



# AVANTI

NCA  
SEF National Coalition  
of Associations  
of 7-Eleven Franchisees

July/August 2011

THE VOICE OF 7-ELEVEN FRANCHISEES

## Ongoing Development Of The Business Model

*The 36th Annual Convention:  
What A Bash!  
Page 30*

JULY-AUGUST  
**2011**  
PRESIDENTS' REPORTS  
PAGE 64



Transforming The  
Distribution Model

Long Island CDC Meeting

So Let's Review...

Outsourcing Continues

Social Media Growing Sales

Desperate Times, More Crimes

# ENERGIZE YOUR SHELVES

AVAILABLE AT PARTICIPATING  STORES



HIGH PERFORMANCE ENERGY DRINK  
16 FL OZ (1PT) 473mL



NATURALLY & ARTIFICIALLY FLAVORED  
16 FL OZ (1 PT) 473 mL



Check out our new loyalty program!  
**NOS REWARDS SERIES**  
GET THE POINTS. GET THE GOODS.  
[drinkNOS.com](http://drinkNOS.com)

Contact your local *Coca-Cola* bottler to order!



NOS® SLIN#: 0242057 | Full Throttle® SLIN#: 0240915

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Try **NEW**

# MAGNUM

*For pleasure seekers*



ALMOND  
ICE CREAM BAR



UPC: 77567 - 13281

CLASSIC  
ICE CREAM BAR



UPC: 77567 - 13280

Double CARAMEL  
ICE CREAM BAR



UPC: 77567 - 13282





A Candy Favorite,  
Now an Ice Cream



SLIN 190019  
FOD September 19, 2011

PEANUT BUTTER ICE CREAM WITH A REESE'S® PEANUT BUTTER SWIRL DIPPED IN A MILK CHOCOLATE FLAVORED COATING

REESE'S® PEANUT BUTTER ICE CREAM CUP  
41000-21489



**REESES SINGLE-PACK WILL HIT 7-ELEVEN STORE OWNERS EARLY SEPTEMBER. NEW POG WILL BECOME EFFECTIVE END OF SEPTEMBER.**



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# Refreshing Citrus Flavor in Every Drop

Introducing a breakthrough partnership



MTV is the leading creator of entertainment for Millennials and originator of top teen properties

This is more than a media partnership...

- Multi-year commitment
- Collaborative development of packaging and media creative
- There will be 360° support of the Sun Drop® Launch
- Sun Drop® woven into the fabric of MTV



The citrus segment is critical to growing your CSD portfolio

- Non-Cola CSDs continue to grow and take share from Cola
- Citrus is the largest of all CSD Flavor segments and continues to grow share

Reaching the Millennial generation (Born 1981-2000) is the key to success in the Citrus Segment

- Largest generation in US history
- + \$500B buying power



SLIN 0242069

SLIN 0241298

# GET DROPPED

# SLOW BURNING GREEN LEAF



Signed. SEALED. DELIVERED.

# GREEN IS GOOD.

## GREEN SWEETS CIGARILLOS

The first ever Green Sweets cigar only from White Owl.

Made with green candela leaf for that sweet, slow burning experience your customers want.

Get more Green from your Sweets cigar sales with new White Owl Green Sweets.

White Owl keeps coming up with fresh ideas!



60-Count  
Green Sweets Box  
UIN# 369397



3-for-2  
Green Sweets Upright  
SLIN# 320369  
UIN# 369116



FOR MORE INFORMATION, CONTACT YOUR SWEDISH MATCH REPRESENTATIVE. 800-367-3677 CUSTOMER.SERVICE@SMNA.COM

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# MIX OR MATCH DEAL 2/\$2

Kellogg's® Rice Krispies Treats® Big Bars  
Single Serving Size on PromoMaster



## ORDER NOW!

Promotion Ends 9/30/11



SLIN 301093



SLIN 300760

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Imitation is the best form of flattery.

HÄAGEN-DAZS® Ice Cream Bars.  
Made like no other.®



SLIN: 190046  
#7 Item nationally  
#1 Super Premium YTD  
at 7-Eleven



SLIN: 190045  
#11 Item nationally  
#2 Super Premium YTD  
at 7-Eleven



SLIN: 190306  
#18 Item nationally  
#3 Super Premium YTD  
at 7-Eleven

Maximize your sales by selling the best.  
Contact your local Nestlé DSD distribution team  
and start growing your category!



©2011 Nestlé, Inc.

# Catapult Your Bottled Water Sales!



- Nestlé Waters' Single Serve items grew 14% at 7-Eleven.\*
- Our Regional Spring Water Brand's 700 mL sales averaged 7.6 units, per store, per day with a promotional take rate of 68% when promoted at 2/\$2.\*\*
- Don't miss out on this year's 2/\$2 promotion on 700 mL Sport Top bottle!

best value

700 mL Promotional Period:  
October 1, 2011 to December 31, 2011

Born Better.®  
Only from carefully selected natural springs.



Arrowhead 700 mL  
SLIN# 0241898



Deer Park 700 mL  
SLIN# 0241750



Ice Mountain 700 mL  
SLIN# 0242211



Ozarka 700 mL  
SLIN# 0240262



Poland Spring 700 mL Deposit  
SLIN# 0241834  
Poland Spring 700 mL Non-Deposit  
SLIN# 0242247



Zephyrhills 700 mL  
SLIN# 0241208

\*Source: 7 Exchange YTD week ending 8/1/11

\*\*Source: 7 Exchange 2010

# Introducing

New!

# SOUR PATCH Kids Berries Soft & Chewy Candy



Consumers have expressed interest in additional Sour Patch flavors through social media interactions and consumer insights testing.

Sour Patch is the #1 non-chocolate, chewy, everyday, sour brand.<sup>1</sup> These three new SKUs leverage one of the strongest performing fruit flavor profiles<sup>2</sup>, and are sure to generate trial as well as incremental sales!

Available in Three Pack sizes:

1.8 oz Single Bag

3.1oz Theater Box

7.2oz Peg Bag



© 2011 Kraft Foods

Source: IRI Latest 52 wks ending 5/1/11

<sup>1</sup>2010, Sour Patch Kids Soft & Chewy Candy Facebook Page Poll "Which Sour Patch Kid Flavor would you like to see next?" - 60% of mentions were for Berry flavors.

# Top Innovations for Bottom Line Results



## Introducing Seven SKUs for Incremental Sales

STRIDE Brand continues to push "unexpected" to a new level with NEW STRIDE Whitemint!

Two New flavors of Trident Layers: Orchard Peach + Ripe Mango, Sweet Cherry + Island Lime bring delicious combinations of unique flavors that build from the momentum and success of Trident Layers. The two original Trident Layers varieties were 15% incremental to the category<sup>1</sup> and these flavors have ranked even higher in appeal by consumers.<sup>2</sup>

Trident Splashing Fruit and Trident Splashing Mint provide a flavorful mouthwatering experience.

Dentyne Pure, the only gum featuring NeutraFresh, Purifies Your Breath Deliciously! NEW Dentyne Pure Mint with Citrus Accents and the first-ever Dentyne Pure bottle (Dentyne Pure Mint with Herbal Accents) provide all-day confidence for casual socializing moments.



© 2011 Kraft Foods

<sup>1</sup>IRI IntroSource 6/10

<sup>2</sup>IPSOS new flavor evaluation 8/6/2010 comparison to Trident Layers Green Apple + Golden Pineapple and Cool Mint + Melon Fresco

\*Chewing Trident after eating cleans and protects teeth.

FOD: 9/5/2011

# Recharge your nutrition bar sales.



The **FIRST EVER** Nature Valley® Bar with 10g of protein.

- ✓ Real nutrition
- ✓ 8 grams of whole grain\*
- ✓ 100% natural

**Cherry Dark Chocolate**  
SLIN: 303176 | UIN: 650655

**Cranberry Almond**  
SLIN: 303246 | UIN: 650689



GENERAL MILLS CONVENIENCE

Bringing ideas and growth. Together.™

©2011 General Mills

## Add these delicious bars to your nutrition bars set – and RECHARGE your sales!

- The \$542MM bar category is the fastest growing food category<sup>1</sup> in C-Stores. (+12% vs. LY<sup>2</sup>)
- Nature Valley® is the #1 selling brand<sup>3</sup> in the C-Store bar category and growing (+10% vs. LY<sup>2</sup>)
- The nutrition segment is driving significant growth in the bar category (+14% vs. LY<sup>2</sup>)
- In consumer testing, 62%+ of respondents said they would “definitely” or “probably” buy Nature Valley® Recharge™ bars after tasting<sup>4</sup>



NV Recharge Cherry Dark Choc Bar



NV Recharge Cranberry Almond Bar



Product Description	Unit Code	Unit UPC	Unit Weight (oz)
Nature Valley® Recharge Bar™ - Cherry Dark Chocolate	32314	16000-50617-6	1.77
Nature Valley® Recharge Bar™ - Cranberry Almond	32315	16000-50618-3	1.77



NV Recharge Cherry Dark Choc Carton



NV Recharge Cranberry Almond Carton



NV Recharge Cherry Dark Choc Case



NV Recharge Cranberry Almond Case



UPC Codes	Count	Weight (lbs)	Dimensions (LxWxH)	Volume (cu ft)	Pallet Pattern
<b>CARTON:</b>					
Cherry Dark Chocolate: 16000-32314-8	Units per carton: 15	Case: 16.25	Carton: 7.73" x 3.73" x 5.75"	Case: .961	10 cases/layer
Cranberry Almond: 16000-32315-5					
<b>CASE:</b>					
Cherry Dark Chocolate: 16000-32314-5	Cartons per case: 8	Layer: 162.5	Case: 16.12" x 12.12" x 8.5"	Layer: 9.63	5 layers/pallet
Cranberry Almond: 16000-32315-2		Pallet: 812.5	Pallet: 48.5" x 40.37" x 42.5"		50 cases/pallet 2 pallets/stack



Versatile power wing display for hanging or countertop.

NV Recharge Power Wing Display



UPC Code	Unit Count	Weight (lbs)	Dimensions (LxWxH)	Volume (cu ft)	Pallet Pattern
18300-15268-8	30	Case: 4.89 Pallet: 586.79	Case: 9.07" x 4.57" x 12.83" Pallet: 45.35" x 38.48" x 36.56"	Case: .308	15 cases/layer 8 layers/pallet 120 cases/pallet

[www.generalmillsconvenience.com](http://www.generalmillsconvenience.com)

<sup>1</sup> In the top 25 categories  
<sup>2</sup> IRI AllScan C-Store Data, ending 02/20/2011  
<sup>3</sup> In unit sales  
<sup>4</sup> General Mills Test, March 2011, among C-Store purchasers of grain products  
The Nutrition Segment (as defined by IRI) includes any bars with nutritional benefits (e.g. protein, fiber, low carb).



GENERAL MILLS CONVENIENCE

Bringing ideas and growth. Together.™



TURN *your* GUESTS' DEMAND for  
DOS EQUIS *into* HIGHER PROFITS.

DOS EQUIS *is* SURGING WITH DOUBLE-DIGIT GROWTH  
*at* 7-ELEVEN for 23 STRAIGHT MONTHS.



↑ 26% OVERALL *at* 7-ELEVEN  
*vs.* LAST YEAR

12-PACK LAGER BOTTLE

↑ 43% *at* 7-ELEVEN *over*  
LAST YEAR

6-PACK LAGER BOTTLE

↑ 16% *at* 7-ELEVEN *over*  
LAST YEAR

STAY THIRSTY, *my friends*



6-PACK LAGER  
SLIN 0100744

UPC 0 72311 63012 2



12-PACK LAGER  
SLIN 0100834

UPC 0 72311 23012 4



6-PACK AMBAR  
SLIN 0100380

UPC 0 72311 63011 5

ENJOY **XX** RESPONSIBLY

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Source: IRI YTD 2011, week ending 5/1/2011.



**AVANTI**

THE VOICE OF 7-ELEVEN FRANCHISEES  
JULY/AUGUST 2011

**39 Transforming The Distribution Model**

BY BRUCE MAPLES, CHAIRMAN,  
NATIONAL COALITION



**43 Morale And Enthusiasm Builds At Long Island CDC Meeting**

BY JOE GALEA, EXECUTIVE VICE CHAIRMAN,  
NATIONAL COALITION

**45 So Let's Review...**

BY ARNOLD J. HAUPTMAN,  
GENERAL COUNSEL, NATIONAL  
COALITION



**49 Outsourcing Continues**

BY ROGER ST. GEORGE, VICE CHAIRMAN,  
NATIONAL COALITION

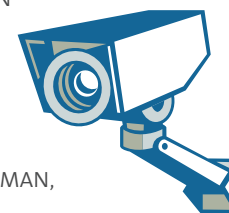


**51 Social Media Growing C-Store Sales**

BY JIVTESH GILL, VICE CHAIRMAN,  
NATIONAL COALITION

**53 Desperate Times Leading To More Crimes**

BY JAY SINGH, VICE CHAIRMAN,  
NATIONAL COALITION



**59 The Reorganization And You**

BY BOB STRAUSS, FRANCHISEE AND BOARD  
MEMBER, FRANCHISE OWNER'S ASSOCIATION,  
CHICAGO

**61 Learning From Mistakes**

BY PETE GRAGNANO, VICE PRESIDENT,  
SUBURBAN WASHINGTON FOA

**24 Work Opportunity Tax Credit Means \$\$\$ For Franchisees**

BY BENJAMIN & DESIREE ACKERMAN,  
FRANCHISEES, CENTRAL FLORIDA FOA

**28 Servant Leadership In Today's Economy**

MIKE RARUS, FRANCHISEE AND  
BOARD MEMBER, SOUTH FLORIDA FOA

**34 The Power of Nice**

BY RAVINDER WARAICH  
VICE PRESIDENT, COLUMBIA PACIFIC FOA

**31 2011 Convention And Trade Show**

BY IRIS YOST, VICE PRESIDENT,  
SOUTH NEVADA/LAS VEGAS FOA



*The 36th Annual Convention: What A Bash!*

Major Sponsors  
Page 30

DEPARTMENTS

**16 Member News:** NCASEF Recognized, Debit Swipe Fee Limit, 51 ExxonMobil Locations, Slurpee At The Movies, Fast Renovation, C-Store Visits Decline, Seven-Eleven Japan Sales Increase, Stores 100 Top Retailers List, New Visa Fee Program, Franchisee Pitches In, Charitable Giving, New Sacramento Valley FOA, Reward Raised, Sales To Minors Record Low, 7-Eleven Goes Electric, Japan Disaster Relief, Flash Mob, Flash Mob Guide, Coffee, Drinkers' Preferences, Walmart Gas Savings, Dollar Stores

**23 Bits&Pieces:** From the C-store Industry

**84 SEI News:** 7-Eleven Day, Travel Light Products, T-Mobile Prepaid Handset, Secure Email, Proprietary Wine, 'Cowboys & Aliens'

**87 Vendor Focus:** New Products for Franchisees

**98 Franchisee Calendar:** National Coalition Board Meetings and Regional FOA Meetings



JULY~AUGUST  
**PRESIDENTS' REPORTS**

PAGE 64

Visit the National Coalition Website, [www.ncasef.com](http://www.ncasef.com)

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contents



## Slurpee At The Movies



SEI and Cinemark USA, Inc. have partnered to bring Slurpee to the movies, offering 7-Eleven's iconic beverage at 32 select Cinemark theatres in Dallas, Houston and Portland. 7-Eleven has stores in Dallas and Portland; it does not have locations in Houston. Beginning in July, movie-goers at participating Cinemark theatres have been able to pour themselves a frozen Slurpee drink before settling in for the show. This marks the first time Slurpee beverages have been sold at outlets other than a 7-Eleven store, with the exception of a test at a Dallas sports arena. Cinemark theatres now has three Slurpee flavors provided by Coca-Cola in both crew-serve and self-serve settings.

The majority of 51 ExxonMobil locations acquired by 7-Eleven will be rebranded and franchised.

## SEI Acquires 51 ExxonMobil Locations

7-Eleven, Inc. announced that it has agreed to acquire ExxonMobil's retail interests in 51 North Texas sites. The transaction is anticipated to close in late 2011, subject to standard closing conditions and regulatory approvals. Terms of the deal were not disclosed. The 51 sites, all of which are in the greater Dallas/Fort Worth area, include two unused parcels of land. The company said the majority of locations will be rebranded as 7-Eleven stores and will be available for franchise. The stations will retain the Exxon gasoline brand, allowing consumers to continue to purchase the same high-quality Exxon fuels and use their ExxonMobil credit cards and Speedpass devices.

After the transaction closes late this year, SEI will start remodeling and rebranding the locations, with the bulk of the work anticipated to be completed by the end of 2012. SEI said it will

*continued on page 21*

## Debit Card Swipe Fee Limit Higher Than Expected

In late June, the Federal Reserve raised its limit on how much merchants must pay to banks each time a debit card is swiped, thanks to an eleventh-hour reprieve for the financial industry after a massive lobbying campaign. The swipe fee was increased from a maximum of 12 cents proposed by the Fed last year to a base charge of 21 cents, not the 41 cents originally proposed. Banks can also collect .05 percent of the amount of the transaction to recoup losses from fraud, and the Fed will consider allowing them to receive another cent for each transaction if they take steps to prevent fraud. The new rules will take effect on October 1.

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## AVANTI

The Voice of 7-Eleven Franchisees  
July/August 2011

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# The POWER<sub>of</sub> ONE.

When it comes to driving traffic to your store, singles are one SKU to focus on. They're not only the most profitable beer SKU<sup>1</sup>, but their share is also growing.<sup>2</sup> And when it comes to leveraging profitable beer brands and innovative tools, you can count on one beer brewer—MillerCoors.

## Drive Your Singles Business With MillerCoors

- Right single SKUs
- Right expertise
- Right tools



<sup>1</sup>C-Store Channel Margin Analysis.  
<sup>2</sup>Nielsen Total U.S. Convenience YTD through 9/11/10.

MillerCoors<sup>®</sup> Advantage



©2011 MILLERCOORS LLC, CHICAGO, ILLINOIS





## Record Level Of Charitable Funding At 36th Annual Convention

The National Coalition announced that it has helped to raise nearly three quarters of a million dollars this year for two of its charitable partners, Hire Heroes USA and the Muscular Dystrophy Association (MDA).

During its most successful convention in its 36-year history in July in Las Vegas, the National Coalition presented Hire Heroes leadership with a check for \$310,000 to support the organization's transition assistance workshops run at military installations. In concert with SEI and nine vendor partners, the National Coalition and its 36 Franchise Owners' Associations raised funds through sales of specific products offered by brand-name companies that donated a portion of each sale for the program. Participating companies included Nestlé USA, Anheuser-Busch InBev, Miller-Coors, E. & J. Gallo Winery, Dr Pepper-Snapple

Group, Tropicana Products, Inc., Mars, Inc., Kellogg's and Kraft Foods, Inc. Fees from the Coalition's annual Joe Saraceno Memorial Golf Tournament, and donations made from the public also contributed to the total.

The National Coalition also presented the MDA with a check for \$420,000, representing

Visit the National Coalition Website, [www.ncasef.com](http://www.ncasef.com)

funds raised through franchisees' national store-based canister program supported by SEI, as well as live and silent auctions at the Coalition's annual convention. The contribution is the result of a long-term partnership between the MDA, the Coalition, its FOAs, individual franchisees, customers and SEI.



NCASEF Charity Coordinator Iris Yost, Chairman Bruce Maples, and MDA's Brian Hunter at the Coalition's presentation of a \$420,000 check to MDA to support work on neuromuscular diseases.



Longtime Southern California President Karam Dhalwal and wife Mattie, with Chairman Bruce Maples, above, received the Chairman's Special Recognition award for their years of service to the franchisee community.



NCASEF Honored VP National Franchise Jeff Schenk, who is retiring after 35 years with the Southland Company and 7-Eleven, Inc. Above, Jeff addressed the crowd at the NCASEF Grand Banquet after receiving the Chairman's Special Recognition award.



Hire Heroes President Brian Stann and NCASEF Chairman Bruce Maples in front of the Dr Pepper Snapple Group-sponsored car that carries the 7-Eleven, Hire Heroes and NCASEF logos.

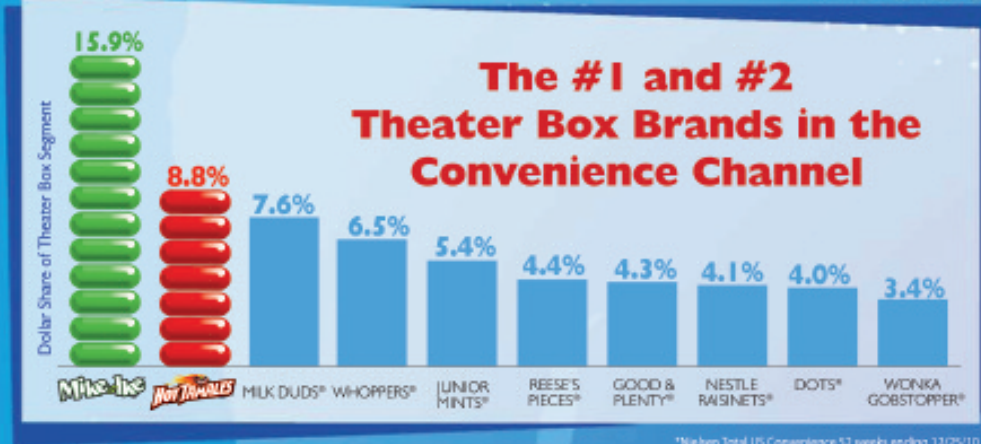


# PUMP UP YOUR SALES

with the Category Growth Leaders

## THE BRANDS AT THE TOP OF CONSUMER DEMAND!

NEW



JUST BORN® Brands account for **24.9%** of total Theater Box Candy sales\*

Just Born Theater Boxes are outpacing Total Candy growth **7.2%** vs. **4.7%\*\***

NEW THEATER BOXES	UIN	SLIN	BIG BOXES	UIN	SLIN
MIKE AND IKE® Original Fruits 6oz Theater Box 12 ct box	299198	141789	MIKE AND IKE® Original Fruits 9.5oz Theater Box 12 ct box	833822	141455
HOT TAMALES® Cinnamon 6oz Theater Box 12 ct box	591255	142072	HOT TAMALES® Cinnamon 9.5oz Theater Box 12 ct box	833756	141452
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			
			COUNT GOODS		
			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

# Get In On Snickers King Size Madden Promotions!

**\$1.00 Off A Big Gulp and Snickers King Size Bar!**



**Order the Snickers King Size 192-Count Display Starting September 12!**

**30% Billback Allowance = \$55.87 Off!**



**SLIN 140207**

**Mars, EA Sports and 7-Eleven will support this program on social media and websites reaching over 7 million people.**



extend job offers to ExxonMobil employees who are affected by this acquisition upon successful completion of their pre-employment screening process and continued satisfactory performance. Currently, SEI operates and franchises 339 stores in the greater DFW and Austin areas of Texas (239 are in DFW). The company has added seven stores in these areas since the start of 2011.

### Fastest Renovations Ever!

7-Eleven has recently undergone its fastest store-renovation effort ever, significantly upgrading more than 1,000 7-Eleven stores on the East Coast. The whirlwind store-remodeling of greater New York City, Northern and Central New Jersey, Baltimore and Washington, D.C. area stores ramped up in March, when SEI added revamped coffee bars, hot-foods equipment and, in some cases, updated store interiors with new walls, floors, ceilings, lighting and fixtures. The company said it's all part of a campaign to present a consistent and fresh customer experience in each of its stores in these markets.



To let consumers know that there's a "new" 7-Eleven in town, the company also kicked off a media blitz that included television and radio spots, outdoor and online advertising, and newspaper ads for free or fresh and hot foods offerings. Media messages conveyed that 7-Eleven stores are good not only for snacks and variety, but can be meal destinations for breakfast, lunch and dinner.

### C-Store Visits Decline In the Second Quarter

Historically, when gas prices rise, convenience store visits decline, and

history held true in the second quarter of 2011 when, due to rising gas prices, convenience store traffic declined by 4 percent compared to the same quarter a year ago, according to convenience store research by The NPD Group. Based on reporting by NPD's Convenience Store Monitor, traffic declines were steeper for major oil and small independent chains—down 7 percent—than at traditional convenience stores, where traffic was down 1 percent. However, c-store shoppers made up for their decrease in visits by spending more when they did shop, according to CSM. Sales improved by 2 percent by an increase in the average check, as well as growing purchase incidence in some key categories.

### Seven-Eleven Japan Posts Sales Increase In July

SEI parent company Seven-Eleven Japan Co. recorded a 10.1 percent gain in same-store sales in July over the previous year, reported Nikkei.com. This comes as sales at convenience stores in Japan rose 9.5 percent on the year in July as high temperatures boosted de-

mand for ice cream and beverages. Overall c-store same-store sales totaled 745.4 billion yen in July, the ninth straight month of year-on-year increases, according to the Japan Franchise Association. Customer traffic grew 2.4 percent and sales per customer rose 6.9 percent. Sales of such products as boxed meals and prepared dishes rose 7.1 percent.

Seven-Eleven Japan reported a 10.1 percent increase in same store sales in July.

### Visa Implements New Fee Program

Visa Inc. announced it would introduce a network participation fee in the U.S. for all of its debit, credit and prepaid card services, reported Reuters. As part of the new policy—which comes in advance of new fee caps that take effect in October as part of the 2010 Dodd-Frank financial reform law—Visa also will lower the variable rate charged for transactions. In a conference call with analysts, Visa's chief executive said the participation fee will be based on a merchant's size, and the merchants' number of locations. He also said the new fees did not rule out future price changes. Due to the overhaul and the new fee caps imposed by Dodd-Frank, the company expects 2012 will be

*continued on page 23*

### Sacramento Valley FOA Joins NCASEF

The National Coalition is pleased to welcome the Sacramento Valley FOA as its newest member association. The recently formed FOA, headed by President Jay Brar and Co-Vice Presidents Jaspal Gill and Jaswinder Sandhu, was accepted into the National Coalition by a vote of the full board.



New Sacramento Valley FOA officers Harprit Dhillon, Jay Brar and Ben Dhaliwal (Honorary Executive Chairman), at the NCASEF July 15 Board of Directors meeting.



**COFFEEHOUSE**  
INSPIRATIONS®

NOW AVAILABLE



## Real Dairy Half & Half, Now from International Delight® CoffeeHouse Inspirations®

- Offer your patrons the Half & Half they love from the #1 creamer brand in away from home!
- Deliver the packaging and food safety consumers demand with no refrigeration required.<sup>2</sup>

McLane SLIN: 230239  
CDC SLIN: 230240



<sup>1</sup> Datassentials Market Sizing Study, August 2008  
<sup>2</sup> Datassentials Custom Coffee Study, July 2010

## Bits & Pieces

7-Eleven advertising hit the big leagues over the summer when the company placed an ad in *Sports Illustrated* to plug its "49-cent Big Gulp with a purchase of a Big Bite" deal. • **Kraft Foods** is cutting the prices of its **U.S. Maxwell House** and **Yuban** coffee brands (excluding the Gevalia, Tassimo and the Maxwell House Int'l) by **6 percent**. • **Family Dollar** recently opened its **7,000th store**, in Memphis, Tennessee. The company celebrated the milestone by making a special **seven thousand dollar donation** to the local Mid-South Food Bank. • **Core-Mark Holding Company** will be serving as the broadline supplier to **Circle K stores** in the Southeastern U.S., leading to the creation of a **new division in Tampa, Florida**. • **Walgreens** announced it is committing to convert or open at least **1,000 food oasis stores** across the country over the **next five years**. • Pharmacy chain **CVS** ran a promotion over the summer offering customers **\$10 free gas in exchange for spending \$30 in the store**. • The **Illinois Lottery** has ended fiscal year 2011 on June 30 with \$2,278 billion in sales—a **3 percent increase** over the previous year. This is its ninth consecutive year of increasing sales. • A study by **Concordia University** in Montreal reveals that **higher taxes do not cause smokers to quit**. Examining data from Canada's National Population Health Survey, researchers from the university determined **higher prices do not persuade wealthier smokers or those aged 25 to 44 to quit**. • Consumers are taking even more **steps to save money** due to ongoing financial concerns, according to a survey conducted by SymphonyIRI Group. **List making and coupon clipping** are still **top-of-mind** for consumers as they struggle with high gas prices and question job stability. In addition, the survey uncovered that **consumers are turning to the Internet** to find the best CPG deals. • **Connecticut** recently became the **first state to require paid sick time**, report-

*continued on page 24*

## Member News

CONTINUED FROM PAGE 21



### NCASEF Recognized By Sen. Durbin For Role In Helping Advance Swipe Fee Reform

In a June 30 letter to NCASEF Chairman Bruce Maples, U.S. Senator Richard Durbin (D-IL) recognized the hard work of the Coalition and its Franchise Owners' Associations (FOAs) in helping to defeat a last-minute attempt by the banking industry to delay debit card swipe fee reform. The letter was presented to Maples at the Coalition's board meeting in Las Vegas on July 16.

Sen. Durbin, the U.S. Senate Assistant Majority Leader and champion of the measure to reject the proposed delay, stated in the letter that "without the active support of your Coalition, local convenience stores and other small businesses, this effort [the proposed delay] may well have been successful."

United States Senate  
Washington, DC 20510-1504

As readers of Avanti know, the U.S. Congress passed legislation last year that sought to limit the arbitrary fees credit card companies charge retailers in debit card transactions. The banks subsequently launched an aggressive campaign to delay the implementation of the measure.

Teaming up with 7-Eleven, Inc., the NCASEF successfully organized its FOAs and franchisees to send messages to Congress explaining the impact that such a delay would have on small business owners. In the end, the effort was a success and the delay was defeated. Sen. Durbin concluded his letter of thanks to Maples by asserting, "Make no mistake—the engagement of your members in this important effort made a significant difference in our victory."

a "low point" for debit card processing fees. The new program comes as Visa reported better-than-expected fiscal third quarter results.



### 7-Eleven Makes Stores 100 Top Retailers List

7-Eleven was one of only two c-store chains to make it onto the National Retail Federation's Stores 100 Top Retailers list, coming in at No. 40. The other was Quebec-based Couche-Tard, which ranked at No. 75. According to the list, which was determined by U.S. retail sales, 7-Eleven generated \$8.513 billion

in U.S. retail sales in 2010—a 3.1 percent increase over 2009. The amount also represents 12.2 percent of worldwide retail sales of \$69.617 billion. Additionally, 7-Eleven had a store count of 6,586 locations in 2010, an increase of 5.5 percent over the 2009 count. Big-box retailer Walmart took the No. 1 spot in the list, followed by Kroger at No.2 and Target at No.3.

### Franchisee Pitches In To Clean Up Park

A 7-Eleven franchisee in Chico, California has opted to stop selling single-serve liquor products in order to help local police clean up a nearby park, reported the *Oroville Mercury Register*.

*continued on page 27*



## Work Opportunity Tax Credit Means \$\$\$ For Franchisees

By Benjamin & Desiree Ackerman, Franchisees, Central Florida FOA

I read an article a few months back in Avanti magazine about how a 7-Eleven franchisee in Los Angeles made about \$100,000 off the WOTC program last year. After reading that article, it inspired me to look into what exactly the WOTC program is all about. WOTC stands for Work Opportunity Tax Credit. Essentially it means that if you hire a sales associate that is on food stamps or government assistance, the government will

they earn from working. Here is the kicker—once the employee reaches 400 hours, you receive 40 percent of the total amount they earn from working for you, up to \$2,400. In order to get the full \$2,400 the employee has to have made \$6,000 from working at your store in one calendar year.



**“This year alone I have made over \$13,300 off the WOTC program.”**

pay you. Does this sound like it may apply to you? I don't know about you, but most of my employees are on food stamps.

Currently, this year alone I have made over \$13,300 off the WOTC program. My goal is to finish this year making \$20,000 from it. Think of it this way—the money you make from the WOTC program is tax credit money, which means three things:

1. It's as good as cash.
2. You don't have to share it with 7-Eleven.
3. It's income that does not get taxed.

Here's how it works: When you hire a new employee, have them fill out the WOTC two-page insert in the new hire packet and mail it in right away. If they say yes to any question numbered 1-5 or fill in any bubbles on page 2, then the U.S. government will pay you up to \$2,400 for employing them. How great is that?

Now for the details: If the employee works 0-120 hours you get nothing. From 121-400 hours worked, you receive 25 percent of the total amount

For example, if new employee John Smith makes \$8.00/hour and works 32 hours a week, he makes \$256/week. If John Smith works 120 hours or less and then quits, you get nothing. If he works 121-400 hours, you get 25 percent of his pay, which equals \$242-\$800 in your pocket. If he works 401 and more hours, you earn 40 percent of his pay up to \$2,400.

John Smith will have to work 23.5 weeks or 752 hours at \$8.00/hour in order to make \$6,000. At that point you max out and get 40 percent of the \$6,000 he earned, which equals \$2,400.

I know of one franchisee who missed out on \$144,000 by not taking advantage of the program. How much money will you make this year? I hope it's more than last year. If you have any questions you can call the Atlanta Tax Credit Group at 404-454-5463 and speak with Preston

**“Work Opportunity Tax Credit essentially means if you hire a sales associate on food stamps or government assistance, the government will pay you.”**

Barnwell. He was a great resource for me. You can also reach me by email at Benjamin.Ackerman711@gmail.com if you have any additional questions. This truly is an exciting way to “increase franchisee net income.”

## Bits&Pieces...continued from page 23

ed the *Washington Post*. Under the new law, **service-industry businesses with 50 or more employees** must give workers an **hour of sick time for each 40 hours** on the job. • **Jiffy Lube** recently released its **new iPhone application**, which offers drivers the ability to **store and organize vital vehicle information** on their Smart Phones. Additionally, the app arms drivers on the go with tips like how to jump a dead battery, what to do if their car overheats, and where they can find the nearest Jiffy Lube location. • **General Motors Co.'s profit increased 89 percent in the second quarter**—to \$2.5 billion—strengthened by higher prices for cars and a gain in market share, reported the *Los Angeles Times*. **Revenue** in the three-month period ended June 30 rose **almost 19 percent** to \$39.4 billion. • A survey of quick-service restaurants by Consumer Reports reveals that **Burger King, KFC, McDonald's, and Taco Bell scored poorly with consumers**. The main reasons cited were **uninspiring food and so-so service**. • **Nineteen restaurant chains**—including Burger King, Denny's, IHOP, Chili's, Friendly's,

continued on page 34

## 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.



# Easy as 1 2 3

PERFETTI



Shelve all 3 and **Win Big**



If all 3 are shelved, as instructed by the Summer 2011 POG, you are entered to win one of three cash prizes!

SLIN/UIIN#

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

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Stores will automatically be entered into the contest when a PVM retail rep verifies items are shelved properly in the June/July time frame. If a PVM retail rep does not visit your store, please submit pictures to be entered into the contest with all three items to Perfetti Van Melle Attn: Angela Snow, 3645 Turfway Rd, Erlanger, KY 41018. \$200, \$300 and \$500 cash prizes will be issued to first, second and third place stores. Store winners are chosen respectively.

# tic tac REFUEL Yourself sweepstakes

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- Special eye-catching display brightens up your store and sparks customer curiosity
- Convenient tear pad invites customers to enter sweepstakes
- Winners could return to fill their tanks and grab snacks, increasing in-store traffic and sales

1,600 winners  
a total of  
**\$50,000**  
in prizes

Visit us at Booth #512 and #514  
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NO PURCHASE NECESSARY. A PURCHASE DOES NOT INCREASE YOUR CHANCES OF WINNING. VOID WHERE PROHIBITED. Open to legal residents of the 50 U.S. and DC who are 18 years and older as of date of entry. Sweepstakes begins on February 1, 2011 at 12:00 am ET and ends on October 31, 2011 at 12:00 am ET. Subject to full official rules available at [www.refuelwithtictac.com](http://www.refuelwithtictac.com).

Stop by the booth for Show Only Specials!

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CONTINUED FROM PAGE 23

Storeowner Vikramjit Gill told the newspaper he stopped selling the beverages on a trial basis about four months ago, and although he lost some business, Gill said he has gained “a better quality of customer.”

Earlier this year, local police officers were looking for a way to address issues in and around Lost Park, and formed a direct correlation between the availability of high-alcohol, single-serve malt beverages and the problems in the park. They said they’ve noticed a reduction in the amount of litter, public drunkenness and aggressive panhandling in Lost Park since Gill stopped selling single-serve booze, and Gill said he’s noticed less loitering around his business.

### Reward For Slain Las Vegas Franchisee Raised

SEI has pitched in to increase the reward for information about the recent murder of a Las Vegas franchisee, re-

ported the Associated Press. The company donated an additional \$2,000 to the Crime Stoppers of Nevada organization in honor of 31-year-old Amanpreet

7-Eleven has raised over \$40 million worldwide for Japan quake victims.

Singh Mander, who was murdered on March 30 while being robbed outside the Wells Fargo Bank near Sunset Road and Eastern Avenue in Las Vegas. SEI is also posting a separate \$10,000 reward for information that leads to a conviction. The total reward in the case is now \$20,000.

### Tobacco Sales To Minors At Record Low

Tobacco sales to minors dropped to an all-time low in 2010 after increasing in 2009, reported *USA Today*. Retailers in the USA sold tobacco to minors 9.3 percent of the time, the newspaper stated, citing a study by the Substance Abuse and Mental Health Services Administration. In 2009, 10.9 percent of tobacco retailers had violations. The study further

revealed that 34 states had violation rates of less than 10 percent in 2010, up from 22 states in 2009, and violations increased in 14 states.

### \$40 Million For Japan Disaster Relief

The 7-Eleven, Inc. global convenience retailing organization raised more than \$40 million in donations to assist victims devastated by the March 11, 2011, earthquake and tsunami in Japan. The international fundraising efforts included canister contributions from 7-Eleven customers, as well as donations from the National Coalition of Associations of 7-Eleven Franchisees, individual franchisees, and company employees. Fresh-food and bakery suppliers also provided support. Funds collected will be directed to organizations that provide rescue and recovery, safety, and rebuilding services in the three Japanese prefectures impacted the most—Miyagi, Fukushima and Iwate.

*continued on page 34*

## 2012 NCASEF Convention Dates And Location Announced!

# July 8-12

Start making plans to attend the National Coalition's 37th Annual Convention and Trade Show in the island paradise of Oahu, Hawaii. Mix business with pleasure as you participate in business-building events and relax at the wondrous Hilton Hawaiian Village Waikiki Beach Resort in Honolulu. The resort is spread across 22 lushly landscaped oceanfront acres on the widest stretch of famous Waikiki Beach, and offers a wide variety of fun activities for the entire family. More information to come!

**Hilton Hawaiian Village  
Waikiki Beach Resort  
Honolulu, Hawaii!**  
Trade Show Dates: July 11-12



## Servant Leadership In Today's Changing Economy

BY MIKE RARUS, FRANCHISEE AND BOARD MEMBER, SOUTH FLORIDA FOA

you, it is you. To some of you, you have no idea ... YET. Each of us leads and directs our teams in varied ways throughout the year, and we tend to fall into patterns, getting complacent at times when business is good, turnover is low, and earnings are what we hoped for. We become careless, sometimes inconsiderate, and lazy, which I suspect has happened to all of us at one time or another.

Servant, in dictionary language, means to be in the service of others.

Leader has many varied meanings, but

according to the same dictionary, means to "show the way." When you try to couple the two words—Servant and Leader—and compare the rough definitions, you have to ask yourself, "How does this actually work?"

Many of you have already figured this out. I am no expert, but when your team arrives at work each day is there a greeting from you? Is there a thank you for being there? How you treat your employees goes a long way in determining their productivity for your business.

Think about it this way: you are serving their needs by employing them, training them, and paying them. You are also leading them—you make their schedules, job assignments, direct them throughout the day, and communicate to shifts when you are unable to be there.

You serve your customers with greetings at the coffee bar, by having the right products in stock, and responding to their needs, amongst others. You serve and lead every day because it is a way of life for you. You

understand that in today's economy, every guest is a valued guest. Without them, we will perish. You are also leading them ... back to your store for repeat visits!

To serve, you must lead. By enhancing the experience your guests have, you have served their needs. By making sure your folks have been trained properly, you have LED them the right way.

A pat on the back, a quick thanks, or a

**"A pat on the back, a quick thanks, or a cash payment to your employees makes a huge difference in the way they treat your guests."**

cash payment to your employees makes a huge difference in the way they treat their (your) guests. Send your guests away badly, and they will not return. Teach your team to treat them as they would want to be treated as a guest at any other business. By serving your guests properly, you will prosper with their return visits.

So please, as the clock ticks down on yet another year, pause and consider how you rank yourself as a Servant Leader. Assess your business model if need be, or if you feel that you have fallen short in this area. We believe if the concept is understood and embraced by everyone, then everyone benefits—you, your team members, and most importantly, the hundreds of guests that walk through your door every day.

We wish you good luck, and good selling! ■

MIKE RARUS CAN BE REACHED AT  
954-978-0349 OR  
MBRARUS@MINDSPRING.COM

Servant Leadership is a somewhat foreign phrase to many of our newer franchisees, especially those who have come on board in the last year or two. I have been asked by several newer folks, "What exactly is my Business Consultant talking about?"

This is a great question, and also a tough answer to give depending on your understanding of the concept. Roughly four years ago, we as a company adapted this concept of Servant Leadership—and refined it and set it in motion—as a proactive way to embrace our team members, guests, fellow em-

**"Teach your team to treat guests as they would want to be treated as a guest at any other business."**

ployees, and supervisors.

We (I was a former corporate employee, so pardon the plural) felt it was imperative that we shift our focus to the people we depend upon so dearly every day—our employees and our guests—so we instituted a management philosophy that embraces this new emphasis. Thus the Servant Leader culture in 7-Eleven was born.

What is a Servant Leader? To many of

# Finding bad apples has never been easier.



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# The NCASEF's 36th Annual Convention & Trade Show!

By Iris Yost, MDA Program Coordinator,  
VICE PRESIDENT, SOUTHERN NEVADA/LAS VEGAS FOA



For those of you who did not attend the National Coalition's 36th Annual Convention and Trade Show in fabulous Las Vegas in July, you missed an amazing event!



## Our 2011 Major Sponsors

- |                   |                         |                         |                     |
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| Diageo-Guinness   | Lone Star Plastics      | Red Bull                |                     |

For Board members it started off with three days of meetings covering some of the most important issues facing franchisees across the country. These sessions included open conversations about accounting with SEI Vice President and Controller John Ehrie, discussions about maintenance issues with Steve Hall of SEI Maintenance and Jim Reavey from FM Facility Maintenance, the latest developments in the tobacco category with SEI Merchandising Manager Rob Chumley, an SSI discussion with SEI's Leonid Volovnik, and an overview of legislative issues with SEI Government Affairs Director Keith Jones.

Hopefully, each of your FOA representatives will find a way to communicate the major points of those discussions so we are all on the same page together.

After the Board meeting, our wonderful convention and trade show began. We had over 1,900 attendees! The convention itself featured seminars, entertainment and some great food! Everyone that registered had the opportunity to see some great Las Vegas shows for FREE.

The trade show floor was quite impressive, filled with over 300 exhibiting vendors and much energy. Our vendor partners went all out with promotions, displays, samples, prizes, and opportunities to help you improve your bottom line!

On the evening of the international buffet, I was fortunate enough to be the host for the auction event benefiting the



National Coalition Of 7-Eleven Franchisees  
2011 Convention & Trade Show

Muscular Dystrophy Association. The auction was extremely successful, raising over \$50,000 for the MDA. It was not an easy feat organizing this fundraising event, and I could not have accomplished it without the support of my local FOA board members, my friends, and my family.

continued on page 32





Thank you to all the vendors who donated the fabulous prizes for the auction, which allowed all attendees to bid and help raise money for the MDA. During the event, we were graced with the presence of the talented Abbey Umali, the National Goodwill Ambassador and poster child for the MDA. She sang a beautiful song for us and shared her story of raising funds for the association. She created a read-athon and raised over \$20,000. Watch her interview on the Telethon Station KTNV's "The Morning Blend" in Las Vegas ([www.vegasmorningblend.com/videos/125664573.html](http://www.vegasmorningblend.com/videos/125664573.html)).

We also had Max Adler, who plays Dave Karofsky on the hit TV show GLEE, at the auction and the trade show beforehand. He shared his personal story of his mother's and grandmother's battle with muscle diseases. Although he plays a bully on the show, in real life he is far from it and is a true champion—not only for the MDA, but also an advocate against bullying! It was a great evening and we exceeded our goals for that night and for the year. So far in 2011, we—together with our customers—have raised over \$420,000 for the MDA. ■

## The Must-Attend Event Of The Year!

The most amazing thing about the National Coalition's 36th Annual Convention and Trade Show was what you missed if you were not there! Each year the convention hosts interesting seminars, guest speakers, and events to make participation worthwhile, and this year's "Beating the Odds" event was no different. The Paris Hotel in Las Vegas attracted a record number of franchisees, as well as an overwhelming number of vendors at the trade show. Family-friendly activities and the allure of Vegas helped attendance, but the business-related aspects of the convention were the biggest draw.

The NCASEF Board met for two and a half days preceding the convention, and franchisees were welcome to attend and observe. It was well worth the time to arrive and get up early to witness firsthand our National Coalition at work.

The opening night reception was a delightful affair featuring the elegant music of pianist and songwriter Diane Lewis. Monday morning, National Coalition Chairman Bruce Maples and the Executive Officers filled franchisees in on the latest developments with current issues—Business Transformation, FM Facility Maintenance, SSI, and breaches for under equity. Afterward, the officers were available to address store-specific problems—a great chance for storeowners to take their concerns straight to franchisee leadership.

Immediately following, SEI Vice President and Controllor John Ehrie, Senior Director of Inventory Accounting Anne Bond, and Senior Director of Revenue Accounting Brian Padgett provided updates on SSIs, scanning, MDS reports, and the availability of audit results, among other top-

ics. John Ehrie took questions from the audience and handed out forms franchisees could fill out with store-specific issues that would get immediate attention. Where else could you get such access to Accounting?

While franchisees were having their funny bones tickled by comedian Mark Kornhauser at the "Beating The Odds" luncheon, everyone was given a Harrah's All-Stage Pass good for unlimited access to any of Harrah's 18 shows over two days. What a deal!

Golfers had plenty of time to network with fellow franchisees and vendors during Tuesday's Joe Saraceno Charity Golf Tournament benefiting Hire Heroes USA, at the Sunrise Vista Golf Course at Nellis Air Force Base. Throughout the day players were treated to an impressive display of the U.S. Air Force's might as various fighter jets took off from the nearby airfield and flew over the course.

On Wednesday morning, technology expert Amber Mac provided enlightening insight on how franchisees can use social media tools like Facebook, Twitter, FourSquare and Groupon to attract new customers and build sales. Motivational speaker Robert Stevenson delivered on productive ways to deal with corporate and employees, and the importance of keeping customers happy.

That afternoon over 300 vendors filled the trade show floor, eager to show off their latest products and offer great deals. If you had never been to a National Coalition trade show before this one, you were most certainly blown away by the mere scope of it! It was impossible to see it all in two days!



## Make Plans for Hawaii July 8-12, 2012!

The Charity Auction benefiting the Muscular Dystrophy Association that evening proved to be another popular event with convention attendees. It was truly an amazing demonstration of the charitable commitment of 7-Eleven franchisees.

NCASEF General Counsel Arnold Hauptman presented the last of the seminars on Thursday morning. He covered various essential aspects of the franchisee agreement, and was available after his presentation to offer legal advice to any franchisee who requested it.

The highlight of the Grand Banquet was the awards ceremony, with honors presented to both vendors and franchisees. NCASEF officers also presented a check for \$310,000 to Hire Heroes USA, the result of fundraising efforts conducted during the Joe Saraceno Charity Golf Tournament and the cause equity program that ran in stores during April and May. The evening was topped off with laughter by funnyman Dan Nainan.

Without question, if you missed "Beating the Odds," you missed a great time with franchisee and vendor friends and the only national convention of the year for franchisees. The business knowledge and unique access to those who can help you with store issues are reasons enough attend! You owe it to your-

self to mark your calendar for next year's convention July 8-12 at the magnificent Hilton Hawaiian Village Waikiki Beach Resort in Honolulu, Hawaii. Do you need more motivation? See you there! ■





## California 7-Eleven Goes Electric

A San Bernardino, California 7-Eleven is the first store to feature an electric car charging station, reported the *San Bernardino Sun*. The location was developed by a Los Angeles attorney who also created a new company called Re-charge-N-Go to install the charging stations. The new 7-Eleven charging station features two chargers, one with a 220-volt connection and another with a

480-volt connection, and vehicle owners initially will be able to get electricity for no charge while Recharge-N-Go monitors usage patterns to determine prices.

## Flash Mob Hits Maryland 7-Eleven Store

A 7-Eleven store in Germantown, Maryland was recently the scene of a flash mob robbery, reported local Baltimore news station NBC 4. As many as

*continued on page 36*

## The Power of Nice

By Ravinder Waraich  
Vice President, Columbia Pacific FOA



We all learned how to play nice in kindergarten, but somewhere down the road it was lost or forgotten. We forgot the golden rules we learned when we were growing up, and started adapting the tough rules to become successful in business.

I first became aware of "The Power of Nice" by Linda Kaplan Thaler and Robin Koval on Oprah's Book Club. The book serves as a reminder that in the long run, nice guys do finish first. This book is amazing. I highly recommend to everyone in business to read this book and start applying the methods. If everyone starts using acts of kindness in the business world, it would be a much better place. One of the principles the authors covered very well in this book is that "negative impressions are like germs, they infect you and everyone around you." At the end of the day, it's about how we live our lives and what we value.

I keep a copy of this book in my store and make it a required reading for my new hires. It makes a huge difference in people's attitude when it comes to customer service and working together as a team.

Oftentimes, we are too busy taking the aggressive approach in the business world and forget the power of a little kind gesture. If we take the time to appreciate people and use kind words, it can go a long way in business relationships. I believe if we all read this book and apply these simple approaches in our personal and professional lives, it will bring huge success to our people and our organization.

I challenge every franchisee to pick up this book and apply some of the simple methods toward your employees and customers; it will bring in positive energy into our stores.

On the other hand, I request SEI to pick up a copy of "Power of Nice" and make it a required reading in the organization. Stop hammering hardworking franchisees with LONs and breaches, and instead start using "Power of Nice" methods toward your own employees and franchisees. I strongly believe by doing this everyone will bring lots of happiness and positive energy into our stores. Happy employees mean happy customers, which means higher sales and ultimately higher gross profit. It's a win-win situation for everyone. ■

## Bits&Pieces...continued from page 24

Chevy's and El Pollo Loco — have agreed to participate in the Kids Live Well initiative and offer healthier children's meals as worries increase about the role of fast food in childhood obesity, reported the *Los Angeles Times*. • **U.S. gasoline demand fell 3.3 percent** from a year earlier as average prices at the pump gained 35 percent, reported *Bloomberg*. • **Kraft Foods** announced its Board of Directors intends to create **two independent public companies**: a high-growth **global snacks business** with estimated revenue of approximately \$32 billion, and a high-margin **North American grocery business** with estimated revenue of approximately \$16 billion. • **Many convenience stores throughout Utah are placing newspapers behind the counter** after coupon thefts from newspapers have increased sharply, the *Salt Lake Tribune* reported. • **New research from Mintel Foodservice found that value and flavor trump healthy menu selections.** According to the study, **41 percent** of restaurant-goers think eating healthfully at their favorite eateries is **more expensive**, and **14 percent** look for the **cheapest items** on the menu when deciding what to order. • In an effort to cater more to health-conscious consumers, **Starbucks** recently introduced its line of **Bistro Boxes, small compact meals boasting less than 500 calories**, reported *USA Today*. • Both chambers of the **New Hampshire legislature** hammered out a deal that will **decrease the state's cigarette tax by 10 cents**. The move came as the state House of Representatives and Senate worked to finalize the budget. • **Walmart** announced it will **open between 275-300 stores serving the Department of Agriculture designated food desert areas** between now and 2016. These stores, in both urban and rural areas, will

*continued on page 36*

# Pumpkin Spice Latte

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three dozen young people entered the location during the early morning hours of August 14 and took candy, drinks and snacks, police said. A man identified as the son of the store's owner told NBC 4 that the clerk in the store at the time of the robbery hit a panic button to alert police to the robbery, but did not confront any of the young people. Police are using the store's video surveillance footage to identify the perpetrators.

Up to three dozen young people entered a Maryland 7-Eleven and took candy, drinks and snacks.

### Coffee Drives C-Store Visits

Getting a cup of coffee or another dispensed beverage is the single-minded mission of many high-frequency convenience store visitors, and often they'll grab a donut or something else to go

with it, according to convenience store research by The NPD Group. NPD's Convenience Store Monitor finds that 86 percent of dispensed coffee purchases are planned and seven percent are purchased on a deal. Consumers of coffee and other dispensed beverages are high frequency buyers who represent 68 percent more visits than the average convenience store customer.

Coffee and other dispensed beverages represent 31 percent of unit purchases made in a convenience store, and of the dispensed beverage consumers, 33 percent are looking for coffee, 11 percent cappuccino or latte and 3 percent hot or iced tea. Typically, with the dispensed beverage, incremental purchases on an average visit total \$6.83. ■



### NRF Releases Guide On How To Deal With Flash Mobs

The National Retail Federation (NRF) recently released a white paper providing information and recommendations for dealing with flash mobs. According to the report, "Multiple Offender Crimes: Preparing For and Understanding the Impact of Their Tactics," flash mobs involve groups or gangs, often teenagers, swarming a store and overwhelming store employees with their numbers and speed. Over three-quarters (79 percent) of retailers polled by the NRF report being a victim of a multiple offender crime in the past 12 months, with some of these incidents (10 percent) involving flash mob tactics.

#### AMONG THE NRF'S RECOMMENDATIONS FOR DEALING WITH FLASH MOBS:

- Attempt to discourage the thefts by re-positioning associates near key areas of the store and high-value merchandise.
- Instruct employees and customers to retreat into a secure part of the store.
- To prevent the offenders from injuring associates, customers or causing additional damage to the store, stores should follow the prevention and apprehension guidelines issued by the corporate office.
- During the incident take mental notes of each offender, including their physical description and clothing. Immediately following the incident, document your observations.
- Additionally, take a mental note of any property stolen, damaged or other pertinent information about company loss. Immediately following the incident, document your observations.
- Note and preserve any areas touched by offenders in order to facilitate the collection of evidence
- Any video of the event can assist in the documentation process and should be readily available for law enforcement officials.

### Bits & Pieces...continued from page 34

provide access to groceries for more than 800,000 people living in food deserts. • **Walgreens** said it plans to offer electric vehicle charging stations at approximately 800 locations across the country by the end of the year, making it the nation's largest retail host. Major markets expected to host these sites include **Boston, Denver, Los Angeles, New York City, San Francisco and Washington, D.C.** Select locations in Florida, New Jersey, Oregon, Tennessee and Washington will also receive EV charging stations. • **Subway** recently announced that a franchisee in Toledo, Ohio, has opened the brand's 8,000th non-traditional location in a **Chrysler and Jeep assembly plant.** • **Cigarette makers R.J. Reynolds, Lorillard, Liggett Group, and Commonwealth Brands Tobacco** have partnered to sue the **FDA over its new graphic labels and smoking cessation advertising requirements**, calling them a violation of their free speech rights under the First Amendment, reported Reuters. • **Several grocery chains** have decided to **do away with self-checkout lanes** in order to provide more customer service and a personal touch, reported the *Dallas Morning News*. **Albertsons** is removing self-checkout lanes in each of its more than 200 stores in seven states, while **Kroger** said it is considering changing its self-checkout lanes into **one customer line for multiple, staffed express lanes.** • The **National Confectionery Sales Association** plans to hold its Candy Hall of Fame event **October 14 thru October 16, 2011** in Tampa, Florida. • **Boston Market** has teamed with Blockbuster Express for a new **"Dinner & A Movie" promotion**, in which customers receive a voucher for a one night \$1 DVD rental with any meal purchased after 5:00 pm. • **Facing slumping sales,**

continued on page 40

# 9 Innings with



Order between 7/4 and 9/4 2011

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- **E-MAIL:** NestleSupport@archway.com. Subject line of e-mail must read, "9 Innings with COFFEE-MATE Promotion".
- **FAX:** (888) 326-1379. Please print, "9 Innings with COFFEE-MATE Promotion" on the required distributor invoice or tracking report.

OR, TO ENTER WITHOUT PURCHASE: Print your name, address, phone number, and store number on a separate 3" x 5" card and mail in an envelope with required distributor invoice or tracking report to: Nestlé Professional, 9 Innings with COFFEE-MATE, P.O. Box 457, Rogers, MN 55374-1618.

See full rules and entry periods below.

**9 INNINGS WITH COFFEE-MATE SWEEPSTAKES RULES:** NO PURCHASE NECESSARY. 7-11 Franchisee operators can receive an entry into one of nine (9) weekly drawings for each case of COFFEE-MATE® Liquid Creamer Pump Bottles ordered between 7/1/11 and 9/4/11 ("Ordering Period"). There will be nine (9) sweepstakes periods, each sweepstakes period will run for approximately one week. The beginning and end dates for each sweepstakes period are set forth BELOW ("Promotion Window"). Non-winning entries will be carried over to the next sweepstakes period. To enter: Send in your distributor invoices or tracking reports showing purchases of qualifying cases of COFFEE-MATE® Liquid Creamer Pump Bottles purchased during the Promotion Window via one of the following three ways: 1) Mail to: 9 Innings with COFFEE-MATE Promotion, P.O. Box 457, Rogers, MN 55374-1618. 2) Email to: NestleSupport@archway.com. Subject line of email must read "9 Innings with COFFEE-MATE Promotion". 3) Fax to: (888) 326-1379. Please print "9 Innings with COFFEE-MATE Promotion" on the required distributor invoice or tracking report. **HOW TO ENTER WITHOUT PURCHASE:** Print your name, address, phone number and store number on a separate 3" x 5" card and mail in an envelope with required distributor invoice or tracking report to: Nestlé Professional, 9 Innings with COFFEE-MATE, P.O. Box 457, Rogers, MN 55374-1618. No mechanical reproductions of 3" x 5" card permitted. Each entry must be original and mailed separately. Validated distributor invoices or tracking reports must include the following information: Distributor name and address, Operator name, address and store number, product purchase date, Nestlé® SKU number or brand name, product description, pack sizes and price. Required products must be circled or highlighted. No handwritten invoices or sales history receipts will be accepted. All entries become the property of Nestlé Professional. Not responsible for lost, stolen, illegible, incomplete, postage due, misdirected or late entries. Entries must be received by end of sweepstakes period on or about 11:59 PM ET on 9/12/11. Entry periods: 1) 12:01a.m. ET, July 4, 2011 – 11:59p.m. ET, July 17, 2011. 2) 12:01a.m. ET, July 18, 2011 – 11:59p.m. ET, July 24, 2011. 3) 12:01a.m. ET, July 25, 2011 – 11:59p.m. ET, July 31, 2011. 4) 12:01a.m. ET, August 1, 2011 – 11:59p.m. ET, August 7, 2011. 5) 12:01a.m. ET, August 8, 2011 – 11:59p.m. ET, August 14, 2011. 6) 12:01a.m. ET, August 15, 2011 – 11:59p.m. ET, August 21, 2011. 7) 12:01a.m. ET, August 22, 2011 – 11:59p.m. ET, August 28, 2011. 8) 12:01a.m. ET, August 29, 2011 – 11:59p.m. ET, September 4, 2011. 9) 12:01a.m. ET, September 5, 2011 – 11:59p.m. ET, September 12, 2011. **PRIZES:** There will be a total of 18 prizes awarded during the Promotion Window, 2 awarded per week. Prize: \$200 cash prize awarded in the form of a check. No substitutions for prizes will be permitted and prizes are non-refundable and non-transferable, except at sole discretion of Sponsor. Sponsor reserves the right to substitute prize of equal or greater value. Federal, state and local taxes are solely the responsibility of the winner. **WINNER SELECTION:** Potential winners will be selected in a random drawing from all eligible entries received for each sweepstakes period on or about three (3) days after the sweepstakes period. By entering the sweepstakes, entrants acknowledge that their company policy allows them to enter and win the stated prize, and that they will accept and agree to these rules and the decision of the judges, which shall be final. Return of any prize or notification as undeliverable will result in disqualification and an alternate winner may be selected. By submitting an entry, a winner agrees to allow use of his or her name, likeness and/or biographical information for promotional purposes, except where prohibited. **ELIGIBILITY:** Sweepstakes open to 7-11 Franchisee Operators who are legal residents of the 50 U.S., & DC, 18 years of age or older, except employees and the families of Nestlé USA, and their affiliates, subsidiaries and promotional and advertising agencies, Nestlé USA, participating foodservice operators, their affiliated companies, representatives, agents or employees are not responsible for, and shall not be indemnified by the prize winner(s) against, any claims, injuries, losses or damages of any kind resulting from acceptance, use, misuse, possession or loss of the prize. Subject to all federal, state and local laws. Void where prohibited or restricted by law. This offer may not be published elsewhere without written permission from Nestlé.



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# From the National Office

## TRANSFORMING THE DISTRIBUTION MODEL

By Bruce Maples, Chairman

National Coalition of Associations of 7-Eleven Franchisees



**A**

s we start to close out the third quarter and put the 100 days of summer behind us, franchisees will begin two major initiatives that could have substantial impact on the operation of our stores and our profitability. The transition from CDC flat fees to a merchandise markup has started, and the Business Transformation (BT) pilot shift to a McLane distribution model is well underway. Flat fees have been removed in several CDC markets, and a schedule for removal in all CDC markets has been shared with the franchisees affected. Several California stores already have begun testing the McLane Business Transformation delivery model.

While these changes do not affect all stores directly, they represent a major philosophical change in our distribution system model that will eventually impact all franchisees. The original CDC concept was rolled out with little or no franchisee input and needs to change. SEI has assured us the long-time legacy issues franchisees have had with the original CDC roll-out, which began over a decade ago, are being addressed. Addressing these issues with franchisee input NOW will result in a distribution model that will better support our stores with the products and services we need.

The original concept of daily delivery

of fresh foods was presented to franchisees as a system that would give us a competitive advantage in the marketplace. No other convenience store operator could deliver a system that supplies stores with daily delivery of fresh foods, and that still remains true today. In spite of this, sometime over the past ten years our proprietary system transformed into something it was never meant to be. The current CDC system across the country started delivering everything from heavy liquids to cell phones in an attempt to prevent a flawed delivery system from failing. The flat fee implemented in an attempt to shore up a declining model, and force volume through the CDC, did little to improve franchisees' store sales or profits.

Today we have an opportunity to help improve that distribution model. Franchisee input is needed to make sure we don't repeat the "mistakes of the past." The first meeting on CDC Optimization was held July 29, at the Long Island CDC. Franchise leaders from the National Coalition, the United Franchise Owners of Long Island (UFOLI), and the NBLC met with representatives from 7-Eleven, Inc., including Senior VP Merchandising and Logistics Jesus Delgado-Jenkins, Senior Director Logistics Christi Clinger and VP Group Merchan-

dising Bob Cozens.

National Coalition leadership reviewed a plan for CDC flat fees with the Coalition Board at our May meeting in Chicago that was jointly developed with franchise leadership. While all changes were not unanimously agreed upon, it was a dramatic improvement and a big step toward improving franchisee profitability. The plan focuses on what items are right for the stores and at what frequency items should be delivered.

Changes in delivery frequency for items such as milk, which is moving to a five-day delivery cycle, and commissary and fresh bakery, delivered seven days a week, will result in cost savings that can be passed directly onto the stores. Determining the ideal order and delivery frequency, as well as delivery appropriateness (i.e., milk) for each product line in the CDC should result in better efficiencies, lower product cost, and higher gross profit dollars for the stores. Reducing commissary and bakery costs to improve stores' total gross profit will be an ongoing process that will need franchisee input.

A communication was sent on August 15 to all stores affected by the flat fee change to allow sufficient time for review. A store-specific analysis will be

*continued on page 40*



**"The BT pilot shift to a McLane distribution model and changes to the CDC could have substantial impact on the operation of our stores and our profitability."**

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sent to each store as the changes are rolled out so that every franchisee will be aware of how the changes will impact your store.

Daily delivery of fresh foods today is one of our biggest competitive advantages. Delivering the right items at the best cost through a system that gives us a competitive advantage increases that advantage. Each FOA in a CDC area needs to give input and provide feedback to SEI on what is best for the stores in their area. Fresh food initiatives supported by

**“Addressing CDC issues with franchisee input NOW will result in a distribution model that will better support our stores with the products and services we need.”**

the CDC will only be successful if supported by franchisees.

A product assortment driven by franchisees could be our biggest competitive advantage and help ensure success. The right regional product assortment, delivered by the CDC at the right price, also decreases the number of trucks in our lots and gets pretty close to delivering on the original CDC concept. Leveraging our size and scale to develop a delivery system that accurately reflects our customers’ needs will provide the marketplace advantage we desire. ■

**Bits&Pieces...***continued from page 36*

**Burger King** has begun to test new items like **fruit smoothies, low-fat parfaits, oatmeal, salads, and specialty coffees** in order to attract more customers, *Nation’s Restaurant News* reported. • **Couche-Tard** recently announced its fiscal year 2011 **net earnings are up 22.2 percent**, and its **same-store merchandise sales in the U.S. are up 3.6 percent** and down 2.1 percent in Canada. • **Walgreens** recently introduced its **Nice! line of private label products**, the *Chicago Tribune* reported. The line includes more than **400 items**—mostly grocery and paper products—scheduled to **roll out to all 7,742 Walgreens and Duane Reade drugstores**

*continued on page 46*



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## Business Issues



### MORALE AND ENTHUSIASM BUILDS AT LONG ISLAND CDC MEETING

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

I recently attended a meeting in Long Island, New York between area franchisees and SEI to discuss removing the CDC flat fee and instead implementing a merchandise markup model. The meeting included National Coalition Chairman Bruce Maples, UFOLI President Tariq Khan, SEI Senior Vice President of Merchandising and Logistics Jesus Delgado-Jenkins, Vice President of Group Merchandising Bob Cozens, and Logistics Senior Director Christi Clinger, as well as several UFOLI Board Member franchisees. The agenda was set by SEI, so I expected this meeting to be like every other one we've had with our franchisor. Boy, was I wrong.

After SEI introduced the agenda, we started to discuss the changes to the CDC delivery system and the flat fee. Franchisees, true to spirit, began asking questions and voicing concerns regarding the reason and logic behind certain decisions made by corporate.

At some point during the meeting, the discussion turned to CDC merchandising opportunities, or what the CDC can, and actually should, deliver to our stores. The meeting then took a reversal, which was very positive, and you could sense the enthusiasm build

in the room. Both franchisees and SEI agreed that we indeed have opportunities to utilize this system. It was a welcomed sight to see. Franchisees were asked for input, and we had an honest discussion. Not only was the meeting very positive, but it also led to a committee being formed. Tariq Khan was instrumental in assembling the committee, and he was able to rally his folks and raise their enthusiasm during the meeting. The committee, which is comprised of franchisees and SEI folks headed by Christi Clinger, will soon meet to discuss new and potential items that we can bring through the CDC.

**“When the discussion turned to CDC merchandising opportunities, the meeting grew positive and franchisees seemed enthused.”**

Moving forward, if this is the model SEI is going to use in regard to the CDC—seeking franchisee input for merchandising opportunities—I think we have paved the way back to the intent of franchised systems: a cooperative effort between franchisees and management. I have always said that we, as franchisees, have bought into a franchise system, and I believe when you buy into a franchise system the franchisor has an obligation to sit with you and work with you to meet the needs of your guests. Leaving this

meeting, the overall feeling we walked away with was optimism. We believe this CDC model will work, which is great because we want to stay ahead of our competition with new items.



Given how the slumping economy has been affecting retail businesses in general, one of the biggest things we can gain from this communication model is that we have returned to what the franchise system needs to do—meet with franchisees, listen to our concerns, and work with us to meet our guests' needs. We did this many years ago and I think we've drifted away from it. Getting back to this model of inclusion and open communication is a positive win for both franchisees and SEI. After all, we are partners in the stores we operate.

I want to thank all the franchisees that attended the meeting. It was great to see your enthusiasm and morale on the rise. ■

**“Have we paved the way back to a cooperative effort between franchisees and management?”**

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# Legal Issues

SO LET'S REVIEW...



By Arnold J. Hauptman, Esq.

National Coalition of Associations of 7-Eleven Franchisees

In my role as general counsel to the Coalition, it is part of my job to write six articles each year for publication in Avanti. That means I have already written 24 articles during my four-year tenure, and it is not an easy task to avoid repetition when your topic is limited generally to legal affairs and the interpretation or explanation of your store agreement.

However, certain topics seem to be the basis of many of the questions posed to me by phone, e-mail, or at board meetings and conventions. So why not review those topics on an abbreviated, but nevertheless informative, level? You should, however, consult your agreement for a more expansive review.

### Non-Compete Provisions—Paragraph 5

In the 2004 agreement, there is no provision for non-competition during the term of your agreement. Subsequent to 2004, all agreements provided for both in-term and post-term restrictions with respect to “maintaining, operating or engaging in a competitive business.” The restriction during the term of your agreement is a competitive business within one-half mile of any intended or actually existing 7-Eleven store, excluding any such business

owned by you as of the effective date of your agreement.

The post-term restriction on operating a competitive business is for a period of one year at a location “which is, or intended to be located at the site of the store [i.e.: the store ceases operations as a 7-Eleven store for any reason], or at the site of any former 7-Eleven store within two (2) years as it last being operated as a 7-Eleven store.” The language is a little convoluted but, in a few words, stay away from operating a competitive business in former 7-Eleven store sites for one (1) year.

The question frequently arises: What constitutes a “competitive business?” Here is the definition in Exhibit E:

“Certain topics are the basis of many questions posed to me by phone, e-mail or at board meetings and conventions.”

“Competitive Business” means any business that is the same as or similar to a 7-Eleven Store (except 7-Eleven Stores operated under valid agreements with us), including a convenience store or other store not designated as a convenience store in which the product mix is fifty percent (50%) or more of goods or services substantially similar to those then-currently offered by a 7-Eleven Store.”

### Audit Rights—Paragraph 12

Periodic audits, of course, are essential and benefit both SEI and you. Through such audits you can discover, among other things, that employees may be the cause of cash or inventory shortages.

You are entitled to an audit each calendar quarter, with additional audits available at your expense. Moreover, and upon 24-hour prior notice to SEI, you can engage your own auditors. What about notice of an audit to you? Generally, SEI must give you 24-hour notice, but under certain circumstances no notice is required. For instance, no notice need be given in the event of a burglary or robbery, a casualty, missing receipts, your failure to timely report purchases or account for receipts or expenses, you are below your net worth minimum, or your prior audit indicated an inventory overage or shortage of more than one percent. If you are a multiple owner, under any of these conditions SEI can audit all of your stores simultaneously without notice.

However, you or SEI have the right to have a re-audit if requested within 24 hours of receipt of the audit report. Contrary to the advice given to some owners recently that a re-audit must be “justified” in some way, you

*continued on page 46*



**ARNOLD J. HAUPTMAN**  
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have an absolute right to such a re-audit within 24 hours, with or without a reason acceptable to SEI. But keep in mind—you pay for the re-audit unless it results in an audit adjustment of more than one percent of the prior audit.

## The 2006 & 2010 Agreement

Even though you may not think so, and even though you were then first introduced to the eighty-five percent recommended vendor requirement, consider yourself lucky if you are operating under the 2004 agreement. This is the last contract in which all stores are enjoying a 50-50 gross profit split. Also, that 50-50 split can be transferred to a good will purchaser for the balance of the term of your agreement, which will typically be until 2019 unless sooner terminated pursuant to the contract—i.e. most notably expiration of the store lease and all options.

2006 brought to the system a radical (and not a good) change to the method of computing the 7-Eleven charge. Gone was the universal 50-50 split. In its place came the “tiered” split based upon your gross profit, adjusted every year.

This dramatically impacted high volume stores

with a potential 7-Eleven charge of as much as fifty-six percent. Compounding this dramatic income swing to SEI is the fact that the various tiers are not adjusted for inflation. Stated differently, you can find yourself on a higher tier simply by reason of inflationary market forces beyond your control and without selling any more product.

More bad news in 2010: that store

agreement reduced the term from 15 years to 10 years, thereby reducing the good will value of your store, and for the first time ever, imposed a renewal fee equal to twenty percent of what the franchise fee would be at the time of renewal. WHEW!! That could really be a big deal. It is anybody's guess, again considering inflation, what the franchise fee could be many years from now.

Over and over again, I am asked whether or not a current franchisee will be required to pay the renewal fee upon expiration of his or her agreement. The answer is NO with respect to any pre-2010 agreement. Each such executed agreement provides for a renewal at expiration at no additional fee for a term provided for in the “then current agreement”—now 10 years. When your renewal agreement expires, you will then have to pay the renewal fee. Some examples:

- You are on the 2004 agreement, which will not expire until 2019. You can then renew at no additional fee for 10 years. Upon further renewal in 2029, the twenty percent renewal fee will be imposed.
- You are on a 2008 agreement, which expires in 2023. Again—no charge to renew for 10 years, but a renewal fee in 2033.
- You are on a 2010 or later agreement which expires in 10 years. You will be required to pay the renewal fee at the expiration of your agreement.

As always, call or e-mail me with any questions. ■

“Franchisees on pre-2010 agreements do not have to pay the 20 percent renewal fee upon expiration their agreement.”

## Bits & Pieces...continued from page 40

nationwide by January. • The price for a pack of cigarettes will get a little cheaper next year in Louisiana as Gov. Bobby Jindal vetoed a bill that would have permanently extended a temporary 4-cent per pack levy on cigarettes. • A new study from Juniper Research has determined that the total value of mobile payments for digital and physical goods, money transfers, and NFC (Near Field Communications) transactions will reach \$670 billion by 2015, up from \$240 billion this year. • The FDA has warned the makers of melatonin-laced brownies called “Lazy Larry” that it considers them unsafe and could seize the brownies from store shelves if the company continues to make them, reported the Associated Press. • An armed man dressed as cartoon character Spongebob Squarepants robbed a 7-Eleven store near Orlando, Florida, reported the *New York Daily News*. The perpetrator walked away with a drawer full of cash and fired several shots, but no one was injured. • A bill was recently introduced in the Pennsylvania House that would privatize the state's liquor stores and allow supermarkets and c-stores to sell alcohol, the *Scranton Times-Tribune* reported. • New York's decades-old quest to tax the millions of cartons of cigarettes sold by Indian tribes to non-Native customers was revived recently after an appeals court lifted an order blocking collection of the \$4.35-per-pack tax. The move could generate \$500,000 a day in new tax revenue beginning Sept. 1, but has been challenged by at least five Indian nations. • McDonald's said second quarter profits jumped 15 percent in part due to strong performance of its McCafe beverages, reported *Bloomberg*. McCafe sales for the quarter increased 29 percent com-

continued on page 56

“Generally, SEI must give you 24-hour notice for an audit, but under certain circumstances no notice is required.”

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## Outsourcing Continues

Roger St. George

VICE CHAIRMAN, NATIONAL COALITION

Early on, the old Southland Ice Company became an icon in the fledgling convenience store industry not only because of its amazing growth and pioneering merchandising ideas, but also because of its "can-do" attitude.

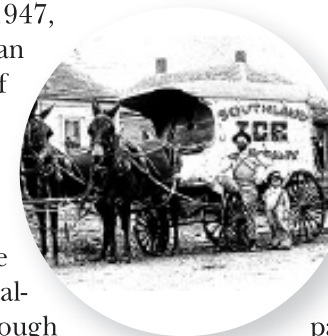
Joe C. Thompson, Jr. realized that the best way to get things done was to do it yourself. This resulted in the formation of the Oak Farms Dairies in 1936, followed by the Ice Bottling Company in 1947, which was created to guarantee an uninterrupted supply source of bottled soft drinks for its stores. In 1952, Southland claimed to have pioneered "sharp-frozen fresh meat" and formed the Circle T Meat Company. These early forays led to a highly vertically integrated corporation through the 1980s—with Reddy Ice, Southland Chemical Division, Southland Foods Centers, Southland Distribution Centers, and in-house accounting, auditing, and maintenance departments.

This cultural "can-do" attitude changed when the Southland Corporation filed for bankruptcy protection in 1990 following the 1987 attempt by the Thompson family to make the company a privately held corporation. This led to the sale of all its subsidiary businesses and assets. A few years later the company began a process of outsourcing many functions it traditionally provided to its franchisees, starting with the maintenance department, followed by the auditing department.

Franchisees were apprehensive, but in many cases the former employees of Southland's subsidiary businesses simply formed new companies and became independent contractors serving the stores of their previous employers. While the names of the com-

panies providing these services changed, the names and faces of the people visiting the stores remained the same for many years.

In the last couple of years this has changed drastically. The Southland Corporation became 7-Eleven, Inc. (SEI), and a new laser focus on SEI's bottom line dictated that third party providers could serve to meet the company's needs at a greatly reduced cost.



FM Facility Maintenance was selected to manage the entire maintenance function. Two national auditing companies, WIS and Regis, are being handed exclusive contracts for all stores across the nation. A third party payment processor, Advantage IQ, has been contracted to pay garbage and recycling bills. A division of Hewlett-Packard now processes the new hire information from a store's ISP and sends the information to SEI's Oracle system before a franchisee's employee can be paid. Most of the accounting employees who traditionally verified merchandise invoices have been terminated in favor an electronic paperless payment system that allows suppliers to transmit any invoice for immediate payment. The list of outsourced services seems to be endless.

Most franchisees expect SEI to be a financially healthy company. Franchisees benefit when SEI reinvests in its stores. But store-owners lose when SEI utilizes the lowest cost

*continued on page 51*

**ROGER ST. GEORGE CAN BE REACHED AT  
360-500-1248 OR RDSAINT@COMCAST.NET**

**"A mistake of a few thousand dollars is not even a blip on the screen, but is emotionally and financially devastating to the individual franchisee who finds himself below equity."**

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## Outsourcing Continues *continued from page 49*

provider who has no relationship with its customer, the franchisee. These outside contractors have no financial responsibility to the customer—there is no perceptible ramifications. A mistake of a few thousand dollars is not even a blip on their screen, but is emotionally and financially devastating to the individual franchisee who finds himself below equity. Franchisees are spending hours in the backroom of their stores creating Customer

“Franchisees are upset that there seems to be a culture of deniability or a lack of ownership in addressing obstacles within SEI.”

Help Desk (CHD) cases to get account payable billing errors corrected, to request the opportunity to sell items previously carried for their customers, to get orderable quantities

corrected, to get responses to tax notices from federal and state agencies, and to get new employees paid in a timely manner.

Franchisees are upset that there seems to be a culture of deniability; that there appears to be a lack of ownership to address obstacles within SEI. Franchisees feel there is a black, bottomless pit into which many CHD cases fall, never to be seen again. The convenient response seems to be, “No one told me until now.” It is too easy to rely on computer exception reports. Too often franchisees are told, “You are the only one with this problem.” Many would agree that there needs to be a system to collect individual CHD cases from franchisees and link the commonalities for escalation to responsive decision-makers.

The goal of outsourcing is to have a third party perform a routine task more economically, with greater skill and greater expertise. Maybe Joe C. Thompson foresaw the ultimate outsourcing when Southland Corporation bought the Speedee Mart franchise system in California in 1963. ■



## Social Media Growing C-Store Sales

Jivtesh Gill

VICE CHAIRMAN, NATIONAL COALITION

The use of social media—texting, e-mailing, Facebook, Twitter, and MySpace, just to name a few—with the new generation is exploding. It seems the world is getting smaller and communication is getting quicker. Everywhere you look, folks are on their electronic gadgets—smart phones, iPads, laptops, Kindles, and the like. It is increasingly obvious that this is what people are paying attention to, and this is how they are interacting with each other.

Given the growing use of digital communication in our society, many companies have modified their marketing strategies to take advantage of social media trends, and with phenomenal success. We all got a taste of this on

7-Eleven Day: SEI decided to advertise the event via social media and we had a flood of guests in our stores looking for free Slurpees. You can confidently say it had a huge impact on our businesses, and serves as compelling proof that social media is a very effective way to market our stores.

Realizing the intrinsic value of this method of advertising, SEI has been

*continued on page 52*

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



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## Social Media Growing C-Store Sales continued from page 51

working on several programs to utilize social media to our advantage, and one of them involves creating Facebook pages for each individual store. This program would allow franchisees to participate in what is displayed on their store's page—promotions, specials, local events, and such—so they can create a following online that could be parlayed into a growing pool of regular, loyal guests. According to the iModerate 2010 study, Facebook has over 150 million active users in the U.S. and has proven its ability to drive business: users are 51 percent more likely to buy after “Liking” a Page, and they are 60 percent more likely to recommend after Liking a Page. These numbers cannot be ignored.

Already there are some stores that have created a Facebook page and have advertised specials that way, with fantastic results. Their customer counts are up and their sales have increased from 5-10 percent. The best part about social media advertising is that it's not just Slurpee sales that increase for the day—it's a sustainable improvement because those customers return and buy additional items.

Social media is different than advertising on the radio or

in the newspaper because it's more personal. Seeing an ad in the paper is very different than receiving a personal invitation for a free Slurpee through e-mail, Facebook, or Twitter. It adds a personal touch.

Taking it a step further, SEI can use social media to tie vendor promotions to 7-Eleven promotions. For instance, if Nestle Confections has a “Cowboys and Aliens” promotion, they can also tie in 7-Eleven as a supplier of the products. That would mean additional advertising for our stores. To encourage franchisees to use social media to promote and sustain Slurpee sales—as another example—stores could run a con-

*continued on page 53*

“Social media can have a huge impact on our businesses as a very effective way to market our stores.”

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Chicken & Monterey Jack.....	517623
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Egg, Bacon, Potato & Cheese.....	064790

**EL MONTEREY**  
Home of the Real Food

*continued on page 55*

*continued from page 52*

test to crown the next Slurpee King, with the winner getting a \$100 or \$200 gift card.

Although it has many benefits, social media in general comes with some obstacles that we need to be aware of. When you have guests posting entries to your Facebook page, you need to have a gatekeeper monitoring it through filters (not allowing curse words, etc.). The social media test SEI is conducting is helping to establish filters so that no negative messages relating to 7-Eleven get out.

“Younger generations want a different way of communicating.”

I strongly feel social media is the direction we want to go and make some investment. The Baby Boomers are aging and exiting the work force. The new generation wants a different way of communicating. They use social media, so we must as well. We need to stay ahead of the curve. 7-Eleven may be an old company, but we are the leader in the industry, and we must be proactive and stay relevant if we want to remain competitive in this technologically evolving age. It's definitely an investment in our future. ■



## Desperate Times Leading To More Crimes

**Jatinder Singh**

VICE CHAIRMAN, NATIONAL COALITION

Our nation is going through bad economic times, and certain parts of the country have been hit harder than others. The housing market is at its lowest ever, and the unemployment rate is over nine percent nationwide—in some areas more than fourteen percent. Some argue that those with any type of job are lucky to be employed. Even with unemployment benefits, some families have to juggle bills to ensure the utilities stay on, and many are selling their belongings to raise funds.

This situation is only likely to get worse. So far in the “recovery,” job growth has been concentrated in lower wage jobs with minimal growth in middle-income wages, as many higher paying jobs have gone overseas. Unemployment benefits have expired for a considerable number of people and the only solution for them is to obtain government support through the food stamps program. According to government

data, there are now almost 46 million people in the country on food stamps—roughly fifteen percent of the population—a big increase since 2007, just before the financial crisis and deep recession led to mass job losses.

In low income areas and tough neighborhoods this situation can lead to other problems, such as angry guests, shoplifting, abuse of the system, increased number of robberies, and most important, flash mobs entering stores and walking away with lots of merchandise. It has happened in some parts of the country to different

types of retailers—teens organized via cell phones, texting, or social media to target a particular store, then entered the store during the

*continued on page 56*

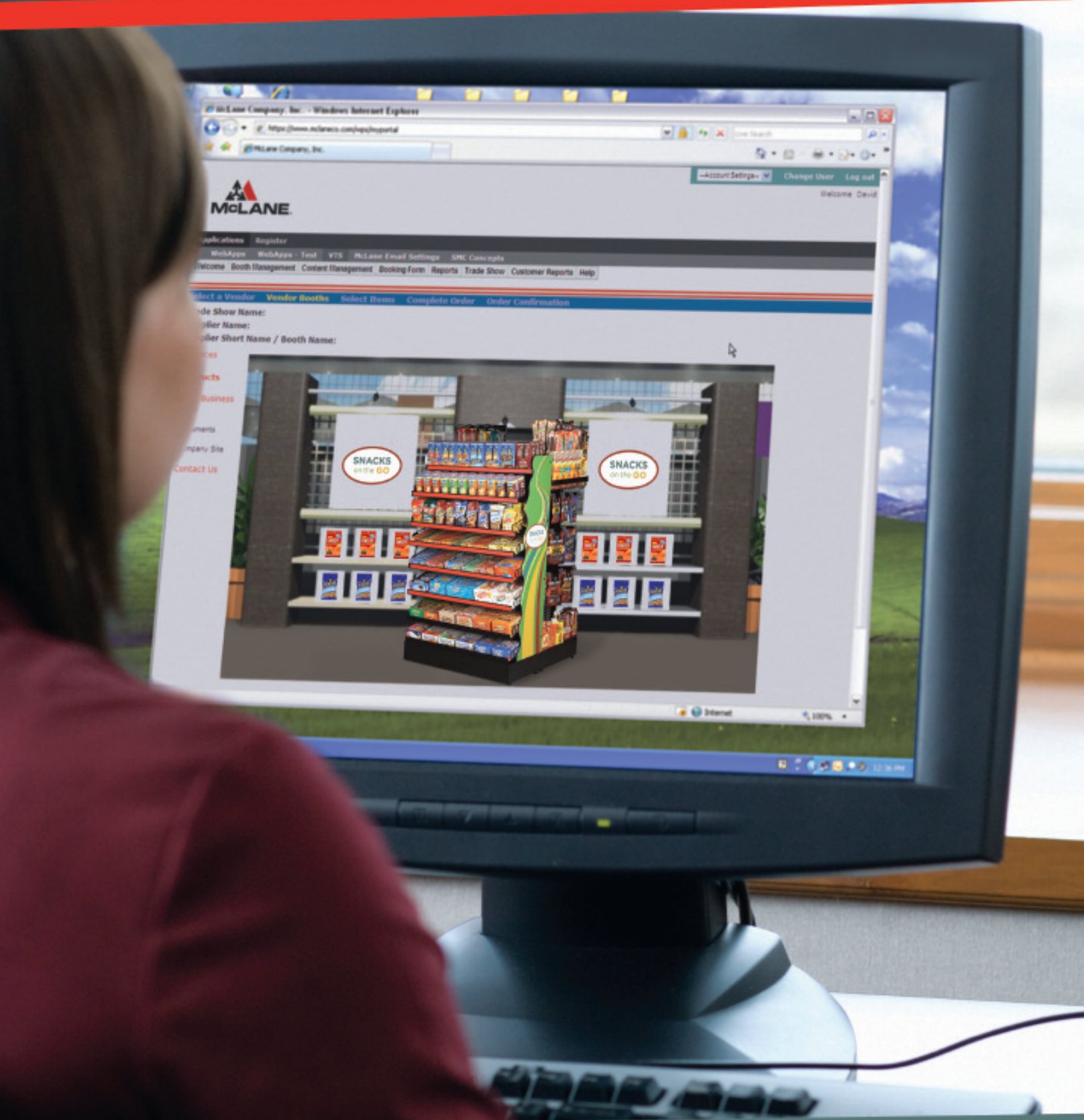
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“We must make sure our sales associates go through the proper safety programs and our security systems are in working order.”

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continued from page 53

late night hours and stole as much merchandise as they could carry. Several 7-Eleven stores have been hit by flash mobs—or “flash robs,” as law enforcement officials are calling the crime—in the last few weeks. We are particularly susceptible to this crime because we operate 24 hours day.

Robberies have increased in my area during the last few months. These trends may go up, as there is no financial relief in sight for our nation’s economy. As franchisees we

have to be more vigilant than ever to prevent these crimes in our stores. We must work closely with local law enforcement and the SEI team to keep these bad elements away. We must also make sure our sales associates go through the proper safety programs, that our security systems are in working order, and that all safety-related signs are placed. All loss prevention related signs could now be ordered by creating a case online. ■

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

The strength of an independent trade association lies in its ability to promote, protect and advance the best interests of its members, something no single member or advisory group can achieve. The independent trade association can create a better understanding between its members and those with whom it deals. Call 520-577-8711 for more information.

### Bits&Pieces...continued from page 46

pared to the same time last year. • **Feed The Children and PepsiCo** partnered to deliver ten semi tractor-trailers full of food and essentials to help 2,000 families in Detroit. This was the second year the two organizations have joined together at Second Ebenezer Baptist Church to bring assistance to Motown’s families in need. • After suffering a \$8.5 billion net loss in fiscal year 2010, the **U.S. Postal Service** has announced plans to close 3,653 post offices. • In a move to delve deeper into fast-growing markets in China, **Nestle** has paid \$1.7 billion for a 60 percent stake in candy-maker Hsu Fu Chi International, reported Reuters. • **Philip Morris USA** recently filed two lawsuits in U.S. District Court against thirty-four New York City retailers for selling counterfeit versions of the company’s Marlboro brand cigarettes. ■

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1. MATADOR Design Concept Testing, January 2010. 2. TNS In-Home Consumption Tracker Q3 2011. 3. MATADOR Packaging Preference Study, March 2011. 4. Nielsen Data 52 w/e 5/14/11, Convenience Channel, Total \$ Sales by Brand / Segment. 5. 8/1/12 w/e 8/23/10. All values combined.

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**By Bob Strauss**

Franchisee and Board Member,  
Franchise Owner's Association, Chicago

Shortly after Dallas announced the major reorganization known as Project E, franchisees and vendors started asking how this would affect them and others. I thought about that question and couldn't respond with an answer they could bank on. In my 35 years as a franchisee, I've watched the 7-Eleven hierarchy centralize and then decentralize, get mean and then get warm and compassionate, increase manpower and then cut heads, act as a hungry merchandising and marketing machine and then drift into a marketing malaise. So how would this master plan envisioned by the efficiency experts impact franchisees? I wasn't sure.

locations changed over the years, but it was always easy to learn who my new 'go to' person was. I chuckled the other day, realizing I was now routinely spending hours or days trying to figure out who the 'go to' guy is. I've wasted the time of others who I've recruited to help me find if there's a human being assigned to certain responsibilities, and if so, who they are.

I'm far from an expert on this stuff, but I've always believed that a component of effective operations is effective relationships. Maybe it's old school, but individuals knowing one another and

**"Can everything be accomplished through work orders to a master computer switchboard?"**

A few months have passed and it appears to me that the reorganization is starting to take shape. I can't begin to appreciate the complexities of consolidating management areas, developing and explaining new job descriptions, and assigning new people to new responsibilities. I can't imagine the challenge of assuring that old tasks are managed as the players move to new assignments, making career-ending decisions, and much more. I guess that's why the folks in Dallas get paid the big bucks.

One thing I can now report with confidence is that you can't tell the players without a scorecard, and I'm having a heck of a time getting one. For 35 plus years I knew who to contact when I had a security, accounting, billing, human resource, or vendor status question. The names and

working together helps make things work better. I can think of an endless list of things that were taken care of on a national or store level due to individuals knowing who to quickly contact, report, or discuss a situation with. 7-Eleven has

**"I've always believed that a component of effective operations is effective relationships."**

been blessed with a long line of sharp, caring employees. Those employees were and are individuals; individuals with lives, names, phone numbers and e-mail addresses. So what's in the future for franchisees and 7-Eleven? Can everything be accomplished through work orders to a master computer switchboard?

I just discovered that area stores are

*The Reorganization And You*

being charged the wrong cost on a dairy item from the

CDC. Stores are being charged nearly three times the correct cost. Doesn't seem like a big problem, but what happens if some stores drop the item due to the cost? What happens if others triple their retail? This is just a teeny example of real life and the reorganization. I used to know who my 'go to' guy was for this kind of issue. I called or e-mailed Merchandising Support. I did the same with the Dairy Category Manager. I no longer can figure out who those folks are. Will the software know where to deliver my work order? Will I get a response in minutes? Will I have to keep going to the store to check my slow as molasses 7-Con-

nect computer? Once I get an answer will I have to start the process all over again to assure that all stores receive the proper cost credit and are notified of the situation? I wonder who the software will direct that message to.... ■

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# Learning From Mistakes

By Pete Gragnano, Vice President, Suburban Washington FOA

It has been said insanity can be defined as doing the same thing over and over, expecting different results. Mistakes, on the other hand, are part of being human. But as the legendary Alabama football coach Bear Bryant once said about mistakes, “There are three things to do with a mistake: admit it, correct it, don’t repeat it.” Based upon the discussion below, please help me judge if a psychiatric evaluation is needed.

In 2008, the Maintenance Department at the Store Support Center (SSC) in Dallas informed franchisees

equipment. Stores had revenue-generating equipment out of service for days and weeks. Finally, SEI had to hire back the prior local service companies and pay on a job-by-job basis until formal contracts could be signed. In the Chesapeake Division—now the Liberty and Patriot Zones—maintenance actually improved, as better quality service providers were brought on board via contract.

Then in late 2009, the SSC Maintenance Department unveiled another change: FM Facility Maintenance, a national service company, was taking

**“In all fairness to FM, they undertook a massive task—they assumed the contracts of every service provider across the country.”**

they were changing the way maintenance was performed in our stores. In the Chesapeake Division, Source Maintenance, a national company, was undertaking the task of providing the maintenance requirements for all corporate and franchise stores. For some franchisees, whose local providers were of poor quality, this was welcomed news. However, for others who were happy with the level of service at their stores, this caused a great deal of uncertainty.

We can assume what happened next. Source was unable to assemble a large enough team of quality technicians to properly service our stores. Maintenance cases were created and closed with no repairs done to the

over the maintenance responsibilities at all 7-Eleven stores. We all know now that FM does not have maintenance employees. FM contacts local contractors for service, and like good businessmen, tries to obtain the lowest cost service provider, since the savings go directly to their bottom line.

The contract FM signed with 7-Eleven is for five years. The 7-Eleven corporate portion of the contract is estimated at \$100 million annually, and the franchisee component of the contract is estimated at \$300 million annually. Doing the math, \$100 mil-

lion + \$300 million = \$400 million per year, or an estimated \$2 BILLION over the five-year contract term. That is a lot of Slurpees.

FM has promised that there will be no contract charge increase over the term of the contract. Rather, they have promised to decrease the monthly contract charges. In the current inflationary climate, it will be interesting to see if this can be done without dropping equipment coverage or levels of service.

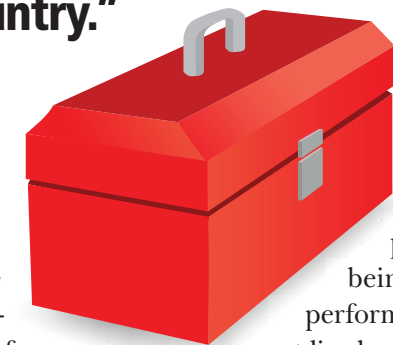
Now in all fairness to FM, they undertook a massive task—they assumed the contracts of every service provider across the country. They initially discovered that there were over 150 different service agreements the SSC

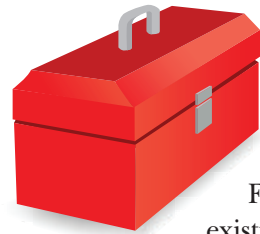
Legal Department had on file. In effect, they have had to assume maintenance contracts for all stores in the system, and all existing problems, too. That being said, maintenance performance to date still has not lived up to its promise.

Example No. 1—While FM states that sub-contracting is not permitted, in actuality franchisees believe it is a common occurrence. If FM subcontracts a parking lot striping job, and the subcontractor subcontracts the same job, the store’s image suffers when the paint does not last its expected one-year life cycle.

Example No. 2—Since they are the

*continued on page 62*





continued from page 61

7-Eleven “approved” maintenance provider, FM can use either an existing service provider who had prior experience working at our stores, or simply call another local provider. While this

that the contractor is not qualified. Example No. 3—Since they assumed the maintenance responsibilities for over 150 different service providers with numerous differences in equipment covered among those contracts, FM and 7-Eleven in coding “defaulted” payment of service calls to franchisees. This placed an undue burden on franchisees, who have the

disagrees with the dispute determination (made by an FM employee), the franchisee can appeal to the FSR (another FM employee). Finally, if still not satisfied, the franchisee can bring the matter to the attention of one of three DFMs in the entire country for an appeal. Is this a case of the fox guarding the henhouse? SEI said this will change.

Example No. 5—Today, many franchisees believe service is bad and getting worse. Equipment is not being replaced, and franchisees are stacking up charges and credits. Moreover, many stores have not had HVAC filters changed in months, and many franchisees believe that Preventative Maintenance (PM), which is a huge portion of the monthly contract charge to the franchise community, is non-existent. In essence, money is being taken out of our open accounts for work that is disputed or not being performed. In the worst-case scenario, franchisees have fallen below minimum net worth because of the erroneous charges, while others have lost countless dollars waiting for equipment to be repaired.

While FM has made some progress in responding to franchisee concerns—a new website to track invoices and disputes, multiple presentations to the National Coalition Board, a commitment to solve coding problems—the changes cannot happen fast enough. SEI has committed to assuming financial responsibility for a disputed charge until resolved, but there still is serious work to be done to provide the stores with the quality service we deserve at a reasonable price.

Insanity or mistakes? You be the judge.

**PETE GRAGNANO CAN BE REACHED AT**  
847-835-3485 OR 301-572-6811  
OR PJG1415@HOTMAIL.COM

**“While FM has made some progress, there still is serious work to be done to provide the stores with the quality service we deserve at a reasonable price.”**

varies area to area, franchisees believe FM is using companies “fired” previously by 7-Eleven for poor quality work. If a franchisee independently attempted to use some of the same contractors that FM is sending to the stores, they would be told by 7-Eleven

money taken out of their financials even if they were not responsible for the work. We clearly need improved gatekeeping on our open account.

Example No. 4—With FM taking over maintenance responsibilities, there was no need at 7-Eleven for Area Facility Managers (AFMs) and for a number of Division Facility Managers (DFMs). Hence, many of these folks were rehired as Field Service Representatives (FSRs) at FM. However, prior to FM, if a store disputed a charge they created an accounting case and the AFM made a determination as to who was responsible for the payment. If the store disagreed with the AFM’s decision, they could appeal to the DFM.

When FM took over, stores created an accounting case that was then forwarded to FM. With all of these charges defaulting to the franchisees, so many dispute cases were being generated that SSC Accounting in November 2010 said they would no longer be party to the process.

Now franchisees have to create a “dispute” case, which is reviewed by an FM employee. If the franchisee

**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 Association of 7-Eleven Franchisees

**The clear leader in the chilled juice drink category. Available in 8 flavors • 16 oz. bottle**

<p><b>Orange</b></p> <p>SLIN # 242156</p> <p>0 50200 56000 2</p>	<p><b>Orange Fused Strawberry</b></p> <p>SLIN # 242142</p> <p>0 50200 56100 9</p>	<p><b>Orange Fused Mango</b></p> <p>SLIN # 243638</p> <p>0 50200 56400 0</p>	<p><b>Fruit Punch</b></p> <p>SLIN # 243957</p> <p>0 50200 56300 3</p>
<p><b>Orange Fused Peach</b></p> <p>SLIN # 243967</p> <p>0 50200 56200 6</p>	<p><b>Orange Carrot</b></p> <p>SLIN # 241436</p> <p>0 50200 56500 7</p>	<p><b>Lemon Lime</b></p> <p>NEW FLAVOR</p> <p>0 50200 57500 6</p>	<p><b>Raspberry Lemonade</b></p> <p>NEW FLAVOR</p> <p>0 50200 57600 5</p>

JULY ~ AUGUST

## PRESIDENTS' REPORTS



General Counsel Arnie Hauptman, Chairman Bruce Maples, and Exec Vice Chair Joe Galea during the lengthy discussion on maintenance problems.

*NCASEF's Board of Directors met July 15-17, 2011 in Las Vegas to talk about franchisee new and old business, including maintenance, accounting, SSIs, equity situations, the CDC flat fee, encroachment and new stores, audits, gasoline, security and other opportunities. SEI VP Merchandising Rob Chumley updated the Board on the cigarette set and SEI's attempts to take back the category from major manufacturers. SEI Director of Government Affairs Keith Jones briefed the Board on credit and debit card interchange fees and efforts to overturn Colorado's 3.2 percent beer restriction.*

## FOA OF GREATER LOS ANGELES

**Kathy York, President**

During the fourth quarter, BT stores will no longer get their products from the consolidator—Excel. Excel will cease operations and we will go back to McLane. This is a positive step for our stores because we will no longer have to pay McLane a pass-through charge for every item delivered to us by the consolidator. The BT Committee is working with McLane to review procedures with actual deliveries in order to ensure a smooth transition as

they begin to deliver to our stores again. We are waiting to hear from Pepsi and Coke about whether McLane will deliver their product to us as the consolidator did.

## SAN DIEGO FOA

**Jim Nunnally, President**

RedBox units previously removed due to city ordinances are being allowed back in certain communities after fran-

chisees and SEI personnel attended several city council meetings and vocalized displeasure with the previous decision to remove the units from the front of our stores. Within a couple of months RedBox units in the city of El Cajon, for example, will be re-installed at stores, with some minor concessions required by the city council.

Elsewhere in San Diego County, RedBox has decided to remove all units that were not meeting average weekly sales of \$420. SEI and store operators have had no say in these removals.

Franchisees continue to complain about high gasoline pricing strategies being required in our stores. Some

**"Communication with 7-Eleven is increasing, but franchisees still have issues and challenges."**

—Joe Galea, Executive Vice Chairman

stores are as much as double digits above their nearest competitors. Inside merchandise sales in many stores have been impacted as a result.

Approximately 23 San Diego area franchisees, along with their families, attended the NCASEF convention and trade show in July at the Paris Hotel in Las Vegas. Great fun was had by all who attended.

San Diego FOA members will enjoy our annual "Day at the Races" at the Del Mar Track on August 26. Vendor Appreciation Day on September 7 will find us at Petco Park for a BBQ and baseball game between the San Diego Padres and San Francisco Giants. Vendors are invited to be our guests at this game and BBQ so we can thank them for their ongoing support of our association and events.

## WASHINGTON, D.C. FOA

**Mark Chiochankitmun, President**

Washington, D.C. is one of the Concentrated Market Rollout (CMR) areas comprising SEI's new approach in the Northeast Region. All stores in the CMR area have had AQIP, a brand-new coffee bar, brand-new floor tiles, and other remodeling done in an attempt to "wow" our guests with our new look and new attitude. SEI and franchisees have been working hard together on this effort and hope it will bring in new guests and keep them coming back. Additionally, there has been a lot of advertising in local newspapers, popular radio stations, Fox TV, as well as a lot of free coffee, hot foods, fresh fruits, coupons, and coffee mugs being given away around metro subway stations.

Coupon redemptions and free fills on coffee mugs by regular and new guests are quite high, and we are loving it. Most of us love the TV ad, while others think it is dorky, corky, or stupid. Regardless, the bottom line is it's getting people to really talk about our beloved 7-Eleven stores. The results have already started to show in an increase in our customer counts and sales. We hope these results will encourage SEI to expand the CMR program to the rest of the country. It is a win-win situation for SEI and franchisees, and especially for our guests.

The Washington, D.C. area average sales on fresh foods is \$1,010 per store per day, which is



Executive Vice Chair Joe Galea said FM is making progress that can't come fast enough.

number one in the country. Sales were up around 5 percent, with gross profit from a low of 40 percent and to a high of 47.5 percent.

## CAL-NEVA FOA

**Rich Rose, President**

Sales and gross profits remained flat during the first half of 2011 ending in June. The concern of the Reno-Tahoe

7-Eleven franchise community with regards to their income is similar to that of 7-Eleven franchisees nationally, as we see the decreasing trend in sales and gross profits this year and that of the last two years.

National Chairman Bruce Maples used the metaphor of the pendulum swinging back and forth to explain that when the pendulum swings in one direction, policies and business plans will favor the corporation, and when



Southern California President Karam Dhaliwal urged franchisees to get control of their stores in order to utilize their 15 percent.

the pendulum swings in the opposite direction, franchisees benefit. At this time the franchisees appear to be in trouble and they realize it affects their bottom lines, as well as the money they need to function as store operators and to live on. I feel it is important that as 7-Eleven franchisees we consistently look at our bottom lines and try to figure out how to improve our sales and gross profits in order to move this Reno-Tahoe market forward.

To move the Reno-Tahoe market in a positive sales direction, the Cal-Neva FOA Board has decided to advertise on television again. We are promoting our number one sales item—Slurpee—with a commercial titled "It's Not Only For Kids." This will be followed by Reno-

**"Franchisees can't afford to let FM off the hook. We need the dispute charges off of our financials."**

—Bruce Maples, NCASEF Chairman

*continued on page 66*

continued from page 65

Tahoe Market radio advertising. We have set out to advertise our 30-second spots on Charter Cable, which has a 50 percent saturation rate in this market. In August we will use two 5-second spots on CBS's affiliate TV stations, and in September we will start our new commercial advertising 7-Eleven as tailgate headquarters. This winter we will tell our customers that 7-Eleven is the last minute Christmas store. We can't think of a better way than to support our Reno-Tahoe markets and our franchisees.

The biggest success this summer involved our market, the Cal-Neva franchise community, and designated sponsoring vendors working together on special promotions. Coca-Cola reported a 33 percent increase in 12-pack movement as a result of the promotion our market had with them in June. The most successful promotion was the Great Outdoors Giveaway with Coors. This is the third year we have participated in the giveaway promotion, and our market has built on it from the previous two years. The first year we did the Coors giveaway promotion, our market was up 22 percent from the previous year. Last year the promotion increased sales by 18 percent, building on the first year's increase. So far this year we have increased sales 8.5 percent, and the promotion is still going strong. This deserves a big "Thank You" to the Cal-

Neva franchisees, the sponsoring vendors, and our market team. This shows that by pulling together, the Reno-Tahoe market can help improve sales. We hope these efforts will lead to positive trending in the second half of 2011.

**SAN FRANCISCO/  
MONTEREY BAY  
FOA**

**Joe Galea, President**

Sales in the Bay Area have increased slightly over last year. For the second consecutive summer, the weather has been cool—we only had one hot spell. It has not been the kind of weather that we want, but hopefully the weather and our sales will heat up.

The first Annual Dick Newmark Charity Golf Classic was a complete sell-out. We had 156 golfers, and part of that was due to the legacy that Dick left behind. I want to thank the Golf Tournament Committee members for mak-

**"BT stores have trouble getting the right product at the right price, and street deals."**

*—Kathy York, President, FOA of Greater LA*

ing this a successful event.

Great America Fun Day on August 13, 2011 was a great event that many franchisees attended. It was like a big family gathering. We hosted a lunch

JULY~AUGUST  
**PRESIDENTS' REPORTS**

**"Franchisees receiving LONs must respond immediately in writing to the company."**

**—Arnold Hauptman,  
NCASEF General Counsel**

that allowed us to get together and enjoy each other's company.

We are going to be taking, as an FOA group, more of a lead in working with the PAC group in Los Angeles to promote their efforts in our area. We will be involved with them, as well as working with the other FOA groups in Northern California, to ultimately build a solid PAC that can represent all California franchisees.

As is the case in other areas, we have had issues with FM Facility Maintenance, but they have been minimal. We are fortunate to have Olan Smith from SEI and Louella from FM working with us, and they are both on top of our concerns. We also have a great communication channel established with them, so we don't have the same problems that other areas have.

Accounting continues to be an issue. There are concerns over timeli-

continued on page 68

Hottips Item #	UPC Number	Description	Suggested Retail
24547	02491-24547-6	Hottips™ Over the Ear Head Phone	\$ 12.99
24546	02491-24546-9	Hottips™ HQ Earbud w/ Interchangeable Shell	\$ 9.99
24545	02491-24545-2	Hottips™ High Quality Earbud w/ Mic	\$ 9.99
24405	02491-24405-9	Hottips™ Bluetooth Headset	\$ 19.99
24577	02491-24577-3	Hottips™ Solar Battery (600 mAh)	\$ 15.99
24576	02491-24576-6	Hottips™ Solar Battery (1200 mAh)	\$ 19.99
24503	02491-24503-2	Hottips™ AC/DC Adaptor	\$ 9.99
24603	02491-24603-1	Hottips™ 4GB Flash Drive	\$ 12.99
24533	02491-24533-9	Hottips™ 4-port USB Hub	\$ 9.99
24604	02491-24604-5	Hottips™ 4GB Mirco SD card (3pc Universal Fit)	\$ 12.99
24536	02491-24536-0	Hottips™ LED Key Chain	\$ 1.99
24532	02491-24532-2	Hottips™ 9 LED Flash Light	\$ 5.99
24535	02491-24535-3	Hottips™ 3 LED Push Light	\$ 4.99
24544	02491-24544-5	Hottips™ Keychain Laser	\$ 2.99
24602	02491-24602-2	Hottips™ Universal Travel Adapter	\$ 12.99
24656	02491-24656-5	Hottips™ 2GB MP3 Player	\$ 19.99
24657	02491-24657-2	Hottips™ 4GB MP3 Player with Video	\$ 29.99

Navajo Item #	Description	Navajo Item #	Description
15935	Bath Puffs 6ct Dispensit	27290	Lady Speed Stik Antiperspirant .5oz 8ct
27233	Nivea Soft Creme 1oz 18ct	27291	Gold Bond Healing Lotion 1oz 18ct
27234	Eucerin Calming Creme 1oz 12ct	27292	Curel Lotion 1oz 12ct
27237	Hand and Body Wipes 12ct Dispensit Box	27293	Mini Lint Roller 12ct Dispensit Box
27239	Johnson's Baby Powder 1.5oz 14ct Dispensit Box	28572	Colgate Total Toothpaste .75oz 12ct
27240	Johnson's Head-to-Toe Baby Wash, 1oz 18ct Disp. Box	28574	Scope Mouthwash 1.49oz 12ct
27241	Johnson's Baby Lotion 1oz 18ct Dispensit Box	28575	Mennen Speed Stick Antiperspirant .5oz 12ct
27244	TRESemme Shampoo 3oz 12ct Dispensit Box	28579	Barbasol Shaving Cream 2.25oz 12ct
27245	TRESemme Conditioner 3oz 12ct Dispensit Box	28580	Dep Hair Gel 2oz 12ct
27246	Sea & Ski Soothing Petroleum Jelly, 18ct Dispensit Box	28582	TRESemme Hair Spray 2oz 12ct
27284	Crest Toothpaste .85oz 12ct	28583	Jergens Ultra Healing Lotion 1oz 12ct
27285	Aquafresh Toothpaste .8oz 12ct	28589	Coppertone Sport 30 SPF Sunscreen 1oz 12ct
27286	Crest Pro Health 1.22oz 18ct	28591	Head & Shoulders Shampoo 1.7oz 12ct
27287	Herbal Essences Shampoo 1.7oz 18ct Dispensit Box	28614	Handy Solutions 20z Hand Sanitizer 12ct
27288	Herbal Essences Conditioner 1.7oz 12ct Dispensit Box	28617	Pert Plus Shampoo & Conditioner 1.7oz 12ct

Navajo Item #	Description	Qty	Price	Suggested Retail
<b>Line Pre-Book Program 1</b>				
10011	Salute Pocket Corkscrew	4	\$ 1.99	
10012	Salute Victor's Corkscrew	4	\$ 2.99	
10013	Salute Peace Can & Bottle Opener	4	\$ 0.99	
10014	Salute Deluxe Hand Grip Corkscrew	4	\$ 2.99	
<b>Row 2</b>				
10015	Salute Bottle Stopper 2 piece	4	\$ 1.99	
10016	Salute Wine Stopper	4	\$ 1.99	
10017	Salute Pourer Stopper	4	\$ 2.99	
10018	Salute Portion Control Pourer	4	\$ 1.99	
<b>Row 3</b>				
10019	Salute Deluxe Peace Can & Bottle Opener	4	\$ 1.99	
10020	Salute Mini Pocket Bottle Opener	4	\$ 1.99	
10021	Salute Deluxe Black Wing Corkscrew	3	\$ 3.99	
10022	Salute Deluxe Huberwald Wing Corkscrew	3	\$ 3.99	
<b>Row 4</b>				
10023	Salute Assorted Wine Gift Bags	4	\$ 1.99	
10024	Salute Assorted Wine Gift Bags	4	\$ 1.99	
10025	Salute Assorted Wine Gift Bags	4	\$ 1.99	
<b>Row 5</b>				
10026	Salute Stainless Steel Cocktail Strainer	3	\$ 2.99	
10027	Salute Stainless Steel Pie Flak	2	\$ 4.99	
10028	Salute Pie Flak	3	\$ 1.99	
<b>Row 6</b>				
10029	Salute Mini Lint Scr	4	\$ 0.99	
10030	Salute Stainless Steel Pie Flak	2	\$ 4.99	
<b>TOTAL RETAIL</b>				
				\$ 98.45

Navajo Item #	Description	Qty	Price	Suggested Retail
<b>Line Pre-Book Program 2</b>				
10031	Salute Measured Shot Glass 1ct	3	\$ 1.99	
10032	Salute Pocket Corkscrew	4	\$ 1.99	
10033	Salute Victor's Corkscrew	4	\$ 2.99	
10034	Salute Peace Can & Bottle Opener	4	\$ 0.99	
10035	Salute Deluxe Hand Grip Corkscrew	4	\$ 2.99	
<b>Row 2</b>				
10036	Salute Bottle Stopper 2 piece	4	\$ 1.99	
10037	Salute Wine Stopper	4	\$ 1.99	
10038	Salute Pourer Stopper	4	\$ 2.99	
10039	Salute Portion Control Pourer	4	\$ 1.99	
<b>Row 3</b>				
10040	Salute Deluxe Peace Can & Bottle Opener	4	\$ 1.99	
10041	Salute Mini Pocket Bottle Opener	4	\$ 1.99	
10042	Salute Deluxe Black Wing Corkscrew	3	\$ 3.99	
10043	Salute Deluxe Huberwald Wing Corkscrew	3	\$ 3.99	
<b>Row 4</b>				
10044	Salute Assorted Wine Gift Bags	4	\$ 1.99	
10045	Salute Assorted Wine Gift Bags	4	\$ 1.99	
10046	Salute Assorted Wine Gift Bags	4	\$ 1.99	
<b>TOTAL RETAIL</b>				
				\$ 134.85



Sacramento Valley FOA President Jay Brar urged franchisees to respond with an action plan to BT.



Vice Chair Jivtesh Gill said that under equity situations must not generate automatic LONs.



Central Florida FOA President Fari Ishani said local franchisees are finally learning not to act like a corporate division.

NAVAJO MFG. CO. INC. 800.525.5097  
5330 FOX STREET 9AM - 4PM MOUNTAIN TIME  
DENVER, CO 80216 WWW.NAVAJOMFG.COM  
CS@NAVAJOMFG.COM

continued from page 66

ness when calls are not returned promptly. This is something that will improve over time, we hope.

The SSI situation was supposed to be resolved by July 31, 2011. I know in my particular situation, I did see a lot of them processed at the end of July. So I think that SEI has put

count is down. Coffee sales are down. There are two bright spots, however: all of our stores were remodeled with hot foods and new coffee counters, and the advertising campaign just started. We are hoping these developments will turn things around for us. The economy continues to be sluggish and it is affecting all of us. We have a new zone manager, Dan Kaepernik, who we hope will be a friend to franchisees.

With our downturn in sales and margins, equity issues are growing. Many franchisees are falling below equity, SEI has been issuing breaches, and these franchisees are not



San Diego FOA President Jim Nunnally questioned why Coke and Pepsi drivers could not stop at BT stores.

forth an effort to correct this situation, and we acknowledge it.

In November we are facing a dollar per pack cigarette sales tax increase, which isn't good for anyone.

### UFOLI

#### Tariq Khan, President

In Long Island, the CDC is making changes to save money and removing the flat fee and moving to a merchandise markup, which will give us a more accurate cost of goods. SEI has opened about 25-30 new stores on Long Island, which is affecting sales at our existing stores. The intention is to open 200 total over the next several years. Another 30 to 50 stores are in the works.

Margins are down 1.5 to 4 points for the year. Sales are down. Our customer



FOA Chicago President Joe Rossi urged presidents in CDC areas to get involved with suggesting vendors for their CDCs.

happy. Our members are worried that we are not considered owners anymore, and we are considered glorified managers.

We're not making any money on cigarettes, so most of us are trying to manage our own cigarette category. We applaud 7-Eleven's efforts to take back control of the category.

There are several legislative issues impacting our business. These days, we

## JULY~AUGUST 2011 PRESIDENTS' REPORTS

receive a \$600 fine for every little violation. It used to be we were first given a warning and then a \$300 fine—now it's \$600 every time. We are working with our regulatory agencies on this. Our new stores are having trouble receiving beer licenses in a timely manner. Another problem in New York, franchisees' business licenses are expiring and we have to renew them ourselves. This used to be SEI's obligation. Some franchisees don't know what to do, which is causing a problem.

We had our golf outing on June 16, 2011. It was very successful, with over 200 golfers and vendors. The tournament benefited the Muscular Dystrophy Association. Another event, which took place last week, was the Island Harvest. A number of franchisees participated in that event. We collected food and redistributed it to food banks.

UFOLI had a meeting at the Intrepid Sea, Air and Space Museum in New York City. We had 65 people in attendance, and Coke was the presenter. We had a nice lunch and a tour of the ship.

### GREATER HAMPTON ROADS FOA

#### Allison Talaske, President

Franchisees continue to be frustrated with a maintenance system that has shown no signs of improvement over the past several years. At the core of our frustration is the fact that we pay a premium price for poor service. There seems to be no sense of urgency on the part of the FM staff or their contractors, or complete our maintenance jobs. Why would there be? They do not lose money on sales. They do not have to reimburse the franchisee or SEI for lost sales. We are simply at their mercy

continued on page 70

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✓ **FREE FILL**  
1 SLEEVE PER STORE PER SKU

✓ **BILLBOARDS**  
7 ELEVEN LOGO ON ALL ADS

✓ **BUS POSTERS**  
7 ELEVEN LOGO ON ALL ADS

✓ **IN STORE ADS**  
7 ELEVEN TV



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UIN# 464339 / SLIN 300754  
10 UNITS PER SLEEVE



#### POMEGRANATE RASPBERRY

UIN# 468413 / SLIN 300851  
10 UNITS PER SLEEVE



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**"We will eliminate the SSI backlog by July 31, add resources to reduce processing time to several days, and extend SSI support for all items from recommended vendors."**

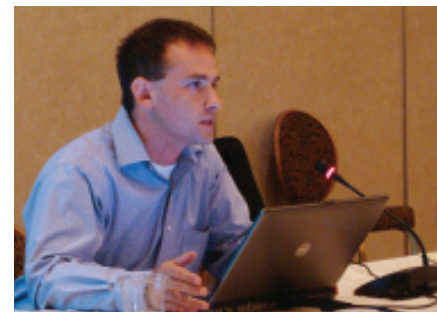
—Leonid Volovnik, Director, Information Technology, 7-Eleven, Inc.



San Diego Vice President Gene Villagrana said franchisees need to develop a paper trail on all disputes.



SEI VP Merchandising Rob Chumley said 7-Eleven will control how cigarette manufacturers execute in our stores.



Director of IT Leonid Volovnik told the Board SSI issues would be fixed by July 31.



Rocky Mountain FOA President Wayne Mathews asked for support in changing Colorado's 3.2 beer law.



FOA of GLA President Kathy York said BT stores have had trouble getting the product selection and pricing of non-BT stores.



UFOLI President Tariq Khan backed SEI's stand on the cigarette contract.

continued from page 68

when they get around to fixing an issue escalated through their system.

Franchisees also continue to struggle to receive reimbursements for incorrect billing. Here again there is no sense of urgency, as the contractor has been paid. Numerous meetings and enhancements to their system have proven fruitless. Perhaps, if proper preventive maintenance (which we pay for) were being completed with anything resembling regularity, it may not have escalated to the train wreck it has become. This being said, I remain hopeful for the future. Call it foolish optimism, but I believe the system should work—it might not be with a single contractor (FM) or the single maintenance contract business model. I still believe in the 7-Eleven brand and, therefore, solutions to the maintenance issues will be achieved.

percent sales increase against the 2010 sales increase of 11 percent.

### CENTRAL VALLEY FOA

Sukhi Sandhu, Vice President

It's hard to believe we are passing the halfway mark in 2011. Sales continue to plug along, regardless of the lower than usual temps. Our respective markets are posting 3-5 percent sales increases over last year. Confectionary, Snacks, and



Cal-Neva FOA President Rich Rose said his FOA will do a second round of franchisee-sponsored advertising on television and radio in September.

### METRO NEW JERSEY FOA

Karamjeet Sodhi, President

As everyone knows, the first Consolidated Market Rollout was done in our Northeast area. All the stores were AQIPed by June 30, 2011. By July 1 we had advertisements on the radio, TV, and billboards, which helped us a lot. Our Hot Foods sales were up about \$65/ASPD. We finished July with a 4

Non-Alcoholic Beverages are our driving categories in the Central Valley area.

Recently, our first Zone Leadership Committee meeting was held with our new zone leader, Norm Hower, in Pleasanton. In attendance was the Zone leader, market managers, one field consultant from each market, FOA presidents, NBLC members, selected multiple franchisees, and representa-

### "The same issues with FM keep coming up. They are not hearing us."

—Jim Nunnally, President, San Diego FOA

tives from each reporting department. We received an overview of the facilities company, and discussed charge disputes and timeliness of work being completed.

WIS—our new audit company—was also in attendance, and willingly discussed concerns about professionalism, untrained auditors, and their company not being familiar with our stores. The vice president of Operations from WIS guaranteed those things will not take place. Jeff Hetherington of SEI's Asset Protection gave his backing to the company, and spoke to their role in taking us to the next level of audit service

with software and technical advances.

Keith Jones from Government Affairs and lobbyist John Latimer discussed the plastic bag tax/charge that is becoming a hot topic in California, as local and state governments are looking for every opportunity to make a penny here and a penny there. They also discussed providing environment-friendly signage for each store to post and only give bags

if requested in order to train consumers to use less bags. Concerns still to be worked out include how accounting will handle the charge on bags without being too cumbersome to stores. We also discussed various sales-building ideas, and each NBLC member presented what they are currently working on in their national committees.

It's that time of year for our annual trade show! The date for the combined Central Valley FOA and Northern California FOA 7th Annual Trade Show has been set for August 27, in Sacramento at the Hyatt Regency Hotel. We anticipate over 50 vendors and great attendance from franchisees representing stores all the way from Yuba City, Sacramento, Stockton, Tracy, Modesto, and Merced, and all the towns in between. It should be a great event with great products, vendor support, dinner, and entertainment.

We wish everyone a happy, healthy and profitable third quarter!

### GREAT LAKES FOA

Rita Turner, President

The Great Lakes FOA had its Second Annual Family Day and Polo Match on July 24, 2011. Team 7-Eleven went up against teams sponsored by Mike's and Heineken. Franchisee Larry Penzien led Team 7-Eleven to win the day! Miller-Coors and Coca-Cola also sponsored this family event that included great food, raffles, and an opportunity for franchisees (and

even two FCs and their spouses) to get together for fun and food.

The Great Lakes FOA is relatively new. In order for us to be successful, we need members who are active and engaged. This is true for all FOAs. Franchisees need to realize how important it is that they become involved. I have put together a "Top Ten" list of reasons for joining local FOAs for Great Lakes, but it applies to franchisees everywhere.

The Top Ten Reasons why franchisees should join their local FOAs and attend the meetings:

10. A lot of effort is put into arranging meetings, and the folks who do it ap-

preciate the support.

9. You learn stuff you might not know.  
8. You learn stuff you might not know. Did I mention that already? It bears repeating.

7. You are in a room filled with people who share the same business, and therefore the same passion, successes, challenges, and frustrations. You realize you are not alone on your 7-Eleven journey.

6. You have the opportunity to get questions answered by SEI. Corporate leaders often join us at the beginning of the meetings. If no one from SEI at-

continued on page 72

### "Our objective is to take back the cigarette category, but mitigate the impact on franchisee gross profits. Our unit sales and gross sales are growing."

—Rob Chumley, VP Merchandising, 7-Eleven, Inc.



Baltimore FOA President Linda Hadaway said the chicken tenders size irregularity took gross profit out of the hot foods program (left). Sierra FOA President Serge Haitayan said franchisees are frustrated with continuous changes to the system (above).

continued from page 71

tends, your FOA will take your questions to them for you.

5. There is an immense sense of community that surrounds you and your fellow franchisees.

4. There is usually great food.

3. You hear about amazing deals and promotions from our vendor partners.

2. You will never find a group of people who are more committed to YOUR success.

1. And the Number One reason why every franchisee should join their local FOA: No one franchisee is as strong as all franchisees united together.

In southeast Michigan, the glazed donut 2 for \$1 deal was a huge hit, and the promotion is being repeated because of that success. Currently, all of our vault specials are performing really well. We started the year off slowly in this area, but July showed that sales in several categories are improving. All of the beverage categories have significant increases—alcoholic, non-alcoholic, and cold-dispensed. The unusually hot, humid weather has really helped our

sales! Our area is also up in food service and the weather has helped us in this area, as well. I never thought I would see the day when it was 100 degrees outside, the humidity was about 90 percent, and I was happy! Bring it on, Mother Nature! Slurpees are our guests' best treat in this weather!

**SOUTHERN CALIFORNIA FOA**

**Karam Dhaliwal, President**

On September 25, 2008, Simon Osborn, then the point person for Business Transformation, gave a 28-slide presentation on the benefits of BT, and how it was going to change the way do business and make us more money. The yearly projected income was estimated at \$13,046, which had to be divided among the franchisee, SEI, and vendors. We were told the franchisee and SEI would get \$4,569 each, and the vendor share would be \$3,908.

SEI realized that no franchisee would put the effort needed to make

JULY~AUGUST  
**2011**  
**PRESIDENTS' REPORTS**

**"No one else pays a lower credit card interchange rate than 7-Eleven, except for WalMart."**

—Richard Peck,  
Senior Director Treasury, 7-Eleven, Inc.

\$12.52 extra per day, so they started a new mantra and announced that actually, if a franchisee followed all the steps 100 percent, they would achieve a 10 percent increase in their net income. SEI management put in writing that no franchisee would earn less than what they are currently earning with full participation in BT. That has not materialized.

The PLC members on the BT com-

continued on page 74



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San Diego FOA President Bic Sidhu said Redbox issues have plagued franchisees for months.



Pacific Northwest President Bill Huffman said franchisees must be able to talk to payroll personnel.



Central Valley FOA Vice President Sukhi Sandhu said market sales are posting a 3-5 percent gain over last year.



Perfetti Van Melle's Scott Swanson led Board members through a review of the confectionary category.



Delaware Valley FOA President M. Al Hafar urged the Board to concentrate on getting franchisee money back for maintenance issues.



Greater Bay Board Member Ray Dhaliwal said Northern California markets are up 5.69 percent in sales.

continued from page 72

mittee were concerned, as they did not see the increase of actual income and asked SEI not to go further with BT. SEI has postponed the expansion and is rearranging the distribution channel. SEI has gone back to McLane for BT distribution and has announced that the One-Touch system will increase franchisee income. I wonder why they did not think of this before, and why not do the same with the CDC. Hot dogs would be cheaper.

The fact of the matter is that every franchisee I have talked to is very unhappy with BT because they are working harder, investing more labor, and in many cases losing money with BT. Franchisees are asking, "Why do I have to order ice cream, Frito Lay, and several other items? Am I making more money?" The answer is always NO. If a franchisee wants to opt out of BT he is looking at a breach, not the loss of 2 percent, as was told to us in the beginning.

The new audit company WIS has turned out to be a real pain. They have unqualified people doing the audits, and inventory variation is out of control. Last year, we asked our former auditors if they would check the printouts (tapes) to find the mistakes and correct them before the audit was booked. WIS informed franchisees that from now on they will only provide detailed printouts for some sections and not the entire store. Kathy York and myself met with Dan Soper and provided results of audits conducted from July 2010 to May 2011—the audit checkers were able to find and correct mistakes be-

**"SEI needs to rescind all breaches for equity except for repeat offenders."**

—Bruce Maples, NCASEF Chairman

fore the audits were booked. The amount of money saved for franchisees



**FM Facility Maintenance's Jim Reavey explained the company's efforts to improve response times.**

was \$797,069.06. I'm happy to report that Dan agreed that WIS will print all the sections if requested by the franchisee. I want to

thank Dan Soper for the support. The weather has changed, and we are having sales increases. Too many promotions and pressure from field consultants is getting a little out of hand. More 7-Eleven stores are coming, which is of concern to current franchisees.

### SACRAMENTO VALLEY FOA

**Jay Brar, President**

It is my great pleasure to introduce a new association—the SACRAMENTO VALLEY FRANCHISE OWNERS ASSOCIATION of 7-Eleven franchisees in our area.

In today's sluggish economy, the c-store industry is facing new challenges. The "guests" that walk in our stores demand extraordinary customer service, look for better price value items, and expect a great assortment of products. We, the

## JULY~AUGUST PRESIDENTS' REPORTS

store operators, have to take up these new challenges and stay at the top of our business trends.

In order to reach out to the franchisees, especially with the Business Conversion Program (BCP) now in full swing, there was a great demand for an association that could educate, prepare, and deliver to the franchise community. Truly, the SVFOA is fortunate to have a group of experienced leaders/franchisees, hard-working members, and new franchisees that are eager to participate in the association's future events.

### ROCKY MOUNTAIN FOA

**Wayne Mathews, President**

Over the past couple of months, the RMFOA has been busy with our Pumps 4 Pumpkins and MDA charities. We closed out a three-month long fundraising event at the register for Pumps 4 Pumpkins, raising money to buy insulin pumps for local children in need. The event concluded with the local BMX bike race in early July. With our customers' support we raised over \$5,000 for P4P.

Our FOA recently held its first trade show and third annual MDA golf event, beginning with golf on August 18 and trade show on Friday, August 19. The MDA golf fundraiser was played at the prestigious Broadmoor Hotel, on the Mountain Course. We had 100 golfers,

continued on page 76

# Offer Your Customers Nutritious Alternatives That Sell!



V8 ORIGINAL



V8 SPICY HOT



### V8 100% Vegetable Juice: Original & Spicy

- Three Full Servings Of Vegetables In Every 12-Ounce Bottle.
- Spicy Hot V8 Juice Offers A Zesty Kick Your Taste Buds Will Crave.
- The #1 selling vegetable juice in the US!

### V8 V-Fusion 100% Vegetable & Fruit Juice

- Cranberry Blackberry, Strawberry Banana, Pomegranate Blueberry
- Vegetable Nutrition With The Great Taste Of Fruit
- No sugar added, no artificial colors, flavors or preservatives

### V8 Splash Juice Drink

- Berry Blend, Strawberry Kiwi, Tropical Blend
- Antioxidants plus 100% Vitamin C, 50% Vitamin A and 20% Vitamin E
- Target ethnic households with kids & working middle class



CRAN/BLACKBERRY



STRAW/BANANA



POM/BLUEBERRY



BERRY BLEND



STRAW/KIWI



TROPICAL BLEND

Available Through Your  
Coca-Cola Bottler Today!

**"We need voice communication with payroll. Fired employees must be paid within 24 hours."**

—Bill Huffman, President, Columbia Pacific FOA



Treasurer Anas Abboud reported the Coalition is in good shape financially after two quarters.



New England FOA President Dennis Lane said survivorship must be explained in order to protect franchisees.



Texas FOA President Bob Price said franchisees would jump on board if BT were an unqualified success.



Suburban Washington FOA President Elias Waldu said advertising was starting in the DC areas to support CMR.

continued from page 74

and through their support we brought in over \$33,000 for the MDA. We want to thank all of the vendors that came out to support such a great cause. Special thanks to Coca-Cola, our event sponsor this year, led by Damen Elkin and Rick Fern. Thanks again for all your support.

Our first annual trade show was held at the Broadmoor Hotel the next day. We were nervous to see how our franchisees would respond to this event. The show went great. We had nearly 200 participants come and see what the vendors had to offer. We gave away thousands in door prizes, with a grand prize of the newest iPad 3G. We spoke with many vendors, and all had positive things to say about our two events. We want to thank all the franchisees who attended, and our SEI partners for making our first trade show a success. Thanks to all the vendors in attendance—we really appreciate your support and look forward to an even greater event next year. Up next for us is our September magazine and in December our annual Holiday Party.

**SOUTH NEVADA/LAS VEGAS FOA**

**Jatinder Singh, President**

Our area is still suffering from the effects of the bad economy, bad housing market, foreclosures, high unemployment rate, and no new construction. We have changed our second monthly FOA meeting to a "Meet & Greet," and it is open to all franchisees. Vendors and SEI management also attend these meetings. It has gotten a good response from all parties. All our our Las Vegas Board members, along with other FOA franchisees, attended the annual National Coalition convention at the Paris

JULY~AUGUST  
**2011**  
**PRESIDENTS' REPORTS**

Hotel in Las Vegas in July. Our annual Charity Golf Tournament is on Friday, September 23, 2011. Our next Quarterly General Meeting is on October 20, 2011, and the next general meeting/tabletop trade show is scheduled for November 11, 2011.



SEI VP Maintenance Steve Hall said the goal is to reduce the time for dispute resolution by 50 percent.

Our Holiday Party is scheduled for December 15, 2011.

**GREATER BAY FOA**  
**Ajmer Nijjar, Vice President**

The North Cal/Nevada Zone is number one in overall sales performance. In July we were number three in the company in sales increase. Thru August 20, the North Cal/Nevada Zone is up 5.69 percent. Sales increases broken down by Market: Market 2364, plus 3.69; Market 2365, plus 5.69; Market 2366, plus 6.40; Market 2367, plus 6.65; Market 2368, plus 5.29; and Market 2369, plus 5.29. Top performing subgroups: Jay Chinoy in Market 2367, plus 2.77 percent, and Colleen Amick in Market 2366, plus 10.99 percent.

In Fresh Food sales thru August 20,

continued on page 78

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continued from page 76

the North Cal/Nevada Zone is best in the company with an 11.3 percent increase and \$41 PSD. The North Cal/Nevada Zone is leading in Sandwich sales at \$58 and \$9 increase PSD over last year, Grill \$105 and \$5 increase over last year, and Fresh Bakery Multi-day \$12 and \$6 increase over last year.

The above success is the result of the following promotions: 49-cent 7-Select chips with a sandwich, plus 3 PSD, and the Buffalo Roller and Reese's Brownie at plus 4 PSD. September promotions that will drive over \$100 PSD are 2/\$1 Glazed Donuts, 99-cent Buffalo Roller, 99-cent Iced Coffee, and 2/\$1 Bananas. Other vault promotions that will drive great sales are Monster Energy 16 ounce 2/\$4, and single can 24 ounce Budweiser, Coors, and Natural Ice for 2/\$3.

The Tobacco category will have great success with a new single cigar pricing strategy to be completed in all Markets, coming soon in September. We have a new Zone Leader, Norm Hower.

**NEW ENGLAND FOA**  
**Dennis Lane, President**

The most recent meeting of the New England Franchise Owners Association was held on June 15, 2011. The meeting was attended by many of our vendor partners, including Dr Pepper Snapple, Kellogg's, Monster, Nestle Food Service, Dreamwater, and the Belywasher folks. The focus of this meeting was Survivorship and Insurance, two critical areas of concern for the franchise community. Joanne Webb Joyce, along with representatives from the Lewer Agency and Aon, gave franchisees a unique opportunity to ask questions and get the right answers and advice from the experts.

Sales in New England continue to be flat to slightly up. The weather has been perfect, but the economy and high gas prices continue to reduce disposable in-

come and unemployment remains high. We will need to see some positive economic changes in the New England area before sales start trending up.

**PACIFIC NORTHWEST FOA**

**Maninder Walia, President**

Merchandise sales for July and August were soft, mainly because of mild summer temperatures in the region. Non-Alcoholic drinks as a category grew by 10 percent because of the successful Rockstar 2 for \$3, Monster 2 for \$4, and 20 ounce Coke 2 for \$2.22 promotions. Declining guest counts and high gas prices, combined with soft economic conditions, are dragging down mer-



San Francisco/Monterey Bay FOA Board Member Ann Sekhon said accounting callbacks are still an issue.

chandise sales.

It is becoming harder to get resolution for everyday issues. Communication with 7-Eleven corporate is a huge issue for franchisees, especially with problems concerning accounting and merchandising. The CDC flat fee has been replaced with a percentage-based fee starting August 22. The cost of many products being delivered by the CDC is more than the DSD supplier delivering to the stores. Middle/high volume stores are paying more in percentage-based fees. Franchisees believe the CDC is not helping them increase their profits, especially now that they can see the actual cost of products. Franchisees don't want to subsidize 7-Eleven's CDC distribution just for a few

JULY~AUGUST  
**PRESIDENTS' REPORTS**

fresh food items.

Our FOA's annual charity golf tournament was played at the Newcastle Golf Club on August 10, and this year's charity was Stand Up For Kids.org. The golfing event was followed by an FOA dinner meeting with Washington State Attorney General Robert McKenna as the guest speaker.

Encroachment is another issue in both markets. New 7-Eleven stores are being opened in close proximity to existing stores, thus dragging down their merchandise sales. Fourteen corporate stores are for sale in the Seattle/Tacoma area. Franchisee bottom-line is being squeezed by the bad economy on one hand and by SEI's labor-intensive initiatives on the other.

**7-ELEVEN FOA**

**Joe Rossi, President**

If you hadn't heard already, we just celebrated our annual Charity Golf Outing on August 24th at the Gleneagles Country Club in Lemont, Illinois, raising over an astounding \$55,000 for Children's Memorial Hospital and Gift of Hope: Organ and Tissue Network! My Board and I could not be happier and more thankful for the continuous support from our vendors and the franchisees who volunteered to make this day possible. All credit is due to the amazing members of our Charity Golf Outing Committee, who work so well together to put on such an amazing event, year after year. We were lucky to have our honorary director, 1985 Chicago Bears Super Bowl Champ Dennis McKinnon, and Miss Fox Valley from the Miss

continued on page 80

# America's Favorite Pretzel!



Are you missing out on America's Favorite Pretzel? Keep your customers happy and order Snyder's of Hanover today! Available through McLane & select CDC's.

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|   |  |  |  |   |  |  |   |
| ORIGINAL KETTLE 2 OZ<br>UIN# 090449<br>UPC 041200-096882    | JALAPENO KETTLE 2 OZ<br>UIN# 090589<br>UPC 041200-096929     | MESQUITE KETTLE 2 OZ<br>UIN# 090506<br>UPC 041200-096905 | HOT BUFF. WING KETTLE 2 OZ<br>UIN# 090613<br>UPC 041200-096967 | KOSHER DILL KETTLE 2 OZ<br>UIN# 090712<br>UPC 041200-096943 | CC PRETZEL SAND 2.125 OZ<br>UIN# 098301<br>UPC 077975-080771 | PB PRETZEL SAND 2.125 OZ<br>UIN# 145177<br>UPC 077975-080764 |   |
|   |  |  |  |   |  |  |   |
| CHOC MINI DIPS 4.5 OZ<br>UIN# 103747<br>UPC 077975-082805   | WHITE CHOC MINI 4.5 OZ<br>UIN# 564047<br>UPC 077975-082812   | CHOC PB SAND 3.5 OZ<br>UIN# 480855<br>UPC 077975-084731  | SNAPS 12 OZ<br>UIN# 388496<br>UPC 077975-086360                | NIBBLERS 12 OZ<br>UIN# 388595<br>UPC 077975-086377          | HONEY MUST. ONION 8 OZ<br>UIN# 388280<br>UPC 077975-086162   | HOT BUFFALO WING 8 OZ<br>UIN# 388272<br>UPC 077975-086179    | CHEDDAR CHEESE 8 OZ<br>UIN# 098608<br>UPC 077975-081563 |

Snyder's of Hanover Value Line! BIG SIZE = BIG PROFIT!



Vice Chairman Roger St. George criticized the SSI situation and suggested markup for perishable fresh food items.



SEI's Keith Jones said SEI will be urging the Federal Reserve to support small businesses on credit card reform.



Colorado FOA President Robert Marquez said missed equipment replacements are generating higher maintenance charges.

*continued from page 78*

America Organization, join us to celebrate and support two great causes. We even had visitors—NCASEF National Chairman Bruce Maples, NCASEF Executive Vice Chairman Joe Galea, and California franchisee Ashok Kumar—out on the course. We hope to see more of you next year!

The FOAC is looking forward to NACS in Chicago on October 1st. If you plan on attending, please arrive to Chicago a day or two earlier and join us at our next FOAC Board meeting on Thursday, September 29th at the River North Sales & Service headquarters (Bud Chicago) from 10 am to 4 pm. For more information, please feel free to contact me by email at [presidentfoac@aol.com](mailto:presidentfoac@aol.com). We would love for you to join us and to meet

**"Retailer Initiative is having what your customer wants to buy. They do not care if it is recommended or not."**

—Dennis Lane, President, New England FOA

my Board of Directors.

\*Please take note: If you are considering to run for one of the NCASEF officers positions, the FOAC Board invites you to join our Board meeting on Thursday, September 29th in Chicago. We strongly encourage you to attend and share why you'd like to be elected to a NCASEF Officer. If you plan on attending, please contact me at [presidentfoac@aol.com](mailto:presidentfoac@aol.com) for location and time. Best of luck to all.

The FOAC is gearing up for our annual Holiday Trade Show and Party on Thursday, November 10th, and YOU'RE INVITED! Our Board would like to end the year on a positive note, and what better way than celebrating with the FOAC family. On behalf of my Board of Directors, our fellow franchisees nationwide are invited to Chicago on Thursday, November 10th to the Holiday Inn North Shore to celebrate 2011 and welcome a successful 2012. More information will follow on our website, [www.7-elevenfoac.com](http://www.7-elevenfoac.com). If you plan on attending, please RSVP to [FOAChicago@gmail.com](mailto:FOAChicago@gmail.com) by November 1, 2011. We hope to see you there.

**Chicago TidBits**

- **System Changes:** Chicago will be changing to WIS Inventory service starting September 8th. We will be retaining SIS Inventory service for some time in order to validate the new company's accuracy. Unfortunately, we have not learned our lesson and continue to think cheaper is better than the quality of service provided.
- **Distribution Difficulties:** We continue to experience many 7-Select items being out of stock, including water and BBQ wings. The loss of Private Brand water has negatively impacted our sales in non-alcoholic beverages. If this were any other vendor, would

we be so tolerable? We have guests that visit our stores on a daily basis looking for these items and we are not able to deliver.

- **Weather:** Chicago's weather has been a key factor in driving sales this month. Let's hope for a warm September.
- **Financials:** City stores were drastically impacted by budget cuts made by the City of Chicago for the Fourth of July weekend festivities, especially from the local tourists who came in for the weekend. Otherwise, the warm weather and the many great summer events have helped lift sales in many areas in Chicago.
- **Great Promotion:** Chicago was one of the first states to receive Corona Familiar 32 oz. bottles. Chicago's summer rollout was a hit and it's still a unique opportunity since other states in the Midwest still do not carry. Corona Familiar 32 oz. has a great following and price point. The item is not cannibalizing other SKUs in the vault.

I look forward to meeting many of you in the coming months and hope to see many of you at NACS, if not sooner. If you ever have any questions, please feel free to contact me by phone (312) 501-4337 or email at [presidentfoac@aol.com](mailto:presidentfoac@aol.com).

**SUBURBAN WASHINGTON FOA**

**Elias Woldu, President**

We had the first Liberty Zone Leadership Council meeting in July. Tom Brennan, Liberty Zone Leader, chaired the meeting. Issues like the ISP update, SSI request process, Merchandise resolution CHD tool, 7-Eleven Day review, and audit provider changes, were pre-

*continued on page 83*

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# Top 5 Reasons to Scan

- 1) Space on the counter top: small foot print / high yield
- 2) Product freshness: 18 month of guaranteed freshness
- 3) Brand recognition: Royal Blunts have been in the market for 14 years. We advertise nationally
- 4) Customer preference: "Customers prefer Royal Blunt products due to the outstanding taste in our flavors"
- 5) Getting your investment back: "Your products sell faster than candy"  
(Quote from a satisfied store owner at a Distributors Show in Virginia Beach, VA.)

For over a decade, New Image Global, Inc, has continually been the leading company in cigar wraps with stay fresh packaging to last longer (freshness), offer tantalizing flavors (variety), and on-going quality control (customer focused).

New Image Global, Inc offers the best quality in products when it comes to Cigar Wraps and Cigarillos.

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**Rolls up to 4 CIGAR WRAPS**

**Ballers Choice Cigarillos**

7-11 SLIN# 320836 MCL UIN# 277012 Wet Mango BC 2pk Cigarillos 	7-11 SLIN# 320790 MCL UIN# 276915 KUSH BC 2pk Cigarillos 	7-11 SLIN# 320761 MCL UIN# 276477 Blu Magic BC 2pk Cigarillos 
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**EZ Roll Flav-R-Less**

7-11 SLIN# 321197 MCL UIN# 376178 Purple Grape 2XXL Cigar Wrap 	7-11 SLIN# 321198 MCL UIN# 376285 Kush 2XXL Cigar Wrap 
7-11 SLIN# 320222 MCL UIN# 376186 Wet Mango 2XXL Cigar Wrap 	MCL UIN# 563205 Naked 2XXL Cigar Wrap 

SURGEON GENERAL WARNING: Smoking can be hazardous to your health

80 AVANTI JULY | AUGUST 2011



**#1 CIGAR WRAP BRAND\***



\*Nielsen Total U.S. Convenience + Food, 4 weeks ending 6/11/11

<b>CIGAR WRAPS - BLUEBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321446 - UIN 554600 7 84762 07201 6	<b>CIGAR WRAPS - APPLE</b> 1 CARTON-25 TWO PACKS SLIN 321447 - UIN 553826 7 84762 07202 3	<b>CIGAR WRAPS - CHERRY</b> 1 CARTON-25 TWO PACKS SLIN 321445 - UIN 554634 7 84762 07204 7	<b>CIGAR WRAPS - MANGO</b> 1 CARTON-25 TWO PACKS SLIN 321476 - UIN 74021 7 84762 07206 1	<b>CIGAR WRAPS - STRAIGHT UP</b> 1 CARTON-25 TWO PACKS SLIN 321478 - UIN 74633 7 84762 07208 5
<b>CIGAR WRAPS - MELON</b> 1 CARTON-25 TWO PACKS SLIN 321444 - UIN 555102 7 84762 07205 4	<b>CIGAR WRAPS - PEACH</b> 1 CARTON-25 TWO PACKS SLIN 321443 - UIN 555201 7 84762 07203 0	<b>CIGAR WRAPS - GRAPE</b> 1 CARTON-25 TWO PACKS SLIN 321442 - UIN 555383 7 84762 07200 9	<b>CIGAR WRAPS - STRAWBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321477 - UIN 74120 7 84762 07207 8	<b>ZIG-ZAG CIGAR BLEND TOBACCO</b> 1 CARTON-6 POUCHES SLIN 320238 - UIN 555631 7 84762 07175 0

**NEW - XTRA LARGE SIZE**

**CIGAR 2 WRAPS**  
**XTRA WIDES**

<b>XTRA WIDES - GRAPE</b> 1 CARTON-25 TWO PACKS SLIN 321289 - UIN 680918 7 84762 07807 0	<b>XTRA WIDES - MANGO</b> 1 CARTON-25 TWO PACKS SLIN 321288 - UIN 680900 7 84762 07867 4
<b>XTRA WIDES - STRAWBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321287 - UIN 680876 7 84762 07877 3	<b>XTRA WIDES - BLUEBERRY</b> 1 CARTON-25 TWO PACKS SLIN 321292 - UIN 680884 7 84762 07817 9



JULY~AUGUST

**PRESIDENTS' REPORTS**

continued from page 80

sented. From the franchisee side, new organizational structure and communication, new equity breach process, FM concerns, inefficient credit process, billbacks, hot food case counts, the negative impact of graduated gross profit split, etc., were raised. The discussion was positive, but the allocated time was not enough. However, Tom promised to extend the time with more franchisee participation on the next quarterly Zone meeting.

SEI has launched advertising in the CMR markets in our Zone. While it is too early to determine the full impact, it shows a positive awareness of the new and improved 7-Eleven in the area.

Merchandise sales for the second quarter were flat, with transaction units down. SEI continues to AQIP CMR stores. The company is aggressively opening new stores, and franchisees are worried about the impact of encroachment on their businesses.

Market 2541 became the first market in the company to break \$1,000 APSD in food service.

The third annual TriState FOSE charity golf tournament will be held on September 14, 2011 at Little Bennett Golf Course in Clarksburg, Maryland. This year's beneficiary of the proceeds will be Johns Hopkins Children's Center.

**JOE SARACENO**  
**FOA**

**Matt Mattu, President**

7-Eleven has captured the retail convenience sector with explosive growth, not just in the United States, but also throughout the globe during a time of worldwide depressed economic conditions. It is clear that 7-Eleven has implemented various techniques to assess the present state of its business, then developed an operational struc-

ture based on performance improvement initiatives.

7-Eleven is now a new and different model with a defined management style, focused on changing environments and innovative methods and products. All successful companies go through these changes, and in my opinion the franchise community and SEI must share in the benefits of this success. We must obtain and sustain equilibrium in our financial relationship so we can reach the next level of success. The relationship between franchisees and SEI is at a very crucial point, and the best technology in the world cannot make the company as successful as the franchise community can.

We must believe in "A Critical Success Factor" that will take us way beyond our competition, and to get there 7-Eleven and franchisees must unite. This will

only be achieved by mutual success. SEI must understand that franchisee morale has to be positive in order to achieve results, and one way to improve franchisee morale is to increase our net income. Factors presently affecting our net income include:

- The maintenance department is non-existent, which is a financial burden on franchisees caused by learning curves.
- The audit company is still learning our pricing, which is a costly lesson for franchisees.
- The accounting department has been has become ineffective.
- Encroachment—new stores are opening too close to existing stores.
- We must go back and renegotiate our agreements.

All these factors have had a negative impact on franchisee net income. We must demand positive results in all non-operational departments of 7-Eleven in a timely manner.

The four Southern California FOAs are working together with 7-Eleven to eliminate issues of concern to franchisees, and we have achieved results

with our new Zone Leader, Dan Soper. Considering the tough financial conditions, I plead to the franchise community to maintain the required standards for their "store criteria" and to exercise "Zero Defect" customer service so the customer chooses us instead of our competitors, as this is the key to our present and future success.

**ST. LOUIS FOA**  
**Mike Foster, President**

After a cold, snowy winter and a hot, humid summer (normal for the Midwest) sales results are staying about flat to slightly up. A significant driver of this is that the City of St. Louis has

**"We are not very good at getting high potential items converted and into stores as RIs."**

—Rob Chumley, VP Merchandising, 7-Eleven, Inc.

changed liquor laws to allow gas stations of at least 1500 square feet of selling space to apply for a full-package liquor license. The several stores that fell into this class have applied and been granted licenses. Their individual stores sales have really soared.

Our recommended fresh bakery supplier is scheduled to move into a new, more modern facility early next year. We wait in hopeful anticipation for quality improvements along with product assortment additions.

Because Missouri now has the distinction of having the lowest tobacco taxes in the country, stores close to the border are enjoying a favorable price advantage compared to Illinois and Kansas. The Marlboro MLP promotion does NOT seem to have had an effect on our sales. In our backyard both Walgreens and CVS are engaging in "corner wars" for prime real estate and each is adding traditional convenience items to their mix.

On a sadder note, some long-term franchisees have decided to leave the system without the prospect of a goodwill sale. This is a troubling trend. ■

PRESIDENTS' REPORTS



# SEI News

## Stores Flooded With Customers On 7-Eleven Day

That often small printed phrase “While supplies last” never meant more than it did July 11, when many customers around the country went to 7-Eleven stores only to find they were out of the free Slurpees, according to NBCDFW.com. Franchisees in many areas reported higher than usual traffic and attributed it to social media and the economy. “We gave away some 5 million Slurpee beverages—more than ever before, but it appears demand was higher this year than we ever expected,” an SEI spokesperson told the Dallas news station. 7-Eleven’s Twitter page spent most of that night and the following morning apologizing to people and giving them a toll-free number to call. SEI said it would mail a coupon for a free Slurpee to those who didn’t receive one on 7-Eleven Day, and is making plans to be better prepared for next year.

## ‘Cowboys & Aliens’ Invades 7-Eleven TV

Seeking to reach the widest swath of gamers nationwide, FreePlay Labs has chosen 7-Eleven TV as the exclusive TV partner to promote its “Cowboys & Aliens—Silver City Defense” videogame. The deal came shortly after entertainment company Platinum Studios licensed its top-selling Cowboys & Aliens graphic novel to FreePlay to create an interactive game for Apple’s iPhone, iPod touch and iPad.



7-Eleven TV is currently expanding from approximately 3,000 stores to more than 6,200 locations next year. At scale, 7-Eleven TV will become one of the largest digital out-of-home television networks in the United States, reaching 200 million shoppers monthly by June 2012. 7-Eleven TV programming is customized for demographics, locations and dayparts, with content that includes national and local weather, news and entertainment.

## SEI Expands Proprietary Wine List

7-Eleven, Inc. recently introduced VitAlma, the convenience retailer’s first proprietary Pinot Grigio wine, in its California, Oregon, Washington and Florida stores. The imported Italian wine retails for \$7.99 per bottle. Produced and bottled in the Lombardy region in Northern Italy for 7-Eleven stores, VitAlma means “soul of the vine” in Italian. Like its popularly priced Cherrywood Cellars wines, VitAlma is a fresh, crisp white wine that appeals to legal-aged millennial wine-drinkers. Its versatile, refreshing taste and easy drinkability has made it popular among entry-level wine-drinkers, particularly millennial women.

## Secure Email Services

SEI announced that it has signed a three-year renewal agreement with email encryption services provider Zix Corporation (ZixCorp). The contract is the third multi-year service agreement between 7-Eleven and ZixCorp. 7-Eleven began using ZixCorp Email Encryption Services in 2004, sending secure email to partners through ZixGateway, a policy-based email encryption solution. 7-Eleven expanded its

use of secure email in 2008 by adding ZixMail, a desktop email encryption solution. In the most recent renewal agreement, 7-Eleven added ZixPort whereby recipients without email encryption capabilities can access secure email through the company’s exclusive, customized portal.

The company said it leverages ZixGateway to communicate confidential agreements, invoices and updates to partners. ZixMail is used for internal communication within 7-Eleven, protecting sensitive employee information, intellectual property and executive exchanges.

## 7-Eleven Helps Consumers Travel Light

To make life on the go a little easier for frequent fliers, franchisees can now carry a line of fill-in and travel health and beauty products in TSA (Transportation Security Administration)-approved sizes. Available in packages of less than 4 ounces, all items carry a value retail price of \$1.99 each or two items for \$3. Twelve travel-size products are available: Colgate toothpaste, Scope toothpaste, Gold Bond powder, Head & Shoulders shampoo, TRESemme hair spray, Dep Sport styling gel, Mennen Speed Stick deodorant, Coppertone Sport 30 SPF sunscreen, Jergen’s Ultra-Healing lotion, Pert Plus 2-in-1 shampoo/conditioner, Barbasol shave cream, and Handy Solutions hand sanitizer. Launched this spring, the mini-sized items are selling well in many stores, especially tourist-heavy areas. SEI might expand the selection later this year. ■



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 Wintergreen UIN 498543 SLIN 430027



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## Introducing NONGSHIM's Improved Line of Bowl Noodle Soup!

- NO MSG added
- 0g Trans Fat

www.nongshimUSA.com

### BUDWEISER REVEALS NEW "BOWTIE" DESIGN

Budweiser recently revealed a new can design, its 12th since Anheuser-Busch began offering its flagship brand in cans in 1936. The focal point of the design is Budweiser's iconic bowtie, complemented by the time-honored Budweiser creed and Anheuser-Busch medallion. Budweiser's new "bowtie" can and secondary packaging designs will be the global standard as the brand continues to expand internationally.

Using the same design principles as the newly designed can, the new secondary packaging will be used for all package configurations and emphasizes the Budweiser creed, which highlights the beer's unique Beechwood Aging process and 135-year long commitment to quality. The packaging will also feature a "Quick Response" code that will better enable Budweiser to regularly communicate with consumers.



Budweiser has unveiled a new can design, the 12th since 1936.

### NEW AIR DELIGHT CHOCOLATE

The Hershey Company recently introduced a new way to enjoy chocolate with the launch of Hershey's Air Delight Chocolate.

late—one of the first aerated chocolates for the company. The smooth and creamy consistency of Hershey's Air Delight Chocolate offers a surprisingly subtle, new way to enjoy pure Hershey's chocolate. Its light and airy texture causes the chocolate to melt with ease over your tongue, making it the ultimate chocolate experience. Capitalize on the strength of the Hershey name.

Hershey's Air Delight Chocolate is available in 1.44 oz. single-serve take-home bars and 9.4 oz. bags of Hershey's Kisses Chocolates. For more information, visit [www.hersheys.com](http://www.hersheys.com).



Aerated Hershey's Air Delight Chocolate.

### NEW STRIDE WHITEMINT OFFERS EXCITING NEW FLAVOR

Stride, The Ridiculously Long Lasting Gum, has unveiled its newest flavor—Stride Whitemint. This is the brand's first-ever custom-designed, custom-created pack inspired by snowboarding/skateboarding sports icon and Olympic gold medalist Shaun White.

Stride Whitemint—a long lasting intense mint—was developed to add an exciting, new flavor to the Stride Gum portfolio. White helped select the flavor and was instrumental in creating the package graphics from start to finish. The packaging offers a simple, cool design with unique and exclusive graphics that bring White's personality to life. Additionally, five unique comedic scenarios of the sports icon interacting with the iconic Stride Ram were created and are randomly featured inside each pack for some fun and unexpected humor.

As part of his relationship with the brand, White will engage in a variety of promotional activities throughout the year, including a Whitemint TV spot set to air in the fall. Stride Whitemint will be rolling out at convenience stores for a suggested retail price of \$1.49.



Stride Whitemint, inspired by Olympic gold medalist Shaun White.

### BIC LIGHTERS SUPPORT USO

Bic's USO/Support Our Troops Collectors Series of lighters is a collection of compelling designs for men and women who are proud of our military forces and want to show their support. The line features six high-impact military designs, and a portion of proceeds



Bic's USO/Support Our Troops Collectors Series.

from every lighter purchased will be donated to the USO. Bic lighters offer twice the lights of the next-leading full-size brand.

New products and services for 7-Eleven Franchisees

continued on page 88

## VENDOR FOCUS

continued from page 87

### FIBER ONE 90-CALORIE BROWNIES FOR C-STORE SHOPPERS

Convenience store retailers can indulge in more sales with new Fiber One 90-Calorie Brownies, the first baked good offering in the successful Fiber One line of products. Available in Chocolate Fudge Brownie and Chocolate Peanut Butter Brownie, the sweet, indulgent and guilt-free treats have just 90 calories and a full five grams of fiber—20 percent of the daily value for fiber. Suggested retail price for the 0.89-ounce brownie is \$0.79 cents.



New Fiber One 90-Calorie Brownies.

Fiber One, the best-selling fiber brand in the convenience channel, with \$7.2 million in annual sales, has enjoyed more than 50 percent growth over the past year. Fiber helps with both weight management and overall digestive health; combined with the scrumptious chocolately taste in Fiber One brownies, the duo can lead to incremental c-store snack sales.

For more product information about Fiber One brownies and other Fiber One products, operators can contact a General Mills Convenience sales representative or visit [www.generalmillsconvenience.com](http://www.generalmillsconvenience.com). Order through McLane.

### A CONVENIENCE CHANNEL EXCLUSIVE—NEW NATURE VALLEY RECHARGE BARS

Nature Valley, the granola bar nature intended and the world's first granola bar, is revitalizing the nutrition bar segment for convenience store retailers with new Nature Valley Recharge. Available exclusively to convenience stores, new Nature Valley Recharge is the first Nature Valley bar with 10 grams of protein.

The 1.77-ounce bar comes in both Cherry Dark Chocolate and Cranberry Almond and has a suggested retail price of \$1.49.

The \$542 million bar category is the fastest growing c-store food category, and Nature Valley remains the No. 1 selling brand in c-stores, with contin-



Nature Valley Recharge Bars, the company's first bar with protein.

ued growth from the nutrition segment, making Nature Valley Recharge the ideal addition to any c-store food aisle.

In a recent consumer taste test, more than 62 percent of tasters said they would "definitely" or "probably" purchase Nature Valley Recharge bars. For more information about new Nature Valley Recharge bars and General Mills entire portfolio of profit-building bars, convenience store retailers can contact their General Mills sales representative or visit [www.generalmillsconvenience.com](http://www.generalmillsconvenience.com).

### NEW CHOCOLATE CHEX MIX COOKIES & CREAM HITS SNACK AISLE

General Mills has introduced Chocolate Chex Mix Cookies & Cream to convenience stores, the first salty snack mix with the increasingly popular Cookies & Cream flavor. With 60 percent less fat than regular potato chips, Chocolate Chex Mix Cookies & Cream combines sweet-coated corn Chex



Chocolate Chex Mix snacks have grown 35 percent.

continued on page 90

### HOSTESS ADDS FROSTED DEVIL'S FOOD CAKE DONETTES

Hostess has introduced new Frosted Devil's Food Cake Donettes, an indulgent addition to their popular line of Donettes—delicious mini donuts available in an assortment of flavors. The moist devil's food cake donuts dipped in a delicious chocolate-flavored coating are now available across the country. The treats can be enjoyed in four convenient sizes including 10.5-ounce Dunkie Bags, 11.25-ounce Dunkie Bags, 12.2-ounce Sweet Sixteen Dunkie Bags, and 3-ounce Single Serve sleeves. For additional information about Hostess visit [www.hostesscakes.com](http://www.hostesscakes.com).

Hostess Frosted Devil's Food Cake Donettes in four convenient sizes.



## THE SEASONAL VALUE MUG 16 OZ

Seasonal Value Mug targets customers looking for Value in tough economy.



- ❄️ Refill customers are very loyal.
- ❄️ Refill customers are "Heavy Users who make visiting 7-Eleven part of their daily routine."
- ❄️ Value mug adds to the market basket in the AM daypart.
- ❄️ Perfect for Holiday gifts.

Each case contains 48 mugs with two 6-count displays. One tray will have assembled mugs, ready for immediate display. Balance of the mugs will be nested with the additional display for easy refill. Assembled mugs equals less chance of losing lids. "Keep it clean, keep it fresh, keep it stocked"



SAME GREAT MUG—NEW DISPLAY!  
FOD OCTOBER 17, 2011

## VENDOR FOCUS

continued from page 88

with real chocolate cookie crunch. Each 4.25-ounce bag has a suggested retail price of \$2.49.

Chocolate Chex Mix snacks have grown 35 percent versus category growth of 5 percent. The new flavor is an ideal complement to Chex Mix Muddy Buddies, the No. 1 dollar-turning item within the General Mills portfolio. For more information about new Chocolate Chex Mix Cookies & Cream, convenience store retailers can contact their General Mills sales representative or visit [www.generalmillsconvenience.com](http://www.generalmillsconvenience.com).



Jack Link's Cholula Hot Sauce Beef Jerky combines two number one brands.

ing hot sauce brand, promises to deliver the perfect blend of savory beef with flavor and heat, all in a convenient, grab-and-go package.

The hot sauce category is on-trend and growing, and the spicy, tangy flavor profile has strong taste recognition and familiarity with consumers. Jack Link's new jerky combines tender slices of 100 percent beef, signature seasonings, and Cholula's special blend of peppers for a flavorful, satisfying, better-for-you snacking experience.

Conveniently packaged in 3.25-ounce resealable packages, Jack Link's Cholula Hot Sauce Beef Jerky is available in a variety of display options, including open stock cases, clip strips and floor shippers. With a suggested retail price of \$5.99, this snacking choice is naturally low in calories and carbs, is 97 percent fat-free, and is naturally high in protein.

### JACK LINK'S IGNITES FLAVORFUL FIRE WITH NEWEST OFFERING

Jack Link's Beef Jerky is bringing hot news to the meat snacks category with its newest beef jerky offering—Jack Link's Cholula Hot Sauce Beef Jerky. The combination of Jack Link's Beef Jerky, the number one U.S. meat snack brand, with Cholula Hot Sauce, the country's fastest-grow-



### 7-ELEVEN'S NEW ASSOCIATION WITH MALL JAMZ



Music lovers can now buy their favorite CDs at participating 7-Eleven stores throughout the country, thanks to a special deal between SEI and Los Angeles, California-based Mall Jamz (in association with Thump Records). Although there are fewer places to buy CDs these days thanks to the decline of record stores this past decade, music in the CD format is still in demand and accounts for 300,000,000 units in annual sales. The 7-Eleven and Mall Jamz partnership allows customers to buy a CD, in a jewel case, in a store, instead of downloading it online.

Mall Jamz/Thump Records stocks CDs at 7-Elevens that cater to the types of customers that frequent that store and to their musical tastes. Whether it is urban, hip hop, country, funk, or rock, Mall Jamz/

continued on page 92

### NESTLE ANNOUNCES COFFEE MATE CONTEST

Your FOA could win up to \$7,500 in Nestle's new Coffee Mate contest, running from July 1, 2011 through December 31, 2011. To be eligible, FOAs must increase their Nestle Coffee Mate Liquid Pump Bottles over last year's Q3 and Q4 sales. The FOA with the largest sales increase over last year wins \$7,500; the FOA with the second largest sales increase over last year wins \$5,000; and the FOA with the third largest sales increase wins \$2,500.



Remember, all Coffee Mate creamers are now approved Store Supported Items. Order through McLane:

- French Vanilla Creamer SLIN 341545
- Sweetened Original Creamer SLIN 341578
- Hazelnut Creamer SLIN 341594

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## VENDOR FOCUS

continued from page 90

Thump Records finds out through market research what the traffic (demographics) in that particular store requires, and fills that demand. All CDs are bargain-priced at \$9.99.

### SALADO SALES NOW OFFERING WORK FARE GLOVES



Work Fare Gloves from Salado Sales are the perfect fit for any merchandise mix. Rugged and durable, they come in a variety of styles strong

enough to pick up sales from even your toughest customers. Salado Sales offers new, high-quality grocery items that deliver up to 60 percent gross profit margins and keep your customers coming back for more.

Visit the Salado Sales Virtual Tradeshow, a highly interactive service designed to allow you online access to bundle promotions of toiletries, baby items, work gloves, automotive supplies, and much more. The show is now open at [www.mclaneco.com/goto/ssvts](http://www.mclaneco.com/goto/ssvts).

Salado Sales, a subsidiary of McLane, researches, develops and distributes quality control label products to retailers. The cost to you is low, so you can offer attractive prices to your customers while keeping gross margins and penny profits high. To learn more, visit [www.saladosales.com](http://www.saladosales.com).

continued on page 94

### P&G ADDS HOUSEHOLD ITEMS FOR C-STORES

Procter and Gamble has added several new convenience-size household products to its c-store channel line that will increase your category sales. All items are available through McLane.

**Cascade Action Pacs 12-Count:** This item replaces Cascade 35-ounce Powder Automatic Dish Detergent no longer available. Cascade Action Pacs have the grease fighting power of Dawn and provide convenient unit-of-use. (UIN—593517).



**Dawn Dish Detergent 9-Ounce:** Dawn 10.3-ounce was converted to a new 9-ounce size effective July 25, 2011. The new size allows for lower retail pricing, as the per-unit price has been decreased by \$0.06. Dawn is a dependable dishwashing liquid that fights grease, leaving squeaky-clean pots, pans and dishes. SRP is \$1.79-\$1.99. (New UIN—595181).



**Compact-Sized Tide Powder:** Tide Powder 4-Use and Tide W/Bleach 3-Use are now available in a new compacted formula. Tide Powder is the number one brand in the Powder Laundry Detergent Category with a 41.4 percent share of the market. Stocking



these new Tie Powder SKUs will increase your sales, and Tide returns higher penny profits than lower priced brands.

- Tide Powder 4-Use UIN# 446401 (Unit Cost \$1.51, SRP \$2.79)
- Tide W/Bleach 3-Use UIN# 671255 (Unit Cost \$1.59, SRP \$2.79).

**Tide, Gain, And Downy 10-Ounce Size:** Tide Liquid, Gain Liquid and Downy Liquid are now available in a 10-ounce size created for the convenience channel. Together, Tide and Gain account for 52.6 percent of the Liquid Laundry Detergent Category and Downy is 56.4 percent of the Liquid Fabric Conditioner Category. These Tide, Gain and Downy 10-ounce SKUs will enable you to sell the leading brands your customers know and trust. Shelf all three together in a Laundry Set in your Grocery Section.

- Tide Original 2X Liquid 12/6-load (10oz)—UIN 637363; Unit Cost \$1.98; SRP—\$3.59
- Gain Original 2X Liquid 12/6-load (10oz)—UIN 637538; Unit Cost \$1.60; SRP—\$2.89
- Downy April Fresh Liquid 12/12-load (10oz)—UIN 637348; Unit Cost \$1.44; SRP—\$2.59

## 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



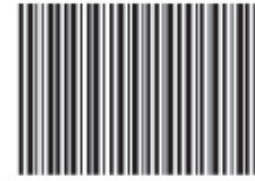
50.5x46, 50-gal



Small 1 ft BEVERAGE BAR liner

Bags per roll: 300

SLIN: 530207  
UIN: 482414



32x34, 30-gal



65-gallon can

Bags per roll: 75



52x49, 65-gal

SLIN: 530173  
UIN: 048231



COFFEE BAR & ROUND OUTSIDE Bags per roll: 110

Northeast area



30x46, 32-gal

SLIN: 530072  
UIN: 018853



ROUND OUTSIDE

Bags per roll: 125

SLIN: 530044  
UIN: 482380

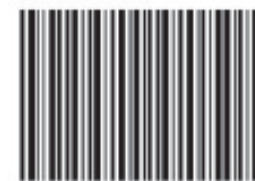


37x46, 44-gal



CASH REGISTER & RESTROOM AREA Bags per roll: 225

SLIN: 530472  
UIN: 482497



32x46, 32-gal



Custom designed for the Franchisee



1.800.373.9410  
[www.lonestarplastics.com](http://www.lonestarplastics.com)

## VENDOR FOCUS

continued from page 92

### SNAPPLE RELEASES NEW 'TEA WILL BE LOVED' ICED TEA



Snapple's new "Tea Will Be Loved" benefits hunger-relief organization Feeding America.

Snapple and Grammy award-winning pop-rock band Maroon 5 have partnered to launch "Tea Will Be Loved"—a delicious blend of healthy green tea and tasty black tea with notes of pomegranate and berries. Tea Will Be Loved will benefit Feeding America, the nation's largest hunger-relief organization, by helping to provide 1,750,000 meals to those in need. Inspired by the unique personalities of the band members and named for their smash-hit "She Will Be Loved," this limited release Snapple tea will be available nationwide beginning on September 1, 2011.

Tea Will Be Loved is a five-fruit mash-up of the best stuff on Earth, with each band mate choosing their own flavor to add to the tea: pomegranate, orange, blackberry, raspberry and hibiscus. Tea Will Be Loved features 13 specially marked gold Snapple caps with Real Facts about Maroon 5 and Feeding America, such as Real Fact #682: Maroon 5's former name was "Kara's Flowers." The band also contributed to the graphic design of the packaging for the new tea. As part of the partnership, Snapple and Maroon 5 will donate \$250,000 to Feeding America.

### REPUBLIC TOBACCO LARGO SUN GROWN NATURAL PIPE TOBACCO

Republic Tobacco is pleased to introduce Largo Sun Grown Natural Pipe Tobacco, a new blend that brings a bright twist to the existing line of Regular, Mint, and Mellow styles. The flavorful combination of unique, natural premium tobaccos offers a smooth, satisfying taste consumers are sure to enjoy.



Largo Sun Grown Natural Pipe Tobacco in Seal-Tite pouches and re-sealable bags.

Largo Pipe Tobacco re-sealable, Seal-Tite wrap-style pouches and re-sealable bags maintain product freshness and flavor. The 0.75 ounce pouches come packed 12 pouches per sleeve, 12 sleeves per case; the 5-ounce bags come packed 36 per case; and the 12-ounce bags are packed 12 per case.



### NEW TV SHOW TO BOOST PLAYBOY CONDOMS SALES

All Playboy products are expected to experience a huge surge in sales once the new NBC series "The Playboy Club" starts on September 19, so make sure you stock up on Playboy Condoms now! Stores will be able to literally catch this marketing wave and ride it home to higher profits.

Playboy Condoms is the first and only line of top quality prophylactics to sport the legendary brand synonymous with sophistication, high style and pleasure. Playboy Condoms compete in the Premium Condom Category and are competitively priced. Available in Lubricated, Lubricated Dotted, Lubricated Large Size, and Lubricated Ultra Thin, Playboy Condoms are fashioned out of maximum-quality latex and emblazoned with the rabbit logo—one of the most recognizable images in popular culture for the utmost in consumer appeal.

### SATISFY THE CONSUMER 'KRAVE' FOR E-CIGARETTES

Vapor Corp. proudly introduces its recently launched Krave505 electronic cigarette—No Flame, No Ash, No Second-Hand Smoke, and you can smoke it virtually anywhere! This new disposable electronic cigarette allows you to satisfy your "Krave," and with a bit of personality, too! Available in flame and camouflage prints, or in solid black and silver colors, Krave505 also includes a unique, dual colored indicator light system that really makes Krave505 shine bright against its competition. Krave505 lasts approximately 500 puffs, and comes in a 14mg (mid) nicotine strength in both tobacco and menthol flavors. Display options include a 10-piece POP display or as part of one of our acrylic display rack packages—Krave505 is sure to stand out on the shelf! Satisfy your Krave at [www.kraveit.com](http://www.kraveit.com) or by calling 1-855-VAPOR-51. ■



Display options for Krave disposable e-cigarettes will stand out on your shelf.

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Offer your adult smoking customers the premium e-cigarette that's always ready to deliver true tobacco and menthol flavors - as close to real smoking pleasure as they can get. All without the smoke.



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# 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.



## 7-Eleven FOAC

Phone: 847-971-9457

September 8, 2011—General Meeting  
September 22, 2011—Board Meeting  
October 20, 2011—Board Meeting  
November 17, 2011—Board Meeting  
December 15, 2011—Board Meeting

## Delaware FOA

Phone: 302-740-7066

September 8, 2011  
October 13, 2011  
November 10, 2011  
December 8, 2011

## FOA Of Greater Los Angeles

Phone: 951-766-7490

September 20, 2011  
October 18, 2011  
November 15, 2011

## Greater Bay FOA

Phone: 510-589-2575

September 13, 2011  
October 11, 2011  
November 8, 2011

## Greater Hampton Roads FOA

Phone: 757-870-6709

September 19, 2011—Vendor Luncheon  
October 20, 2011

## Phoenix FOA

Phone: 602-703-0711

September 14, 2011  
October 12, 2011  
November 9, 2011  
December 14, 2011

## San Diego FOA

Phone: 619-713-2411

September 15, 2011  
October 20, 2011  
November 17, 2011

## San Francisco/ Monterey Bay FOA

Phone: 650-996-9479

September 13, 2011  
October 11, 2011  
November 8, 2011

## Southern California FOA

Phone: 818-357-5985

September 15, 2011  
October 20, 2011  
November 19, 2011  
December 15, 2011

## So. Nevada/Las Vegas FOA

Phone: 702-324-0828

September 8, 2011—Board Meeting  
October 6, 2011—Board Meeting  
October 20, 2011—Board/Planning Meeting

## Suburban Washington FOA

Phone: 301-572-6811

September 29, 2011

## ADVERTISER INDEX

Aon Risk Services.....96	Insight Beverages.....35	Pit Bull/Energy Lane .....69
BIC .....60	JFC International .....86	Playboy Condoms.....73
Campbell Sales.....75	Just Born Inc. ....19	Procter and Gamble .....97
Capitol Cups .....89	Kellogg's.....7	Ruiz Foods .....52,56
Coca-Cola.....cover 2	Kraft/Cadbury .....10,11	Salado Sales .....42
Dean Foods.....58	Kretek .....95,cover 4	Siemens/Vertical .....40
DM Imports.....81	Lonestar Plastics.....93	Smokey Mtn. Chew.....85
Dr Pepper Snapple Group .....5	Mars Chocolate.....20	Snyder's .....79
Duracell .....77	Maruchan.....48	Sunny-D.....63
Edy's/Dreyer's .....8	McLane.....54-55	Swedish Match .....6
Ferrero .....26	Miller .....17	Unilever Good Humor/Breyers . .....3,4,41
Frito Lay .....57	National Tobacco.....82	U.S. Nutrition .....38
General Mills .....12,13	Navajo.....67	Vapor Corp .....91
Gulf Coast Software.....29	Nestle Professional .....37	Whitewave Foods.....22
Heineken .....14	Nestle Waters .....9	Wrigley .....cover 3
Hershey .....50	New York Spring Water.....47	

## Workers' Compensation, Excess Property, Excess Liability From Aon Risk Services

Aon, one of the leading Insurance Brokers in the World, has the resources to provide a high level of service to the 7-Eleven Franchise community.

### Aon Provides:

- Nationwide Workers' Compensation Program
- Expanded Property Program including coverage for Inventory, Flood, Quake, Business Interruption and Food Spoilage due to Mechanical Breakdown
- Excess General Liability providing an additional limit above the \$500,000 provided by your Contractual Indemnification



Please fax or e-mail Tanya Sanders to learn how Aon may help you with your insurance needs  
Phone: 214-989-2361 Fax: 214-989-2304 Toll-Free: 1-800-527-9034 E-Mail: tanya.sanders@aon.com

## Get The Right Brands, At The Right Price, Sized For The C-Store Customer!



**New Compacted Formulas for Tide Powder 3 Use With Bleach, and Tide Powder 4 Use!**

The #1 brand with 41% share of laundry detergent market.

Tide Powder 4 Use—UIN 446401  
Tide Powder w/Bleach 3 Use—UIN 671255



TIDE POWDER



GAIN LIQUID



TIDE POWDER WITH BLEACH



DOWNY LIQUID



TIDE POWDER LIQUID



DAWN ORIGINAL

**Available now through McLane!**



CASCADE ACTION PACKS



**Tide 6-Load, Gain 6-Load and Downy 12-Load Liquid Available In 10-Ounce Size!**

Tide and Gain are 52.6% of the Liquid Laundry Detergent Category. Downy is 56.4% of the Liquid Fabric Conditioner Category.

Tide Original 6-load 10-ounce—UIN 637363  
Gain Original 6-load 10-ounce—UIN 637538  
Downy April Fresh Liquid 12-load 10-ounce—UIN 637348  
Shipping to stores for Fall/Winter 2011 sets.

**Dawn Ultra Original Scent In A New 9-Ounce Size!**

New lower cost for lower retails: SRP \$1.79 to \$1.99

UIN 595181

**Cascade 12-Count Action Packs**

Cascade Action Packs 12-count.—UIN 593517



## Franchise Owner's Association Events

Franchisees and vendors are invited to participate in FOA activities.

**San Diego FOA Vendor Appreciation Day**  
 Petco Park  
 San Diego, California  
 September 7, 2011  
 Phone: 619-713-2411

**Metro New Jersey FOA Holiday Party**  
 (Location and exact date to be announced)  
 December 2011  
 Phone: 732-500-8194

**Rocky Mountain FOA Holiday Party**  
 (Location to be announced)  
 December 10, 2011  
 Phone: 719-632-4758

**TriState FOSE Association Charity Golf Tournament**  
 Little Bennett Golf Course  
 Clarksburg, Maryland  
 September 14, 2011  
 Phone: 443-472-2327

**Columbia Pacific FOA Annual Holiday Party**  
 Embassy Suites, Portland Airport  
 Portland, Oregon  
 December 2, 2011  
 Phone: 541-290-0331

**San Diego FOA Holiday Party**  
 Handlery Hotel & Resort  
 San Diego, California  
 December 10, 2011  
 Phone: 619-713-2411

**So. Nevada/Las Vegas FOA 12th Annual Golf Tournament**  
 Sierra Gold Tavern  
 Las Vegas, Nevada  
 September 23, 2011  
 Phone: 702-769-2301

**San Francisco/Monterey Bay FOA Holiday Party**  
 Santa Clara Marriott  
 Santa Clara, California  
 December 9, 2011  
 Phone: 510-657-0672

**So. Nevada/Las Vegas FOA Holiday Celebration**  
 Sierra Gold Tavern  
 Las Vegas, Nevada  
 December 16, 2011  
 Phone: 702-769-2301

**Greater Hampton Roads FOA Trade Show**  
 Hampton Roads Convention Center  
 Hampton, Virginia  
 October 13, 2011  
 Phone 757-870-6709

**Greater Hampton Roads FOA Holiday Party**  
 (Location to be announced)  
 December 9, 2011  
 Phone 757-870-6709

**Greater Bay FOA Holiday Party**  
 Hilton Newark-Fremont  
 Fremont, California  
 December 16, 2011  
 Phone: 510-589-2575

**Metro New Jersey FOA Trade Show**  
 Borgota Hotel and Casino  
 Atlantic City, New Jersey  
 October 20, 2011  
 Phone: 732-500-8194

**Suburban Washington FOA Holiday Party**  
 (Location to be announced)  
 December 10, 2011  
 Phone: 301-572-6811

**San Diego FOA/FOA Of Greater LA 2nd Annual Trade Show & Golf Tournament**  
 Pechanga Resort & Casino  
 Temecula, California  
 January 18, 2012  
 Phone: 619-713-2411

**7-Eleven FOAC Holiday Trade Show & Party**  
 Holiday Inn Skokie  
 Skokie, Illinois  
 November 10, 2011  
 Phone: 312-501-4337

### 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.

**So. Nevada/Las Vegas FOA Table Top Trade Show**  
 Sierra Gold Tavern  
 Las Vegas, Nevada  
 November 11, 2011  
 Phone: 702-769-2301

**National Coalition Affiliate Meeting**  
 Disney's Grand Californian  
 Anaheim, California  
 October 25 & 26, 2011

**National Coalition Board Of Directors Meeting**  
 JW Marriott Starr Pass Tucson  
 Resort & Spa  
 Tucson, Arizona  
 February 7-11, 2012

**National Coalition Board Of Directors Meeting**  
 Disney's Grand Californian  
 Anaheim, California  
 October 27-29, 2011

**National Coalition 37th Annual Convention & Trade Show**  
 Oahu, Hawaii  
 July 8-12, 2012

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



# 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



**WRIGLEY Sales Company**  
 410 North Michigan Avenue Chicago, Illinois 60611  
[www.wrigley.com](http://www.wrigley.com)

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# They Come for the Cloves. They Leave with the Rest.



There are more than a million adult Djarum cigar smokers and they buy more than just Djarum. 83% of Djarum smokers buy other tobacco products including premium cigarette and other cigars. They spend more on food, snacks, and beverages, too.

Djarum smokers are more affluent than average adult convenience store and smokeshop consumers. They lead outgoing lifestyles with annual incomes 14% above the national average. They enjoy and share Djarum with friends on special occasions as well as regular smoke breaks. Their relaxing clove moment is a regular ritual that means more money in the bank for you.



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*Underage sale prohibited. Always check IDs if they appear under 27. It's the law.*

\*Griffiths Consulting: May 2010 awareness, attitude and usage research study. Actual C-store market basket 1/22/11 \$32.14