the home. • **Despite lower cigarette volumes, both Altria Group Inc. and Reynolds American Inc. reported increased earnings** in their third-quarter financials, reported *CSP Daily News*. Altria's net earnings increased 28.2 percent versus the prior-year period, while Reynolds American reported profits rose to \$381 million from \$362 million a year earlier. • **Rumors abound that Utah lawmakers are considering a beer tax hike** to generate revenue for state counties, reported the *Deseret News*. ■

# Build Profits Stocking Hot NEW ConAgra Products!



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Now Get Andy Capp's 3-Ounce in Barbeque!

Available through McLane January 27, 2011



New Slim Jim "Zesty Garlic" MONSTER

No.1 Large Stick based on Meat Sticks Sales Share\*



New Slim Jim "Jamaican Style Jerk" GIANT

Unique Sweet and Spicy Stick has a True Caribbean Flavor and Feel

Available through McLane January 27, 2011



Zesty Garlic MONSTER UIN-287052



Jamaican Style Jerk Giant UIN-287037



Barbeque is the No.2 potato chip flavor

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**23.5oz**

- mike's HARDER GRAPE PUNCH™
- mike's HARDER ORANGE CITRUS PUNCH™



**16oz**

- mike's HARDER limeade™
- mike's HARDER blueberry lemonade™

AVAILABLE NOW:  
(16oz: mike's HARDER lemonade®, mike's HARDER cranberry lemonade®, mike's HARDER black cherry lemonade® and 23.5oz: mike's HARDER FRUIT PUNCH™, mike's HARDER MANGO PUNCH™.)



MIKE'S IS HARD. SO IS PRISON. DON'T DRIVE DRUNK.®

PREMIUM MALT BEVERAGE ©2011 Mike's Hard Lemonade Co., Seattle, WA, www.mikeshard.com.™ is a registered trademark of Mike's Hard Lemonade Co. Sources: \*IRI DATA, Custom Convenience, last 52 weeks ending November 28, 2010

# VENDOR FOCUS

## DR PEPPER'S PROMO EXTENDED TO FEBRUARY

The Dr Pepper "Buy 2 Get 1 Free" promotion—which kicked off on November 15 and was slated to end December 31—has been such a hit in 7-Eleven stores, it's been extended to February 14, 2011! The deal, available via Promo Master, includes 20 oz. 7UP, Sunkist, A&W, Canada Dry, Squirt, Schweppes, Hawaiian Punch, Country Time, RC, Big Red, Vernor's and Welch's SKUs. These flavor brands make up 58 percent of CSD unit sales in the c-store channel nationally. In fact, 7UP, Sunkist, A&W, Squirt and Canada Dry are



Boost beverage sales with Dr Pepper's "Buy 2 Get 1 Free" promo.

the #1 flavor brands within the segments they compete.

Get the most out of this promotion by using the Shelf Wobbler to communicate the offer in the vault and having enough backup inventory to



meet demand. For more information, contact Chris Perry at 407-765-1789 or chris.perry@dpsg.com.

## WHEATIES FUEL ENERGY BITES

Riding the wave of energy bar excitement created by the award-winning Wheaties Fuel Energy BARS, the brand-new Wheaties Fuel Energy BITES give consumers a great, portable way to energize throughout the day. Available in chocolate peanut butter and double chocolate, each 2.19-ounce package packs 15 grams of protein and 100 percent of the daily value of five B vitamins per serving. The product has a suggested retail price of \$2.39. Developed to meet the needs of busy convenience store customers, the new energy bites give consumers more options for their daily energy fuel needs. Wheaties FUEL is the highest per-



Wheaties Fuel Energy Bites give consumers a snacking option.

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## HOTTIPS CHARGERS FOR ANY CELL PHONE

Hottips cell phone chargers are highly recognizable products that have won awards for best design and engineering honors at Innovations International CES 2009. The Hottips line offers 99 percent compatibility to all mobile phones on the market today. Great for travelers to recharge their cell phones on the go, and in emergency situations when the customer's phone is dead. Currently, over a thousand 7-Eleven franchisees have brought Hottips into their stores and are enjoying a 53 percent gross profit. Test stores in the Colorado Market sold \$4.07 APSD and profit \$2.16 APSD

selling 0.30 UPSD. Franchise owner Robert Marquez says Hottips has greatly improved his profitability in the Electronics category. Make sure your customer is never caught with a dead phone battery ever again! Hottip chargers are the best replacement for their original charger.



Hottips chargers generate 53 percent gross profit.

## VENDOR FOCUS

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forming new line in recent nutrition bar history. For more information, retailers can contact their General Mills sales representative at 1-800-767-5404.



### BUSCH LIGHT ICE COLD EASY THERMO BOTTLES

Anheuser-Busch introduces new Busch Light Ice Cold Easy Thermo Bottles with cold indicator labels, which are sure to excite consumers and retailers. The light, balanced flavor, smooth and easy-drinking beer features a thermometer on the label that turns

**New Busch Light Ice Cold Easy Thermo Bottles let consumers know when the beer is properly chilled.**

blue once the beer has been chilled to perfection.

### BETTY CROCKER ADDS A SWEET TREAT FOR THE SNACK AISLE

Stores looking for a way to raise the bar in the cookie section have a sweet new option with Betty Crocker Sweet Rewards bars. The latest product innovation from General Mills Convenience, Betty Crocker Sweet Rewards bars are the first ready-to-eat treat from



**Enjoy sweet sales with new Betty Crocker Sweet Rewards bars.**

Betty Crocker and make a delicious addition to any cookie aisle. Designed to make life sweeter for people on-the-go, the 1.95-ounce bars have a suggested retail price of \$1.39. The Sweet Rewards bars come in two flavors: Turtle, with cookie, caramel, chocolate and nuts, and 7-Layer, with graham cracker, chocolate, caramel, nuts and coconut. In a recent General Mills brand study, 97 percent of customers report familiarity with the Betty Crocker brand. For more information, convenience store retailers can contact their General Mills sales representative at 1-800-767-5404.

### SMOKEY MOUNTAIN CHEW NEW STRAIGHT FLAVOR

Smokey Mountain Chew, Inc. recently announced the introduction and shipping of Straight—a new flavor in its tobacco free snuff line.



**New Straight flavor developed with customer input.**

Smokey Mountain is considered an adult alternative to moist smokeless tobacco products. The new Straight flavor will add to the Smokey Mountain line of Tobacco-Free Snuff and Pouches. Smokey Mountain Snuff Straight was developed as a direct result of feedback from the company's distributor and

retail customers, as well as consumers. Straight flavor is the fourth largest flavor niche following Wintergreen, Regular, Mint and is described as a more mellow tobacco flavor with a touch of sweetness.

Smokey Mountain Snuff features all-natural herbal ingredients, are FDA approved, have no state or federal FET taxes, have a 12-month shelf life and user-friendly "best used by date" coding, and are 100 percent sales guaranteed. Order through McLane or call Smokey Mountain directly at 1-877-SMOKEY-2 or [www.smokeysnuff.com](http://www.smokeysnuff.com).

### SUPER FRUIT DIETARY SUPPLEMENT LICHI

Natural health and wellness company Bainbridge & Knight Laboratories recently launched Lichi, a new herbal dietary supplement fueled by the exotic "super fruit" lychee, which is chole-



**Lichi is being heavily promoted to drive customers to its retail partners.**

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## DEAN FOODS to come Monday

### COFFEEHOUSE INSPIRATION CREAMERS OFFER RICH FLAVOR

International Delight CoffeeHouse Inspiration creamers, the newest concept in coffee creaming from WhiteWave Foods, gives the convenience-store coffee consumer an authentic coffeehouse experience. The new line comes in two flavors: Caramel Macchiato, featuring bold caramel flavor with notes of sweet cream, and White Chocolate Mocha, which contains rich white chocolate in a creamy blend. The creamers are packaged in convenient, consumer-preferred portion control cups.



**Attract more coffee drinkers with International Delight CoffeeHouse Inspiration creamers.**

## VENDOR FOCUS

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terol-free and packed with vitamin C and important minerals like copper, phosphorous and potassium. Naturally formulated to help reduce body fat, increase energy and boost metabolism, Lichi maximizes the impact of sensible nutrition and exercise regime, promoting safely accelerated weight loss, while also increasing energy and a general sense of well-being.

Lichi comes in bold, eye-catching packages that contain 90 softgels, with a suggested retail price of \$29.99. Franchisees can place orders through Mark Horowitz at Bainbridge & Knight Laboratories at 646-658-7521 or by e-mail at mark@bainbridgeandknight.com.



### MATADOR BEEF JERKY 'STICKS IT' TO THE CUSTOMER

Matador Beef Jerky continues to grow its presence in the snack aisle with its fun and edgy "Stick It" retail campaign. Since its inception, consumers have proclaimed that the brand absolutely "nailed it" with the bold flavor, snappy texture and spicy taste of its Matador snack sticks.

Now, with momentum and awareness continuing to build, Matador has launched a new campaign inviting even more meat stick lovers to experience the bold and spicy flavor of

Matador snack sticks for themselves, with the belief that once they try Matador they'll never go back. Matador Snack Sticks are available in Original, Mild and Flamin' Hot, and Matador Beef Jerky is available in Original, Teriyaki, Sizzling Sweet and Smokin' BBQ flavors.

### DETOUR PROTEIN BARS ENDORSED BY STAR PRO FOOTBALL PLAYERS

Nutrition bar company Forward Foods, LLC, announced that professional football players from the New York Giants, Pittsburgh Steelers, Denver Broncos and Jacksonville Jaguars have endorsed the company's award-winning Detour protein bars.



Four professional football players team with Detour bar to fuel elite performance.

### SLIDE-TOP BOX FOR SWISHER SWEETS FILTER TIP CIGARS

Swisher International has created an innovative new slide-top package for its Swisher Sweets Filter Tip Cigars. The hard-pack design is intended to provide protection while also offering easy, slide-top access to the filtered cigars. Each pack contains 16 cigars with two 8-cigar individually foil-wrapped sections. This helps ensure that the cigars retain their original freshness and flavor. The new package offers consumers exceptional convenience and product protection. For complete information about the new Slide-Top box, contact your Swisher representative or call 800-874-9720.



Swisher Sweets Filter Tip Cigars in a new slide-top package.

The following four players have all signed multi-season endorsement agreements with Forward Foods:

- **Steve Smith**, Pro Bowl Wide Receiver for the New York Giants
- **LaMarr Woodley**, Pro Bowl Outside Linebacker for the Pittsburgh Steelers
- **Eddie Royal**, Wide Receiver/Punt Returner for the Denver Broncos
- **Mike Thomas**, Wide Receiver/Punt Returner for the Jacksonville Jaguars

As elite competitive athletes who require peak physical performance to succeed, all four players maintain an aggressive, year-round training and nutritional program. Primary among their nutritional needs, and those of athletes everywhere, Detour is a high quality protein source to support muscle development and recovery. Since the introduction of the original bar in October 2002, Detour has grown into a \$50MM

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## VENDOR FOCUS

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retail brand platform and is the leading high protein brand in health and fitness stores.

### GAME CIGARILLO 69¢ FOILFRESH SINGLES

FoilFresh singles from Game Cigarillo are now all pre-priced to the consumer for 69¢. The FoilFresh single is the latest introduction in the popular line of consumer-centric products from the Garcia y Vega Game family. Each cigar prominently displays the hot 69¢ price point and comes in a compact, counter-friendly upright display.

Available for a limited time in three flavors—White Grape (UIN 711929), Green (UIN 239079) and the new Grape flavor (UIN 238964)—this deal offers retailers a product to drive traffic while

consumers get a deal they can't refuse. With a hot price-point and popular flavors like new Grape and award-winning White Grape to choose from, your customers will grab them in bunches.



Game Cigarillo 69¢ FoilFresh Singles offer a hot price point.

### WHITE OWL INTRODUCES FOILFRESH GREEN SWEETS CIGARILLOS

White Owl has combined three consumer favorites to create White Owl FoilFresh Green Sweets Cigarillos. Combining the 100 percent freshness guarantee of its FoilFresh technology, the unique green HTL of its wildly successful White Grape cigars, and the great flavor of its award winning Sweets cigarillo, White Owl has created a Sweets Cigarillo like no other. The Green Sweets Cigarillo will be the 2011 addition to the long list of White Owl innovations.

To make sure that consumers and retailers enjoy this addition to the White Owl Sweets family, White Owl is launching it with an array of aggressive, consumer-focused promotions. From January 3 through March 31, White Owl will make White Owl Green Sweets available in its popular 2/99¢ pouch and 2/99¢ singles. A similar 2/\$1.49 pouch and singles promotion will be available during the same time period for customers in higher tax states. On April 4, White Owl will begin shipping two everyday promotions: 3-for-2 White Owl Green Sweets Cigarillo Pouch, as well as a 60ct Bonus Box.

For more information please contact your Swedish Match representative. Note: UIN numbers will be available from your McLane representative.



White Owl FoilFresh Green Sweets Cigarillos will be supported by aggressive, consumer-focused promotions.

### GOODIES CANDELA CIGARILLOS WITH SEALED-FRESH FOIL WRAPPING

Swisher International has introduced new Candela Cigarillos for their increasingly popular Goodies lineup. The natural leaf Candela wrapper's signature "green" appearance offers consumers a more mild and aromatic smoke, with a slow, smooth burn. Goodies cigars come in a variety of styles, including Natural, Vanilla, Grape, and now Candela. They are individually wrapped in a new, metallic Sealed-Fresh foil, delivering the freshness and flavor your customers seek.

For complete information about Goodies Cigars, contact your Swisher representative or call 800-874-9720.

Goodies Candela Cigarillos in new, metallic Sealed-Fresh foil.



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**PICK UP PERFORMANCE**

ENTER FOR THE CHANCE TO WIN A \$100 SPORTING GOODS GIFT CARD  
TO ENTER, CALL 1-888-476-6997 OR GO TO WWW.PERFORMANCE2011.COM

# CONSUMER SWEEPSTAKES

February 15 - March 31, 2011

This winter, Gatorade® is teaming up with 7-Eleven to give away \$100 sporting goods gift cards to 411 lucky customers.

## HERE'S HOW 7-ELEVEN SHOPPERS CAN ENTER FOR A CHANCE TO WIN:

Phone in: [1-888-476-6997](tel:1-888-476-6997)

Website: [www.performance2011.com](http://www.performance2011.com)

POS kit arrives in-store week of February 14



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# G SERIES®

FUELS ATHLETES BEFORE,  
DURING & AFTER PERFORMANCE



**LANDON DONOVAN**  
U.S. MEN'S NATIONAL TEAM



**01**  
GATORADE  
**PRIME**  
PRE-GAME FUEL



**02**  
GATORADE  
**PERFORM**  
THIRST QUENCHER



**03**  
GATORADE  
**RECOVER**  
POST-GAME  
PROTEIN RECOVERY

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The MET-Rx Big 100 Colossal Chocolate Toasted Almond bar.

## GOING NUTS FOR NEW MET-RX BAR

The MET-Rx Big 100 Colossal Chocolate Toasted Almond bar has the unbelievably great taste and big crunch of whole almonds that should make your customers and your sales go nuts! It's got vitamins, 0g trans fat and 31 grams of the exclusive MET-Rx

Metamysyn protein blend, but it's the big taste and crunch that should win over fans. Stock up, because the new MET-Rx Big 100 Colossal Chocolate Toasted Almond bars are about to toast the competition at SRP \$2.99/bar (UIN 166579). For more information, please call 1-800-327-0908 ext. 1303.

## SIMPLY BEVERAGES DEAL FOR 7-ELEVEN

Simply Beverages, a subsidiary of Coca-Cola, is offering 7-Eleven franchisees a sweet deal on its 13.5 oz. bottles for 2011.

## WRIGLEY UNVEILS NEW PRODUCTS

Wrigley has launched a variety of new products designed to increase confectionary sales.

### Starburst Sweet Fiesta

Beginning in January 2011, Starburst will introduce Sweet Fiesta, a unique assortment of four new juicy flavors—Strawberry Pineapple, Melon Berry, Cherry Mango and Peach Guava. Following the successful Starburst Summer Fun Fruits launch in spring of 2010, this new variety is inspired by authentic Latin American fruit flavors. Starburst Sweet Fiesta variety will be available at retailers nationwide at a suggested retail price of \$0.79 for a 2.07 oz. stick, and \$3.19 for a 14 oz. laydown bag.



### Skittles Blenders

A new bite-sized chewy candy with delicious, unique blended fruit flavors. Each pack of Skittles Blenders contains a rainbow of five new flavors inspired by blended beverages: Watermelon Green Apple Freeze, Strawberry Lime Blast, Melon Berry Burst, Mango Lemonade Blast, and Cherry Tropicolada. Skittles Blenders are available at the suggested retail price of \$.79 for the 2.0 oz. single bag, and a 14 oz. laydown bag for \$3.19.



### Orbit Mist Crisp Mint Waterfall

Enjoy a hydrating sensation with the introduction of Crisp Mint Waterfall, the sixth and newest flavor from Orbit Mist, a premium gum infused with Microbursts technology. Sugar-free Orbit Mist Crisp Mint Waterfall gum offers a unique sweet mint flavor and joins the existing Orbit Mist flavors to "reveal" premium new hydration-themed envelope designs. Orbit Mist Crisp Mint Waterfall gum



has a suggested retail price of \$1.49 (single, 14-tab pack) and \$3.49 (multi-pack with three, 14-tab envelopes).

### Juicy Fruit Juicy Secret

A new fruit flavor for the beloved and iconic Juicy Fruit brand. With over 100 years of brand heritage, this marks the first time Juicy Fruit is sugar-free in its original stick form. Juicy Fruit Juicy Secret gum is available at retailers nationwide for a suggested retail price of \$1.19 for a 15-stick Slim Pack.



### Orbit Strawberry Remix

Like Orbit Tropical Remix, Strawberry Remix 'cleans up dirty mouths' and brings another great-tasting fruit flavor to the Orbit line. The new flavor is available in Orbit gum's new packaging, launched in April 2010, that allows consumers to unwrap and reveal 40 unique patterns featured across the many Orbit gum flavors. Orbit Strawberry Remix is available nationwide for a suggested retail price of



\$1.29 (single 14-tab pack) and \$2.89 (multi-pack, with three 14-tab envelopes).

### 5 Vortex

A sweet and juicy green apple flavor of stimulating 5 gum. This bold new flavor sensation is available in the signature Slim Pack envelope that is thin enough to fit in a pocket or purse. 5 Vortex gum is available for a suggested retail price of \$1.49 and in a multi-pack with three, 15-stick packs for the suggested retail price of \$3.49.



15-stick packs for the suggested retail price of \$3.49.

## MIKE'S HARD LEMONADE UNVEILS 5 NEW BEVERAGES

Introducing the best-tasting high ABV progressive adult beverage in a 23.5 oz can—Mike's Harder Punch! Launched in the fall of 2010 in two 8 percent ABV varieties, Mike's Harder Fruit Punch and Mike's Harder Mango Punch are the hard-hitting flavors your customers will reach for in the cooler door. Mike's Harder Mango Punch offers a tropical flair with hints of mango and pineapple, while Mike's Harder Fruit Punch is a refreshing new take on an old classic.



Mike's Hard Lemonade has a new addition to the booming Mike's Harder Lemonade family—Mike's Harder Black Cherry Lemonade! Available now, this unique flavor offers a deep, bold black cherry taste at 8 percent ABV in a 16oz can. Just one more tasty reason to stock the brand that's up 180 percent in the convenience channel (Source: IRI Data, Last 26 Weeks, Ending July 11, 2010). All three flavors are available now—Lemonade, Cranberry and Black Cherry Lemonade.



New Mike's Harder Punch in a 23.5 oz can and Mike's Harder Black Cherry Lemonade will fly out of your cooler doors.

Both of these high quality products have never contained caffeine and are not affected by the recent FDA ban. Stock your cooler doors with the products that are taking the convenience and liquor channels by storm.

For 16 weeks—one 8 wk TPR each half—the allowance is an additional \$3.99 per case, for a total of \$5.25. With a unit cost of \$0.72 and SRP of \$1.29, this offer generates a 44 percent margin. Items included in the promotion are Simply Orange, Simply



Get 44 percent margin on Simply Beverages juices.

Lemonade, Simply Limeade, Simply Apple, and Simply Lemonade With Raspberry.

Simply Beverages products are successful in every channel, segment and size. They are made with premium, not-from-concentrate juices, offer a fresh-squeezed taste experience, and sport a unique and distinctive carefe that pops on the shelf.

Simply Orange is the only national not-from-concentrate orange juice showing growth 6 years in a row. It is also the highest turning single serve orange juice at 7-Eleven. Simply Lemonade is the #1 chilled lemonade brand and #1 single serve drink at 7-Eleven, while Simply Limeade offers a unique flavor profile. Simply Apple is the #1 chilled apple juice that tastes like biting into a crisp, juicy, perfectly ripe apple. Simply Lemonade With Raspberry is an 11 percent not-from-concentrate juice blend that exceeds orange juice sales in some markets.

## DM IMPORTS OFFERS POPULAR CIGAR WRAPS AND CIGARILLOS



Available now through DM Imports LTD are the best quality cigar wraps and cigarillos by New Image Global, Inc. For over a decade, New Image Global, Inc. has continually been the leading company in cigar wraps with stay fresh packaging, tantalizing flavors, and on-going, customer focused quality control. All products have an 18-month shelf life.



**Ballers Choice Cigarillos**—A perforated cig-

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## VENDOR FOCUS

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arillo that gives the customer an easy draw. It offers the discriminating consumer a sleek, attractive product in an innovative stay fresh re-sealable pouch. Available in several exotic flavors like Wet Mango, Kush, and BluMagic. Ballers Choice has taken the market by storm and is very popular with consumers.

**2XXL Cigar Wraps**—Two times the size, two times the flavor all in one package that will go a long way with the consumer. These cigar wraps come in unique, exotic flavors like Wet Mango, Purple Grape and Krush. 2XXL Cigar Wraps contain two large wraps in each package that can produce four wraps at one small price. Definitely for the consumers who want more for their money.

**EZ Roll Flav-R-Less**—The newest all natural EZ Roll cigar wrap in a stay fresh single unit pouch. It's natural, flavorless, and in demand.

### TRIDENT INTRODUCES NEW TRIDENT VITALITY

Trident sugar free gum recently announced a new addition to the Trident family—Trident Vitality. Offered in three flavors—Vigorate, Rejuve and Awaken—Trident Vitality adds a little piece of delicious well-being to the gum-chewing experience, with Vitamin C, ginseng or white tea infused into each piece.

Trident Vitality is the first gum in the Trident family to incorporate the following unique array of new flavor ingredients:

- **Vigorate:** A burst of citrus and strawberry with Vitamin C. One piece of Trident Vitality Vigorate contains 10 percent of the Daily Value of Vitamin C.



These new products available through DM Imports deliver bottom-line profits and customer satisfaction.



New Trident Vitality flavors contain infusions of Vitamin C, Ginseng and White Tea.

- **Awaken:** A peppy peppermint with a dash of ginseng.
- **Rejuve:** A refreshing blend of luscious mint and white tea.

Trident Vitality incorporates sleek and stylish packaging that features a unique, fun "click" when opened or closed. Additionally, the packaging is a full box with a blister pack inside which conveniently closes to ensure the blister pack does not slip out.

Trident Vitality will be available nationwide in February 2011 for a suggested retail prices of \$1.29 for a single-pack and \$2.89 for a three-pack. The launch of Trident Vitality will coincide with a new integrated national campaign that consists of television, print, in-store marketing, online and viral media, as well as a 20-market sampling tour and strategic national partnerships.

### BE A PART OF THE MET-RX 'SPARTACUS' SWEEPSTAKES

MET-Rx will start the year partnered with STARZ to promote "Spartacus: Gods of the Arena," premiering on January 21, 2011. By April you can join the excitement with the MET-Rx Spartacus Sweepstakes featuring thousands of prizes and a great deal for you. Order the MET-Rx counter display unit full of the company's best sellers and get \$10 off—you will have already won, and you'll give your customers a chance to win, too. Orders must be in by January 21, 2011 for shipments for the April display. ■



Get \$10 off the MET-Rx "Spartacus" Sweepstakes display.

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Get **JACKED UP** or Get Out of the Way!

Buy Two

Get One FREE\*



SLIN 221330  
UIN 113456



SLIN 221329  
UIN 455881



SLIN 221328  
UIN 113142

Buy one 12-pack carton of Jacked Up® Outrajus Orange® and one 12-pack carton of Jacked Up® Gushin Grape® and get one 12-pack carton of Jacked Up® Bangin Berry® FREE!\*

For more information, call 1.888.9.JACKEDUP

www.jackedupenergy.com

\*Promotion dates January 1 - February 28, 2011  
To take advantage of this offer, you must order all 3 skus.

## Franchise Owner's Association Events

Franchisees and vendors are invited to participate in FOA activities.

### FOA Of Greater L.A./ San Diego FOA Annual Trade Show

Pechanga Resort and Casino  
Temecula, California  
January 19, 2011  
Phones: 951-766-7490  
619-291-1809

### UFOLI Annual Trade Show

Borgata Hotel and Casino  
Atlantic City, New Jersey  
April 5, 2011  
Phone: 516-763-4226

### 7-Eleven TriState FOSE Association Annual Trade Show

(Location and date to be announced)  
May 2011  
Phone: 301-572-6811

### San Diego FOA Charity Golf Tournament

(Location and date to be announced)  
May 2011  
Phone: 619-291-1809

### 7-Eleven FOAC 2011 Trade Show

(Location to be announced)  
May 4, 2011  
Phone: 847-971-9457

### So. Nevada/Las Vegas FOA Trade Show

(Location to be announced)  
Las Vegas, Nevada  
May 12, 2011  
Phone: 702-324-0828

### 7-Eleven FOAC Charity Golf Outing

(Location and date to be announced)  
August 2011  
Phone: 847-971-9457

### 7-Eleven TriState FOSE Association Charity Golf Tournament

(Location and date to be announced)  
September 2011  
Phone: 301-572-6811

### So. Nevada/Las Vegas FOA 12th Annual Golf Tournament

(Location to be announced)  
Las Vegas, Nevada  
September 23, 2011  
Phone: 702-324-0828

### So. Nevada/Las Vegas FOA Table Top Trade Show

(Location to be announced)  
Las Vegas, Nevada  
November 11, 2011  
Phone: 702-324-0828

### So. Nevada/Las Vegas FOA Holiday Celebration

(Location to be announced)  
Las Vegas, Nevada  
December 15, 2011  
Phone: 702-324-0828

Want your FOA event listed here?  
Send it to AVANTI at  
[avantimag@verizon.net](mailto:avantimag@verizon.net)  
or call 215 750-0178

### National Coalition Board Meetings

Join the National Coalition Board of Directors at a meeting in your area. Member Franchisees are welcome to attend Board Meetings as observers. Call 520-577-8711 for exact times, meeting location and hotel phone number.

#### National Coalition Affiliate Meeting

Sawgrass Marriott  
Ponte Vedra Beach, Florida  
February 1 & 2, 2011

#### National Coalition Board Of Directors Meeting

Sawgrass Marriott  
Ponte Vedra Beach, Florida  
February 3-5, 2011

#### National Coalition Board Of Directors Meeting

Chicago Marriott Downtown  
Magnificent Mile  
Chicago, Illinois  
May 5-7, 2011

#### National Coalition Board Of Directors Meeting

Paris Resort and Casino  
Las Vegas, Nevada  
July 15-17, 2011

#### National Coalition 2011 Convention And Trade Show

Paris Resort and Casino  
Las Vegas, Nevada  
July 17-21, 2011

## Franchise Owner's Association Regional Board Meeting Dates

The following dates show planned regional FOA meetings. All franchisees and vendors are invited. To attend, please call or e-mail ahead to verify meeting dates, times and locations.

### So. Nevada/Las Vegas FOA

Phone: 702-324-0828

January 6, 2011—Board Meeting  
January 20, 2011—General Meeting  
February 10, 2011—Board Meeting  
February 24, 2011—Meet & Greet  
March 10, 2011—Board Meeting  
March 24, 2011—General Meeting  
April 7, 2011—Board Meeting

April 21, 2011—Meet & Greet  
May 26, 2011—Meet & Greet  
June 9, 2011—Board Meeting  
June 23, 2011—Meet & Greet  
August 11, 2011—Board Meeting  
August 25, 2011—General Meeting  
September 8, 2011—Board Meeting  
October 6, 2011—Board Meeting  
October 20, 2011—Board/Planning Meeting

### 7-Eleven FOAC

Phone: 847-971-9457

January 20, 2011  
February 24, 2011  
March 24, 2011  
April 21, 2011  
May 26, 2011



# 7-Eleven & Wrigley Working Together to Drive Category Growth

## New Innovation from Wrigley!



**Hubba Bubba Max Mystery**  
UIN #208611



**Juicy Fruit Juicy Secret**  
UIN #208702



**Orbit Mist Crisp Mint Waterfall**  
UIN #208868



**5 Vortex**  
UIN #204008



**Orbit Strawberry Remix**  
UIN #208843



**FREE FILLS Available On All Items!**

**Available in January!**

**Altoids Spearmint**  
UIN #903880



**Skittles Blenders**  
UIN #208975



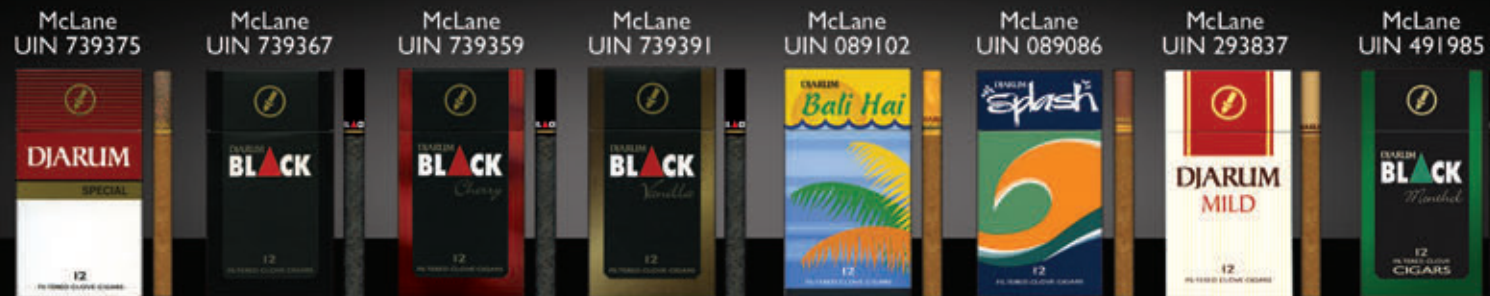
**Starburst Sweet Fiesta**  
UIN #210609



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