



# AVANTI

May/June 2015

THE VOICE OF 7-ELEVEN FRANCHISEES



**NCASEF 40th Annual  
Convention & Trade Show**

**July 27-31, 2015**

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Hotel & Towers

Spensers

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LAURENDRUP

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Register for the 2015 NCASEF  
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**NCASEF**

**TIMELINE**

A LOOK BACK

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# A WINNING COMBINATION

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**Coca-Cola**  
**COOL CAN**

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#1 Ice Cream Taco!



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Pringles® Original with Dip Creamy Ranch	304186	252965
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Cheez-It Grooves® Sharp White Cheddar	301075	726893
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 0 76840 10047 7 SLIN: 0190003  
 0 76840 30281 9 SLIN: 0190505



0 76840 10035 4 SLIN: 0190004  
 0 76840 10134 4 SLIN: 0190351  
 0 76840 10011 8 SLIN: 0190128  
 0 76840 10021 8 SLIN: 0190155  
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SLIN: 304621



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SLIN: 300505





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Poland Spring® Brand  
5-Liter 24-Pack  
Deposit  
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Zephyrhills® Brand  
5-Liter 24-Pack  
SLIN# 242373

Nestle® Pure Life® Brand  
5-Liter 20-Pack  
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SLIN# 242373

Poland Spring® Brand  
5-Liter 24-Pack  
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\*SOURCE: 7Exchange and Nielsen Jan. 1, 2014–July 11, 2014 \*\*Source: 7Exchange YTD through May 31, 2015.

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\*7-Exchange Calendar Year 2014 (Dollars)  
\*\*7-Exchange (IRI), Summer 2014 (May-August)



NCA  
7-ELEVEN  
National Coalition  
of Associations  
of 7-Eleven Franchisees

# AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

May/June 2015

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AVANTI is published by the National Coalition of Associations of 7-Eleven Franchisees for all independent franchisees, corporate store managers, area licensees and interested parties. National Coalition offices are located at 740 Front Street, Suite 170, Santa Cruz, CA 95060. For membership information, call 831-426-4711, e-mail [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com) or fax to 831-426-4713. AVANTI Editorial and Advertising Offices are located at 116 Bellevue Ave., Suite 304, Langhorne, Pennsylvania 19047. For advertising information, call Sheldon Smith at 215 750-0178 or fax to 215 750-0399; on-line, send messages to [sheldon.smith5@verizon.net](mailto:sheldon.smith5@verizon.net).

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**NCASEF 40th  
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& Trade Show**

**July 27-31**

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DEPARTMENTS







## Member News

Register for the 2015 NCASEF

Convention at [www.ncasef.com](http://www.ncasef.com)

### SEI Acquires Tedeschi

SEI recently announced it has agreed to acquire Tedeschi Food Shops, Inc.'s approximately 182 convenience stores in the greater Boston, Massachusetts area and in New Hampshire. The transaction is anticipated to close in mid 2015, subject to standard closing conditions and regulatory approvals. Terms of the deal were not disclosed. The company said it expects to extend job offers to most Tedeschi Food Shops employees who are affected by this acquisition upon successful completion of their pre-employment screening process and continued satisfactory performance. Currently, SEI operates and franchises 164

stores in the greater Boston area and New Hampshire.

### 7-Eleven On Global Retail Ranking



7-Eleven is the only c-store chain to be listed on BrandZ's Top 100 Most Valuable Global Brands 2015, coming in at No. 17. According to the report, "The appearance of 7-Eleven in the BrandZ Retail Top 20 for the first time confirms the strength of the convenience trend. The convenience store chain operates 55,000 locations worldwide, including a strong presence in Asia."

The BrandZ Top 100 Most Valuable Global Brands ranking is now in its tenth year and is

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*7-Eleven more than doubled its store count in Boston and New Hampshire with the acquisition of Tedeschi Food Shops.*

## Get Avanti Online!

The National Coalition is proud to announce that vendors and franchisees can now read AVANTI, the digital version, online at [Issuu.com](http://Issuu.com) before you receive the printed copy! To join the AVANTI distribution list and receive a link to the latest issue as soon as it is uploaded, send an e-mail to [debbie.avanti@verizon.net](mailto:debbie.avanti@verizon.net)

with the subject field "AVANTI ONLINE"

and you will receive an email alert as soon as the digital magazine is posted. Feel free to include your U.S. postal address in the e-mail if you would also like to be placed on our AVANTI mailing list. AVANTI is also available on the NCASEF website in pdf format at [www.NCASEF.com](http://www.NCASEF.com).



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May/June 2015

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# Maruchan

## Extreme Brand Loyalty



**Maruchan Instant Lunch**  
outsells all other ramen brands by more than 4 to 1.\*

\*Source: IRI, 52 Wks Ending 04/19/15, Total US All Outlets, Volume Sales



Chicken Flavor



Beef Flavor



With Shrimp



Lime Chili Flavor  
with Shrimp



Stock America's #1 Selling Ramen Noodle Soup!

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## Member News

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### 40th Annual Convention & Trade Show Sheraton Chicago Hotel and Towers July 27-31, 2015 Trade Show: July 30-31

The National Coalition turns the Big 4-0 this year, and here's what the Convention Committee has scheduled to celebrate this momentous event! Join us for the seminars, the two-day trade show at Downtown Chicago's renowned Navy Pier, golf at St. Andrews Golf & Country Club—voted Top 3 “Favorite Golf Course for an Outing” by *Chicagoland Golf* readers, and at Wednesday night's blowout bar party at Untitled Supper Club, a Prohibition Era-themed lounge. Remember to download the schedule to your smartphone so you don't miss out on anything! Visit [WWW.NACSEF.COM](http://WWW.NACSEF.COM) for more details.

#### Monday, July 27

12:00 p.m. - 5:00 p.m. Franchisee and Vendor Registration  
7:00 p.m. - 9:00 p.m. Welcome Reception at Sheraton Chicago Riverwalk Terrace with Live Music

#### Tuesday, July 28

9:00 a.m. - 12:00 p.m. Franchisee and Vendor Registration  
8:00 a.m. - 9:00 a.m. Continental Breakfast  
9:00 a.m. - 12:00 p.m. “The State Of The Coalition” with Chairman Joe Galea and The NCASEF Officers (Franchisees Only)  
12:00 p.m. - 2:00 p.m. Lucky Lotto Luncheon with Magician Mike Hammer and Prize Giveaways (Franchisees and Major Sponsors)  
2:00 p.m. Explore Chicago at Your Leisure—Self sign-up for Chicago tours

#### Wednesday, July 29

**Joe Saraceno Charity Golf Tournament At St. Andrews Golf & Country Club Benefiting Swim Across America and St. Jude Children's Research Hospital**  
9:00 a.m. - 5:00 p.m. Franchisee and Vendor Registration  
6:30 a.m. Buses Depart  
8:00 a.m. Shotgun Start  
8:00 a.m. Free Day—Explore Chicago at your leisure  
Self sign-up for Chicago tours  
8:00 p.m. - 12:00 a.m. 40th Anniversary Bar Party At Untitled Supper Club (Adults Only)

#### Thursday, July 30

9:00 a.m. - 1:00 p.m. Franchisee and Vendor Registration  
8:00 a.m. - 9:00 a.m. Continental Breakfast  
9:00 a.m. - 11:00 a.m. “Legal Talk” With Eric H. Karp, NCASEF General Counsel (Franchisees Only)  
11:00 a.m. - 4:00 p.m. Trade Show at Navy Pier Festival Hall A  
6:00 p.m. - 8:00 p.m. Charity Auction Night Benefiting Swim Across America and St. Jude Children's Research Hospital Hosted By Magician Mike Hammer (Franchisees, Sponsors and Registered Exhibitors)  
8:00 p.m. - 9:00 p.m. International Buffet Dinner  
9:00 p.m. - 12:00 a.m. 40th Anniversary Dance Party with DJ Sohbash

#### Friday, July 31

9:00 a.m. - 11:00 a.m. Franchisee and Vendor Registration  
8:00 a.m. - 9:00 a.m. Continental Breakfast  
9:00 a.m. - 11:00 a.m. “Take Control Of Your Finances” Accounting Seminar, Senior VP Alicia Howell, 7-Eleven, Inc.  
11:00 a.m. - 4:00 p.m. Trade Show at Navy Pier Festival Hall A  
6:00 p.m. - 7:00 p.m. Cocktail Reception  
7:00 p.m. - 11:00 p.m. Grand Banquet with Special Guest Speaker (Franchisees, Sponsors and Registered Exhibitors)

Visit [WWW.NACSEF.COM](http://WWW.NACSEF.COM) for more details.

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Convention at [www.ncasef.com](http://www.ncasef.com)

the only study to combine measures of brand equity based on interviews with over three million consumers globally about thousands of global brands. It also uses a rigorous analysis of the financial and business performance of each company to separate the value that brand plays in driving business and shareholder value. Consumer perception of a brand is a key input in determining brand value because brands are a combination of business performance, product delivery, clarity of positioning, and leadership.

Apple is No.1 on the list, followed in order by Google, Microsoft, IBM, Visa, AT&T, Verizon, Coca-Cola, McDonald's and Marlboro.

#### C-Stores Have Double-Digit Pizza Growth

Cases of pizza crust and dough shipped to convenience stores from broadline food-service distributors increased by 27 percent and servings of pizza ordered by convenience store customers increased by over 20 percent in the year ending February 2015 compared to year ago, reports The NPD Group. Total dollars of pizza crust and dough cases shipped from broadline distributors to c-



*Total dollars of pizza crust and dough cases shipped to c-stores has increased by over 30 percent, according to NPD Group.*

stores increased by over 30 percent, according to the company's Supply-Track report.

The popularity of the pizza category at c-stores is further evidence of the channel's increasing focus on foodservice

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Exciting, NEW  
Frozen Novelty!

# Bursting with Flavor & Profit Potential

## Starburst

STRAWBERRY  
Sorbet Bar

SLIN #190010



New STARBURST® Strawberry Sorbet Bars Will Expand the Category and Grow Sales

- STARBURST Sorbet Bars scored 89% for Purchase Intent.<sup>1</sup>
- STARBURST Candy is the #3 Top Confections Brand - consumers will be excited to see a refreshing frozen treat from one of their favorite brands.<sup>2</sup>
- This competitively priced item with high brand recognition, has the perfect combination for increased volume and sales.

<sup>1</sup>Q. Research Consumer Test, May 2013

<sup>2</sup>Nielsen AOD Latest 52w W/E 8/16/14

\*Final packaging is subject to change

## Starburst

Sorbet Bars

MARS  
chocolate  
north america

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## Member News

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and its competitive threat to traditional quick service restaurants, the report states. The double-digit growth in pizza servings at c-stores contrasts to flat servings at quick service pizza restaurants and a 1 percent increase at traditional quick service restaurants, finds NPD's foodservice market research.

### SEIU Wants To Probe Franchisor Practices



The Service Employees International Union (SEIU), backer of a three-year campaign to improve the plight of low-wage retail and fast-food workers, recently announced it would petition the Federal Trade Commis-

sion to investigate alleged abusive practices by major franchisors, reported Reuters. In its petition, the SEIU outlined six U.S. franchisor practices it said appeared endemic and "particularly harmful." The union said those practices include incomplete or misleading financial performance representations, unreasonable capital expenditure demands, retaliation against members of independent franchisee organizations, unfair termination, unfair nonrenewal, and interference with transfers or sales.

The SEIU is currently backing a proposed law in California that would make it more difficult for franchisors to terminate agreements with franchisees. Last year, California Governor Jerry Brown vetoed a bill that would have helped franchisees recoup some of their business

investments when a franchisor wrongly terminates their relationship. At that time, Brown called on opposing sides in the battle over the legislation to make a concerted effort to find a collaborative solution.

### C-Stores Fuel America

From fuel to snacks to coffee, convenience stores are uniquely equipped to meet the needs of Americans on-the-go, according to an infographic released by Cenex. Some of the more interesting tidbits revealed by the infographic include:

- One out of every \$25 spent in the U.S. is spent at a convenience store.
- C-stores employ 2.2 million Americans, and make a huge impact on local

continued on page 24

introducing our newest addition

rockin'  
salted caramel

rockin'  
refuel  
PROTEIN MILK BEVERAGE



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MB CHOCOLATE  
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\*MB SALTED CARAMEL  
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12 oz. | Case/12

\*FBI ITEM: 12 OZ ROCKIN' REFUEL MUSCLE BUILDER - SALTED CARAMEL

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new!

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Fairlife 2% Chocolate  
Ultra-Filtered Milk 11.5 fl oz  
McClane UIN#: 162750 / SLIN#: 0151459



Fairlife 2% Reduced Fat  
Ultra-Filtered Milk 52 fl oz  
McClane UIN#: 487520 / SLIN#: 0151454



Fairlife 2% Chocolate  
Ultra-Filtered Milk 52 fl oz  
McClane UIN#: 162776 / SLIN#: 0151453







## Member News

continued from page 20

economies.

- The average c-store pumps more than 4,000 gallons of fuel every day. That's enough fuel to drive a car around the world four times.
- The average c-store offers more than 2,000 items for sale.
- C-stores across the country sell nearly 23 million cups of coffee every day. Laid end-to-end, that's enough to line the entire length of Route 66.

### New Discoveries For SAA

Swim Across America (SAA)—which is dedicated to raising money and awareness for cancer research, prevention and treatment through swimming-related events—recently announced news of promising discoveries made by two of its Swim Across America Labs.

In a clinical trial funded primarily by SAA, scientists at the Sidney Kimmel Comprehensive Cancer Center at Johns Hopkins have found a promising genetic biomarker to predict response to certain immunotherapy drugs. In the trial of 48 patients with colon and other cancers who have failed standard therapies, researchers found that mistakes in so-called mismatch repair genes, first identified by Hopkins and other scientists two decades ago, may accurately predict who will respond to certain immunotherapy drugs known as PD-1 inhibitors.

Dr. Jedd Wolchok, Director of the SAA lab at Memorial Sloan-Kettering Cancer Center, recently presented findings at the American Society of Clinical Oncology. His work on immunotherapeutics has lead to recent developments on identifying which patients are likely to benefit from expensive treatments such as Opdivo, Yervoy

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### Legislative Update



#### Retailers File Another Swipe Fee Class Action Lawsuit

A group of retailers recently filed a class action lawsuit against Visa and MasterCard accusing the payment card giants of unlawfully restraining competition and forcing merchants to pay excessive interchange fees to accept payment from Visa and MasterCard credit and debit cards, reported *Top Class Actions*. The swipe fee class action lawsuit alleges Visa and MasterCard have engaged in an illegal conspiracy in violation of federal antitrust laws.

Among the plaintiffs are c-store retailers Kwik Trip Inc., Allsup's Convenience Stores Inc., RaceTrac Petroleum Inc., QuickChek Corp., QuikTrip Corp. and Wawa Inc. The group is seeking damages, attorneys' fees, costs of the lawsuit, and pre- and post-judgment interest. They have demanded a jury trial.

#### Bill To Raise Federal Minimum Wage

A bill was introduced on Capitol Hill in early May that would raise the federal minimum wage to \$12 an hour over five years, and then index it to median wage growth, reported *NACS Online*. The measure, co-sponsored by Rep. Bobby Scott (D-VA) and Sen. Patty Murray (D-WA), would raise the federal minimum wage to \$8 in 2016 and increase it by a dollar annually in subsequent years, until it reaches \$12 in 2020. The proposal would also gradually phase out the tipped minimum wage, which has held at \$2.13 since 1991, raising it to equal the minimum wage, followed by indexing. The federal minimum wage has stayed at \$7.25 an hour for the past six years, even as cities and states across the nation raised their local wages. Proponents of the bill said the minimum wage hike is long overdue and has widespread public support.

#### Missouri's Minimum Wage Up For Vote

Three initiative petitions that would ask voters whether to increase Missouri's minimum wage have been cleared by the Secretary of State's office for backers to begin gathering signatures, reported KBIA 91.3. One version of the proposal would gradually raise the state's minimum wage to \$15 an hour by the year 2023. The second version would gradually raise the minimum wage to \$12 an hour by 2020, while the third version would raise it to \$11 by the year 2019. If supporters get enough signatures, the proposal would go before Missouri voters next year. Missouri's current minimum wage is \$7.65 an hour. It goes up each year based on rate of inflation.

#### Los Angeles To Raise Minimum Wage

The Los Angeles City Council recently backed a plan to raise the city's minimum wage to \$15 per hour despite concerns from business groups, reported the *Los Angeles*

continued on page 26

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National Coalition  
of Associations  
of 7-Eleven Franchisees

Full Brochures will be mailed in March. For more information, contact  
the NCASEF office at 831-426-4711 or [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com)





## Legislative Update

*Times.* Lawmakers agreed to draft an ordinance raising the \$9-an-hour base wage to \$15 by 2020 for as many as 800,000 workers, making L.A. the largest city in the nation to adopt a major minimum-wage hike. Chicago, San Francisco and Seattle already have approved similar increases, and raising the federal minimum wage has moved to the forefront of the Democratic Party's agenda.

On a 14 to 1 vote, the council instructed the City Attorney to prepare an ordinance carrying out the wage hikes, setting the stage for a final vote on the measure in June. Mayor Eric Garcetti has already promised to sign the wage increase into law, allowing the first wage boost—to \$10.50 per hour—to take effect in July 2016. The harshest criticism of the law came from business groups, which warned lawmakers that the mandate would force employers to lay off workers or leave the city altogether.

### St. Louis Could Raise Minimum Wage

A push to increase St. Louis' minimum wage to \$15 per hour has gained support from city leaders, including Mayor Francis Slay, according to news station Fox2Now. The proposal, which will be reviewed by the Board of Aldermen, would immediately increase the minimum wage to \$10. Then, every year it would increase by \$1.25 until it reaches \$15 by 2020. Small businesses that employ 15 people or less would be exempt. Supporters say this raise would be an economic boost for the city and its residents, helping to alleviate poverty. But some worry the minimum wage increase, on top of the city's 1 percent earnings tax, could incentivize businesses to leave downtown.

### Lawmakers Hold Hearing On New Federal Overtime Rule

Congressional Republicans held a hearing in early June to consider concerns by business owners about a Labor Department plan to boost overtime pay for millions of Americans, reported Reuters. The Labor Department in May submitted a draft proposal to raise the annual income cap from the current \$23,660 or \$455 per week for workers eligible for overtime pay. However, officials did not release details of the proposal. Some experts say the federal minimum exempt salary could be raised to \$50,000 or higher. The proposal may also address the current exemption of many white-collar workers from overtime protections.

**The Labor Department in May submitted a draft proposal to raise the annual income cap from the current \$23,660 or \$455 per week for workers eligible for overtime pay.**



The National Retail Federation released a study in May that said 3.3 million salaried retail and restaurant employees do not qualify for overtime. Raising the threshold to \$42,000 would make 1.7 million more people eligible for overtime pay and cost businesses \$5.2 billion a year, the study said. Next year, California and New York are set to raise income thresholds for overtime pay under state laws to \$800 and \$675 per week, respectively.

### Florida Gov Vetoes Store Security Bill

Florida Gov. Rick Scott recently vetoed a bill designed to beef up convenience store security, reported the Associated Press. The store security bill (HB 755) would have required family-owned convenience stores to follow certain security measures that are already in place for stores owned by large vendors. Scott said he vetoed the bill because it would place a "significant new financial burden" on small business owners.

### Chicago Lawmakers Target 24-Hour C-Stores

Chicago convenience stores would need city approval to stay open all night, approval that would be granted only if operators have a plan to minimize "noise and disturbances," under a crackdown proposed by a handful of aldermen, reported the *Chicago Sun-Times*. The ordinance states that, "In order to reduce noise and disturbances in and near residential districts, a retail food establishment whose primary business activity is the service of prepared food to the public shall not be open for business ... between the hours of 1 a.m. and 5 a.m. without permission from the commissioner of Business Affairs and Consumer Protection."

For permission to stay open all night, c-store operators must submit a written application that includes: a list of all residential units within 660 feet of any portion of the building that includes the c-store; a plan for minimizing noise and disturbances associated with the operation; and a description of the c-store premises, including seating capacity, points of ingress and

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## Member News

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### Foodservice Is Our Future

Waqar Sheikh | President, Virginia FOA



7-Eleven stores in the past have had very little ready-to-go fresh and hot foods as some of our early attempts did not work out as well as we wanted. As a result, we went to selling more snacks and packaged foods. Then Joe DePinto took over the reins at SEI and announced we are moving forward with the foodservice business because we could no longer rely on declining tobacco and alcohol sales to pull us through. When he first presented the detailed road map on 7-Eleven's foodservice goals, he explained that we have to find something new, and that foodservice is our future.

oven because it's so fresh and good. I believe this would lead to word of mouth—the best form of advertising—which will help bring in more customers and will also create repeat customers.

I realize not every store is ready for the next level of foodservice, but stores in the Washington, D.C. area and about four or five other markets in the Liberty Zone already have huge foodservice sales and are ready for a big change. The margins are good because the more you sell, the lower your write-offs and your margins go up.

I know some of the franchisees who don't have hot foods in their stores yet are worried about margins. In my stores and in many of the stores in our area, we are not doing less than 39 or 40 percent gross profit with hot foods. True, in the beginning you will have some write-offs, but once you fine-tune your foodservice selection to your customers, write-offs become less of a concern.

Foodservice may be our future and may be our destiny. If we don't work hard right now to fine-tune the program, we'll be left behind as our competitors cash in. I'm very excited about the future of our foodservice program, and I believe that 7-Eleven ultimately will be known as a source for great fresh and hot foods.

WAQAR SHEIKH  
CAN BE REACHED AT  
540.270.7934 or  
joe\_sheikh@hotmail.com

**“True, in the beginning you will have some write-offs, but once you fine-tune your foodservice selection to your customers, write-offs become less of a concern.”**

McDonald's or Subway. I highly encourage the company to start a menu-based program so that a customer can order a pizza and have it fresh from the oven. We have a very good oven, which can make food in about a minute or a minute and a half. I'm sure our customers will love food right from the

*One in three Americans say they have purchased more snacks considered "healthy choices" over the past year, according to NACS.*

and Keytruda, which could save money and prevent side effects.

SAA is one of two charities that will benefit from funds raised at the Joe Saraceno

Charity Golf Tournament and Live & Silent Auction events during the NCASEF's 40th annual convention. SAA is also supported by several FOAs across the country.

### Consumers Turning To Fresh Items In C-Stores

Over one in three Americans (34 percent) say that they have purchased more snacks that are considered "healthy choices" over the past

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In 2014, convenience stores sold some **391 million doughnuts** for sales of about \$580 million, reported CNBC, citing the latest IRI data. • **Japan Tobacco Inc. has agreed to acquire U.S. electronic cigarette company Logic Technology Development LLC**, reported the *Wall Street Journal*. The deal will give Japan Tobacco the third largest e-cigarette company in U.S. c-stores with about a 20 percent market share. • Following its acquisition of The Pantry, Inc. on March 16, 2015, **Circle-K parent company Alimentation Couche-Tard added more than 1,500 stores** to its network in the United States, totaling 7,815 convenience stores in North America. • **CVS Health Corp. is buying Target Corp.'s pharmacy and clinic businesses** for about \$1.9 billion, reported *Dow Jones Business News*. The deal includes more than 1,660 pharmacies, which CVS will rebrand as CVS/pharmacy and operate through a store-within-a-store format, and nearly 80 clinics, **which will be rebranded as MinuteClinic**. • A new startup has developed a **gasoline delivery service that allows drivers to refuel wherever they are** by simply using a smartphone app, reported *The Verge*. Filld, the service provider, then sends a truck to the customer's location and fills the tank for a **flat fee of \$7 plus the per gallon local gas price**. • According to a survey by social consultancy group Good Scout, **71 percent of consumers say they have donated to a charity at the register**, and 66 percent of consumers donate less than \$2 at one time. • **Facebook recently announced it is going to raise its minimum wage** to \$15 an hour for contractors and vendors, as well as provide them with 15 vacation days and a \$4,000 bonus for having a child. • State lotteries suffering from **"jackpot fatigue"** need increasingly bigger jackpots to lure in casual

continued on page 40

\$name game winner Pranjal Patel, North Wales, PA\$

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# Easing The Burden Of Rising Labor Costs

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

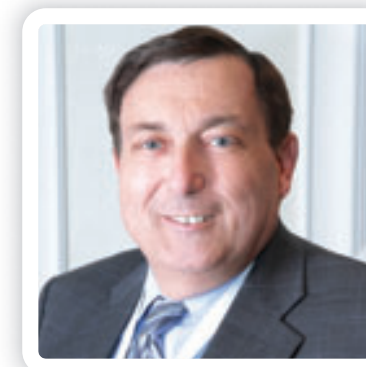
One of the bigger issues causing tremendous concern for 7-Eleven franchisees these days is the wave of minimum wage increases spreading across the country. As small business owners it's very troubling to see cities raising their minimum wages from \$7.25 an hour or a little more, to as much as \$15 an hour, because it represents a huge spike in our payroll expenses. It's a topic that's been discussed at the National Coalition meetings and at FOA meetings nationwide, and during our meetings with SEI.

Although minimum wage increases are inevitable, having such large increases imposed on us over a short period of time is oppressive financially. Add to this the rising costs of credit card fees that we share with SEI and the roll out of the hot foods program—which requires more labor—and we have a recipe for financial disaster.

in that time we've managed to adjust our budgets to deal with it. But many franchisees fear the minimum wage increases coming just as the company is rolling out the hot foods program will prove too difficult to adapt to by simply tweaking our budgets. While we hope hot



**“Higher volume stores are perhaps impacted minimally, but the lower volume stores will struggle with these added minimum wage costs.”**



**“We need a balance wherein increasing expenses aren't always shifted unto franchisees. I believe SEI should review our store operating costs and make adjustments to our agreement so it's more favorable to both parties.”**

Looking back to when we first franchised our stores, the agreement was pretty simple. The minimum wage was low, credit card fees were something SEI always took care of on our behalf, and new programs like the roller grill were implemented with few interruptions.

We have been sharing the credit card fees with SEI for about the last six years, and

foods will be very successful and we will be able to maximize it to it's fullest to obtain the highest profitability, we doubt that would be enough to offset the increased payroll costs.

We have voiced these concerns to SEI management, and we told them we understand that sometimes expenses can shift to our side of the ledger. But there needs to be a balance wherein increasing expenses aren't always shifted unto franchisees. I be-

lieve SEI should review our store operating costs and make adjustments to our agreement so it's more favorable to both parties. SEI should sit and discuss with us in good faith the impact the minimum wage increases, credit card fees and the added labor of hot foods are having on some of our stores and work with us on a solution. Higher volume stores are perhaps impacted minimally, but the lower volume stores will struggle with these added costs. Times are changing, and as we continue to talk to SEI management we need to focus on what is good for the store, the franchisee, our guests, and our vendor partners.

One of the best things that can happen to a franchise is having a healthy, profitable system. That's what we need to achieve. We need to understand these new expenses and do a total evaluation of all stores by volume or location and make it a fair program for everyone. Salaries are totally a franchise expense, as we're defined as independent contractors, but with the credit card fees and hot foods program there can be some kind of compromise to help some of these stores. Our hope is that SEI can develop a solution quickly so our stores can weather the financial storm headed our way. **AV**

**JOE GALEA**  
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Mini Breakfast Empanada Bites  
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Beef Mini Tacos (Bulk)  
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# On The Path To System Improvements

BY JIVTESH GILL, EXECUTIVE VICE CHAIRMAN, NCASEF

Running a successful 24/7 convenience store business is challenging during the best of times, but it becomes downright discouraging when your franchisor creates more problems before solving the ones you already have. That has been the situation for franchisees over the last several years, but things as of late have been changing, and SEI has been working with the franchise community to make our business stronger and more manageable for both parties. With this goal in mind, we are now engaged in closer dialogue with SEI to resolve the issues creating the most problems for franchisees.

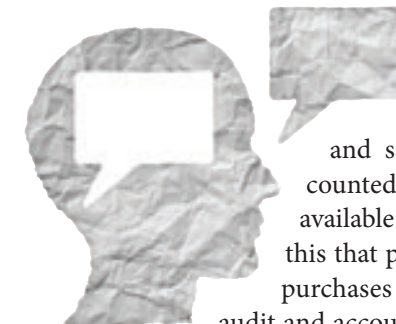
To move matters forward, the National Coalition spent time during its last few Board meetings gathering a list of all the issues affecting franchisees (the majority are accounting-related) and created a committee tasked with presenting these issues to SEI. The committee members met with our franchisor on February 3 and presented 32 topics of discussion to the 7-Eleven team, which consisted of accounting senior staff and some members of the executive team. Ray Dhaliwal covers many of the topics discussed during the meeting in his article on page 55, so I will discuss some of the issues that were sent over to the NBLC Accounting Committee for resolution.

The first issue is the creation of a "suspense" account for all disputed maintenance charges. Typically, franchisees get charged on their AP9 (Accounts Payable) for maintenance and other things, and see a small explanation of the charge. If they don't agree with the charge, they have to open a case and dispute it. The problem is the dispute can take 60 to 120 days to be resolved and get the money refunded back to the franchisee's account. In certain situations, when a franchisee is tight fi-

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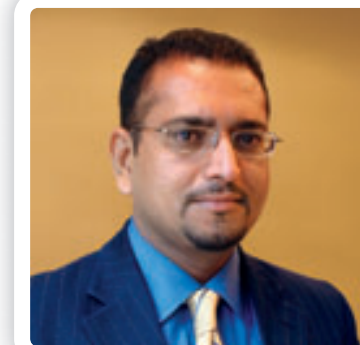
nanced, an \$800 to \$1,800 maintenance charge could throw them under equity and generate other consequences, such as breaches and LONs.

**"NCASEF issues presented to SEI were sent over to the NBLC for resolution."**



nancially, an \$800 to \$1,800 maintenance charge could throw them under equity and generate other consequences, such as breaches and LONs.

In our experience when these non-contract charges are disputed by franchisees the vast majority of them get credited back.



**"We requested that SEI open a 'suspense' account the moment a franchisee disputes a maintenance charge."**

We requested that SEI open a "suspense" account the moment a maintenance charge is disputed where the franchisee can be credited and the money remains until the issue is resolved. This request was made very clear in the NBLC, and SEI has committed to make some system changes. They have promised to follow up and add resources to resolve this issue.

Another issue involves lottery reconciliation after an audit. Many franchisees have a hard time understanding their lottery audit results, so they would like to look for details to reconcile it with their

records to make sure all deliveries and sales are properly accounted for. There is a report available in 7-Hub to help with this that provides the details on purchases starting with the last audit and accounts for all sales information received thru Cash Summaries.

This report is available after 10 business days after the audit. The problem is that the report is nearly hidden under the Imaging menu: 7-Hub→Store Tools→Expand Imaging→Image Lottery Audits. We asked SEI why that report is residing under Imaging and recommended it should be moved to Seven Reports like other reports. SEI will look into standardizing these reports so results are displayed much quicker, and will also provide training and communication so franchisees can utilize the Lottery management tools.

We've been requesting for a long while to receive a deposit verification notice when our bank deposits are recorded. We informed SEI that many times we are not notified until several days after the deposit is

made, and we would like to see instantly that the deposit was credited so we can take immediate action if there are any errors. Now the D-RA1 Daily Bank Activity Report is available to franchisees, which will be current up to deposits made the previous day.

Another issue given to the NBLC to resolve is common area maintenance (CAM) charges. With many leased stores in strip malls, etc. the leases contain a CAM charge for which the store is responsible. Quite often stores have no knowledge of how the charge is calculated or when it's

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## On The Path To System Improvements

continued from page 35

raised, and don't know who negotiates these terms on their behalf. We see stores nationally where CAM charges jump significantly from year to year. Just like FM Facility Maintenance charges, these CAM charges are paid by franchisees but negotiated by SEI without any input from franchisees. We have asked SEI to give franchisees access to lease agreements to see the CAM charges, as well as information regarding the increases. SEI has agreed to review the details on this, and be very transparent on details. We will take this issue up again at the next NBLC meeting.

Although the California sick leave law affects only California franchisees, similar legislation could spread easily to other parts of the country. We've had a couple of conference calls with all the California FOA presidents and SEI Accounting on this topic. After quite a bit of discussion, SEI agreed to make some enhancements within the Store Payroll System so they can calculate and keep track

**"We have asked SEI to give franchisees access to lease agreements that show CAM charge increases."**

of each employee's accrued sick leave hours. SEI has promised a solution on this issue very soon so franchisees do not have to keep track of this themselves.

Audits continue to be a concern. When we moved from WIS to RGIS we hoped some of our concerns would go away, but unfortunately, that is not the case. Franchisees overall are still frustrated with audit results. They have to perform cycle counts immediately after the audits to keep the "I" accurate. The quality and training of the auditors is also a huge concern. We continue to work with SEI on this important issue, which impacts each

franchisee's bottom line.

Store remodels are starting up again in November in Southern California, and the plan is to update 800 stores by the end of 2016, each with one of five different remodel programs. So it's not a cookie cutter approach and one remodel program for everyone—it will be based on individual stores. We requested more than a few changes of equipment and new counters. When the remodel is finished, we want it to be visible from the inside as well as the outside, so when customers walk in they can actually feel the change.

At the end of the day, for 7-Eleven to remain competitive all issues preventing franchisees from operating successful and profitable stores must be resolved. We're hopeful SEI will allocate the resources to fix these issues, and will not base their decisions for the appropriate resolutions on just their bottom line, but instead on how these improvements will make franchisees more successful and our lives a little bit easier. **AV**

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Reporting claims quickly helps reduce the cost. On average, we receive **more than 30%** of franchisee claims two weeks or more after they occur. Report your claims as soon as possible so we can start to work them immediately.

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**Contact:**  
To learn more contact **Tonya Leffall** or **Joe Praznik** at 1.800.527.9034

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# National Coalition Solicits Franchisee Opinions And Views

ERIC H. KARP, ESQ., GENERAL COUNSEL TO NCASEF

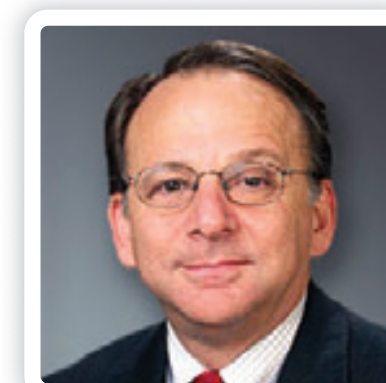
As your General Counsel, one of my roles is to ensure that the issues we advance on behalf of the National Coalition accurately reflect the priorities, concerns and viewpoints of not just the Executive Officers and the Board, but also of the constituent franchisees who are members of the FOAs that comprise what is truly a National Coalition.

To that end, we recommended that the Board engage a professional research and polling firm to conduct a scientifically valid survey of 7-Eleven franchisees. The Board readily agreed to retain FranchiseGrade.com to carry out this project. Great care was taken to make sure that the survey questions elicited information regarding matters of the greatest interest to franchisees. We also wanted to make sure that the responses would be confidential in all respects.

In the end, 642 surveys were completed, which creates a 95 percent confidence level in the results with a margin of error of 3.7 percent. Those who responded reflected a valid and broad cross-section of the system in terms of age, number of years as a franchisee, level of education, prior business experience and number of stores owned. This meets statistical and academic survey collection standards.

The results of the survey indicate that the relationship between SEI and its franchisees is on the whole not positive, and in need of a great deal of substantive change for the better. The results also val-

idate the depth of concern and unhappiness among franchisees that has been described to SEI by



**“Great care was taken to make sure that the survey questions elicited information regarding matters of the greatest interest to franchisees.”**

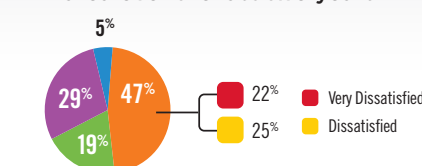
us as your General Counsel to our counterparts at the franchisor, and by the Board in its dealings with SEI’s management team.

Here are some of the results of the survey:

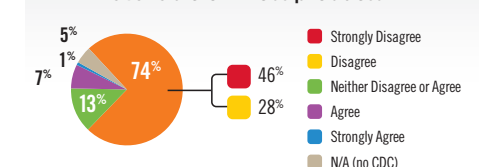
## Operational Issues

- 50 percent of franchisees believe that the DVR security system has not contributed to store safety or reduced theft
- 66 percent do not believe that SEI’s audit process is fair and transparent
- 47 percent are dissatisfied or very dissatisfied with the performance of McLane; details are shown in the chart below:

**How satisfied are you with the performance of McLane in your area over the last two years?**



**The CDC offers the lowest cost of goods available on most products.**



- 44 percent are dissatisfied or very dissatisfied with the performance of their local CDC
- 74 percent do not believe that their CDC offers the lowest cost of goods available on most products; here are the details:
- 54 percent do not believe it is worthwhile to own a gas store in light of the commission structure
- 60 percent of the respondents have been part of BT
- 32 percent of the BT respondents believe their store has benefited from BT; 54 percent believe that there has been no benefit to the store from BT

continued on page 40

**“In the end, 642 surveys were completed, which creates a 95 percent confidence level in the results with a margin of error of 3.7 percent.”**

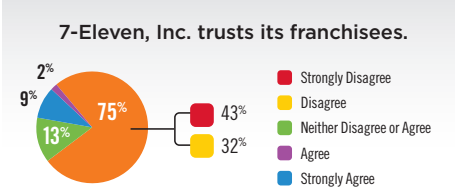


# National Coalition Solicits Franchisee Opinions And Views

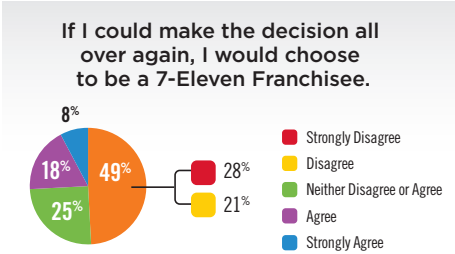
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### Relationship Issues

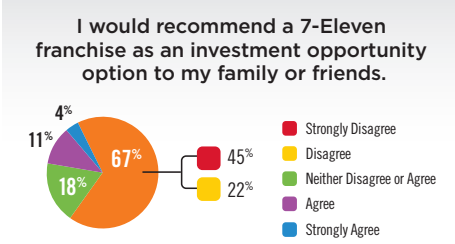
- 80 percent do not believe that they are treated as independent contractors by SEI
- 61 percent do not trust SEI
- 75 percent believe that SEI does not trust them



- 45 percent disagree or strongly disagree with the statement “I am proud to be a 7-Eleven Franchisee”
- 58 percent are dissatisfied or very dissatisfied as a franchisee of 7-Eleven
- 49 percent would not choose to be a 7-Eleven franchisee if they had the decision to make all over again



- 67 percent would not recommend a 7-Eleven franchise as an investment to a family member or friend; here are the details



“The National Coalition has over and over again made the point that communication alone will not suffice. The reset of the relationship will be judged by concrete and measurable changes in the legal and financial relationship between 7-Eleven and its franchisees.”

“The results of the survey indicate that the relationship between SEI and its franchisees is on the whole not positive, and in need of a great deal of substantive change for the better.”

We publish these results with a single goal in mind. In recent months, your franchisor has pledged in numerous forums to reset the relationship between the company and its franchisees. The National Coalition has over and over again made the point that communication alone will not suffice; the reset will be judged by concrete and measurable changes in the legal and financial relationship between 7-Eleven and its franchisees on a wide range of issues, including those raised in the survey.

We can only hope that the information in this survey will make clear to SEI that the path to a better relationship, to increased market share, to higher store level profitability, to expansion of the franchise system, and ultimately to better financial results and equity value of the franchisor, is a truly collaborative relationship marked by a fair balance of the risks and rewards of the franchise relationship. As my fellow tennis enthusiasts would say, the ball is in their court. **AV**

continued from page 28

players who buy lottery tickets only when a prize is huge, reported *USA Today*. People once impressed with a \$100 million payout shrug until it reaches \$300 million. • **Google recently unveiled Android Pay, which enables MasterCard credit, debit, prepaid** and small business cardholders to use their Android phones for everyday purchases in-store and within Android apps. • A new report from the Federal Reserve reveals that **47 percent of Americans would have to borrow or sell something to cover an unexpected expense of \$400**. • C-store chain Casey's General Stores is now offering **online ordering for pizzas, subs and more** in select Iowa counties, reported KCCI 8 News. Testing of the online foodservice ordering started at the end of last year. • **Philippine Seven Corp.**, the licensor of 7-Eleven stores in the Philippines, said it is **on track to open 500 new outlets this year** as a part of its nationwide expansion, reported *Manila Standard Today*. • **Toys R Us will close its FAO Schwarz flagship on Fifth Avenue in Manhattan in July**, reported *Bloomberg*. The 153-year-old toy brand will continue to sell online and in Toys R Us stores while the company hunts for a less-pricey Manhattan store space. • **Trader Joe's is America's favorite grocery retailer** for the third year in a row, according to a study of more than 7,200 consumers by Market Force Information. Publix ranked a close second and ALDI was third. • **A Taco Bell planned for Wicker Park in Chicago will be the first in the world to serve alcohol**, reported the *Chicago Tribune*. The new location will open this summer and serve beer, wine and boozy "freezes" to eat-in customers only. • A new study by market research firm Packaged Facts reveals that **87 percent of American consumers look at the nutrition facts** panel on packaged foods and beverages at least sometimes, while 56 percent actively seek out nutritional information and guidelines. • Inspired by the Replicator device in "Star Trek"—which synthesizes food and beverages within seconds—two Israeli entrepre-



continued on page 56

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# TOO MANY FOAs IS A SERIOUS PROBLEM

HASHIM SYED

NCASEF VICE CHAIRMAN, FOAC VICE PRESIDENT

I've been in the 7-Eleven system for a very long time and I've seen my share of ups and downs.

As the Vice President of the FOAC and Vice Chairman of the National Coalition of Associations of 7-Eleven Franchisees (NCASEF), I am very aware of the activities of other 7-Eleven FOAs throughout the country and how they run their associations. I can honestly say that most of them, without a doubt, truly care about their franchisees and want to do what's best to help them succeed.

Unfortunately, this isn't true for all 7-Eleven FOAs.

In recent years, I've seen first-hand what can happen when franchisees decide to break away from their existing FOA to start their own association. I can tell you it's not good. It's not good for the original FOA, it's not good for the newly formed FOA, and it's definitely not good for the franchisees. Not only does it create fragmentation and division on a local level, but the ripple effect is felt nationally, as well.

Then why do they do it?

I'll tell you why. In most cases, these are individuals who, for one reason or another, believe that they have been wronged or mistreated by the FOA that they belonged to. Typically, their feelings somehow got hurt,

**"It's time for the NCASEF to take a firm position and do what is necessary to stop new breakaway FOAs from forming. New by-laws must be considered and implemented, sooner rather than later."**

**"The formation of new FOAs is not in the best interest of the franchisees. In most cases they are being started by selfish, self-appointed leaders who simply want to soothe their hurt egos."**

and for their own selfish reasons, they decide to form an association of their own so they can have complete control and power.

Believe me, these individuals don't care at all about the franchisees or the negative impact of their decisions. All they want to do is satisfy their self-serving motives and extremely large egos. It's a very sad and unfortunate situation.

From my personal experience, things escalate quickly and get very ugly when an existing FOA breaks up and the two groups get into dirty politics and finger pointing. Not only is it upsetting and disruptive to the franchisees, but it also effects the vendors.

Our vendor partners want to support all FOAs, but there's only so much they can do with their limited funds. The formation of new FOAs creates frustration for the vendors and unnecessary financial challenges. They're not happy having to choose one FOA over another. It's simply not fair to put them in this position, but that's what the leaders of these newly formed FOAs are doing.

Having seen this time and time again, there is growing concern about the requirements necessary to form a new franchise owners association. In my opinion, there is an immediate need to revise our by-laws to stop, or at the very least, slow down the creation of new FOAs. They

seem to be popping up all over, and to be honest it's getting out of hand and absolutely ridiculous, especially due to the self-serving reasons behind them.

Now to be fair, not all FOAs are formed by disgruntled franchisees. In some cases, franchisees have complained that meetings are too far away and that it's difficult to participate. But, rather than starting a new FOA to accommodate these individuals, a smarter solution would be for the FOA leadership to plan meetings in various locations each month, making it easier for all members to attend; exactly like SEI does for market meetings. Distance alone should not be a reason to form a new FOA!

I firmly believe that now is the time for the NCASEF leaders to take a stand and do what's right for the sake of our NCASEF and the franchisees it represents.

Our current leadership is fully aware of the urgent need to send a powerful and clear message that unity is a priority! We must put an end to the formation of new breakaway FOAs and put stronger policies in place to discourage franchisees from doing so. The cycle of division and fragmentation needs to end now. The best interests of the franchise community must come first. **AV**

HASHIM SYED  
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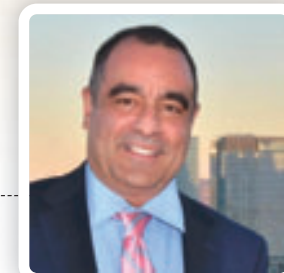
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## FIW: THE WAY WE KNEW IT

SERGE HAITAYAN

NCASEF VICE CHAIRMAN, PRESIDENT, SIERRA FOA

Over the last several years, franchisees have been embroiled in a great number of conflicts with SEI over policies, processes and program changes we believe have caused more harm than good to storeowners. The Financial Impact Worksheet (FIW) was one of those processes that caused our relationship with 7-Eleven to get contentious and reach a boiling point. Now that our relationship seems to be on the mend, we are working side-by-side with our franchisor to remedy the FIW conundrum, as well as many other issues. In fact, at our late June meeting with SEI in Dallas, SEI informed us that the FIW process as we knew it is a thing of the past.

SEI created the FIW process more than 10 years ago (it used to be called the HQIA, among other things) to make adjustments when they believed there was something reported incorrectly in the store, whether it was an under-reporting of sales, an over-reporting of write-offs, or a mis-retailed item. The company also used the FIW to detect fraud intentionally committed by a franchisee or a dishonest employee. This is where SEI strayed off course because they went hard after every franchisee with the same zeal, regardless if the indiscretion was small or large or the result of an honest mistake or oversight. Franchisees making honest mistakes ended up feeling like criminals, and SEI compounded the problem by forcing franchisees to pay back the company's 50 percent of the missing gross profit when

employees were to blame. Franchisees clearly believed this was unfair, and it damaged our relationship.

When SEI extended an olive branch to the franchise community with intentions to fix the relationship last year, franchisee leaders told corporate upper management that the FIW was one of the biggest issues impacting the relationship. To their credit, SEI suspended the process once it heard this, and hasn't issued an FIW since July 2014.



**"Now that our relationship seems to be on the mend, we are working side-by-side with our franchisor to remedy the FIW conundrum."**

FIWs continued to come up in Coalition officers' meetings with corporate, and at the CEO Roundtable. The National Coalition asked SEI to include Kathy York (Greater Los Angeles FOA President) and myself as members at large on the NBLC/FIW committee to work with SEI to frame the new FIW process.

During the last NBLC meeting we had a great deal of discussion about FIWs, and

CEO Joe DePinto, who was present at that meeting, said fixing this issue must be made a top priority. A committee consisting of seven franchisees and senior-level SEI executives was then created to investigate further.

SEI hired a company called Protiviti Consulting to help reshape and redraft the FIW process. Protiviti conducted a survey of franchisees, and the results revealed four top complaints about the FIW: 1) the process was complex and hard to understand, 2) it wasn't transparent, 3) it was unfair, and 4) franchisees did not trust the results. Based on this feedback, the NBLC FIW committee went to work.

Our primary concern is to make sure the process is fair so that moving forward franchisees who make a mistake or are victim to employee theft won't be treated the same as those franchisees who intend to defraud the system. We want to make certain there's a clear distinction in place.

Our job as leaders of the franchise community is not to worry about or protect storeowners who are committing intentional fraud with a hidden second register or a cigar box. Our job is to protect the franchisees who make an honest mistake that might get compounded with time. A lot of progress was made with SEI on the FIW front.

Today we have the POS Report that we can look at on a weekly basis to detail cash register activity. One of the things franchisees and the National Coalition would like to see is more preventative tools on the other side of the business—cash report detail and inventory—to see problems when they start, instead of wait-

continued on page 49

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## FIW: THE WAY WE KNEW IT

continued from page 47

ing a year and going back to the store after a huge problem develops. We want to know immediately when there is an issue with an employee, or a mistake, and we want SEI to come and warn the franchisee that they have an issue and should take

working very hard to put this whole process in place asap.

The ultimate goal of this NBLC committee has always been to develop a solution that franchisees believe is fair and equitable, and we think SEI feels the same

**“Today Asset Protection has assured us that franchisees shouldn’t be afraid to call about store issues. They will help solve our problems without the impunity of the FIW.”**

immediate action. In short, we want future FIW-process tools to support the franchisee rather than function as a “gotcha.” If the franchisee does not take action (say a stealing employee is not reprimanded), at that point it’s not an employee issue, it’s a franchisee issue. SEI is

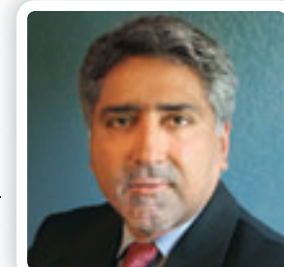
way. If we can create and build a preventive process that keeps a franchisee tuned-in to what might be off in their stores, we can prevent an FIW situation from ever coming up. We could then use Asset Protection to be just that—protection of franchisee assets—not just 7-Eleven’s.

In the past we have advised franchisees with problems not to reach out to Asset Protection because someone would be coming to visit with an FIW based on what they found in the store. Today Asset protection has assured us that franchisees shouldn’t be afraid to call about store issues. They will help solve our problems without the impunity of the FIW.

The overwhelming majority of franchisees are honest storeowners trying to do a good job everyday for our families, our businesses and our franchisor. We are encouraged by SEI’s announcement at our June meeting that FIWs will no longer be used against franchisees, and we hope we are on the road to putting in place a fair process that helps franchisees manage their stores. I will provide an update after our next meeting. **AV**

## HOLISTIC REVIEW OR SMOKE AND MIRRORS? SURVIVAL OF A FRANCHISEE.

BY JAS DHILLON  
VICE CHAIRMAN, NCASEF



‘Smoke and mirrors’ is a metaphor for a deceptive, fraudulent or insubstantial explanation or description. The source of the name is based on magicians’ illusions, where magicians make objects appear or disappear by extending or retracting mirrors amid a distracting burst of smoke.

By the time you read this article seven months of 2015 will have passed, and more and more cities are passing minimum wage laws that will define our businesses and/or decide our viability. Fourteen states have minimum wage increases already enacted, waiting to be im-

creases that have already passed. We can expect more states to vote on increases throughout the balance of this year and next at a quickening pace.

I take no position personally or politically on the appropriateness or necessity of these movements. The issue of “income inequality” or wage stagnation is

better left to the economists and elected officials. I do know that the 2016 national presidential elections will have this issue front and center. Our very livelihoods, and those of countless other small businesses will be at stake, and

every attempt to raise wage rates will further redefine our businesses and decide

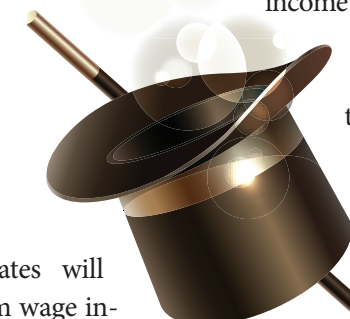
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**“In our 7-Eleven system 100 percent of the increase in minimum wage rates is borne by the franchisee. Can every store sell its way out of this? Probably not.”**

JAS DHILLON  
CAN BE REACHED AT  
818-571-1711  
or  
jasdhillon@rocketmail.com

The expression may have a connotation of virtuosity or cleverness in carrying out such a deception. (Wikipedia)

plemented. Five states will implement minimum wage increases in 2015, 12 states will implement increases in 2016, and 7 states will implement increases in 2017. These are in-



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## It's A Good Start, But SEI Needs To Do More To Help Franchisees



By Gary Singh  
Vice President, San Diego FOA



There is a genuine effort on SEI's part to be more willing to listen to us, the franchisees. I see it from our zone leader to our field consultant—they are making a serious effort to listen, and I really commend SEI for turning the page. Operations, the Merchandise Department and Asset Protection are truly working with us to solve as many of our issues as they can.

However, even though we are working together with SEI, we still have hurdles so high to overcome that I am afraid to even mention them. Let me try to explain what I mean.

Let's say you have an accounting problem. You explain the problem to your field consultant and create a case online. It's more than likely your case will be closed without a satisfactory resolution, so you reopen the case and the

chisee to help resolve that accounting issue?

Audits are getting better and I see Asset Protection auditing the auditors, but if there's a huge overage and shortage, why is the franchisee blamed and accused of not preparing the store for the audit? I don't want to discount that some stores might not be ready for an audit, but who in their right mind wants to lose money due to some minor housekeeping? It could be that the deliveries got crossed since there is no timestamp on the receiving log, or if the auditor scans the delivery first and then the store scans the delivery later, that creates a shortage right there.

When you talk to the Logistics people about McLane and CDC delivery discrepancies, the first thing they will

**“I have tried my best to increase costs to cover minimum wage increases, and I welcome anyone who can teach me how to do it.”**

cycle goes on. Now my question is, the field consultants are told to handle these problems by corporate, but do they have any better recourses than we do? All they can do is write a note and update the case, but in reality that will not resolve the problem and instead create friction between you and the field consultant, which is only natural. Now, why is there not even one dedicated person to listen to the field consultant or fran-

say is the store was not prepared for the deliveries—i.e. the store did not schedule labor to handle the delivery. What about when the McLane truck leaves the warehouse three hours late? Under the current environment with minimum wages being increased nationwide, how can a franchisee properly schedule labor to receive the deliveries when we have no control over the delivery times? Can you have people sit-

**“Even though we are working together with SEI, we still have high hurdles to overcome. I need someone to listen to my issues.”**

ting around and waiting for deliveries to arrive?

While I'm the subject of minimum wages, how does SEI expect us to offset the increased labor cost? Do they sincerely think we can increase sales by \$300 dollars per store day? I have tried my best to get there and I welcome anyone who can teach me how to do it.

Another hurdle is promos—we have too many of them and it is hard for our sales associates to keep track of each and every one. The other effect of promotions is that our GP is going down. Do you have any control on your GP?

I want someone to listen to my issues, which is my GP is going down, my operating costs going up, and how I can survive all of this on my own. Yes, Mr. DePinto promised to take a holistic review of the system, but I hope I do not run out of courage and resources in the meantime. **AV**





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## SEI Listened And Responded



Ray Dhaliwal, NCASEF Accounting  
Committee Chairman  
President, Greater Bay FOA

Earlier this year, the accounting committee for NCASEF met with SEI's executive team and department directors to present a list of 28 accounting-related issues compiled by NCASEF Board members and their member franchisees. NCASEF committee members received a response on all 28 issues the week prior to the National Coalition's May 7-8 board meeting and reported to the Board.

The following highlights the issues presented and summarizes the 11 pages of responses from the SEI team. Due to the space constraints we cannot list all of the issues in detail with the responses. If you are interested in the complete committee report, please contact me or your

credit explanation. Lottery/Lotto reconciliation is not available to franchisees on a timely basis. Payroll does not notify franchisees of garnishments. The Money Network card takes too long to set up. Deposit verification is not available to franchisees. Expense detail and invoice for CAM charges should be available to



**“NCASEF’s accounting committee met with SEI’s executive team and department directors to present a list of 28 accounting-related issues compiled by NCASEF Board members and member franchisees.”**

FOA President, as all presidents have been sent an electronic copy. We will be tracking these issues through the NBLC, the CEO Leadership Roundtable and National Coalition Board meetings.

I have divided the issues and SEI's responses into four categories, and would appreciate any feedback you may have.

### 1. ACCOUNTING:

ISSUES: An open CHD case should not be forced closed. Franchisees have to create a case to determine the charge or

the franchisee monthly. Total earned bill-back dollar amount received from vendors must be verified and booked promptly and provided to franchisees and be on M01. Scanback needs to be incorporated with the Daily Mark Up/Down report. Franchisee has to keep resubmitting S18s for same item. Some recommended items are factored.

RESPONSES: SEI is setting up a new pilot “Escalation Desk” in Greater LA. Franchisees in that area will be able to talk

**“NCASEF committee members received a response on all 28 issues the week prior to the National Coalition’s May 7-8 board meeting.”**

to a “live person” during business hours. This pilot will assign an accounting field trainee to all FCs in the Zone. Accounting System Improvement II is scheduled to be implemented in 2017. SEI is currently working to standardize reports, which should facilitate faster reconciliation, and will look into having garnishment notifications sent to the store (need to review legal implications before changing).

Accounting will work with IT to reinstitute the bank deposit verification report and review our process to see if we can achieve better transparency into CAM charges. An NBLC subcommittee is devoted to the issue of billbacks/scanbacks, and SEI is looking at this reporting option in our new system in 2017. For S18s Merch Support will debrief on additional improvement opportunities. All forms of retail inventory adjustment (S18, RIA, etc.) are processed within 48 hours of receipt by the accounting center. One exception to this rule is for retail inventory adjustments aged 90 days when the audit is completed.

### 2. ASSET PROTECTION:

ISSUES: A concern has been identified regarding “mis-keys by RGIS.” The audit exception report downloads in ISP 24

continued on page 56



*continued on page 82*



# A HISTORY OF INNOVATION & PERFORMANCE



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Ranked #6 for total dollar share in the US



## PREMIUM DISPOSABLES

3 of the top 16 selling SKUs in the US



## PREMIUM RECHARGEABLES

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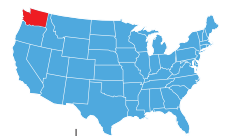
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# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY

In 1975 sixty franchisees incorporated as the Convenience Store Franchise Association, and the National Coalition of Associations of 7-Eleven Franchisees (NCASEF) was born. After several early name changes and over 40 years of representing franchisee interests, the National Coalition still provides the only national forum where franchisees can gather, trade experiences, and optimize their interests in working with vendors and 7-Eleven. Today, NCASEF has Franchise Owners Associations in all 31 states in which 7-Eleven operates stores.



Six Seattle store owners hold a basement meeting to discuss ways to improve profits.



Southland Corporation in August opens its 5,000th store.

San Francisco owners meet with Southland management.



Seattle and San Francisco FOAs hold planning meetings. Franchise owner's groups around the country find out about each other's existence.

Four officers from Southland Corporation meet with franchisees of the Detroit and San Francisco FOAs.

The national 7-11 Franchise Owners Association formed. First national convention held in Hawaii.

The "National Newsletter" becomes the Coalition's first publication.

Franchise attorney Tim Fine retained as counsel.



Thirteen franchisee organizations join the ranks of the national organization.

Huntington Beach franchisee Joe Saraceno publishes first quarterly issue of "Avanti," which in Italian means "onward" or "forward."



First national convention held at the Hacienda Hotel and Casino, Las Vegas

Franchisee Bennie Thayer Elected chairman of the "national."



**Avanti Spring 1982**

Southland VP Dick Dole met with Coalition Chairman Bennie Thayer (left) for the first time in 1982, signaling cooperation

Coalition officers travel to Dallas for workshop with management. Renewal and open communication are goals.

1973

1974

1975

1976

1977

1978

1980

1981

1982

The National Coalition narrative starts in 1973, a time when 7-Eleven was in a growth phase, building around 300 stores a year. Most of the images here are taken from the pages of AVANTI, which was started by Joe Saraceno in Fall 1980.

Sixty franchisees incorporate as the Convenience Stores Franchise Association.



First franchisee convention held in Las Vegas.

Elected Chairman Bill Schuessler frames the infamous Coalition motto,

**"None of us is as great as all of us together."**



"Renewal" voted most important goal of the national organization.

Chairman Bill Schuessler seated on National Advisory Committee (NAC)



**Avanti Winter 1981**

The hiring of the Coalition's first General Counsel, Tim Fine, landed on one of the earliest AVANTI covers.

Meeting marking the formation of the National Coalition, originally called the 7-11 Franchise Owners Association.

Franchisee Rosalie Robinson of Santa Barbara works on home-grown software to produce her cash report.



Southland Senior VP Dick Dole addresses National Coalition board for the first time.

200 vendors exhibit at the Southland Convention in Las Vegas. The National Coalition has a booth.

Franchisee/Corporate cooperation increases as the National becomes a business entity. Second Convention held at Riviera Hotel and Casino in Las Vegas.

Renewal for a 10-year period becomes reality.





# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY

The National is the largest independent franchisee trade association in the country.

San Diego FOA holds Christmas party for underprivileged children.

First Avanti Invitational Golf Tournament.



Southland stock splits three for two.

The company has 7,140 stores in the U.S. and Canada.



National Coalition Chairman Jack Wixon and Southland commit to working to sponsor the Olympic Games.

National Coalition Convention held in conjunction with 1984 World's Fair in New Orleans. Senator Alan Cranston is keynote.

Chicago stores get ATMs.

McLane's Second Annual Spring Forward Convenience Store Trade Show held.



## Avanti May/June 1984

7-Eleven and franchisees saluted the Olympics with Sam, the Olympic eagle mascot, Eric Heiden, the five-time skating gold medal winner turned cyclist, and Sheila Young Ochowicz, U.S. world cycling champion at the veledrome.



500 California stores get ATMs.

Coalition Board approves Affiliate Members, charities, and booth displays

UFOLI supports Fair Franchise Act in NY State.

## 1983

Bennie Thayer retires. Jack Wixon elected National Chairman.



Coalition Board donates \$2,000 to MDA.

## Avanti Jan/Feb 1983

Spaceship Earth, Epcot Center and the Future World Pavilion were highlighted for the Coalition's 1983 convention in Disneyworld.



## 1984

Coalition Counsel Tim Fine writes about Supreme Court ruling allowing franchisees to purchase independently from any vendor.



Joe Saraceno is elected Chairman with "good relationships" as a primary goal.



## Avanti Nov/Dec 1984

New national officers: Shirley Borden, Treasurer; Joe Saraceno, National Chairman; and Al Obar, Vice Chairman.

## 1985

Coalition welcomes first Affiliate Members:

Coca-Cola	Company	Core Mark
Ser-Vis, Etc.	American Bakeries	Veryfine
Stroh Brewery	GYR	John Morrell & Company
M & M Mars	Miller Brewing	Southland Dairies
Keebler	McLane	Keith Ferguson
Southland Distribution	Superior Coffee	Curtis
Langendorf Bakeries	Transaction Verification	Circulation
Carl Buddig &	Marty's Foods	Oscar Mayer
	Pepsi Cola	



Southland Chairman John Thompson speaks at National Coalition Grand Banquet.



## Avanti Mar/Apr 1985

Avanti salutes the snack and beverage industry as relationships with vendors grow.

LC GRAPE . LC APPLE . LC MINT . LC PEACH . FC NATURAL . FC WINTERGREEN . LC STRAIGHT

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# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY



Affiliate Members grow to 52 companies.

Tim Fine writes about the importance of protection laws regarding franchisee termination.



Chairman Joe Saraceno talks with management about "imbalance in franchisor/franchisee relationship."

NAC committees restructured.

Chairman Joe Saraceno writes about the importance of franchisee reactions to a changing business environment.

Annual Convention held in Hawaii for first time, with over 100 exhibitors.



## Avanti Sept/Oct 1987

AVANTI salutes the 58 Affiliate Members of the National Coalition with its first Affiliate Member Special Issue.



## Avanti Jan/Feb 1988

Spotlight on the 1988 officers (from top): Joe Saraceno, National Chairman; Al Obar, National Vice Chairman; Phyllis Shideler, Treasurer; Gene Brown, NW Regional Chairperson; Bob Strauss, Midwest Regional Chairperson; Walt Reinbott, Eastern Regional Chairperson; and Frank Corigliano, Northeastern Regional Chairperson.

## 1986

Insurance and Franchise renewal, transfer and succession raised as most important topics.

National Coalition Convention in Disneyworld, Florida. Southland Distribution Centers is major sponsor.



## Avanti Mar/Apr 1986

Illustrated cover by Robert J. Moore, II toasts all the 7-Eleven beverage suppliers.

## 1987

JT Acquisition, organized by the Thompson Corporation, makes tender offer to acquire all outstanding shares of Southland Corporation.

Black Monday. Southland stock falls and JT Acquisition loses \$500 million. Southland now predicts four straight years of losses.



1987 Elected Officers: (seated) Treasurer Maxine Smith, Chairman Joseph Saraceno, Vice Chair Al Obar, Back row: Regional Chairs Larry Zink, Bob Strauss, Don Hefner, Domenick Manzo, Bill Alber.

## 1988

Southland and JT Acquisition Corporation merge. Losses predicted until 1992. Equipment, advertising, remodels stop. Franchisees still support the company.



Franchisees meet in Las Vegas to share questions and concerns.

Jerry Lewis represents MDA at the National Coalition Convention and is guest speaker at Grand Banquet. Dr. Joyce Brothers speaks at luncheon.



is the **#1 WATER ICE BRAND!**

**Low Calorie! Low Price Point! High Profits!**

SLIN: 190090

Popsicle® Rainbow Pop is the **#1 Water Ice Item** in 7-Eleven!

**Kid Favorite! Mother Approved!**

SLIN: 190690

SLIN: 190087

**\$0.99 ALL SUMMER P3 & P4 Promo**

**CALL TO ACTION**  
Check that the above items are "CARRIED" AND IN-STOCK!

The Original Brand Since 1905!



# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY



**Avanti Jan/Feb 1989**  
National officers (left to right): Ted Poggi, Vice Chairman, Joe Saraceno, Chairman, and Phyllis Shideler, Treasurer, at board meeting in Scottsdale, Arizona.

McLane and CoreMark both hold trade shows for franchisees.



**Chief Financial Officer Clark Matthews explains \$400 million Ito-Yokado/Seven-Eleven Japan restructuring deal.**

The Thompsons write open letter to franchisees urging support for strategic partnership with Seven-Eleven Japan.



**Avanti May/June 1990**  
The company restructures \$1.8 billion debt and receives \$400 million in exchange for 75 percent of stock. Franchisees ask questions, but support the company.

**Avanti Jan/Feb 1991**  
Affiliate Member Directory included 80 member companies as vendors sought even more independent contact with franchisees.



**Avanti Mar/Apr 1991**  
AVANTI goes bi-monthly on the magazine's 10th birthday. Cover collage by franchisee Dick Rainforth.



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tea + ingredients with purpose.



**ORDER NOW**  
Through Your  
McLane Distributor!

Hibiscus Tea Sangria  
SLIN: 241491



Green Tea Ginger Twist  
SLIN: 241493



Carolina Honey  
SLIN: 241499



Hibiscus Tea Squeeze  
SLIN: 246189



## 1989

Southland reports 1988 loss of \$216.2 million on revenues of \$7.99 billion.

Southland sells stores in Memphis, Kansas and Minnesota but not in franchise markets.



Affiliate Member program continues to grow.

Exec VP Dick Dole speaks to vendors at Affiliate Meeting.



## 1990

First joint Coalition Board of Directors/Affiliate Member meeting.

Coalition Convention is held in Hawaii with great success. 200 franchisees attend board meeting. Jere Thompson speaks.



## 1991

Court confirms Southland's reorganization. Southland VP Steve Krumholtz and other managers outline goals at board meeting.



Chairman Saraceno provides affidavit before bankruptcy court.



The courts uphold store agreements.

**Avanti Jul/Aug 1991**  
AVANTI celebrates July 4th and growing franchisee independence as the Coalition moves to protect the rights of franchisees.

## 1992



Ted Poggi takes over as Chairman with platform of "independent decisions."

Convention held in Reno is huge success. Japan's Toshifumi Suzuki addresses franchisees.

New agreement a concern to franchisees.

Board meets in Sarasota, Florida to discuss profitability and equity with management.



**Avanti Mar/Apr 1993**  
More militant Chairman Ted Poggi takes over reigns of the Coalition. National Officers meet in San Jose to plot a course for the new administration.

## 1993



Southland and McLane sign definitive agreement.



Coalition online INFONET service established.

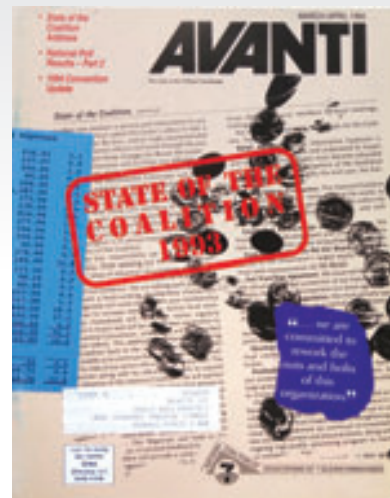


Tariq Kahn and Teresa Maloney elected Regional Chairpersons.

National Coalition supports AFA efforts to pass fair franchising legislation.

Fair Franchising sample agreements presented to corporate.





**Avanti Mar/Apr 1994**  
 Communications with corporate are strained as a result of threatening legal action. Ted Poggi begins "State of the Coalition" addresses.



Chairman Poggi meets with Jere Glover, Chief Counsel at the Small Business Administration.

Counsel at the Small Business Administration.

Second annual survey shows the majority of franchisees support strong tactics in dealing with corporate.

Southland VP of Finance Jim Keyes visits Coalition Board meeting for the first time.



Retail Automation is the Coalition buzzword.



Management speaks at Reno Board meeting on the topic of CDCs.

Proposed operations manual perceived as defacto contract.

Steve Krumholtz writes for AVANTI on CDC "vision."



Slurpee is 30-years-old.

Southland, Coalition settle Mutual Termination and Release lawsuit.



## 1994

First National Coalition poll of franchisees on CDC.

Many FOAs look to the Coalition for leadership.

Coalition continues to support MDA.



**Avanti Sept/Oct 1994**  
 The 1994 convention in Las Vegas highlights unity and franchisee rights at the spectacular MGM Grand and the magical city of OZ.

## 1995

Franchisees visit Washington, D.C. as part of White House Council on Small Business.



**Avanti May/Jun 1995**  
 The National Coalition celebrates 7-Eleven Days for the first time since the LBO.



**Avanti Jul/Aug 1995**  
 The 20th Anniversary Convention and Trade Show was bigger than ever and featured an array of talented performers. Southland senior management begins to actually attend Coalition Board Meetings.

## 1996

National Coalition presents \$1 million check to MDA.



**Avanti May/Jun 1996**  
 The road to Reno in 1996 was long and winding as lawsuits continue and Ted Poggi asks for a business approach from corporate.



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Prebook window: 7/3 - 7/31; Instore dates: 11/14/15 - 1/4/16



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**WINTER MIX SHIPPER**  
 36 count, Power Wing Compatible



**TWO GREAT SEASONAL MIX FLAVORS**

- **Winter Spiced Mix 5.5oz**  
 Sweet cinnamon roasted peanuts, almonds, honey roasted sesame sticks, cashews and pecans
- **Brittle Nut Medley 6oz**  
 Peanut Brittle, honey roasted peanuts, yogurt flavored raisins, cashews and pretzels



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# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY



Vegas convention is largest in Coalition history. CFO Jim Keyes and COO Steve Krumholtz address franchisees.

Southland gets improved Moody's rating on stock.



## Avanti May/June 1997

The Coalition celebrates Las Vegas with its first National C-Store Buying Expo, the largest trade show in franchisee history.

Renewal becomes Coalition objective.



## Avanti Jan/Feb 1998

Tariq Khan takes over as chairman with "business" approach in communicating with corporate. Other national officers include Executive Vice Chair Paula Yocum, Bob Strauss, Gene Villagrana, Tom Winn and Leonard Goltz.

Franchisee liaison program established.

Southland highlighted on cover of CS News for "exciting times."



Southland management now regular fixtures at board meetings. Communication improves.

Keyes, Khan write joint open letter to franchisees on the "new relationship."

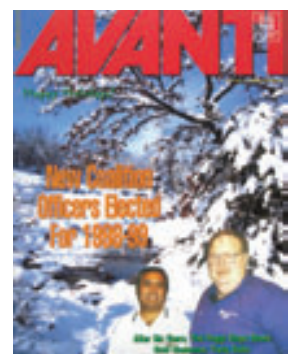
Coalition included in 7-Eleven annual report for the first time.

Coalition representatives invited to visit Japan.

## 1997



Coalition Retailers Against Minors Purchasing (RAMP) program established.



## Avanti Nov/Dec 1997

It's the changing of the guard as lawsuits begin to wind down and Tariq Khan is

elected chairman. At corporate, Jim Keyes takes over as president and CEO.

## Avanti Sep/Oct 1997

The CDC is a major issue with franchisees, who want answers from management about why goods cost more.

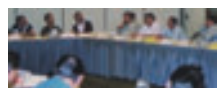


## 1998



Jim Keyes writes first article for AVANTI.

Southland, Coalition pledge to establish business relationship.



FOA presidents report to Coalition board from all franchisee areas for first time.

Southland president Clark Matthews is invited to Coalition board meeting.



Washington State FOA leaders pass "illegal under 18 legislation."



Coalition Counsel Pat Carter and Southland lawyers Mike Davis and Buck Smith appear together on Legal Forum at convention.

## 1999



## Avanti July/Aug 1999

The Coalition has its most successful convention ever, setting records in both attendance and booth participation at the trade show. Same-store sales are rising and franchisees are encouraged by the growth.

## Avanti Sept/Oct 1998

Coalition Officers and Southland senior management agree that the system needs cooperation at all levels.



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Nestlé Nesquik  
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caramel coconut  
ORDER TODAY!

Be in stock and ready for July  
PromoMaster 2 for \$3  
Available Mid-June to November 2015!  
Gross Profit 45% after billback!

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14 oz. ready-to-drink size  
Available Mid-June - November 2015  
(while supplies last)



# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY



Inventory variation is a major concern to many franchisees. Joint National Coalition/7-Eleven, Inc. Case Study Project conducted by Vice Chairman John Irvine.

Jim Keyes succeeds Clark Matthews as President and CEO of 7-Eleven, Inc.



SEI establishes Wall of Honor to honor franchisees.

National Coalition celebrates Silver Anniversary with convention in Dallas. SEI hosts tours of City-place headquarters. Franchisees and SEI employees connect.



7-Eleven Franchisees Against Youth Smoking program, an expansion of the RAMP program, formed.



## Avanti Jul/Aug 2001

The Coalition and SEI celebrate together at the 2001 convention. More franchisees and corporate employees participate than ever before.

Franchisee leadership works positively with SEI management to introduce positive changes into the system as SS sales continues to grow.



SEI introduces Vcom to franchisees.

Coalition Chairman Tariq Khan focuses on the impending new agreement.



## Mar/Apr 2002

New Officers elected. John Irvine, Bob Rose, Joe Kropkowski, Vice Chairs, Leonard Goltz, Treasurer, Gene Villagrana, Executive Vice Chair and Tariq Khan, Chairman. The board is focused on RIS, sales and merchandising. The National Coalition is stronger than ever. The Board meets in Napa with 7-Eleven management.

SEI loses trademark licensing fees from abroad, but sales continue to grow.

VP Franchising Jack Wilke addresses the board, which agrees wholeheartedly to a joint 7-Eleven convention for 2002.



Delaware FOA formed.



## Avanti Jul/Aug 2002

An unprecedented joint convention with franchisees and corporate management is held in New York City to celebrate 7-Eleven's 75th Birthday.

2000



## Avanti Jul/Aug 2000

The Coalition celebrates its 25th Anniversary in style, with Frankie Avalon. Inventory Variation is franchisees' biggest concern.

Coalition strengthens financially and politically under Tariq Khan's "business entity" approach.

Bob Strauss and John Wilkerson receive Distinguished Service Awards from National Coalition.

2001



Affiliate Member program reaches new high, with over 100 members.



## Avanti Sept/Oct 2001

Disaster strikes on September 11. The entire system feels the impact.

2002

# CATCH A BIGGER SLICE OF SALES THIS SUMMER



ALL 2-OZ BAGS  
2 FOR  
\$2.00



SOUR PATCH KIDS  
Watermelon 2 oz



ALL 5-OZ BAGS  
2 FOR  
\$2.50

SOUR PATCH KIDS  
Watermelon 5 oz

NEW SLURPEE FLAVOR =  
BIG CANDY SALES  
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SLIN 142633  
Sour Patch Extreme 2 oz



SLIN 140397  
Swedish Fish 2 oz



SLIN 140268  
Sour Patch Extreme 4 oz



SLIN 141873  
Sour Patch Watermelon 5 oz



SLIN 141439  
Sour Patch Kids 5 oz



SLIN 140765  
5 oz SWEDISH FISH ASSTD  
PEG BAG 12

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THE NATIONAL COALITION  
**40 YEARS OF  
FRANCHISEE UNITY**

**MDA** Franchisees continue a long tradition of supporting the Muscular Dystrophy association, raising \$80 million over 28 years.

As SEI works on the 2004 new agreement, it is passed to the ARC committee co-chaired by San Diego FOA President Gene Villagrana as required by the OFFF/Valente Lawsuit Settlement.



SEI involves the Coalition in the new agreement, but discussions stall when franchisees learn of the 85 percent buying requirement.



Franchisee Superstars convention held in Las Vegas and over 200 vendors exhibit. Neil Sedaka stars at the banquet.



**Avanti  
Jan/Feb  
2004**

**ARC completes their review process. SEI begins distribution of the contract and franchisees**

**begin to sign or face operational review.**

Greater Bay FOA franchisees rejoin the National Coalition after a 9-year hiatus.

McLane Introduces their Virtual Trade Show, which allows any customer to order online.



Courts grant the National Coalition "standing" to represent franchisees in the lawsuit against 7-Eleven. NCASEF Board eventually elects to withdraw the lawsuit.

SEI issues new "food service clean" cleanliness standards for the introduction of fresh and hot foods.

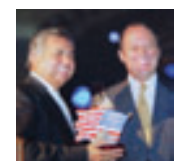


**Avanti Sept/Oct 2005**

**Seven-Eleven Japan completes tender offer for 7-Eleven USA at \$37.50 per share. The company eventually goes private under the S&I Holdings umbrella.**



**2003**



Franchisees express disappointment with the terms of new agreement. Tariq Khan re-elected Chairman. Jim Keyes works to raise the stock price.

SEI distributes first drafts of the 2004 Agreement and franchisees soon begin to sign.



**Avanti Jul/Aug 2003**

**The new agreement work group reached an impasse as franchisees tried to compromise at a 75 percent recommended vendor buying requirement.**

**2004**

General Counsel Pat Carter files "No Net Adverse Effects" Lawsuit on behalf of the National Coalition. SEI stops talking to the National Coalition.



More than 1600 franchisees sign the new agreement within the allotted time with very few holdouts nationwide.

SEI forms the President's Leadership Council (PLC), comprised of Presidents of all Franchise Owners Associations in the county.

**2005**



CEO Jim Keyes "retires" with \$64 million and CFO Moneypenny is not far behind. Tariq Khan is re-elected Chairman of the National Coalition.



Joe DePinto joins 7-Eleven, Inc. as new President and CEO.

**COULD WIN \$4,000!**

Available only to 7-Eleven Franchisees' FOA  
(Corporate Stores are not eligible)



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SEPTEMBER**

Sweetened Original  
2/1.5 L  
50000-93332  
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French Vanilla  
2/1.5 L  
50000-93348  
UIN 341545

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2/1.5 L  
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**Increase NESTLÉ® COFFEE-MATE® Liquid Pump Bottles over last year's Q2 and Q3 sales!**

- The FOA with the largest sales increase over last year wins **\$4,000**
- The FOA with the 2nd largest sales increase over last year wins **\$2,500**
- The FOA with the 3rd largest sales increase over last year wins **\$1,000**

**Nestlé**  
PROFESSIONAL





## THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY

The Coalition forms Vendor Advisory Board to help define distribution issues.

NACS begins testimony before congress regarding Interchange fees. Franchisees get involved.

St. Louis and San Francisco/ Monterey Bay FOAs join the National Coalition as numbers of franchisees grow.

CEO DePinto introduces Retailer Initiative and Servant Leadership and franchisees respond positively.



7-Eleven begins a 5-year period of acquisition with the purchase of 206 White Hen stores in the Chicago area

Goodwill becomes an issue as store growth eats into pricing for franchised stores.



Revered former National Coalition chairman and statesman Joe Saraceno passes away.

Dennis Lane elected chairman, defeating Tariq Khan, chairman for 10 years.



7-Eleven begins franchising 538 company stores in Maryland and Virginia.



Simpsons promo is a huge success as 7-Eleven sells over 1 million Sprinklicious donuts.

NCASEF

holds a successful convention in Hawaii with over 250 vendors exhibiting and 62 sponsors. Arnie Hauptmann retained as Coalition counsel.

**A Glimpse of Heaven in 2007**



### Avanti Jan/Feb 2008

As the number of franchisees grows new FOAs spring up in areas like Utah, Texas and Washington, DC. Remodeling through AQIP and CMR is in full swing.



7-Eleven grows by 800 stores in one year as Starbucks suffers, closing 600.

## 2006

Eight California FOAs send SEI a letter claiming the company is encroaching on franchisees' independent contractor status.

SEI introduces the MOT and launches AQIP store remodel program.



### Avanti Sept/Oct 2006

Deadlines and ordering controls herald the decline of store customization as the 85 percent requirement trumps franchisee instincts.

## 2007



### Avanti July/August 2007

With current franchisees purchasing more than 50 percent of available stores, more multiples are created, and franchisees who want additional stores enjoy prosperity.

## 2008



Chairman Dennis Lane and Vice Chair Joe Galea build the Coalition, forming 20 new FOAs over a two-year period.

California bans trans-fat and InBev and Anheuser Busch combine companies.

Serge Haitayan writes about the LA test of "consolidated distribution," which eventually becomes BT.



Franchisees are warned about rampant credit card fraud in lieu of chargebacks, and 7-Eleven private label offerings begin to ramp up.



# 7-ELEVEN TEA PARTNER SINCE 2003



International Tea Master, Barry Cooper, has spent over 50 years tasting and blending teas. He travels the globe to select the finest teas for his signature blends.



Cooper Tea Company | www.coopertea.com



## 4 PREMIUM TEAS AVAILABLE FOR YOUR FOUNTAIN

Sweet Tea  
(made with real sugar)  
SLIN #130009  
UIN #384222



8 51190 00002 4

All-Natural Organic  
Unsweetened Tea  
SLIN #130074  
UIN #004804



8 51190 00001 7

Honey & Ginseng  
Green Tea  
SLIN #130737  
UIN #701391



8 51190 00028 4

All-Natural Papaya  
Mango Green Tea  
SLIN #130801  
UIN #464354



8 51190 00007 9

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vendor  
and proud  
supporter of  
7-Eleven  
franchisees



# THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY



Two dissenting Chicago FOAs reunite into one and CEO Joe DePinto attends their trade show.

Franchisees tighten their belts and concentrate on service as the tough economy pummels c-stores and 61 percent suffer declines year over year.



SEI rolls out Redbox to all franchised stores nationwide to capitalize on the rental craze.

Corporate redefines the multiple store criteria as 60 percent of new stores are purchased by existing franchisees.

SEI celebrates opening the 100th Business Conversion Program store.

Tucson Franchisee Bruce Maples begins first of two terms as NCASEF Chairman.



New FOAs continue to form as the number of franchised stores surges past 5000.



The new coffee program reaches Long Island. Franchisee Jack Rugen writes about it for *Avanti*.

## Avanti May/Jun 2010

7-Eleven app is introduced to the public. The 2010 agreement is introduced with a 10 year term and a 20 percent franchise renewal fee.



## Avanti Jan/Feb 2011

CDC comes under scrutiny once again when SEI redefines

the distribution model with Business Transformation (BT).

Franchisees are urged to take advantage of the Work Opportunity Tax Credit.

50-year franchisee Dick Newmark, an original Speedee Mart franchisee, is honored at the national Coalition convention.



## 2009

Dr Pepper Snapple supports 7-Eleven and franchisees with Indy Car Sponsorship of driver Tony Kanaan.

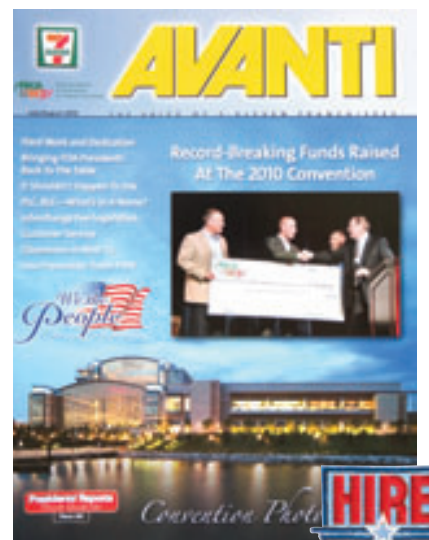


## Avanti Sept/Oct 2009

Franchisees and SEI team together to fight rising credit card fees by visiting their congressmen in Washington, D.C. with an historic 1.7 million signatures.

## 2010

7-Eleven unveils new private label beer, Game Day.



## Avanti Jul/Aug 2010

NCASEF begins a three-year commitment to Hire Heroes USA that results in more than \$1 million in donations.

Handpicked National Business Leadership Council replaces the PLC, which was composed of NCASEF FOA presidents.

## 2011

SEI realigns the division system into 14 zones and moves field merchandising to Dallas.



NCASEF develops and opens the first real franchisee association website with meeting registration and web-based Avanti.

FM rolls out www.FM24-7.com for franchisees to open cases online plus view invoices and site reports.

Franchisees recognized by Senator Durbin for role in advancing credit card swipe fee reform.



# Delicious & Nutritious on the go!



Learn More at [TruMoo.com](http://TruMoo.com)

\*No significant difference has been shown between milk derived from cows treated with the artificial growth hormone rBST and non-rBST-treated cows.



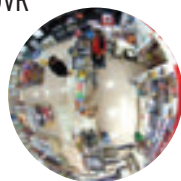
## THE NATIONAL COALITION 40 YEARS OF FRANCHISEE UNITY



Franchisees achieve success with private label in a number of categories as 7-Select brands.

Bills creating higher sin taxes on sugar, alcohol and tobacco dominate legislative activity.

SEI begins installing DVR security systems, which results in all six national officers and one Florida franchisee filing for mediation.



SEI expands by 1800 stores in the U.S. in 3 years while worldwide store count hits 50,000.



Chicago franchisee Jim Bayci appears on Fox News to talk about the credit card swipe fee settlement.

The 2012 franchise agreement changes the way franchise fees are calculated. Franchisees struggle to understand Asset Protection's role.

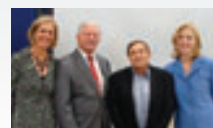
A record \$750,000 is donated to Hire Heroes.



40-year franchisee Joe Galea, president of San Francisco/Monterey Bay FOA, takes the helm at the National Coalition.

Hot foods are the rage, but some franchisees struggle with the program despite their best efforts.

Swim Across America becomes the charity of choice for its fundraising efforts.



Nationally known franchise attorney Eric H. Karp hired as general counsel to NCASEF.

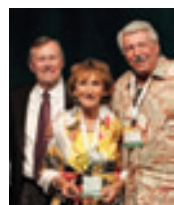
Cleanliness surveys come under scrutiny as evaluations hit oldest stores hardest.

2012

2013

2014

2015



Franchisee Herb Domeno and wife Pearl honored by NCASEF for their 48 years as franchisees.



NCASEF, vendors and SEI raise \$340,000 for Hire Heroes with a cause equity program.

7-Eleven piles up the acquisitions: Sam's Mart, Exxon, Easy Trip, Quix, Tetco, Open Pantry, Speedy Stop, HM.



**Avanti Jan/Feb 2012**

More franchisees become multiple owners under a changing criteria as FM Facilities Maintenance takes over the takes over maintenance responsibilities nationwide.

NCASEF donates \$100,910 to Susan G. Komen of Southern Arizona.



Seven&I Holdings reports a 9.5 percent rise in first quarter profits and focuses on U.S. expansion.



Labor lawyer Robert D. Haws talks to the Board about best practices in hiring and reporting.

NCASEF donates \$100,910 to Susan G. Komen of Southern Arizona.



**Avanti Jul/Aug 2013**

Hire Heroes USA, MDA as well as other organizations are recipients in a banner year of giving for the National Coalition and FOAs around the country.



NCASEF conducts survey of franchisee concerns, opinions on all topics 7-Eleven.



**Avanti Mar/Apr 2014**

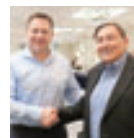
Franchisees feel the pinch on their independent contractor status as SEI uses accounting and Asset Protection to

rein in the system and clamp down on inventory and employee management.



SEI seeks to "reset" the relationship with the National Coalition. National Coalition Board members meet with SEI Accounting personnel for the first time in years.

CEO Joe DePinto and senior staff attend the NCASEF Board Meeting in Sandestin Florida.



# The Number 1 Selling Kids Drink In Convenience Stores



Berry Raspberry (10 oz.)



SLIN # - 242825



Fruity Punch (10 oz.)



SLIN # - 242826



Outrageous Orange (10 oz.)



SLIN # - 242824



Lemony Lime (10 oz.)



SLIN # - 240491

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• **100% Vitamin C • 53% Profit At \$.99**

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## Member News

continued from page 26

### Legislative Update

egress, parking facilities, outdoor lighting and other descriptive information required by the commissioner.

The commissioner of Business Affairs and Consumer Protection would then review the store's "setting" and "proximity to residences and hospitals" along with the establishment's history of "public complaints of noise and other disturbances" before deciding whether to grant special licenses that do not adversely impact the "peace and quiet of the local community."

#### Tobacco Tax Hike Could Land On California Ballot

A coalition of health and labor groups has submitted a pair of initiatives for the 2016 ballot to raise the state's tobacco tax by \$2 a pack, reported the *Sacramento Bee*. Save Lives California, including the American Heart Association, American Lung Association, American Cancer Society, California Medical Association and SEIU California, filed two measures with the Attorney General's Office for titles and summaries. Backers will likely decide later which one to take to the streets for signatures and a place on the ballot. One measure allows state tax officials to impose an equivalent tax on electronic cigarettes. Voters could have a say on tobacco tax initiative four years after they narrowly rejected

Proposition 29, which sought to raise the tax by \$1 a pack to raise nearly \$750 million. California presently taxes cigarettes at \$0.87 a pack.

#### California Votes To Raise Smoking Age

The California Senate voted recently to raise the legal smoking age in the state from 18 to 21, a move that could make California one of the states with the highest smoking age, reported Reuters. The measure was approved by the Senate 26-8 and must now be approved by the state Assembly. The Institute of Medicine, the health arm of the National Academy of Sciences, has said that increasing the smoking age to 21 would result in more than 200,000 fewer premature deaths nationally for those born between 2000 and 2019. The Cigar Association of America op-



**The Institute of Medicine says increasing the smoking age to 21 would result in 200,000 fewer premature deaths nationally for those born between 2000 and 2019.**

continued on page 84

Register for the 2015 NCASEF Convention at [www.ncasef.com](http://www.ncasef.com)



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advantages that can make them a "critical component" of a successful business. • A survey conducted by storage provider Storage shows that **42 percent of all respondents said they would rather use valet storage over self-storage** if both were available to them; the number jumps to more than 50 percent among women, urban dwellers and millennials. • **An Anheuser-Busch brewery in Georgia moved from producing cans of beer to churning out cans of water**, which was distributed to those affected by flooding in the Southwest in late May, reported the *Washington Post*. •

**Whole Foods** is trying to change its reputation as a grocery with fresh food at high prices by **opening a separate chain of smaller, convenience-focused, lower-priced stores** aimed at millennials, reported *USA Today*. • **PepsiCo said it is dropping the artificial sweetener aspartame from Diet Pepsi** in response to customer worries, reported the Associated Press. The company **will use sucralose**, an artificial sweetener commonly known as Splenda, to replace it. • In an effort to modernize its domestic business, **McDonald's is testing delivery at 88 restaurants in New York City** through the **app-based delivery service Postmates**, reported *Nation's Restaurant News*. • **Amazon.com announced its Prime Now service will offer one-hour delivery from local stores** in addition to the tens of thousands of items offered by Amazon.

**In Manhattan, customers can now purchase groceries, prepared meals and baked goods** from D'Agostino, Gourmet Garage and Billy's Bakery through the Prime Now app. • **Yum Brands Inc.'s Taco Bell and Pizza Hut restaurant chains plan to remove artificial flavors and colors from most of their food**, joining other food companies that are opting for more natural ingredients in the face of changing consumer tastes, reported the *Wall Street Journal*. • **The Minnesota Senate voted overwhelmingly recently to end sales of instant-win tickets on the Internet**, at

continued on page 86

### 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 it contains your name, call AVANTI's Offices at 215 750-0178 before the next magazine is published, and win this issue's total. NCASEF Members only.



**Named The Most Influential Burger of All Time!**

Source: Time News Feed, Time Inc., January 14, 2014

**The #1 Selling Frozen Cheeseburger Nationwide!**

According to Nielsen and IRI

**The #3 Selling Freezer Door Item at 7-Eleven Nationwide!**

According to 7-Eleven



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Freezer Case 6-packs (SLIN #180139)



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## Legislative Update

posed the bill, contending that 18-year-olds can serve in the military, vote and sign contracts and should thus enjoy the right to smoke.

### NYC High-Sodium Warning On Menus

The New York City Health Department said it will consider requiring chain restaurants to alert customers to menu items that are high in salt, reported CBS News. The proposed warning would apply to restaurants with more than 15 locations nationwide. It would show a salt shaker next to any menu item with more than the U.S. daily recommended limit of 2,300 milligrams of sodium—about a teaspoon

of salt—with a message stating: "High sodium intake can increase blood pressure and risk of heart disease and stroke." The Health Department estimates about ten percent of dishes would warrant a salt shaker.

### Connecticut Bans Powdered Alcohol

The Connecticut House of Representatives has voted overwhelmingly to ban powdered alcohol, joining several states across the country that have moved to prohibit an item that has become popular among teenagers, reported the *Hartford Courant*.



**Powdered alcohol has been banned in Vermont, South Carolina, Alaska, Delaware, Louisiana, Utah and Virginia.**

After the sale of powdered alcohol was approved by the federal government in March, states began responding by en-

acting bans on the strong-proof alcohol

*continued on page 85*



## Legislative Update

that legislators say is hard to regulate. Bans have already been enacted by Vermont, South Carolina, Alaska, Delaware, Louisiana, Utah and Virginia, among others. The House passed the measure 143-2 to ban the product as of October 1. The bill, which was approved previously by the Senate, now goes to Gov. Dannel P. Malloy for his signature.

### Arizona Says Cities Can't Ban Plastic Bags

Arizona lawmakers voted in April to make it illegal for cities in the state to impose plastic bag bans, angering municipalities over what they see as heavy-handed action by the state, reported the Associated Press. The same law applies similar restrictions on Styrofoam containers and other disposable products. The measure was backed by the Arizona Retailers Association and the Arizona Food Marketing Alliance, which represents brands including Safeway, Kroger, Circle K and QuickTrip.

### Kansas Senate Rejects Expanded Alcohol Sales

Kansas lawmakers have rejected a watered-down version of a plan to expand alcohol sales by grocery, big-box and convenience stores in the state, reported the *Wichita Eagle*. Voting 26-11, the senators turned down a floor amendment that would have allowed the chain stores to sell full-strength beer. Under current law, they can sell only beer and coolers with a maximum alcohol content of 3.2 percent. Uncork Kansas, a coalition including Dillons, Hy-Vee and other chains, has pushed hard to bring a bill to the floor to allow their stores to sell hard liquor and wine as well as beer. They've been opposed by associations representing independent liquor retailers—the only ones now allowed to sell full-strength packaged alcohol.

### Michigan Voters Reject Road Tax Plan



Proposal 1, likely one of the most complicated and confusing questions ever placed on a Michigan ballot, was soundly rejected during the May special elections as many voters expressed anger at lawmakers and state government for failing to come up with a better solution to the sorry state of the roads, reported the *Detroit Free Press*. Proposal 1 would have increased the state sales tax to 7 percent from 6 percent, taken the sales tax off fuel sales, and hiked fuel taxes—raising close to \$1.3 billion extra for roads.

When fully implemented, the plan would have also generated about \$200 million a year more for schools; \$116 million for transit and rail; sent \$111 million more to local governments; and given a \$260-million tax break to low- and moderate-income families through restoration of the Earned Income Tax Credit. The complex nature of the proposal resulted from the need to replace school and local government revenues lost as a result of removing the sales tax from fuel sales to make room for higher fuel taxes, which unlike sales taxes, support roads and transportation. Compounding the voter dissatisfaction, most of the details weren't spelled out in the ballot language.

### San Francisco To Require Soda Warning Labels

A panel of San Francisco lawmakers voted recently to advance a package of laws targeting soda and other sugar-sweetened beverages, including what would be the first warning label in the country, reported Reuters. "Drinking beverages with added

sugar leads to obesity, diabetes and tooth decay. This is a message from the City and County of San Francisco," the proposed warning label on the beverages would read.

The proposals would also ban advertising of sugary drinks on city property

**San Francisco lawmakers voted to target soda and other sugar-sweetened beverages with the first sugar warning label in the country.**

and forbid city departments from buying sugar-sweetened beverages. A representative of the American Beverage Association told the San Francisco panel that "important facts were missing from their discussion" on the sources of obesity, such as inactivity, genetics and overconsumption of food items like pizza and burgers. There was no immediate word on when the full board might act on the proposals.

### New Jersey & Oregon To Let Motorists Pump Their Own Gas

New Jersey and Oregon, the only two U.S. states where motorists can't pump their own gasoline, could be in a race to lose that distinction, reported *Bloomberg*. Two New Jersey lawmakers have introduced legislation to give drivers the option of self or full service at gasoline stations. The proposal comes after a measure to let drivers in rural parts of Oregon serve themselves passed the House of Representatives. New Jersey and Oregon adopted bans on self-

serve gasoline more than 50 years ago because of safety concerns. ■



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## Member News

continued from page 28

year, and they are increasingly turning to convenience stores for these healthy purchases, according to survey results released by the National Association of Convenience Stores (NACS). More than six in 10 American consumers (61 percent) say that convenience stores are offering healthier, nutritious products and serving sizes. This was the third consecutive year that a majority of Americans say that convenience stores are providing more better-for-you items.

Sales reflect growing consumer choice for food items in convenience stores. Nearly six in 10 consumers (59 percent) and seven in 10 of those age 18-34 (70 percent) say that convenience stores offer food that they feel comfortable eating. Foodservice sales at convenience stores increased 9.7 percent in 2014, according to NACS data. In particular, consumers are purchasing more fresh and nutritious food in convenience stores. Overall, 44 percent of Americans say that convenience stores offer nutritious items, which is a strong increase from the 30 percent who felt that way in 2013. In addition, 43 percent say that convenience stores are a place to get fresh food items.

### Skimmers Found In Many Florida Gas Stations

Florida consumers filling up at the gas pump may have had their credit card information stolen, reported the *Sun Sen-*

*"A recent sweep of 7,571 gas stations led to the discovery of 103 credit card skimmers."*

*inel.* The state's Agriculture Commissioner said that a recent sweep of 7,571 gas stations led to the discovery of 103 credit card skimmers. The devices were found on gas station pumps stretching from Miami-Dade County all the way to Florida's Panhandle. Most were found in South Florida. The Agriculture Commissioner said the information about the skimmers was being given to law-enforcement authorities to investigate. He also said that his office would continue to sweep through gas stations.

### Former NCASEF Chairman Joins SEI



SEI recently announced that former NCASEF chairman and Tucson FOA president Bruce Maples has joined the company as Senior Director, Franchise Support Quality Assurance. SEI said Maples will provide the franchisees' perspective on issues across the system and will report to Jeff Schenck, who has re-joined the company in the

continued on page 88

### The National Coalition Office Has Moved!

The strength of an independent trade association lies in its ability to promote, protect and advance the best interests of its members, something no single member or advisory group can achieve. The independent trade association can create a better understanding between its members and those with whom it deals. National Coalition offices are located in Santa Cruz, California.



#### NCASEF Offices

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Santa Cruz, CA 95060  
Office 831-426-4711  
Fax 831-426-4713  
E-mail: nationaloffice@ncasef.com

Register for the 2015 NCASEF  
Convention at [www.ncasef.com](http://www.ncasef.com)



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**gas pumps and through ATMs, re-**ported the Winona Daily News. • **One-quarter of global respondents say they are already ordering grocery products online** for home delivery and more than half (55 percent) are willing to use it in the future, according to the new Nielsen Global E-commerce and the New Retail Survey. • **Dunkin' Donuts recently announced it is recruiting franchisees** to develop an estimated 10+ new Dunkin' Donuts restaurants throughout Mobile, AL, and Biloxi and Jackson, MS. • **A proposed battery swap model** developed by University of Wisconsin students **to increase the viability of electric vehicles** was named the winner of the Fuels Institute's inaugural Future of Transportation Case Competition at the Institute's Spring Meeting in New Orleans, reported NACS Online. • **Seven Emirates Investment**, the exclusive regional franchiser of 7-Eleven, announced that it **will open the first 7-Eleven store in Dubai in September 2015**. • **U.S. Millennials increased energy drink consumption from 55 percent to 61 percent from 2014 to 2015**, despite the fact that 74 percent of older Millennials (consumers age 27-37) express concerns about product safety compared to 65 percent of consumers overall. • There is a **good chance that average U.S. gas prices will drop soon** due to stabilizing crude oil costs and as refineries complete seasonal maintenance, which would result in the cheapest summertime gas prices since 2009, according to the AAA Monthly Gas Price Report. • **Costco Wholesale** seems to have quietly **surpassed Whole Foods to become the biggest organic grocer**, with annual sales of organic products exceeding \$4 billion, reported the Seattle Times. • **Altria, Lorillard and Reynolds American recently agreed to drop their lawsuit over FDA rules for packaging labels** they consider as too restrictive after the agency issued an interim enforcement policy that puts a stop to that initiative until at least until 30 days after the FDA issues a revised guidance or announces its intention to not issue one.

continued on page 96

# GET IN ON THE GROWTH



**The fastest growing\* cigarette brand,  
made with natural tobacco, backed  
with a 100% product guarantee.  
It's that simple.**

\*STR from 2010 to 2014

Organic tobacco does **NOT**  
mean a safer cigarette.

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

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

NATURAL  
AMERICAN  
SPIRIT

CIGARETTES  
©2015 SFNTC (2)





## Member News

continued from page 86

newly created position of Vice President, Franchise Relations.

### Reynolds American Completes Acquisition Of Lorillard

Reynolds American Inc. recently announced it has completed its acquisition of Lorillard, Inc., making it a wholly owned subsidiary of RAI. Former Lorillard shareholders will own approximately 15 percent of RAI's common stock, the company said. RAI's operating companies have key brands across major industry categories: Newport, Camel, Pall Mall and Natural American Spirit in combustible cigarettes; Grizzly in smokeless tobacco; and VUSE in the vapor

market. "As a result of this acquisition, Reynolds American has a significantly strengthened, balanced and diversified portfolio of iconic brands across all key categories—the most balanced in the industry," said Susan M. Cameron, RAI's president and chief executive officer.

### C-Store Foodservice Threatens QSRs

As more convenience store chains focus on improving food and beverage quality, they are growing visits and pos-

ing a competitive threat to quick-service restaurants, according to *Nation's Restaurant News*. In recent research from The NPD Group, "food-forward" convenience stores have increased their share of visits to 17 percent of all convenience stores, rising from 12 percent in 2009.

Part of what's moving the needle is that when evaluating intent to revisit, visit frequency and customer satisfaction, food-forward convenience stores receive

continued on page 90

*"Fifty-eight percent of consumers surveyed by NPD said they will definitely revisit a 'food-forward' convenience store."*

**Juicy Drop Gummies**

- 12 sour-sanded gummies with special "drop zone" + sour gel pen
- Available in 4 flavors: Blue Raspberry, Fruit Punch, Sour Apple and Watermelon
- Juicy Drop Gummies is supported with heavy TV advertising!

**Bazooka Candy Brands**

**Ring Pop**

- A kid favorite for over 35 years
- Ranked in the Top 10 of all Non-Chocolate brands
- Ranks in the Top 50 kids brands with 96% awareness\*
- Ring Pop is supported with heavy TV advertising!

**Juicy Drop Gummies**

McLane UIN #2250293

Box UPC

SKU #BC801097

41116 01870



CROSSMARK CONVENIENCE

**144ct Ring Pop Shipper**

McLane UIN #293290

Case UCC

SKU #450

10041116010450

\*Source: A.C. Nielsen Total XAO for Non-Chocolate Candy Goods, 52 weeks January 2015

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## The TOP-SELLING Brands In 7-Eleven!



### Charmin Basic

- America's most popular toilet paper for 25 years!
- 3X stronger than the leading bargain brand when wet.
- A great everyday value with a clog-free guarantee! Or it's free!



SLIN 221612

### Bounty

- The number-one, consumer-favorite paper towel in the U.S.
- Now better than ever with a breakthrough in papermaking technology!
- New Trap & Lock Technology™ has a proprietary design with a reinforced fiber network inside each sheet that locks in spills and delivers 2X more absorbency versus the leading ordinary paper towel brand.



Single Roll SLIN 203447

Order via McLane today!





## Member News

continued from page 88

better scores than traditional quick-service restaurants, fast-casual restaurants and traditional convenience stores. Fifty-eight percent of consumers surveyed by NPD said they will definitely revisit a food-forward convenience store, compared with 45 percent who said they will definitely revisit a traditional quick-service restaurant, 43 percent who said they will definitely revisit a fast-casual restaurant, and 43 percent who said they will definitely revisit a traditional convenience store. More than 56 percent of food-forward convenience store customers said they visit more than once a month, while only 37 percent of traditional quick-service customers and 19 percent of fast-casual customers said the same.

### Amazon Plans To Expand Private-Label Brand

Amazon.com Inc. is preparing to broadly expand its lineup of private-label brands to include an array of grocery items such as milk, cereal, baby food and household cleaners, reported the *Wall Street Journal*. Amazon's planned expansion in the private-label business mirrors a more traditional retail model where name-brand products are sold beside store-owned goods. Earlier in May, Amazon sought trademark protection for more than two dozen categories under its Elements brand, including coffee, soup, pasta, water, vitamins, dog food and household items like razors and clean-



ing products. Amazon has approached some private-label food manufacturers seeking a partner, according to the article. Those discussions included TreeHouse Foods Inc. of Oak Brook, Ill., one of the larger private-label producers, with \$3 billion in sales last year.

### Court Disqualifies Franchisee Firm In 7-Eleven Case



A district judge in April ruled that Gerard "Jerry" Marks and his law firm Marks & Klein are disqualified from further participation in a franchisee lawsuit against 7-Eleven, Inc., claiming unlawful termination, reported *Blue MauMau*. The judge's decision was centered on how Marks paid a witness, a former employee of 7-Eleven's Asset Protection department, to testify against the convenience store franchisor on how it treats franchisees in the case of Dilip Patel v. 7-Eleven, Inc., filed in March 2013. Jerry Marks told *Blue MauMau* he plans to appeal the court ruling, and said even if the decision stands against him and his firm, the case will continue to go forward.

### Wal-Mart's Neighborhood Market Turns Focus To Hot Foods

Wal-Mart is putting a bigger emphasis on hot foods at a new Neighborhood Market location in Arkansas and is taking "a step up" with new deli and bakery offerings as part of an effort to elevate service and choices for shoppers, reported *Supermarket News*. The new store will feature an

expansion in the deli department and new offerings in bakery including custom cake decorating. Among the new features in the deli is a pizza oven allowing custom pizzas made to order.

### Getty Realty Acquires 77 C-Store Properties

Getty Realty Corp. announced it has acquired fee simple interests in 77 convenience store and retail motor fuel stations located in several high growth regions including Northern California, Southern California, Colorado, Washington, Nevada and Oregon for approximately \$214 million. The acquired properties operate under several well-recognized brands—including 76, Conoco, Circle K, 7-Eleven and My Goods Market—and were acquired from affiliates of Pacific Convenience and Fuels LLC and simultaneously leased to United Oil, a leading regional convenience store and gas station operator. The company said it expects to receive approximately \$16.7 million of annual GAAP revenue from the transaction.

### Mexican C-Store Chain Considers Expansion In Texas

Mexico's biggest convenience store chain operator, FEMSA, said it is considering a major expansion in Texas if it is successful in a bid for a license to sell alcoholic beverages in the state, reported *Dow Jones Business News*. FEMSA—as Fomento Economico Mexicano SAB is better known—said it could invest \$850 million over 10 years to open 900 stores in Texas if the permit is granted. The company said it has presented arguments for U.S. authorities to consider a modification in the current law to allow FEMSA to sell alcohol

continued on page 92

# FOLLOW THE LEADER



## NEW ITEMS



Zingers Devil's Food  
SLIN 171133



Coffee Cakes  
Cinnamon Streusel  
SLIN 171270



Twinkies Chocolate  
SLIN 176243



Zingers Vanilla  
SLIN 171259



Twinkies Original  
SLIN 175407



Donettes Crumb  
SLIN 174346



Zingers Raspberry  
SLIN 171160



Snow Balls  
SLIN 171245



Donettes Frosted  
SLIN 174320



Donettes Devil's Food  
SLIN 171269



HoHos  
SLIN 171072



Donettes Glazed  
SLIN 171374



Donettes Powered  
SLIN 171248



Ding Dongs  
SLIN 171161



Cup Cakes Orange  
SLIN 171343



Cup Cakes  
Frosted Chocolate  
SLIN 175408

# ORDER TODAY!





## Member News

continued from page 90

in Texas. FEMSA is the parent company of Latin America's biggest soft-drink bottler, Coca-Cola FEMSA SAB, and operates more than 13,000 Oxxo convenience stores in Mexico. The company also owns a 20 percent stake in Dutch brewer Heineken.

### Franchisee Sentenced In Immigration Case

The owner of several 7-Eleven stores throughout Virginia and Long Island was sentenced to more than 7 years in prison

recently after pleading guilty to a scheme involving wire fraud and the housing and employment of illegal immigrants, reported *The Southampton Press*. In addition to his jail sentence, franchisee Farrukh Baig was ordered to forfeit his rights to the 14 7-Eleven stores he owned, as well as five houses on Long Island, worth a total of \$1.3 million, where the illegal immigrants were housed. Baig was also ordered to pay \$2.5 million in restitution for the wages he stole from workers.

### E-Cig Use Surges In Past Year

Significantly more Americans are using electronic cigarettes and other vaporizing

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devices today than a year ago, but most of those consumers are also smoking conventional cigarettes, reported Reuters, citing its new Reuters/Ipsos poll. The findings support evidence that smokers are using both traditional tobacco products and e-cigarettes to deliver nicotine, rather than giving up traditional cigarettes altogether.

About 10 percent of U.S. adults now vape, according to the online Reuters/Ipsos poll—that's almost four times higher than a U.S. government estimate that 2.6 percent of adults used e-cigarettes in 2013. The survey further reveals that about 15 percent of poll participants under the age of 40 now vape. In 2013, 18.8 percent of those 18 to 24 and 20.1 percent of those 25 to 44 smoked cigarettes, according to the government data. **AV**

*"Mexico's largest c-store chain FEMSA could open up to 900 stores in Texas in the next 10 years."*

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SLIN# 320027



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- 1 serving of vegetables<sup>†</sup> • 60 calories or less per serving
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<sup>†</sup> 1 serving of vegetables = 1 1/2 cup of vegetables per day

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## BACK INJURIES—WHY IT HURTS, AND WHAT YOU CAN DO ABOUT IT



By John Harp

Risk Engineering Consultant, Mitsui Sumitomo Insurance Group

What if you or one of your most valued employees suffers a back injury and is unable to work? Employee back injuries can occur in the store from lifting, pushing-pulling, slip and falls, and repetitive motion. These injuries rarely occur from one isolated event, as it's frequently an accumulation of small events over days and even years. Back injuries are one of the most costly injuries to business and are a common cause of workers compensation claims at 7-Eleven.

The cost of a back injury can be significant because of medical bills, continuing therapy, lost time and in serious cases the employee may be unable to return to their regular duties.

Since January 1, 2010 the MSIG Franchisee Insurance Program has incurred costs of \$4,183,911 from 294 back injuries. Although not the most frequent type of injury, it is the most costly at \$14,230 per claim.

### Here are examples of franchisee store back injury claims:

- Employee lifting cases of water—\$90,237
- Employee handling a case of milk in the cooler—\$8,920
- Employee throwing trash into the dumpster—\$20,425

### Common Causes Of Back Injuries In The Stores

- Lifting bag in a box (BIB)
- Moving cases of beer or soda

“Do you know water weighs 8.34 pounds per gallon?”

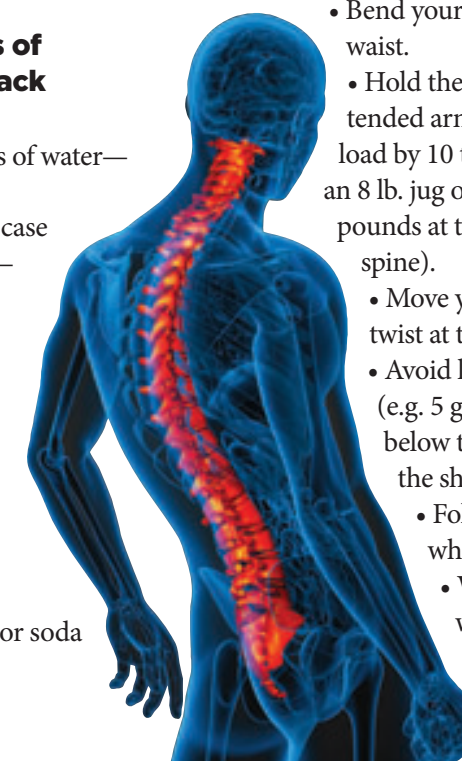


- Handling full trash bags
- Repetitive bending to floor while stocking
- Standing at the register on hard floor for an extended period
- Pushing cases of milk inside the cooler
- Overhead reaching for crate of dry goods

### Safe Lifting Guidelines

- Is it the right person to be handling the load?
- Plan the lift—where will the case or product go?
- Check the load—is it as heavy or light as expected?
- Know your limits—get help.
- Get a good grip.

- Bend your knees, not your waist.
- Hold the item close (fully extended arms can increase the load by 10 times—for example an 8 lb. jug of milk is like 80 pounds at the base of the spine).
- Move your feet—do not twist at the waist.
- Avoid lifting heavier items (e.g. 5 gallon BIB) from below the knees or above the shoulders.
- Follow the same rules when lowering items.
- Wear sturdy shoes with a cushioned insole.



### Suggestions To Prevent Back Injuries

- Train your employees in safe lifting, and encourage stretching and fitness.
- Most employees should not lift more than 25 pounds without help.
- Bag in a box—keep full boxes off the floor or stored above shoulder height. Heavier concentrate boxes should be stored the same way.
- BIB's should be replaced during shifts with 2 employees.
- Stock rooms and cooler should have clear space to allow for proper lifting/handling methods.
- Incoming deliveries should be placed where employee can easily access.
- Encourage milk and other crates be delivered only 4 high.
- Keep crates stocked in the cooler 4 high or less.
- Crates or case goods should be kept on small dollies in the cooler for easier movement.
- A long handled hook device should be used to reduce reaching for lightweight items.
- Stocking lower shelves should be done using a small chair or stool, or a kneepad on the floor to minimize bending.
- Use a sturdy stepstool to reach high shelves.
- A small cart can help move product around the store.

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“Do you know a 24-count case of bottled beer can weigh 35-40 pounds?”

- Trash bags should be emptied frequently, especially if there are wet coffee grounds.
- Dumpsters should have a fold down side so employees don't have to toss trash bags over the top.
- Keep floors clean and dry—a slip can result in a back strain.
- A cushioned mat at the registers can improve back health.

A well informed and well prepared staff can help you prevent back injuries in your store. If you need assistance with back injury prevention resources, please contact me at [jharp@msigusa.com](mailto:jharp@msigusa.com). **AV**

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• Wal-Mart is updating its dress code to let store workers wear denim, seeking to appease employees who've complained about the required wardrobe, reported Bloomberg Business. • Furniture retailer IKEA plans to spend 1 billion euros (\$1.13 billion) on renewable energy and steps to help poor nations cope with climate change, the latest example of firms upstaging governments in efforts to slow warming, reported Reuters. • Last year, more than \$388 million was raised for charitable causes through point-of-sale donation campaigns at retailers and restaurants, reported NACS Online. • Chipotle Mexican Grill Inc. recently expanded benefits formerly reserved for salaried workers—including full tuition reimbursements, sick pay and paid vacations—to all employees, reported Nation's Restaurant News. • Coca-Cola said it plans to cut its calories per liter 10 percent by 2020 as consumers continue a shift toward healthier beverage options, reported the Wall Street Journal. The company said it also plans to cut its carbon footprint in half by 2020, having already reduced it by 29 percent since 2007. • U.K. supermarket chain Tesco said it will start giving its unsold food to charities like women's refuges, homeless hostels and breakfast clubs for disadvantaged children, reported Sky105. The company said it threw away 55,400 tons of food last year, around 30,000 tons of which was perfectly edible. • Casey's General Stores will add online ordering to 300 stores per month, with a goal of having the option in place at all 1,878 Casey's c-stores by the end of 2015, reported Convenience Store News. • The Edison Electric Institute and the Department of Energy have announced a new private-public partnership to promote and accelerate the nationwide adoption

continued on page 113

# SHAKE UP YOUR STOCK FOR SUMMER

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DOT 586709  
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**MILK SHAKERS®**  
New Flavor  
Strawberry Swirl  
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SLIN 150083  
DOT 586710  
UIN 398529

**COLD STONE CREAMERY**  
**MILK SHAKERS®**  
Coffee Caramel Dream  
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DOT 608821  
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0 ARTIFICIAL SWEETENERS

0 FAT

15g PROTEIN

PER 5.3 oz.

\*Not a low calorie food



SLIN 151110



SLIN 151100



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*"You have to be ready for  
your customer. Know what to order.  
Know when you need it. Be in stock."*

Bekele Tilahun  
Franchisee, Texas



*"Probably two or three  
times a day, it's just easy  
to walk right over  
and get what I need."*  
Loyal 7-Eleven Customer

*"Food is really how you're  
going to get big growth."*

Dawn Hillary  
Franchisee, Florida



*"I've been hooked  
on Buffalo Rollers.  
I come here and I get four!"*  
Loyal 7-Eleven Customer



Did you know that 83% of customers buy other things when they come into a 7-Eleven store to buy hot food? Customers are eating on the go more and more every day and you can take advantage of that.

Visit [OhThankHeavenForFranchisees.com](http://OhThankHeavenForFranchisees.com) and view the newest video: *Fresh Food Done Right*. Learn more about how to make fresh food work for you, including display and merchandising as well as write-offs and sampling.

When Franchisees and 7-Eleven, Inc. work together, GREAT things happen!



**TO PUT FRESH FOOD TO WORK FOR YOU,  
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## SEI News

### FIRST U.S. AIRPORT TERMINAL 7-ELEVEN STORE OPENS

The first 7-Eleven store located inside a U.S. airport terminal recently opened at Los Angeles' International Airport (LAX) with a selection of products and services tailored to travelers and airport employees, SEI announced. The company, Westfield and LS travel retail North America—the concessionaire operating this new location—held a grand opening on June 24. 7-Eleven's inaugural U.S. airport terminal location is in the pre-security arrivals level of the Tom Bradley International Terminal.

Designed for both traveler and airport employee needs, the store is built according to 7-Eleven's modern and sophisticated take on the brand's famous design. The facility's color palette and finishes were specifically selected to highlight 7-Eleven's fresh food, which is made in local kitchens and delivered to the store daily. Unlike the typical non-stop 7-Eleven store, however, this location's operating hours are from 6 a.m. to midnight.



### ZERO-FRANCHISE-FEE 7-ELEVEN STORES

SEI's Zero Franchise Fee Initiative ended on June 30, with 67 stores being



franchised or in the approval process. Under the program, SEI waived the franchise fee on select U.S. 7-Eleven stores available for franchise, a savings of up to \$80,000 per store. There were approximately 250 eligible stores located across the country, including greater Charlotte, N.C., where 7-Eleven acquired a significant number of stores in 2012. Other areas where specific Zero Franchise Fee stores were available include Dallas/Fort Worth, Manhattan, Baltimore, Richmond, Va., Portland, Ore., Orlando and Jacksonville, Fla. These stores typically have lower sales volume compared to the national average.

**SEI's Zero Franchise Fee Initiative ended on June 30, with 67 stores being franchised or in the approval process.**

Over the last four years 7-Eleven has added more than 1,300 units in the U.S. Now that a 7-Eleven customer base has been estab-

lished at these locations, the company said it is looking to transition these stores from company to franchise operations. SEI said it offered these stores to prospective, qualified franchisees as well as exist-

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Convention at [www.ncasef.com](http://www.ncasef.com)

ing 7-Eleven franchisees who want to grow their retail business by adding stores. Because the stores qualifying as Zero Franchise Fee opportunities are considered low volume, the company said they may qualify for additional, limited-time financial support.

### OPERATION: TAKE COMMAND CONTEST WINNERS

SEI announced that all three finalists of Operation: Take Command, the contest to award a U.S. military veteran a 7-Eleven store, were selected as winners. Active-duty U.S. Army Captain Robert Kemna of Miami (currently stationed at Fort Bragg, N.C.), Army veteran Salil Gautam of Chesapeake, Va., and U.S. Navy veteran Mark Anthony Page of Granbury, Texas, will all become business-owners of their own 7-Eleven franchise.

As the last step in the almost six-month long contest, the three finalists interviewed with 7-Eleven President and CEO Joe DePinto, an Army veteran himself, at the company's home office in

*continued on page 102*



## The #1 and #2 selling kids drinks in convenience stores...



## and the most profitable at \$1.44 per bottle!

Order today through McLane

Fruit & Veggie Blend  
Strawberry Kiwi

7-ELEVEN SLIN # 243003



Fruit & Veggie Blend  
Tropical Fruit Medley

7-ELEVEN SLIN # 242999



100% Juice  
Fruit Punch

7-ELEVEN SLIN # 240350



100% Juice  
Apple

7-ELEVEN SLIN # 241417







## SEI News

Dallas. So impressed was he by the caliber of the three Operation: Take Command finalists that DePinto made an on-the-spot executive decision to give all three a store. "How can you pick just one winner when you have three?" DePinto asked. "I was extremely impressed by each one of them—for overcoming adversity, serving their country selflessly, having a heart for service and demonstrating outstanding leadership qualities. These are the kind of folks we want in the 7-Eleven system. They are all too deserving not to win."

### ANIMAL SLURPEE STRAWS & NOVELTY CUPS

In late May SEI introduced limited-edition Slurpee straws with muzzles, snouts and beaks based on four popular spirit animals—the eagle, fox, wolf and cat. The straws retail for \$1.49 at participating stores. Accompanying the collectible straws are new novelty Slurpee cups reminiscent of vintage glass milk bottles. Suggested retail price for the refillable, plastic cup is \$2.99 and that includes the first Slurpee fill. SEI said both the initial refillable cup purchase and all



refills count toward 7Rewards' Buy 6-Get 7 free drink program available exclusively through the 7-Eleven mobile app.

SEI also unveiled the current featured Slurpee flavor exclusive to 7-Eleven stores—Mtn Dew Solar Flare. The bright red-orange drink has the bold citrus flavor of Mountain Dew with a blast of tropical punch. Mtn Dew Solar Flare was introduced last summer as an exclusive—and very popular—Big Gulp flavor, and made its debut in Slurpee-form this year.

### SLURPEE ALL ACCESS CHILL SWEEPSTAKES



SEI recently launched the Slurpee All Access Chill sweepstakes, which runs through July 18. The contest gives music lovers the chance to win tickets to top concerts, exclusive trips to music festivals across the country, music downloads and once-in-a-lifetime music experiences. During the sweepstakes, every Slurpee drink purchase and scan of the 7-Eleven app member's barcode is an entry to win access to the more than 17,000 prizes, some of which offer exclusive Slurpee All Access Chill music-related experiences like:

- A meet-and-greet with pop star Austin Mahone
- Exclusive VIP trips to one of five top music festivals
- A "festival makeover" with a top Hollywood stylist
- An album cover-style photo shoot

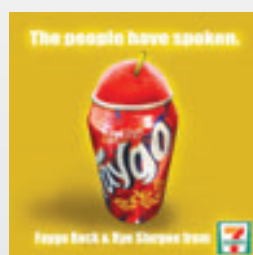
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- Sonos Play:5 sound systems
- Beats by Dre headphones
- Fender guitars
- Ticket vouchers for the summer's hottest music events
- 3-month subscriptions to Spotify
- iTunes gift cards
- Music downloads
- Slurpee swag like exclusive All Access Chill T-shirts and sneakers

### MICHIGAN, OHIO STORES OFFER FAYGO ROCK & RYE SLURPEE

The Faygo Beverages Inc. is offering their popular Rock & Rye drink in Slurpee form at 7-Eleven stores in Michigan and Ohio, reported the *Detroit News*. The spiced, vanilla cream flavor joins Redpop, Faygo's iconic strawberry soda and flagship flavor. Faygo Beverages and 7-Eleven started selling Redpop Slurpees at about 300 Michigan and Ohio stores in March. In May of last year, local 7-Eleven stores unveiled the Vernors Slurpee, featuring the flavor of another iconic Detroit-created soft drink. Metro Detroiters have a thirst for 7-Eleven Slurpees—customers in the region consume more Slurpees than in any other market in the nation, according to 7-Eleven officials. ■

Metro Detroiters consume more Slurpees than in any other market in the nation.



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DESTINY AND DESTINY: THE TAKEN KING REQUIRED TO ACCESS QUESTS. SOLD SEPARATELY. QUEST EXCLUSIVE TO RED BULL PROMOTION. 12 FL OZ (355 mL) RED CODE REQUIRED TO ACCESS QUESTS AFTER 6/1/15. DESTINY REQUIRED TO USE. TOP PRIZES, SOLD SEPARATELY. CODE FOR XP BOOST MUST BE REDEEMED BY 5/31/15. REWARDS AVAILABLE ON SELECT PACKS. WHILE SUPPLIES LAST. FULL DETAILS AT REDBULLQUEST.COM.

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# ORDER OUR CRAVE-WORTHY SNACKS TODAY



## NEW ITEMS!



Item Description	Weight Ounces	Pack Size	McLane UIN	7-Eleven SLIN
TGI Fridays Cheddar & Bacon Potato Skins	3.0	6	603936	301629
TGI Fridays Jalapeno Cheddar Potato Skins	3.0	6	604025	302461
TGI Fridays Sour Cream & Onion Potato Skins	3.0	6	603977	303389
TGI Friday's Sweet Potato Skins 2.75oz/6ct	2.75	6	275362	305601
TGI Fridays Happy Hour Snack Mix - Sweet & Spicy	2.65	6	287508	305599
TGI Fridays Happy Hour Snack Mix - Cheddar Bacon	2.65	6	287334	305600

# VENDOR FOCUS

## Cold Stone Creamery Milk Shakers In Three Flavors

Cold Stone Creamery Milk Shakers are rich, thick, and creamy ready-to-drink premium shakes. They are available in three delicious flavors for your 7-Eleven business! The award-winning Chocolate Fudge Brownie (SLIN 151179) will be sure to satisfy the chocoholic in your customers, and Strawberry Swirl (SLIN 150083) provides just the right amount of ripe strawberry sweetness. The newest Cold Stone Creamery Milk Shakers addition, Coffee Caramel Dream (SLIN 150142), blends smooth coffee and decadent caramel in a convenient on-the-go bottle.

Each flavor is made with the finest, high quality ingredients and will truly add some indulgence to your day. Visit [www.coldstone-milkshakers.com](http://www.coldstone-milkshakers.com) or call 1-800-891-0500 for more information.



Cold Stone Creamery Milk Shakers, high quality in three flavors.

## 7-Eleven Sour Patch Watermelon Slurpee

Just in time for summer, the sour-then-sweet sensation of Sour Patch Kids now comes in a Slurpee. Just like the widely popular Sour Patch Kids candy, this exclusive, limited-time Slurpee flavor starts out sour and ends up sweet with juicy, mouth-watering, watermelon flavor.

Expect a strong base of pre-existing Sour Patch Kids fans to create large-scale excitement, while valuable offers generate big-time sales during the promotional period:



- All Sour Patch Kids Candy 2 ounce bags are 2 for \$2.00
- All Sour Patch Kids Candy 5 ounce bags are 2 for \$2.50
- All Stride Gum single packs are 2 for \$2.00



Expect big sales with new Sour Patch Watermelon Slurpee and 2-for promotions.

Discover what happens when two pop-culture icons come together—the sour of Sour Patch Kids,

continued on page 106

## NESTLÉ PROFESSIONAL ANNOUNCES COFFEE-MATE FOA CONTEST

Nestlé Professional has announced a new Coffee-Mate incentive contest exclusively for 7-Eleven FOAs. The top three FOAs that increase their Coffee-Mate pump bottle purchases from May 1 to September 30 will receive:

**1ST PLACE**  
**\$4,000**

**2ND PLACE**  
**\$2,500**

**3RD PLACE**  
**\$1,000**

All you have to do to be eligible is order Coffee-Mate pump bottles in your stores! The winning FOAs will be announced after September 30 and a check will be

made out to those associations. Help your FOA win by ordering Coffee-Mate pump bottles for your store today (Sweetened Original—UIN 341578, UPC 50000933327; French Vanilla—UIN 341545, UPC 50000933488; Hazelnut—UIN 341594, UPC 50000933600). Please contact Susan Davis with any questions at [susan.davis@us.nestle.com](mailto:susan.davis@us.nestle.com).







continued from page 105

the sweet taste of watermelon and the shockingly cold refreshment of Slurpee. It's more than a beverage, it's an entire sour, sweet summer-time experience. Let the summer of Sour and Sweet begin!

## Schmidt's New Bahama Mama Fajita Sausage Link



Fajita Sausage Links on a \$2 per case intro allowance.

hours without degradation or retail in the cooler. Available now on a \$2 per case intro allowance (UIN 244301, 10 1-lb packages).



Swisher Sweets Calypso Cream Cigarillos in 2 for 99¢ and Save on 2 options.

## Popular Summer Twist Is Back

Swisher Sweets Summer Twist limited edition cigarillo was so popular last year that it's back for a re-release this summer. This sweet lemon mango taste will only be

Fast-selling Swisher Sweets Summer Twist is available for a limited time only.



Schmidt's Bahama Mama's new Gourmet To Go Fajita Sausage Link is made of the best cuts of beef and pork melded with Hatch Peppers, Monterey Jack Cheese and a flavorful blend of Fajita spices creating a distinct spicy flavor. These quality sausages roll on the roller grill up to 5

around for a limited time. Available now for shipment, Swisher Sweets Summer Twist comes in a resealable 2-count pouch with the "Sealed Fresh" guarantee. Summer Twist will be available in "2 for 99¢" and "Save on 2" options.

Just like the summer, Summer Twist won't last long. Swisher Sweets is continuing to introduce popular limited tastes throughout 2015. For more information or to place an order today, contact your Swisher representative at 1-800-874-9720.



good2grow new Grape and Fruit Punch Juicy Waters.

## Vitaminwater Introduces Summertime Flavors

Just in time for summer, Vitaminwater recently introduced two new varieties: Vitaminwater Refresh (tropical mango flavored + other natural flavors) and Vitaminwater Vital-T (lemon iced tea flavored + other natural flavors). Both new varieties bring a delicious and refreshing summertime vibe to the Vitaminwater line-up. Vitaminwater Refresh and Vitaminwater Vital-T are available in 20 fl. oz. bottles (most common suggested retail price for 20 fl. oz. is \$1.59).



Vitaminwater Refresh and Vitaminwater Vital-T, new for summer.

## good2grow Adds Grape & Fruit Punch To Juicy Waters Line

Word at the cooler door is good2grow sales are giving retailers a healthy boost. New Grape and Fruit Punch Juicy Waters are getting rave reviews from moms and kids alike. In the first month, both flavors are already generating over two times the weekly dollar sales of other leading children's juice beverages without promotion. Only good2grow provides healthy hydration with cool character tops that moms and kids can't resist. With an average c-store profit of \$1.44 per bottle, all that growth adds up to impressive profits for good2grow retail partners.

# SUMMER IS HERE REV YOUR ENGINE

NEW ITEMS



### PENNZOIL PLATINUM® LV MULTI VEHICLE ATF

- Is designed to meet key OEM specifications as a true multi-vehicle ATF

UIN: 284737



### PENNZOIL® HIGH MILEAGE VEHICLE® MOTOR OIL 5W-30

- No other leading high mileage oil helps keep engines clean<sup>1</sup>

UIN: 218677



### QUAKER STATE® 2-CYCLE ENGINE 8 OZ

- For use in lawn mowers, chain saws, leaf blowers, string trimmers, edger's, motor-cycles, and Scooters.



### PENNZOIL PLATINUM® FULL SYNTHETIC MOTOR OIL 5W-30

- No other leading motor oil provides better protection from friction<sup>2</sup>

UIN: 178616



### PENNZOIL® CONVENTIONAL MOTOR OIL 5W-20

- Removes sludge that lesser oils can leave behind<sup>3</sup>

UIN: 451518



### PENNZOIL® CONVENTIONAL MOTOR OIL 5W-30

- Lower viscosities such as 5W-20 and 5W-30 are growing in the conventional category<sup>4</sup>

UIN: 451591



ITEM DESCRIPTION	CASE PK	UIN	SLIN
Pennzoil Platinum® LV Multi Vehicle ATF	6 Pack	284737	TBD
Pennzoil® High Mileage Vehicle® Motor Oil 5W30	6 Pack	218677	TBD
Quaker State® 2 Cycle Engine Oil 8 oz.	Shrink Wrapped 6 Pack	N/A	TBD
Pennzoil Platinum® Full Synthetic Motor Oil 5W30	6 Pack	178616	201085
Pennzoil® Conventional Motor Oil 5W20	6 Pack	451518	203264
Pennzoil® Conventional Motor Oil 5W30	6 Pack	451591	203702

<sup>1</sup> Based on Sequence VG sludge test using SAE 5W-30.

<sup>2</sup> Based on ILIAC GF-5, Sequence IIG piston deposit test using SAE 5W-30, and Ford, Chrysler and GM specifications. Does not apply to Pennzoil Platinum® Euro products.

<sup>3</sup> Based on pistons from standard V6 engine in ASTM Sequence IIG piston deposit test using SAE 5W-30. Does not apply to Pennzoil Platinum® Euro products.

<sup>4</sup> Fuel economy measurements made using CAFE cycle under FTP75. Avg of 550 extra miles based on mixed city/highway miles and US avg of 13,476 miles driven per year with 4.1% better MPG vs dirty engine. Source: [fhwa.dot.gov](http://www.fhwa.dot.gov), 2011. Follow OEM recommended oil drain intervals.

<sup>5</sup> Based on severe sludge clean-up test using SAE 5W-30.

<sup>6</sup> Source: NPQ RTS City Retail, 12ME Dec 2013.

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## Vitaminwater XXX Available Nationally For Big Gulp

Vitaminwater XXX will be available nationally for Big Gulp by July 1, providing your guests with a great-tasting, nutrient enhanced water beverage fountain option. Look for in-store merchandising messages via the Big Gulp Vitaminwater translite, window banners, pole signs, windmaster and pump toppers. There will be advertising in select markets and a national digital media campaign supporting Vitaminwater, with specific communication driving consumers to 7-Eleven in strong Big Gulp markets like New York City, Washington D.C. and Denver. Vitaminwater Big Gulp contains 120 calories per 32 fl. oz with 1/3 cup ice. Nutrition enhanced water beverage nutrients and levels differ for bottled Vitaminwater. For fill nutritional information, visit [vitaminwater.com/fountain](http://vitaminwater.com/fountain).



Vitaminwater XXX is now available for Big Gulp.

## Swedish Match Releases New Game & White Owl Cigarillos



New cigarillos just in time for summer.

Boost summertime tobacco sales with three new Swedish Match cigarillos:  
**Game Leaf**—Game Leaf is targeted to value conscious Rolled Leaf segment users and provides retailers with a complement to premium Garcia y Vega's 1882 award winning brand that was launched in 2014 in the Swedish Match brand portfolio. Game Leaf will be available in four exciting flavors (Sweet Aromatic, Wild Berry, Natural and Cognac) in two different value price points: 2/99¢ and "Save on 2" Foil-Fresh pouch.  
**Game Watermelon**—Splash into summer with a refreshing twist on your favorite Game Cigarillos, introducing the latest limited time offer, Game Watermelon. Rich in flavor, watermelon combined with Swedish Match's natural leaf wrapper make a winning pair. Watermelon is an exciting seasonal flavor that is unique to the marketplace and will be available

in two formats: 2/\$.99 and "Save on 2 Cigars" FoilFresh pouches while supplies last.

**White Owl Very Berry**—White Owl introduces another fresh sea-



## VENDOR FOCUS

sonal offering that is guaranteed to excite consumers—White Owl Very Berry. White Owl quality cigarillos bursting with berry flavor are sure to be a consumer favorite this summer. This seasonal offering's unique flavor and eye-catching packaging will be available in two formats: 2/\$.99 and "Save on 2 Cigars" FoilFresh pouches while supplies last.

## Dannon Oikos Triple Zero Yogurt For Men & Women

To answer many consumers' desire for a protein snack with a stronger nutritional profile, Dannon has created a first-of-its-kind yogurt—new Oikos Triple Zero. Unlike some other protein snacks, Oikos Triple Zero Greek Nonfat Yogurt packs in 15 grams of protein with zero added sugar, zero artificial sweeteners and zero fat. Available in six flavors—Vanilla, Coconut Crème, Strawberry, Banana Crème, Mixed Berry and Peach—the new yogurt appeals equally to both men and women. In an effort to engage with a wider audience, Dannon became the Official Yogurt of the NFL and supports the product with a multi-million dollar media investment, engaging in integrated partnerships with television networks with a high male viewership. Oikos Triple Zero is line priced with Dannon SS Greek to drive trial, and its package is designed to clearly communicate proposition benefits and features.



Oikos Triple Zero Greek Nonfat Yogurt appeals to both men and women.

## Papaya Mango Green Tea—A 7-Eleven Exclusive

Cooper Tea, 7-Eleven's premium fountain iced tea partner since 2003, launched the new Papaya Mango Green Tea in the Heartland Region in May. Feedback was solicited prior to the launch and franchisees loved the blend of natural papaya and mango flavors in iced green tea, saying it clearly tasted like a more premium product and that you could tell it doesn't have any preservatives, high fructose corn syrup, or artificial flavors.

This type of non-carbonated beverage with better ingredients is definitely the wave of the future for beverage fountains. Carbonated soft drink sales across the U.S. have been on the decline over the past 10 years, and all-natural drinks are increasingly popular with U.S. con-



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FOR MORE INFORMATION, PLEASE CALL  
1-800-255-2240.

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## VENDOR FOCUS

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### You Take Care Of Business, We Take Care Of Human Resources!

AON RISK SOLUTIONS HR PILOT

Running your business should be, and is, your number one priority. There are many things that go into running a successful franchise, and one of the most important is human resources. Every decision you make regarding your employees is a potential HR nightmare: i.e., scheduling, meal breaks, pregnancy leaves and medical leaves.

The law is complicated and the correct course of action isn't always obvious, which is why Houston Casualty created HR Pilot.

#### Costly Employment Law Mistakes Can Ruin Your Business

**"There are federal and state laws governing every aspect of the employee/employer relationship. From the moment an applicant walks into your store to apply for a job, until the moment that employee quits or is terminated, there are a whole host of laws you must follow."**

Did you know that there are federal and state laws governing every aspect of the employee/employer relationship? From the moment an applicant walks in your store to apply for a job, until the moment that an employee quits or is terminated, there are a whole host of laws you must follow. Worse yet, these laws are constantly changing, making it nearly impossible to keep up.

Ignorance of the law is no excuse. Courts don't care whether or not you intended to violate the law—intent and knowledge are irrelevant. An innocent mistake can easily cost you \$150,000, and that's if it doesn't go to trial!

#### What Does HR Pilot Provide?

Our philosophy is simple: we help you with everything HR-related to reduce your risk of getting a claim. Over

the years we have come to understand the unique needs and problems of franchisees, making our service specially tailored to meet your needs.

How we help:

- Handbooks for your specific state
- HR experts available to answer your questions by phone or email
- Access to HRPilot.com for required posters and forms
- Continual legal updates for your state
- Help with medical leaves, workplace investigations, company policies and procedures
- Sexual harassment training for your entire workforce, managers and employees



**"Worse yet, these laws are constantly changing, making it nearly impossible to keep up."**

#### What Franchisees Have to Say About HR Pilot

##### Why do franchisees take advantage of HR Pilot?

"Because we don't have an HR 'expert' within our team and need advice/clarification on issues that arise." — B. Poole

"I like to use your service as a backup as well as a resource to answer questions regarding HR matters by using your online support with FAQs, downloads, seminars, and so on. If new regulations are coming up I like to see what information you provide about deadlines ... and legal requirements." — D. Johann

##### Does HR Pilot Answer My Questions Quickly?

"I use the service frequently for all of my HR needs and am pleased with the sensitivity and professionalism Bernice shows along with doing so in a timely manner." — L. Lujano

"Thank you for your very quick response. The information was extremely helpful. This is a very valuable tool to have access to as each day can be a new experience. Your service was great!" — J. Bergren

##### Return On Investment

With HR Pilot you have a team of HR experts at your fingertips, training programs, handbooks and much more. No need to pay a lawyer to prepare and review your handbook, no need to pay an HR consultant to help with the daily HR issues of your business and peace of mind. It's money well spent.

Any single part of HR Pilot's services pay for the EPLI policy—plus you get the benefit of insurance against a claim.

To learn more about HR Pilot and how to get this complimentary service from Houston Casualty, please call Tonya Leffall of AON Risk Solutions at 1-800-527-9034.

## VENDOR FOCUS

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sumers. Iced tea sales have been increasing every year, and flavored iced teas are especially popular with the younger Millennial generation.

Premium teas on the fountain typically carry higher profit margins than bottles or cans. Thou-

sands of franchisees already carry B.W. Cooper's Organic, All-Natural Unsweetened Tea and B.W. Cooper's Sweet Tea (made with cane sugar). The company is pleased to offer this exciting new flavor exclusively to 7-Eleven.



**B.W. Cooper's Papaya Mango Green Tea is a new all-natural fountain iced tea, made exclusively for 7-Eleven.**

#### Dual-Flavored Tic Tac Mixers

Introducing Tic Tac Mixers, the newest addition to the Tic Tac family of products.

Available in Cherry-Cola and Peach-Lemonade, Tic Tac

Mixers feature two exciting flavors in every piece. The first delicious flavor layer of Tic

Tac Mixers delights you as it touches your tongue. As you let it melt in your mouth, Tic Tac Mixers transitions to a great tasting flavor combination that will surprise your senses. Be sure to keep an eye out for this fun new product. **AV**



**Tic Tac Mixers feature two exciting flavors in every piece.**

## Always Original! Werther's Original Chewy & Soft Caramels

**A Premium Indulgence with Proven Brand Equity, 80 Percent Consumer Awareness and 46 Percent Gross Profit.**



**NEW Soft Caramels**  
2.2-Ounce Peg Bag  
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**Chewy Caramels**  
2.4-Ounce Peg Bag  
UIN 360677



**NEW Soft Caramels**  
4.51-Ounce Peg Bag  
UIN 249003



**Chewy Caramels**  
5-Ounce Peg Bag  
UIN 227843

*Order Via McLane 7/6/15 to 8/14/15  
Ships 8/9/15 to 10/1/15*



# FOA BOARD MEETING DATES



## 7-Eleven FOAC

Phone: 312-944-5392

August 20, 2015  
September 17, 2015  
October 22, 2015—General Meeting  
November 19, 2015  
December 17, 2015

## Central Florida FOA

Phone: 407-683-2692

July 16, 2015—Board Meeting Orlando  
August 20, 2015—General Meeting Lakeland  
October 22, 2015—Board Meeting Lakeland  
November 19, 2015—General Meeting Orlando

## Northern California FOA

Phone: 916-782-4144

August 19, 2015  
September 16, 2015  
October 21, 2015  
November 18, 2015—FOA Election and Meeting

## FOA Of Greater LA

Phone: 951-766-7490

August 18, 2015—w/Mini Trade Show  
September 15, 2015  
October 20, 2015  
November 17, 2015—w/Mini Trade Show  
December 2015—No Meeting

## Greater Seattle FOA

Phone: 425-308-1216

July 9, 2015—Dinner Meeting  
July 22, 2015—Board Meeting  
October 2015—Board Meeting (exact date TBD)  
November 11, 2015—Dinner Meeting  
December 2, 2015—Board Meeting

## Metro New Jersey FOA

Phone: 908-232-1336

All meetings include tabletop trade shows.  
Vendors are welcomed to participate.  
September 17, 2015  
November 19, 2015

## San Diego FOA

Phone: 619-713-2411

July 16, 2015  
August 20, 2015  
September 2015—General/Safety Meeting  
October 15, 2015  
November 19, 2015

## San Francisco/ Monterey Bay FOA

Phone: 510-693-1492

July 14, 2015  
August 11, 2015  
September 8, 2015  
October 13, 2015  
November 10, 2015

## South Florida FOA

Phone: 954-465-6896

September 10, 2015  
November 5, 2015

## Southern California FOA

Phone: 626-255-8555

July 8, 2015  
August 12, 2015  
September 9, 2015  
October 14, 2015  
November 11, 2015

## Southern Nevada/ Las Vegas FOA

Phone: 702-249-3301

August 13, 2015—Board Meeting  
August 27, 2015—General Meeting  
September 10, 2015—Board Meeting  
October 8, 2015—Board Meeting  
November 12, 2015—Board Meeting  
November 19, 2015—Board Elections

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of **electric vehicles**. • **FedEx Express announced it will extend its services to more than 5,000 7-Eleven stores** in Taiwan, reported *Post & Parcel*. This brings FedEx's total network of retail service points in Taiwan to more than 6,300. The service will also allow Taiwanese customers to **pick up their FedEx-delivered packages at a local 7-Eleven**. • Mondelez International recently announced a global partnership with ChannelSight that will help accelerate its e-commerce growth. **Mondelez plans to add "Buy Now" buttons to owned, earned and paid media platforms** linking to over 130 retailers' websites to make it easy for consumers to find and buy Mondelez products online. • TravelCenters of America (TA) announced that it has struck a **deal with Hospitality Properties Trust (HPT) for sale leasebacks of 30 travel centers** for about \$397 million. As part of the agreement, TA also will purchase five travel centers now leased from HPT for nearly \$45 million. • **Fuel transfer pump manufacturer** Tuthill recently unveiled an industry first: a truly portable, handheld, UL listed **explosion-proof DC fuel transfer pump** for use with gasoline and other flammable liquids. • April **U.S. manufacturing** technology orders totaled \$384.81 million, **down 8.1 percent** from March's \$418.67 million according to the Association for Manufacturing Technology. **AV**



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## PACIFIC NORTHWEST FOA HOLIDAY PARTY

(location to be announced)  
December 5, 2015  
Phone: 253-476-2548

## SOUTH FLORIDA FOA TABLE TOP TRADE SHOW

(location to be announced)  
December 5, 2015  
Phone: 954-465-6896

## SAN FRANCISCO/MONTEREY BAY FOA HOLIDAY PARTY

Royal Palace Hotel  
San Francisco, California  
December 5, 2015  
Phone: 650-996-9479;  
408-499-3941

## GREATER SEATTLE FOA HOLIDAY PARTY

With Tabletop Trade Show  
December 12, 2015  
Phone: 425-308-1216

# FOA EVENTS

## METRO NEW JERSEY FOA HOLIDAY PARTY

(location to be announced)  
December 19, 2015  
Phone: 908-232-1336

## FOA OF GREATER LOS ANGELES & SAN DIEGO FOA 2016 TRADE SHOW

Pechanga Resort and Casino  
Temecula, California  
January 20, 2016  
Phone: 909-822-4122;  
619-713-2411

Register for the  
2015 NCASEF  
Convention at

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



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Mamba Sour

Mamba

Mamba Sour

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Gravity Feed  
UIN 318022

Mamba & Mamba Sour  
96-Count Display UIN 2154

A Top Ten Convenience Store Fruit Chew with **57 Percent Gross Profit!**



## FOA EVENTS

Want your event listed here? Send email with event name, location, dates and contact phone and email to [avantimag@verizon.net](mailto:avantimag@verizon.net)

### 7-ELEVEN FOAC CHARITY GOLF TOURNAMENT

(date & location to be announced)  
July 2015  
Phone: 847-971-9457

### GREATER SEATTLE FOA GOLF TOURNAMENT

(location to be announced)  
August 3, 2015  
Phone: 425-308-1216

### ROCKY MOUNTAIN FOA CHARITY GOLF TOURNAMENT

Colorado Country Club  
Cheyenne Mountain Resort  
Colorado Springs, Colorado  
August 5, 2015  
Phone 719-233-9758

### ROCKY MOUNTAIN FOA TRADE SHOW

Hotel Elegante  
Colorado Springs, Colorado  
August 6, 2015  
Phone 719-233-9758

### SAN DIEGO FOA DEL MAR HORSE RACES

Del Mar Surfside Race Place  
Del Mar, California  
August 28, 2015  
Phone: 619-713-2411

### UFOLI GOLF TOURNAMENT

Baiting Hollow Golf Club  
Baiting Hollow, New York  
September 10, 2015  
Phone: 631-670-7602

### GREATER SEATTLE FOA PICNIC WITH TABLETOP TRADE SHOW

(location to be announced)  
September 12, 2015  
Phone: 425-308-1216

### SOUTHERN CALIFORNIA FOA GOLF TOURNAMENT

TPC Valencia  
Valencia, California  
September 14, 2015  
Phone: 626-255-8555

### TRISTATE FOSE ASSOCIATION CHARITY GOLF TOURNAMENT

Little Bennett Golf Course  
Clarksburg, Maryland  
September 16, 2015  
Phone: 301-572-6811

### SAN DIEGO FOA VENDER APPRECIATION EVENT

(date & location to be announced)  
October 2015  
Phone: 619-713-2411

### 7-ELEVEN FOAC HOLIDAY PARTY & TRADE SHOW

(location to be announced)  
November 6, 2015  
Phone: 847-971-9457

### FOA OF GREATER LA HOLIDAY PARTY

(date & location to be announced)  
December 2015  
Phone: 619-726-9016

### CENTRAL FLORIDA FOA HOLIDAY PARTY

(date & location to be announced)  
December 2015  
Phone: 407-683-2692

### NORTHERN CALIFORNIA FOA CHRISTMAS PARTY

(location to be announced)  
December 4, 2015  
Phone: 916-782-4144

### SOUTHERN NEVADA/LAS VEGAS FOA

Holiday Party  
(location to be announced)  
December 4, 2015  
Phone: 702-249-3301

### SAN DIEGO FOA HOLIDAY PARTY

La Gran Terraza (University of San Diego)  
San Diego, California  
December 5, 2015  
Phone: 619-713-2411

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## NCASEF BOARD MEETINGS

### NATIONAL COALITION BOARD OF DIRECTORS MEETING

Sheraton Chicago Hotel and Towers  
Chicago, Illinois  
July 26-27, 2015

### NCASEF 40TH ANNUAL CONVENTION & TRADE SHOW IN COOPERATION WITH THE CHICAGO FOA & ALLIANCE OF 7-ELEVEN FRANCHISEES FOA

Sheraton Chicago Hotel and Towers  
Chicago, Illinois  
July 27-31, 2015  
Trade Show: July 30-31, 2015



### NATIONAL COALITION AFFILIATE MEMBER MEETING

San Antonio Marriott Riverwalk  
San Antonio, Texas  
October 27-28, 2015

### NATIONAL COALITION BOARD OF DIRECTORS MEETING

San Antonio Marriott Riverwalk  
San Antonio, Texas  
October 29-30, 2015

## New Juicy Fruit Gum in the Starburst Flavors Everyone Loves!




## NEW GUM!

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SLIN# 143903/UIN# 090969/15PC JUICY FRUIT STARBURST CHERRY GUM

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