



National Coalition  
of Associations  
of 7-Eleven Franchisees

# AVANTI

May/June 2012

THE VOICE OF 7-ELEVEN FRANCHISEES



**2012 NCASEF Convention**  
**July 8-12 • Honolulu, Hawaii!**

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## Optimizing Our Business

New Products  
Expansion  
Accounting  
Legislation  
Digital  
Media

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But Still A Long Way To Go

Easing The DVR Security  
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Summer's Here, And  
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Hot Foods And Retail  
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Legislative Activity

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Ozarka® Brand .5-Liter 24-Pack: 241516  
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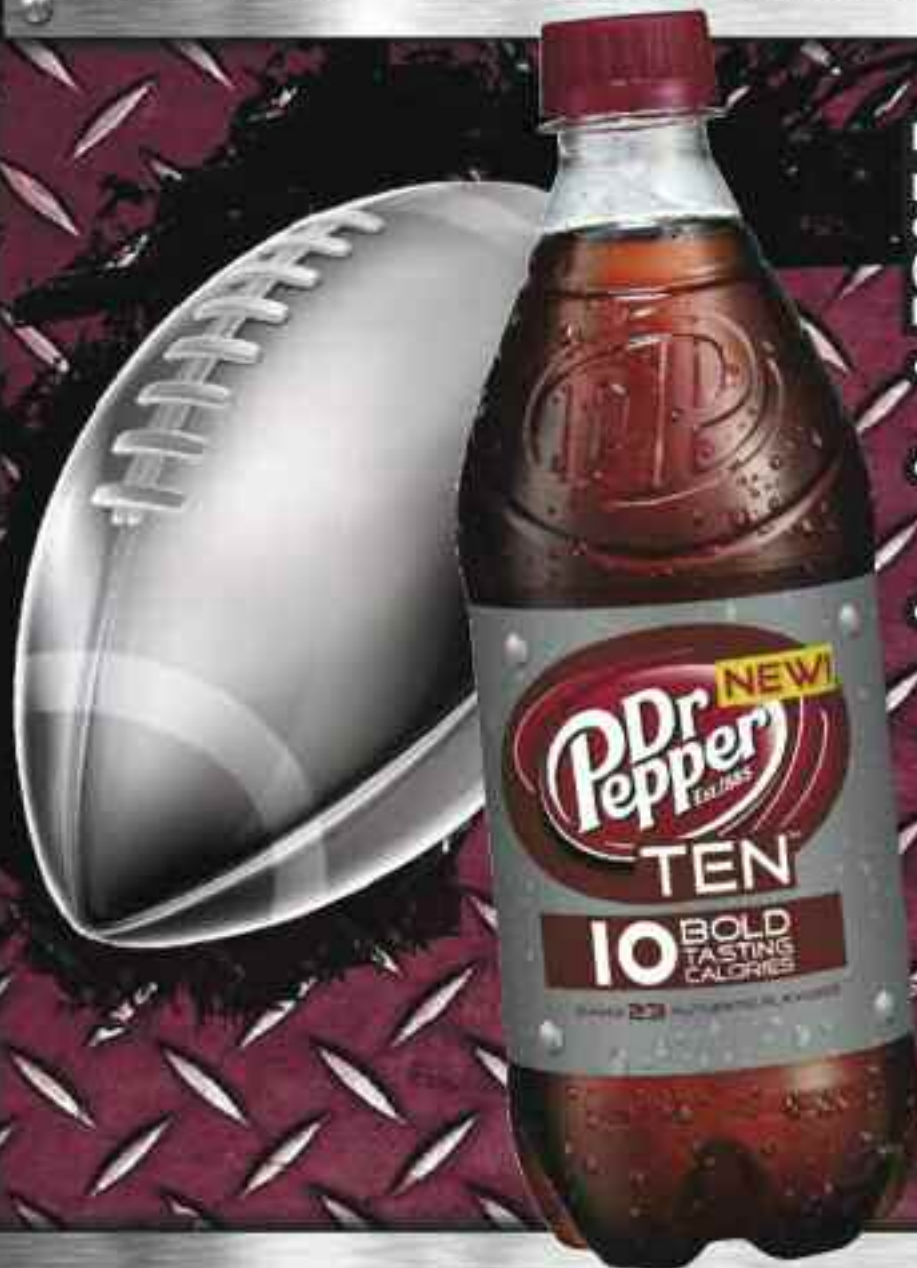
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Register now for the 2012 Convention and Trade Show  
Visit the National Coalition Website [www.ncasef.com](http://www.ncasef.com)



Honolulu, Hawaii!  
**July 8-12**

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## Member News

### SEI To Break Expansion Records Set in 2011

After shattering both its international and domestic store growth records last year by adding more than 4,600 stores worldwide, SEI announced plans to continue accelerated growth in 2012. Some 641 additional stores were built, acquired or transitioned from another business to the 7-Eleven brand in the United States and Canada alone during 2011. This year, 7-Eleven's goal is to exceed that number by adding at least 630 new stores to its U.S. and Canada roster by year-end. Since 2003, 7-Eleven has almost doubled its global store count, from 25,000 to more than 46,000. Today, a new 7-Eleven store opens somewhere in the world approximately every two hours.

**SEI plans to add 630 stores in the U.S. and Canada in 2012.**

### Japanese Giant Lawson Plans U.S. Expansion

Lawson, Inc.—Japan's number two convenience store retailer behind SEI parent company Seven & I Holdings—is planning to use the opening of up to 50 stores in Hawaii as a springboard to expand onto the U.S. mainland, reported Just-Food.com. The retailer plans to open its first two stores in Hawaii in late June or early July, but has not released a timetable for when the other stores would open.

According to the article, Lawson is aiming to use the Hawaii outlets to gather knowledge of local consumers for a future launch onto the U.S. mainland, and to acquaint U.S. tourists with the chain. The company said it is also building a data center in Silicon Valley to analyze data gathered from the Hawaii stores. With retail space in Japan growing scarce

and the population shrinking, the country's three major c-store operators—Seven & I, Lawson, and FamilyMart—are investing in overseas expansion.

### 7-Eleven Largest U.S. C-Store Chain

7-Eleven Inc. continues to pull away from the pack as the U.S. convenience industry's largest chain by number of stores, according to Convenience Store News' Top 100 convenience store chains list. In the past year, SEI widened its store count lead over big oil companies Shell Oil Products U.S., BP plc and Chevron Corp., and even Canada-based c-store giant, Alimentation Couche-Tard Inc., which operates the Circle K brand in the United States. As of March 2012, 7-Eleven operated a total of 7,341 c-stores, an increase of 9.1 percent over its count of 6,727 stores a year ago.

While the industry remains highly fragmented, the c-store chains on the

*continued on page 23*

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The Voice of 7-Eleven Franchisees  
May/June 2012

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SLIN/UIIN  
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142021/  
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142015/  
386961



Cinnamon



0 73390 00578 8

Rainbow



0 73390 00594 8

Mint



0 73390 00576 4

Mixed Fruit



0 73390 00577 1

Strawberry



0 73390 00579 5

\*IRI National Convenience - Percent change vs. year ago - 24 week period ending Feb 19, 2012

Contact your local representative or customer service at 1.800.293.5988

PERFETTI







## Legislative Update

### NYC Plans Ban On Super-Sized Sugary Drinks

New York City Mayor Michael Bloomberg has proposed an amendment to the city's health code that would ban the sale of large sodas and other sugary drinks at restaurants, movie theaters and street carts in an effort to combat rising obesity, reported the *New York Times*. The sale of any cup or bottle of sweetened drink larger than 16 fluid ounces—about the size of a medium coffee, and smaller than a common soda bottle—would be prohibited under the first-in-the-nation plan, which could take effect as soon as March 2013. Convenience stores and supermarkets are so far exempt from the ban, and the measure would not apply to diet sodas, fruit juices, dairy-based drinks like milkshakes, or alcoholic beverages.

Coca-Cola and McDonald's have fired back at Mayor Bloomberg for proposing a ban. Coca-Cola told newswire service Reuters it already includes calorie counts on the front of its bottles and cans in New York, and that restaurants already post the calorie content of all their offerings and portion sizes, including soft drinks. McDonald's said, "Public health issues cannot be effectively addressed through a narrowly focused and misguided ban. This is a complex topic, and one that requires a more collaborative and comprehensive approach."

### California Voters Reject Cigarette Tax Hike

California voters narrowly rejected a ballot measure that would have increased the state's cigarette excise tax by \$1 per pack of cigarettes, reported Reuters. The measure, known as Proposition 29, was defeated 50.8 percent to 49.2 percent during the state's primary election on June 5. Revenue from the proposed tax, estimated at \$735 million in its first year, would have supported medical research on tobacco-related diseases and programs to prevent and control tobacco use. The measure had enjoyed a commanding lead in polls earlier in the year. But opponents—led by Altria's Philip Morris and Reynolds American Inc.—vastly outspent their rivals, blanketing the airwaves in much of the state in the weeks leading up to the election with a message that cast doubt on how the new tax revenues would be spent.



### Durbin Supports Lawsuit Over Swipe Fee Rules

The National Restaurant Association (NRA) announced that Sen. Richard Durbin (D-Ill.) has filed a friend-of-the-court brief in support of the NRA's and other merchant groups' lawsuit against the Federal Reserve Board for failing to follow Congress' intent when the Fed issued regulations to curb debit-card swipe fees. In the brief, the senator agrees with the merchant groups that a Federal Reserve regulation doesn't fall in with the intent of an element of financial reform known as "the Durbin Amendment."

Durbin's brief highlights bad behavior by payment card networks and the negative impact on small-ticket debit transactions. The Fed's rule restricts large banks to a 21-cent per transaction swipe fee, plus a portion of the transaction amount. Although the

*continued on page 21*

## ARNIE SAVES THE DAY!

Every FOA has a story or two to tell. I have one for you, and it is possible that you may never have heard such a story.

On December 23, 2011, a civil lawsuit notice, summons, and legal papers served to the Sacramento Valley FOA were hand-delivered to the store manager at one of my stores in the Sacramento area. After taking a closer look, I found out that the lawsuit was filed by a law firm from San Jose on behalf of a customer (the plaintiff) who had slipped and fell in a 7-Eleven store in the San Jose area.

For some unknown reasons, the case was filed against the SVFOA. To me this was odd, unbelievable, and worrisome at the same time. I made a few calls to reach the plaintiff's lawyer, but was unsuccessful. One day I got lucky and got a hold of the lawyer, and tried to explain to him that our FOA had no connection to what happened in that store, and

should thereby not be considered a party in the case. The lawyer refused to agree with me. I was going insane. I was disappointed, frustrated, and felt helpless.

Then it struck me—why not seek help from a professional whom I had known for some time now? Yes, you guessed right. I called the National Coalition's General Counsel Arnold Hauptman. Arnie quickly took charge of the situation and set the other lawyer straight. In no time at all, the problem was fixed and the SVFOA was off the hook. On behalf of all our FOA members, I am highly thankful and grateful to Arnie for his assistance in this matter.

If this happened to our FOA, it could happen to any association. Just remember that Arnie is only a phone call away to help you with your legal troubles.

—Jay Brar, President,  
Sacramento Valley FOA





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**GREAT TIMES ARE WAITING**  
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# It's True.

Dear 7-11 Franchisees,

By now, you may have seen MIKE AND IKE® candy packages at retail with Mike or Ike crossed off.



Regretfully, we must confirm that our legendary candy duo Mike and Ike have split over irreconcilable creative differences. We are as surprised as we're sure you are. Mike intends to pursue his dream of becoming a musician and producer. Ike will be creating and collecting art of all types.

Mike and Ike are the creative force behind famous flavors like MIKE AND IKE® Original Fruits, 'Tropical Typhoon', Berry Blast™ and others. Rest assured that we will continue to offer all of our great tasting, fruit-chewy MIKE AND IKE® candies through our wonderful retailers. Consumers will see no changes in flavors or availability.

We are doing everything we possibly can to bring Mike and Ike back from their unplanned "adventure". In the meantime, we encourage you to go to [Facebook.com/mikeandike](https://www.facebook.com/mikeandike) for updates. We may be reaching out to you for help as we manage through this situation.

Sincerely,

David Shaffer  
Co-CEO  
Just Born, Inc.  
Makers of MIKE AND IKE®

Ross Born  
Co-CEO  
Just Born, Inc.  
Makers of MIKE AND IKE®

David Yale  
President & COO  
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Makers of MIKE AND IKE®

## THEATER BOXES

	UIN	SLIN
HOT TAMALES® Cinnamon 5oz Theater Box 12ct box	428169	142072
MIKE AND IKE® Original Fruits 5oz Theater Box 12ct box	428441	141789
MIKE AND IKE® TROPICAL TYPHOON® 5oz Theater Box 12ct box	427807	142067
MIKE AND IKE® BERRY BLAST™ 5oz Theater Box 12ct box	428276	142065
MIKE AND IKE® RED RAGEOUS!™ 5oz Theater Box 12ct box	427971	142070
MIKE AND IKE® ITALIAN ICE™ 5oz Theater Box 12ct box	444026	142059
MIKE AND IKE® LEMONADE BLENDS® 3.6oz Theater Box 12ct box	438333	141781

## BIG BOXES

	UIN	SLIN
HOT TAMALES® Cinnamon 8.3oz Theater Box 12ct box	443994	141452
MIKE AND IKE® Original Fruits 8.3oz Theater Box 12ct box	443929	141455

## COUNT GOODS

	UIN	SLIN
HOT TAMALES® Cinnamon 1.8oz Count Goods 24ct box	491266	140135
MIKE AND IKE® Original Fruits 1.8oz Count Goods 24ct box	401373	141374
PEANUT CHEWS® Original Count Goods 24ct box	348524	142271





## Legislative Update (continued)

new cap is less than the 44-cent average fee merchants paid before the law went into effect, it's had a perverse effect on a segment of merchants. Durbin further states that the Fed's initial proposal for a 12-cent debit swipe-fee cap was more consistent with what Congress intended.

### Illinois Passes \$1 Cigarette Tax Increase

Illinois Governor Pat Quinn recently signed into law a \$1 per pack cigarette tax hike in order to stave off deeper cuts to the state's Medicaid program, reported the *Chicago Tribune*. The increase more than doubles Illinois' cigarette tax, which has stood at 98 cents for years. Current local and state taxes on a pack of smokes in Chicago are \$3.66, according to the anti-smoking Campaign for Tobacco-Free Kids. The \$1 increase, which goes in effect on July 1, would bring the combined tax rate to \$4.66 in Chicago, behind only the \$5.85 per pack rate in New York City. A spokesman for tobacco retailers predicted sales of cigarettes would drop by about 20 percent because of the tax increase.

### Bay Area City Puts Soda Tax On November Ballot

The Richmond City Council recently voted to place a soda tax measure on the November 6 ballot, despite opposition from grocers and soda drinkers, reported the *San Francisco Chronicle*. Diet sodas and most juice would be exempt. If the tax passes, Richmond would be the first municipality in the country to tax soda and other sugary beverages. Revenue from the penny-per-ounce tax—estimated to be between \$2 million and \$8 million—would go to soccer fields, school gardens and programs to treat diabetes and fight childhood obesity.

### Chicago Considers Tax On Sugary Drinks

The Chicago City Council's Health Committee recently held a marathon hearing on a proposal by its chairman to impose a sales tax on sugary beverages ranging anywhere

from 15 to 30 cents a container to a penny an ounce, reported the *Chicago Sun-Times*. For retailers at the hearing, who are still hurting from the city's imposition of a tax on bottled water, fighting the proposal comes down to money. They argued the tax would translate to a reduction in sales, production and jobs.

On the other side of the debate, health experts argued that one-third of U.S. children are overweight or obese, in part because they consume too many sugary drinks served in bigger sizes than ever before. The hearing ended with a pledge by the committee chairman to work with the Health Department, the business community and the Chicago Public Schools on a tax policy that encourages healthy behavior without reducing jobs or penalizing any one industry.

### Maryland Raises Tobacco Taxes

Maryland's tax on non-cigarette tobacco products are set to rise for the first time since 1999, reported the *Washington Times*. Governor Martin O'Malley signed a bill into law raising taxes on other tobacco products in May in an effort to combat what state health officials say is an increased use of cigars and smokeless tobacco among teens. The new law raises the current 15 percent tax on smokeless products like chewing tobacco and snuff to 30 percent beginning July 1. The tax on small cigars—also known as cigarillos—will rise to 70 percent. The bill will not raise the tax on premium cigars, which will remain at 15 percent. The increases are expected to generate \$5 million a year.

### Massachusetts Town Bans Plastic Water Bottles

Residents of Concord, Massachusetts recently voted to ban the sale of single-serve plastic water bottles at local stores, the Associated Press reported. Supporters of the ban said it's the most sweeping water bottle ban passed by any municipality in the nation and will cut down on pollution and limit exposure to toxic chemicals. Opponents said sin-

gling out one form of plastic is ridiculous and the ban will harm local businesses. The penalty for violating the ban, which kicks in on January 1, 2013, is a fine of up to \$50.

### Philly Councilman Looks To Mandate C-Store Receipts



A Philadelphia City Councilman has proposed a measure that would make receipts for purchases at convenience stores mandatory, reported TV news station CBS Philly. City Councilman Curtis Jones said the benefits of mandatory purchase receipts are twofold: they hinder any tax-dodging efforts by convenience stores that deal mainly in cash, and they make sure customers don't have problems with exchanges. Jones said mandatory receipts would also hinder minors who are trying to buy tobacco products. When asked if the City Council has the power to require receipts at c-stores, Jones said it does because of the city-specific sales tax, but later admitted that question could be debated when the measure is heard in committee.

### Los Angeles Bans Plastic Bags At Checkout

Los Angeles recently became the largest city in the nation to approve a ban on plastic bags at supermarket checkout lines, reported the *Los Angeles Times*. The City Council voted 13 to 1 to phase out plastic bags over the next 16 months at an estimated 7,500 stores, so shoppers will have to bring reusable bags or purchase paper bags for 10 cents each. The next step involves a four-month environmental review, followed by what is expected to be routine passage of an ordinance enacting the ban. At that point, larger stores will have six months to stop handing out plastic bags, and smaller markets will have 12 months. After that, retailers would be required to charge 10 cents for each paper bag they provide customers. ■



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## Member News

CONTINUED FROM PAGE 16



CSNews Top 100 list added approximately 1,700 net new stores in the past year, a 3-percent increase to 59,434 stores. All together, the Top 100 account for 40.1 percent of the convenience industry's 148,126 stores, according to Nielsen TDLinX, which supplies much of the store count data for the list.

### South Florida Expansion & Remodels

7-Eleven continues its move into South Florida, expanding in Broward, Palm Beach and Miami-Dade counties, reported the *Sun Sentinel*. SEI opened 57 new or remodeled stores in the tri-county area since 2010, and has are 15 more stores set to open by the end of this year and 25 scheduled for 2013. The company told the newspaper Florida has always been one of its key markets. Besides freestanding stores that sell gas in suburban areas, SEI is also opening stores in shopping plazas and more urban areas to target customers in all South Florida. Additionally, the company is upgrading existing stores, refitting them for updated coffee bars and new hot foods bars. In late 2010, SEI acquired 183 Exxon Mobil sites in Orlando, Southwest Florida, Broward and Palm Beach counties, most of which have already been converted to 7-Elevens.

### Kraft Splits Into Two

Kraft Foods is moving ahead with its plan to divide into two public companies before the end of 2012: a high-growth global snacks business and a high-margin North American grocery business. The North American grocery company will become Kraft Foods Group, Inc., retaining the Kraft brand for its corporate identity and as the brand for many of its consumer products. The global snacks company

*continued on page 24*

## Ribbon Cutting Ceremony Opens FOAC Exam Room

Members of the 7-Eleven Franchise Owners Association of Chicagoland were invited to attend a special ribbon cutting ceremony in May to officially announce the opening of the FOAC Exam Room at the Ann & Robert H. Lurie Children's Hospital of Chicago. For many years, the FOAC has raised funds to support the important work of the hospital. In just the last few years alone through their annual charity golf outing, the FOAC has raised a total of \$125,000 for the hospital. To show its appreciation for all that the association has done, the hospital has named an exam room in the FOAC's honor.

"I was pleased to see so many franchises in attendance during the ribbon cutting," said Joe Rossi, FOAC President. "The FOAC is proud to support the important work of the doctors, nurses, administrators and staff members who help save children's lives each and every day," he added. "To have a room named in our honor is truly remarkable, and something we never would have expected."

This year's FOAC Charity Golf Outing is scheduled for August 22 at the Gleneagles Country Club in Lemont, IL. All proceeds will support the Ann & Robert H. Lurie Children's Hospital of Chicago and Gift of Hope: The Organ Tissue Donation Network. For more information please visit [www.7-elevenfoac.com](http://www.7-elevenfoac.com) or contact Guliz Sonmez at [FOACChicago@gmail.com](mailto:FOACChicago@gmail.com).



Above: Franchisee Lesley Strauss cutting the ribbon to the FOAC Exam Room.



Beth Wolcott, Ann & Robert H. Lurie's Children's Hospital of Chicago.



Joe Rossi, FOAC President (right) and Jay Rawal, Franchisee.





## Member News

CONTINUED FROM PAGE 23

will be called Mondelez International, Inc. when it launches later this year.

The global snacks company Mondelez will consist of the current Kraft Foods Europe and Developing Markets units, as well as the North American snacks and confectionery businesses. The company said that, as an independent company, Mondelez would have estimated revenues of approximately \$32 billion and a strong growth profile across numerous fast-growing markets. Kraft added that its North American grocery business—Kraft Foods Group—would consist of the cur-

rent U.S. Beverages, Cheese, Convenient Meals and Grocery segments, and the non-snack categories in Canada and Food Service. With approximately \$16 billion in estimated revenue, the company said this business would be one of the largest food and beverage companies in North America.

### SEI Acquires 23 Texas Stores

7-Eleven, Inc. announced that it has completed a transaction with Strasburger Enterprises, Inc. to acquire 23

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

convenience store locations in Texas. Terms of the deal were not disclosed. Operated primarily under the brand name of Quix, the stores are located across a swath of North and Central Texas from Haslet in Tarrant County in the north to Converse, just east of San Antonio, in the south. This acquisition brings the number of SEI operated and franchised stores in Texas to 570. SEI said it will start remodeling and re-branding the locations soon, with the bulk of the work anticipated to be completed by the end of 2012. Stores will be available for franchise after they are re-modeled.

## Nestlé Pure Life Contest Winners Announced

Nestlé Waters has announced the winners of its 7-Eleven Nestlé Pure Life Sales Incentive Contest. Franchisees were ranked according to the percent increase in dollar sales over the base months in the previous year for all Nestlé Pure Life Purified Water single-serve items from October 2011 to April 2012. The franchisee with the highest percent increase won the grand prize of a trip for two to the NCASEF Convention and Trade Show in Hawaii. The top three runner ups (2nd-4th) won an electronic tablet, and the franchisee within each of the 13 Zones with the highest overall dollar sales of Nestlé Pure Life 1-liter bottles from 10/11 to 4/12 won a \$300 gift card.



### GRAND PRIZE WINNER

Steven Chow—San Francisco, CA

### TOP 3 RUNNER UPS

Emily Simpson—Marshall, VA

Jatinder Sharma—Temple Hills, MD

Prithpal Kandhari—New York, NY



Nestlé Waters' Dave Weiss and Lori Appleton with grand prize winner Steve Chow (center).

### TOP FRANCHISEES WITHIN EACH OF THE 13 ZONES

Kaushik Patel—Chicago, IL

Rex Maple—Satellite Beach, FL

Alan Golman—Fort Worth, TX

Imtiaz Ahmad—Clinton, MD

Afsana Lina Baig—Fort Lauderdale, FL

James Greene—Los Angeles, CA

Sejal Patel—Denver, CO

Suresh Babu—Glen Allen, VA

Virenderpa Sikka—New York, NY

Khai Chou—Las Vegas, NV

Donald Hedges—Incline Village, NV

Mohammed Ahmed—Philadelphia, PA

Maninder Walia—Tumwater, WA

### 7-Eleven Enters Wisconsin

SEI is working on an acquisition of most of the Open Pantry chain, reported the *Milwaukee Journal Sentinel*. The purchase would give 7-Eleven a foothold in Wisconsin. The company told the newspaper it plans to buy "the majority" of the 25 Open Pantry stores, but not all of them. The company also said it will initially run the former Open Pantries as corporate stores, but would probably seek to franchise them in the future.

### 7-Eleven Thailand Launches Interactive Media App

7-Eleven has launched a pioneering campaign in Thailand, that for the first time ever, allows customers to interact in real-time with television, online and radio commercials with their smartphones. Powered by technology from UntapTV, a UK-based company in London's Google Campus, the campaign transforms all 7-Eleven commercials into an interactive game. To play, users download the 7-Eleven TH app from the App Store and open it when they see a 7-Eleven commercial on TV, online or hear one on the radio. UntapTV's audio interaction technology unlocks a quiz

*continued on page 27*



# SUGAR-FREE



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COFFEE-MATE French Vanilla Has Only 15 calories per serving!

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<sup>1</sup> Data from Kantar Consumer Survey, April/May 2018  
<sup>2</sup> Lockhart Research, March 2018, Analysis 2018

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SUN# 320369



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game with 135 prizes up for grabs, including a new iPad every week. The app reached #1 in the Lifestyle category and #2 overall in Thailand in its first week.

### Vapor Develops Soft Padded Electronic Cig Filter Tip

Electronic cigarette company Vapor Corp. announced that it has filed a non-provisional patent for a "Padded Cartridge For An Electronic Cigarette Apparatus," which is a soft tip filter with the same tactile feel of a traditional cigarette filter. The company said its patent-pending soft tip filters improve upon existing electronic cigarette cartridges, which are made of hard plastic and/or metal. Vapor also said the soft tip filters will first be made available to its on-line customers by year end, and in 2013 for its Fifty-One, Krave, VaporX, EZ Smoker, Green Puffer, Americig, Fumare, Hookah Stix, and Smoke Star brands of electronic cigarettes.

### MDA Shamrocks Sets Sales Record

The Muscular Dystrophy Association announced that the annual Shamrocks Against Dystrophy campaign has raised an estimated \$23 million with the help of campaign partners and their customers nationwide. Led by the support of 7-Eleven, Burger King, CITGO, Jiffy Lube, Lowe's, Valero Corner Stores, Applebee's, Kroger, and

*Five Days Of Business-Building Opportunities & Fun Activities Await!*

## Islands of Opportunity!

The National Coalition Of Associations Of 7-Eleven Franchisees

# 37th Annual Convention & Trade Show

## Hilton Hawaiian Village Waikiki Beach Resort

# July 8-12, 2012

## Trade Show: Hawaii Convention Center

### Wednesday, July 11 & Thursday, July 12

Attendees of this year's NCASEF convention have much to look forward to—from business-building seminars and presentations, to countless family-friendly activities and entertainment! Not to mention the top-notch trade show featuring over 300 vendors showcasing their latest and best products! All of this in the world-class Hilton Hawaiian Village Waikiki Beach Resort on the island paradise of Oahu! Check out the Schedule of Events below!

### Sunday, July 8

12:00 p.m. - 5:00 p.m. Franchisee and Vendor Registration  
7:00 p.m. - 9:00 p.m. Opening Reception At The Super Pool With Beach 5

### Monday, July 9

9:00 a.m. - 12:00 p.m. Franchisee and Vendor Registration  
7:00 a.m. - 8:00 a.m. Morning Exercise—On The Beach  
8:00 a.m. - 9:00 a.m. Hawaiian-Style Continental Breakfast  
9:00 a.m. - 10:30 a.m. 2012 State Of The National Coalition With Chairman Bruce Maples and NCASEF Officers  
10:30 a.m. - 12:00 noon Legal Seminar With Arnold Hauptman  
12:00 p.m. - 1:00 p.m. Technology & Innovation—Changing Your Store, Part 1 With SEI Chief Technology Officer Steve Holland  
1:00 p.m. - 3:00 p.m. Aloha Luncheon & Magic Show  
3:00 p.m. - 6:00 p.m. Franchisee and Vendor Registration  
5:30 p.m. & 7:45 p.m. Magic of Polynesia Show With Cocktails Waikiki Beach Comber Hotel

### Tuesday, July 10

## Golf and Tour Oahu Day

**Golf or book an exciting tour or activity!**

6:30 a.m. Buses Depart For The Joe Saraceno Charity Golf Tournament at Mamala Bay Golf Course Underwritten By Anheuser-Busch  
8:00 a.m. Joe Saraceno Charity Golf Tournament Benefiting Hire Heroes USA—Shotgun Start  
7:00 a.m. - 8:00 a.m. Morning Exercise—On The Beach  
1:00 p.m. - 5:00 p.m. Franchisee and Vendor Registration

### Wednesday, July 11

## 7-Eleven Day!

7:00 a.m. - 8:00 a.m. Morning Exercise—On The Beach  
8:00 a.m. - 9:00 a.m. Hawaiian-Style Continental Breakfast  
9:00 a.m. - 10:00 a.m. Motivational Speaker Ross Shafer  
9:00 a.m. - 1:00 p.m. Franchisee and Vendor Registration  
10:00 a.m. - 11:00 a.m. Technology & Innovation—Changing Your Store, Part 2 With SEI Chief Technology Officer Steve Holland  
11:00 a.m. - 4:00 p.m. "Islands of Opportunity" Trade Show  
5:30 p.m. - 9:00 p.m. Charity Silent and Live Auction Benefiting Susan G. Komen For The Cure  
6:00 p.m. Oceanside Luau and Buffet Dinner Celebrating 7-Eleven Day!  
7:15 p.m. Legends of Hi'iaka and Pele Show  
8:00 p.m. Live Auction

### Thursday, July 12

9:00 a.m. - 11:00 a.m. Franchisee and Vendor Registration  
7:00 a.m. - 8:00 a.m. Morning Exercise—On The Beach  
8:00 a.m. - 9:00 a.m. Hawaiian-Style Continental Breakfast  
9:00 a.m. - 11:00 a.m. 7-Eleven, Inc. Executives and The NCASEF Chairman Discuss The 7-Eleven System  
11:00 a.m. - 4:00 p.m. "Islands of Opportunity" Trade Show  
6:00 p.m. - 7:00 p.m. Mahalo Cocktail Reception  
6:00 p.m. - 10:00 p.m. Children's Banquet With Entertainment  
7:00 p.m. - 11:00 p.m. Grand Banquet  
9:00 p.m. - 11:00 p.m. Almost Paradise and Co. and DJ Teley B.

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## Member News

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Pizza Hut, hundreds of top retailers and restaurants helped raise funds and awareness for the Association's mission to find treatments and cures for muscle diseases, and provide support to families nationwide. The campaign started in February, with many locations running through the end of March.

### Beer Sales Rise In 2011

The Beer Institute has released new data showing beer sales in convenience stores rose by 1.3 percent (more than \$200 million) in 2011, totaling more than \$16.7 billion in sales. Convenience stores were responsible for nearly 17 percent of total beer sales in 2011, comprising the largest share of off-premise sales last year. Overall, the Beer Institute data indicate that beer sales rose more than 2 percent in 2011, surpassing \$98 billion in total retail sales, highlighting beer's continued strength within the alcohol beverage sector. According to market research company Nielsen, the increase in sales revenue can be attributed to the high-end beer business. The sale of imports, crafts and above-premium beers sold off-premise was up nearly 3 percent.

### Hostess Notifies Workers

Struggling to emerge from its second round in bankruptcy court, Hostess Brands recently sent out letters notifying its more-than 18,000 workers that they could be laid off in the coming months, reported the *Wall Street Journal*. The federal WARN Act requires companies to give employees 60 days notice before closing a facility or ordering mass layoffs. However, sending the notices doesn't

mean a company is definitely going to lay off the recipients. "The conditional WARN notices were sent to alert employees that a sale or wind down of the company is possible in the future. There are no immediate actions being taken," Hostess spokeswoman Anita-Marie Laurie told the newspaper. Hostess's future remains uncertain, and is largely dependent on the outcome of negotiations with its two big unions over the fate of their labor agreements, as well as upon its search for new capital.



**7-Eleven is the  
top c-store  
chain on the  
Top 100 Global  
Franchises list.**

### 7-Eleven Top C-Store Global Franchise

7-Eleven came in #4 on Franchise Direct's Top 100 Global Franchises list, beating out the other two c-store chains on the list—Circle K (#16) and amp (#32). The Top 100 Global Franchises have been selected from thousands of franchises that have invested in international expansion strategies and have been ranked using an objective and measurable criteria, including system size based on numbers of units, sales revenue for the system, stability and growth, number of years in operation, and market expansion. Sandwich chain Subway took the #1 spot, followed by McDonald's at #2 and KFC at #3.

### Group Accuses 7-Eleven Of Alcopops Danger

Industry watchdog group Alcohol Justice recently released a report they claim shows 7-Eleven endangers children by cutting prices on supersized, youth-attractive alcopops so they are cheaper than non-alcoholic energy drinks. While on average, alcopops were the same price per standard alcoholic

*continued on page 34*

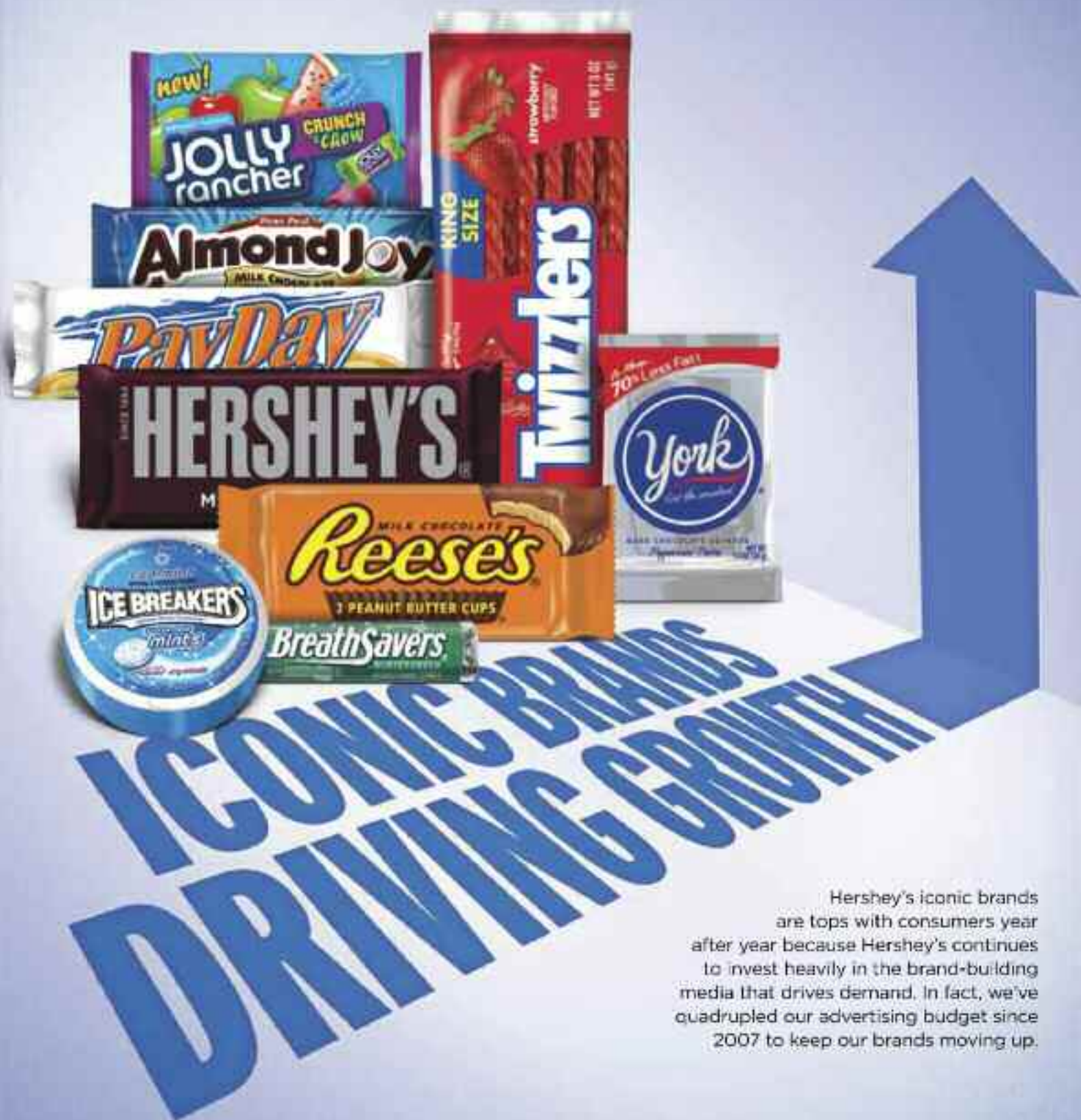
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## Bits & Pieces

Connecticut recently became the 49th state to allow Sunday alcohol sales. The move is expected to garner the state about \$5.2 million a year in revenue. • Unseasonably mild weather helped raise beverage sales in c-stores by 4 percent during the first quarter of the year, according to a report by Wells Fargo Securities. • Family Dollar plans to add more national brands to its product lineups, including items from big names like Pepsi, Gerber and L'Oreal, reported *American City Business Journals*. The discount chain also plans to widen its appeal by expanding its private-label lines and adding cigarettes and other tobacco products at 5,000 stores. • The Village of Haver straw in New York recently passed the state's first local law banning displays of tobacco products in retail stores, reported *CSP Daily News*. The new law will go into effect in October 2012, barring legal action to overturn it. • Actor Wendell Pierce, who plays a New Orleans trombone player trying to piece his life back together after Hurricane Katrina in the HBO series "Treme," plans to help residents of The Big Easy by opening a chain of convenience stores called Sterling Express in low income neighborhoods where grocery stores are scarce, reported CBS News. • Dr Pepper Snapple Group and the Chicago Bears recently announced a seven-year marketing agreement that makes the beverage company the exclusive provider of carbonated soft drinks and other beverages at Chicago's Soldier Field. • Warehouse stores like Costco, Ikea, and Home Depot are stealing customers away from popular QSRs with low-priced prepared food offerings like hot dogs, hamburgers, and pizza, reported *USA Today*. • As alcoholic beverage companies make increasing use of social media outlets like Twitter and Facebook to promote their products, the Federal Trade Commission (FTC)

*continued on page 30*





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## Encroachment: Could It Never Happen To You?

By Manjit Purewal, Franchisee, Board Member, Greater Bay FOA

At the National Coalition Board of Directors meeting last February in Tucson, Arizona, franchisees expressed frustration with encroachment as a result of 7-Eleven's expansion through acquisition, BCP stores and organic store growth.

In 2011 7-Eleven grew by approximately 650 stores in the U.S. alone, which has provided opportunity for existing franchisees, but has also brought with it the attendant problems of high store density, including robbing an existing store's sales, potentially declining goodwill, and some stores with low volume sales. At the NCASEF Board meeting, FOA leaders reported to SEI VP Jesus Delgado-Jenkins that franchisees are frustrated when a BCP

quired stores. In cases where a store's sales are affected by encroachment, which can happen even at the one-half mile mark, the franchisee should be compensated by a change in split to compensate for the loss. Perhaps the franchisee should be offered the new store.

It is up to franchisees and management to get involved and to provide feedback on store locations in areas selected for expansion. Franchisees feel that SEI does not provide enough opportunities for franchisees to learn about new locations that might directly affect the existing franchisee's sales. Bottom line, the current encroachment policy is not healthy for the franchisees or the company. Delgado-Jenkins told us the company is focused on growth and plans to add some 750-1,000 stores nationally this year, and we hope that it is not at the expense of current franchisees. Remember the expression, "It could never happen to me?" If it does happen to you, it could change the way your life is planned.

I hope that the company's priorities can get in sync with franchisee concerns about encroachment because we are partners, and we should be in the growth together. In no instance should the company be the cause of decreasing a franchisee's income. It is not what signed up for, and it is not why we invested our money as shareholders of the company. If 1 in 50 of the franchisees are not succeeding, this is not a bad statistic unless you are one of the 1 in 50.

The company tells us they want to increase brand presence, increase sales and increase throughput in the CDC. They talk about the current base and the desired base, future locations, relocations, rebuilds, remodels and closures to maximize efficiencies and performance of the overall network. They are telling us to grow the brand, but smart.

Franchisees also agree with smart, healthy growth. Healthy growth is when stores are built that add to the delivery network for 7-Eleven but don't affect an existing store's sales or an existing franchisee's income. I fear that with all of these acquisitions, we could become our own competition. I can beat the competition, but I can't beat myself. ■

**"We have said it often enough that we can compete with another convenience store, but we cannot compete with another 7-Eleven, which has the same products and services."**

store, or an acquired store, is opened closely enough to affect the sales of an existing store. To date, the one-half mile encroachment policy does not apply to BCP stores, some new stores and some stores acquired through acquisition.

Franchisees all agree that something should be done for franchisees whose stores and very livelihoods are affected when another 7-Eleven store opens in their vicinity. We have said it often enough that "we can compete with another convenience store, but we cannot compete with another 7-Eleven, which has the same products and services." In some cases franchisees have invested their entire life's savings in a store that eventually does not live up to its business plan for the entire term of the agreement through no fault of the franchisee. If the loss in sales and income is caused by SEI, the affected franchisee ends up feeling undermined by the very company in which the franchisee has invested.

Franchisees believe almost unilaterally that the encroachment policy needs to be one-half mile for all stores, including BCP stores and ac-

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

## Bits&Pieces...continued from page 28

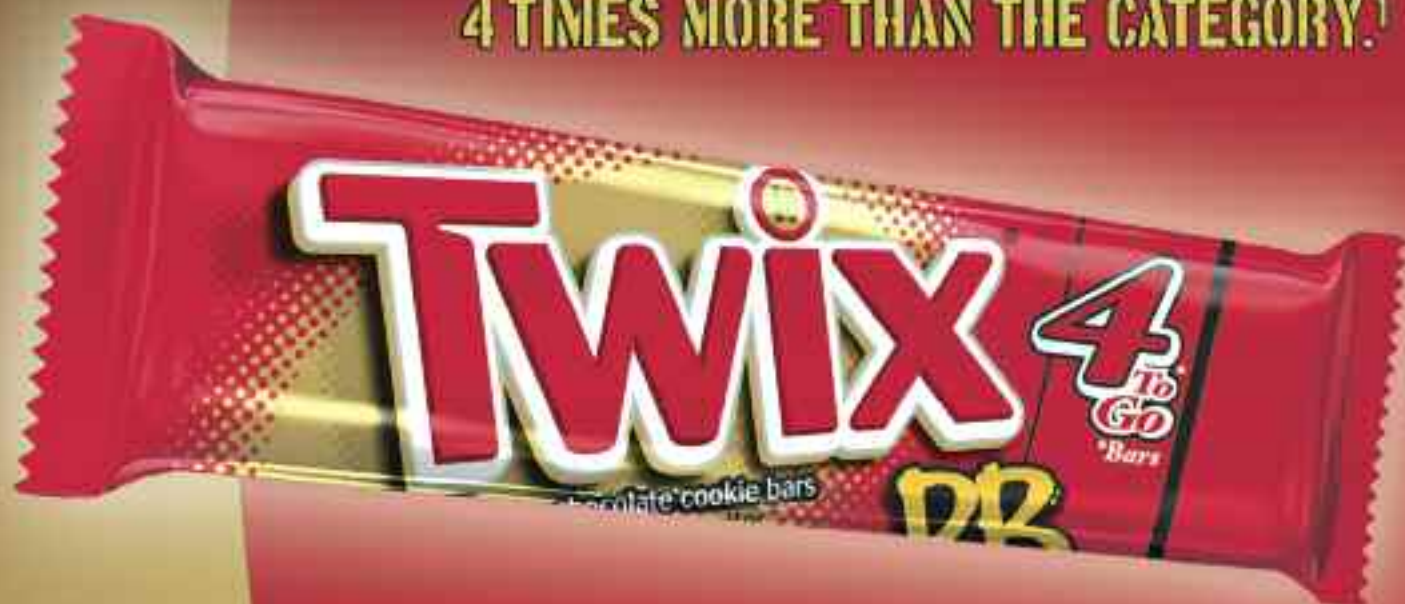
has begun to review online advertising, reported the *Kansas City Star*. Once completed, the study will guide FTC recommendations on how the alcohol industry should regulate itself both on- and offline. • Massachusetts lottery officials expect **lottery profits to set a new record this fiscal year**, says the *Salem News*. With the fiscal year ending in July, lottery profits reached \$936 million by early May, just shy of the record \$951 million set in 2006. • **Dollar stores are steadily growing in South Florida, and are giving pharmacies like Walgreens and CVS a run for their money**, reported the *Sun Sentinel*. The discount chains have big plans for expansion in Florida and are revamping stores to include larger food sections, health and beauty items, and even pharmacies. • According to the Trade Show News Network's "2011 Top 250 Trade Shows in the United States," **Las Vegas played host to the most trade shows on the list with 55**, followed by Orlando with 26 shows last year, and Chicago taking No. 3 with 21 shows on the list. • Visa plans to raise its Visa Easy Payment Service **"no signature required" limit from \$25 to \$50** for discount stores and supermarkets. The company said this change is designed to increase speed at the point of sale, cardholder convenience and operational efficiencies for a large number of merchants. • **Sears has launched SearsLocal-Ad.com, which provides customers with access to hundreds of additional local deals beyond the weekly Sears print circular or sears.com**. The online shopping portal allows customers to preview new local deals updated every week, and includes enhancements for Sears' Shop Your Way Rewards members. • **The top 150 fast-casual chains grew sales 8.4 percent to \$21.5 billion in 2011**, a faster rate than in 2010 (6.6 percent), according to new research from Technomic. In comparison, 2011 sales growth for the Top 500 U.S. chains was 3.5 percent. • **General Motors pulled its ad-**

continued on page 34



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## Roll Your Own Legislation Goes National

As consumers look to save money in a down economy, so-called “roll-your-own” cigarette machines have taken the country by storm. They have also created a storm of their own, as they allow cigarettes to be produced with fewer taxes due to the particular type of tobacco used. This storm has set up a classic showdown in state legislatures and in Washington, D.C. as legislators look to level the playing field for tobacco retailers.

As responsible retailers, 7-Eleven franchisees offer cigarettes that are sold with their proper tax assessments, and our licensing fees to offer such products are reflected in those prices. Establishments with commercial roll-your-own cigarette machines allow customers to produce their own cigarettes at a significant cost savings since they do not pay the additional taxes, and the commercial establishments are not subject to additional licensing fees.

To address this inequality, the National Coalition of Associations of 7-Eleven Franchisees has taken this issue head-on. In February, we began tackling this issue by reaching out to the Arizona House of Representatives as it was, at the time, considering a bill—H.B. 2717, known by its short title as “Cigarette Manufacturers”—that would essentially level

**“Establishments with commercial roll-your-own cigarette machines allow customers to produce their own cigarettes at a significant cost savings, since they do not pay the additional taxes, and the commercial establishments are not subject to additional licensing fees.”**

Also in February, National Coalition Chairman Bruce Maples sent a letter to Arizona House Speaker Andy Tobin asking him to take a leadership role on this issue and see the bill through. In addition, the National Coalition prepared a 7-Eleven franchisee from the Phoenix area to testify in

National Association of Convenience Stores’ Annual Day on Capitol Hill, the Coalition delegation met with key House and Senate staff members on both sides of the aisle to discuss a variety of issues, including roll-your-own machines.

They learned more about the bill that Rep. Diane Black (R-TN) introduced in early March, H.R. 4134, which is now strongly supported by the National Coalition. In April, the National Coalition issued a national Legislative Action Alert to all FOAs, encouraging them to have their members and employees reach out to their individual members of Congress to encourage them to cosponsor H.R. 4134. Spon-

sorship of the bill currently stands at 70 members.

So far eleven states—including Arkansas, Iowa, Idaho, Illinois, Oklahoma, South Dakota, Tennessee, Vermont, Virginia, Washington and Wyoming—have tackled this issue on their own, passing legislation that addresses the issues of taxation and fairness in a variety of ways. Other states are considering similar legislation, but the Rep. Black bill addresses the issue at a national level, creating a national level playing field as opposed to a 50-state patchwork of varying laws.

The National Coalition will continue to monitor the status of the bill and will continue to reach out to members of Congress and encourage them to cosponsor it. NCASEF will also work with our FOAs and other like-minded groups to see that this bill becomes a law and creates an equal and level playing field.

—Jason Miko, Russell Communications, Inc.



**“In April, the National Coalition issued a national Legislative Action Alert to all FOAs, encouraging them to have their members and employees reach out to their individual members of Congress to encourage them to cosponsor H.R. 4134. Sponsorship currently stands at 70 members.”**

the playing field between convenience stores and others selling commercial cigarettes and establishments offering roll-your-own machines for rent. In Arizona, 7-Eleven store owners were sent a Legislative Action Alert by the National Coalition asking them to reach out to their elected representative in the State House to request that they support the bill.

the House Committee of Jurisdiction the day the bill was due to come up for a vote. In an ironic twist, the bill was pulled from the agenda that very day.

In March, Maples and other 7-Eleven franchisees traveled to Washington, D.C. for a series of meetings on Capitol Hill to fight for franchisee rights. Against the backdrop of the



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## Member News

CONTINUED FROM PAGE 28

drink as beer, supersized alcopops in 16- to 24-ounce cans were cheaper per standard drink than similarly sized beer, according to Alcohol Justice. Some supersized alcopops entice youth with more alcohol for the price than even similar-sized malt liquor. The report also states that as part of the youth marketing strategy, alcopops are packaged and marketed similarly to non-alcoholic energy drinks.

### Kellogg's Completes Pringles Acquisition

Kellogg's Company recently announced the completion of its acquisition of Procter & Gamble's Pringles business. In a released statement, the company said the \$2.695 billion acquisition further strengthens Kellogg Company's competitive position in global snacks, making Kellogg the world's second-largest savory snacks player. The Pringles acquisition nearly triples the size of Kellogg Company's international snacks business, and adds a complementary product to the company's snacks brands including Keebler, Cheez-It and Special K Cracker Chips. Pringles is the world's second largest player in savory snacks, with \$1.5 billion in sales across more than 140 countries.

### Wal-Mart Express Stores

Wal-Mart Stores, Inc. said it is seeing early success in its small stores called Walmart Express, reported CBS News. The company's president told



investors recently that its Walmart Express stores, which are less than one-tenth of the size of Walmart supercenters, are profitable less than a year after the company started opening them. Wal-Mart opened its first Walmart Express store in rural Gentry, Ark., last June. It now has 10 in other rural areas in Arkansas and North Carolina, as well as in the densely populated Chicago area. Wal-Mart said it now plans to roll out hundreds of Walmart Express stores at a time.

### Hispanics A Growing U.S. Market

Latinos are a fundamental component to future business success, with a projected buying power of \$1 trillion in 2010 expected to grow 50 percent to \$1.5 trillion in 2015, according to a report released by Nielsen, The State of the Hispanic Consumer: The Hispanic Market Imperative. Looking closely at Hispanics' media habits and purchasing behaviors, the study reveals that:

- Latinos exhibit product consumption patterns distinct from the broader market—they make fewer shopping trips per household than non-Hispanics, for instance, and spend more per trip.
- Rapid Latino population growth will persist; the median age of this segment is 28 years old, nearly ten years younger than the median age of 37.
- Hispanics are the largest immigrant group to exhibit significant culture sustainability, with nine out of ten Hispanic parents and parents-to-be wanting their children to speak Spanish, but also be fluent in English.
- Technology and media use have distinct patterns due to language, culture, and ownership dynamics. For example, Hispanics spend 68 percent more time watching video on the Internet and 20 percent more time watching video on their mobile phones than non-Hispanic Whites. ■

*continued on page 86*

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

vertising from Facebook after determining the paid ads had little impact on consumers, reported AFP. GM had been spending about \$10 million on paid advertising and \$30 million on unpaid marketing on Facebook. The automobile manufacturer said it will continue to expand its use of unpaid marketing on Facebook. • Pennsylvania-based c-store chain **Wawa recently broke ground on its first store in the Greater Tampa Bay area in Florida**, reported *CSP Daily News*. The company plans to have 100 stores between Orlando and Tampa in five years. • Canadian c-store chain **Couche-Tard has almost given up on its plan to open stores in Denmark, Russia and Poland**. The company recently stated its all-cash offer for all the issued and outstanding shares of Statoil Fuel & Retail ASA is and will remain its best and final offer. • According to survey findings from Plymouth Rock Assurance Corporation, **this year's increase in the price of gas has resulted in almost 9 in 10 Massachusetts residents (88 percent) driving less**, with \$3.50 per gallon being the point at which most started to cut down on their driving. • **The drive-through concept is spilling into the world of convenience stores**, designer coffee, and fast-casual chains, thanks to the success fast food restaurants like McDonald's have experienced by offering the service, reported *USA Today*. • The Washington, D.C. **Metro Police Department recently became the nation's first major police department in the United States to allow Sikh Americans to serve as full-time, uniformed police officers while keeping their beards and turbans**, reported CBS Radio. • **Chicken has surpassed beef in the foodservice scene**, and its popularity is expected to keep growing as the beef industry faces bad press related to "pink slime" and a recent case of mad cow disease in California, according to new research from Mintel Menu Insights. • A new study by the Centers for Disease Control and Prevention reveals that **only 3 per-**

*continued on page 64*



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# From the National Office



## NATIONAL COALITION LEGISLATIVE ACTIVITY

By Bruce Maples, Chairman

National Coalition of Associations of 7-Eleven Franchisees

A

s small businessmen, 7-Eleven franchisees are constantly at risk of new legislation and government rule-making that affects our businesses. For the National Coalition, the big value of getting involved in legislative activities is the opportunity to help our FOAs influence legislation not only at the national level, but more importantly at the local level in state, county, township or municipal governments.

When so many communities are struggling, governments looking for a quick financial fix can enact legislation that impacts our businesses and ultimately our bottom lines. Environmentalists looking to clean up our communities enact legislation that gets recyclable materials off the street (not a bad thing), but long-term costs us money. At times legislation is enacted that helps

protect us, and we support it, but this is not usually the case. Franchisees most often get involved in legislative activity when government makes it harder for us to run our businesses or make money. When government gets involved, we usually think it is for the wrong reasons and it ends up costing us money. To be proactive, we must get

involved with the issues, and get involved early in the process to protect our interests.

Over the past two years, the NCASEF Board has made legislative issues a priority on our national agenda, and we have gotten involved. At the request of the Board we hired a public relations team and drew up a list of legislative priorities we needed to act on or monitor for future action. We have worked with NACS and SEI's VP for Legislative Affairs Keith Jones in an attempt to keep up with current legislation, and we have written news releases, Action Alerts, and Avanti articles and posted legislative items to our website to keep franchisees informed.

On the national level we have been most involved with the Durbin amendment on debit card interchange fees that last year lowered the interchange fee rate to 21 cents from 44 cents per transaction. We support the current lawsuit by NACS, three retailer associations, Boscov's Department Store and Miller Oil Company to force the Federal Reserve to lower the fee to the original rate of 12 cents. We believe that the Federal Reserve was influenced by

large banks and they ignored the law. At a minimum the Durbin Amendment was designed to protect small businesses, and that's not what happened. NACS has a great presence on

Capitol Hill and we need to continue to go there to visit our

congressmen and support national initiatives.

NCASEF member FOAs can have their greatest impact on state and local issues. Our

local FOAs need to continue to build relationships with local and state legislators in the 30 states where 7-Eleven operates. We need to go to city council meetings and shake hands and make sure our elected officials know who we are. We need to continue to go to local events and build relationships so that when we make that phone call, legislators know who we are.

When the Department of Justice issued a legal opinion on the Federal Wire Act of 1961 and opened the door for nationwide online lottery sales, the state of Illinois was among the first to move forward. We worked with the FOAC in Chicago, the Illinois Petroleum Marketers' Association, and the Illinois Association of Convenience Stores to voice our concerns. The FOAC, with help from

*continued on page 40*

**"Over the past two years the NCASEF Board has made legislative issues a priority on our national agenda, and we have gotten involved."**



**BRUCE MAPLES CAN BE REACHED AT  
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NATIONALOFFICE@NCASEF.COM**



the National Coalition put together a plan that involved weekly phone calls, a package of information for the media, and a press conference to bring all the parties together. FOAC members did TV, newspaper and radio interviews, and met with the Lottery Commission. While we may not have stopped online lottery, we brought pressure on the Illinois Lottery Commission to have our concerns addressed. Maryland, New York and other states are looking to adopt online lottery, which will likely spread slowly throughout the country, but the message delivered in Illinois was, "We will get involved to protect our interests."

More recently, we have taken on the "Roll Your Own" issue of retailers who rent rolling machines to cus-

tomers who use them to create cigarettes out of tobacco taxed at a significantly cheaper rate. Some estimates place the number of

U.S. cigarettes purchased this way as high as 5 percent. We sent out legislative alerts to our FOAs, we wrote a letter to and eventually met with Arizona's 3rd congressional district Representative Benjamin Quayle, and we eventually ended up sending

a contingent of franchisees to Washington, D.C. to visit congressmen on both sides of the aisle on this and other issues. To date, eleven states have enacted laws that range from licensing RYO retailers to paying an equivalent tax, to outright banning commercial cigarette rolling machines. The message also has been received in Washington, D.C. that we need national legislation on this issue.

We have seen quite a bit of legislation recently that could increase state excise taxes on cigarettes, cigars and rolling tobacco significantly. The National Coalition's approach, agreed on by our Board, is that we don't want to offend any of our customers. Today it is not always the best approach to oppose an increase in tobacco taxes. We need to be sensitive to our non-smoking customer base that has become increasingly more vocal on the issue. Some franchisees don't want to put signs in their stores for fear of offending our non-smoking customers.

**"While we may not have stopped online lottery, we brought pressure to have our concerns heard."**

**"To date eleven states have enacted laws that range from licensing RYO retailers to paying an equivalent tax, to outright banning the machines."**

There is a great deal of concern about impending legislation that taxes sugary drinks, or like in New York City, bans all sugary drinks over 16 ounces. We can have a national doughnut day, but we can't have a 17-ounce drink? Philadelphia's Mayor Nutter proposed a sugary drink tax of 1 cent for every 2.5 ounces (defeated twice), and Chicago Alderman George Cardenas in May proposed a tax on sugary beverages that could be as high as a penny an ounce.

The National Coalition is one of the largest groups of independent small businessmen. When we work with organizations like NACS, the Arizona Retailers Association, the Illinois Association of Convenience stores, the Asian American Hotel Owners Association, and the many other franchisee or business trade associations out there with common interests, we can make our presence

known by showing up at legislators' offices and at events to make sure they know that we vote, and we want to work with them.

The most important way individual franchisees can get involved supporting legislative efforts is communicate. Communicate legislative issues and concerns in your area to your local FOA and the National Coalition. Show up at your local FOA meetings to discuss legislation that is a concern in your area. Help your FOA leadership develop a plan, and get others involved. The National Coalition is committed to working with your FOA to get you the resources you need to have your message heard. ■

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**

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Office 520-577-8711  
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National Coalition of Associations  
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# Business Issues



## THE RISKS OF QUICK EXPANSION

By Jivtesh Gill, Executive Vice Chairman

National Coalition of Associations of 7-Eleven Franchisees

O

nce upon a time a 7-Eleven franchisee could make a very decent living from one store. These days, however, certain policy changes—like sharing the credit card fees, the change in the gasoline commission, a 20 percent franchise fee to renew our contract—have chipped away at our income. When SEI became determined to grow, they realized they could achieve quicker expansion by evolving the system into a multiple-unit franchise. This would also allow existing franchisees to earn more money and low volume stores to stay open, so the company streamlined the process of becoming a multiple storeowner.

While this is certainly good news, many franchisees fear SEI's rush to put up new stores may soon start to impact more and more of our existing stores. If you look at SEI's long-term strategy, the company wants to concentrate the market so they can roll out Business Transformation and create a more efficient distribution system. In this light it makes sense to have more stores in a densely populated location.

On the other hand, when you put up all these new stores in one area it will eventually affect the stores already there, even if the new stores are offered to some of the existing franchisees. If there are five stores in an area doing quite well, then suddenly there are eight, franchisees believe each store is going to do a bit less business. In this sense, franchisees feel they would have

to own several more stores in order to generate the same amount of income they used to before the encroachment.

Franchisee leaders have expressed our encroachment concerns to SEI numerous times during National Business Leadership Council meetings, but the company keeps coming back to us with studies they've conducted and data showing that when they put stores close together, it creates more sales for everyone because there's more awareness. Their data may indicate as much, but what we're seeing when stores open too close to one another is underperforming stores and sales decreases.

There needs to be balance in SEI's expansion plans. On the one hand, multiple-store ownership gives franchisees more opportunity to grow their incomes and become more successful. But at the same time, if we don't conduct due diligence and proper analysis to ensure that the additional store will have a minimum impact on the existing store base, and that it's a good location and it can be viable on its own, we are really not achieving the growth objective. We are actually just bringing the system down. We'll have a newly opened store that is not performing well, or if we opened another store that's impacting

three existing stores, then we have unhappy franchisees.

In general, rapid expansion and growth is a good idea. When you have more stores out there, there is indeed more awareness—more people see it and there is more consistent market penetration. In addition, franchisees have the opportunity to acquire additional stores. At the same time, we should not forget what happened to Starbucks. When they put a coffee shop on every corner, they cannibalized sales and ended up closing over 600 stores. Expansion requires a good balance. I know there's no crystal ball to tell us whether one location will do well or not, but we should not keep opening stores at the expense of our existing base, even if the new stores are going to veteran franchisees. In our zeal to expand, we may overlook some signals that might tell us that we should slow down. We need controlled growth with good analysis. That's the key. ■



**"Many franchisees fear SEI's rush to put up new stores will impact existing stores. Others view the expansion as a business opportunity."**

**JIVTESH GILL CAN BE REACHED AT  
209-481-7445 or j2jgill@aol.com**



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SLIN 191346



# Legal Issues

## RENEWAL—ANYTHING TO WORRY ABOUT?



By Arnold J. Hauptman, Esq.

National Coalition of Associations of 7-Eleven Franchisees

**T**he one constant in all store agreements since 2004 is that if certain conditions are met, a franchisee may renew the franchise “for one term equal to the number of years of the initial term provided for in our then current Store Franchise Agreement.” As an example, and assuming future versions of the agreement contain a ten-year term (as the current agreements do since 2010), a franchisee enjoying a fifteen-year term will be entitled to a renewal of ten more years. That second agreement will provide for a further renewal of whatever term is offered at the time of its expiration, and so on unless the agreements are radically changed by SEI with respect to renewal.

Since 2004, there have been two major changes in the store agreements affecting both your right to renewal and the cost of renewing your franchise agreement. The significance to you of those changes will depend upon when you signed your store agreement, i.e. 2004, 2006 to 2009, and 2010 to the present.

Those franchisees who were operating under store agreements expiring prior to December 31, 2003 benefited from a settlement of a class action known as “Off/Valenti” commenced against Southland Corp. by a group of 7-Eleven franchisees. The issues in the class action were rather complicated, but for the purposes of this article it extended all those store agreements until January 1, 2004, at which time (some time in May 2004) all qualifying fran-

chisees were offered the 2004 version of the franchise agreement. Part of the settlement provided that the operational renew process previously required for renewal would not be required for those franchisees signing the 2004 agreement.

That was a big plus for those franchisees because the operational review that had been required was fraught with a great deal of controversy and confusion, and most franchisees coming up to renewal at that time breathed a big sigh of relief. For those franchisees who, for whatever reasons, chose not to sign the 2004 agreement, operational reviews continue to be a requirement.

Subsequent agreements, however, reincorporated an operational review process that is to begin one year prior to the expiration date. Paragraph 24(a) of the agreement sets forth the rather vague criteria of the review as follows:

“We will use a performance measurement rating form that we develop from time to time to evaluate your operation and will inform you in writing of the status of your evaluation.”

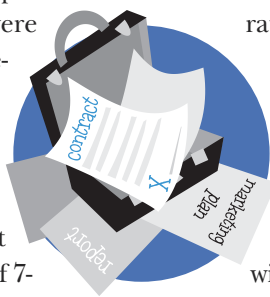
The provision goes on to state that you will be given the opportunity to sell your store for a premium if you do not meet the requirements for renewal. Of course, what those requirements will be

when each franchisee undergoes the review is impossible to determine and will be a moving target from time to time. Since the 2004 agreements will not expire until 2019, and all subsequent agreements have considerably more than a year before termination, there has been little experience with the operational review process, but you can be sure it will be a hot topic in the not too distant future.

In 2010, the store agreement reduced the term of the franchise to ten years from the fifteen-year term in existence since 2004. Also, and for the first time ever in the history of 7-Eleven franchising, a renewal fee

was instituted which requires a payment to SEI “equal to twenty percent of the then-current initial franchise fee that would be charged to a new franchisee for the store.” For many franchisees the renewal fee will be a major expense, and for some it will be unaffordable or simply not make good business sense to pay for the renewal of a marginal or non-profitable franchise. As an example, if the franchise fee for your store, if offered to a new franchisee, would be \$250,000, then your renewal fee would be \$50,000. The irony is that you, as the franchisee, played the great-

**“Since 2004, there have been two major changes in the store agreements affecting both your right to renewal and the cost of renewing your franchise agreement.”**



*continued on page 48*

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CDC SLIN #: 242417  
McLane UIN #: 421081



#2

**Mango Tango**  
12 FL OZ BOTTLE



SLIN #: 242978  
CDC SLIN #: 242453  
McLane UIN #: 421172



#3

**Strawberry  
C Monster**  
12 FL OZ BOTTLE



SLIN #: 242859  
CDC SLIN #: TBD  
McLane UIN #: 426544



#4

**Vanilla  
Protein Monster™**  
12 FL OZ BOTTLE



SLIN #: 241358  
CDC SLIN #: TBD  
McLane UIN #: 491290



#5

**Chocolate  
Protein Monster™**  
12 FL OZ BOTTLE



SLIN #: 241120  
CDC SLIN #: 241542  
McLane UIN #: 421180



#6

**Blueberry B  
Superfood**  
12 FL OZ BOTTLE



SLIN #: 243619  
CDC SLIN #: 246514  
McLane UIN #: 421057



est role in increasing the gross profit of your store upon which basis the franchise fee is calculated, and now you are asked to pay a penalty for that effort. Note: The first renewal fee is applicable only to those franchisees signing the 2010 and thereafter agreement.

Here are some of the other conditions for renewal:

a) You must give SEI written notice of your election to renew not less than nine months or more than twelve months before the expiration date. You should not assume that your Field Consultant or Market Manager will give you a heads up on this rather narrow window, but one would hope they would.

b) SEI decides, in its sole judgment, to keep the store open as a 7-Eleven store. Low volume stores should be concerned,

especially when low volume is combined with high rental.

c) SEI determines that the store is in compliance with the 7-Eleven food service standards.

d) You are not in material breach and are current with all amounts due to SEI on the expiration date.

e) You have maintained the minimum net worth throughout the one (1) year period immediately preceding the expiration date.

f) You must sign the "then current form of Store Franchise Agreement." For some of you, especially those on the 2004

agreement, there could be shock waves if your coveted 50/50 split is relegated to history and replaced with a considerably greater 7-Eleven charge.

g) You have not received four or more notices of a material breach during the two years preceding the expiration date.

h) You have completed, at SEI's expense, any additional training they require.

So, while you might not be facing renewal for a long time (2019 is around the corner for 2004 franchisees) you should nevertheless be aware of what you will be facing and prepare for it.

Have a great and profitable summer. ■

**"Those franchisees operating under store agreements expiring prior to December 31, 2003 benefited from an automatic contract extension to 2019."**

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German Sausage  
6 to 1



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Gourmet To Go  
Jalapeno 'N Cheddar  
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# Create A Case!

**Roger St. George**

VICE CHAIRMAN, NATIONAL COALITION

Tenured franchisees remember the good ol' days, when communication between storeowners and SEI personnel—whether it was the field consultant, the merchandising staff, the audit department, the maintenance department, or clerks from the accounting department—was face-to-face, or at the very least voice-to-voice, via the telephone. This allowed for two-way communications and led to more complete understanding by both parties. Back then, franchisees and 7-Eleven employees knew each other and their families. There was truly a feeling of belonging to a community. Many franchisees would agree, however, that while this process was extremely satisfying, it was not cost effective.

In the late 1980s, SEI began a process of centralization that continues to this day, and franchisees could never have foreseen the result. It culminated, this past year, in the total concentration of every department—except market managers and field consultants—into the Store Support Center in Dallas. It has been reported that many SEI employees were terminated in favor of communication automation, because the new automated system promised a streamlined process to respond to questions, as well as quick replies with a communication trail. All one had to do was “create a case.”

To quote a line by the character Frank

Shirley, the CEO from the movie “National Lampoon’s Christmas Vacation,” “Sometimes things look good on paper, but lose their luster when you see how it affects real folks. I guess a healthy bottom line doesn’t mean much, if to get it you have to hurt the ones you depend on. It’s people that

make the difference, little people like you.” Hopefully, franchisees have not become the little people.

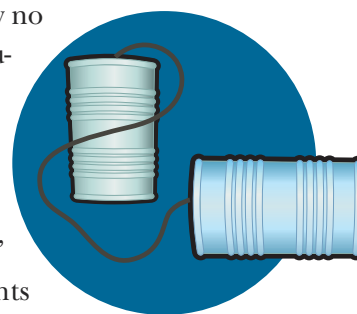
To franchisees, this latest edition of centralized automation seems to make the process more important than the result. Franchisees can understand the need for thorough documentation to clearly communicate is-

ues, but there is virtually no flexibility for emergency situations, particularly involving employee payroll.

Too often the answer franchisees routinely receive is: “Create a case!” These days, field consultants and market managers seem to focus more on their message of the week and less on solving the very real problems frustrating franchisees. While ideally franchisees want to concentrate on building sales, in reality they are distracted by repeated equipment breakdowns, the nuisance of the constant stream of altered or deleted promo master items, accounting er-

*continued on page 53*

**“This latest edition of centralized automation seems to make the process more important than the result.”**



VICE  
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# 7-ELEVEN CORPORATE RECOMMENDS...



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Top Selling  
Ramen Noodle  
Soup Brand!**



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GLIN #210233

Beef  
Instant Lunch  
UIN #530011 /  
GLIN #210156

With Shrimp  
Instant Lunch  
UIN #507277 /  
GLIN #210262

Line CNIT Shrimp  
Instant Lunch  
UIN #471815 /  
GLIN #210735

Ramen  
Souper 6-Pack  
UIN #526423 /  
GLIN #210315

Teriyaki Beef  
Yakisoba  
UIN #213438 /  
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Chicken  
Yakisoba  
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incremental gross profits.

**America's Favorite  
Ramen Noodle Soup!**



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**ADVANTAGE**

## Create A Case! *continued from page 51*

rors and omissions, a revolving door of merchandising mistakes or product delays, improper setup information resulting in factoring of recommended items, and accounting missing scanned documents. The answer: Create a case!

But there seems to be an undisclosed protocol for processing cases. Some cases are allowed to be processed up to forty-five days, further compounding the problem. This allows the problem to replicate with subsequent identical cases, each given another forty-five day window, resulting in a known problem to continue for three months or more.

Multiple store franchisees may have the identical problem in each store. Because there is no way to link cases and the cases are assigned to a myriad of employees within the work group, the same issue is reviewed by different people, resulting in different and conflicting answers sent back to the franchisee. Franchisees do receive an email that there is a reply available, but the answer is not generally included in the email and requires opening several other windows to read the notes for the case. Furthermore, if the answer needs to be challenged the franchisee cannot reply to the sender because it is an unattended mailbox, so he or she must once again create a case.

Cases created for the Merchandising Department seem to never see the light of day. Once a case is created, it appears to be closed immediately. The process appears to be to close the case when it is assigned to someone within the Merchandising De-

partment, not when the answer is generated. Seldom do franchisees receive an update, let alone a resolution.

Despite many improvements, some maintenance cases get lost. While everyday routine cases are processed accurately, the once-in-a-lifetime

issues get lost. When one of these cases is assigned many times, the service provider is unable to perform the work and the case is closed. Seldom is that communicated to the FSR, and the franchisee must be diligent to catch that the case was closed without the work

being completed or if the service provider even visited the store. Again, these cases seemingly drop into a bottomless pit. Franchisees have reported waiting a year or longer with no fix in sight.

Franchisees are waiting for 7-Eleven's nationwide centralization endeavor to produce financial results on their side of the ledger. Once again, this latest initiative seems to reduce expenses at the expense of the franchisee's time and frustration. ■

**"Franchisees can understand the need for thorough documentation to clearly communicate issues, but there is virtually no flexibility for emergency situations, particularly employee payroll."**

**"Multiple store franchisees may have the identical problem in each store, because cases cannot be linked, and are assigned to a myriad of employees."**

**ROGER ST. GEORGE CAN BE REACHED AT  
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# Easing The DVR Security System Transition And Making The Most Of BT

**Karam Dhaliwal**

VICE CHAIRMAN, NATIONAL COALITION

SEI is rolling out the new DVR surveillance system to all 7-Eleven stores, and it appears that the transition is not going smoothly for franchisees who have installed their own security systems over the last several years rather than wait for SEI to upgrade the old VCR-based system. The problem these franchisees are facing is that once SEI installs the new DVR system, they disconnect the storeowner's security system, which means the franchisees lose the remote access their systems provided them. SEI said franchisees will have remote access to the new DVR system by mid-summer. Meanwhile, franchisees with the new DVR system only have in-store access.

When I contacted the company on the matter, they said they are unable to connect a franchisee's system to the new DVR system because they need a splitter, which will be available in about a month or so. I spoke to Loss Prevention about this and made it clear that it's not fair to the storeowner who paid \$10,000 of his own money for a security system in his store. I asked them how could they put in a new security system and cut off the franchisee's access to monitor his own store when SEI isn't even monitoring it yet from their side?

Again, rather than wait, one franchisee bought a splitter at an electronics store for \$4.99 and showed other franchisees how to install it themselves. I mentioned this to my Zone manager and he agreed that they should not disconnect a franchisee's system before the splitters are available. He said he would put the word out not to disconnect a franchisee's system until the splitters are installed. We are waiting to see what happens next.

According to SEI, the new DVR surveillance system will continuously monitor POS activity in our stores, and is programmed to raise red flags when certain parameters are triggered. This is in addition

to having two surveillance cameras in the store that offer 360-degree views. I have asked Loss Prevention to attend one of my FOA meetings and provide to all Southern California franchisees a printout of the red flag trigger parameters so they can monitor such activity on their own. This way, I believe, franchisees could perhaps call Loss Prevention themselves if they discover suspicious activity and more quickly resolve the issue rather than wait up to 90 days to be notified by Loss Prevention that there was a problem.

Business Transformation is being expanded into the other three markets in Southern California. SEI has held meetings about it, and has selected three franchisees to kick off the program in those areas. I've heard that the company is saying the BT stores are making more money. The increase is 0.48 percent, which is not what was promised.

Additionally, there is a problem with some items from McLane arriving to the stores damaged. Franchisees then have to go through a long process to get it cleared up. In the past, it was taken care of immediately. Another issue raised by BT stores is that some items from Pepsi and Coke have a lower cost for the non-BT stores. SEI said they are going to look into it. BT is coming to my town in September. I hope by then the company has all the bugs worked out.

June sales have been good, and it looks like we will have a good summer if the weather holds up. We have been told to get ready for BT. Franchisees say they are going to try to make the most out of the program, but ask to keep the freedom to order the products their customers want. ■

**KARAM DHALIWAL CAN BE REACHED AT  
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**"Franchisees will be better able to monitor their stores if they know the parameters of the red flag triggers."**

# krave

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# Accounting—Better, But Still A Long Way To Go

**Jay Singh**

VICE CHAIRMAN, NATIONAL COALITION

As we all know, SEI maintains our bookkeeping as part of their contractual obligation to franchisees. For our part, we have to furnish different kinds of cash and credit purchase invoices, receipts and bills for operating expenses, and payroll information to complete the process. Under the Franchise Agreement, storeowners may perform or obtain any additional bookkeeping as they wish, and either party may inspect store operation records prepared or obtained by the other party. While the 7-Eleven process may look good in writing, in reality it requires more improvement.

On a positive note, many changes have been made over the years to speed up the process of sending invoices and other records from the store to regional accounting centers in order to reduce the processing time for all kinds of accounting—a very good step. Pick ups by special courier services and the CDC drivers are now history. EDI invoices and the installation of scanners did eliminate the receiving logs and helped franchisees get faster access to current

merchandising reports, but they did not help solve the old problems of wrong retail extensions or other erroneous merchandise-related entries.

Regional zones face different types of accounting mis-

takes related to payroll and merchandising reports. For example, the factoring of the retail extension of recommended items for a particular vendor for a big difference; improper

S-18 corrections; factoring or modifying the custom retail in some

cases; the modification of cash purchase retails; and two entries of the same EDI Pepsi invoice during the same day, with the second entry twice the amount of cost and retail.

Additionally, in some cases

CDC items have the correct

case cost and retail, but if

you do the shortage adjustment

it gives you credit for one unit both in cost and retail.

Audit shortages or overages in the thousands of dollars created

by the wrong retail have led franchisees to get special audits done in order to clear the mistake, but it again comes down to wrong entries. In all these situations, the burden falls on franchisees to check and compare the merchandise reports, S-18 reports, payroll registers and store financial summaries. Solutions lie in creating an accounting case online and waiting for the resolution. In some cases, live help from accounting personnel is not very useful because the person is not experienced enough to

*continued on page 58*

**“Many improvements have been made over the years to speed up the process of sending invoices and other records from the store to regional accounting centers.”**

**“The burden falls on franchisees to check and compare the merchandise reports, S-18 reports, payroll registers and store financial summaries.”**



**JAY SINGH CAN BE REACHED AT  
702-249-3301 OR  
JKSINGH2003@YAHOO.COM**

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# #1 CIGAR WRAP BRAND\*



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

**CIGAR WRAPS - BLUEBERRY**

1 CARTON-25 TWO PACKS  
SLIN 321446 - UIN 554888



7 84762 07201 6

**CIGAR WRAPS - APPLE**

1 CARTON-25 TWO PACKS  
SLIN 321447 - UIN 553828



7 84762 07202 3

**CIGAR WRAPS - CHERRY**

1 CARTON-25 TWO PACKS  
SLIN 321445 - UIN 554834



7 84762 07204 7

**CIGAR WRAPS - MANGO**

1 CARTON-25 TWO PACKS  
SLIN 321476 - UIN 74621



7 84762 07206 1

**CIGAR WRAPS - STRAIGHT UP**

1 CARTON-25 TWO PACKS  
SLIN 321478 - UIN 74623



7 84762 07208 5

**CIGAR WRAPS - MELON**

1 CARTON-25 TWO PACKS  
SLIN 321444 - UIN 556182



7 84762 07205 4

**CIGAR WRAPS - PEACH**

1 CARTON-25 TWO PACKS  
SLIN 321443 - UIN 556201



7 84762 07203 0

**CIGAR WRAPS - GRAPE**

1 CARTON-25 TWO PACKS  
SLIN 321442 - UIN 556383



7 84762 07200 9

**CIGAR WRAPS - STRAWBERRY**

1 CARTON-25 TWO PACKS  
SLIN 321477 - UIN 74120



7 84762 07207 8

**ZIG-ZAG CIGAR BLEND TOBACCO**

1 CARTON-8 FOUCHES  
SLIN 328238 - UIN 556831



7 84762 07175 0

## NEW - XTRA LARGE SIZE

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

**XTRA WIDES - GRAPE**

1 CARTON-25 TWO PACKS  
SLIN 321289 - UIN 680910



7 84762 07807 0

**XTRA WIDES - MANGO**

1 CARTON-25 TWO PACKS  
SLIN 321288 - UIN 680900



7 84762 07867 4

**XTRA WIDES - STRAWBERRY**

1 CARTON-25 TWO PACKS  
SLIN 321287 - UIN 680876



7 84762 07877 3

**XTRA WIDES - BLUEBERRY**

1 CARTON-25 TWO PACKS  
SLIN 321282 - UIN 680884



7 84762 07817 9





## Accounting—Better, But Still A Long Way To Go *continued from page 56*

answer or solve your questions. Many times, franchisees have to speak to several different accounting employees in order to get the right results. To add insult to injury, when an accounting problem is brought to a field consultant's attention, their common answer is, "I will roll it up to the next level." Their main defined role, apparently, is only to help you improve sales and make sure you are in compliance with the policies developed by our franchisor.

Perhaps EDI invoices and the installation of new scanners and other related technology have helped SEI reduce the ac-

counting workforce to save money, but it has not helped to eliminate the mistakes that cost franchisees money. A few months back, an accounting seminar was held in my area to help franchisees understand how the department works and what steps we can take to report the paperwork correctly to improve the process. I think it was a good step in the right direction—we need more of that kind of education and awareness to improve our understanding, and our finances. ■

**"Audit shortages or overages in the thousands of dollars created by the wrong retail extensions or other erroneous merchandise-related entries have led franchisees to get special audits to clear the mistake."**

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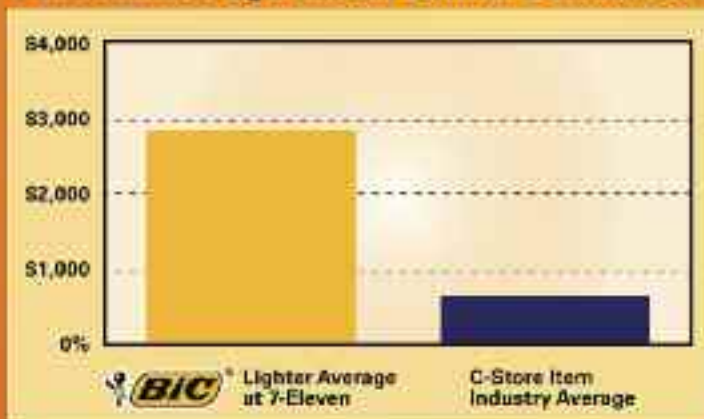
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7-Exchange, 52 weeks ending 18-Sep-11 & NACS State of the Industry 2010 Annual Report



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Contains alcohol, perfectly mixed. SRP \$2.99, 24 per case

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SINGLE SERVE  
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SHOPPER IS  
DRIVING THE  
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CHOOSING A  
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# Summer's Here, And The Time Is Right...

By Mike Rarus Franchisee, South Florida FOA

"Summer's here and the time is right for goin' racing in the street."

For those of you familiar with the above lyric, sung by one of the most influential rock icons of the last forty years—Bruce Springsteen—please let me take a moment and rephrase those words into something a little more near and dear to our hearts:

"Summer's here, and the time is right, to fix your vault to meet ... your customers needs!"

Every year, no matter what part of the country you live in, winter subsides, spring comes and goes, and then we are faced with our hottest months of the year—our summer season. With the wild and crazy weather patterns we have been experiencing lately, many of us are seeing hotter than normal conditions much earlier than we have ever seen.

This puts the onus on you and your vault order writers to be more diligent than ever as regards to product mix and accompanying responsibilities (sequencing, minimums, pricing on the rail strips, etc.). The vault, as most longtime franchisees know, is called the vault for a reason. Where does the bank keep the money? In the vault!

Your cooler is, literally, the money-maker during much of the year, and especially so during these next several months. Are you ready? Have you re-

viewed your product mix over the past 6-8 months? Are you looking at the sales plan posted on 7-Connect on a timely basis? With the consolidation of merchandising teams, amongst others, to Dallas this past year, the ability to get information as regards our monthly sales planners has been greatly enhanced, with greater and quicker ability to learn the upcoming month's promotions. This, in turn, provides us with a better opportunity to plan several weeks in advance, to adjust product mix, facings, etc., in preparation for the new upcoming promotions.

**"The vault, as most longtime franchisees know, is called the vault for a reason. Where does the bank keep the money?"**

Also, ask yourself, depending upon your demographic area, are you carrying the right mix for your everyday guests? I recently had the opportunity to meet with my Zone Merchandiser as regards the large number of Hispanic guests I see daily. He was able to put me in touch with an already approved CDC vendor who delivered smallish amounts of Hispanic product to the CDC for our use. After a conversation with this vendor, we were able to add multiple items thru a DSD method, resulting in incre-

share that with the merchandising team via the CHD case create option, "Merchandising." Your great vault idea or center of the store idea may eventually help many of your fellow franchisees grow sales, as your product(s) becomes everyone's product.

At the end of the day, how you merchandise your vault will determine your GP success or failure. Too many dead items leave your vault dead. Do not be afraid to take a chance and try new items. If you are not sure, check out your competition and local grocery stores to see if they already have an item you might be considering. If they don't have

*continued on page 64*



men-  
tal sales of  
over \$35 per day.

Reach out to your  
BCs, or Zone Merchandis-

ers, if you think there is a need for something not readily available in your market or area. Your ZMs are there to assist you, and they do a great job of listening. If you already have a great SI item (or items) going for you, please

**"At the end of the day, how you merchandise your vault will determine your GP success or failure."**



continued from page 63

it, do not necessarily dismiss it. You might become the go-to store for this item. I referenced the Hispanic products—just as an FYI, last night (as I write this on June 1st)—we had one

## 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.



guest purchase 12 bottles of 1.5 liter Aloe Vera Peach drink, at a retail of \$3.49, at 2 a.m. in the morning. He told my associate that we were the only store in town where he could find that size bottle. A \$42 ring at 2 a.m. is money in my pocket. And it also keeps me looking for new ways to add product to my mix that my customers want.

So, as the summer season heats up and your guests continue to head for the vault, remember what Bruce Springsteen said almost 40 years ago:

"Summer's here, and the time is right..."

Make it the right time for your store, your team and your guests, and no doubt you will reap the rewards! ■

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

cent of the nearly \$244 billion collected by states in cigarette taxes and the Master Settlement Agreement have been used to prevent underage smoking and other tobacco control programs. Many states have instead used these funds to help balance budgets. • **Chocolate candy sales reached \$19.5 billion in 2011, up 6.6 percent over the previous year**, according to a report by Packaged Facts. From a channel perspective, the report reveals that chocolate is showing particular resilience in convenience stores and natural food stores. • **7-Eleven was one of several retailers** recently approved by the Dallas Fort Worth International Airport Board of Directors to operate stores within Terminals B and E of the Texas airport. • Family Dollar Stores recently announced

continued on page 68



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Slick and convenient packaging 2 or 10 cigarillos per pack.



AC Sweets 10/10Pk Unit



AC Slims 10/10Pk Unit



AC Sweets Ftr 10/10Pk Unit



AC Sweets 60/2Pk Jar



AC Sweets Ftr 60/2Pk Jar



AC Sweets 10 Pack



AC Slims 10 Pack



AC Sweets Ftr 10 Pack



AC Sweets 2 Pack



AC Sweets Ftr 2 Pack



SLIN-320715

SLIN-320766

SLIN-320765

SLIN-321363

SLIN-321366



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V8 ORIGINAL



V8 SPICY HOT



## V8 100% Vegetable Juice: Original & Spicy

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- 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

V8 ORIGINAL  
V8 SPICY HOT  
V-FUSION POM/BLUE  
V-FUSION CRAN/BLACK  
V-FUSION STRAW/BANANA  
V8 SPLASH TROPICAL BLEND  
V8 SPLASH BERRY BLEND  
V8 SPLASH STRAW/KIWI  
V8 SPLASH FRUIT MEDLEY

SUN  
0240409  
0240404  
0240509  
0241416  
0240452  
0240307  
0240523  
0240318  
0246139



BERRY BLEND



STRAW/KIWI



TROPICAL BLEND



FRUIT MEDLEY

*Available Through Your Coca-Cola Bottler Today!*



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

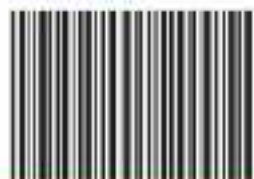
## Clear color bags

Large 2 ft COFFEE BAR liner Bags per roll: 225



42x34, 40-gal

SLIN: 530340  
UIN: 482620



## 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



6.5-gallon can

Bags per roll: 75



32x49, 6.5-gal

SLIN: 530173  
UIN: 048231



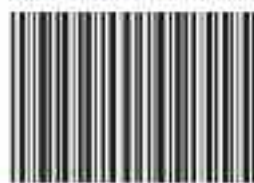
COFFEE BAR & ROUND OUTSIDE Bags per roll: 110

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, 52-gal



Custom designed  
for the Franchisee



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# The Problem With Hot Foods And Retail Accounting

BY PETE GRAGNANO, VICE PRESIDENT, SUBURBAN WASHINGTON FOA

According to Miriam-Webster Dictionary, Accounting is defined as “the art or system of keeping and analyzing financial records.” From the definition, the function deals with analysis and record keeping. However, when it comes to certain items in our stores, the 7-Eleven accounting system seems to actually earn money for our franchisor.

As per our Franchise Agreement, 7-Eleven provides a franchisee with a fully-stocked store. The franchisee makes a down payment on the cost of the inventory and uses the store’s profits to increase his/her net worth (the investment in the inventory). Moreover, the franchisee is financially responsible for any inventory variation.

Unlike the vast majority of companies, 7-Eleven uses “retail”-based accounting as opposed to “cost” accounting. In using this system, a store’s inventory is calculated at retail during an audit and then converted to a cost on the franchisee’s financials using the Variable Inventory Percentage (VIP), which is the ratio of the actual cost of the inventory to its retail value or, in actuality, the gross profit margin. For example, if a store has \$50,000 in retail inventory and the cost of the merchandise was \$32,000, the company uses this ratio (\$32,000 divided by \$50,000) or 64 percent as the VIP. If a franchisee has a \$5,000 retail shortage after inventory, then he/she is charged \$3,200 (0.64 times \$5,000) on their financials at the end of the month.

For many items, “retail accounting” works well. However, there are some items that are becoming an increasing

part of our sales in which this concept has significant problems. The area I am speaking about is Hot Foods. For many hot food items (chicken wings, tenders, potato wedges), the company is charged by the weight of the product as opposed to the number of pieces that are assumed to be within the box. In addition, the supplier is given “tolerances” by 7-Eleven, which also leads to inaccuracies.

Here is a real life example. Last year, 7-Eleven told the stores that the “Wing Zings” had 200 wings per box, and the value of the inventory was 200 wings times the retail price of 66 cents per

that in the winter months the chicken wings were larger and hence had less than the “calculated” amount per

box, but this would likely reverse during the summer. We replied that we were not going to bank on “skinny chickens” in the summer time, and wanted the amounts corrected for inventory purposes. Even after receiving a small credit from the supplier (a free box of wings), we pressed the matter until franchisees were given retail credit



**“For many items, ‘retail accounting’ works well.**

**However, for some items becoming an increasing part of our sales, this concept has significant problems.”**

wing, or \$132 per box. So far, so good. However, in counting the number of wings in the box, stores were finding that there were many times significantly less than 200 wings (175 or less), thus creating an inventory shortage of about \$15 per box. When this was brought to the attention of the company, they advised the franchisees that there is a plus/minus “tolerance” of 25 wings in their contract with the supplier. Small problem here—7-Eleven does not give the franchisee any “tolerance” in an audit. If the book value is less than the physical count, the franchisee pays the difference at cost by the VIP described above.

When we pressed the company further, we were told by Merchandising

in October and cost credit in December 2011 for all of their shortages.

Now if we did not press the issue, franchisees would have had inventory shortages and would have lost thousands of dollars because of 7-Eleven’s “retail” accounting system. Moreover, if there were too many wings, this would have created an inventory overage. In a perfect accounting world, there is no such thing as an “overage,” as our inventory does not “grow” in value; the total value may increase through price changes, deliveries, etc., and should be reported to 7-Eleven to maintain the proper “book inventory.”

However, we all know that we live in an imperfect world. Auditors not

*continued on page 68*



*continued from page 67*

counting correctly, an invoice having an incorrect retail price, or an item not counted in the book inventory prior to the physical inventory count are just a few things that can lead to an inventory overage. This leads to Asset Protection doing an investigation—because Sales plus Write-Offs are greater than Purchases—and billing the stores back for the “overage” for which they had no control. In addition, Accounting “zeros” out any overage at the end of the calendar year, no matter what the cause.

Apart from changing the system from “retail” to “cost,” the next best alternative for these or any future items that are purchased by weight but sold by the piece, is to have a “0” retail value, and do a markup similar to that for coffee and fountain cups. However, 7-

**“Now if we did not press the issue on Wing Zings, franchisees would have had inventory shortages and would have lost thousands of dollars because of 7-Eleven’s ‘retail’ accounting system.”**

Eleven has not made this simple change, which makes franchisees wonder if it’s because the company is benefiting financially though their accounting system. ■

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

**Bits&Pieces...***continued from page 64*

that it has entered into a multi-year agreement with Coinstar to provide Redbox kiosks at Family Dollar locations across the U.S. • **Dunkin’ Donuts** has announced the signing of a multi-unit store development agreement with three franchise groups to develop 25 new restaurants in Texas over the next several years—16 in Houston and nine in San Antonio. • A record-setting **96.0 percent of retail companies surveyed said their company has been the victim of organized retail crime** in the past year, up from 94.5 percent last year, according to the National Retail Federation’s eighth annual Organized Retail Crime Survey. • **Hackers protesting high gas prices recently took over c-store chain Wawa’s website for several hours**, replacing the Pennsylvania-based re

*continued on page 86*



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# The Ins And Outs Of BT

SEI's new consolidated delivery system—Business Transformation—is being rolled out to Markets 2173, 2136, and 2133 in Southern California. Since BT was about to start in my stores on June 18, I attended a McLane delivery lesson on June 11 along with my store managers and other managers from different stores. During that lesson we were trained on how to receive the BT delivery from McLane, as well as the CDC deliveries.

Without going into too many details, I wanted to share some of the training we received. First we spent about half an hour in the backroom ISP learning the daily activities for these deliveries. The McLane delivery then arrived around 9 p.m. and the check-in procedure lasted about 45 minutes with two clerks on duty. We scanned in all the items including the CDC delivery, which arrived while McLane was being checked in. I thought this will create chaos—with these two deliveries and about 15 of us trying to check in items while in training for the first time—but things went pretty smoothly.

Procedurally, one of the major benefits of the BT check-in procedure we witnessed was that by scanning each item it results in "you receive what you order." Theoretically, this means there should be no shortages and you should have the ability to know what you have in your store at any time, and hence tighter control over your inventory. The Receiving Log is eliminated and the Merchandise Report is in the same format as the ISP Report. Presently, we have to search through various pages for verifications. The Merchandise Report must be brought back on the unsecured page so that the managers can review this daily.

The next BT rollout is scheduled for 310 stores from June 18 through September 17. As with most pilot introductions, there were many problems in the early days of BT with the supplier and many system errors that resulted in frustrated franchisees and loss of income for the first test stores. At the time, we asked SEI not to roll out BT in other markets unless the "system" was close to perfect, and to their credit our franchisor did delay it for about a year to fix many of the problems. During that time SEI replaced the troubled supplier with McLane, which should result in fewer errors and more on-time deliveries.

For Business Transformation to be truly successful it must leave "the franchisees with better cost of goods resulting in higher Net Income" and "7-Eleven must not interfere with vendor control." We, the franchise community, must have strong relationships with our local vendors. That's all we ask. How can we even think about Retailer Initiative if we don't have the ability to introduce new products through the participation of our vendor community at the store level?

Below is a Q&A session held with franchisees and BT head Leonid Volvonik during our local market meetings in April that shine more light on the new delivery system.

**Q** What about the hybrid program? We heard that other states will still get DSD trucks on their lots.

**A** When we started talking about Consolidation, we knew there would be certain areas in the country where having a consolidated warehouse would not be possible, so we are developing an alternative plan for those areas. The ideal model is for consolidation, with DSD and Grocery coming together on one truck, and we will continue to expand that model in appropriate areas.

**Q** What about McLane store-supported items? Why do certain items still fall out of the system and not get delivered?

**A** Items should not be falling out of the system. They may be discontinued by McLane, in which case you simply would not be able to get them anymore. If you are trying to set up an item as an SSI that you are currently getting through McLane by calling and having it added to your order, and it keeps getting rejected, then please roll that product information up to your FC and com-

plete a Merchandising CHD. These items are most likely getting rejected because we do not have a complete Item Catalog from McLane.

**Q** How much labor am I required to add to my payroll?

**A** We do not "require" you to add any payroll. The process works better with two sales associates to complete ECI, but there are stores doing it with just one. Take a look at your scheduling and see where you can reallocate some hours into the night to get this completed.

*continued on page 74*



BY MATT MATTU,  
PRESIDENT, JOE SARACENO  
FRANCHISE OWNER'S  
ASSOCIATION







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**Q** I have to scan item-by-item even with HABA? That's going to take hours.

**A** The current process of sorting all the products out of the totes and going back through to compare and find the items on the McLane invoice is much more time consuming. Scanning each item takes seconds and McLane batches the items together when possible to make it even simpler. Also, if you are short any items, you no longer have to call in for credits from the CDC or McLane. You pay for what you scan in.

**Q** Can I still use the scanner to do damages and write-offs?

**A** Yes, you will still complete all the tasks on the scanner that you have been doing. We are simply adding functionality to the scanner.

**Q** Can we cycle-count Hostess and Bimbo if we want?

**A** Sure! You will learn later on how you can actually add to your current on hand when you receive these products. You can cycle-count all saleable categories.

**Q** How will my liquor be affected?

**A** You will get liquor through the same channels as you do today. This will not be ECI, but you can (and should) manage your "I" through cycle counts to help manage your inventory.

**Q** Hot dogs currently take two days to be delivered, will this change with BT?

**A** There is no change to hot dogs or any CDC items.

**Q** Can you set a security restriction to prevent certain sales associates from changing the "I"?

**A** No. Cycle counts are available to all sales associates. There are very complete records available to monitor cycle counts by item and by sales associate. Stores should make sure that each sales associate has their

own sign-on so they can be monitored.

**Q** Will the gas surcharge increase with McLane since they will be making more deliveries? If so, by how much?

**A** I believe the surcharge in BT is \$8 a load. This can go up or down depending on the cost of gas. The McLane fuel surcharge (per delivery) will be the same for BT stores as it is for non-BT stores. McLane can change the fuel surcharge at any time depending on fuel costs.

**Q** When cases are scanned in during the delivery, will the sales associates scan the actual case barcode or a sticker/label from McLane?

**A** There will be a McLane Barcode Sticker on the full cases, but the product case and item UPCs will also work for scanning in during ECI. Items inside totes will be checked in by scanning the product UPC.

**Q** How can 7-Eleven expect Coke and Pepsi sales reps who work on commission to still service stores?

**A** We have an agreement with the vendors to have their reps come out to the stores.

**Q** Deliveries are based on sales volume from PSA 24—do we have some type of bracket system that we can share with the stores today on how many deliveries they will get?

**A** Most stores will get three deliveries per week. The bracket system is as follows: over \$1,000 in PSA 24 products per delivery (average retail) for four times, \$500-999 for three times, and under \$500 for two times.

**Q** How quickly does the "I" change in the MOT once something sells at the register?

**A** The "I" is adjusted every 15 minutes throughout the day, and once a day the system lines up all the purchases and cycle counts and write-offs based on the time of day they happened (helps for a cycle count completed while someone purchases

product). If the MOT is in ordering mode, the "I" will not update until the MOT is re-docked. The MOT does not receive "I" updates while ordering.

**Q** The Merchandise Report is only available on the secure site. Franchisees want it available on the "non-secured" site. Is this possible?

**A** This has been addressed previously. The Merchandise Report shows financial information, which is why it has been moved to the secured site. We increased the number of designees that stores can have so franchisees can allow more sales associates access to the Merchandise Report. There are no plans to change this back at this time.

**Q** Can refrigerated or frozen items be returned to the driver a week after delivery?

**A** The CDC does not take returns, at all. Frozen is 10 days to return damaged product, but that should be caught during Driver Check-in and returned at that time.

**Q** Can our Logistics Department secure a 2012 McLane catalog for each store? The current catalog on hand is old.

**A** It is my understanding that McLane no longer produces a paper version of their catalog. They were going to put it online. I will follow up with McLane on this question.

**Q** Post BT, do we have to keep alcohol delivery invoices or are those also available on 7-Connect?

**A** Yes, stores would need to keep their alcohol delivery invoices. Only self-billing invoices will be available via 7-Connect.

**Q** Can you add a drop down menu of frequent options for frequent vendors like Bimbo, Hostess, etc.? It would be faster if franchisees didn't have to physically type in each vendor name.

**A** All vendors that are ordered and checked-in electronically will be pre-populated in the Purchase Sum-

"Most BT stores will get three deliveries per week."



mary. Non-orderable vendors and non-recommended vendors will not pre-populate. We're working on making Hostess products available though the CDC.

**Q** Is it possible for stores to get frozen food deliveries twice a week if the store doesn't have hot foods?

**A** Yes, if their frozen foods sales volume warrants two times per week deliveries.

**Q** Do we have data, not about inventory turns, but about total inventory levels for BT stores (pre-BT vs. post BT)?

**A** We can pull and provide.

**Q** We need delivery and routing information early so we can plan to change our staffing around order and delivery schedule changes ASAP.

**A** Will provide at least 4-6 weeks prior to Go-Live.

**Q** What does the actual McLane credit process look like (if a store needs to get credit for a mispick, etc.)?

**A** This info will be included in the training materials.

**Q** How do stores accept SSIs from beer vendors if we are doing ECI for beer? Do they do a separate Paid Out Invoice just for the SSIs?

**A** SSIs can be accepted via ECI just like recommended items. Also, since beer invoices will not be self-billing, all items (including SSIs and NRIs) will be billed via EDI and will not require a Paid Out.

**Q** What are the protocols/instructions for McLane drivers to not park in the parking lots?

**A** No changes with BT. If a store has an issue, it needs to be escalated via the MDSE CHD process.

**Q** Can we auto update minimums

as sales trends change?

**A** Minimums need to be set based on Presentation and Preparation requirements in addition to the Sales trends. We are not planning on making changes to the minimums at this time.

**Q** How do we add items that currently aren't recommended?

**A** Zone Merchandisers are responsible for evaluating NRIs and adding them to the Recommended Assortment if they meet the sales hurdle rates.

**Q** Will stores be able to check in the promotional cigarettes electronically?

**A** This is planned for the next software release (after BT) called RISE. ■

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# Pocket Lighters:

## Small Size, Big Profit



**BY RICK PECKA**, ASSOCIATE TRADE MARKETING MANAGER, BIC CONSUMER PRODUCTS, AND

**ALLYSE MILENTZ**, NATIONAL CONVENIENCE ACCOUNT MANAGER, BIC CONSUMER PRODUCTS.



While tobacco sales may continue to struggle at retail, Pocket Lighters continue to be a valuable category. In U.S. Convenience, pocket lighters out-sell other major categories like chewing tobacco and lip-care, and offer twice the gross margin percentage

4.7 percent over the latest 52 weeks ending March 4, 2012, while Refillable Lighters are on the decline, down 7.7 percent. This can be attributed to the high price point of most Refillable Lighters. In an economy that continues to be challenging, consumers find

offer designs connected to contemporary trends in fashion, lifestyle, or popular licensed properties.

Research shows that regular lighter users are highly engaged with the product during usage, and for them, these designer lighters have become the new “premium item” in the category. Consumers own up to four lighters at a time, and use them more than 20 times per day. Additionally, more than nearly half of all consumers always shop for the same brand, and more than one quarter of all consumers look for the most interesting design when making their selection.

Research also shows that consumers greatly appreciate variety, and many will leave a store if their brand of choice is not available. BIC strives to offer consumers a high quality product at a great value, and all full-size BIC Lighters provide up to 3,000 lights, twice the lights of the next leading full-size brand. It’s the kind of performance consumers are in search of when making their purchasing decisions.

Keeping this in mind, retailers must be aware of consumer perception and loyalty toward key items in

*continued on page 78*

**“Disposable pocket lighters have proven to be highly profitable, offering gross margins of up to 52 percent—twice the average of in-store merchandise.”**

than average in-store merchandise (Source: 2011 NACS State of the Industry Report). Additionally, Disposable Pocket Lighters have proven to be highly profitable, offering gross margins of up to 52 percent—twice the average of in-store merchandise.

It is imperative that retailers understand the dynamics behind this category in order to maximize the potential for strong sales, profits, and high turns at the front counter. According to Information Resources, Inc., Disposable Pocket Lighters have grown

themselves reluctant to spend between \$5 and \$10 for refillables. This may be further exacerbated soon due to climbing gas prices.

In the Disposable Segment, most of the growth can be attributed to consumers returning to core items that they know and trust. Regular lighter consumers are extremely loyal to their brand or style of choice, recognizing quality, performance and value as key attributes when making a purchase. Beyond core items, when considering value-added products, consumers have taken to specially wrapped lighters that





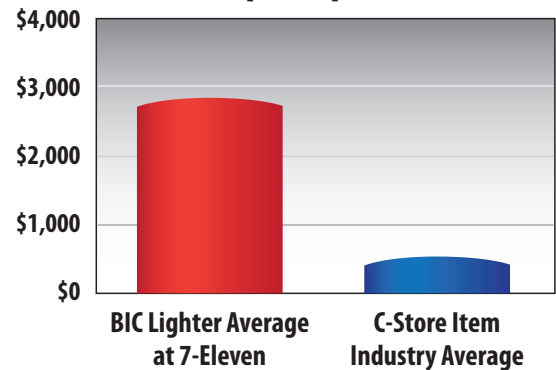
the category. Providing items that consumers know, trust, and are actively engaged with during usage is essential. To do this, retailers must place emphasis on both core and value-added items to appeal to a broad range of consumers. Having a complete portfolio of everyday core items and designer lighters will leave retailers more likely to meet the needs of all consumers who shop at their stores, thereby increasing the potential for strong category performance.

According to Information Resources, Inc., the top items in the category reflect these trends. Currently, the top five best-selling brands in the Disposable Pocket Lighter Segment belong to BIC Consumer Products and collectively represent 85 percent of the disposable lighter category's brand shares. While core items such as BIC Classic and BIC Mini continue to fulfill basic consumer needs, value-added designer brands such as BIC Special Edition and BIC Collector Series offer consumers the opportunity

to personalize their lighters with designs that match their interests and aspirations.

BIC's designer series (Special Edition, Pro Series, Collector Series) are continually being updated to offer new themed designs to consumers, such as the BIC Special Edition Hispanic Culture Series, which features designs inspired by Hispanic-American culture and trends. The BIC NHL Pro Series showcases 12 teams from the rapidly growing sport of professional

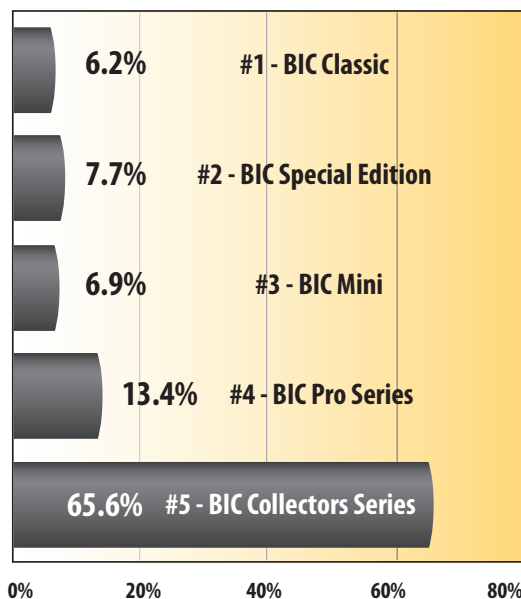
## Sales per Square Foot



an impulse category, and as such, retailers should make every effort to have product conveniently displayed at checkout, clearly visible and acces-

**“Having a complete portfolio of everyday core items and designer lighters will leave retailers more likely to meet the needs of all consumers.”**

## Top 5 Disposable Lighters Dollar Trends



hockey, while the BIC “Support The Troops” Series features patriotic designs honoring America’s soldiers and armed services.

The “Support The Troops” Series offered BIC a chance to work in conjunction with the National Coalition’s Hire Heroes Program. For every lighter sold in May and June of 2012, BIC will donate \$0.09 per lighter sold at 7-Eleven to Hire Heroes USA, and also match this donation with \$0.09 per lighter to the USO. BIC is excited to be working with two devoted organizations that support the U.S. military forces.

Further research indicates that more than half of all Pocket Lighter purchases are made to fulfill an immediate need. This continues to reinforce that Pocket Lighters are

sible to the consumer. Ensuring that merchandising position assists in consumer ease of purchase, and “shopability” serves to maximize sales potential. The utilization of multi-level tier displays at checkout heightens the probability of purchase. These displays should be able to call out the product while simultaneously making it easy for consumers to select their lighter of choice.

An example of the impact this kind of merchandising can have on sales is the BIC Powerhouse, which generates 5.4 times as many dollar sales per square foot as the national average in U.S. Convenience (Source 2011 NACS State of the Industry Report, 7-Exchange). BIC offers consumers the kind of variety they look for at retail, and the display graphics really draw attention to the product, increasing the likelihood of purchase at the front counter. ■

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### **Titles**

BOUNTY HUNTER, THE (2010) (ANISTON, JENNIFER)  
 INCEPTION (2010) (DICAPRIO, LEONARDO)  
 MEN WHO STARE AT GOATS, THE (2010) (CLOONEY, GEORGE)  
 LAST AIRBENDER, THE (2010) (PATEL, DEV)  
 TOY STORY 3 (2010) (ANIMATED)  
 SEX AND THE CITY 2 (2010) (PARKER, SARAH JESSICA)  
 IRON MAN 2 (2010) (DOWNEY, JR, ROBERT)  
 KILLERS (2010) (KUTCHER, ASHTON)  
 CLASH OF THE TITANS (2010) (NEESON, LIAM)  
 COP OUT (2010) (WILLIS, BRUCE)  
 BROOKLYN'S FINEST (2010) (GERE, RICHARD)  
 GREEN ZONE (2010) (DAMON, MATT)  
 BOOK OF ELI (2010) (WASHINGTON, DENZEL)  
 WHEN IN ROME (2010) (BELL, KRISTEN)  
 SHUTTER ISLAND (2010) (DICAPRIO, LEONARDO)  
 VALENTINE'S DAY (2010) (ROBERTS, JULIA)  
 CRAZY HEART (2010) (BRIDGES, JEFF)  
 BLIND SIDE, THE (2010) (BULLOCK, SANDRA)  
 UP IN THE AIR (2010) (CLOONEY, GEORGE)  
 LAW ABIDING CITIZEN (2010) (FOXX, JAMIE)  
 WHITEOUT (2010) (BECKINSALE, KATE)  
 FINAL DESTINATION, THE (2010) (ALLEN, KRISTA)  
 WAITING FOR SUPERMAN (2010) (BIANCA)  
 HANGOVER, THE (2009) (COOPER, BRADLEY)  
 HARRY POTTER AND THE HALF-BLOOD PRINCE (2009)  
 X-MEN ORIGINS: WOLVERINE (2009) (JACKMAN, HUGH)  
 STATE OF PLAY (2009) (CROWE, RUSSELL)  
 DUPLICITY (2009) (ROBERTS, JULIA)  
 RACE TO WITCH MOUNTAIN (2009) (JOHNSON, DWAYNE)  
 HAUNTING IN CONNECTICUT (2009) (MADSEN, VIRGINIA)  
 12 ROUNDS (2009) (CENA, JOHN)  
 HE'S JUST NOT THAT INTO YOU (2009) (LILY, MORGAN)  
 DAY THE EARTH STOOD STILL, THE (2009) (REEVES, KEANU)  
 ALVIN AND THE CHIPMUNKS (2008) (LEE, JASON)  
 DEPARTED, THE (2007) (DICAPRIO, LEONARDO)

# Driving Frozen Treat Sales & Profits!

BY THE UNILEVER CONVENIENCE STORE MARKETING TEAM

This mild winter and early spring have jump-started the ice cream season in convenience stores. According to AC Nielsen, the national trends show dollar growth of 13.1 percent, driven by both novelties and take home. Based on IRI data, 7-Eleven is out-pacing the national trends showing category growth of 16.4 percent—again, driven by both novelties and take home. All major manufacturers are showing growth in their segments. Unilever—manufacturer of Ben & Jerry's, Breyers, Magnum, Klondike, Good Humor and Popsicle—is leading the overall category growth.

In the U.S., more than 90 percent of households eat ice cream for a snacking occasion, and the average American eats on average 23 quarts of ice cream per year—Wow!

Help “trigger” your guests to make an impulse ice cream purchase. How? When shoppers see ice cream, they want ice cream, so visibility and availability are keys to success. Visible signage helps to entice consumer desire and appetite to buying ice cream. Think of creative ways to get ice cream noticed in your store to drive sales and profits.

Another key driver of sales is creating category buzz and excitement with unique new products and core proven performers. Magnum Bars were a home run in 2011 at 7-Eleven, and that momentum will continue with strong 2012 advertis-

ing support. A new candy bar ice cream hit the shelves in late 2011—Reese's Cup. Reese's is the #2 selling candy brand in c-stores in the U.S., so it is sure to be a winner as an ice cream novelty. As well, the Klondike brand with Original Stickless Bar, Choco Taco, and their quirky, ever-evolving, “What Would You Do For A Klondike Bar?” will help drive

**“Based on IRI data, 7-Eleven is out-pacing the national ice cream trends in c-stores—showing category growth of 16.4 percent driven by both novelties and take home.”**

sales. Be sure to maintain good stock levels on the other core “proven performers” within your freezer case, such as Good Humor Strawberry Shortcake Bar or Oreo Bar.

What about the take home segment? Fifty percent of your ice cream business is sold in packaged ice cream (primarily pints)—leading the way is Ben & Jerry's, your #1 super premium packaged ice cream brand that your consumers know and love. 7-Eleven's best sellers are Cherry Garcia, Half Baked, Chocolate Chip Cookie Dough, Chocolate Fudge Brownie, and Chunky Monkey. Ben & Jerry's does over a third of your take home ice cream business and is up over 8 percent year-to-date in dollars. Every year, Ben & Jerry's has new and unique flavor introductions, like the new Greek Frozen Yogurt variants. But no different than novelties, be sure you're stocking the right core “proven performers” that your customers are looking to find. Keep plenty of Ben & Jerry's varieties on hand to please ALL of your guests!

On-the-go eating behavior is increasing, and snacking occasions are up to 3–4 occasions per day, now at 43 percent. The convenience channel, and 7-Eleven in particular, are in a unique position to ride the wave of frozen treat growth, offering the right product mix, in the right location for an excellent selling season!

July is National Ice Cream Month!

Keep your freezers clean and fully stocked! Happy ice cream sales! ■



Datasources:  
IRI Snaxpo Study, March 2012  
Unilever Proprietary Shopper Research, 2010  
IRI ILD Platform Reporting System, 4WE April 08, 2012  
2011 IRI ILD Platform Report System, Full Year



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# The Power Of Premium Lights



BY NICK C. ANDERSON  
MILLERCOORS, DIRECTOR, 7-ELEVEN TEAM

BY JEFF SCHOUTEN  
MILLERCOORS, DIRECTOR, CUSTOMER SOLUTIONS



Once upon a time, when consumers needed to grab a few items, odds were they would head to a convenience store. Now they have more options. Dollar stores, drug stores, and even some larger retailers who are experimenting with small formats and fuel all are going after the c-store's niche. And they're especially targeting the "refreshment" trips, which make up the bulk of c-store's business.

C-stores can't turn back the clock. But they can compete in this new world by leveraging one of their areas of strength: beer. Beer is a huge traffic and profit contributor. Beer is the No. 2 category with 13 percent of store traffic and revenue. It is a destination category, with most shoppers coming to

the store specifically for beer, and perhaps one or two add-on items. Beer is one of the few categories in which c-stores lead other channels: c-stores sell more beer than all food, drug and mass channels combined.

Here are four things you can do to make sure you can leverage your beer category as a competitive advantage with your customers:

## The Power Of Premium Lights.

Winning in your store with beer is a matter of maintaining your traffic and profit base, premium lights, while taking advantage of the excitement and image enhancement of crafts and imports. It takes a balanced approach.

Premium lights, like Miller Lite and Coors Light, are the profit engine for beer. They provide a large shopper and margin base, with 40 percent of revenue and 30 percent of shopper beer trips (three times the trips of crafts and imports combined). In fact, premium light is nearly 18 times the size of the fastest growing segment, craft beers.

Crafts are an exciting growth segment in beer. They bring interest, variety, and profit. They are growing fast—up 13 percent in 2011 alone—off a small base (2 percent of beer sales and 3 percent of margin). Premium lights bring the traffic and a strong margin base; the craft niche can provide differentiation from other "conve-

nient" channel retailers. In fact, stores find it difficult to grow their total beer business without growing premium light. Eighty-six percent of retailers who grow premium lights grow their total beer category.

"Beer is one of the few categories in which c-stores lead all other channels."

"Premium lights are the profit engine for beer."

So, how do you achieve this balance between traffic and "news?"

**Premium Lights First.** If premium lights decline, so does your total beer. Be sure that fast-moving premium lights have the cold space they need to avoid out-of-stocks. Feature the one or two top premium light packages as your monthly primary promotion. Premium lights are the top singles package—be sure they are at eye level and adequately stocked across all brands.

**Be Selective In Your Craft SKUs.** Face it, you don't have the space to go toe-to-toe with supermarkets in craft beer selection. They are carrying more than 50 craft SKUs. But, only a small number of these SKUs make up the majority of the craft business. C-stores

*continued on page 84*

Category	Sales
Premium Light	39.0%
Below Premium	26.4%
Premium Regular	13.4%
Import	9.6%
Craft	2.2%
Super Premium	4.9%
FMB	2.5%
Malt Liquor	2.0%

Brand	Sales
SAMUEL ADAMS	18.13
BLUE MOON	15.37
SIERRA NEVADA	10.29
SHINER	6.86
NEW BELGIUM	5.72
LEINENKUGEL'S	3.83
WIDMER	2.35
REDHOOK	2.18
OTHER	35.28



can't afford to waste space on unproductive items. In most markets, you need only the top 4-8 craft SKUs to satisfy most of your shoppers and keep turns high. In markets where crafts are particularly strong—think the Pacific Northwest—you likely will want to carry more.

**Make Yourself A Beer Destination, Not A Beer Stop.** A couple of years ago, being convenient was enough for c-stores to attract consumers on a quick beer run. But with changing competition, that's no longer the case. Instead of settling for being a beer "stop," they should differentiate themselves as a beer destination. Beer is a powerful destination category and can help forge an emotional connection to the store and drive trips and purchase.

So operators should ask themselves questions like how do we stand apart from other retailers to make shoppers prefer to shop for beer, not just shop because it's convenient? What is our beer identity? What do we provide that other retailers do not?

Beer is local, so the right answer will depend on your market and your consumer. Some c-stores have succeeded by building beer caves, creating warm beer destinations, and developing merchandising concepts.

**Innovation.** Innovation can get beer shoppers excited to come to your store,

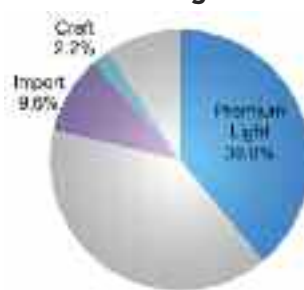
and premium light brand and pack innovation is the most powerful innovation in beer. It drives more than 50 percent greater sales per distribution point than other beer innovation.

MillerCoors has been a leader in premium light innovation. The Miller Lite Aluminum pint introduced last year was among the top five dollar-velocity SKUs introduced in the past 10 years, and the Coors Light Aluminum pint is on track to be #2. MillerCoors also has three new packages that will receive media support and are sure to excite consumers:

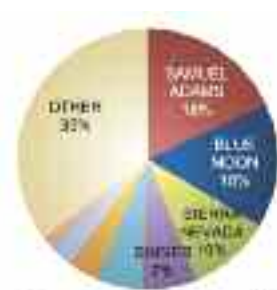
- **Miller Lite Punch Top Can:** A can with a scored second tab that allows the great taste of Miller Lite to flow as if you were drinking from a glass.
- **Coors Light Silver Bullet Can:** The sleek special-edition Silver Bullet packaging will hit the shelves just in time for summer.
- **Miller64:** We've re-launched the super light Miller64 with new packaging that has a bold, updated look—and the new graphics outperformed the old ones two to one.

**Singles.** The singles door deserves a little more love. Why? Because they're

**Dollar Sales by Beer Segment**



**Top 8 Brand Family = 65% of Craft Sales**



Source: Nielsen Total US Consumption 2011

big business, and with more focused attention they can be even bigger.

How important are singles for retailers?

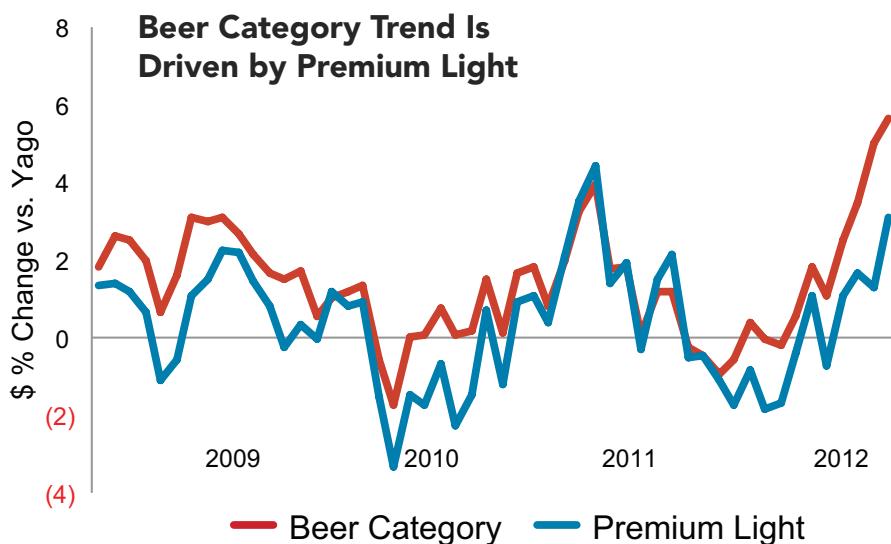
- Singles are the fastest growing package in c-stores.
- Singles represent 17 percent of category dollar volume.
- Singles account for nearly 50 percent of c-store beer transactions.
- Singles are the most profitable package (margin) in c-stores.

MillerCoors is bringing retailers a wide range of solutions to help c-stores harness the power of their singles door. How?

- We're bringing merchandising tools, including signage and decals, that can help highlight the singles door and increase its presence throughout the store.
- We're bringing a singles space strategy that organizes the door in a way that makes it easy for shoppers to find singles.
- We're bringing shelf sets tailored to your store.

A disciplined effort behind singles will drive increased singles volume as well as increased traffic. Remember, beer shoppers typically stop several times a week and they are big spenders, with a basket per trip more than double that of non-beer shoppers, and their gross margin per trip (the profit dollars they leave at the store) is more than 50 percent greater.

Yes, the world has become more challenging for c-stores. But by tapping into the strength of their beer category, retailers can continue to compete and thrive. ■





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### ***Blu-Ray Titles***

### ***Box Set Titles***

GREEN HORNET (2011) (ROGEN, SETH)	BOARDWALK EMPIRE (2012) (BUSCEMI, STEVE)
CAPTAIN AMERICA: FIRST AVENGER (2011) (EVANS, C)	BENJI: ULTIMATE 4 MOVIE COLLECTION
PRIEST (2011) (BETTANY, PAUL)	COMPLETE BILLY JACK COLLECTION (2005) (LAUGHLIN, T)
JUST GO WITH IT (SANDLER, ADAM)	DOLLMAN/DEMONIC TOYS Box Set
ZOOKEEPER (2011) (JAMES, KEVIN)	HEROES SEASON 2
TWILIGHT: NEW MOON (2010) (STEWART, KRISTEN)	DVD PUNKY BREWSTER: SEASON THREE
BATTLE: LOS ANGELES (2011) (ECKHART, AARON)	MAN VS WILD: STRANDED AROUND THE WORLD
TRON-LEGACY (2011) (BRIDGES, JEFF)	HUNTER - COMPLETE THIRD SEASON
PRINCE OF PERSIA (2010) (GYLLENHAAL, JAKE)	GREATEST AMERICAN HERO COMPLETE SERIES
TWILIGHT (2009) (STEWART, KRISTEN)	21 JUMPSTREET THIRD SEASON
TOY STORY 3 (2010) (ANIMATED)	SHARK WEEK: OCEAN OF FEAR
PIRATES OF CARIBBEAN: ON STRANGER TIDES (2011) (DEPP)	CHRONICLES OF NARNIA BBC ORIGINAL
BAD LIEUTENANT: PORT OF CALL NE	DESPERATE HOUSE WIVES SEASON 3
GNOME O & JULIET (2011) (ANIMATED)	BIBLICAL COLLECTORS SERIES VOL 1
HANGOVER PART 2 (2011) (COOPER, BRADLEY)	SMASH LAB SEASON 1: VOLUME 1
OTHER GUYS, THE (2010) (FERRELL, WILL)	DEADLIEST CATCH SEASON 1
MUPPETS TAKE MANHATTAN (1984) (HENSON, JIM)	WHEN WE LEFT EARTH NASA MISSIONS
TRANSFORMERS: REVENGE OF THE FALLEN (2009) (FOX)	SUBSPECIES TRILOGY COLLECTION
DAYBREAKERS (2010) (HAWKE, ETHAN)	CHINA RISES BEHIND THE GREAT WALL
HOW TO TRAIN YOUR DRAGON (2010) (ANIMATED)	HISTORY 101 TRIPLE FEATURE
GRAN TORINO (2009) (EASTWOOD, CLINT)	PUPPET MASTER VOLUME ONE 4 DVD
SOCIAL NETWORK, THE (2011) (EISENBERG, JESSE)	MUSIC APPRECIATION 101 TRIPLE FEATURE
STAR TREK (2009) (PINE, CHRIS)	PHYS ED 101 TRIPLE FEATURE (HOOSIERS
RESIDENT EVIL: AFTERLIFE 4 (2010) (JOVOVICH, MILLA)	FLIPPER SEASON ONE
MONSTERS VS ALIENS (2009) (ROGAN, SETH)	ROMANCE 101 TRIPLE FEATURE (LEGALLY BLONDE
FUNNY PEOPLE (2009) (SANDLER, ADAM)	JUPITER MOON PIRATES OF LEDA (5 DISCS)
DUPLICITY (2009) (ROBERTS, JULIA)	ULTRAMAN COMPLETE SERIES
SORCERER'S APPRENTICE (CAGE, NICOLAS)	TWILIGHT ZONE FAN FAVORITES 5 DISC
INGLOURIOUS BASTERDS (2009) (PITT, BRAD)	FAMILY GUY VOL.6(12 EPISODES)
IRON MAN 2 (2010)(DOWNEY, JR. ROBERT)	ADDAMS FAMILY THE COMPLETE FIRST VOLUME





## Member News

CONTINUED FROM PAGE 34



### 7-Eleven: A Multi-Generational?

By Jay Brar, President, Sacramento Valley FOA

A new trend is brewing in U.S. households. Many young adults are moving back into their parents' homes due to unemployment, the real estate meltdown, or health care needs. This trend may lead to the conversion of the parents' home into a "multi-generational home"—one with several generations living under the same roof.

Now, it is long believed that a goldsmith's son will be a goldsmith. Considering today's sluggish economy, it is quite possible that a franchisee's son will want to become a franchisee. And if the franchise system happens to be one of the most successful around, such as 7-Eleven, then it may be very beneficial for all parties involved to consider developing it into a "multi-generational franchise."

A new 7-Eleven store is opening every two hours, according to an exclusive AOL report. As most 7-Eleven franchisees would prefer to hand their stores over to their sons or daughters when they are ready to exit the system rather than sell them, this could be the right time for SEI to turn 7-Eleven into a "multi-generational franchise." The elements—such as loyalty, integrity, and servant leadership—could be smoothly transferred to the next generation. It may, however, require the franchisor to iron out some wrinkles in order to change the franchising landscape. For one, the communication channels between franchisees and the franchisor would need to be widened a bit more. This move could begin a new trend within the franchise world, which could actually turn into successful strategic planning for both the franchisees and the franchisor.

What if 7-Eleven stores were run by the same family for generations? ■

### Credit Card Skimming Scam Threat For All Retailers

Franchisees should be aware of a growing threat that involves credit card skimming devices being installed on our in-store ATMs. As you all know, these skimming devices are used by tech-savvy thieves to steal customers' credit card information. It has been reported that thieves posing as workers of an unidentified Citibank contractor have been entering stores claiming they have to perform a "cleaning" service on the ATMs.

Once these thieves have access to the machines they install the skimmers. To prevent this scam from happening to you, tell your employees not to let anyone service your ATM without first showing proper Citibank ID. If there is any doubt, you or your employees should call your field consultant, market manager, Asset Protection, or the police. Although SEI and franchisees are not responsible for any ATM fraud or theft from illegal electronic devices, we should still make every effort to protect our guests.

—Mark Chiochankitmun,  
President, Washington, D.C. FOA



### Bits&Pieces...continued from page 68

tailer's homepage with a black screen reading "Welcome Nazis, Targets & Reasons" and a cartoon drawing of Adolf Hitler, reported the *Daily Times*. • SEI recently closed two **Wilson Farms stores** in northern New York state it acquired in April 2011 when it purchased the 188-store Wilson Farms and Sugar Creek chains, reported the *Press-Republican*. The company said the two stores had disappointing sales and were not part of its long-term strategy. • Although gasoline remains the dominant transportation fuel, **alternative fuels like electricity, propane, higher ethanol-gasoline blends (E85), hydrogen, and natural gas are slowly increasing in use**, according to a new report by the U.S. Energy Information Administration. • **The Alabama House and Senate recently approved a bill restricting the sale of allergy and cold medications** that contain ephedrine or pseudoephedrine in an effort to combat the production of the illegal drug crystal meth, reported the Associated Press. • Kellogg Company announced a refresh of its **106-year-old Kellogg's brand** in the most significant update of its marquee identity in company history. Enhancements include a new tagline — "Let's Make Today Great," a completely redesigned website, a contemporized version of the classic Kellogg's script logo, and much more. • A California state appeals court has ruled that **flavored malt beverages should be taxed like beer and not at the current, much-higher state tax rate** for distilled spirits, reported the *San Francisco Chronicle*. • A new report by the Pew Research Center reveals that **by 2020 the majority of consumers will use their smart phones for online and in-store purchases** rather than cash or credit cards. By contrast, Japanese consumers have been doing this for three years. • Coinstar and Starbucks subsidiary Seattle's Best Coffee announced an exclusive agreement to roll out Coinstar's new **Rubi coffee kiosk** in the grocery, drug and mass merchant retail channels

continued on page 88



AT 7-ELEVEN, IT'S ALWAYS FRIDAY.



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3oz POTATO SKINS  
SOUR CREAM & ONION



SLIN # 303389



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SLIN # 302461



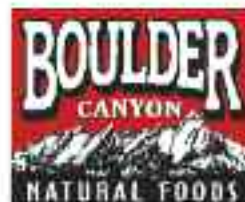
#### Who is INVENTURE FOODS?

We have several high quality brands that offer **VARIETY** Not Duplication.

We offer **UNIQUE** products.

Our brands are known and trusted by the **7-Eleven** customers.

Inventure Foods brands create incremental **SALES** and **PROFITS**.







## SEI News

### SEI Rolls Out New High-Tech Age Verification System

SEI has begun rolling out new technology that scans the 2-D code on the back of a customer's driver license or identification card when age-restricted products are being purchased. This scan will verify the birth date stored on the card but will not store any other information about the customer. The company said the new age verification system is part of its aggressive approach to enhance its social and corporate responsibility of illegal underage sales of age-restricted products. So far the new technology has been installed in stores in California, Washington, the New York metropolitan area, Central Florida, Texas, Washington, D.C., and Nevada.



### 7-Eleven Ranks In Top 10 Among Healthy Consumers

7-Eleven is now ranked #9 in the top 10 best perceived grocery chains by people who consider themselves healthy, reported YouGov BrandIndex, the daily consumer perception research service of brands. This is highest perception level given to 7-Eleven by healthy consumers in at least four years, coinciding with the early May introduction of its first diet

Slurpee, the Fanta Sugar-Free Mango. Grocery chains, including 7-Eleven, were measured with YouGov BrandIndex's Impression score, which asked respondents if they have a general positive feeling about the brand. Results were filtered for adults 18+ who evaluate their health as good or excellent.

### NY 7-Eleven Stores Test NFC Coupon Kiosk

Two New York-area 7-Eleven stores are testing a prototype mobile phone check-in kiosk that enables customers visiting a retail store to download coupons and in-store specials to their smart phones, according to Twice.com. The market demonstration kiosks—developed by software designer Solekai Systems and mobile solutions start-up Raging Mobile—currently operate on Near Field Communication (NFC) technology, using a reader built into the base of the kiosk to communicate with NFC sticker-equipped mobile phones. Raging Mobile said later versions of the kiosk accommodate existing non-NFC phones as well as newer phones with built-in NFC capabilities.

The companies told the website

*continued on page 90*

**"Healthy Consumers are giving 7-Eleven high marks."**

### Bits&Pieces...*continued from page 86*

featuring Seattle's Best Coffee beverages. Ap proximately 500 Rubi kiosks serving Seattle's Best Coffee will be rolled out by the end of the year. • **The yearly cost of owning and operating a sedan in the U.S. increased 1.9 percent**, according to AAA's 2012 "Your Driving Costs' Study." The average costs rose 1.1 cents per mile to 59.6 cents per mile, or \$8,946 per year, based upon 15,000 miles of annual driving. **The cost of operating an SUV is up to \$11,360 yearly, or 75.7 cents per mile.** • Ice cream and frozen desert sales topped \$25.1 billion in 2011, up 2.4 percent over the previous year—representing a small upswing after two years of flat sales, according to a report by Packaged Facts. • **Toronto has become the first major city in Canada to ban plastic shopping bags**, reported the *Globe and Mail*. The new law kicks in on January 1, 2013. • **Target plans to expand its fresh food selection at 90 more stores across the U.S. by the end of June**, reported *CSNews Online*. Presently, nearly 1,000 Target stores offer the expanded fresh food layout. • **Energy Transfer Partners LP recently acquired Sunoco Inc.** in a unit and cash transaction valued at approximately \$5.3 billion. • **Subway recently announced plans to open 1,200 new North American locations by the end 2012.** Since this past January, the sandwich chain **has opened nearly 900 new stores in 58 countries, 42 U.S. states and 7 Canadian provinces.** • **Susser Holdings Corporation**, parent company of Stripes c-stores, reported in its first ended April 1 financials that **same-store merchandise sales increased 6.7 percent** and average retail gallons per store increased 5.8 percent year-over-year. • **SymphonyIRI statistics show dollar sales of consumer packaged goods (CPG) grew 3.4 percent in the convenience channel in 2011 vs. the previous year.** Dollar sales of snack products grew 6.3 percent. In terms of volume sales, convenience saw CPG volumes grow 9.6 percent and snack volumes inch up 0.9 percent. • Nielsen c-

*continued on page 99*

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	61706-08015	CVP Adult Cleansing Wipes 42 ct	12	42 ct	\$1.65	\$0.41	\$1.24	\$2.79	44.44%	\$1.55
	61706-12029	CVP Designer Paper Plates	15	36 ct	\$2.01	\$0.45	\$1.56	\$3.99	39.10%	\$2.43
	61706-19016	CVP Charcoal Briquettes 8 lb bag	02	8 lb	\$3.81	\$0.50	\$3.31	\$6.59	50.23%	\$3.28
	61706-16000	CVP Aspirin Life Coat	144	100 ct	\$0.67	\$0.11	\$0.56	\$4.19	13.37%	\$3.63
	61706-16006	CVP X-S Pain Relief Caps Non-Aspirin	24	50 ct	\$1.40	\$0.40	\$1.00	\$5.99	16.69%	\$4.99
	61706-16148	CVP Extra Strength Headache Relief	24	24 ct	\$1.25	\$0.35	\$0.90	\$4.59	19.61%	\$3.69
	61706-16012	CVP Ibuprofen Tablets	24	50 ct	\$1.60	\$0.45	\$1.15	\$6.99	16.45%	\$5.84
	61706-16023	CVP Cold-Flu Quick Release Gels	24	12 ct	\$2.13	\$0.50	\$1.63	\$6.99	23.32%	\$5.36
	61706-16106	CVP Nasal Spray	36	1 oz	\$1.45	\$0.14	\$1.31	\$6.49	20.20%	\$5.18
	61706-16302	CVP Adhesive Strips Assorted	72	30 ct	\$0.99	\$0.15	\$0.84	\$3.39	24.78%	\$2.55
	61706-16407	CVP Cool Mint Mouthwash	12	8.5 oz	\$1.21	\$0.30	\$0.91	\$3.79	24.01%	\$2.88
	61706-16500	CVP Eye Drops	24	5 oz	\$1.28	\$0.40	\$0.88	\$4.79	18.37%	\$3.91
	61706-16656	CVP Motion Sickness Less Drowsy Vial	24	12 ct	\$1.87	\$0.35	\$1.52	\$5.29	28.73%	\$3.77
	61706-16400	CVP Triple Antibiotic Ointment	36	5 oz	\$1.88	\$0.15	\$1.73	\$5.29	32.70%	\$3.56

Learn more at [www.saladosales.com](http://www.saladosales.com) or by visiting the McLane Virtual Trade Show at [www.mclaneco.com/goto/ssvts](http://www.mclaneco.com/goto/ssvts)





## SEI News

continued from page 88

they hope the prototype will lead to the creation of "a more fluid and interactive shopping experience, beginning a new form of communication between the retailer and customers delivering special deals and promotions to the shoppers and increasing customer knowledge, influencing shopping behavior and ultimately building loyalty for the retailer."

### Free Slurpees Kick Off 'Flavors Of Summer'



Stores kicked off summer early with free Slurpees in late May and used the occasion to tout Slurpee Lite—the first Slurpee-branded, sugar-free frozen drink—and to launch the upcoming Slurpee season, "Flavors of Summer." On May 23, or SlurpFREE Day, participating stores countrywide handed out free 7.11-ounce Slurpee drinks between 11 a.m. and 7 p.m. local time. We'll do it all over again on 7-Eleven Day, or July 11!

### NBLC Committee Meeting Roundup

Below are highlights of the National Business Leadership Council's

April 16 Retailer Initiative Committee and Store Facilities Processes Committee meetings.

#### RETAILER INITIATIVE COMMITTEE

**Minimum Order Quantities (MOQs) For Donuts**—It was explained that 8 of 13 U.S. Zones have all or some markets with MOQs for donuts. Sales volume varies widely by area, and franchisee feedback was generally not in favor of MOQs. It was recommended that SEI look into narrowing product assortment where it makes sense, and remove MOQs from one area and monitor the impact on sales, write-offs, and gross profit.

**Cigarette Value Added Promos**—Committee members were informed that Altria has agreed to cancel all remaining distributions on Marlboro Menthol in April and reduce volume after April, and moving forward there will be a new process where the franchisee/store manager will need to approve quantities before shipment.

**Holiday Ordering Communication**—McLane/CDC holiday ordering/delivery changes will be communicated to all stores three weeks in advance. DSD changes for BT stores will be communicated three weeks in advance, as well from SSC. Non-BT stores should be notified directly in writing by vendors, but SEI is looking at future process improvement.

**RISE Schematic Sales Report**—

Franchisee committee members made several suggestions for improving the schematic sales reports and various views of the sales schematic sales summary on the ISP, which will be considered as part of the RISE project.

**CHD Update**—The committee reviewed the most current Merchandising CHD information, including how important store feedback is. One example was shared where a promo was not set up and the CHD case helped get identification and correction done quickly. SEI committee members encouraged broader use of the process by stores.

#### STORE FACILITIES PROCESSES COMMITTEE

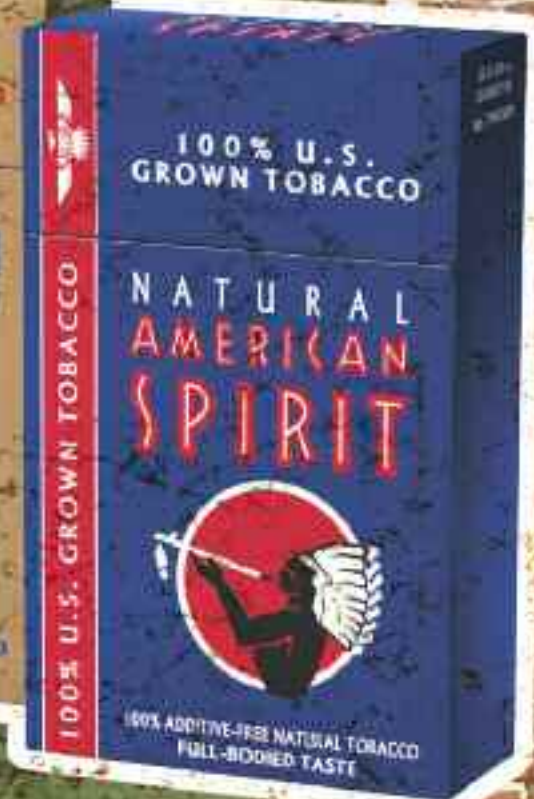
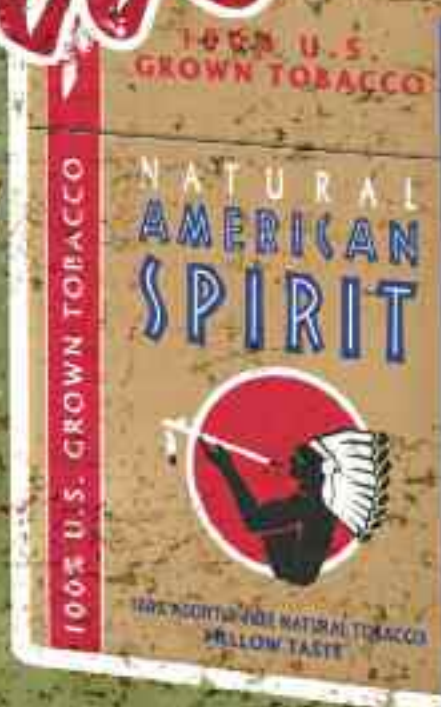
**Billback/Scanback Improvements**—The team reviewed and provided feedback on improvements planned for Q3 release:

- More types of Billbacks (purchase-based)/Scanbacks (sales-based) with more information available to store.
- Credits posted to M01 daily.
- Additional info/easier to use tool on Billback, Scanback, and Allowance Information (Store Tools).
- System will only show Billbacks/other cost support allowances that have been provided for setup at SSC.
- Off-Invoice Quantity Discounts and Off-Invoice Beer Post-offs will not be in the system.
- Billbacks will not be posted until the invoice is received for processing. ■

"Two NYC stores are testing a mobile phone coupon kiosk."



# 100% U.S. GROWN Tobacco Cigarettes



Natural American Spirit, the No.1 brand of 100% additive-free natural tobacco products, is proud to offer two styles of cigarettes made with 100% U.S. Grown tobacco.

**Visit us at NCA SEF 2012 – Booth 918**

For more information, contact Santa Fe Natural Tobacco Company at 1-800-982-7454.

Santa Fe Natural Tobacco Company is a Signatory to the Master Settlement Agreement.  
Natural American Spirit® is a registered trademark of Santa Fe Natural Tobacco Company.® SFNTC © 2012

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

**SURGEON GENERAL'S WARNING:** Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

No additives in our tobacco does **NOT** mean a safer cigarette.



# Two Great Cleaners

Available through  
McLane Now!

## STAINED GROUT? IT'S TILE TIME!

**Tile Time** Cleaner cleans and removes food service grease, petroleum-based soil, road salt and almost every other kind of dirt that gets tracked onto Quarry, Ceramic and other tile floor surfaces.  
McLane UIN# 750711



## DIRT AND OILS? GET GARAGE GORILLA!

**Garage Gorilla** cuts through diesel fuel, heavy grease and grime. Use Garage Gorilla Squeeze Cap to apply directly to surface with soil buildup.  
McLane UIN# 846469

Any Questions Contact:  
Rick Gobel  
Sales Coordinator  
rgobel@afterindustries.com  
Toll Free: (800) 441-7146  
Cell: (412) 370-8719

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

After Industries Inc. PO Box 456 McEwensport, PA 15114-0456 • Toll Free: (800) 441-7146



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# VENDOR FOCUS

## BUDWEISER BOTTLE GETS A MAKEOVER

For the first time in many years, the Budweiser bottle will see a major makeover—special red, white and blue packaging for a limited time, beginning in mid-May and continuing until mid-July. The new design comes in advance of a summer initiative in which the brand will contribute a portion of all sales from May 20 to July 7 to



help raise as much as \$2.5 million for the Folds of Honor Foundation, which provides post-secondary educational scholarships for families of U.S. military personnel killed or disabled while serving their country.

The patriotic bottle, which comes with one of five decorated bottle caps, features



Budweiser bottles, cans and secondary packaging are getting a patriotic redesign this summer.

the brand's iconic bowtie as its focal point. The patriotic packaging will be available in 8-, 12-, 16- and 24-ounce cans and in a 12-ounce glass bottle, 16-ounce plastic bottle and 16-ounce aluminum bottle. The patriotic theme continues on secondary packaging for all of the top-selling configurations, including 6-packs, 24-packs, 30-packs and other popular sizes. The summer program for Budweiser is a major expansion of a patriotic packaging initiative that was a huge hit last summer.

## SWEDISH MATCH INTRODUCES NEW CAN DESIGN

Swedish Match has introduced a new standard for pouch snuff—an innovative can featuring a new lid, designed with the consumer in mind. Longhorn, Renegades and Timber Wolf pouches are the only brands you will find with the new disposal lid for convenient pouch storage. The new design from Swedish Match offers an easy-to-open utility lid that sits on top with a curved scoop for easy opening.

The can also snaps tightly for storage.

The pouch category grew 13.5 percent over a 52-week period—2.25 times faster than the smokeless tobacco category—

and is trending even higher in convenience stores at 14 percent. The new can design fits in all existing store racks with no SKU changes at the same list price.



The new can design for Swedish Match pouch snuff brands features an easy-to-open lid.



## T.G.I. FRIDAY'S SNACKS ANNOUNCES SPECIAL 7-ELEVEN DEAL

Effective July 1, 2011, T.G.I. Friday's

Snacks will be on sale for 2/\$3 at 7-Eleven and EACH bag will have a \$10 Friday's Restaurant Coupon on-pack. The 2/\$3 promo runs through August, while the \$10 on-pack coupon is permanent.

When special friends and fun-loving families get together, you can count on hearty laughter, big smiles, long-lasting memories, and the one snack that always brings out even more good times with your favorite companions: T.G.I. Friday's snacks. The finest of times deserves the finest in snack items. Premium taste and unforgettable memories are "in the bag" with T.G.I. Friday's snacks. For questions regarding T.G.I. Friday's Snacks, please call Russ Law at (770) 978-7578.



T.G.I. Friday's Snacks will be on sale for 2/\$3 throughout July and August at 7-Eleven.

## PROMOTION IN MOTION UNVEILS JUICEFULS

Promotion In Motion recently launched JUICEFULS, the first and only fruit snacks made with real fruit and filled with 100 percent real fruit juices in

*continued on page 94*



## VENDOR FOCUS

continued from page 93

the center. Developed using a patent-pending process, JUICEFULS is available in three fun flavors: Fruit Wave, Berry Mania, and Strawberry Blast.

A new better-for-you product in the fruit snack category, JUICEFULS contains 100 percent of the Recommended Daily Value of Vitamin C and 25 percent of Vitamins A & E, is fat and gluten free, contains no preservatives and only 80 calories per pack. In addition to the 8-count box with suggested retail of \$2.99, JUICEFULS are also available in a 4.25oz peg bag for \$1.99 and a 1.75oz pouch for \$0.89.



New JUICEFULS fruit snacks are filled with 100 percent real fruit juices in the center.

and exclusive content. Beginning May 13 through July 7, 2012, fans can visit [www.Facebook.com/Twizzlers](http://www.Facebook.com/Twizzlers) once daily to add a Twizzlers Twist to Spider-Man's web in three scenes that depict the chapters of "The Amazing Spider-Man" story for a chance to win unique prizes, including a trip to the next Spider-Man movie set.

The Amazing Spider-Man also takes a starring role in a national television commercial for Twizzlers Candy. The commercial features the hero flying around town with the help of Twizzlers Twists and airs until July 8, 2012. Specially marked

packages of 16-ounce Twizzlers Candy featuring The Amazing Spider-Man are available while supplies last.

## 7-ELEVEN LAUNCHES ITS FIRST BRANDED SUGAR-FREE FROZEN DRINK

7-Eleven kicked off its "Flavors of Summer" Slurpee campaign in mid-May by introducing Fanta Sugar-Free Mango, the first flavor of its new Slurpee Lite line that features all of the flavor of a traditional Slurpee drink with 50 percent fewer calories. Formulated by Fanta and sweetened with Splenda (sucralose), an 8-fluid ounce Slurpee Lite frozen drink contains only 20 calories.

7-Eleven's fun summer flavor line-up offers more variety than ever and includes six limited-edition flavors in both Slurpee Lite and Slurpee, in addition to popular everyday flavors. The Slurpee summer flavor line-up includes:

**May:** Slurpee Lite—Fanta Sugar-Free Mango

**June:** Slurpee Lite—Fanta Sugar-Free Mango  
Slurpee—Fanta Watermelon Lime

**July:** Slurpee Lite—Fanta Sugar-Free Strawberry Banana,  
Slurpee—Fanta Lemon Creme

**August:** Slurpee Lite—Fanta Sugar-Free Cherry Limeade,  
Slurpee—Fanta Orange Xplosion



First-ever Slurpee Lite drinks have only 20 calories per serving.



## COFFEE-MATE FRENCH VANILLA NOW SUGAR-FREE!

New Coffee-Mate Sugar-Free French Vanilla offers the same rich, creamy coffeehouse flavor your customers crave with 40 percent fewer calories than Coffee-Mate's classic French Vanilla creamer. It is also gluten-free, lactose-free and cholesterol-free. These days, more and more people are seeking out better-for-you beverage options, and Coffee-Mate Sugar-Free French Vanilla helps you appeal to a wider range

of customers. It's the only sugar-free, single-serve, flavored liquid creamer on the market. Available for order in 180-count case (UIN—748467; UPC—50000 81203 81203). Call 1-800-288-8682 or visit [NestleProfessional.com](http://NestleProfessional.com) for more information.



Coffee-Mate Sugar-Free French Vanilla is the only sugar-free, single-serve, flavored liquid creamer.

## TWIZZLERS TEAMS WITH SPIDER-MAN IN NEW MOVIE PROMO

Twizzlers has teamed up with Sony Pictures to mark the debut of "The Amazing Spider-Man" movie by challenging fans nationwide to swing into action and help the hero build a virtual web of Twizzlers Twists to unlock sweet prizes



continued on page 96

"CARS ARE A BIG PART OF  
MY MUSIC, BECAUSE THEY'RE  
A BIG PART OF MY LIFE."

-TIM MCGRAW

THE STORY CONTINUES BY  
DOWNLOADING THE AURASMA  
APP AND POINTING AT THIS AD.



# LONG LOVE CARS.

PENNZOIL® HIGH MILEAGE VEHICLE® 10W-30 IS THE PERFECT CHOICE  
FOR YOUR SINGLE-QUART CUSTOMERS WITH OLDER CARS.

Customers buying a quart at a time might have older vehicles that leak or burn off oil. Pennzoil® Conventional motor oil is formulated to clean up sludge lesser oils leave behind.\* In addition to this, Pennzoil® High Mileage Vehicle® also helps stop leaks and reduce excess oil consumption in high mileage engines. CONTACT YOUR PENNZOIL SALES REPRESENTATIVE TODAY.

JOIN TIM MCGRAW AND PENNZOIL ON THE "BROTHERS OF THE SUN" TOUR.

\*Based on a series of engine clean-up tests using SAE 10W-30. ©2012 Pennzoil. Pennzoil. All rights reserved.



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## VENDOR FOCUS



### SWEET LEAF TEA RE-LAUNCHED WITH FREE FILL

Nestlé Waters announced the re-launch of Sweet Leaf Tea, with a special free-fill offer (1 case per flavor) for authorized stores in the Lone Star, Rocky Mountain and Pacific Desert Zones. Sweet Leaf Tea is USDA Certified Organic, made with premium ingredients, including superior-blend tea leaves and pure cane sugar (no high-fructose corn syrup). It is also the fastest growing organic brand in convenience and will broaden your tea set. Flavors include Original Sweet Tea, Mint & Honey Green Tea, Peach Ice Tea, Raspberry Iced Tea, and Citrus Green Tea. Average unit cost is \$0.59, average SRP is \$0.99, and average margin is 40 percent.

Nestlé Waters also announced two special deals for 7-Eleven franchisees:

- Regional Spring Water 1-Liter Promo from May to October: 2/\$2
- For Southern California franchisees—Resource Electrolyte 700ml BOGO offer for July.

Contact your Nestlé Waters sales rep for more information.

### SWISHER SWEETS BLACK CIGARILLOS WITH SPECIAL PRICING



Swisher International has introduced new Swisher Sweets Black Cigarillos, with a dark maduro-like wrapper that delivers a distinctive, rich aroma as well as a slower-burning, smoother smoke. The convenient cigarillo size is ideal for today's on-the-go lifestyles, offering retailers the opportunity to take advantage of strong consumer demand for a truly distinctive tobacco product.

Exceptionally bold and smooth, the new sweet cigar is designed to appeal to those who truly savor the black-wrapper cigarillo experience. To encourage customer trials of Swisher Sweets Black Cigarillos, they are offered at special pricing: five cigars for the price of three, in addition to 25-count impulse units and box 60s, all featuring individual Sealed-Fresh foil wrapper.

For complete information about the new Swisher Sweets Black Cigarillos, contact your Swisher representative or call 800-874-9720.

### JUICE UP YOUR SALES & PROFITS WITH JUICY DROP TAFFY

Juicy Drop Taffy from Bazooka Candy Brands is a new 2-in-1 candy experience for the soft/chewy segment. Each Juicy Drop Taffy Pouch contains 8 pieces of taffy and one sour gel applicator that lets kids increase the sour flavor on the candy. Available in two flavors—Blue Rebel and Knock Out Punch—Juicy Drop Taffy is priced with JDP for higher rings and merchandising opportunities at \$0.99. Each display box contains 16 pouches and costs \$15.84. Case price is \$190.08.

Juicy Drop Taffy builds on the success of the Juicy Drop brand, which is the #4 selling NCC SKU and is up 17.1 percent versus one year ago. It is also a huge category opportunity, as Soft/Chewy is the largest segment at 25 percent of NCC and one of the fastest growing.



### 7-ELEVEN ROLLS OUT PREMIUM CIGAR LINE

El Paraiso is 7-Eleven's private label, high quality, hand-rolled premium cigar featuring great flavor geared to the American palette. El Paraiso is made with Connecticut wrapper and is available in three flavors—Toro (SLIN# 320661), Churchill (SLIN# 320639), and Robusto (SLIN# 320654). Great for the golf season, El



7-Eleven's El Paraiso premium cigar line offers new profit opportunities.

*continued on page 98*





# BURRITOS

## THE **BOMB** & Breakfast Burritos

**"Top Selling Burritos In C-stores Nationwide!"**

- Restaurant Quality Ingredients
- Filled End to End (60% fill - 40% tortilla)
- Authentic Hand-Stretched Tortillas
- Fast & Easy to Prepare
- Don Miguel will provide all necessary POP Static Clings • Shelf Talkers • Trays



Beef, Bean w/ Red Chilo  
& Cheese Sauce - 12/14oz  
SLIN #171117 • UIN #592980



Spicy Red Hot Beef  
& Bean - 12/14oz  
SLIN #171120 • UIN #592956



Beef with Green Chilo  
& Cheese Sauce - 12/14oz  
SLIN #171313 • UIN #047860



Whole Egg, Bacon  
& 3 Cheese - 12/7oz  
SLIN #170394 • UIN #610170



Whole Egg, Sausage  
& 3 Cheese - 12/7oz  
SLIN #170425 • UIN #070359





continued from page 96

Paraiso's target consumer is the male long filler smoker and offers new profit opportunities.

## 7-ELEVEN EXCLUSIVE BUTTERFINGER BARMAGEDDON PROMO

Nestlé Confections recently announced a special Butterfinger promotion running from August 1 to September 30 that features an exclusive 7-Eleven limited edition Butterfinger BARMageddon King Bar. Each Butterfinger BARMageddon King Bar provides an opportunity for your guests to instantly win one of two prizes: a trip to Las Vegas and \$5,000 cash, or a BARMageddon Survival Kit. POP for the promotion includes a 72-count Butterfinger BARMageddon King power wing plus two additional 18-count cartons for rack and shelf merchandising. SRP for the Butterfinger BARMageddon King Bar is \$1.89, cost is \$0.97, GP\$ is \$1.42 (includes \$0.50 off via Promo Master) for a margin of 75 percent. Place your order through McLane.



Butterfinger BARMageddon promo has a 75 percent margin.

ounce PlantBottle package made from up to 10 percent plant-based HDPE plastic, sourced from sugarcane, is 100 percent recyclable.

Four flavors are available for 7-Eleven stores:

- Original Superfood—SLIN# 242983; CDC SLIN# 242417; McLane UIN# 421081
- Mango Tango—SLIN# 242978; CDC SLIN# 242453; McLane UIN# 421172
- Strawberry C Monster—SLIN# 242859; CDC SLIN# TBD; McLane UIN# 426544
- Vanilla Protein Monster—SLIN# 241358; CDC SLIN# 242442; McLane UIN# 491290

Unit cost is \$1.40 (including McLane up-charge). SRP is \$2.79, which generates a 51 percent margin!

## ENERGIZE SALES WITH KIND NUT & FRUIT BARS

KIND Nut & Fruit Bars are now available for 7-Eleven stores nationwide. KIND is a brand of all-natural, whole nut and fruit bars made from ingredients you can see and pronounce. Flavors include:

- Almond & Coconut—a naturally sweet and chewy blend of whole almonds and coconut.

continued on page 99

## PREMIUM ODWALLA BEVERAGES FOR THE HEALTHY-MINDED

Odwalla provides the better juices and smoothies for your healthy-minded consumers. The Natural Health Beverage (NHB) Category is growing (+10.9 percent in 2010), and Odwalla has very strong brand awareness with core healthy-juice consumers (20 percent versus less than 16 percent for other key competitors). Odwalla premium beverages are made with high quality juices and natural ingredients, and the 12-



Capture healthy-minded beverage customers with Odwalla all-natural juices and smoothies.

## MOVIES U BUY'S TREASURE HUNT DVD PROMO

Movies U Buy, the nation's leading distributor of previously viewed DVDs, recently announced its \$4.49 Treasure Hunt DVD Promotion. The promo consists of a special 120-Unit Speed Table with a Treasure Hunt logo, pre-packed with 120 DVD titles priced at \$4.49. Just pop the top and set the display. All DVDs are gift-quality condition and the display contains a great mix of hit titles from all major studios, like Iron Man 2,



Movies U Buy's Treasure Hunt Promo features popular DVD movies for only \$4.49.

The Hangover, and Toy Story 3. All DVDs are pre-priced with one UPC per price point. (UPC: 8-07773-04492-3)

# VENDOR FOCUS

- Apple Cinnamon & Pecan—a delicious combination of dried apples, almonds, cashews and pecans.
- Peanut Butter Dark Chocolate—a healthy and satisfying blend of peanuts and antioxidant-rich dark chocolate.
- Dark Chocolate Cherry Cashew—combines the immunity boosting antioxidant power of dark chocolate, cranberries, and cherries with whole cashews and almonds.
- Peanut Butter & Strawberry—a protein packed blend of rich peanuts and fresh strawberries.
- Fruit & Nut Delight—a crunchy blend of heart healthy mixed nuts (almonds, brazil nuts, peanuts, and walnuts), dried apricots, and raisins.
- Blueberry Pecan—combines fresh blueberries with almonds and cashews for a refreshing, crunchy taste with just the right amount of sweetness.
- Pomegranate Blueberry Pistachio—a bold and delicious blend of pomegranates, blueberries, and pistachios. ■



Health-conscious customers will flock to your store for KIND Nut & Fruit Bars.

## Bits&Pieces...continued from page 88

store energy data (4 weeks to April 14, 2012) reveals **industry sales of Monster Energy are up 25.9 percent.** • A new report by the Substance Abuse & Mental Health Services Administration shows that **cigarette use continues to decline among underage youth.** The percentage of underage youth who smoked daily in the past month dropped from 3.3 percent in 2004 to 1.9 percent in 2010. • The 3,500-member Michigan Food and Beverage Association (MFBA) said it is advocating a **"no sale" policy for synthetic marijuana products,** while supporting state legislation efforts to strengthen laws banning the products. • A new report released by the Food Chain Workers Alliance reveals that, while there are some good jobs in the food system (13.5 percent of workers surveyed earn livable wages), **the vast majority are incredibly low-wage, with little or no access to paid sick days and health benefits.** ■

## Finally, a "Better-for-You" snack that tastes great!



All Natural, Delicious, Air-Popped Potato Sticks, not fried or baked. Smart Fries are the hottest selling "Better-for-You" snack on the market.

Voted "Best New Product 2010" at NACS by CSNEWS & "Best Of EXPO" at The Natural Products Expo West.

Available in three delicious gourmet flavors in a specially designed 6 pack display tray for the 7-Eleven stores.

**OUR SNACK SMART PROMISE!**  
ALL NATURAL GREAT TASTE WITH:  
✓ 0 GRAMS TRANS FAT  
✓ 0 GRAMS CHOLESTEROL  
✓ 0 GRAMS SUGAR  
✓ NO ARTIFICIAL COLORS  
✓ NO ARTIFICIAL FLAVORS  
✓ NO PRESERVATIVES  
✓ NO MSG



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Distributors / Wholesalers Wanted! Inquire about available Territories [Sales@GourmetBasics.com](mailto:Sales@GourmetBasics.com)





# 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.

## FOA Of Greater Los Angeles

Phone: 951-766-7490

August 21, 2012  
September 18, 2012  
October 16, 2012  
November 20, 2012

## Greater Hampton Roads FOA

Phone: 757-243-8382

July 19, 2012—Board Meeting  
August 9, 2012—Member Meeting  
Sept. 13, 2012—Board Meeting  
Oct. 11, 2012—Member Meeting  
Nov. 15, 2012—Board Meeting

## South Nevada/ Las Vegas FOA

Phone: 702-769-2301

August 23, 2012—General Meeting  
October 11, 2012—Board Meeting  
October 25, 2012—Board Meeting  
November 15, 2012—General Meeting, Elections

## Metro New Jersey FOA

Phone: 908-232-1336

July 18, 2012—3rd Meeting  
September 12, 2012—4th Meeting  
October 24, 2012—5th Meeting

## Utah FOA

Phone: 801-255-8951

September 18, 2012  
November 20, 2012

## San Francisco/ Monterey Bay FOA

Phone: 650-996-9479

July 17, 2012—Board Meeting  
August 14, 2012—Board Meeting  
Sept. 11, 2012—Board Meeting  
Oct. 16, 2012—Board Meeting  
Nov. 13, 2012—Board Meeting

## Texas FOA

Phone: 972-335-2180

July 10, 2012—Board Meeting  
August 14, 2012—Board Meeting  
August 21, 2012—FOA Meeting

Sept. 11,  
2012—Board  
Meeting  
Oct. 9,  
2012—Board  
Meeting  
Nov. 13, 2012—Board  
Meeting



## 7-Eleven FOAC

Phone: 312-501-4337

July 19, 2012—Board Meeting  
August 16, 2012—Board Meeting  
Sept. 13, 2012—General Meeting  
Sept. 27, 2012—Board Meeting  
Oct. 18, 2012—Board Meeting  
Nov. 15, 2012—Board Meeting  
Dec. 13, 2012—Board Meeting

## San Diego FOA

Phone: 619-713-2411

July 19, 2012—Board Meeting  
August 16, 2012—Board Meeting  
Sept. 20, 2012—Board Meeting  
Oct. 18, 2012—Board Meeting  
Nov. 15, 2012—Board Meeting

# Franchise Owner's Association Events

Franchisees and vendors are invited to participate in FOA activities.

## San Francisco/Monterey Bay FOA Guardian Golf Tournament

Callippe Golf Course  
Pleasanton, California  
July 20, 2012  
Phones: 510-797-3600,  
510-693-1492

## San Francisco/Monterey Bay FOA Guardian Tradeshow

Santa Clara Marriott  
Santa Clara, California  
July 21, 2012  
Phones: 510-797-3600,  
510-693-1492

## Columbia Pacific FOA John Wilkerson Memorial Golf Tournament (venue TBA)

Salem, Oregon  
July 27, 2012  
Phones: 541-269-0884

## Pacific Northwest FOA Annual Charity Golf Tournament

Trophy Lake Golf & Casting  
Port Orchard, Washington  
August 14, 2012  
Phones: 253-861-6737  
360-500-1248

## Utah FOA Trade Show

Marriott Downtown At City Creek Hotel  
Salt Lake City, Utah  
August 16, 2012  
Phone: 801-255-8951

## Cal-Neva FOA Lou Magnotti Golf Classic

(location to be announced)  
August 17, 2012  
Phone: 775-826-7111

## 7-Eleven FOAC Charity Golf Outing

Gleneagles Country Club  
Lemont, Illinois  
August 22, 2012  
Phone: 312-501-4337

## Rocky Mountain FOA Charity Golf Event Benefitting

Pumps 4 Pumpkins  
(location to be announced)  
August 29, 2012  
Phone: 719-640-7635

## Rocky Mountain FOA Second Annual Trade Show

Westin Denver Hotel  
Denver, Colorado  
August 30, 2012  
Phone: 719-640-7635

continued on page 102

# NEED A BOOST?

## DRINK SK ENERGY SHOTS



SLIN: 220146  
UIN: 132498



SLIN: 220136  
UIN: 132456

### POWERFUL. PURE. ENERGY.

**NATIONAL TV, RADIO, BILLBOARDS AND DIGITAL MEDIA**

**National Promotion 2/\$5 from 8-1-12 TO 9-5-12**

**Free Fill, First Order Only, One Carton of Each Flavor, FOD 7-16-12**

**Product Available Through McLane**

**PLEASE COME SEE US IN HAWAII AT THE 37<sup>TH</sup> NCASEF TRADE SHOW**



**EVERY ENERGY SHOT SOLD PROVIDES A MEAL TO A HUNGRY CHILD  
THROUGH THE UNITED NATIONS WORLD FOOD PROGRAMME**



**SKENERGYSHOTS.COM**

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All funds raised in the U.S. will be donated to the United Nations World Food Programme (WFP), a publicly recognized U.S. charity. WFP works closely with the United Nations Relief and Rehabilitation Administration (UNRRA) to provide food for U.S. programs. For more information about WFP, visit [www.wfp.org](http://www.wfp.org), and for WFP and UNRRA, visit [www.unrra.org](http://www.unrra.org).





## Franchise Owner's Association Events *continued from page 100*

### TriState FOSE Association Golf Outing

Little Bennett Golf Course  
Clarksburg, Maryland  
September 12, 2012  
Phone: 301-572-6811

### San Diego FOA Charity Golf Tournament

Salt Creek Golf Club,  
Chula Vista, California  
September 20, 2012  
Phone: 619-713-2411

### South Nevada/Las Vegas FOA Charity Golf Tournament

(location to be announced)  
September 21, 2012  
Phone: 702-769-2301

### Texas FOA Elections & Trade Show

(location to be announced)  
October 18, 2012  
Phone: 972-335-2180

### 7-Eleven FOAC Holiday Show & Party

Holiday Inn North Shore  
Skokie, Illinois  
November 8, 2012  
Phone: 312-501-4337

### South Nevada/Las Vegas FOA Table Top Trade Show

(location to be announced)  
November 15, 2012  
Phone: 702-769-2301

### Metro New Jersey FOA Annual Trade Show

Borgata Hotel & Casino  
Atlantic City, New Jersey  
November 27, 2012  
Phone: 908-232-1336

### Greater Bay FOA Holiday Party

(location to be announced)  
December 7, 2012  
Phone: 707-328-3960

### Texas FOA Holiday Party

(location to be announced)  
December 7, 2012  
Phone: 972-335-2180

### Greater Hampton Roads FOA Christmas Party

(location to be announced)  
December 8, 2012  
Phone: 757-243-8382

### Metro New Jersey FOA Annual Holiday Party

(location to be announced)  
December 14, 2012  
Phone: 908-232-1336

### San Diego FOA / FOA Of Greater Los Angeles 3rd Annual Trade Show & Golf Outing

Perchanga Resort & Casino  
Temecula, California  
January 30-31, 2013  
Phone: 619-713-2411

## National Coalition Board Meetings

Join the National Coalition Board of Directors at a meeting in your area.

Member Franchisees are welcome to attend Board Meetings as observers. Call 520-577-8711 for exact times, meeting location and hotel phone number.

### National Coalition Board Of Directors Meeting

Hilton Hawaiian Village  
Waikiki Beach Resort  
Honolulu, Hawaii  
July 6-8, 2012

### National Coalition Board Of Directors Meeting

The Peabody Hotel  
Memphis, Tennessee  
October 31-  
November 3, 2012

### National Coalition Affiliate Meeting

The Peabody Hotel  
Memphis, Tennessee  
October 30-31, 2012



**37th Annual Convention And Trade Show**  
**Hilton Hawaiian Village Waikiki Beach Resort**  
**July 8-12, 2012**

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