



AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

March/April 2016

Are We At A Crossroads?

Joint 2019 Contract Committee

The 2019 Franchise Agreement

Is Our 7-Eleven Franchisee
Model Feasible?

The FM Facility
Maintenance Contract

NCASEF Accounting
Committee Outlook

Roller Grills, Trash Bags
And Dumpsters



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Presidents'
Reports

Page 48

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1. Source: #1 selling Ice Pop in terms of dollar sales from 7-Eleven POS Data for 12 Weeks Ending 12/2015

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

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Join the National Coalition at **Caesars Palace** in Las Vegas

July 24-28, 2016 for the **BIG CAR GIVEAWAY!**



Register NOW

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Member News

C-Stores Experience Record In-Store Sales

U.S. convenience stores experienced record in-store sales of \$225.8 billion in 2015, led by strong growth in foodservice products, reported NACS Online. The industry's overall metrics for 2015 were released during the NACS State of the Industry Summit, April 11–13 in Chicago. According to the data, a continued period of low gasoline prices caused the overall sales in the convenience and fuel retailing industry to decrease significantly, dropping 17.4 percent. However, low gas prices and a recover-

ing economy benefited retailers by driving more consumers inside the store, with an in-store sales increase of 5.8 percent.

Overall, 69.2 percent of total industry sales were motor fuels, but motor fuels only accounted for 39.5 percent of profit dollars. Foodservice continues to be a key focus for growth in the convenience store channel, contributing 20.8 percent of in-store sales in 2015 and accounting for 33.7 percent of gross profit dollars.

Here's how in-store sales were broken down in 2015:

- Tobacco (cigarettes and OTP): 35.9 percent
- Foodservice: 20.8 percent
- Packaged Beverages: 15.1 percent
- Center of the Store (candy; sweet, salty and alternative snacks): 10.7 percent
- Beer: 7.2 percent
- Other: 10.3 percent

“Foodservice continues to be a key focus for growth, contributing 20.8 percent of in-store sales in 2015 and accounting for 33.7 percent of gross profit dollars.”

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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 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 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.

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March/April 2016

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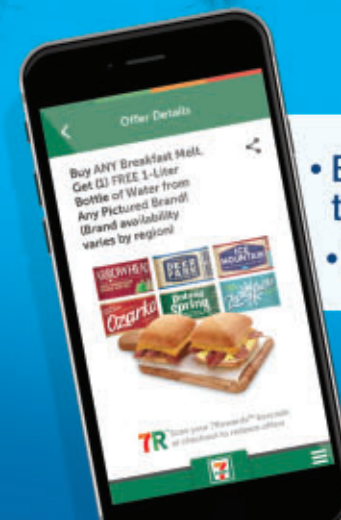


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- Promotion includes In-Store Offers and Digital Media/Radio Support

*7-Exchange and Nielsen YTD 2015

**For stores in CT, NY and ME

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Member News

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7-Eleven Makes 2016 Top 100 Global Franchises List



7-Eleven made a strong showing on Franchise Direct's 2016 Top 100 Global Franchises Ranking, coming in at #7. The annual list ranks franchises based on gathered data, including the company's history, market expansion, stability and growth, revenue, and system size based on number of units. Franchise Direct also takes into account the corporation's use of best practices in the areas of franchisee support and training, environmental policies, and social responsibility. The only other U.S. c-store chain on the list is Circle K, ranked at #25.

Store Brands Achieve Record Sales

Store brand sales reached \$118.4 billion in 2015, an all-time record and an increase of \$2.2 billion over the previous year, reported *Progressive Grocer*. In the past two years alone, annual sales are up 5 percent, or \$5.4 billion, in the major retail channels, according to the Private Label Manufacturers Association's 2016 Private Label Yearbook. Store brands dol-

"Some banks and ATMs are testing technologies that allow account holders to withdraw money without using their debit cards."

lar share came to 17.7 percent, also the highest mark ever. Across all outlets, combined store brands sales grew 2 percent, a performance that equaled that of national brands, which also rose 2 percent.

ATM Skimming On The Rise

ATM card skimming incidents increased 546 percent from 2014 to 2015, reported Yahoo Finance. That figure comes from financial analytics company FICO and its FICO Card Alert Service software, which is designed to detect fraud resulting from things like debit and credit card skimming. FICO said 60 percent of all skimming incidents occurred at non-bank ATMs. In order to combat this rising trend, some banks and ATMs are testing various technologies that allow account holders to

withdraw money without using their cards. Banks are also implementing EMV chip-enabled debit cards, which are designed to make counterfeiting more difficult. In fact, the spike in card fraud could be the "last hurrah" before EMV adoption becomes more widespread, according to the report.

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Many retailers are still waiting to become certified to use the **chip-enabled payment terminals** they've had installed since October, a major slowdown due in part to the payments industry being unprepared for the implementation of the technology, according to the *New York Times*. • A Canadian lawmaker recently introduced **legislation to set credit card swipe fees at 0.3 percent of the purchase amount**. Proponents say it will save Canadian consumers and merchants billions of dollars and energize the economy. • **Dollar General** recently reported that its full year ended January 29, 2016 net sales increased 7.7 percent and its full year same-store sales increased 2.8 percent. • **Northwest 7-Eleven franchisees got their first look at hemp-based beverages** during the Greater Seattle FOA's trade show on March 30, reported *CSP Daily News*. Rocky Mountain High Brands introduced its **five hemp-based beverages**: Hemp Energy, Hemp Lemonade, Hemp Iced Tea, Hemp Coconut Lime and Hemp Mango Energy. Hemp beverages cannot yet be sold in every state. • **The U.S. Postal Service recently dropped the price of postage stamps** from 49 cents to 47 cents—the first time it has lowered the postage rate in 97 years. • *Fortune* magazine recently named two convenience stores—**Sheetz, Inc.**, and QuikTrip—to its 2016 100 Best Companies to Work For. QuikTrip came in at #74, while Sheetz was #97. • A National Small Business Association poll reveals that **40 percent of small business owners feel conventional politicians don't understand them** and don't follow through on the promises they do make. • Philippine Seven Corp., the local licensee of 7-Eleven, plans to launch at least **400 new stores** across the Philippines this

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The National Coalition Office

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.



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Mini Breakfast Empanada Bites (Bulk)
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SLIN #178842 • UIN #385047



Beef Mini Tacos (Bulk)
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SLIN #171164 • UIN #540757



Member News

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Seven & I's Suzuki Resigns

Seven & I Holdings CEO Toshifumi Suzuki resigned recently, after losing a boardroom clash that pitted him against U.S. hedge-fund operator Daniel Loeb, reported the *Wall Street Journal*. The battle between Suzuki and Loeb centered on succession and corporate strategy. Under Suzuki, Seven & I Holdings has aggressively acquired other retailers including depart-



ment stores and a baby-goods chain, while retaining the money-losing chain of big-box stores called Ito-Yokado that originally formed the company's core.

Loeb said the company should shed those businesses and focus on convenience stores globally, and he praised the head of the convenience-store business in Japan, Ryuichi Isaka, calling him a natural candidate to replace Mr. Suzuki as the parent's CEO. Suzuki said that in light of the turmoil, he no longer felt worthy of continuing in the CEO role. On April 15, the Seven & I nomination committee endorsed Isaka as CEO, and the company's board of directors approved.

North Florida C-Stores Growing

The number of convenience stores in North Florida has increased recently, espe-

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The Midwest FOA officially became a member of the NCASEF during the February Board meeting in Monterey, California. Pictured are Midwest FOA President Jim Bayci, NCASEF Chairman Joe Galea, and Midwest FOA Vice President Nisar Siddiqui.

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Member News

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cially around the Jacksonville area, and more are on the way, reported The *St. Augustine Record*. Gate Petroleum plans to add 10 to 12 stores in Northeast Florida in the next year or two, Daily's is adding two stores directly across the street from Gate stores, Race Trac is opening stores bigger than it once did, and every Kangaroo Express—the largest chain in the area—is being converted to the Circle K brand, according to the report. Additionally, Wawa recently confirmed that it plans to open up to 25 stores in the area over the next few years.

Seneca Project Concerns NY C-Store Owners

The Seneca Nation of Indians in Niagara Falls, New York plans to open an "energy station and convenience store"

"Retailers who failed to get chip-enabled card reading systems up and running now face liability for fraudulent charges previously covered by card issuers."

near the Seneca Niagara Casino and Resort on the nation's sovereign territory, reported the *Niagara Gazette*. The station would offer petroleum gasoline, electric energy and a convenience mart. Seneca officials said the project could be completed by this summer. Local c-store and gas station owners fear they would be put out of business by the new 24-pump station because it will have a clear competitive advantage—the ability to operate without paying the same taxes as other c-stores in the area.

Central & South Florida FOAs Partner For Trade Show & Golf Tournament

Officers of the Central Florida and South Florida FOAs cut the ribbon commencing their joint trade show on April 7 at the Gaylord Palms Resort and Convention Center in Kissimmee. The group also held a joint golf tournament on April 6 at the Orange County National Golf Course in Winter Garden benefiting Swim Across America. The event raised \$20,711 for the organization thanks to the support of the franchisees and vendor community.



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Retailers Sue Visa & MasterCard

Lawyers representing several merchants recently filed an antitrust lawsuit claiming that major credit card companies and the nation's largest banks conspired to shift liability for fraudulent credit card transactions in the U.S. to merchants, reported *The Recorder*. The complaint, filed in U.S. District Court for the Northern District of California, claims that the move to cards that include electronic chips designed to be more secure—so-called EMV chips—has been plagued by technical glitches and used as cover to illegally shift fraud-protection costs.

Retailers who failed to make an October 1, 2015, deadline to get chip-enabled card reading systems up and running and inspected by third-party certifiers now face liability for fraudulent charges that were previously covered primarily by card issuers. "Merchants were not consulted about the change, were not permitted to opt out, were not offered any reduction of the interchange fee, the merchant discount fee, the swipe fee—or any other cost of accepting defendants' credit and charge cards," the plaintiffs lawyers wrote. "The liability shift was unilaterally imposed to the benefit of defendants, with no compensation, consultation or consideration of any kind made to the class members."

Circle K Re-Branding Pantry Stores

Alimentation Couche-Tard Inc. said its Circle K brand will be in place at hun-

continued on page 22

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ENDURANCE
PURE SPORT
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24-hour protection that helps you even when you're dreaming!



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Member News

continued from page 20

dreds of additional U.S. stores by this spring as the Quebec-based company moves to adopt a global identity for its convenience stores and gas stations, reported *The Canadian Press*. Couche-Tard expects to rebrand more than 1,000 stores in the southeastern United States as it integrates the Pantry chain into its network of stores and filling stations. The company said in September that it will keep its Couche-Tard banner in Quebec but adopt the Circle K banner for its Mac's stores elsewhere in Canada, as well as throughout its retail network in other countries where it operates.

“Couche-Tard expects to rebrand more than 1,000 stores in the southeastern United States as it integrates the Pantry chain.”



FLORIDA FRANCHISEES GO TO WASHINGTON

Central Florida FOA officers and franchisees Michael Jorgensen, Fari Ishani, Teeto Shirajee, Terry Hutchison and Alan Harris, along with franchisees from around the country and SEI folks, visited Washington, D.C. on April 12 to meet with senators and representatives and ask for their help with the proposed USDA Snap/EBT changes that will impact the c-store business and its customers.

Starbucks To Donate Unsold Food



In an effort to minimize food waste at its U.S. locations, coffee chain Starbucks has teamed up with the Food Donation Connection (FDC) and Feeding America in a program known as FoodShare, which will allow the company to donate all of its leftover prepared meals to food banks, reported *Fortune*. With this program the FDC will pick up the food each day at 7,600 Starbucks-operated U.S. locations, and Feeding America will redistribute it. Starbucks said it has been working with the FDC since 2010 to donate leftover pastries, and now they've found a way to safely add perishable foods to the end-of-day pick up.

According to Feeding America, 70 billion pounds of food are wasted in the U.S. every year. Starbucks said it aims to donate 100 percent of what is left over at participating outposts, estimating it will be able to donate al-

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year as part of its strategy to maintain its leadership in the c-store business in the Southeast Asian country, reported *Petrol-Plaza.com*. • **The FDA warns Parmesan fraud has become a serious problem** for American consumers, reported *Grub Street*. Tests show products described as "100 percent Parmesan" routinely have cut-rate substitutes—like **wood pulp**, and cheaper cheeses such as cheddar, Swiss, and mozzarella. • Anheuser-Busch has teamed up with **mobile shopping app Ibotta** to offer beer shoppers cash-back rebates on Anheuser-Busch products purchased at convenience, grocery and liquor stores, as well as other outlets. The partnership will run through February 2018. • **The Pennsylvania Lottery** recently announced its official mobile app now allows players to scan instant game tickets to see if they have won a prize. • In order to compete in an increasingly tight labor market, **Costco Wholesale plans to boost its minimum hourly wage** to between \$13 and \$13.50, from \$11.50 to \$12, marking the warehouse retailer's first entry-level increase in nine years, reported *Bloomberg Business*. • Domino's is testing **pizza delivery by robot** in New Zealand, reported *The Telegraph*. Known as the Domino's Robotic Unit (DRU), the three-foot tall battery-powered robot contains a **heated compartment** for storing up to 10 pizzas, and is capable of **self-driving up to 12.5 miles**. • More than 40 millionaires residing in New York—including members of the Rockefeller and Disney families—recently sent a letter to the governor asking to have their **state taxes raised to help address poverty and rebuild failing infrastructure**, reported the Associated Press. • Millennials drank 42 percent of all wine in the U.S. last year, more than any other generation, reported *USA Today*, citing research by the Wine Market Council. • Quickserv



continued on page 68



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Member News

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NEGOTIATING THE FM FACILITY MAINTENANCE CONTRACT

REHAN HASHMI | Vice President, Alliance of 7-Eleven Franchisees FOA

Early last year, a group of franchisees that included National Coalition officers and FOA leaders met with SEI CEO Joe DePinto and other company executives to discuss the FM Facility Maintenance price increases. It was a very productive meeting. We aired our many grievances with FM and its sub-contractors, as well as with the maintenance process, and the 7-Eleven folks were very concerned and listened to everything we had to say. Mr. DePinto promised to review the contract questions and to hold off on price increases indefinitely until the issues are resolved internally. He was very receptive and has committed to provide better service to the end users (franchisees and guests) before we revisit the price increase discussion.

More recently, SEI created the National Business Leadership Council (NBLC) Maintenance Committee to help deal with these issues and the price

ers still exist. My idea would be to work on the solutions first, get the solutions through, and be consistent. Then when the 2019 contract comes in, at that point we should implement any price increases.

Also, we have recently discovered that, although SEI has promised to put the price increases on hold, existing franchisees who have purchased new stores or had a contract renewal are being charged the higher maintenance prices. This tells us that SEI is planning to move forward with the price increases, so we have to insist now that any price increases should have the approval of the National Coalition first and made a part of the new agreement.

Some of the issues that we suggest NBLC Maintenance Committee work on are

“Any maintenance price increase should be part of the 2019 new agreement input and discussions.”



increases. By the time this article reaches you, the committee—which includes several franchisees—will have held its first meeting in April. While the formation of the committee is a step in the right direction, our franchisees strongly believe that the agenda for the NBLC Maintenance Committee meetings should only include service issues that are based on input by the committee members and other franchisees involved in NBLC. Any maintenance price increases should be discussed with the National Coalition first and should be part of the negotiations of the 2019 franchise agreement. To be clear, the National Coalition is the only leadership committee that truly represents our franchisees, as committee members are elected by franchisees; NBLC members, on the other hand, are selected by SEI.

Although SEI has resolved some of our issues with FM and the maintenance process, many oth-

those that SEI promised to consider at last year's meeting. These include **reclassifying the Priority 1, 2 and 3 service calls**. This is especially urgent now that we're moving more into foodservice, so what was a Priority 2 or 3 service call three years ago would be a Priority 1 service call today.

Another issue is **preventive maintenance at the store level and keeping better documentation**. SEI is responsible for preventive maintenance (PM) for certain equipment. This is either not being done or is not tracked. One example would be HVAC preventive maintenance -- do you remember the last time your ducts were cleaned? **There are many stores that have not had duct cleaning for more than a decade.**

Work tickets are another issue. Currently, 90 percent of service providers are leaving us a signed

work ticket. SEI said they were going to go paperless and do it electronically. We said we realize the need to go green, but the franchisee needs to have access to the information immediately at the store. SEI talked about getting a common portal like a tablet that all of the service providers would use and send information to the store ISP before the service provider leaves. Right now, if I'm signing a non-paper ticket I don't know what I'm signing for. I cannot see a description of the work performed, if there were any parts used, if it was contract or non-contract. All I see is a box and I sign. The only time that I can see the detailed information is when I get charged. Then I have to create a case and I'll get an electronic copy of the work performed. So we are asking for a complete description of the work performed on site and before the service provider leaves the store.

Even though I check my records every month, I still perform another audit of all maintenance charges at the end of the year. I often find that I've been charged for work that SEI should have paid. How many franchisees do that? Not even five percent of us do that, I'd wager. What I'm recommending is that if SEI wants to increase maintenance prices, they need to make sure franchisees don't have to self-audit and seek corrections. SEI needs to make sure that these non-contract expenses are accurate by **requiring two or three quality checks before they hit a franchisee's financials.**

If this price increase goes through, Chicago franchisees will have to spend over \$3,000 more every year. In certain parts of the country it's even higher. The NBLC Maintenance Committee includes some of our most experienced franchisees who made important contributions in past service on other committees. I am sure that they will also work on these crucial maintenance issues, but the price increases should not go through the NBLC. It will need to go through the National Coalition and it should be part of the 2019 franchise agreement negotiations. **AV**

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Member News

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Legislative Update

California & New York Enact \$15 Minimum Wages

California and New York have moved to gradually push their statewide minimum wages to \$15 an hour—the highest in the nation, according to the *Washington Post*. California increases would start with a boost from \$10 to \$10.50 on January 1, 2017. Businesses with 25 or fewer employees would have an extra year to comply. Increases of \$1 an hour will come every January until 2022, but the governor could delay increases in times of budgetary or economic downturns. California's current \$10 an hour minimum wage is tied with Massachusetts for the highest among states. Only Washington, D.C., at \$10.50 per hour, is higher.

In New York City, the wage would increase from \$9 to \$15 by the end of 2018, though businesses with fewer than 10 employees would get an extra year. In the New York City suburbs of Long Island and Westchester County, the wage would rise to \$15 by the end of 2022. The increases are even more drawn out upstate, where the wage would hit \$12.50 in 2021 and then increase to \$15 based on an undetermined schedule.

Experts say other states may follow in raising their minimum wages, given Congress' reluctance to act. In fact, the activists who spearheaded the California and New York efforts are now setting their sights on other similarly liberal, Democratic-led states. Illinois, Massachusetts, Michigan, New Jersey, Oregon, Rhode Island and Washington are among the states with active "Fight for \$15" efforts, and even economic experts who oppose the increased rate see it gaining momentum.

Oregon Passes Landmark Minimum Wage Increase

Oregon lawmakers have approved landmark legislation that propels the state's minimum wage for all workers to among the highest rank in the U.S., and does so through an unparalleled tiered system based on geography, reported the Associated Press.

Senate Bill 1532 imposes a series of gradual increases over six years. By 2022, the state's current

\$9.25 an hour minimum—already one of the highest in the nation—would climb to \$14.75 in metro Portland, \$13.50 in smaller cities such as Salem and Eugene, and \$12.50 in rural communities. This makes Oregon the first state without a one-size-fits-all statewide minimum.

The bill was crafted as a compromise between what unions, businesses and farmers want and as an attempt to thwart more aggressive proposals that could go before voters in November. Those two proposals call for a statewide minimum of \$13.50 or \$15, and would be phased in over half the time. Labor unions have not yet indicated whether they'll follow through with ballot initiatives. Republicans, the minority party in the Oregon Statehouse, have opposed the increase.

Kansas Lawmakers Reject Minimum Wage Hike

The Kansas House recently defeated an amendment to a bill that would have nearly doubled the minimum wage to \$13.25 an hour over a three-year period, reported the *Topeka Capital-Journal*. Instead, the Republican-led chamber advanced legislation to prohibit cities and counties from establishing minimum wages above \$7.25 an hour without authorization of the Kansas Legislature.

Rep. Gene Suellentrop, R-Wichita, led the effort to impose state restrictions on local government regarding the minimum wage and took the lead in denouncing the amendment from Rep. Jim Ward, D-Wichita, to elevate the wage rate statewide. Ward's amendment would have pushed the statewide minimum wage to \$9.75, \$11.75 and \$13.25 over three years.

Two Minimum Wage Hike Measures On Maine Ballot

Maine voters could see two competing minimum wage questions on the state ballot in November, reported the Associated Press. Business groups in Maine recently rolled out a plan to boost the minimum wage to \$10 an hour as an alternative to an initiative by residents that would bring it to \$12 hour.

The business coalition, which includes the Maine State Chamber of Commerce and the Retail Association of Maine, want the Legislature to send its plan to voters in November. The plan calls for an \$8.50 hourly wage in 2017 with 50-cent annual increases to \$10 an hour by 2020. It's a response to the Maine

continued on page 68

"Oregon could be the first state without a one-size-fits-all statewide minimum wage."

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PROJECT A-GAME: BUILDING A STRONG RELATIONSHIP WITH THE COMMUNITY

By Prem Singh, | Board Member, Columbia Pacific FOA

Recently, our store in Kent, Washington reached out to the community by supporting the Kentwood High School Dance Team. We

“SEI will match the franchisee’s contribution to double the amount of the award up to the limit of \$711 in total per store.”

utilized the Project A-Game fund to match our contribution and presented a check of \$500 to the team’s coach, Julie Holmberg, during an event at our store. This turned into a great event when many customers saw the whole team of 33 performers inside the store and expressed their support and appreciation of our

been supporting us every day for many years.

That day, 28 new 7Rewards apps were downloaded and we scanned more than 45 apps in total. We also gave away Slurpee coupons to the dance team and the coach for future use. We offered them free samples of our fresh food items, but they refused as the team was going to a competition and could not eat. However, they promised to try it some other time. Nothing could be more heartening than to watch the entire dance team with Slurpees in their hands and genuine smiles of gratitude on their faces cheering for their team and the 7-Eleven brand. These team members became our canvassers to the extent that they praised our 7-Eleven store to their parents, who visited our store later that week to thank us for helping the team.

“Project A-Game is geared towards building strong community relations by sponsoring local schools and youth sports teams to show 7-Elevens are neighborhood stores involved in their communities.”

efforts to support the community. For us, it felt nice to give back to the neighborhood that has

Project A-Game is geared towards building strong community relations by sponsoring

“That day, 28 new 7Rewards apps were downloaded and we scanned more than 45 apps in total.”

local schools and youth sports teams to show 7-Elevens are neighborhood stores involved in the community. Under the program, SEI will match the franchisee’s contribution to double the amount of the award up to the limit of \$711 in total per store. Community involvement helps make the 7-Eleven brand visible, and promotes a positive image and acceptance within the community.

Patsy Coffman, Executive Assistant of the North Pacific Zone in the Seattle area, along with her counterpart Michelle Scott in the Pleasanton office, has set a goal of having 200 approved Project A-Game applications in our Zone in 2016. They have promised to facilitate every application through the approval process in order to achieve and exceed this goal. Patsy will also submit the pictures taken at your check presentation event to corporate so you are recognized on 7Hub for your contribution. Additionally,

North Pacific Zone Vice President Jason Murra has promised to provide the matching funds portion of the program when it exceeds the \$30,000 limit that corporate provides for each Zone.

Project A-Game is a great way to show our solidarity and our commitment to the community, which is instrumental not only in building our business and creating a steady stream of customers, but in keeping the 7-Eleven flag flying high. **AV**



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Are We At A Crossroads?

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

Being a 7-Eleven franchisee means the primary service we provide is convenience. Our stores are known as the place our guests could come to pick up whatever they need—from food items like milk and bread to coffee, cigarettes, beer, snacks, and much more—24 hours a day. However, as economics and times have changed, we are now at a crossroads.

Cigarettes and alcoholic beverages have always been our main sales drivers, but that is no longer the case thanks to new laws governing these items. As such, SEI is telling us we can no longer depend on cigarettes and beer to increase our sales and profits. This is where the crossroads come in, but are we ready to meet it?

Our customers are still looking for convenience, but the definition of the word has changed. All of the items I mentioned above are still a part of our business, but our customer is also depending on us for more than just that one-time-a-day stop. So going forward, we can take out the word “convenience” and replace it with the word “destination.”

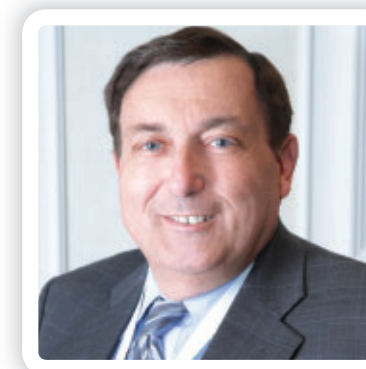
As we evolve to offer more hot and fresh foods, our stores are becoming a destination where our customers can come in for more than coffee, milk, and snacks. Needless to say, change is difficult for some. It's easier to accept for others, but nevertheless the change is here.

The truth is we can't stand idly by as our competition expands their product selection. Other retailers like pharmacy chains and dollar store chains have gotten

into selling food products that we never thought they would, but they are. Our future is now, and we

have to stay ahead of our competitors by making sure we meet and exceed our guests' hot foods expectations and needs.

We all realize there is an investment that must be made in any program or rollout a retailer executes. In a franchised system like ours, new programs need to be embraced and fully supported by franchisees, and sold to our guests, especially



“Executed properly, the hot foods program will allow you to maintain the overall sales increases and your store will be known as a ‘destination,’ no longer just a ‘convenience.’”

the awareness of it. If executed properly, that new program can bring you the same results as the core items that first attracted you to the c-store business. It's not like you're going to become a restaurateur because of hot foods, because all those other products you currently sell—the cooler items, snacks, chips—they are all inclusive. Executed properly, the hot foods program will allow you to maintain the overall sales increases and your store will be known as a “destination,” no longer just a “convenience.”

“As we evolve to offer more hot and fresh foods, our stores are becoming a destination where our customers can come in for more than coffee, milk, and snacks.”

With government regulations and minimum wage increases occurring in cities and states nationwide, we are at the point now where we all need to embrace the system in order to increase our sales and profits. There have been some great results from the food service rollouts. Some stores have not have the positive re-

sults that they were looking for, but in the end, it is our future. We need to fully evaluate the labor dedicated to hot foods and other aspects to make sure that the program is profitable. Otherwise, our competitors will swoop ahead of us.

SEI is definitely not off the hook on this—when we signed our franchise agreements, we entered into a partnership. Besides helping us overcome the minimum wage increases, I believe our franchisor has an obligation to help us tailor the hot foods program to our local areas so we can maximize its profitability. **AV**

JOE GALEA
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The Joint 2019 Contract Committee

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

At the February 2016 Board Meeting of the National Coalition, Greg Franks, Vice President of Franchise Systems, and his team made an extensive presentation regarding the 2019 contract. He emphasized what everyone in the franchise community knows, which is a very high percentage of all franchisees in the system will face renewal of their contracts in 2019 and 2020.

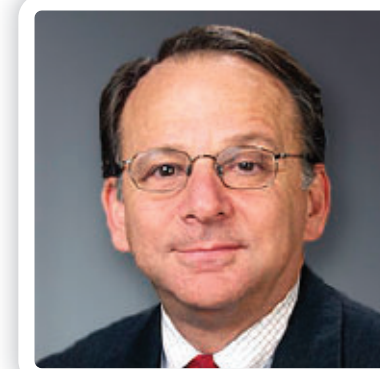
For many months, the leadership of the National Coalition has been attempting to engage SEI in a meaningful and cooperative dialogue regarding the renewal contract. That effort has been fueled by the accumulating list of issues that have created both internal and external challenges to the franchise community, and more particularly, to franchisee net profit and equity.

These issues include the increasing pressure to create state-by-state minimum wage rates, which may eventually rise to \$15 per hour from coast to coast. Indeed, 59 percent of Americans—including 84 percent of Democrats and 58 percent of Independents—support a \$15 minimum wage, according to a survey by the Public Religion Research Institute, a nonpartisan research group. This is an issue that is not going away, and SEI has not yet proposed a viable and sensible plan to deal with this existential threat to store level economics.

On top of all that, the system is plagued by low profitability on promotions, a lack of transparency with respect to the

“The Joint Committee has requested specific documents that will advance discussions about the terms and conditions of the renewal franchise agreement.”

company’s relationship with vendors, wholly inadequate commissions on gasoline sales, and the heavy-handed attempt to force franchisees to sign a new graduated gross profit split franchise agreement when the lease for the location is renewed or ex-



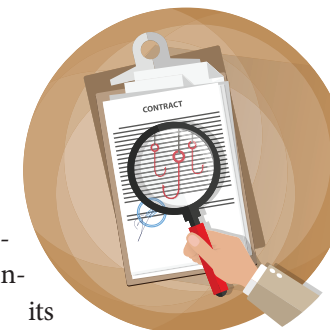
tended. Moreover, over the years, SEI has chipped away at franchisee profitability on a whole host of issues.

While there has been a recent thawing of the relationship between SEI and the National Coalition, and there are issues on which we have worked together, Mr.

“The goal is to collaborate over a 2019 franchise agreement that the Joint Committee could embrace, endorse and recommend to the entire franchise community.”

Frank’s presentation was concerning for its singular lack of specificity on how the new contract will be constructed. In addition, while he stated that franchisee input would be solicited, it was made clear that SEI would choose the franchisees from whom it would seek such advice, implying that the elected leaders of the franchisee community would not have a seat at the table.

For this reason, the National Coalition sent a letter to SEI in March announcing the formation of the Joint 2019 Contract Committee. The rationale for the creation of the Joint Committee is that the franchisees have a right to choose who will represent them; that is the essence of democracy and self-determination. This Joint Committee is a collection of 14 franchisee leaders who are current FOA Presidents, and current or former members of the NBLC, the CEO Roundtable, the Franchise Selection Committee and of course, members of the National Coalition Board. The members of this Joint Committee, a true and representative cross-section of the franchisee community, are as follows: Joe Galea, Jay Singh, Serge Haitayan, Michael Jorgensen, Dennis Lane, Sajid Ahmed, Nick Bhullar, Ed DeNorio, Ajinder Handa, Manjit Purewal, Jay Kahn, Jerry Sahnann,



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The Joint 2019 Contract Committee

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Vikas Sharma and Kathy York.

The letter to Mr. Franks requested that the Joint Committee be provided with specified documents that we know SEI has in its possession, and which it is using to advance its own internal discussions about the terms and conditions of the renewal franchise agreement. It is simply not possible to have a meaningful and constructive collaboration if SEI continues to hold so much information so close to the vest.

Included in the information requested was the following:

- The holistic review completed in the first quarter of 2015, the company's survey of franchisees, the focus group rollup and the Franchise Consulting Group report, which we understand was delivered to SEI on March 16, 2016. We asked for all of these documents because they would provide a window into the attitudes, levels of satisfaction or dissatisfaction and overall

"The only path to an amicable resolution of this central issue is through true transparency and collaboration with the franchisee community."

morale of the franchisee community. The National Coalition commissioned its own survey of franchisees and readily shared that with the franchisee community as well as SEI, which did not reciprocate. And the Franchise Consulting Group report we understand was an extremely detailed analysis and criticism of the policies, procedures and culture of SEI, particularly as it relates to its franchisee community.



- SEI's capital expenditure budget for new SEI equipment and store renovations over the next five years. We have observed over recent years that the company is more than willing to spend hundreds of millions of dollars acquiring gasoline assets and competing convenience store chains, while equipment in the stores languishes beyond its useful life and renovation of stores is many years behind expectations.

- SEI analyses of historical and projected store level financial performance, as well as projections, and pro forma operating statements of franchisee results if franchisees in the future are permitted to own the real estate and/or the equipment in the store. We know that the company has been engaged in extensive financial analysis and modeling on all of these alternatives, and it is not possible for franchisees to choose among alternatives or to have a meaningful discussion without the same information in hand.

The Joint Committee requested that the documents and information be provided within 30 days, and that monthly meetings between SEI representatives and the Joint Committee be scheduled throughout the remainder of 2016. The goal would be to collaborate over a 2019 franchise agreement, which the Joint Committee could embrace, endorse and recommend to the entire franchise community. Finally, we suggested that a facilitator be retained, perhaps the Franchise Consulting Group, in order to ensure a structured and constructive approach by all concerned.

SEI must understand that the only path to an amicable resolution of this central issue is through true transparency and collaboration with the franchisee community. To paraphrase an old adage, we have led the horse to the water, now it is up to SEI to decide whether it will quench its thirst. **AV**

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Joint 2019 Contract Committee

JOE GALEA

Chairman, NCASEF
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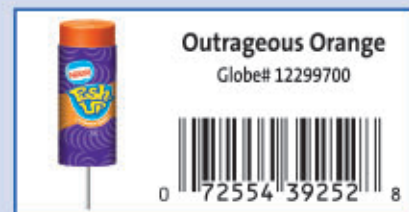
SLIN: 190440



Vanilla with
Chocolate Swirls
Globe# 12198471

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SLIN: 190348



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Globe# 12299700

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SLIN: 190225



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SLIN: 191346



Vanilla Milk
Chocolate Almond
Globe# 12273745

0 74570 03600 4

SLIN: 190046



Vanilla
Milk Chocolate
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0 74570 01600 6

SLIN: 190045



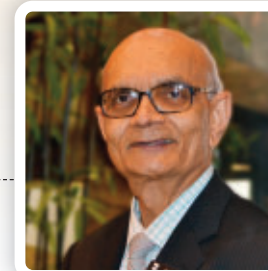
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THE 2019 FRANCHISE AGREEMENT

HASHIM SYED

NCASEF VICE CHAIRMAN, FOAC VICE PRESIDENT



At the February 15-18 National Coalition Board meeting in Monterey, 7-Eleven, Inc. VP Greg Franks gave a presentation on the development of the 2019 contract to 78 assembled presidents and vice presidents representing the 43 Franchise Owner's Associations around the country. It was the first time SEI has spoken about the 2019 contract at a National Coalition meeting, and it was good to see that they are interested in talking with us about the

with minimum wage increases, more intense competition, the changing business, and other issues. As this is happening, I wanted to give my two cents on some of the changes franchisees would like to see in the contract.

1. Our current contract allows franchisees to buy 15 percent of our store merchandise from vendors of our choice, and we are required to purchase the remaining 85 percent from

require that a store must do at least \$1.5 million in sales annually. This is a most critical issue for the survival of low volume store operators.

4. SEI must not open another store within a mile of an existing store to help maintain the income of the current existing store. The current operator should be approached first to franchise that store.

5. The process to qualify to become a multiple franchisee should be quick, simple and fair without any kind of exploitation on the part of SEI towards franchisees.

6. The current franchisee fee is too high, and it is affecting the goodwill value and the retirement plans of current franchisees if they want to leave the system.

7. Franchisees must be a part of any negotiations by SEI with the vendors to ensure the lowest cost of goods.

8. SEI must reconsider its decision on gasoline and increase the current gasoline commission from 1.5 cents per gallon to at least 3.5 cents per gallon due to the higher costs of operating a gas store, especially during the winter season.

These are my thoughts. If you have input on the issues involved in the new agreement, please send them up the line to your local FOA or contact the NCASEF National Office to provide your input. AV

"Senior VP Greg Franks told the Board the new franchise agreement framework is being developed in 2016, testing and franchisee feedback would be in late 2016 and the first half of 2017, with final changes in 2018 and the rollout in 2019."

new agreement. We hope that they will ultimately give us a seat at the table and the opportunity to provide franchisee input in new agreement discussions.

Greg told us the rollout progress to date includes company discussion of ad hoc changes—billbacks, CDC volume shortfalls, gross income support, paid-outs, maintenance, and the high rent amendment—plus SEI executive interviews, and interviews of select franchisees. He said the new franchise agreement framework is being developed in 2016, testing and franchisee feedback would be in late 2016 and the first half of 2017, with final changes in 2018 and the rollout in 2019.

There is no doubt the new agreement development process is well underway at 7-Eleven, Inc., and that some serious changes must be made to the current agreement to help franchisees deal

company-approved vendors. The justification for this arrangement is that franchisees receive the lowest cost of goods under this system, but the promise has not been kept. It is time that the new contract allow franchisees to buy from whomever and wherever we can get the lowest cost of goods to compete in the current business environment.

2. The current 10-year term is too short to recover the high current franchisee fees. The new contract must be extended to 15 years without the 20 percent renewal fee to relicense your own store!

3. Franchisees must be guaranteed an annual total income of at least \$75,000, considering the fact that it is a 24/7 job, 365 days a year and it requires a great deal of knowhow, expertise and persistence to be a 7-Eleven franchisee. The new minimum wage requirements, currently on the rise in municipalities, states and towns across the country to \$15 per hour, will

HASHIM SYED
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"If you have input on the issues involved in the new agreement, please send them up the line to your local FOA or contact the NCASEF National Office to provide your input."

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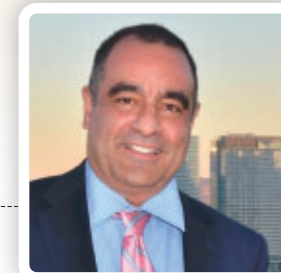


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IS OUR 7-ELEVEN FRANCHISEE MODEL FEASIBLE ANYMORE?

SERGE HAITAYAN

NCASEF VICE CHAIRMAN, PRESIDENT, SIERRA FOA



The \$15 minimum wage is fast becoming a reality in many states, and \$12 per hour will eventually become the federal standard. Seattle, Los Angeles, San Francisco and just last month, the entire state of California, committed to \$15 per hour minimum wages phased in over a number of years. In all, 14 states had minimum wage increases that took effect on January 1 of this year, and more are enacting similar legislation.

These huge increases to our labor expense line, which is the franchisee's responsibility, have the possibility of completely wiping out some franchisees' net income. SEI has not yet come up with a plan to handle these increases other than to send out a crack FC team in the most highly affected areas to review franchisees' stores for products that can be marked up with a higher CRP to cover the increase.

Combine the ever-increasing payroll (as the minimum wage increases are phased in over time), and the more intense labor required to implement the hot foods program, and it begs the question, "Is our franchised system as now constructed still feasible and sustainable for franchisees to make money?" Clearly we are completely powerless to do anything about the minimum wage increases and the fact that when we establish CRPs on products, half of the

increase goes to our franchisor. The truth of the matter is that we will have to adjust our expenses, decrease payroll,

"The health of our system is dependent on the health of our franchisees."

stop some of the labor-intense programs in our stores, cut corners everywhere, and we will still have to adjust our retails dramatically.

Our difficulties will not end there. In the last few years, SEI in reality changed our contract without technically modifying a word in it. Let me elaborate. The combination of minimum wage increases, plus SEI's introduction of the labor-intense fresh and hot foods pro-

"Minimum wage increases and additional labor required to implement hot foods causes us to wonder about the future of our current system."

grams and dozens and dozens of unfunded promotions, in reality changed the dynamics of our business, our expense lines, our labor and our business relationship with our franchisor. Franchisees' bottom lines shrank because of labor, and SEI's increased because of my labor. This must stop.

The shrink in our bottom line causes me to question whether or not our system is still feasible under the Graduated Gross Profit Split (GGPS) or the traditional 50-50 split (48/52 in reality with the jokingly called advertisement fee). We have a very challenging year ahead of us.

I urge SEI to sit down and talk sincerely to franchisee leaders to discuss the upcoming 2019 agreement. The health of our system is dependent on the health of our franchisees. With all due respect, when I talk about the health of our franchisees, I am not talking about a multiple store franchise system that uses one store to cover the expenses of the other.

Now I'm going to be blunt and ask the following question: At what point will SEI stop trampling all over the grey area of our contract? Our franchise agreement is famously designed with many ambiguous gray areas that can be manipulated down the road to SEI's advantage. Recently, that gray area started expending further with the installation of the DVR system, extreme pressure re-

garding hot and fresh food distribution, and more recently, SEI's getting involved in franchisees' payroll.

I was disturbed that SEI conducted a survey of all our employees in our stores and an analysis of their rate of pay. Just to be clear, SEI is being paid by contract to process our payroll exactly as any other payroll company would. It is not SEI's or any other payroll processing company's job to meddle in franchisee employment practices. When will this trampling end?

This is my opinion, and I value yours. **AV**

SERGE
HAITAYAN

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or 559-355-4899

What Do **Roller Grills**, **Trash Bags** And Your **Dumpster** Have In Common?



John Harp, CSP, ARM Risk Engineering Consultant
Mitsui Sumitomo Insurance Group

Your roller grills, trash bags and dumpster may seem completely separate, but employees interact with them daily, creating a risk of injury without proper training and supervision. These objects have been the direct cause of many injuries over the years, but with

of the unit slipping off the table. This resulted in a recent burn injury at one store for a cost of almost \$8,000 for medical treatment. Since the units rest on a moveable table at most stores, there are essential precautions to prevent employee injury.

ously close to falling off the table. The third photo demonstrates an ideal fit!

OTHER SAFETY TIPS FOR USING AND CLEANING THE GRILL

Use these points for general grill cleaning, including the inside of the

clear protective shield:

- Check to unlock the wheels.
- Move the grill by holding the table, not the grill.
- Wait for the grill to be sufficiently cool to reach over or around to clean.
- Follow the manufacturer's guidelines to clean the rollers. Suitable gloves can help as the tubes should not be rotating.

- To clean the rollers make sure the heat is set to the lowest setting.
- Lock the wheels when finished.

It's a good idea to have simple burn treatment in the first aid kit and have the employee seek medical care for a burn because of the risk of infection.

TRASH BAG HANDLING AND THE DUMPSTER

Over the last five years there have been 25 injuries directly related to incidents at the dumpster for a current cost of \$205,100. These in-

continued on page 46



If your unit fits like this, call FM to modify the legs or get a new table.



The proper stand but too close to the edge of the table.



An ideal fit.

simple prevention many of these can be avoided.

THE ROLLER GRILL

The roller grill remains an important part of the food presentation mix at 7-Eleven stores, and because employees are refilling food items, and serving from and cleaning a heating device, there is a risk of injury. In the last five years there have been 21 injuries specific to the grill at a current cost of \$102,300. It's not a huge number, but most importantly is the potential injury to valued employees from burns or other trauma from these units without the proper awareness.

Recently, one of the key risks that was identified with the grill was the chance

First and most important: is your grill positioned properly on the table? If your unit sits like the one in the first photo, it's imperative to contact FM or the appropriate vendor to modify the legs or obtain a table that allows the grill to rest safely on the table.

Although the second photo shows the proper stand, it is positioned danger-

"In the last five years there have been 21 injuries specific to the grill at a current cost of \$102,300. That's not a huge number, but the potential burn trauma to valued employees is high."

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*Source: IRI, 52 Wks Ending 02/11/16, Total US All Outlets, Volume Sales

continued from page 45

juries involve back and shoulder strains from tossing the bags into the dumpster, trip and falls, falling dumpster lids, and assaults near the trash enclosure.

From this experience there are lessons learned that should be shared with managers and employees.

INSIDE THE STORE

- Weight of the trash bag is key. The more frequent emptying the better, especially where coffee grounds are disposed most often. The bag should be emptied when half full.
- Make sure there are no sharp edges at the trash receptacle.
- Use a good quality bag to improve handling and chance of leaks.
- Be careful not to let bag vacuum occur, making it difficult to remove the bag from the holder. Poking a hole or loosening the grip will let air in.
- As with any lifting, the bag should be kept close to the body, pulled toward the body and knees bent. The lift should be smooth with no jerking.
- If the bag can support it, the ideal lifting posture could be obtained if the bottom of the bag is also held during transport and dumping.

Any type of cart helps to move the bags.

AT THE DUMPSTER

- Are the doors or gates at the dumpster easy to move but secure from unauthorized users?
- Trash should not be taken to the dumpster while two employees are on duty and not after midnight.
- How is the lighting at the dumpster? If it's not next to the store, wait until morning to handle.
- Get a dumpster with side doors. If the dumpster is too full to use the side doors, ensure your bags are securely tied and double bagged, and leave them beside the dumpster (not in front).
- Make sure the lids of top loading dumpsters are securely propped open before attempting to load trash bags. It is very hard on your back to try to lift a trash bag and hold open a dumpster lid at the same time.
- Be careful handling dumpster lids in high winds. The wind can catch the lid



Are these dumpsters okay?

“Over the last five years there have been 25 injuries directly related to incidents at the dumpster for a current cost of \$205,100.”

and pull it out of your hands, or slam it down on your hand unexpectedly.

- Make sure your hands are out of the way when closing dumpster lids.
- When throwing bags into the dumpster, don't twist at the waist. Instead, move with your feet, and change directions with your whole body.
- Use both hands in picking up and tossing the bags. One arm handling puts too much stress on the back, shoulder and arm.

Are the dumpsters depicted in the above photo okay? Either one of the dumpsters in the photos at the bottom of this page are easier for your employees—check with your rubbish contractor if this is an option.

There are many things to consider in safely and profitably operating a c-store. These simple tips can help keep your employees safe while running a successful business. Together, we can reduce the injury risk and costs, and keep your employees healthy at work. If an injury should occur, remember to report it to your insurance company within 24 hours. **AV**

JOHN HARP can be reached at jharp@msigusa.com or 908-604-2951



Either one of these dumpsters is easier for your employees. Check with your rubbish contractor if these are an option.



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Presidents and vice presidents from 38 7-Eleven Franchise Owners' Associations around the country gathered in Monterey, California February 15-19 for the first Affiliate and Board of Directors meetings of 2016. SEI Senior VP Merchandising Alan Beach, addressing NCASEF Vendor Affiliates and the NCASEF Board, said in 2015 7-Eleven was plus 14 in customer counts, plus 7 percent in net income growth, and plus 5.8 percent in same store sales, a record sales year. VP Franchise Systems Greg Franks described progress on the development of the 2019 Franchise Agreement to be rolled out in late 2018 and early 2019.

Columbia Pacific FOA

HARBHAJAN GHOTRA, PRESIDENT

The year started off tremendously. Food sales and general merchandise sales for January and February are up. The franchisees in Oregon are concerned about the new law that will increase the minimum wage. On July 2016, the minimum wage in Oregon will be \$9.75. The next increase will occur in July 2017,

causing the minimum wage to jump to \$11.25.

Furthermore, starting January 2016 a new law regarding mandatory sick pay leave was implemented. This will be an additional expense for franchisees. The sick pay and minimum wage increase laws will raise the store payroll \$5,000 to \$12,000, depending on the number of employees. This change has caused anxiety to franchisees, especially to those with low-volume stores. In June 2016, the Columbia Pacific FOA will be holding elections for new Board members.



SEI Senior VP Merchandising Alan Beach said 7-Eleven had a record year, with 6 percent company growth and same store sales growth of 5.8 percent.



NCASEF Chairman Joe Galea said having representation during the 2019 agreement discussions is the most important issue facing franchisees in 2016.

Midwest FOA

JIM BAYCI, PRESIDENT

2015 was an exciting year for the MWFOA. As membership expanded more people took on leadership responsibilities, providing valuable ideas and energy. Operating an FOA in a multi-FOA area creates some challenges, but the MWFOA hopes to find opportunities of cooperation between and among franchisees. Leadership is very appreciative of events such as the 2015

Labor lawyer Ruthie Goodboe said wage and hour filings have increased tremendously, with 8,718 lawsuits filed in 2015.



"FRANCHISEES ARE INDEPENDENT CONTRACTORS MAKING INDIVIDUAL BUYING DECISIONS IN OUR STORES."

—JOE GALEA, NCASEF CHAIRMAN

MWFOA Show in Chicago that saw leadership and members from all FOAs participate. Illinois FOAs also appeared at legislative hearings and provided common concerns. We've scheduled several partnered events for 2016 with the Alliance FOA, including a spring Expo, Charity Golf Outing and Holiday Party. These represent steps towards a goal of more unity among FOAs.

Speaking of unity, our Michigan General Meetings have progressed nicely and provided forums for effective discussions between franchisees and 7-Eleven management. Meetings were scheduled in different cities due to the geographic store spread. Market and Zone leaders have made themselves available whenever requested and have helped resolve a number of issues. As a result, it appears that attitudes and trust are growing, too. There are still a number of unresolved issues that remain from the Garbco acquisition. The MWFOA plans to help those affected franchisees with a Garbco Task Force.

More and more franchisees are utilizing the FOA's quick issue resolution system. Marketing, accounting, policy and other problems are called or e-mailed to FOA leadership every day. The problems are then directed to the right person who generally resolves it the same week and often within hours. The quick resolution system helps demonstrate how FOAs can make things better for everyone.

Texas FOA

RAJ SINGH, PRESIDENT

We will have our trade show and charitable golf tournament on May 25, 2016. In our area, the company is testing ETA (Expand The Assortment). My goal is to work with our Zone leader and share that information with other FOAs so they are aware of what growth they can expect when ETA comes to their area.

The field consultants and market managers are sharing with franchisees, educating them on cigarettes and how the markdown works, what allowances they receive, and what bill-backs they receive. There is so much about cigarettes that folks don't understand. Our field consultants and market managers are taking the initiative to coach our franchisees.

Our FOA will have its next meeting on April 7. We will be discussing the CEC ??? of Texas. We have been talking to franchisees and gathering information on what issues and concerns they have so our FOA can work proactively to resolve those issues. I discussed that with our Zone leader and he is aligned to work with us.

We are in the process of developing committees to educate our franchisees. We have two goals: working with SEI to resolve our issues and concerns, and at the same time we want to help new franchisees learn the business so they know what to do when problems arise.

Washington, D.C. FOA

MARK CHIOCHANKITMUN, PRESIDENT

Our CEO calls our guests "customers." SEI upper management told us to call our customers "guests." Not long ago they also told us to delete all slow moving items, and now they tell us to make our gondolas higher in order to add additional shelves so we can bring those products back, including a new product line that may add up to another 1,000 SKUs. We are quite confused with SEI's direction, especially when not long ago we asked and begged SEI not to delete those items that they now want to bring back.



NCASEF General Counsel Eric Karp said the NLRB's joint employer debate is unlikely to see resolution anytime soon.



Greg Franks, SEI Vice President, Franchise Systems, said SEI would test franchisee feedback to the 2019 Agreement in 2017.



Executive Vice Chairman Jay Singh wanted to know how the NCASEF could be involved in the new agreement on behalf of franchisees.

Another piece of the puzzle is, should we follow our CEO by calling our shoppers "customers" (Focus Magazine March/April 2016) or continue to call them "guests?"

The Washington, D.C. minimum wage increase started on July 1, 2014, increasing from \$8.25 an hour to \$9.50 an hour with an additional \$1 an hour increase per year

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1st QUARTER 2016

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for the next two years. By the year 2016 the minimum wage in Washington, D.C. will be at \$11.50 an hour. This minimum wage increase will cause our franchisees approximately \$15,000 to \$28,000 per year, depending on the size of their payroll. The Washington, D.C. FOA has been reaching out to NCASEF and SEI for help dealing with this issue, which potentially will put a big dent in our operation budgets and could put many franchisees into financial hardship, especially the low-volume stores.

Sadly, very little or almost nothing has been done by SEI to help out, beside sacrificing gross profit dollars on hot foods to drive the business. Furthermore, the hot foods program comes with a higher demand on our labor line, which may hurt more than help our situation.

Flash mobs and mini flash mobs on an almost daily basis continue to be another big expense that franchisees in D.C. cannot afford, and there is no budget in the world that can afford it. Our stores are no longer safe for our shoppers or our employees because of the constant disruptions by the flash mobs, which could lead to loss of sales and profits and injury to our employees and customers.

SEI's Asset Protection Department, headed by VP Mark Stinde, is flying into the D.C. area on March 30 to meet with the TriState FOSE, which consists of the Baltimore FOA, the Suburban Washington FOA and the Washington, D.C. FOA. We hope to put our heads together and come up with a so-



Midwest FOA Board Member Joe Rossi described the Midwest FOA's "quick issue resolution system."



Thirty-eight Franchise Owner's Associations attended the NCASEF's Board and Affiliate meetings in Monterey.

lution that can help solve many issues in our area, and ultimately can help solve many or some issues throughout the country.

Southern California FOA

PAUL LOBANA, PRESIDENT

In the summer of 2015, Joe DePinto and his senior management team attended our members meeting and announced the planned remodeling of the Greater Los Angeles Zone stores. The program "ETA" (Expand The Assortment) was later added to the remodeling plans. Phase one has since been completed, and the second phase of the remodeling—including the ETA project—will begin soon.

The remodeling projects consist of relocating central sales counters against the wall, new floors, taller vault doors, new exterior store signs (if permitted by local ordinance), new wall coverings, and an electronic hot foods menu. If a particular store does not need remodeling, only the ETA component will take place.

The Greater Los Angeles franchisees are excited about hot foods expanding into chicken sandwiches and hot melt sand-

wiches. We are aware cigarette and beer sales have been declining lately, so the effort is to replace those lost sales with other items, such as fresh foods. The culture of 7-Eleven has been to stock shelves and ring sales with minimal labor. Under those conditions the stores can be managed with a GP of 35 percent or more. However, with the introduction of sandwiches and hot melts, which will expand to cheeseburgers, the entire operation is more labor intensive. We would therefore like to see a higher GP in these categories.

Also, because these are new products launching in the stores, much of the public is not fully aware that they are available. We would like to see aggressive advertising and increased display space so that our guests can be enlightened to the existence of these products and have a fair opportunity to purchase them. The strategy as it currently exists will have excessive write-offs, which will likely lower overall GP. We are therefore requesting that SEI assume more of the write-offs for the initial months following the

continued on page 54



UFOLI Vice President Yousef Naseer said vendors and SEI win on endless promotions, but franchisees do not.

—JACK RUGEN, PRESIDENT, UFOLI

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Presidents' Reports

1st QUARTER 2016

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launch of these new products so that the franchisees, in fear of losing GP, will not be reluctant to have a full display of these items.

Eastern Virginia FOA

ROMY SINGH, PRESIDENT

Our Zone has been really struggling with ongoing robberies since November. Our FOA along with Loss Prevention have met with the Hampton, Newport News, and Norfolk police chiefs. We asked the police departments to provide more patrolling for our stores. Loss Prevention also hired roving security to patrol the high-risk stores. Thank God crime has been reduced with the help of Loss Prevention and the police.

We had a successful holiday party event, which was well attended by 175 plus, including franchisees, market managers, zone merchandiser and zone leader. Our FOA started recognizing the Field Consultant of the Year from every market. These field consultants were chosen via franchisee voting. We also handed out Lifetime Achievement Awards to field consultants who have given a decade of service to the 7-Eleven brand. Like every year, we nominated and awarded a Market Manager of the Year.

Recently, our FOA had a meeting with Loss Prevention, Logistics, Franchising and Operations. It was well attended by the fran-



Rocky Mountain FOA VP Jay Khan said vendors need to fund 75 to 100 percent of all promotions.

chisees. Asif from Franchising spoke about the new franchising criteria. Asif heard franchisees' concerns and obstacles to becoming multiple storeowners. This was a very good and constructive meeting.

We are having our trade show on June 29 at the Hilton in Suffolk, Virginia, which will be attended and inaugurated by our CEO Joe DePinto. We are planning to use buses to bring in franchisees from the Carolina and Fredrickburg/Richmond areas. Looking forward to this great event. I need your support.

We are approaching summer sales. I wish all the franchisees a great summer and great sales. Let's work on some right merchandising assortment and make some serious profits. Good luck!

Cal-Neva FOA

RICH ROSE, PRESIDENT

To begin this report, I must tell you that we are saddened one of our franchisees was hurt during a robbery in the Reno/Tahoe area. Nancy Morelli was robbed on her way to the bank as she left her store. She is doing better and her head wound is healing. I would like to thank Jeff Montarbo (Senior Field Consultant), Matt Ellis



Del Val FOA President Al Haffar said franchisees' 85 percent should be at a lower COG due to buying power.



Alliance FOA VP Rehan Hashmi said franchisees must set the agenda for discussions on maintenance.

(Nancy's Field Consultant), Craig Olson (Field Consultant), and the franchisees who stepped up to help make sure that her deposits got to the bank. Nancy's manager April and her store staff all pitched in to make sure the store operation continued as usual during this difficult time. The Reno Police Department apprehended the robber within minutes of the robbery. I must stress to all franchisees that we must always be aware of our surroundings and to be careful when making our deposits.

The financial state of the Northern Nevada/Lake Tahoe area is strong. We are continuing with strong sales, with our area showing a 6.1 increase while the Zone is at 4.8 and the company as a whole showing a 3.1 increase. The concerning problem is the downturn in gross profit percent. It has been explained to us that the increase in cigarette sales has hurt our overall gross profit. I must call on the category managers and support personnel to look at this problem and adjust our recommend pricing so franchisees are not left moving prices themselves and we are making a unified retail price for our area.

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The Taste of Spring is in the Air!

NEW Kick off the season with the White Chocolate Raspberry Latte!

The delicious blend of sweet, juicy raspberries, a hint of creamy white chocolate and milk, make for the perfect "anytime" treat.

Be prepared to make this your #1 selling seasonal favorite this Spring!

F.O.D. 4/25/16



Vice Chairman Hashim Syed questioned VP Alan Beach about 7-Eleven's plans to promote foodservice items.

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This April, May, and June we are teaming up with Model Dairy to raise monies to support those families with children who have cancer. We are hoping to equal the effort that our franchisees, vendors, and customers have shown with the fight against breast cancer for which we raised \$67,000 in the last four years.

San Francisco/Monterey Bay FOA

JOE GALEA, PRESIDENT

Sales are soft. We've got some banking issues. The first quarter of the year sales have held up well, considering the lousy weather that was predicted. We are still incurring some issues with banking procedures and policies, which we are addressing.

It is good to note the fact that we have an open dialogue with our new Zone leader, Jason Murray, who has been available to work with us on numerous questions that have arisen. We hope to have him attend our Board meeting in May.

We have our trade show coming up in April and our golf tournament in June. Look for further announcements. Mark your calendars for the National Coalition Convention in Las Vegas in July. Vegas is always a hot location for everyone and close by. We offer a great event and create a family atmosphere. Our merchandising department, led by our vice president, is working very actively with our vendor partners to bring you many deals, which you've seen in the stores. Take the opportunity to look at them. There is profitability there and we can create a good vendor relationship. We look forward to seeing you at one of our events or Board meetings. Any questions you may have, please feel free to call one of our officers.

New England FOA

DENNIS LANE, PRESIDENT

A milder than normal winter helped keep traffic and sales higher than normal,

with almost no major snowfall. Massachusetts stores continue to struggle with government regulations that are seriously damaging our profitability. Minimum wage is \$10 in 2016, up from \$9 in 2015 and increasing to \$11 in 2017. At this writing California and New York will be increasing their minimum wages to \$15 per hour from 2017-2022. The first year will be a \$0.50 increase, followed by \$1 a year until 2022, when the minimum will reach \$15. Addi-



Suburban Washington FOA President Pete Gragnano said franchisees have lost so much since 2004 we don't know where to start on the 2019 Agreement.



Central Florida FOA President Mike Jorgensen said FOA leadership met with FDA Compliance Director Ann Simoneau in Washington, D.C. about inspection shops being conducted by a third party company.



New England FOA President Dennis Lane said the biggest new agreement issue is franchisee profitability.

tional states will probably follow.

Many Massachusetts cities and towns have raised the minimum age to purchase tobacco and cigarettes to 21, along with flavor and single cigar bans. Some Boston stores are down \$350 a day in lost tobacco sales. The town of Brookline, near Boston, is considering a total ban on the sale of all tobacco and cigarettes.

New England was hit with a surprise snowstorm April 4, dumping 4 inches of snow and causing major disruptions to roads, airports and our business. Spring in New England!

United Franchise Owners of North Florida/Palm Beach

EDWARD DENORIO, PRESIDENT

This has been a good year for our association, which includes increasing our membership as well as encouraging vendor support. Becoming a member of the National Coalition was a great accomplishment for this association. We are now excited for the future to come and that includes a name change to United Franchise Owners of Florida (UFOFLA).

Sales in Florida are up, mostly due to all of the increased promotions in our stores. Unfortunately, franchisees are not seeing increased profits in their bottom lines. It seems that everything in our stores is now on some type of promotion. These promotions are helping grow sales, but not profits. Not helping this growing trend of everything on sale is the number of unfunded promotions that 7-Eleven, Inc. chooses to run each month.

SEI has introduced a number of popular food service items, such as the melts and the new chicken sandwich. These items seem to be a hit with our customers. The problem that exists is the lack of profit on these new food service items. Most fast

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NEW! DURACELL® QUANTUM

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Quantum AA 6pk



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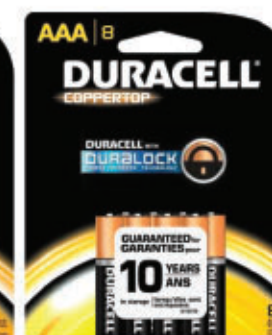
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Coppertop AA 8pk



UIN 160633



Coppertop AAA 8pk



UIN 160634



Coppertop C 2pk



UIN 512467



Coppertop D 2pk



UIN 512418



Coppertop 9V 1pk



UIN 512525

POWERFORWARD

DURACELL

feeders are starting off with 60 percent-plus gross profit before write-offs. The average gross profit of 30 percent that is associated with all these new food service items is not enough to cover the incurred write-offs and the increased payroll needed to properly implement these prod-

ucts. It is our hope that in the future SEI will continue to provide us with great food service products to offer our customers, but at a GP of at least 40 percent-plus before write-offs to give every franchisee an opportunity to succeed.

Here in Florida we are dealing with the



Keith Miller from the Coalition of Franchise Associations said franchisees can use www.house.gov to find their congressmen.



Delaware Valley Vice President Sam Takiedine suggested multiple franchise agreements to account for regional differences.

FDA hiring a new company to implement tobacco compliance checks. This new company has a much higher failure rate than the previous company. We are recommending to all our members to be very diligent about checking IDs and use the POS system to scan IDs when possible.

Gas pricing in Florida is still an issue, with pricing not being in line with our competitors. Franchisees suffer when the gas pricing is not in line with the other stores in their area. 7-Eleven, Inc. needs to work on their gas strategies and concentrate on driving customers to our stores.

Lastly, one of the most pressing issues is the 2019 Franchise Agreement. This needs to be all our biggest focus because it will affect all current, new, and future franchisees. This agreement will also affect the value of our goodwill going forward. We

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need to be united on the issues and expectations of this new contract.

Suburban Washington FOA

PETE GRAGNANO, PRESIDENT

Spring has arrived in the Baltimore/Washington, D.C. area, and with it comes wild fluctuations in temperature. In the 80s one day and the cherry blossoms are in bloom, followed a day or two later by wind chills in the 20s. However, we know that the winter is behind us and look forward to improving on the strong sales performance we experienced in March.

While the season has past, winter still has an effect on our business, as Accounting made adjustments to McLane deliveries to our stores during Winter Storm Jonas. In

"THE NATIONAL COALITION'S NEW AGREEMENT COMMITTEE IS INTENDED TO PROVIDE CONSENSUS ON WHAT FRANCHISEES WANT IN THE NEW CONTRACT."

—ERIC KARP, NCASEF GENERAL COUNSEL

this instance, McLane was unable to make scheduled deliveries on time due to 24-40 inches of snow in many areas. However, they did eventually make it to the vast majority of the stores.

What transpired was that our Merchandising reports were credited for a non-delivery, even though most of us received it. This has resulted in a number of inventory over-

ages and would have been included in the McLane CPM and distributed to all the stores across the country had it not been brought to the attention of Logistics. Accounting has reversed the credits and will spread the invoice cost over three months on our financials so as not to have a devastating impact on our March gross profit.

In early March we held a joint meeting of the Baltimore, Washington, D.C. and Suburban Washington FOAs, where the attendees were briefed on the discussions from the NCASEF meeting held in February. In addition, we had our labor attorney discuss wage and hour law, particularly the proposed changes under federal law regarding overtime for "managers."

On March 24th and under the umbrella of the TriState FOSE Association, the three FOAs held our annual trade show at the

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Don't Roll the Dice on Your Workers' Compensation!

We know how hard you work to make your store profitable, and we work very hard at keeping your insurance costs as low as possible. The biggest part of your insurance premium covers loss expense — when losses go up, premiums go up.

Did you know.....

Robberies are on the rise! Make sure you and your staff are clear on security procedures. Maybe a monthly review makes sense?

Over 75% of franchisee claim expense is related to slip and falls, both inside and outside of the store. Make sure your floors are dry, and remove ice from your walkways.

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.

Help us help you. The better we control losses, the lower your cost of workers' compensation insurance!

Contact:

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

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"WE MUST BECOME THE CONVENIENT FOOD DESTINATION TO TRANSFER OFF TOBACCO."

—ALAN BEACH, SENIOR VP MERCHANDISING, 7-ELEVEN, INC.

Howard County Fairgrounds. The show was well attended by the franchisee community and most, if not all of the vendors, were pleased with the orders that they received.

Finally, to cap a busy month, we held another joint FOA meeting on March 30th, where Asset Protection VP Mark Stinde, along with regional AP colleagues Jim Passarella and Terry Drivas and our local AP contacts (Earl Winterling and Mike Yaede) addressed our concerns ranging from flash mobs to RGIS.

We are looking forward to a hot and busy summer selling season, and are relying on Alan Beach, SEI Senior Vice President of Merchandising, to keep the promise made to the NCASEF Board of Directors in February and reduce the number of promotions for the Period 3 Sales Plan and beyond.

Greater Seattle FOA

AJINDER HANDA, PRESIDENT

As per SEI, our first quarter sales ended up 2.1 percent versus last year, and franchisee GP increased by 2.5 percent. YTD, merchandise sales increased over last year by 2.1 percent and franchisee GP increased by 2.5 percent over last year!

Locally, both our markets are focusing on food service. Our Zone has had huge success in selling food and proprietary beverages in the last six months. The Pacific Northwest was #1 in selling melts during Melts Focus Day. Market 2360 was #1 in the company in selling chicken sandwiches on Chicken Sandwich Focus Day.

Here are some tactical ways that stores used to increase their chicken sandwich sales. If you have a best practice, please share!

- Cooking and displaying a minimum of 8 at one time during the morning, lunch, and

dinner day-parts. Chicken and coffee!

- Asking every customer to purchase a sandwich. If EBT, offer the Melt!
- Up-selling one sandwich customer to two sandwiches—2/\$3.98!
- Offering a Meal Deal—Chicken sandwich, Chips, and Big Gulp!
- Sampling, sampling, sampling.

The Greater Seattle FOA just concluded its third annual trade show. I would like to say thank you to the vendor community, franchisees and our 7-Eleven team for participating in our event. We had a great turnout, which included 110 franchisees (169 stores) and 67 vendors participated. The enthusiasm with which both the franchisees and the vendors interacted was really pleasing, as well as promising a good future ahead.

Our trade show was a great opportunity to see so many vendors under the same roof. Franchisees made a lot of great deals and opened a valuable line of communication with vendors. I am sure this will help us in our business strategies and profitability. The magnitude of ordering and participation from franchisees was so great, that most of our vendor partners had finished their samples and deal sheets during the middle of the show—they were writing orders on blank sheets. Greater Seattle FOA membership had placed more than 2,600 orders with participating vendors, which is about 50 average orders for each vendor. We had a unique way to give cash incentives to franchisees that placed orders, and it was the first time this program was used by any FOA.

Central Valley FOA

SUKHI SANDHU, VICE PRESIDENT

Sales have been soft—March ended up only 0.3 percent. There has been tremen-



Greater Seattle Vice President Chander Shekhar spoke about the difficulty in growing the business with the move to a \$15 minimum wage.



Eastern Virginia FOA President Romy Singh said focusing on crime reduction has had a positive effect in Virginia.

dous focus and effort surrounding hot foods and the introduction of the chicken sandwich. This is the first time 7-Eleven has provided such an extensive advertising campaign behind hot foods, and during a key event like March Madness. Our Zone is averaging 10.2 chicken sandwiches per day, which is great for a new item considering we have very few fresh food items selling over 10 units a day.

While the chicken sandwich has been a successful launch, the mind of the franchisee is distracted with the ever-increasing minimum wage we are experiencing here in California. We have experienced a 25 percent increase in minimum wage over the last two years, and it will hit \$15 by 2022. This not only affects our new hires, but it forces us to increase our current staff as well

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to keep them in line with the industry standards. This increase of minimum wage solely impacts the franchisee, as labor is our largest expense and one not shared with SEI. There is growing concern about how this will impact our net income and what changes will have to be made to stay profitable in this business model. The 2019 franchise agreement will be critical in helping to balance rising expenses that are eating away at our bottom line.

In March we held our annual trade show in Northern California, combining the efforts of the Greater Bay FOA, Northern California FOA and Central Valley FOA. This event was very well attended by the franchisee community, SEI personnel and supported by our vendor partners. We look forward to our combined charity golf tournament on May 16 to support The Hume Center.



UFONFPB President Ed Denorio said income is up because franchisees are working harder than ever before.

Virginia FOA

WAQAR SHEIKH, PRESIDENT

I worked at a 7-Eleven 25-30 years ago and there were a couple of coffee bars on the side. I was lucky if I sold 10 or 15 cups of coffee a day. Now when I look at our coffee, we have a 16-foot coffee table and we sell 400 to 500 cups a day. In some areas, we sell thousands of cups a day. I know that franchisees complain about the write-offs and this and that. But I think we have no choice but to go in this direction.

If you look at our old store sign, it said "7-Eleven Food Store." Then about 5 or 6 years ago, when you entered our store, there was no food in there except hot dogs. Now it makes sense to have a sign that says "Food Store" and you enter and you have pizza, hot dogs, chicken wings, cheeseburgers, cheese steaks and chicken burgers. It is incremental sales. This is our future. I go to areas that are not food



Monster's Kellen Flores said promotional funding is intended to create greater gross sales for franchisees.

stores, stores that sell a lot of cigarettes, beer and wine. Their gross profit is very low at 29-32 percent. Our food stores are doing close to 39-40 percent on average. I'm very excited about the food program.

At our FOA meetings we talk about the hot foods program and we talk about maintenance issues. I am on the NBLC Maintenance Committee and we are fixing a lot of maintenance issues. We want to make sure that franchisees receive good, timely service. We are focused on improving the service times and we want to make sure that

"NINETY-FOUR PERCENT OF FRANCHISEES WILL SIGN THE NEW AGREEMENT BY 2024"

—GREG FRANKS,
VP FRANCHISE SYSTEMS, 7-ELEVEN INC.

revenue-generating equipment is fixed promptly. Everything is P1 because it has return on the money. We have made a lot of progress and soon we will be able to share that information with the franchisees.

Our trade show is May 5, 2016. It is the kick-off for the summer. We have invited Mr. Joe DePinto and he has accepted our invitation. He will be our chief guest and he is bringing his executive committee. He will address the franchisees and explain what direction we are going and what they should be looking for.

We are looking forward to going to the National Convention in Las Vegas in July. We always support our National Convention. At our trade show we will give away about 10 tickets for franchisees to go to the event. We do that for the SEE and we do that for the National Convention.



San Diego Vice President Gary Singh said franchisee representation on the new agreement is essential.

FOA of Greater Los Angeles

KATHY YORK, PRESIDENT

In California, the minimum wage has been set at \$15 per hour thanks to Senate Bill No. 3 (SB-3). The measure is sitting on the governor's desk, and he is expected to sign it on April 4. It is unheard of for a bill to pass both state Houses in one day. We are unable to protest and get our voices heard on this matter. SEI keeps saying we can rally through minimum wage increases like we have done since 1970. You are talking about 25- to 50-

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SUGAR-FREE



THE MOST POPULAR CREAMER FLAVOR IS NOW SUGAR-FREE!

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

- 42 percent of consumers say a low-sugar option highly influences their decision to purchase.¹
- The same rich, creamy coffeehouse flavor your customers crave.
- 45 percent of COFFEE-MATE users prefer COFFEE-MATE exclusively.²
- 40 percent fewer calories than classic French Vanilla.
- Less than one gram of carbohydrates per serving.



¹ Datamonitor Consumer Survey, April/May, 2009
² Lieberman Research Worldwide, August 2008

COFFEE-MATE Sugar-Free French Vanilla
Liquid Creamer Singles
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Single-Serve, Flavored
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cent increases, not yearly like now. In the last year and a half the minimum wage has gone up \$1.75 per hour. Now another \$5 in 2022. SEI is going to have to rethink the terms in the franchisee agreement in 2019.

Central California FOA

SUNNY CHAUHAN, PRESIDENT

We had a really good January and February with Total Merchandise Sales up 7.6 percent YTD. March, however, was soft closing at 1.5 percent over last year. Overall for the quarter we should be at approximately 4.5 percent YTD.

We have 88 stores in our market with hot foods, and the remaining 7 should have it in a few months. The new chicken sandwich has been a big focus item as it is going to be our platform launch, which will in-



Greater Bay FOA President Manjit Purewal said franchisees are losing incentive due to higher wages and less profit.



The Seneca representative Chris Goulart presented a complete natural tobacco line from the largest native American tobacco company.

clude a cheeseburger coming soon. Stores have set goals to make the new chicken sandwich a success. The market is averaging 11.6 UPSD through Thursday March 31, and stores are continuing to increase these numbers daily.

The minimum wage increase to \$10 per hour that went into effect on January 1st has had many franchisees concerned as the cost of doing business has increased and franchisees' operating expenses have gone up. We have asked SEI to look into this and offer some relief and assistance.

To add more to this, California Governor Jerry Brown on April 4th signed into law a bill gradually raising the minimum wage from \$10 to \$15 per hour by the year 2022, making the nation's most populous state the first to boost pay to that level. Franchisees are very concerned about this and are looking up to SEI for relief and help. Perhaps SEI needs to change the split level or the business in whole to a Royalty based system to make this business model work and more attractive to franchisees. We know SEI is looking at different business models as they prepare to roll out the new 2019 agreement. We want SEI to take a hard look and consider all factors, including this minimum wage increase.

We are having some decent weather recently in the 80s and are looking for some good sales numbers.

Northern California FOA

RAJ BRAR, PRESIDENT

We held a joint trade show under the name Nor Cal United 7-Eleven FOA. It was a successful trade show. We combined with the Central Valley and Greater Bay FOAs. Nor Cal United 7-Eleven FOA is now having their golf tournament on May 16, 2016.

We are very concerned about the minimum wage hike and at the same time more labor is involved in the store operation due to



FM CEO Jim Reavey described an increase in field reps and an improved preventive maintenance process for franchisees.

hot foods. California just passed a law increasing the minimum wage to \$15 by 2022. At the same time, we are concerned that the cost of hot foods is not very attractive so 7-Eleven needs to work hard to make hot foods more profitable. We are very concerned about the 2019 contract. We want to see the gradual split go away. We also want to see a maximum limit on credit card fees, like \$500 or \$600 per month. Store operations are costing more. Running the store is costing more for the franchisees, which affects our bottom line.

Alliance Of 7-Eleven Franchisees FOA

REHAN HASHMI, VICE PRESIDENT

Chicago stores experienced a minimum wage increase in July 2015 of \$1.75 per hour. The impact has been varied, but on an average it has been costing area franchisees anywhere between \$1,500 to \$3,500 a month. A lot of franchisees are anxiously waiting for SEI to do something to balance the effect of our increased payroll.

Sales in Chicago markets have increased 4 percent to 6 percent. Hot Food sales increased 3 percent to 10 percent. In November, many stores have seen lower GP percent, possibly due to extensive promotional discounting on hot foods and bakery, on top of lower GP to start with.

The Alliance FOA had its first trade show following an RI meeting. It has been a tense month for Chicago stores, as they are getting affected by protests and demonstrations in the city due to the release of a police shooting incident (potential closures/looting).

South Suburban stores have had a few robberies. Chicago is getting ready for BT, which is supposed to be rolled out in the second or third quarter of 2016. There are mixed feelings. Our FOA is working with franchisees to ease some of those.

7-Eleven FOAC

KEN PATEL, FOAC PRESIDENT

For years, the FOAC has hosted its Annual Trade Show in May, and its Annual Charity Golf Outing in August. But this year things are going to be different. After discussions with FOAC members, vendors, and the local management team, our leadership team decided to host these two exciting events one right after the other on Wednesday, June 8 and Thursday, June 9.

"SEI NEEDS TO BUILD TRUST WITH FRANCHISEES TO ENSURE THE SUCCESS OF THE SYSTEM."

—YUSEF NASEER, VICE PRESIDENT, UFOLI

Coordinating these events so they take place on two consecutive days makes a lot more sense on so many different levels. For our vendor partners, especially those who are traveling from out of town, they can now combine their trip without worrying about the added expense of flying back and forth to Chicago twice.

It's also more convenient for those flying in from Dallas. We've been fortunate to have SEI leadership attend our events in the past, but we recognize that it's challenging to break away two times in a given

year. Now they can partake in both FOAC events with one round trip ticket.

Our Charity Golf Outing on Wednesday, June 8 takes place at the beautiful St. Andrew's Golf and Country Club in West Chicago. The event begins bright and early with an 8:00 am breakfast and registration, followed by a 9 a.m. shotgun start. At 2 p.m. we will be hosting lunch for all attendees, as well as a cocktail reception, raffle drawings, an award ceremony and a silent auction. Once again, proceeds from the event will benefit the Ann & Robert H. Lurie Children's Hospital.

Last year we raised over \$100,000 from our golf outing. This year, with the support of our vendor partners and participation from our franchisees, we are hoping to exceed that number. We are planning for 225 golfers including vendors, franchisees, Heartland Zone leadership and those from SEI. I have no doubt that we will achieve our goal.

Our Annual Trade Show, taking place the next day on Thursday, June 9, will be hosted at the Odeum Expo Center in Valla Park. We've got a full day of events planned, and are expecting at least 130 booths. As always, lots of new products will be featured and the best deals of the year will be offered.

Before the trade show doors open at 1 p.m., all franchisees are invited to attend a general session, which runs from 11:30 a.m. to 1 p.m. and includes lunch. The general session will also include a variety of presentations, as well as special announcements



Southern California FOA Vice President Paul Lobana said Los Angeles stores being remodeled will get the ETA program.

from SEI leadership and the FOAC's vendor partners. Franchisees should plan ahead to attend, as important information will be shared during the meeting.

But the day doesn't end once the trade show doors close at 5 p.m.! Immediately following the show we will be hosting a cocktail reception and networking dinner for all franchisees, VIPs from SEI, and the Heartland Zone management team. This is an excellent opportunity for franchisees to mingle with each other and with upper management.

We are extremely excited about our back-to-back events and are hopeful that our decision to do so will prove beneficial to everyone involved. We are looking forward to welcoming everyone to our Charity Golf Outing and our Annual Trade Show on June 8 and 9!

Kansas City FOA

FAISAL ASAD, PRESIDENT

The current situation in Market 1951 is that we are among the top five markets in the country for selling hot foods. Sales are up and GP percent is down by half a point, although GP dollars are up. We are experiencing significantly more payroll dollars on our expense line due to double help to cover hot foods sales in order to maintain standards and for retaining quality employees.

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Net income for franchisees is up \$20 per day, significantly lower to our partner.

We are also a test area for the new bake cookie program. We are hopeful that we will see some local advertising on BB both in St. Louis and Kansas City. On behalf of our FOA, I will ask the bankers in Dallas to consider us for a strategic upgrade and spend capital dollars here. Who knew we would do so well in hot foods sales.

Central Florida FOA

MICHAEL JORGENSEN, PRESIDENT

Central Florida and South Florida again partnered on our annual trade show and charity golf event. We had a great turnout from vendors and participation from our Florida franchisees. Our charity for the third year was Swim Across America, which is working with local hospitals to find a cure for cancer. They raise money through swim events. We were able to increase the donation this year to \$20,711 thanks to the support of the franchisees and vendor community! These funds will go directly to the Moffitt Cancer Center. We have also set up our "Oh Thank Heaven" team, which will participate in the Clearwater swim event on May 21. We were the biggest donor to SAA Tampa last year.

We were able to negotiate an \$80 credit from McLane to all Florida stores as a result of an issue with cardboard totes being utilized and charged to stores.

In February, Florida FOA leadership along with Jaspreet Dhillon had a meeting in Washington, D.C. with the FDA Tobacco Compliance Director Ann Simoneau. We



Bon Appetit rep Mike Kawas said they have 10 of the top 25 bakery items.

have reached out to NACS, among others, to help out franchisees who have been affected by the new compliance inspection shops being conducted by a third party company.

First quarter sales increases across the Zone have not been as strong as the past two years, but in February the sales increase for Florida was 3.6 percent. YTD (as of February) Florida has the second highest Franchisee Net Income per Store (GLA) at \$8K—9.7 percent growth!

Florida has the highest percentage of stores with the same field consultant for the past 12 months, a metric that our FOA and NBLC has asked us to focus on for stability.

Florida will be receiving an additional 100 Bake In Store (Hispanic Bakery) programs to continue to expand this program. On average this program delivers an incremental \$86 APSD at 50 percent GP, and has proven to be one of the most successful regional product rollouts.



Anheuser Busch rep Bobby Vanhorrebeck's number one ask of franchisees is to stabilize the Bud Light brand in the market.

By the way, this product line was introduced to the system via a franchisee! Franchisees are reporting that this is the first item we can remember in which customers are calling the stores to order.

At our very successful Market Model stores in all eight markets, the average SKU increase was 250-300 and the

stores are enjoying sales from over half of those items in just the first couple of weeks.

We rang 44.7 PM Melts per store across the Zone, getting our premier sandwiches in over 32 more mouths vs. last week. Florida had the second highest Melts total in the country.

On April 12, Michael Jorgensen, Fari Ishani, Teeto Shirajee, Terry Hutchison and Alan Harris from Florida, along with franchisees from around the country and 7-Eleven folks, visited Washington, D.C. to meet with our senators and representatives and ask for their help with the proposed USDA Snap/EBT changes which will impact our business and our customers.

UFOLI, NY

JACK RUGEN, PRESIDENT

We've had a very good Q1 from a sales and Gross Profit perspective. Both are exceeding performance to prior year. YTD Franchise Net Income is ahead of the prior year in all markets in the North Atlantic Zone (of course, more franchisees increase franchisee net income). The Zone continues to drive sales, taking advantage of Zone focus days and our Zone Leader is working to increase awareness and sales during the evening day parts, as well as on weekends. The melts sampling activity was a success for the Zone. Our APSD total for the Zone was 37 units per store.

Governor Andrew M. Cuomo has recently signed a \$15 per hour Minimum Wage Law into the 2016 fiscal year's budget, to be implemented incrementally and capped out in 2021. Opposition grows, but there is a Minimum Wage Tax credit of 1.1 percent to all businesses with Minimum Wage employees to take effect. We created a PAC and named it the Franchise Owners Association of New York. We are attempting to get CFRA members within the state to participate in one way or another. **AV**

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Member News

continued from page 28

Legislative Update

People's Alliance effort to raise the minimum wage from \$7.50 to \$9 an hour in 2017, followed by annual increases to \$12 an hour by 2020. The left-leaning group collected more than enough valid signatures to qualify for the ballot.

California Law Increases Paid Family-Leave Benefits

Gov. Jerry Brown recently signed a bill expanding California's family-leave law to help more low-income workers and provide better benefits, reported the *Los Angeles Times*. The action comes 15 years after California became the first state in the nation to guarantee workers paid time off to care for a new child or ailing family member—55 percent of their wages for up to six weeks. The

measure Brown signed into law (AB 908) will allow people earning close to minimum wage to be paid 70 percent of their salary while on leave, while workers with higher pay—up to \$108,000 annually—will get 60 per-

cent of their salary during leave. The change takes effect in 2018.

California To Raise Smoking Age To 21

California lawmakers recently voted to raise the legal age for purchasing and using tobacco and e-cigarettes from 18 to 21, putting the nation's most populous state on the brink of becoming only the second after Hawaii to bar teenagers from lighting up, dipping or vaping, reported the Associated Press. Before it can become law, Gov. Jerry Brown must sign the legislation, which has already passed the state Assembly. Only Hawaii has adopted the higher age limit statewide, although dozens of cities, including New York and San Francisco, have passed similar laws of their own.

Massachusetts Considers Raising Smoking Age

With many cities and towns in Massachusetts raising their smoking ages to 19 or 21, state lawmakers could soon clear the air of confusion over how old smokers must be to buy cigarettes by setting the minimum age at 21, reported the *Gloucester Times*. The Joint Com-

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"California could be the second state in the nation, after Hawaii, to raise its smoking age to 21."

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.



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continued from page 22

chains including Jack in the Box, Bojangles and Dunkin' Donuts have reported **dips in sales that can be attributed to McDonald's successful launch of all-day breakfast**, reported *Business Insider*. • Sandwich chain **Subway has gone ahead and posted calorie counts** on the menu boards of all 27,000 of its U.S. stores despite another delay in a federal rule requiring the information, reported *The Wichita Eagle*. • In mid-February, Hollywood Presbyterian Medical Center in Los Angeles paid a **ransom of about \$17,000 to hackers** who infiltrated and disabled its computer network, reported the Associated Press. • Electric car manufacturer **Tesla** plans to greatly expand its network of Manhattan, NY charging stations to 105 by March 31, reported the *New York Post*. The expansion means there could soon be three times as many **electric-car charging stations in Manhattan as gas stations**. • Sporting goods retailer Sports Authority recently filed for Chapter 11 bankruptcy protection and said it would close or sell about 140 stores, or nearly one-third of its locations, reported the *Los Angeles Times*. • With **one- or two-person households now representing 61 percent** of all U.S. households, packages sized to serve one or two people are a big trend, according to a new *Packaged Facts* report. Such formats include **single-serve fare**, meals for two, multi-packs of individual portions, and resealable packages. • General Mills said it will place labels on its products containing **genetically modified organisms (GMOs)**, becoming the second major food company this year after Campbell's Soup to acquiesce to GMO labels, reported the *Christian Science Monitor*. • C-store chain **Wawa recently opened its first compressed natural gas** fueling station at its superstore in Paulsboro, New Jersey, reported TV news station CBS Philly. • Visa Inc. announced recently that it plans to introduce its **Visa Token Service** to

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*Source: Nielsen convenience channel data latest 52 weeks ending 7/11/15. Measure: Dollars per total distribution point (STDP). Cigar brands with a minimum of 20% ACV reach.



Member News

continued from page 22

most 5 million meals at the end of its first year participating in the FoodShare program.

Research Reveals Core C-Store Shopper

New, exclusive consumer research by *Convenience Store News* on the demographics and shopping behavior of c-store



“Consumers aged 35-44 are significantly more likely to be daily or weekly c-store shoppers, according to CSNews research.”

shoppers reveals several insights on who these “core shoppers” are and what keeps them coming back to c-stores again and again. According to *Convenience Store News*, for its project, “core” customers were defined as those who make frequent visits to c-stores on a daily or weekly basis, and those who indicate they buy in-store items “every time” or “almost every time” after purchasing gas at a c-store.

Here are some of the illuminating findings from the *Convenience Store News* research:

- Consumers aged 35-44 are significantly more likely to be daily or weekly c-store

shoppers, and those aged 25-34 are significantly more likely to buy in-store merchandise after purchasing gas.

• 57 percent of consumers with at least one child under the age of 18 in the household report visiting c-stores on a daily basis, while 42.9 percent visit on a weekly basis. Parents are similarly much more likely to regularly buy in-store merchandise with gas, as 58 percent do so during most or all gas fill-ups.

• 70.5 percent of daily shoppers say they typically shop at the same store each time, as do 62.8 percent of weekly shoppers.

- Core customers are drawn to c-stores to

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Member News

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EASTERN VIRGINIA FOA HONORS FIELD CONSULTANTS DURING HOLIDAY PARTY

The Eastern Virginia FOA held a successful holiday party in December, during which the group honored several field consultants for their contributions to the franchisee community. The Lifetime Achievement Award was presented to Field Consultant Donna Carr for her more than 10 years of service to 7-Eleven, while Jeannine Christensen received the Field Consultant Of The Year Award. The event drew more than 175 attendees, including franchisees, market managers, the zone merchandiser and the zone leader.



Market Manager Bob LeViolette, Field Consultant Donna Carr and Market Manager Matt Smith.



EVFOA President Romy Singh with Zone Leader Brian Voss.

EVFOA President Romy Singh addresses gathered franchisees and SEI management during the holiday party.



EVFOA President Romy Singh, Field Consultant Donna Carr (Life Time Achievement Award), and Field Consultant Jeannine Christensen FC (Field Consultant Of The Year Award).



The Eastern Virginia FOA recently held a meeting with local law enforcement officials to discuss ongoing robberies at 7-Eleven stores.

Pictured (left to right): Chief of Police Richard W. Myers of Newport News, VA Police Department; Bob LaViolette, Market Manager 2516; Romy Singh, President, EVAFOA; Sanket Acharya, VP, EVAFOA; and Chief of Police Terry Sult of Hampton City, VA Police Department.



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auto-manufacturers that will include digital payment solutions, enabling customers to **make payments via car dashboards**. • Dunkin' Donuts is testing **"Ready-to-Go Choices"** kiosks at some of its locations, reported *Nation's Restaurant News*. The kiosks, placed inside near the front of the ordering line, include various sandwich items and could boost same-store sales by 1 to 2 percent, according to an analyst. • **Pizza consumption is trending up**—consumers average 4 pizza occasions per month, up from 3.4 in 2014, reveals Technomic's 2016 *Pizza Consumer Trend Report*. • **The number of ATMs in the U.S. compromised by criminals rose 546 percent** in 2015 over 2014, analytic software firm FICO reported. • Beachbody recently announced the launch of the **Beachbody On Demand** mobile app, giving iPhone users go-anywhere access to many of the company's best-known and bestselling fitness programs. • Walmart recently announced it will sell only **cage-free eggs** by 2025, following in the steps of other retailers, restaurants and food manufacturers—like McDonald's, Kroger, Costco and Trader Joe's—doing the same, reported *USA Today*. • **Starbucks Canada** recently debuted its Starbucks Evenings program—selling wine, craft beer and cider from 2 p.m. onward—at several locations in Toronto, reported the *Financial Post*. • Retailers and other businesses **where large groups of people gather are increasingly focused on security** in the wake of recent terrorist attacks in Belgium and Paris, reported the *Washington Post*. • **TravelCenters of America** recently announced it completed its previously disclosed acquisition of five convenience stores located in Illinois. TravelCenters said it plans to rebrand these convenience stores as Minit Marts. • **Werther's Original** celebrated **National Caramel Day** on April 5 by distributing 1 million pieces of caramel via a 6-foot-diameter candy bowl located near

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Member News

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THE NCASEF ACCOUNTING COMMITTEE 2016 OUTLOOK

BY RAY DHALIWAL | NCASEF Accounting Committee Chairman, Vice President, Greater Bay FOA

The last year was extremely productive for the NCASEF Accounting Committee. To begin the year, this committee presented 28 accounting issues (consisting of 58 pages of facts) to SEI vice presidents and the directors of the 7-Eleven Accounting Support Center in Dallas during a special meeting. Fifteen SEI personnel (including CEO Joe DePinto) attended this all-day presentation, as well as NCASEF Chairman Joe Galea. We had healthy dialogue and an extensive exchange of information on each challenge.

We defined a strategy on how to proceed with each accounting challenge, and SEI responded with a 17-page completion schedule for the presented challenges. NBLC sponsor Greg



request a copy of the updated 2015 accomplishments from your FOA president.)

Throughout the year, the NCASEF Board of Directors was sent communiqués encouraging them to submit new accounting challenges that their FOAs were facing. Many of the presidents submitted their issues from time to time. These issues were discussed among the NCASEF Accounting Committee (AC) members and then forwarded to SEI. A continuous dialogue pathway was set up between our AC team and SEI subject matter experts to bring about some sort of resolution to the accounting issues.

In recognition of the work done by our National Coalition Accounting

ination structure, and will be spending millions of dollars doing so. SEI's Accounting Department has invited our team members to be part of this new accounting structure evolution. This is a great opportunity for us to be at the front end of designing a process where we will be the end-users. SEI kicked off this program by sending two directors to meet with NCASEF AC members, and they spent the entire day going over 50 current accounting reports for usefulness.

For 2016, FOAs have been divided into four regions, and each AC member has been assigned as the point person for their regional FOAs. This will enhance the current two-way communication between our AC team and FOA presidents and vice presidents to collect accounting issues and deliver the results of corrective actions. Each AC point person will make a monthly call to their respective regional FOA presidents, and additional calls as needed.

The AC point person will invite FOA members who submit accounting issues to participate in conference calls between the AC team and SEI subject matter experts. Each AC point person will also: prepare a consolidated list of action items that a franchisee should take prior to an audit in order to minimize shortages or overages, and will distribute this list to FOA presidents; collect best habit actions prior to month ending in order to maximize monthly franchisee income, and distribute these actions to FOA presidents to be shared with their Boards and members; and provide assistance in understanding monthly financials and other reports to regional FOAs from a franchisee's point of view and what actions to take to enhance profitability.

Our AC team has worked diligently during the year with SEI officers from various departments and at all levels in resolving franchisee accounting issues. This has led to establishing an excellent working relationship. SEI respects the combined 101 years of experience between our AC members, and is receptive to what we have to say. The NCASEF AC team feels honored to serve the franchise community, and plans to continue working on those accounting issues with SEI to ultimately improve franchisee profitability. **AV**



NCASEF Accounting Committee members Yousef Naseer, Sukhi Sandhu, Teeto Shirajee and Ray Dhaliwal.



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Member News

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Legislative Update

mittee on Public Health recently voted to support the bill, which includes other regulations aimed at curbing smoking by young adults. Among them is a measure that prohibits the sale and use of e-cigarettes on school grounds, in restaurants, businesses and other places where smoking tobacco is currently forbidden. Retailers say the proposed regulations are too severe and will do little to prevent teens from picking up the smoking habit, and raising the state's minimum smoking age to 21 would send even more tobacco consumers across state lines.

San Francisco Raises Age To Buy Tobacco

The San Francisco Board Of Supervisors recently approved a measure raising the legal age to purchase tobacco products within San Francisco's city limits to 21 years old, reported CBS News. San Francisco now joins Boston, New York City and more than 100 U.S. cities in raising the minimum age to buy cigarettes, e-cigarettes and other tobacco products. The law goes into effect June 1.

Philadelphia Mayor Proposes Soda Tax

As part of his city budget, Philadelphia Mayor Jim Kenney has proposed taxing sugar-sweetened beverages at 3 cents an ounce, the highest soda tax proposed anywhere in the country, reported the *New York Times*. Kenney said his soda tax—which would raise the price of a 20-ounce bottle of soda by 60 cents—could generate more than \$400 million over five

years, enough to fund universal preschool and renovations to local libraries, parks and recreation centers, as well as “community schools” that wrap social services with education and cash for the troubled municipal pension program.

Soda industry officials are making anti-tax arguments, saying that a tax de-

vised to lower consumption of the good will not be a stable source of revenue for an initiative, like universal prekindergarten, that requires permanent funding. They also argue that the big soda tax, collected on distributors who deliver beverages into the city, may be too easy for individuals and retailers to evade by shopping outside city lines.

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State Tobacco Tax Update

Here's an update on several state tobacco tax proposals that have been defeated, postponed or died in committee, from the publication *Tobacco E-News*. Only those states where 7-Eleven operates are listed:

California—A bill that would have increased the cigarette tax by \$2 per pack, the OTP tax by 230 percent and impose a new tax on e-cigarettes based on the wholesale price died upon the adjournment of a special session of the California legislature on March 10.

Florida—A bill to increase cigarette taxes by \$2 per pack died in committee.

Hawaii—A number of tax measures died due to missing a procedural deadline. Those included a 50-cent tax on premium cigars, a tax equal to 80 percent of the wholesale price of all tobacco products except large cigars (but including e-cigs), reducing the tax on large cigars to the lesser of 50 cents per cigar or 50 percent of its wholesale price, increasing the cigarette tax by 80 cents per pack, a 30 percent tax on wholesale price of e-cigs and e-cig-related products, and increasing the OTP tax from 70 percent to 80 percent of the wholesale price.

Indiana—A bill including a \$1-per-pack cigarette tax increase failed due to adjournment of the state Senate.

Maryland—A bill that would apply the cigarette tax to vaping devices was withdrawn after the House Economic Matters Committee reported unfavorably on the measure.

Rhode Island—Several proposed measures were not enacted, but held for further study. Those included two different bills that would apply the cigarette tax to little cigars and a bill to apply the state sales tax to electronic cigarettes.

Utah—A bill that would tax e-cigs at 86 percent of the manufacturer's sales price died upon the adjournment of the state Senate session on March 10.

West Virginia—The West Virginia House committee voted 21 to 2 against a bill to increase the cigarette tax by 45 cents, likely killing the measure.



“Philadelphia Mayor Jim Kenney's proposed sugar tax at 3 cents an ounce is the highest soda tax proposed anywhere in the country.”

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purchase gasoline and to buy immediately consumable food and beverages, as well as lottery tickets, newspapers and magazines, and cigarettes.

Record-High Bottled Water Sales In 2015

New research from Mintel reveals that sales of bottled water increased 6.4 percent to top \$15 billion in 2015. Mintel expects sales to continue ascending at a rapid pace through 2020, with projected sales growth of 34.7 percent for the category, including 75.1 percent growth for the sparkling/mineral water/seltzer segment.

Consumer attitudes highlight that innovation in flavor is driving the category's success, with half (48 percent) of bottled water drinkers saying they are drinking more flavored waters to replace high sugar drinks. Consumption of flavored still bottled water is highest among 18-34 year old consumers (66 percent vs 48 percent of con-

sumers overall), who are also the most likely age demographic to consume any still bottled water (93 percent vs 85 percent of consumers overall).

SEI Sues St. Louis C-Store Imitating 7-Eleven

A convenience store in St. Louis, Missouri is calling itself "7 Plus" and violating numerous 7-Eleven trademarks, according to a federal lawsuit filed recently by SEI, reported the *St. Louis Business Journal*. The suit claims that "...Defendants have set out on a deliberate course of conduct to deceive consumers into believing that the (7 Plus store) is connected, associated, or affiliated with 7-Eleven in order to trade on 7-Eleven's valuable goodwill," alleging that 7 Plus' logo and branding is too similar to that of 7-Eleven.

SEI is asking the court to enjoin 7 Plus LLC from using the 7 Plus marks. The suit also seeks unspecified damages and attor-

neys' fees, and asks the court to order 7 Plus to pay its profits over to 7-Eleven and that the greater of either damages or profits be tripled—unless statutory damages of \$2 million for 7 Plus' alleged trademark counterfeiting is greater.

Dollar General Adding More Small-Format Stores

Dollar General plans to continue to open smaller stores in urban as well as rural markets, reported *Supermarket News*. The company said it will focus most of its expansion on its standard 7,400-square-foot store while testing a 6,000-square-foot model in more densely populated metro areas and also more sparsely populated rural locations. Dollar General has approximately 30 smaller-footprint stores, mostly in urban locations, with plans to open 80 more this year. The company recently reported its fourth quarter net income rose 5.9 percent to \$376 million, while sales increased 7 percent to \$5.3 billion and comparable store sales climbed 2.2 percent.

Costco Removing Tobacco From Most Of Its Stores

Big-box retailer Costco is continuing to phase out tobacco products from its warehouse stores this year, reported *TheStreet.com*. The shift to reduce the presence of cigarettes in Costco stores started a few years ago and was a business decision, a company spokesman said. Tobacco is a high-theft, labor-intensive, low-margin product and it makes sense to fill the space with other products, the spokesman added. Costco estimates that tobacco sales as a percentage of its total business is about a low-single digit percentage. The company doesn't believe tobacco will be pulled from all its warehouses "anytime soon," however. Of 488 U.S. Costco locations, 189 still sell tobacco.

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"Mintel expects bottled water sales to continue ascending at a rapid pace through 2020, with projected sales growth of 34.7 percent."



From left to right: Field Consultant Jim Carline, Market Manager Scott Boldman, and franchisee Abid Jamil.

DETROIT FRANCHISEES DONATE WATER IN FLINT, MICHIGAN

Detroit area 7-Eleven franchisees—with support from SEI—donated three truckloads of 7-Select bottled water to victims of the Flint water crisis. Flint is currently in the midst of one of the largest water contamination scandals in U.S. history. Franchisees, field consultants and market

managers personally delivered cases door-to-door to local residents on Sunday, February 20 to help the cause. The local residents were very appreciative.

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Legislative Update

California Soda Tax Bill Pulled

A bill to impose a two-cents-per-ounce tax on sugary beverages in California was pulled by its author ahead of its scheduled first committee vote, with Assemblyman Richard Bloom concluding he lacked the votes, reported the *Sacramento Bee*. Assembly Bill 2782 is likely done for the year, the latest setback for a protracted but largely unsuccessful public health campaign. Year after year, that campaign has met defeat in Sacramento. Bills to tax soft drinks have repeatedly failed in California, as have efforts to label drinks with warnings of health hazards. The California Chamber of Commerce attacked AB 2782 on the grounds that it “threatens jobs in

the beverage, retail and restaurant industries,” joining the California Restaurant Association in criticizing the bill.

New Florida Law Cracks Down On Gas Skimmer Thieves

Scammers who prey on gas station customers in Florida by placing credit card skimmers in gas pumps will face significantly more prison time—up to a maximum of 15 years—under a new law signed by Gov. Rick

“Scammers who place credit card skimmers on gas station pumps in Florida now face significantly more prison time—up to a maximum of 15 years.”

Scott, reported the *Sun Sentinel*. Previously classified as a third degree felony in Florida with a maximum penalty of five years, it is now considered a second degree offense. The law also requires gas station owners to take additional security measures, including placing tape over the panel that scammers need to break into to install the skimmers. That way, if the tape is disturbed, employees and patrons may notice and avoid the pump or contact authorities. Credit card skimmers are a problem on the rise, especially in South Florida. Last year, the Department of Agriculture and Consumer Services investigated gas stations throughout the state and, after a three-month effort covering almost 8,000 gas stations, found 103 skimmers.

FDA Delays Calorie Labels On Menus For Another Year

The Food and Drug Administration is delaying enforcement of menu labeling rules—again—until next year, reported the Associated Press. Passed as part of the health care overhaul in 2010, the rules will eventually require restaurants and other establishments that sell prepared foods and have 20 or more locations to post the calorie content of food “clearly and conspicuously” on their menus,

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Scott, reported the *Sun Sentinel*. Previously classified as a third degree felony in Florida with a maximum penalty of five years, it is now considered a second degree offense.

The law also requires gas station owners to take additional security measures, including placing tape over the panel that scammers need to break into



FOA of Greater Los Angeles member Ed Sayegh (store 33656 in Fontana) recently presented a check for \$711 to the Summit High School Cheerleading Squad. The funds were raised in conjunction with SEI's Project A-Game. The event took place at Ed's store, where the cheerleaders performed a routine and were given Slurpees and pizza.

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Beverages are a critical mission driver for in-store purchases in convenience and are consumed within 2 hours 87% of the time. Red Bull is the #1 selling non-alcoholic single-serve beverage brand and the #1 energy brand. Imagine what cold Red Bull could do in your store!

Source: IRI Total US Convenience 52 weeks ending 2.21.2016; 2013 Smart Revenue + Red Bull Path 2 Purchase



Member News

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Leg. Update

menu boards and displays. The final rules were released in 2014, and restaurants and other retailers originally had until the end of 2015 to comply. Last summer, the FDA pushed that deadline back to the end of 2016.

The years of delays have come as supermarkets, convenience stores and other retailers that never wanted to be part of the law have fiercely lobbied against them. Grocery stores and convenience stores have said the rules would be more burdensome for them than they would be for restaurants, which typically have more limited offerings. Pizza chains like Domino's have also opposed the rules, saying they don't make sense for companies that take most of their orders online or over the phone. **AV**

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the Times Square subway entrance in New York City • Alimentation Couche-Tard Inc. recently **announced it signed an agreement with Imperial Oil** to acquire certain of its Canadian retail assets located in the Provinces of Ontario and Québec. The company also recently received **approval from the European Commission** for its deal to acquire A/S Dansk Shell's downstream retail business in Denmark. • Dunkin' Donuts has announced the signing of **multi-unit store development agreements** with four franchise groups for a total commitment of 29 new restaurants throughout California over the next several years. • **Snyder's-Lance, Inc.** announced the completion of its **acquisition of Diamond Foods, Inc.**, adding leading snack food brands such as Kettle Brand potato chips, KETTLE Chips, Pop Secret popcorn, Emerald snack nuts, and Diamond of California culinary to its portfolio. • **The 500 largest restaurant chains in the U.S.** accelerated their cumulative sales growth in 2015 to a 4.9 percent increase, totaling an estimated \$288 billion, reveals a new Technomic report. The fast casual segment continued to lead the pack with 11.4 percent sales growth, almost doubling the growth rate of any other dining segment. • **The Partnership for a Healthier America** has recognized Kwik Trip as the first convenience store to complete its commitment to ex-

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SNUS BRAND



Google Expands Fresh-Grocery Delivery Service

Google is going head-to-head against fresh-grocery delivery startups and services with a service expansion, reported *Tech Crunch*. Google Express, which has been around for a while, is now expanding to fresh-grocery deliveries in parts of San Francisco and Los Angeles. The service allows consumers to order milk, bread and all sorts of fresh groceries. Google is partnering with Costco, Whole Foods, Nob Hill Foods and other local retailers on the program. Each order costs \$2.99 for Google Express members, or \$4.99 for non-members. If it works in these two test markets,

the company might expand the service to other Google Express cities.

Lowest Gas Prices In 12 Years

Americans paid the cheapest quarterly gas prices in twelve years during the first three months of 2016, according to AAA. The motor club association reports that Americans have saved nearly \$10 billion on gas so far this year compared to the same period in 2015. The national average price of gas during the first quarter was \$1.86 per gallon, making it the cheapest quarter for gasoline since January-March 2004. AAA said gas prices are expected to remain relatively low compared to recent years, though average prices could rise another 25 cents per gallon by Memorial Day. The national average price of gas in late March was \$2.06 per gallon, which was the lowest average heading into the month of April since 2009.

the company might expand the service to other Google Express cities.

C-Store Foodservice Gaining Ground

An updated study released by Technomic, the 2015 Retailer Meal Solutions (RMS) Consumer Trend Report, finds that consumers are purchasing RMS more often—84 percent now purchase RMS at least once a month compared to just 79 percent in 2012. This increase is

largely driven by younger consumers aged 18-34, who are increasingly reliant on food-service in general. Key takeaways from the report include:

- C-store RMS is gaining ground—nearly half of consumers aged 18-34 purchase it at least once a week.
- RMS purchases are often made at the expense of fast-food visits: 49 percent of all respondents, and 60 percent of Millennials, are visiting fast-food restaurants less often as a result of their increased RMS purchases.
- Drugstore RMS has a loyal following—though just 19 percent of all consumers have ever purchased RMS from drugstores, 43 percent of those who do purchase it buy it at least once a week

Wawa To Add More New Jobs By June

Pennsylvania-based convenience store retailer Wawa, Inc. recently announced plans to hire more than 5,000 new associates by June, with all of Wawa's 700+ stores across its six-state operating area looking to add new talent. The company-wide hiring campaign will span the spring season, and every Wawa store will have job opportunities, with select Wawa stores hosting Open Houses where potential associates can receive a brief, first interview and explore career opportunities, the company said.

Wawa associates hired in these full- and part-time positions will receive competitive salaries and health benefits, as well as flexible schedules and tuition reimbursement opportunities. In addition, through Wawa's employee stock ownership plan (ESOP), associates share directly in the growth of Wawa, the company said. Today Wawa is 41 percent owned by associates through the ESOP, with nearly half the ESOP owned by store level associates and store management. **AV**



GREATER SEATTLE FOA'S BLOWOUT TRADE SHOW

The Greater Seattle FOA held its third annual trade show on March 30 at the Lynnwood Convention Center in Lynnwood, Washington. The event attracted 110 franchisees representing 169 stores, as well as 67 exhibiting vendors. Franchisees were exposed to great products and deals, and vendors walked away with more than 2,600 orders placed on the spot. Overall, it was a very successful trade show for all involved.



WEST COAST FOA CHARITY



In May 2015, the West Coast FOA participated in a 5K run to benefit the Sister City Association of Garden Grove, a nonprofit organization that promotes understanding of other cultures through education and exchange programs. A total of 4,000 cookies, 3,000 bottles of water, about 50 gallons of Gatorade were donated for the run. The 7-Eleven Team of runners included SEI folks, franchisees and their employees.



IN DECEMBER 2015, THE WEST COAST FOA PARTNERED WITH SOME LOCAL NONPROFIT ORGANIZATIONS IN THE CITY OF SANTA ANA AND DONATED OVER 2,000 TOYS TO ABOUT 1,200 FAMILIES. THE WEST COAST FOA ALSO DONATED 90 PIZZAS AND 2,500 HOT DOGS AND DRINKS TO THIS EVENT.



POWERFUL MOVIE FRANCHISE!

- Ice Age is a \$6.2B + franchise worldwide
- Highest grossing animated film franchise of all time globally

HIGH IMPACT RETAIL PROGRAM

- Proven winner-delivers 87% lift in dollar sales
- 3-dimensional shipper designed to stand out at retail
- High performing brands for quick sell through

McLane UIN
#175323



SKU#
500IA



SEI News

TWO-DAY BYOCUP PROMO



SEI recently kicked off Slurpee's 50th birthday celebration with a two-day "Bring Your Own Cup" promotion. On March 18 and 19, Slurpee fans were able to bring just about anything remotely resembling a cup to participating 7-Eleven stores and fill it with their favorite frozen flavor for \$1.50, the average cost of a medium Slurpee drink. The container had to fit upright through an in-store display with a 10-inch diameter hole. For thirsty customers who showed up without an oversized container, 7-Eleven sold collectible 64-ounce mason jar-style cups sporting the "Slurpee 50" celebration logo.

ZERO FRANCHISE FEE PROGRAM IS BACK

SEI announced that it is bringing back its successful Zero Franchise Fee initiative as an ongoing program to offer a low-cost investment opportunity for both proven business owners and would-be entrepreneurs. In the program, SEI will waive the franchise fee on a select number of its U.S. stores available for franchising, a savings of up to \$80,000. Last year, the Zero Franchise Fee initiative allowed 100 people to become new 7-Eleven storeowners or multiple storeowners.



Approximately 300 eligible stores are available across the country in markets like Dallas, Cleveland, Charlotte, Virginia Beach and Buffalo, N.Y. These stores typically have lower sales volume compared to the national average. All Zero Franchise Fee opportunities also qualify for 7-Eleven's Gross Income Support Program that provides additional, limited-time financial support. SEI is offering these stores to prospective, qualified franchisees as well as existing 7-Eleven franchisees who want to grow their retail business by adding stores.

OF SLURPEES & TAXES

This tax season, SEI partnered with ACI Worldwide's OfficialPayments.com to allow U.S. taxpayers to make payments to the Internal Revenue Service (IRS) at their neighborhood 7-Eleven without the need for a bank account or credit card. With the scan of a PayNearMe barcode on a smartphone at nearly 7,000 participating 7-Eleven stores, taxpayers who needed to use cash for their tax payment were able to do so at the register, just as if they were purchasing a gallon of milk or a cup of coffee.

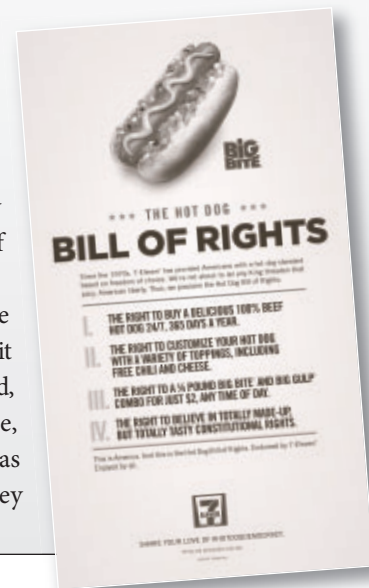
To obtain a PayNearMe barcode, taxpayers had to visit www.officialpayments.com/fed, choose their IRS form type, and select 'Pay with Cash' as their payment option. They

were able to receive their barcode via email to print, or on their smartphone, which presented them with a list of the closest 7-Eleven stores where they could pay. Once the payment was made, taxpayers received a receipt as proof of the transaction. Payments typically posted within two business days.

MELT SANDWICHES GET BIG PUSH DURING MARCH MADNESS

In mid-March, 7-Eleven began airing 15-second commercials with a basketball feel, aiming to get NCAA fans watching college hoops to think of the convenience chain as a place to go for hot food, reported *AdAge*.

One spot promoted 7-Eleven's new \$1.99 chicken sandwich and another focused on its steak and cheese melt sandwich. Along with the commercials, SEI's plans included a new partnership with Turner Sports and Twitter called March Madness Amplify, and the company's social media campaign included sponsoring some official in-game highlights sent out by @marchmadness and @BleacherReport. SEI also held in-store sampling events on March 18 and March 25, and gave out free Melts on April 4, the day the NCAA championship was played.



UNLOADING A FEW TEDESCHIS

SEI has put 13 Tedeschi Food Shops up for sale—12 in Massachusetts and one in New Hampshire, reported *CSP Daily News*. The company closed on the acquisition of 182 Tedeschi convenience stores in August 2015, with a "very gradual" rebranding to 7-Eleven planned. An SEI executive told *CSP Daily News* that the stores are being sold because they "simply do not fit 7-Eleven's current business model." The company has retained NRC

SEI News

Realty & Capital Advisors LLC, Chicago, to coordinate the sale. The properties will be sold using NRC's "buy one, some or all" sealed-bid sale process.

NEW SLURPEE DONUT DEBUTS

SEI introduced its new Wild Cherry Slurpee doughnut during its second Bring Your

"The new Slurpee doughnut launched to support Slurpee turning 50."



Own Cup event, held March 18-19, reported Brand Eating. The new item, which sells for 99 cents, is a cake donut with a wild cherry-flavored icing and sugar crystals on top. Inside, the donut is speckled with bits of pink. The new doughnut launched in March to help 7-Eleven celebrate the Slurpee turning 50, according to CSNews Online.

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SELL THE BRAND THAT MAKES CENTS

- * \$0.62 scanback on every Planter's Trail Mix Bag in 2016.
- * EDLP promotion results in a 63% margin.
- * Planter's results in AT LEAST \$.61 higher profit than 7-Selects brand.



Member News

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SEI News



AIRHEADS DAY AT 7-ELEVEN

SEI has teamed with Airheads Candy to create Airheads Day, when Airheads and Slurpee fans can get two treats for the price of one. Airheads Day ran from 12:01 a.m. until 11:59 p.m. on Friday, April 8, at participating U.S. 7-Eleven stores. Customers received a free small Airheads Xtremes limited edition Rainbow Berry Slurpee drink with the purchase of any 2-ounce package of Airheads or Airheads Xtremes candy. The Airheads Xtremes limited edition Slurpee flavor was available at participating 7-Eleven stores through May. The free-with-purchase promotion continued the yearlong 50(th) birthday celebration—"Slurpee Fiftee Par-tee." For the Slurpee Fiftee celebration, 7-Eleven redesigned the Slurpee.com website to share the fun of Slurpee and excitement happening all year long.

SEI INCREASES CANADIAN PRESENCE

SEI recently announced that its wholly owned subsidiary, 7-Eleven Canada, Inc., has agreed to acquire approximately 148 convenience and fuel retail sites from Imperial Oil of Canada. The sites are located in the provinces of

British Columbia and Alberta, and include the metropolitan areas of Vancouver, Calgary and Edmonton. Anticipated to close later this year, the transaction is subject to standard closing conditions and regulatory approvals.

Upon the closing of the transaction, 7-Eleven will continue to market Esso-branded fuel supplied by Imperial. During a transition period, most of the convenience stores will be converted to 7-Eleven stores. Currently SEI operates more than 500 stores in Canada.

7 DAYS OF 7REWARDS

Being a member of 7Rewards customer loyalty program got a little sweeter and saltier during 7Rewards Week. From April 11 through 17, members not only earned stars toward free beverages, they also received free 7-Select snacks and sweets every single day. During the special promotion, members received a free 7-Select food item valued up to \$2 with any 7-Eleven cup purchase of coffee, 7-Eleven Chillers iced coffee, Slurpee and Big Gulp drinks.

To receive the free 7Rewards Week offers, customers needed to have 7-Eleven's free mobile app. The free 7-Select offers automatically appeared as a coupon in the "Scan and Save" section of the app and were automatically applied by scanning the member ID bar code. Customers were able to select 7-Select-branded food items such as candies, salty snacks, packaged bakery, cookies, yogurt bars and ice cream novelties up to \$2.

Visit the National Coalition
Website: www.ncasef.com



NEW MELT BREAKFAST SANDWICHES INTRODUCED

SEI recently added two new Melt sandwiches to its breakfast menu—the Bacon, Egg and Cheese Breakfast Melt and Maple Sausage, Bacon and Cheese Breakfast Melt. Suggested retail price is \$2.99 at participating stores. To encourage customers to try the new Breakfast Melts, 7-Eleven offered a free Breakfast Melt sandwich with any coffee purchase from Feb. 23-26. Available in the fresh-foods case at participating 7-Eleven stores, the new toasted breakfast sandwiches can be purchased and toasted fresh at any time of day or night. 7-Eleven added toasted Melt sandwiches to its menu less than a year ago, and already sells well over 1 million of the items each month, and the number is growing. ●

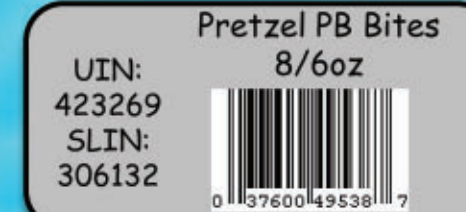
"7-Elevens
sell over 1 million
toasted Melt sand-
wiches each
month."



Portable, Poppable
P.B. Bites packed
with **DOUBLE** the
peanut buttery
yum!



Portable, Poppable
P.B. Bites packed
with a sweet-salty-
peanut-buttery
crunch!



Convenience-store food should be more than just convenient.



VENDOR FOCUS

NEW PEPSI PRODUCTS



Gatorade Frost Summit Storm, only available in 7-Eleven stores.

Gatorade Frost Exclusive At 7-Eleven

With a legacy over 50 years in the making, Gatorade is the most scientifically researched and game-tested way to replace electrolytes lost in sweat. For the fifth consecutive year, Gatorade has launched an exclusive flavor for 7-Eleven: Gatorade Frost Summit Storm. Gatorade Frost has a light, crisp flavor that hydrates better than water, which is why it's trusted by some of the world's best athletes.

DEWcision2016 Launches This Summer

Soon, customers will get to decide which DEW flavor will earn its rightful place on shelves during a special summer long consumer campaign: DEWcision2016. During the campaign two of the most popular DEW limited time flavors—MTN DEW BAJA BLAST and MTN DEW PITCH BLACK—will go head-to-head in an all-out battle to become the permanent addition to the DEW lineup. The DEWcision2016 campaign will consist of digital media, social media, grassroots activation and more.

The fun does not stop there, as fans are able to earn more votes for their favorite flavor by completing monthly online challenges. DEW Nation has spoken, and at 7-Eleven consumers can join in the DEWcision2016 by snapping a photo of their MTN DEW at a 7-Eleven store and casting their vote by using the hashtag #votebajablast7Eleven or #votepitch-black7Eleven on Twitter for double votes. 7-Eleven voters will also be entered to win great DEW prizes.



Fans can snap a photo of their MTN DEW at a 7-Eleven store and cast their vote on Twitter during DEWcision2016.



New AMP Energy Delivers Vitamin C

Introducing new AMP Energy Boosted with Vitamin C—a flavorful boost of AMP Energy supercharged with the power of Vitamin C. Vitamin C is the #1 most desired vitamin among energy drinkers, and AMP Energy Boosted is the first energy beverage offering twice the daily value of Vitamin C in every bottle. AMP is also the first major energy player to offer great tasting energy in a sleek and re-sealable 16 ounce Alumitek bottle. AMP Energy Boosted is available in bold, new-to-the-category flavors Mandarin Orange and Wild Berry Cherry and is only 100 calories per 16 ounce (Mandarin Orange SLIN 244878; Wild Berry Cherry SLIN 244990).

Oreo Thins Are In

Get ready to win with Oreo Thins. Everybody's favorite cookie will be available in a new thinner, crispier, delectable, no-regret single serve pack. The same great Oreo taste customers know and love with a wonderful, delightful new texture. They're already best sellers in grocery in single-serve and grocery packs. Get in on the action—once your shoppers



Oreo Thins are already best sellers in grocery stores.

try them, these thinner Oreo Cookies are going to mean bigger sales for you.

Enjoy Big Sales With Dentyne Subzero Mints

Heat up sales with the coolest new thing, Dentyne Subzero Mints. Your shoppers are going to love the breath-taking intensity that comes with Subzero's breath freshening crystals packed with

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a powerful cooling punch. So tell your customers to go ahead and bring on the Big Bites! Nab some nachos! With Dentyne Subzero Avalanche Mints and Glacier Mints, they'll be able to chomp fearlessly and still face their afternoon appointments with confidence. Will you have enough? Keep cool and order now.

Hormel Premium Chicken Breast Lands In 7-Eleven



Hormel Premium Chicken Breast in a 5 ounce can.

Hormel Premium Chicken Breast in a 5 ounce can is now available in 7-Eleven stores nationwide. Hormel Premium Chicken Breast offers the easy way to add great-tasting, satisfying protein to your meals. This delicious premium chicken is perfect for a satisfying salad or sandwich, and is 98 percent fat free. Retail is \$1.59 and can be ordered via McLane (SLIN 212219, McLane UIN 522045).

Portable, Poppable Skippy P.B. Bites



New Skippy P.B. Bites available in Pretzel and Double Peanut Butter.

The makers of the Skippy brand have taken the big taste of real Skippy peanut butter and put it into bite-size snacks with new Skippy P.B. Bites. Portable and poppable, this new snack is packed with double the peanut buttery goodness. Featuring a crunchy center with a soft, non-sticky peanut butter coating, the product is the first in its category of peanut butter snacks. Consumers are looking for protein-rich snack options that are also quick and convenient to meet an on-the-go lifestyle. Skippy P.B. Bites come in two delicious varieties—Pretzel and Double Peanut Butter—meeting both creamy and crunchy snacking preferences. In line with snacking trends, Skippy P.B. Bites offer five grams of protein per serving, packing this portable snack with a craveable boost of energy to satisfy the snacking needs of peanut butter-loving consumers, anywhere, anytime. Merchandise in your Alternate Snacks Section—\$3.49 Retail (Skippy Bites Pretzel SLIN 306132, McLane UIN 423269; Skippy Bites Peanut Butter, SLIN 306117, McLane UIN 421438).

Celebrate Summer With Skittles America Mix



Make 2016 the biggest confections summer ever with Skittles America Mix. Perfect for your Memorial Day picnic, Fourth of July pool party, or backyard BBQ. This Limited time Skittles America Mix.

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VENDOR FOCUS



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pand healthier options across its stores. • New research from Autotrader and Kelley Blue Book reveals that **92 percent of Gen Z (those currently age 0-17) own or plan to own a vehicle**, and 97 percent have or plan to get a license. • **Saying "information is power," a judge recently upheld a measure in New York City** requiring some restaurants to warn consumers about high levels of sodium in foods, reported the *New York Times*. • SmartMetric said it is now actively engaged in talks with credit card issuing banks around the world to **market cards embedded with miniature fingerprint scanners**. The banks fully expect the biometric fingerprint-protected card to satisfy customer concerns about card fraud, while at the same time mitigating their own card fraud losses. • **Monster Beverage plans to acquire American Fruits & Flavors** for \$690 million, reported CNBC. The beverage company said the transaction will allow Monster to expand its flavor development operations. • **In-N-Out Burger** publicly indicated recently that it is committed to serving "beef that is not raised with antibiotics important to human medicine." • **Nestle SA is removing artificial colors and flavors from more than 100 products**, eliminating high fructose corn syrup and genetically modified ingredients. • **Technomic's Soup & Salad Consumer Trend Report says the number of items classified as "healthy" on leading menus has grown 162.8% in the past five years**, and Gluten-free and vegetarian are the fastest-growing callouts for the top 200 soups and salads. For salad, **gluten-free claims grew 150% and vegetarian grew 42% since 2013**. • **Cleveland officially changed its smoking age** to 21 as of April 14, and Portland, **Maine is considering** a proposal to raise its smoking age this year. • **Visa Inc. recently launched its Quick Chip for EMV**, which streamlines the processing of chip card transactions to **enable customers to dip and remove their EMV chip card from the terminal, typically in two seconds or less**, without waiting for the transaction to be finalized. **AV**

You're Losing Sales Without These
P&G Recommended Planogram Items



Tide Liquid Detergent

- Tide Is America's #1 SELLING LAUNDRY DETERGENT!
- Recommended by Leading Washing Machine Manufacturers.
- Strong on Stains, Gentle on Clothes—For Over 70 Years.

SLIN 310032



Gain Liquid Detergent

- The #1 Selling, Scent Focused Laundry Detergent Brand!
- Your customers buy Gain because it cleans and they Love The Smell!
- Get the scent your customers love with Gain!

SLIN 310020



The Downy Difference

- Downy conditions fibers to protect clothes from damage—stretching, fading, and pilling—keeping fabrics newer looking 50% longer!
- For more than 50 years Downy has brought superior softness and longer-lasting fresh scents to keep clothes looking, smelling and feeling great all day long.

SLIN 310017



Tide To Go Stain Remover Pen

- The #1 instant stain remover removes even tough grease stains on the go.
- Breaks stains down and lifts and absorbs them.
- 10-20 applications on even your toughest fresh food and drink stains.
- Small enough to fit in a purse or desk drawer.

SLIN 310155



ORDER THROUGH
MCLANE TODAY.

VENDOR FOCUS

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Time Offer is a fun and patriotic mix of fruity flavors including Strawberry, Raspberry, Blackberry, Wildberry, and Yumberry—the first white fruity Skittles candy. Celebrate this summer with a red, white, and berry twist with Skittles America Mix.

7-Eleven & Jones Soda Team Up On Premium Beverages

SEI and Jones Soda Co. have partnered to create 7-Select brand premium sodas crafted by Jones, the first premium carbonated beverage in the 7-Select private brand lineup. The premium, carbonated beverage brand is available in five distinct flavors: Twisted Citrus, Fruit Loose, Cocolocolilnut, Tropical Slam Rambutan and Bluesberry Smash. Each 7-Select premium soda is made with natural flavors, lightly sweetened with cane sugar, and ranges from just 180 to



7-Select premium sodas crafted by Jones.

195 calories per 20-ounce bottle. The new brand also includes 75 mg. of caffeine in each serving. As the new beverage's tagline suggests, "This is no ordinary soda."

Using feedback from customer focus groups, the new 7-Select soda and flavor profiles were carefully developed over the course of more than a year, strategically incorporating specific ideas that appeal to the shared 7-Eleven and Jones customer. The 7-Select premium sodas are packaged in a proprietary plastic (PET) bottle for portability, featuring an embossed 7-Select logo and a custom carbonation pattern that provides a unique tactile experience for consumers. In true Jones style, the bottle labels feature black-and-white lifestyle images submitted by Jones' and 7-Eleven consumers.

7-Select premium sodas crafted by Jones are available exclusively at participating 7-Eleven locations across the United States. Customers can use the hashtag #7SELECTxJONES to suggest new flavor ideas, post

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NEW FROM SWISHER SWEETS



Swisher Sweets' Cherry Dynamite Flavor Blast

Cherries are now in season with Swisher Sweets' new limited edition cigarillo. Swisher Sweets Cherry Dynamite cigarillos deliver a memorable blast of cherry taste perfect for Spring season. Available for shipment to stores nationwide as of March 1, Swisher Sweets Cherry Dynamite comes in a resealable 2-count pouch with the "Sealed Fresh" guarantee. It is available in "2 for 99¢" and "Save on 2" options.

Drive incremental volume with Cherry Dynamite Limited Edition Cigarillo.

Swisher Sweets limited-edition cigarillos with popular pricing options help convenience stores drive incremental volume. Don't forget to #StockSellRepeat today while supplies last. For more information or to place an order, contact your Swisher representative at 1-800-874-9720.

Swisher Sweets Caramel & Swisher Diamonds

Swisher International Inc. leads the category in Little Cigars and continues to satisfy its loyal customers with the introduction of Swisher Sweets Caramel Little Cigars and Swisher Diamonds Little Cigars. These Little Cigars are made with high-quality tobacco that packs a big taste, at a sweet price.

As the "leader of the pack," Swisher Sweets Little Cigars are the best selling brand of Little Cigars. The new Swisher Sweets Caramel Little Cigars have a sticky sweet caramel taste fused with juicy peach. It's the experience of sticky sweets cigarillos in filtered Little Cigars, and the caramel and peach combination is a perfect taste.

For those who love Little Cigars with a natural tobacco taste, Swisher Diamonds Little Cigars—the un-sweet Swisher—provides pure tobacco pleasure. These filtered little cigars are not sweet, but have a smooth rich taste created by master tobacco blenders.



Swisher Sweets Caramel and Swisher Diamonds pack a big taste at a sweet price.

Both Little Cigars come in 100 mm, 20-count soft packs, and are currently available for shipment to stores nationwide. For more information or to place an order today, contact your Swisher representative at 1-800-874-9720.

OUTREACH ALERT!

Ever Dream Of Having A NASCAR Driver At Your Community Event?

Johnson & Johnson's Visine-sponsored NASCAR Driver Clint Bowyer is waving the checkered flag to be at one lucky franchisee's community outreach event!

Submit your community service idea or activity on how Clint Bowyer can enhance your community outreach program. 7-Eleven will select a Winner who will have Clint attend and participate in their community outreach event!



In communities where NASCAR is big, Clint Bowyer is even bigger! The American professional stock car racing driver currently competes full-time in the NASCAR Sprint Cup Series, driving the No. 15 Chevrolet SS for HScott Motorsports.

If you're reading this, and you want Clint at your community-based event, email commoutreach15@yahoo.com with your idea or activity and how Clint will enhance that activity. Please make sure to include your name, store location, city, state and phone number in your e-mail.

Stop by and visit the CROSSMARK/Johnson & Johnson booth at the upcoming NCASEF Trade Show July 26-27 to sign up as well!



Email commoutreach15@yahoo.com NOW for your chance to have a winning professional stock car driver at your local community event!

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photos for future labels and check in with their favorite 7-Select soda.

Red Bull Introduces Two New Flavors

Red Bull introduced new Red Bull Orange Edition in February 2016, offering the taste of tangerine with the Wings of Red Bull. The new product combines great taste with eye-catching packaging to drive trial and repeat purchase. Just in time for the key summer



New Red Bull Orange Edition and Red Bull Summer Edition.

season, the new limited edition Red Bull Summer Edition in Kiwi Twist will launch nationally May 2, 2016. Last year 6 billion cans of Red Bull were consumed across the globe, more than 2 billion of those in the U.S. alone.

The caffeine concentration is consistent across the entire portfolio of Red Bull Energy Drink products: 80mg of caffeine in an 8.4 fl ounce can and 114 mg in a 12 fl ounce can—about the same as a similarly sized home-brewed coffee.

Smirnoff Ice Is Now Spiked!

Introducing new Smirnoff Ice Spiked malt beverages with 8 percent ABV. Available in 16 ounce and 24 ounce cans. Smirnoff Ice Spiked Original is the original premium flavored malt beverage that started it all



Smirnoff Ice Spiked malt beverages contain 8 percent ABV.

DjEEP Adds Brushed Metallic To Lighter Series

Kretek International, Inc. recently announced the arrival of the new DjEEP Brushed Metallic Luxury collection featuring vibrant fashion colors and updated surface graphics. The new brushed metallic designs come on a 36-count 3-tier display, as well as on DjEEP's 24-count slant tray. The new brushed metallic colors will carry the same item code as the current Chrome Luxury series, which it replaces. Both disposable displays offer a small counter foot print, perfect for front or back counter in c-stores or smoke shops. Your Kretek sales representative has the detail on promotion opportunities. Call 1-800-358-8100, or email salesinfo@kretek.com.



DjEEP Chrome Luxury Lighter Series with Brushed Metallic in 4 colors.

DJEEP 48-Lighter Pre-pack Offers Convenience & Profit

Kretek International, Inc. is now offering the new DjEEP 48-count pre-packed display, providing retailers with an extra profit opportunity for their lighter section. The display carries 24 Marilyn Monroe lighters to celebrate her 90th birthday (June 1, 1926), and 24 Hot Body lighters with DjEEP's new brighter lacquer-wrap finish. This unit will be available throughout 2016. Additional units with different DjEEP lighter sets will be available on a quarterly basis. The display can be refilled with new trays of 24 DjEEP lighters or replaced with a whole new unit. It offers a small counter footprint, perfect for front or back counter in c-stores. Your Kretek sales representative has the detail on promotion opportunities. Call 1-800-358-8100, or email salesinfo@kretek.com.



New DJEEP 48-Lighter Prepack offers an extra profit opportunity.

Patriotic 108-Count Merchandiser From DjEEP Lighters

Kretek International, Inc. recently announced its new display set of red, white & blue themed lighters. Stars & Stripes, Classics and Denim set the tone. Kretek's goal is to provide retailers with DjEEP lighters' premium appeal in a pre-packed patriotic lineup. The new 108-count unit displays 72 lighters on six 12-count replaceable trays, with 36 additional lighters as backup stock. The display offers DjEEP's small counter foot print, perfect for front or back counter in c-stores. The unit will be available throughout 2016. DjEEP premium quality, 4,000 lights and insured customer satisfaction continue to support DjEEP positioning as the best disposable lighter on the planet. Your Kretek sales representative has the detail on promotion opportunities. Call 1-800-358-8100, or email salesinfo@kretek.com.



Display America's colors with the new 108-Count Lighter Merchandiser from DjEEP.

with a delightfully crisp, citrus taste. Smirnoff Ice Spiked Screwdriver, a line of malt beverages inspired by classic freshly made mixed drinks, boasts a classic Screwdriver taste in a ready-to-drink malt beverage perfectly blended to appease citrus cravings. Chill and enjoy straight from the can or in a glass over ice. Smirnoff Ice Spiked Hurricane

Punch, the newest flavor, remixes a New Orleans classic with a refreshing splash of lemon lime and a hint of carbonation. With real fruit flavors and balanced sweetness this complex drink is easy to enjoy. No recipe, no mixing and no searching for the right bowl.

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ENJOY MORE SALES WITH SNYDER'S OF HANOVER

Stock up on Snyder's of Hanover items to increase your snack sales. The #1 pretzel brand in the U.S., with the highest Household Penetration of 23.1 percent, will encourage consumers to look for these products in your stores.



Sweet & Salty Pretzel Pieces: A family favorite campfire treat meets Pretzel Pieces. Sixty percent of consumers snack as a treat for themselves, and 58 percent of consumers snack to satisfy a craving. Sweet & Salty Pretzel Pieces meets their demands and commands a 79 percent repeat.

Peanut Butter Filled Pieces:

Consumers continue to gravitate toward higher protein snacks in convenient formats, and Snyder's of Hanover Peanut Butter Filled Pieces contain 4 grams of protein. Furthermore, 61 percent of pretzel buyers who tasted Peanut Butter Filled Pieces expressed positive purchase intent.



Gluten Free Pretzel Sticks: Gluten Free Pretzels represent \$47 million in sales and growing at 24 percent versus last year. Pretzels are a \$235 million category in Total U.S. Convenience, but there are currently limited gluten free options with sparse distribution. Consumers are looking for quality gluten-free products to maintain a gluten-free diet and 27 percent of consumers agreed that gluten free products are worth the extra money.



Late July Tortilla Chips: Available in Jalapeno Lime Clasico and Sea Salt by the Seashore Multigrain in 1.5 ounce bags, SRP \$1.29. Late July Tortilla Chips has a 40 percent higher sales velocity than its next closest competitor and is quickly gaining distribution up +3.2 points versus last year. Late July Tortilla Chips are the only items within the convenience store set made with organic corn, appealing to consumers looking for and reviewing product labels.



Lance Gluten Free Sandwich Cracker: Lance introduces the first gluten free sandwich cracker, drawing shoppers with a brand they know and trust, available in two varieties—Peanut Butter Sandwich and Cheddar Cheese Sandwich. Gluten Free Crackers represents \$192 million in sales. Sandwich Crackers are a \$200 million category in Total U.S. Convenience, but there are currently no gluten free options. In consumer testing, respondents indicated a strong overall liking for Lance Gluten Free Peanut Butter and Cheddar Cheese Sandwich. More than 76 percent of respondents indicated strong purchase intent. Suggested retail price is \$1.09.



Pretzel Crisps Travel Size: Pretzel Crisps are a low fat and baked deli item with a great gourmet taste made from naturally wholesome ingredients. Each pretzel is crispy thin and baked with big taste for a light snack. As the #1 Ranked Pretzel SKU, Pretzel Crisps brand excites consumers looking for a light and baked salty snack.



EatSmart Garden Veggie Crisp: Made from tomato, potato and spinach, EatSmart Veggie Crisps appeal to mainstream consumers in search of better-for-you snacking alternatives. Studies have shown once consumers have purchased EatSmart products they are extremely likely to stay in the category. Vegetable snacks are worth more than \$246 million across Total U.S. sales. Even with its current limited distribution, EatSmart Veggie Crisps have posted over \$1 million in sales throughout Total U.S. Convenience. Suggested retail price is \$1.29.



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New Ocean Spray Grab & Go Snacks

Ocean Spray Grab & Go tasty, guilt-free snacks will get your customers through the day. Craisins Dried Cranberries Fruit Clusters combine sweet, chewy dried cranberries with crunchy granola, and Craisins Dried Cranberries Greek Yogurt and Chocolate Covered combine dried cranberries with creamy Greek yogurt and delicious milk chocolate for an irresistible combination that's sure to satisfy. Made with only the best ingredients, Ocean Spray provides wholesome snacks you can feel good about giving your whole family. SRP is \$2.49 everyday, 2/\$4 promo, average retailer margin 45 percent (Milk Chocolate Covered Craisins Dried Cranberries, SLIN 303919; Greek Yogurt Covered Craisins Dried Cranberries, SLIN 303975; Craisins Dried Cranberries Fruit Clusters Cranberry Granola, SLIN 305992).



Offer your health-conscious customers Ocean Spray Grab & Go guilt-free snacks.

Smokey Mountain Introduces New Herbal Citrus Flavor

Smokey Mountain Chew, Inc. has announced Smokey Mountain Premium Herbal Snuff in Citrus flavor, the newest flavor in its tobacco free snuff line. Smokey Mountain is considered an adult alternative to moist smokeless tobacco products. Smokey Mountain Snuff is currently available in Classic, Wintergreen, Arctic Mint, Straight, Peach, Grape and Cherry. Smokey Mountain Pouches are available in Wintergreen and Arctic Mint.

Smokey Mountain Premium Herbal Snuff has lead the MST category in growth for the last six years in a row and supports national exposure electronically via NASCAR-ESPN TV, NFL Sirius Radio and other Outdoor TV programs. The moist smokeless tobacco category has

shown strong and consistent growth. Along with the growth has come the immergence of new flavors that appeal to the varying adult consumer tastes. As Smokey Mountain is America's original and best-selling tobacco-free brand, it is considered the innovator and leader in the tobacco-free niche. Smokey Mountain's strategy is to add incremental dollars to the smokeless tobacco category by providing products that are not considered substitutes. For more information, please call 1-877-SMOKEY-2.



Smokey Mountain Premium Herbal Snuff now in Citrus flavor.

Xyience Energy Drink Popularity Grows

Xyience, the original great-tasting, zero calorie energy beverage, announced its retail expansion into over 7,500 new convenience store locations across the country since its brand re-launch in September 2015. The energy drink has secured new distribution in a variety of major convenience retailers. Xyience provides refreshing, vitamin-fortified energy drinks and are made with all natural colors

and flavors. Xyience energy drinks come in eight unique flavors and retail for \$2.29-\$2.79/can.

According to new market research from Technomic, more consumers are seeking healthy foods and beverages at convenience stores, creating an opportunity in an often-overlooked channel for manufacturers to expand their reach.

Convenience stores are now attracting more women and younger customers who are shopping for healthy,

convenient foods, beverages, snacks and produce. Xyience is leveraging the fact that 75 percent of convenience store shoppers are eating healthier than they used to. Forty-five percent of consumers check calories on the Nutrition Panel of products and 47 percent check sugar, neither of which are present in Xyience.



Xyience zero calorie energy beverages have a health appeal.

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National Coalition of Associations
of 7-Eleven Franchisees



★ SWIMACROSSAMERICA.ORG ★

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Bud Light's new look will stand out from what's become a sea of sameness.

7-Eleven's #1 Selling Beer Gets a New Look!

Bud Light is unveiling America's favorite beer with a fresh new look. This re-design—the first major overhaul of Bud Light's visual identity in eight years—will

include a re-imagined Bud Light logo and contemporized primary and secondary packaging, and is part of a larger brand evolution underway at Bud Light.

Anheuser-Busch will put a more modern twist on Bud Light, from

VENDOR FOCUS

the way the brand looks to the way it acts. AB is proud to introduce the fresh new look, which pays homage to the company's most iconic packaging of the past, yet feels current and unique with its bolder logo and distinctive blue colorway. It's a design that truly stands out from what's become a sea of sameness in the light beer category.

By bringing back the brewer's historic trademark "AB" crest—not used on Bud Light packaging since 2001—the design emphasizes the attributes that established the brand as the country's most popular beer: premium ingredients, care in brewing, a crisp, clean finish and a smooth drinkability.

Rolling out new packaging for the best-selling beer in the U.S., and 7-Eleven, is no simple feat; more than 20,000 Bud Lights are sold every minute. Yet, it's a challenge well worth undertaking. The new Bud Light packaging will roll out nationwide in cans and both glass and aluminum bottles beginning Spring 2016. **AV**

FOA BOARD MEETING DATES



7-Eleven FOAC

Phone: 847-278-7415

May 26, 2016
June 16, 2016
July 21, 2016
August 25, 2016
September 22, 2016
October 27, 2016
November 15, 2016
December 15, 2016

Cal-Neva FOA

Phone: 775-826-7111

May 18, 2016
June 15, 2016
July 20, 2016
August 17, 2016
September 21, 2016
October 19, 2016
November 16, 2016
December 21, 2016

Central Florida FOA

Phone: 407-683-2692

May 26, 2016
August 18, 2016
November 17, 2016

FOA Of Greater LA

Phone: 951-766-7490

May 17, 2016
June 21, 2016
July 2016—No Meeting
August 23, 2016
September 20, 2016
October 18, 2016
November 15, 2016

Metro New Jersey FOA

Phone: 908-232-1336

All meetings include tabletop trade shows. Vendors are welcomed to participate.
July 14, 2016
September 22, 2016
November 17, 2016

Midwest FOA

Phone: 847-971-9457

June 15, 2016—Michigan
June 23, 2016—Illinois
September 14, 2016—Michigan
September 22, 2016—Illinois

Greater Seattle FOA

Phone: 425-308-1216

May 18, 2016—Board Meeting
May 18, 2016—Dinner Meeting
June 17, 2016—Board Meeting
June 29, 2016—Dinner Meeting
August 10, 2016—Board Meeting
October 2016—Board Meeting
October 27, 2016—Dinner Meeting
November 30, 2016—Board Meeting

Northern California FOA

Phone: 916-412-3702

May 18, 2016
June 15, 2016
August 17, 2016
September 21, 2016
October 19, 2016
November 16, 2016

San Diego FOA

Phone: 619-713-2411

May 19, 2016
June 16, 2016
July 21, 2016

San Francisco/ Monterey Bay FOA

Phone: 510-693-1492

February 16, 2016
May 10, 2016
June 14, 2016
July 12, 2016
August 9, 2016
September 13, 2016
October 11, 2016
November 8, 2016

Southern California FOA

Phone: 626-255-8555

May 2016—No Meeting
June 8, 2016
July 2016—No Meeting
August 10, 2016
September 7, 2016
October 12, 2016
November 9, 2016
December 2016—No Meeting

FOA EVENTS

TRISTATE FOSE ASSOCIATION CHARITY GOLF TOURNAMENT

Little Bennett Golf Course
Clarksburg, Maryland
September 14, 2016
Phone: 301-572-6811

7-ELEVEN FOAC HOLIDAY PARTY TRADE SHOW

Holiday Inn North Shore
Skokie, Illinois
November 11, 2016
Phone: 847-278-7415

ALLIANCE OF 7-ELEVEN FRANCHISEES HOLIDAY PARTY & TABLETOP TRADE SHOW

(venue to be announced)
December 2, 2016
Phone: 630-202-1538

NORTHERN CALIFORNIA FOA ANNUAL CHRISTMAS PARTY

(venue to be announced)
December 2, 2016
Phone: 916-412-3702

COLUMBIA PACIFIC FOA VENDOR APPRECIATION PARTY

Embassy Suites by Portland Airport
Portland, Oregon
December 2, 2016
Phone: 360-513-0289

SOUTHERN CALIFORNIA FOA HOLIDAY PARTY

(venue to be announced)
December 3, 2016
Phone: 626-255-8555

CENTRAL FLORIDA FOA HOLIDAY PARTY

(venue to be announced)
Orlando, Florida
December 10, 2016
Phone: 407-897-7484

MIDWEST FOA MICHIGAN HOLIDAY SHOWCASE

(venue to be announced)
December 7, 2016
Phone: 847-971-9457

GREATER SEATTLE FOA HOLIDAY PARTY WITH TABLETOP TRADE SHOW

(venue to be announced)
December 10, 2016
Phone: 425-308-1216

SAN DIEGO FOA HOLIDAY PARTY

Viejas Casino & Resort
Alpine, California
December 10, 2016
Phone: 619-713-2411

MIDWEST FOA ILLINOIS HOLIDAY SHOWCASE

(venue to be announced)
December 14, 2016
Phone: 847-971-9457

FOA OF GREATER LOS ANGELES HOLIDAY PARTY

Diamond Bar Center
Diamond Bar, California
December 16, 2016
Phone: 951-766-7490



NATIONAL COALITION 41ST ANNUAL CONVENTION & TRADE SHOW

Caesars Palace
Las Vegas Hotel
Las Vegas, Nevada
July 24-28, 2016

Trade Show: July 27-28, 2016

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FOA EVENTS

MIDWEST FOA MICHIGAN TRADE SHOW

(venue to be announced)
May 4, 2016
Phone: 847-971-9457

METRO NEW JERSEY FOA ANNUAL TRADE SHOW

(venue to be announced)
May 5, 2016
Phone: 908-232-1336

SAN DIEGO FOA GOLF TOURNAMENT

Salt Creek Golf Club
Chula Vista, California
May 12, 2016
Phone: 619-713-2411

SOUTHERN CALIFORNIA FOA TRADE SHOW

Pasadena Convention Center
Pasadena, California
May 18, 2016
Phone: 626-255-8555

ALLIANCE OF 7-ELEVEN FRANCHISEES GOLF OUTING

(venue to be announced)
June 1, 2016
Phone: 630-202-1538

CAL-NEVA FOA LOU MAGNOTTI MEMORIAL GOLF TOURNAMENT

Thunder Canyon Country Club
Washoe Valley, Nevada
June 8, 2016
Phone: 775-826-7111

7-ELEVEN FOAC CHARITY GOLF OUTING

St Andrews Golf And Country Club
West Chicago, Illinois
June 8, 2016
Phone: 847-278-7415

7-ELEVEN FOAC ANNUAL TRADE SHOW

Holiday Inn North Shore
Skokie, Illinois
June 9, 2016
Phone: 847-278-7415

FOA OF GREATER LOS ANGELES GOLF INVITATIONAL

Monarch Beach Golf Club
Dana Point, California
June 15, 2016
Phone: 951-766-7490

EASTERN VIRGINIA FOA PATRIOT ZONE TRADE SHOW

Hilton Garden Inn
Suffolk, Virginia
June 29, 2016
Phone: 757-506-5926

COLUMBIA PACIFIC FOA ANNUAL GOLF TOURNAMENT

Langdon Farms Golf Club
Aurora, Oregon
July 14, 2016
Phone: 503-516-3483

7-ELEVEN FOAC FAMILY PICNIC

Busse Woods Grove
Elk Grove Village, Illinois
July 16, 2016
Phone: 847-278-7415

ROCKY MOUNTAIN FOA GOLF TOURNAMENT

Murphy Creek Golf Course
Aurora, Colorado
August 9, 2016
Phone: 719-339-9518

ROCKY MOUNTAIN FOA TRADE SHOW

Crowne Plaza Denver
Airport Convention Center
Denver, Colorado
August 10, 2016
Phone: 719-339-9518

NCASEF BOARD MEETINGS

NATIONAL COALITION BOARD OF DIRECTORS MEETING

The Westin Fort Lauderdale
Fort Lauderdale, Florida
May 3-5, 2016



NATIONAL COALITION 41ST ANNUAL CONVENTION & TRADE SHOW

Caesars Palace Las Vegas Hotel • Las Vegas, Nevada
July 24-28, 2016 • Trade Show: July 27-28, 2016

NATIONAL COALITION BOARD OF DIRECTORS MEETING

Caesars Palace Las Vegas Hotel
Las Vegas, Nevada
July 23-24, 2016

NATIONAL COALITION AFFILIATE MEETING

Hilton Head Marriott
Hilton Head Island,
South Carolina
October 24-25, 2016

NATIONAL COALITION BOARD OF DIRECTORS MEETING

Hilton Head Marriott
Hilton Head Island,
South Carolina
October 26-28, 2016

MIDWEST FOA MICHIGAN ANNUAL CHARITY GOLF OUTING

(venue to be announced)
August 10, 2016
Phone: 847-971-9457

GREATER SEATTLE FOA GOLF TOURNAMENT

(venue to be announced)
August 15, 2016
Phone: 425-308-1216

SAN DIEGO FOA DEL MAR HORSE RACES

Del Mar Thoroughbred Club
Del Mar, California
August 26, 2016
Phone: 619-713-2411

GREATER SEATTLE FOA PICNIC WITH TABLETOP

Trade Show
(venue to be announced)
September 10, 2016
Phone: 425-308-1216

SOUTHERN CALIFORNIA FOA ANNUAL CHARITY GOLF TOURNAMENT

TPC Valencia
Stevenson Ranch, California
September 12, 2016
Phone: 626-255-8555

SAN DIEGO FOA VENDOR APPRECIATION EVENT

AleSmith Brewing Company
San Diego, California
September 13, 2016
Phone: 619-713-2411

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Source: Nielsen convenience channel data latest 52 weeks ending 2/20/16
Measure: Dollars per total distribution point (\$/TDP); cigar brands with a minimum of 25% ACV reach