



AVANTI

September/October 2016

THE VOICE OF 7-ELEVEN FRANCHISEES

Minimum Wage
Will Test 2019
Agreement

Culture of
This Franchise
System Must
Change #2

The Haves
And The
Have-Nots

Common
Sense And The
Masked Man

Improving
Accounting
To Serve
Franchisees

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WANTED**

**Will Minimum Wage Hikes Affect
Hiring And The 2019 Agreement?**

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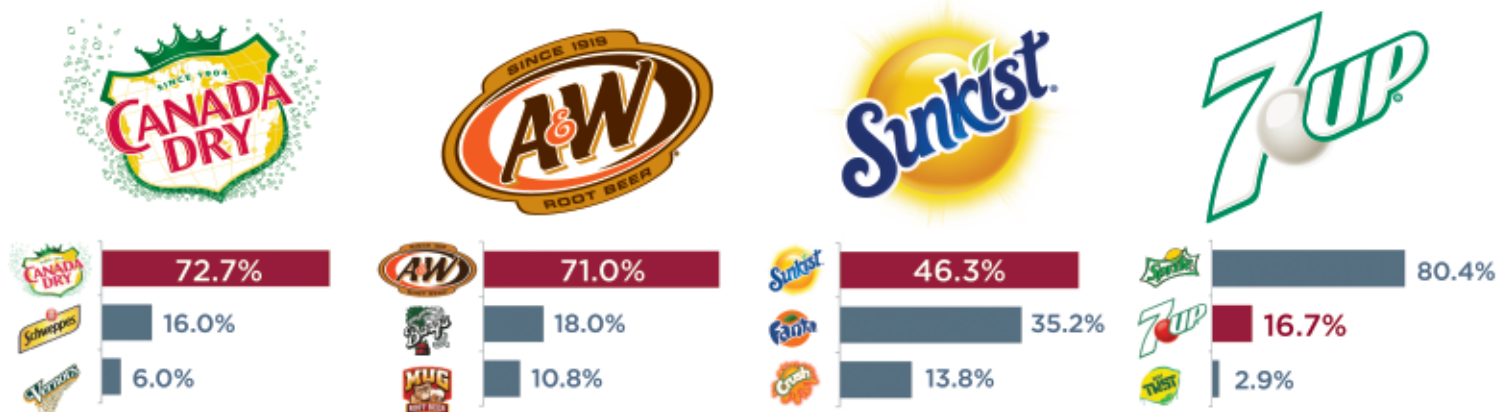
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Sources: 1. Nielsen Convenience 52 W/e 9/10/16 (Compared to competitive 8% launches over comparable time periods);
2. IRI Scan Data 4 W/e 8/28/16



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1. Source: Nielsen Scantrak 2015 Holiday (w/e 11/28/15 through 1/2/16)

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AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

September/October 2016

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Account Payable (Expense) In
Member Details
PLEASE NOTE: All boxes with an asterisk (*)
Store Number: 00276
Requestor: CHRISTINE HARRIS
Store Phone: (970) 828-7586
Cost Details
Service Desk: Accounting
Class (Per %): Accounts Payable

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Member News

7-Eleven's Expansion Plans

SEI parent company Seven & I Holdings plans to expand the 7-Eleven store count by 1,100, to 10,000 in North America by 2019, according to an October 6 article in the *Wall Street Journal*. The company will look for acquisition opportunities there due to prodding from U.S. activist investor Daniel Loeb of hedge fund Third Point LLC, the article reports. At the end of June, 7-Eleven had nearly 8,900 stores in the U.S. and Canada. Seven & I President Ryuichi Isaka said more than 80 percent of convenience stores in the U.S. are owned by smaller companies or individual proprietors, which make for plenty of acquisition opportunities.

He also said some elements of the Japanese-style convenience-store model will be introduced in North America. Counters featuring hot snacks are already part of most 7-Eleven stores in Japan and some overseas. Mr. Isaka said he wanted to introduce these counters to more stores in North America and wanted the stores to offer more fresh food such as sandwiches.

Second-Largest C-Store Chain In Japan

FamilyMart Co. and Uny Group Holdings Co. merged recently to create Japan's second-largest convenience store operator after Seven-Eleven Japan Co., reported *Kyodo News*. FamilyMart Uny will revolve around two key businesses—

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"Seven & I Holdings' goal is to expand the 7-Eleven store count by 1,100, to 10,000 in North America by 2019."

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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September/October 2016

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THE ORIGINAL BOMB POP

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Source: *Based in part on Total Dollars reported by Nielsen through its AID Scan Service for the Frozen Novelties Category for the 12-wk period ending 8/13/2016 for the Convenience channel. Copyright ©2016 Nielsen

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Member News

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convenience stores and supermarkets. Uny has had a business stronghold in areas around Aichi Prefecture in central Japan. As most of the 6,250 Circle K Sunkus stores operated by Uny are set to be renamed as FamilyMart, the total number of convenience stores operated by the holding company stands at around 17,000 in Japan. Industry leader Seven-Eleven Japan has around 18,800 stores.

C-Stores Top In Growth

With in-store sales increasing nearly 5.8 percent to \$600 billion in 2015, convenience stores are now the fastest growing retail segment, according to *BizReport*. Even more, c-stores now account for 34.2 percent of all U.S. retail revenue. This growth comes from consumers demand-

ing increasingly fast, on-the-go shopping trips, which creates a unique opportunity for c-stores and CPGs alike. “There are just over 154,000 convenience stores in the U.S. compared to 51,000 supermarkets, 41,000 drugstores, and 27,000 dollar stores.”

C-stores also more than double other retail outlets in sheer numbers—there are just over 154,000 convenience stores in the U.S. compared to 51,000 super-

markets, 41,000 drugstores, and 27,000 dollar stores. New Koupon research reveals that the average c-store shopper spends \$6.52 per trip and checks out with under three items. Tobacco tops the list of items purchased (36 percent), followed by food service (21 percent) and packaged beverages (15 percent).

7-Eleven & Wawa Compete In Virginia

Wawa As consumer eating behaviors evolve with the growing buying power of millennials, both 7-Eleven and Wawa are preparing to capture those food dollars by expanding in the Virginia Peninsula area, reported the *Daily Press*. Wawa is building a store in Hampton that is scheduled to open in November, and is also planning a Norfolk store to open next year while continuing to look at other Virginia sites. Three new 7-Eleven stores are slated to open in Newport News and Williamsburg in 2017, with more sites in the works. During the past year, 7-Eleven has added five stores in Hampton.

Already, both convenience store chains collectively capture 10.3 percent of food and grocery dollars in Hampton Roads, according to the latest Food World annual report. To put that in perspective, 7-Eleven is the No. 4 ranking food retailer

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Google parent Alphabet Inc. recently used drones to deliver burritos to a small number of staff and students at Virginia Tech, a limited test of the tech giant’s ambitious plans to quicken deliveries with unmanned aircraft, reported the *Wall Street Journal*. • **Amazon** is planning to open a drive-up grocery store in **Seattle**, where customers can pick up groceries that they’ve ordered online, reported *GeekWire*. • Chilean gas and convenience store retailer Compañía de Petróleos de Chile COPEC S.A. has entered the U.S. c-store market with its **recent acquisition of MAPCO Express, Inc.** from Delek US Holdings, Inc. for \$535 million. MAPCO has 348 corporate stores in Tennessee, Alabama, Georgia, Arkansas, Virginia, Kentucky, and Mississippi. • **Seven-Eleven Japan is now offering interpreters to shoppers** at its nearly 19,000 locations nationwide as the c-store giant aims to serve foreign tourists better, reported *Nikkei Asian Review*. The service is currently available in Chinese and English, with Korean and Spanish under consideration. • Retailers like **Amazon, Wal-Mart and Target**—as well as logistics companies and package-delivery companies—say they **plan to start their holiday hiring earlier and raise wages for seasonal warehouse workers** as online retail grows and the labor market tightens, reported the *Wall Street Journal*. • Silicon Valley-based **startup Zume Pizza** wants to take a slice out of the nearly \$40 billion pizza industry by using robots to make better pizza faster, reported *Business Insider*. The **robots** use artificial intelligence to accept orders and prepare pizzas to buyers’ exact specifications, and the company uses a new high-tech **de-**

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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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Member News

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in the region, beating Harris Teeter and Kroger, according to Food World's data. No. 12 Wawa comes in ahead of Whole Foods, Fresh Market, Sam's Club and Trader Joe's.

Skimmers At California 7-Elevens

"Skimmer" devices that steal debit and credit card information have been found on pumps at two 7-Eleven gas stations in La Mesa and El



Cajon, California in recent months, reported the *San Diego Union-Tribune*. The discoveries have prompted local police to issue a consumer warning after the two local gas station owners found the devices. Police said the 7-Eleven cases may fit within a larger investigation crossing state lines, involving federal as well as local law agencies. Some arrests have been made in the wider investigation. In the meantime, police have advised customers to use pumps closest to clerks inside the station as most skimmers are installed on pumps furthest from view, not to use a card reader or keypad that is

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Couche-Tard Buys Louisiana Chain

Alimentation Couche-Tard Inc. subsidiary Circle K Stores Inc. recently acquired 53 Cracker Barrel convenience store sites in Louisiana, mostly in the Baton Rouge market, held by American General Investments LLC and North American Financial Group LLC, reported *The Advocate*. Couche-Tard said

loose or raised above the surface of the gas pump panel, and to report tampering to an employee.

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Legislative Update

House Delays New Overtime Pay Rule

The U.S. House of Representatives recently approved a measure to delay by six months the Obama administration's rule to extend mandatory overtime pay to more than 4 million workers, despite a White House promise to veto the bill, reported Reuters. The House passed the legislation on a partisan vote of 246-177, with just 5 Democrats joining 241 Republicans in favor of moving the rule's effective date from December 1 to June 1.



workers who earn less than \$47,476 a year starting December 1. That is double the current amount—\$23,660—a worker can earn annually before their employer can be

exempt from paying overtime.

The National Retail Federation filed suit in U.S. District Court on behalf of the millions of employers and employees who will be drastically affected by the Labor Department's changes to the federal overtime rules. The retail trade association said its research reveals the overtime regulations will force employers to limit hours or cut base pay in order to make up for the added payroll costs, leaving most workers with no increase in take-home pay despite added administrative costs.

Texas Attorney General Ken Paxton and Nevada Attorney General Adam Paul Laxalt filed a lawsuit on behalf of 21 states to block the new rule. The attorneys general stated the overtime rule will force many state and local governments, as well as private businesses, to substantially increase their employment costs, and some governments and private businesses may even be forced to eliminate services or lay off employees.

"The new labor rule will require employers to pay overtime to salaried workers earning less than \$47,500 a year."

Lawsuits Filed Against New Overtime Rule

Two lawsuits were filed on September 20 challenging the U.S. Department of Labor's new overtime rule, which requires employers to pay overtime for all salaried and hourly

Health Groups Sue FDA Over Graphic Cigarette Warnings

Eight public health and medical groups, and several individual pediatricians, recently filed suit in federal court in

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



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





Member News

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Southern California Golf Tournament Benefits Two Charities

On September 12, the Southern California FOA held its 30th Annual Charity Golf Tournament in Industry Hills, CA. With 150 players and 19 FOAs from across the country in attendance, it was a great affair. Proceeds raised during the event, including the generous contributions of attendees, benefited two great charities. The FOA do-



ated \$11,711 to the Los Angeles Children's Hospital and another \$11,711 to the Swim Across America foundation. The group also announced that its golf tournament next year will be held at the same venue on September 20, 2017.

it expects to close the acquisition by the end of January.

The convenience stores are now branded Cracker Barrel and include 12 quick-service restaurants. Of the 53 sites, Couche-Tard would own the land and building for 47 locations and would assume or enter into leases for the remaining 6 locations. Couche-Tard will rebrand the stores and operate them under the Circle K brand. The deal gives Couche-Tard's Gulf Coast Region Circle K Division 638 company-operated stores, eight company-owned and dealer-operated stores, and 54 dealer-owned and -operated stores.

Couche-Tard Catching Up To 7-Eleven

The purchase of CST Brands Inc. puts North America's two largest convenience store operators, Alimentation Couche-Tard and 7-Eleven, neck and neck as they vie to become the continent's primary go-to place for gas and snacks, reported the *San Antonio Express-News*. Couche-Tard, the Quebec-based parent company of Circle K, will be within striking distance of overtaking 7-Eleven as the largest convenience store chain in North

America, with 10,180 locations when regulators and CST shareholders approve Couche-Tard's \$4.4 billion cash purchase of the San Antonio company. CST, which operates the Corner Store

"Couche-Tard/Circle K will have 10,180 locations with the purchase of CST. 7-Eleven has about 10,500 stores in its North American network."

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chain of convenience stores, has 2,013 locations in the United States and Canada. 7-Eleven has about 10,500 stores in its North American network.

Retailers Protect Debit Card Reforms

A coalition of 408 large and small retailers, among them SEI, urged Congress recently to uphold the debit card reforms enacted by the Durbin Amendment of 2010's Dodd-Frank Wall Street Reform Act, reported NACS Online. Despite the benefits of debit swipe fee reform, there is currently legislation proposed in Congress—the Financial Choice Act—seeking to repeal the Durbin Amendment. In the letter to Congress, the retailers expressed concerns that repealing debit swipe fee reforms would bring to their businesses. According to the Merchants Payments Coalition, of which NACS helped found in 2004, if debit reform is repealed, global card companies would tighten their control on the debit marketplace to prevent choice and price-fix fees at massive markups.

More than 180 merchant associations also sent a joint letter to Capitol Hill urging members of Congress to protect debit reform and to reject language in the Financial Choice Act seeking to repeal it. Included in this group are the NCASF, the Central Florida FOA and the Chesapeake Division FOA.

Sheetz First PA C-Store Chain To Sell Wine

A Sheetz store in central Pennsylvania recently became the first convenience store in the state to sell wine following the passing of Act 39, reported WTAE.com. The first bottle was sold on October 4 at the Sheetz on East King Street in Ship-

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Member News

continued from page 26

pensburg. The store—and other Sheetz locations soon to follow—are being allowed to sell wine under a law passed in June that was meant to broaden the number and type of private businesses that can sell beer, wine and liquor. Until now, Pennsylvania had kept its wine sales strictly in-house at liquor stores owned and operated by the state. Sheetz said it will enforce a proof-of-age policy from any customer wanting to purchase alcohol.

Fines For Tobacco Violations Increased

The Department of Health and Human Services recently issued a new regulation that adjusts, for inflation, the civil money penalty (CMP) amounts assessed against tobacco retailers who have violated the law. The penalty for two violations within a 12-month period is now \$275—up from \$250—and the penalties increase incremen-



FOA of Greater Los Angeles member Tarlochan Rangi (far right) with Dilip Bhavhami's store manager Karam (left) and field consultant Bora Sahinler (center) working with the Red Cross to deliver water and baked goods for victims of the Blue Cut Fire in San Bernardino in August.

“Convenience stores today contribute or collect nearly \$100 million a year for charities, reports NACS Online.”

tally to \$11,002 for six violations within a 48-month period, versus \$10,000 previously. The adjusted amounts apply to CMPs assessed after August 1, 2016, even if the associated violations occurred as far back as November 2, 2015.

C-Stores Support Good Causes

Convenience stores today contribute or collect nearly \$100 million a year for charities, reports NACS Online. According to a 2014 NACS member survey, 78 percent support five or more charities in their communities, and 83 percent of member companies have been involved in charitable giving for more than 10 years. Furthermore, 86 percent of NACS members give to local charities (church groups, shelters, food banks, other local non-sports groups), 78 percent support youth sports and activities (sport teams, sport events), 61 percent donate to local product/food donations (local institutions, groups, events), 60 percent support national charities (Children's Miracle Network, MDA), 41 percent support group fundraising (help fundraise for stickers, canisters), and 34 percent support adult sports, health or cardio events in the community (leagues, marathons).

Couche-Tard Reports Net Earnings Up

For its first quarter ended July 17, 2016, Alimentation Couche-Tard Inc. announced net earnings of \$324.4 million, an increase of nearly 9 percent compared with

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livery truck that cooks the pies en route for customers that live far from the Zume Pizza shop. • Car service provider **Uber** recently began using self-driving taxis to ferry customers around Pittsburgh, a first for the industry in a race among automobile and technology companies **to make driverless cars commercially available**, reported the *Wall Street Journal*. • A shareholders group within Walgreens—the **Interfaith Center on Corporate Responsibility**—recently announced that it has filed a proposal requesting that the Board of Directors review the risks of tobacco sales in Walgreens pharmacies. • Circle K parent company Alimentation Couche-Tard recently **awarded distributor McLane Co.** its supply-chain-services business in the eastern and midwestern U.S., for a total of 2,143



additional stores, reported *CSP Daily News*. • On August 22, **Kentucky Fried Chicken unveiled a sunscreen that smells like fried chicken** and offered 3,000 bottles of it for free on a website it produced to advertise the product, reported CBS Detroit. All bottles were snatched up within

24 hours. • **Paqui, part of Amplify Snack Brands, recently announced the availability of the world's hottest chip**—The Paqui Carolina Reaper—which comes as a single chip packaged inside a coffin-shaped box. • Since the Dallas Fort Worth airport is Coca-Cola property, the variety of beverages sold by the 7-Eleven store located inside is **limited to Coca-Cola brands**, each priced as set by airport contracts—e.g., \$2.25 per 20-ounce soda or bottled water, reported *CSP Daily News*. • Flirtey and Domino's Pizza conducted the

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Member News

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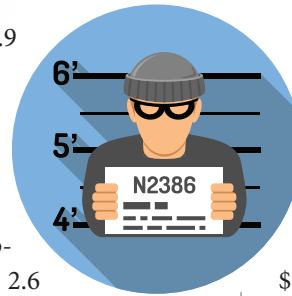
\$297.8 million for the first quarter of fiscal 2016. The company also reported its same-store merchandise revenues increased 2.4 percent in the U.S., 4.9 percent in Europe and 0.9 percent in Canada. Merchandise and service gross margin were at 33.2 in the U.S., up 10bps, at 41.7 percent in Europe, down 10bps, and unchanged at 33.2 percent in Canada. Couche-Tard further stated its same-store road transportation fuel volumes grew by 2.5 percent in the U.S., by 0.9 percent in Europe and by 0.6 percent in Canada.

Violent Crimes Rise In 2015

After two years of decline, the estimated number of violent crimes in the

nation increased 3.9 percent in 2015 when compared with 2014 data, according to the FBI's annual report "Crime in the United States." Property crimes dropped 2.6 percent, marking the 13th straight year the collective estimates for these offenses declined.

In 2015, there were an estimated 1,197,704 violent crimes. Murder and non-negligent manslaughter increased 10.8 percent when compared with estimates from 2014. Nationwide, there were an estimated 7,993,631 property crimes. The estimated numbers for two of the three property crimes show declines



when compared with the previous year's estimates. Burglaries dropped 7.8 percent, and larceny-thefts declined 1.8 percent, but motor vehicle thefts rose 3.1 percent. Collectively, victims of property crimes (excluding arson) suffered losses estimated at \$14.3 billion in 2015.

Cumberland Farms Free Coffee Text Coupon

Convenience and coffee retailer Cumberland Farms celebrated National Coffee Day on September 29 by offering its customers a free coffee, hot or iced, in any size via a mobile text coupon. To get a free cup of Joe, customers simply had to

continued on page 64

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Minimum Wage Will Test The 2019 Agreement

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

Now that the hot summer selling months are behind us and we enter cooler weather, I believe the next two quarters—the last in 2016 and first in 2017—will be a test for our stores and provide some indication of the direction we will be heading, at least for the near future. The big question is, “Are we going to be ready for the challenges coming our way?”

Let’s begin with staffing. Many of our stores are already being impacted by increased minimum wage rates, and many more will feel the pinch soon enough as this movement sweeps across cities and states throughout the country. It is a popular topic among legislators. For those stores dealing with recent minimum wage hikes, labor and ordering have become challenging. The increases have also affected how these stores execute the hot foods program, which is labor intensive, and how they serve their guests. As the minimum wage increases and the hot foods program rolls out nationwide, some stores will be able to adjust accordingly and be fine, while others—particularly low volume stores—are not going to be as fortunate.

The minimum wage and staffing conundrum is especially concerning given that 7-Eleven is transitioning to a food-service destination. Since higher labor cost is already affecting the staffing decisions of many stores, many franchisees wonder if they still will be able to provide the same level of quick and friendly

service to which their guests have become accustomed. They also wonder if mini-

mum staffing on a hot day with more foot traffic than usual will drive guests to our competitors due to longer lines at our registers. This indeed is going to be a challenge. Even trying to focus our peak times of the day will become more important.

We all know minimum wage and labor are intertwined. I already feel the impact in my store, and we still have



“Labor and minimum wage increases will be a true test of the new 2019 agreement, when franchisees have to decide if they want to sign up again in light of the changes in our business environment.”

summertime weather. The minimum wage in San Francisco is at \$15 per hour and San Jose is \$12. I personally haven’t seen an increase yet in my hometown of Santa Cruz, but it’s a domino effect. Once minimum wage hits in your area, stores will have to increase their current pay schedule to their employees. In the future we will also be impacted by the new manager overtime pay rules issued

“As the minimum wage increases and hot foods program roll out nationwide, some stores will be able to adjust accordingly and be fine, while others—particularly low volume stores—are not going to be as fortunate.”

by the U.S. Department of Labor. The true test will be when franchisees have to sign the new 2019 agreement. Franchisees will have to decide if they want to continue doing this due to the changes in our business environment. Some may choose to go elsewhere. For the lower volume stores, it will be a struggle.

As we deal with these challenges, I think we as franchisees are going to be looking more closely at the



promotions we run. You may find they may not all be the best for your store. Now is a good opportunity to select only those promotions that will be most profitable for your individual business, and you ultimately will have to make that decision. Being in stock always helps, also, because it gives the appearance that the store is doing a good business.

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JOE GALEA

CAN BE REACHED AT
831-426-4711 or
joeg@ncasef.com

Minimum Wage Will Test The 2019 Agreement

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The holiday season is a good time to bring in new guests to our stores, because they will be able to see the Extended Product Assortment, which will make the store more inviting. That is a

“Ultimately, you are the decision maker for your store and your guests, because no one knows your store better than you do.”

positive. Sales results already are very positive from a lot of stores, so that’s a big plus. I have visited some of these stores, a couple in Dallas and a couple in the Bay area, and they are very inviting, even from the outside walking in.

Ultimately, you are the decision-maker and you need to do what’s best for your store and your guests. At the end of the day we are best suited to measure our stores because no one knows our stores better than we do. It will be a challenging next few months and time will tell if we made the right adjustments to our businesses as we try to find ways to compensate. **AV**

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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.

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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.

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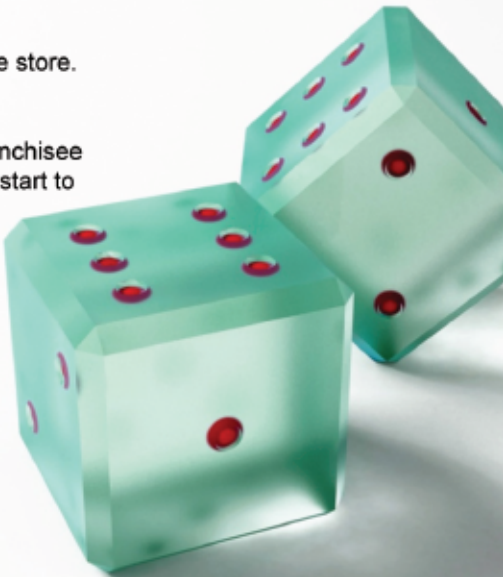
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first-ever **pizza delivery by drone** in **Auckland, New Zealand** on August 25, 2016. • According to NEXT Forecast 2016, U.S. consumer **sales of natural, organic and healthy products** are forecasted to expand 64 percent from \$153B in 2013 to \$252B by 2019—more than four times the projected growth rate of mainstream consumer packaged goods. • Pennsylvania-based c-store **Sheetz** is one of the 2016 **Best Workplaces for Women**, according to global research and consulting firm Great Place to Work and *Fortune*. The ranking is **based on employees' assessments** of communications with management, options for development and training, and support for work/life balance, among other factors.

• **More energy drinks were launched globally**

continued on page 52



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The Culture of This Franchise System Must Change—Chapter 2

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

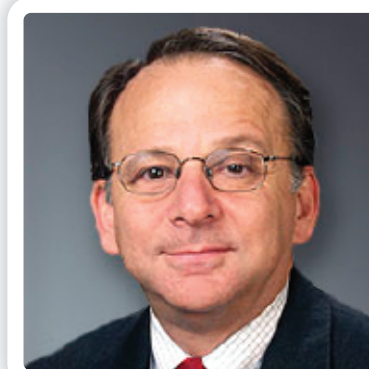
In the last issue of Avanti, I explained why I believe the culture of this franchise system must change if it is to move forward and meet the substantial and material challenges that it now faces, and will most certainly face in the future, both internal and external to the system.

As further evidence of this pressing need, particularly in the context of the ongoing but mainly opaque discussions regarding the 2019 franchise agreement, I bring to your attention SEI's serial non-compliance with an essential element of the Final Settlement Agreement and Release that memorialized the settlement of the DVR dispute.

That settlement agreement, which was heavily and carefully negotiated on both sides, required SEI to make a report to the settling franchisees and to the National Coalition every 30 days regarding the number of franchisees that signed a new Security System and Monitoring Amendment, as well as an indication of whether or not the return rate is particularly low in certain geographic areas. The new form of Security System and Monitoring Amendment was posted to the 7-Eleven Hub on January 11, 2016. As your General Counsel, it has been my responsibility to monitor SEI's compliance with this provision. Thirty-day reports were due on February 11, March 11, April 11, May 11, June 11, July 11, August 11, and

“What would SEI would do if a franchisee failed to comply with the same deadline, eight months in a row, eight weeks in a row, or even eight days in a row?”

September 11, 2016. I can say without fear of contradiction, that SEI did not meet a single one of those 30-day deadlines, and that all of the information received regarding the number of Amendments signed was received after written request, sometimes



repeated requests, for that information.

The often repeated phrase, “What’s sauce for the goose is sauce for the gander,” simply means that what is good enough for one party in a relationship ought to be good



enough for the other. The same is or should be true in franchising in general, and in this franchise system, in particular. I don't think it takes much imagination to determine what SEI would do if a franchisee failed to comply with the same deadline, eight months in a row, eight weeks in a row, or even eight days in a row.

And now, for the other of the coin.

The October 2016 issue of the *Harvard Business Review* contains a very illuminating article written by Cheryl Bachelder, the CEO of Popeyes Louisiana Chicken, entitled “The CEO of Popeyes on Treating Franchisees as the Most Important Customers.” You can read the entire article for yourself: <https://hbr.org/2016/10/the-ceo-of-popeyes-on-treating-franchisees-as-the-most-important-customers>. (Full Disclosure: since July 2010, I have been Counsel to the Popeyes Independent Franchisee Association).

Ms. Bachelder relates her experience at Domino's Pizza, starting in 1995, when management was confronted by allegations made by franchisees that the company was unfairly profiting from the sale of dough and other supplies that it was selling to franchisees. She was part of a management team that resolved the dispute by creating

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The Culture of This Franchise System Must Change—Chapter 2

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an audited, transparent system for the supply business, and by agreeing to share profits above a certain threshold with their franchisee community. This created a more positive relationship with franchisees, which led to substantial growth and innovation, and ultimately to the 1998 sale of the company to Bain Capital for \$1.1 billion. Today, the company has a market capitalization of \$7.2 billion. Wouldn't it be terrific if SEI management could learn from this example by creating a supply chain that was not shrouded in mystery, but rather one that was completely above board and treated the franchisees as partners and not captive, involuntary customers?

When Ms. Bachelder became CEO of Popeyes Louisiana Kitchen, the franchisee community was angry and frustrated, and

the company's stock had fallen precipitously. She and her team, after a number of inquiries and management exercises, came to an understanding that the company's franchisees were its primary and most important customers and that no one has more skin in the game. They became focused heavily on unit level profitability, which they had not previously even been measuring, but then started to track closely. Ultimately, Popeyes decided that it needed a national ad campaign, and in order to do that, wanted franchisees to agree to increase the advertising contribution from 3 percent to 4 percent of

sales. The franchisee leaders said they would agree to this, but only if the company made a \$6 million investment of its own in national advertising. A deal was struck. This collaboration led to increased

continued next page

"If SEI wants this system to advance, to grow, to adapt to changing customer expectations and rapidly expanding technology to meet its external and external challenges, it needs to pay more attention to, and serve its franchise owners."

franchisee success rates and the attraction of franchisees from other systems to become Popeyes franchisees, in a true turnaround in the fortunes of both the company and its franchisees.

There are a number of ways to measure this turnaround. First and foremost, the number of domestic franchised locations grew from 1,451 at the end of Ms. Bachelder's first year as CEO to 1,934 units as of July 10, 2016, an increase of 33 percent. The stock price of the franchisor, a way of measuring Wall Street's appraisal of the CEOs leadership principles and style, rose from just over \$13 per share in 2007 to nearly \$55 per share as of August. Moreover, even a cursory examination of SEC filings, and an examination of her salary stock-option awards in stock awards, would

show that Ms. Bachelder has been richly rewarded for her turnaround of the company.

In explaining the path to this result, Ms. Bachelder states, "The Popeyes turnaround has become a case study in what happens when leaders think about serving others—in this case, our franchisees. Leadership is an active stewardship, not a practice that is solely for your personal benefit. The test of our leadership is simple: Are the people entrusted to our care better off?"

To be sure, the relationship between Popeyes and its independent association is far from perfect, and occasionally involves bumps in the road. But the level of communication, interaction, dialogue and mutual respect is indeed admirable.

Ms. Bachelder's message: treat franchisees fairly and treat them as partners,

not adversaries, not only because it's the right thing to do, but because it's good for business.

If SEI wants this system to advance, to grow, to adapt to changing customer expectations and rapidly expanding technology, to meet its external and external challenges, it needs to pay more attention to, and—as Ms. Bachelder argues—serve its franchise owners. This means more collaboration, more transparency and more attention to the bottom line of each and every franchised location in the country.

To SEI I say, please learn from one of the most successful franchise executives in the country, and listen to the company's shareholders and to its franchise owners. You have nothing to lose and a great deal to gain. **AV**

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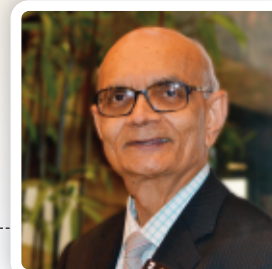


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A WIDENING GAP: THE HAVES AND THE HAVE-NOTS

HASHIM SYED

NCASEF VICE CHAIRMAN, FOAC VICE PRESIDENT



When I first came into the 7-Eleven system a little more than a quarter century ago, life was simpler and the majority of franchisees expected to have only one store. Things have changed drastically since then, and today all but the luckiest franchisees find it tough to survive as single store operators.

I know in Chicago many of my fellow franchisees had dreams of becoming small businessmen running convenience stores independently and living comfortably off the proceeds. Some of us are doing well due to the luck of a good volume store, but many of our members are struggling hard to survive in a very changed and challenging convenience store environment.

Multiple-store franchising and partnerships, not even allowed when I got into 7-Eleven, are much more common now, and as a result a franchising system within SEI's franchising system is flourishing. Franchisees who are struggling have no choice except to join in and become a part of this rat race, but we all find it hard to compete with franchisees of high volume stores.

The financial leverage high volume store franchisees enjoy enables them to easily outspend low volume storeowners

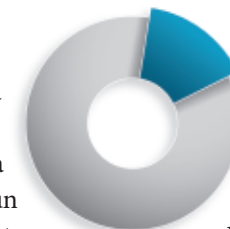
HASHIM SYED

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to fulfill all of SEI's requirements for being a multiple owner. This happens in spite of the

fact that the franchisee of a low volume store has to work a lot harder, and be a lot more organized just to run a successful low volume store where mistakes are hard to overcome and even ordering decisions become more critical, to say nothing of the difficulty of raising the franchising fee.

The result is that even great franchisees with low volume stores are falling



profit scenario, but because the introduction of the fresh and hot foods program already is adding many hours to our labor costs. Franchisees of high volume stores will survive, even if they have a reduced income, but franchisees of low volume stores will have trouble meeting these new wage scales.

"Low volume stores have special problems, and only those who have been there have any real understanding about the hardships and day-to-day challenges involved."

"WE MUST DEVELOP A LOW VOLUME STORES COMMITTEE AT THE NATIONAL COALITION AND A PARALLEL COMMITTEE AT THE NBLC TO GIVE REPRESENTATION TO THESE FOLKS AS THE 2019 CONTRACT APPROACHES."

further behind, and the financial gap between the have and the have-not franchisees is widening. Compounding this is the fact that SEI's help to franchisees of low volume store comes with a set of conditions and demands that are very difficult to fulfill in the time frame required.

Another very devastating factor for low volume stores is the increase in minimum wage, not just because of our tight

In this, our final stretch to the finish line and a new 2019 contract, franchisees of higher volume stores must try to help fellow franchisees of low volume stores to serve the good of the franchise community. High-volume storeowners moving into leadership positions at the National Coalition, on the NBLC, and the CEO Roundtable must work for co-prosperity and the good of the entire franchisee community.

Low volume storeowners soon will be asked to attend the company's 7-Eleven Experience, but we have neither the resources to attend, nor the representation to change our status once we get there. We must develop a low volume stores committee at the National Coalition and a parallel committee at the NBLC to give representation to these folks as the 2019 contract approaches. Low volume stores have special problems, and only those who have been there have any real understanding about the hardships and day-to-day challenges involved. **AV**

"Moving toward the new 2019 contract, high-volume storeowners in leadership positions at the National Coalition, on the NBLC, and the CEO Roundtable must work for co-prosperity and the good of the entire franchisee community."

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1. IRI Total US Convenience 52 wks ending 10/6/13 2. Nielsen Convenience Scanning 52 weeks ending 6/13/15
3. Nielsen ADD, Full Year 2013, Convenience Dollar Sales 4. Nielsen Panel Data, Full Year 2013, Household Penetration



COMMON SENSE AND THE MASKED MAN

BY PETE GRAGNANO | President, Suburban Washington FOA

Back in July, I arrived at my store early one morning to put up POP for the beginning of the P4 Sales Plan. As I entered the store and walked to my office, I noticed three men crowded on one side of the coffee bar, with a single individual on the other side. The reason for this situation: the single individual had a motorcycle helmet on, with tinted face shield down, hiding his face. I approached the motorcyclist (hereinafter referred to as "The Masked Man" or "MM") and our conversation went as follows:

Pete: Sir, when you are in the store please lift up your face shield.

MM: For what purpose?

Pete: For the purpose of robbery prevention. Concealing your face with the shield is the same as wearing a mask in the store—it looks as if you want to rob the store.

The Masked Man mumbled some choice words that cannot be printed in a family magazine like this, and left his coffee on the coffee bar.

My night clerk saw my encounter with MM and told me that he had come in several times before, always with the shield down, and that she received the same response when she asked him to lift it up.

I subsequently emailed Asset Protection (AP) to see if we have a sign or policy regarding the wearing of masks in the store. I know that on Halloween AP annually sends us a sign to post on the front store that states "Happy Halloween—No masks allowed in the store." So I thought that this would be a natural extension of the corporate policy.

The response I received was that the Legal Department in Dallas was researching the issue.

"Research? What is there to research?" I thought. It should be obvious that a person should not be allowed to enter our stores covering their face (except on the grounds of religious beliefs).

Pete Gragnano can be reached at 443-472-2327 or at pjg1415@hotmail.com

I thought to myself, would MM be allowed to enter a federal, state, or local government office facility with his shield down? I think not. Would he be allowed in an airport, bus depot, or train station? Highly unlikely. Could he enter a bank dressed in this manner? Definitely not.

But, I reasoned, laws do vary from state to state, or from county to county for that matter, so Legal needs to do some research to provide the proper advice.

Fast forward to August 1st at mid-afternoon. The same individual enters the store dressed in the same manner while I am doing another of my favorite tasks (counting items for the Price Changes Report). Here's the exchange:

Pete: Sir, you need to lift your face shield up while in the store.

MM: It is up.

Pete: If you consider that up, then you need to remove your helmet upon entering.

The end result was VOC Alert where The Masked Man said I was

rude and did not understand what my problem was.

I sent another letter to AP stating that the problem appeared to be escalating and asked for the guidance. The response was as follows:

"I certainly understand your safety concerns with the continued confrontations regarding this same customer and your frustration with the slow response from the SSC.

"At this point and time, since it is fairly certain that this customer poses no threat to you or your business but he is only interested in challenging and agitating you, I would recommend that you refrain from initiating any additional conversations with him. Keeping in mind that you have established that he is a regular customer, I would suggest that you turn this into a positive customer experience by relating to the customer in a different perspective.

"Perhaps you can strike up a conversation, as an example, about your interest in motorcycles and the fact that you carry 2-cycle motorcycle oil and other accessories such as rain gear, etc....

continued on page 48

"In talking to a number of other franchisees, as well as local law enforcement, they all told me that I was justified in challenging The Masked Man and his failure to lift his shield, and could legally forbid him from entering the store in such a manner."





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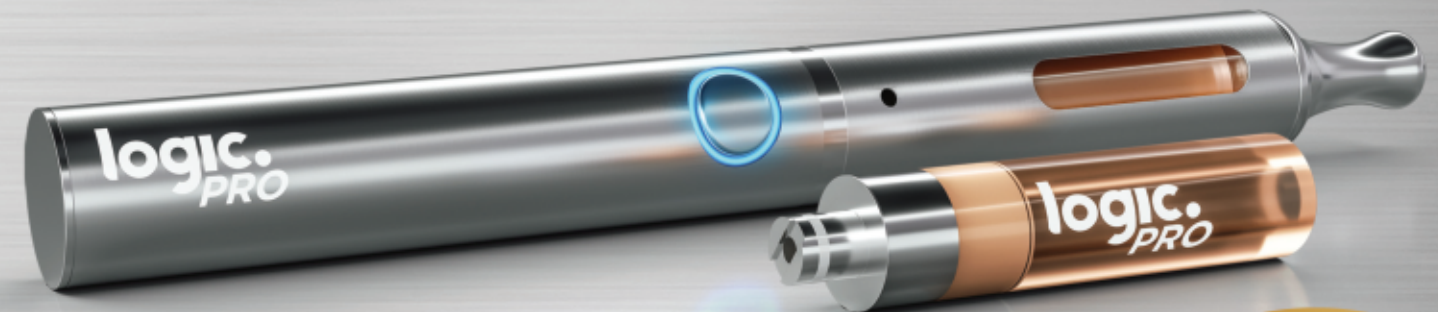
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This product contains nicotine derived from
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smoking age. Underage sale prohibited.

topic they need to research
can be applied state
and this can be a high

“Before adopting such a policy at your store you may want to speak with your attorney to ensure that the policy you choose to adopt makes sense at your store and the risk of any potential liability is outweighed by your safety concerns. You should also bear in mind that any claim related thereto is potentially not covered

This is my opinion and I welcome yours. **AV**



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TOP SELLERS
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Improving Accounting To Better Serve Franchisees

By Alicia Howell, Vice President and Controller, 7-Eleven, Inc.

Supporting franchisees with accurate and timely accounting is the top priority for the Accounting team at the Store Support Center.

We are guided by several main principals that help us better help you: be highly responsive when an accounting question or issue arises, understand issues from your perspective, gather facts and specifics to determine root causes, solve issues with a sense of urgency, and remind ourselves that actions always speak louder than words.

All of these principals revolve around one thing—trust between our department and you, the franchisee. As we solve problems together, we find balanced solutions that are good for our system as a whole.

The Accounting team has been working hard to partner with franchisees over the past few years. Working with several NBLC

critical issues you feel need more attention: (844) 711-0711.

- In addition to the Escalation desk, in May 2016, we brought Accounting Customer Service back in-house so we can serve you better with our own 7-Eleven resources. You can now talk with a 7-Eleven Accounting expert “LIVE” during business hours (CST).

Billback/Scanbacks

- To ensure accurate and timely funding to franchisees, we implemented a Quality Assurance function within Accounting.
- We enhanced billback/scanback reports for easier reconciliation and developed training material to achieve a better understanding of the vendor-funding process.

Overages

- Starting in January 2016, Accounting

and piloting training on specifics areas of accounting.

Franchisee Financials have been enhanced to include a new page with Merch Sales by PSA category, including Fresh Food sale metrics.

We have improved the Licensing process, which was fragmented between new applications and renewals. The new process is streamlined utilizing a web-based tool for a better application process and renewal tracking.

And you are taking notice of all of these improvements! We are very pleased with the 2015 survey results reflecting positive progress with Accounting Services. We have made improvements in eight out of the nine areas surveyed. However, we can do better.

Last November, we established an NBLC Accounting Committee made up of seven franchisees and the SEI Accounting team to provide even more focus on accounting improvement opportunities. Merchandising and Training leadership have also been added to the committee. This team has been working hard to help move forward multiple initiatives we feel help franchisees in a number of ways.

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“IN MAY 2016, WE BROUGHT **ACCOUNTING CUSTOMER SERVICE BACK IN-HOUSE**. FRANCHISEES CAN NOW TALK WITH A 7-ELEVEN ACCOUNTING EXPERT ‘LIVE’ DURING BUSINESS HOURS (CST).”



committees, as well as members from the National Coalition Accounting Committee, we have jointly solved critical issues impacting stores and franchisees.

A FEW OF OUR JOINT SUCCESSSES:

Accounting Customer Service Help Desk

- In June 2015, we implemented the 7Help Accounting Escalation Desk to provide access to a live 7-Eleven Accounting expert for

began automatically applying year-to-date net overages against Q1 shortages. Previously, franchisees had to submit an appeal in order for this to happen.

We have also focused on continuous improvement to provide better support to franchisees at large. In response to Zone and franchisee requests, we engaged substantially in the field over the past two years presenting to FOAs, the National Convention, Zone meetings, listening to concerns of franchisees,

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THE MISSION AND GOAL OF THE NBLC ACCOUNTING COMMITTEE

- With a sense of urgency and a continuous improvement mindset, understand and address franchisees' Accounting pain points, ultimately achieving improved franchisee satisfaction with Accounting services.
- Reduce administrative burden on stores by

“WORKING WITH SEVERAL NBLC COMMITTEES, AS WELL AS MEMBERS FROM THE NATIONAL COALITION ACCOUNTING COMMITTEE, WE HAVE JOINTLY SOLVED CRITICAL ISSUES IMPACTING STORES AND FRANCHISEES.”

providing tools and training necessary to support stores and enhance overall profitability of franchisees and SEI.

In the short term, we want to identify quick wins and other longer-term opportunities for Store Simplification and Training. In that vein, we have identified several quick wins that our Committee believes will be seen as very favorable.

PROVIDING MORE COMMUNICATION AND JOB AIDS:

- Notification of when your Lottery audit results are available, as well as a Lottery Job Aid.
- Notification of when your Financial Statements (48As) are posted.
- Communicating by ISP Splash Screens and distributing job aids. We hope you noticed

PAYROLL TAX HELPFUL TIPS

- Partner with us by quickly scanning all tax notices received to Button #5 and open a case in 7-Help.
- Apply for a payroll tax number with your State for each new store and when new corporations are formed.
- Call the Payroll Hotline and speak to an internal tax expert at (855) 729-4669.

our Splash Screen with scanner tips and a new scanner job aid included in the P5 POP marketing kit.

DELIVERING EDUCATION AND ASSISTANCE WITH PAYROLL TAX ISSUES

- Recently, we distributed information via email to assist you in preventing certain payroll tax penalties.

- Be sure to obtain payroll tax account numbers up front to reduce notifications and penalties!

For more help-

ful tips to prevent payroll tax woes, please see the inset of this article.

M01 ENHANCEMENTS COMING IN FALL 2016

- Subtotals will be added for write-offs to reconcile to the daily write-off report.
- Descriptions will be added for expense items instead of just account numbers.
- Month-to-date audit results to be shown at cost and retail (currently, only at cost).

DEVELOPING ACCOUNTING TRAINING FOR NEW AND EXISTING FRANCHISEES

- We are adding more accounting content to new franchisee programs and working to address accounting training needs of existing franchisees.

Longer term, we look to make significant enhancements to certain store tools, processes, and reports as a part of our major accounting transformation project, which will modernize our back office retail accounting system (ASI2).

Thank you to the National Coalition leadership for allowing me to share some of our exciting wins with the franchise community. We look forward to continuously improving our accounting processes to better support you and make your business a monumental success. **AV**



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ally in 2015 than in any year since 2008, and the number of energy drink products launched grew 29 percent from 2010 and 2015, according to Mintel Global New Products Database. • E-cig manufacturer **NJOY Inc. filed for Chapter 11** protection on September 16 in Delaware, listing \$32 million in debt and saying that the **failure of its Kings 2.0 device** caused a liquidity crisis for the company, reported Law360. • CVS is now offering curbside pickup of on-line orders at 4,000 U.S. stores, reported the *Dallas Morning News*. **Shoppers can order anything but prescriptions** and alcoholic beverages online and have employees deliver their purchases to them in designated parking spots within an hour. • **The FDA recently halted the sale of some antibacterial over-the-counter hand and body wash products**, saying they were no more effective than soap and water in preventing illnesses and reducing the spread of infections, reported Reuters. The ruling applies to products containing one or more of 19 ingredients, including **triclosan** and **triclocarban**. • Nearly one third of consumers and nearly half of parents began holiday shopping before Labor Day, according to new data from Rubicon Project's second annual Holiday Consumer Pulse Poll. The survey also reveals that **Americans plan to spend on average \$1,175 this holiday season**, a 12 percent jump over last year. • According to an analysis conducted by WalletHub, the top three happiest states in the U.S. are Utah, Minnesota and North Dakota. The least happiest is West Virginia. • **Wal-Mart plans to cut about 7,000 back office positions** in its 4,600 U.S. stores over the next several months, a sign that retail workers face big changes as employers spend heavily to **compete with Amazon.com** and grab foot traffic from other chains, reported the *Wall Street Journal*. • A new study from personalization platform company BloomReach conducted by Survata found that **55 percent of con-**

continued on page 57



YOUR SUPPLY CHAIN ADVANTAGE IN ACTION.

When it comes to offering supply chain advantages to 7-Eleven, we're committed to delivering world-class procurement, logistics, merchandising and technology services to help you buy better, sell smarter and profit more.

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FRANCHISE OWNERS, WE'VE GOT THE RIGHT CAN FOR YOUR FAN.



RAISE ONE TO RIGHT NOW.



Workers Compensation Cost **Savings** Through **Effective** Medical Treatment

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

Do you know where to send your employees for medical care if they are injured at work? Do your employees and managers know where to go if an injury occurs? Guiding your injured employees to an occupational medical clinic affiliated with your insurance carrier has significant benefits.

Prompt Treatment

- Early Medical Intervention: Any employee who has been injured at work wants to be seen by a medical professional in a timely manner. This not only ensures timely medical treatment and a prompt diagnosis, but it provides security to the employee knowing

and may assist with a speedy recovery and discharge from medical care.

Medical Control

- Many states permit the employer and insurance carrier to direct injured employees to specific medical clinics for care.
- In states that permit direction of care, retaining this medical control may have an impact on the duration of the claim, as well as the quality and effectiveness of medical care. This is a critical advantage when dealing with work-related accidents.

“EARLY MEDICAL INTERVENTION CREATES A FEELING OF GOOD WILL, ELIMINATES DELAY AND CONFUSION, AND HELPS MINIMIZE THE DURATION OF TREATMENT.”

should include: adhesive bandages, tape, gauze, burn dressing and cold pack. Standard workplace first aid kits are available at many retailers or online resources. If there is any doubt about the extent of the injury or any risk of infection, be safe and send your employee to a clinic for treatment.

A 7-Eleven MSIG

Medical Costs Experience Example: The average cost of medical treatment for lacerations at franchisee stores is \$1,984 per claim. If we can save 30

percent of this through consistent treatment through preferred medical cost providers, the program could have saved \$224,274 in the past five years. Simple, yet effective.

Contact your insurance carrier or broker for assistance. They will work with you to identify optimal occupational medical clinics and how to communicate this information to your employees in the proper manner as allowed for within your state. For those franchisees with MSIG/Aon/Barbot there are established medical networks in many states for improved cost control. Contact us or your broker for details. **AV**



“Guiding your injured employees to an occupational medical clinic affiliated with your insurance carrier has significant benefits.”

their needs are being met. This feeling of “good-will” can minimize litigation and eliminate the increased costs that arise from the involvement of lawyers.

- Avoids Confusion: If a local medical clinic has been identified and communicated to your employees, delay and confusion as to where they may choose to go can be eliminated. For your managers, knowing where to send employees injured on the job minimizes interruptions of store operations.

- Improved Medical Outcomes: When proper care is given from the onset of an injury it can minimize the duration of treatment

Medical Cost Savings

- Medical expenses average 60 percent of the total claims costs. Most insurance carriers have negotiated preferred billing rates with medical providers.
- Assisting your employees with medical treatment options, where your insurance carrier has preferred billing rates, may dramatically reduce your workers’ compensation claim costs.
- Occupational Clinics can be 33 percent less expensive than an emergency room and return your employee back to work faster.

First Aid

- To treat minor injuries, make sure there is a simple first aid kit available in the store. It

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28 percent less
sugar than
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Made with real
milk from U.S.
dairy farms,
with no GMOs!

CONSUMERS ARE ASKING FOR
HEALTHIER PROTEIN OPTIONS:

• 78% Want More
Protein in their diet

• 40% Are Choosing
High Protein Items

• 50% Say
Non Meat
Sources
are Best

**AVAILABLE
NOW THROUGH
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via DSD**

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Nesquik Chocolate in Colorado

SLIN 150141

SRP \$2.49 • Cost \$1.62 • Billback \$1.0

Gross Profit 38 percent after distributor markup



Member News

continued from page 22

Legislative Update

Boston to force the FDA to issue a final rule requiring graphic health warnings on cigarette packs and advertising, as mandated by a federal law. The 2009 Family Smoking Prevention and Tobacco Control Act required graphic warnings covering the top half of the front and back of cigarette packs and 20 percent of cigarette advertising, and gave the FDA until June 22, 2011 to issue a final rule requiring such warnings.

While the FDA met that deadline, the specific graphic warnings required by the FDA were struck down in August 2012 by the U.S. Court of Appeals for the D.C. Circuit, which ruled that the proposed warnings violated the First Amendment. That ruling only applied to the specific images proposed by the FDA and did not address the law's underlying requirement. Ruling in a separate case in March 2012, the U.S. Court of Appeals for the Sixth Circuit upheld the law's requirement for graphic warnings, finding that this provision did not violate the First Amendment. The eight health groups



argue that taken together, these two federal court decisions mean the FDA is still legally obligated to require graphic health warnings, and the agency is free to use different images than those struck down by the D.C. Circuit in 2012.

NJ Governor Vetoes Minimum Wage Hike

New Jersey Governor Chris Christie recently vetoed a bill to raise the state's minimum wage to \$15 per hour over the next five years, reported Reuters. The legislation would have made New Jersey the

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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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sumers turn to Amazon first when searching for products online.

• In late August Mondelez International announced it was no longer pursuing the acquisition of **Hershey Co.**, two months after the U.S. chocolate company turned down its \$23 billion cash-and-stock bid, reported Reuters.

• **Dunkin' Donuts recently opened its 12,000th restaurant worldwide** in Riverside, California. The company said it is continuing its steady and strategic westward expansion, opening more than **30 new restaurants in California** with plans for about 300 new locations total to be developed in the state over the coming years.

• **Sales for single-cup coffee SKUs increased 62 percent in 2015**, according to data from Technomic's Volumix Coffee Report. Further, the overall SKU share for single-cup coffee rose from 3 percent in 2014 to 4 percent in 2015.

• **Unilever is in talks to acquire Honest Co.**, the retailer co-founded by actress Jessica Alba, in a deal valued at more than \$1 billion, the *Wall Street Journal* reported.

• Feeding America and Sheetz recently launched the **Made-to-Share campaign**, which helps people who struggle with hunger. As part of this campaign, Sheetz will provide weekly product donations from each of its 530+ stores to Feeding America member food banks in the communities it serves.

• Mobile shopping app **ibotta has partnered with Boxed, Groupon, Hotels.com, Jet** and other companies to offer consumers first-ever rewards for mobile, in-app purchases.

• CVS Health announced that the **opioid overdose-reversal medication naloxone** is now available for patients without a prescription at all CVS Pharmacy locations in 36 states, with other states to follow in the coming months.

• Pizza chain **Domino's** announced that it is now giving its customers yet another way to order: via Facebook Messenger, using bot technology.

• **Five states have propositions to legalize recreational marijuana** up for

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Member News

continued from page 57



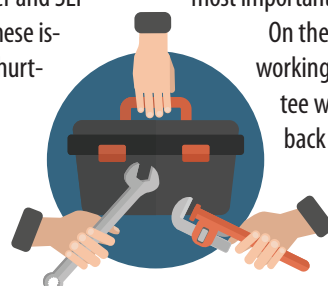
CONTRARY TO POPULAR BELIEF, MUCH IS BEING DONE

BY WAQAR SHEIKH | President, Virginia FOA

Lately I have been receiving emails from franchisees stating that nothing is being done by our leadership to find solutions to our issues and concerns. To the franchisee leaders who travel 10 to 15 times a year to meet with each other and SEI upper management to help solve these issues, these blanket statements are hurtful. The fact is, your franchisee representatives have been working tirelessly to help make your businesses better, and there has been much progress.

A committee of very senior franchisees are working on the 2019 agreement, another franchisee committee is working on low volume stores, and another team of franchisees is working on minimum wage issues. Most importantly, a team of SEI upper management and fran-

level. We have 8,500 stores in the U.S., and to align them in the same direction takes a lot of work. So you should know there is a team of franchisees who put a lot of time and effort working on the issues most important to us.



On the NBLC we have a committee working on accounting issues, a committee working on bill-back and scan-back issues, and another committee working on communications, just to name a few. There is even a Continuous Improve-

"We now have a national number you can call if an issue isn't being resolved, and your issue will be put on the high priority list."

"The wait time for parts has decreased because Vixxo increased their equipment distribution centers."

chisees are working to improve the maintenance of our store equipment.

I serve on the NBLC Maintenance Committee, and I can personally attest to the hard work being done by your franchisee leaders on the NBLC. It might not meet the expectations of some, but we are working. More importantly, SEI realizes they

must work hand-in-hand with franchisees if they want to take 7-Eleven to the next

ment Committee that is working on improving the everyday lives of franchisees in their stores and improving the ordering system. Every day we are looking into things to make franchisees' lives easier. We are working on the maintenance issues, we are working on under-performing stores and how we can improve them, and we are working on the minimum wage challenge.

As a member of the NBLC Maintenance Committee, I can share with you one of our most recent accomplishments, the Fixed Fee Pilot Test. As the name implies, it's a new program wherein one fixed fee covers all previous non-contract charges (however, this doesn't include things like floor cleaning, power washing or lawn mowing).

We are currently working on an equipment loaner program. For instance, if I report that my oven is down, they will bring a loaner oven to my store so I can be up and running as soon as possible. Then they will fix the oven and bring it back. We are aggressively working on that. We want every Zone to have loaner equipment available.

We're also working on a Digital Preventive Maintenance program, wherein preventive maintenance is scheduled and communicated in advance, a special app with GPS will confirm when the repair guy arrives and departs from the store, and photos will be taken to confirm that the work was completed. This is presently in a pilot test in the Lone Star Zone.

In the meantime, the Maintenance Committee has achieved several improvements. We now have a national number you can call if an issue isn't being resolved, and your issue will be put on the high pri-

ority list. Also, now the wait time for parts has been decreased mainly because we got our maintenance provider Vixxo (formerly FM) to increase their equipment distribution centers from four to 11 across the country. Overall, maintenance service levels have improved and we now have a proactive equipment replacement program in place, so old equipment like ovens and Slurpee machines get replaced before they fail.

All of this work is being done just by the franchisee members of the NBLC Maintenance Committee. There is much more being accomplished by the franchisees on the other committees. So you see, there are in fact franchisees who are working to improve the system and enhance franchisees' incomes.

As I said earlier, your leadership is involved in every step of the way. Your National Coalition chairman, executive vice chairman, vice chairs, and Board members are in constant negotiations for the betterment of franchisees. I ask that you support them so they can better represent you. **AV**

Visit the National Coalition

Website: www.ncasef.com

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



Member News

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Legislative Update

third state to adopt a \$15 per hour minimum wage. State voters agreed to a previous wage hike in 2013, to \$8.25 from \$7.25. New Jersey's rate is tied to the consumer price index and is now at \$8.38. Christie said the wage bill passed by Democrats, who control both houses of state legislature, failed to consider the ability of businesses to absorb the increased labor costs.

Michigan Lawmaker Proposes Skimming Security Bill

A Michigan lawmaker recently introduced a bill that would require gas station owners to put extra security in place to protect customers from credit card skimmers at the pump, reported news station Fox 2 Detroit. If passed, House Bill 5797 would require gas stations to use pressure sensitive tape over the panel, encrypt the credit information, or install a device that shuts the pump down if the control panel is tampered with. Officials with the Michigan Department of Agriculture and Rural Development are currently inspecting thousands of pumps statewide for skimmers. According to the state, workers have found 70 skimmers in the past year alone at various gas stations throughout Michigan.

Soda Tax Fight In San Francisco Bay Area

The national fight over sugary soda has landed in the San Francisco Bay

Area, where voters in November will consider a tax on the drinks, reported the Associated Press. Backers of the campaign say a penny-per-ounce tax is needed in San Francisco, Oakland and tiny Albany to curb consumption of sweetened cola, sports drinks and canned teas that people gulp without thinking, adding empty calories. Opponents, however, say a "grocery tax" will lead to higher prices on other goods, hurting small businesses and customers struggling to survive in one of the country's most expensive places. They also warn that city leaders can use the money however they want, despite talk of putting it toward health programs.

Only a couple of other U.S. cities have adopted such a tax. Voters in Berkeley, California approved a penny-per-ounce soda tax in 2014, and Philadelphia did so in June, taxing diet drinks as well. The American Beverage Association is suing to prevent the 1.5-

"Proposition 56 would give Californians the ability to raise the tax by \$2 per pack to \$2.87, the ninth highest in the country."

cent-per-ounce tax from taking effect in January. Bay Area success this fall could tip the national conversation, said Lawrence Gostin, a global health law professor at Georgetown University and

"Philadelphia and Berkeley, California are the only two cities to adopt a per-ounce soda tax."



tax supporter. Voters in Boulder, Colorado, also will decide on a soda tax measure November 8.

California Tobacco Tax Hike

California is once again at the center of national attention for a proposed major hike in its tobacco excise tax, reported the *Winston-Salem Journal*. California is not only the nation's most populous state at 39.1 million, but also a trendsetter for state-wide propositions and referendums. Proposition 56, which is on the November 8 ballot, will give Californians the ability to raise the tax by \$2 per pack to \$2.87. The tax, if approved, would begin in April and would become the ninth highest in the country. Earlier this year, California became the second state to raise to 21 the minimum age for consuming most tobacco products.

Tobacco tax initiatives are on ballots in three other states as well, with the proposed main use of the generated revenue to help with tobacco-related health-care costs: \$1.75 per pack increase to \$2.59 in Colorado; \$1.76 per-pack increase to \$2.20 in North Dakota; and in Missouri, which has the lowest state cigarette excise tax at 17 cents, voters will consider rival measures to raising it to either 40 cents or 77 cents. These are the first state tobacco tax increase attempts nationally since 2012. **AV**

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RESULTS OF THE COLLABORATION BETWEEN TWO GREAT COMPANIES





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Taxes On Gasoline By State In U.S. Cents Per Gallon

The table below includes state and local taxes and fees. The American Petroleum Institute uses a weighted average of local taxes by population of each municipality to come up with an average tax for the entire state.

STATE	GASOLINE TAX	Idaho	33.00	Missouri	17.30	Pennsylvania	51.40
Alabama	20.91	Illinois	33.45	Montana	27.75	Rhode Island	34.00
Alaska	12.25	Indiana	32.07	Nebraska	26.70	South Carolina	16.75
Arizona	19.00	Iowa	31.70	Nevada	33.86	South Dakota	30.00
Arkansas	21.80	Kansas	24.03	New Hampshire	23.825	Tennessee	21.40
California	38.57	Kentucky	26.00	New Jersey	37.50	Texas	20.00
Colorado	22.00	Louisiana	20.01	New Mexico	18.88	Utah	9.41
Connecticut	38.30	Maine	30.01	New York	43.40	Vermont	0.46
Delaware	23.00	Maryland	33.50	North Carolina	34.25	Virginia	22.39
District of Columbia	23.50	Massachusetts	26.54	North Dakota	23.00	Washington	49.40
Florida	36.58	Michigan	33.26	Ohio	28.00	West Virginia	33.20
Georgia	31.17	Minnesota	28.60	Oklahoma	17.00	Wisconsin	32.90
Hawaii	43.00	Mississippi	18.79	Oregon	31.12	Wyoming	24.00

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Member News

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text the word FREECOFFEE to 64827 using their smartphone, and they instantly received a coupon. The coupon was only redeemable on National Coffee Day. The free coffee continued for coffee-lovers throughout October when the brand brought back "Free Coffee Fridays." Beginning on Friday, October 7 and continuing every Friday throughout the month, customers enjoyed a free cup of Cumberland Farms coffee (no coupon required), hot or iced, in any size.

Uber Ends Lunch Delivery Service



UBER

Uber's super-fast lunch delivery has shut down in Seattle and other cities across North America, reported *GeekWire*. "Instant Delivery," part of Uber's UberEats app, is no longer available to users. The service launched one year ago and was originally baked into Uber's traditional transportation app. It allowed customers to pick from a handful of rotating lunch dishes

"Cumberland Farms offered a free cup of coffee coupon to anyone who texted the word FREECOFFEE to 64827 using their smartphone."

from local restaurants, and Uber guaranteed a delivery time of 10 minutes or less because drivers carried prepared meals in temperature-controlled containers. The company said it would now focus on restaurant delivery instead.

Dollar Stores Fastest-Growing Retailers

Dollar stores and off-price retailers are in the lead when it comes to adding new store space, reported the *Chicago Tribune*, citing commercial real estate and analytics firm CoStar. Dollar General, which started the year with nearly 12,500 stores, has announced plans to open 900 more this year and another 1,000 in 2017. About 80 of this year's new Dollar Generals will be roughly 20 percent smaller than typical locations, de-

signed for urban areas where larger stores would be too costly or rural areas with fewer potential customers. Family Dollar will add about 4.3 million square feet of retail space, and Dollar Tree—which acquired Family Dollar last year—is adding about 3.2 million.

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vote in November: Arizona, California, Maine, Massachusetts and Nevada. • **Gas-Buddy** recently announced that it has surpassed more than 60 million downloads of its popular mobile app, and which has been redesigned and now features **new station ratings beyond fuel prices**, enhanced search and filters, and updated games and challenges. • A recent study conducted by Ally Bank reveals that more than half (58 percent) of survey respondents who have a credit card said they **preferred cash back rewards**, topping interest in travel rewards, store promotions and introductory interest rates or bonus rewards. • **Uber drivers are generally better educated, younger and earn higher average wages than taxi drivers**, according to a new study from the National Center for Policy Analysis. The study also reveals that Uber passengers are generally middle-income and younger compared to taxi passengers, and Uber caters to areas that are underserved by taxis. • **The German supermarket chain Lidl is gearing up** to open stores in dozens of cities along the East Coast, spanning from New Jersey to Georgia, reported *Business Insider*. The company, which currently has 10,000 stores in 26 European countries, plans to add as many as 150 U.S. stores by 2018. • **Chick-fil-A is statistically the most polite chain** in the restaurant business, according to *QSR Magazine's* annual drive-thru report. Employees at Chick-fil-A were the most likely of the 15 chains surveyed to say "please" and "thank you," and to smile at drive-thru customers. • Baskin Robbins is testing ice cream delivery through **DoorDash**, reported *Nation's Restaurant News*. The new service is currently being tested in 10 stores in Los Angeles and Chicago. • **PepsiCo recently opened the company's first-ever restaurant in Manhattan's**

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Phelps Visits Downtown Chicago Store

On Thursday, September 22, franchisee Rick Boone's downtown Chicago store employees received a surprise visit from none other than Olympic gold medalist Michael Phelps. Phelps walked through the store's doors with a friendly attitude and was very willing to take pictures with employees and fans.

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Member News

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STORE CLEANLINESS INCREASES YOUR BOTTOM DOLLAR

By Linda Wilt
Patco Food Safety Specialist

“PAYING ATTENTION TO STORE CLEANLINESS WITH AN ESTABLISHED FOOD SAFETY PROGRAM IS A PROVEN WAY TO STAND ABOVE THE CROWD, AND TO CAPTURE MORE SALES INSIDE THE STORE.”

Convenience stores have evolved from being gas stations that stock a limited range of household goods and groceries, into food retailers that also sell gas. Retailers have discovered that food service brings more people inside the store, at a higher profit level than for gas. In 2014, Technomic's Convenience Store Market Intelligence Report stated that food service sales in convenience stores topped \$10.9 billion annually, and is expected to increase. Paying attention to store cleanliness with an established food safety program is a proven way to stand above the crowd, and to capture more sales inside the store.

The Technomic's report also stated that 57 percent of consumers have purchased prepared foods from convenience stores, and approximately 34 percent of shoppers buy fresh foods from a convenience store at least once a week. An outbreak of a food borne illness attributed to a specific food service facility can be costly, sometimes thousands of dollars. Those costs include loss of customers and sales, loss of reputation, negative media exposure, lowered staff morale, increased insurance premiums, and time and cost for staff retraining. Good, consistent cleaning and sanitizing in your store goes a long way to help prevent anyone from becoming sick from consuming food purchased.

One way contamination of your food offering can occur is when a food handler with an infection touches food or food-contact surfaces such as equipment and utensils. Not only is good hand washing by employees important, but any surfaces they may have come in contact with must be cleaned and sanitized to prevent the spread of disease-causing organisms, and worse, a food borne illness outbreak. Developing and following a food safety cleaning program will contribute to the overall level of store appearance and cleanliness.

To develop an effective cleaning program you need to focus on three things: creating a master cleaning schedule, training your staff to follow it, and monitoring the program to make sure it is working. The master cleaning schedule should include the following items:

1. What Should Be Cleaned—List all cleaning jobs in one area, or list them in the order they should be done.
2. Who Should Clean It—Assign each task to a specific person.
3. When It Should Be Cleaned—Cleaning and sanitizing when needed, major cleaning so as to not disrupt service or contaminate food.
4. How It Should Be Cleaned—Develop clear, written procedures; list cleaning tools and chemicals by name; and post cleaning instructions near the item.

Commitment to a food safety program will not only help to prevent the outbreak of a food borne illness, but it can also keep your customers coming inside to buy food, increasing your bottom dollar. **AV**

LINDA WILT CAN BE REACHED AT
LWilt@bhcinc.com



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trendy Chelsea neighborhood, reported *Fortune*, and there isn't a single Lay's potato chip, Dorito, or Pepsi bottle in sight. The Kola House restaurant instead serves new American 'farm-to-table' cuisine under the direction of Executive Chef Jon Feshan. • Italy-based company **Pizza Touch** is testing three pizza vending machines at Florida gas stations, two in Orlando and one in Lakeland, reported WTMJ-TV. A personal size pizza costs \$6 and is ready to eat in two minutes. • McDonald's restaurants in Tulsa recently **expanded Happy Meal offerings to include All Day Breakfast options**, including two McGriddle Cake items and a new Egg & Cheese McMuffin, the company announced. McDonald's hasn't changed the Happy Meal in more than 30 years. • **Six-wheeled robots that can carry 40-pound loads will start delivering groceries** and takeout orders in Washington, D.C., this fall, reported *Recode*. The robots are part of a pilot project from Starship Technologies, which is seeking other U.S. cities to launch additional tests. • **A shuttle bus turned into a mobile convenience store** recently opened at Wichita State University's Hughes Metropolitan Complex, reported *Wichita State News*. The store is open 6:45 a.m. to 9:15 p.m. when school is in session, and offers a variety of items, like donuts, Coca-Cola products, hot dogs and more. • The 2,000 full-time employees of the yogurt company **Chobani** were recently given an ownership stake that could **make some of them millionaires** when the company goes public or is sold, reported the *New York Times*. Chobani is now widely considered to be worth several billion

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Member News

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Part of the appeal of dollar stores is convenience, which makes a big network of stores important. Dollar stores also tend to drive growth with new locations, not big growth in sales at existing stores, according to consulting firm Boston Retail Partners. Dollar General's comparable store sales were up 0.7 percent in the second quarter of 2016 over the same period last year, while Dollar Tree's grew by 1.2 percent.

Fast-Food Outlets Embracing Veggies

Vegetables are exploding on the menus of fast-food and fast-casual chains, reported *Business Insider*. Part of the reason fast-food chains are investing in vegetables—something that has long been seen as antithetical to their existence—is customer demand. While only about 3 percent of Americans identify as vegetarian or vegan, an increasing number of people are cutting meat from their diets. According to a 2015 study, 26 percent to 41 percent of Americans report that they cut down on the amount of meat they ate in the past year.

The article states that adding more vegetables to the menu is a great way for fast-food chains to appeal to the average American, who may not be committed to a 100 percent-meat-free lifestyle, but

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“26 to 41 percent of Americans report that they cut down on the amount of meat they ate in the past year.”

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How To Join A Local FOA

For franchisees interested in joining their local FOA, presented below are step-by-step instructions to guide you through the signup process online.

CREATING AN FOA CASE

1. From the Store home screen click on the 7-Help section and click New/Status/Update.
2. On the home screen select the Accounting drop down.
3. Next choose Accounts Payable.

4. The franchisee desiring membership should make sure that their store number is listed, as well as the FOA they want to join.

- The subclass should be “FOA” and the sub-subclass should be “all.”

- In the Description section state “FOA membership” and in the Detailed Description section state, “I would like to become a member of (provide the complete name of the FOA) at \$XX.XX per month for dues.”

5. Then click Submit.

Please Note:

- Once the case has been submitted you will receive a case number.
- The case will then be routed to AP.
- The FOA analyst will complete the task request from the case and then close the case.
- All membership adds, changes and removals must be submitted by the 22nd of each month.
- All membership adds, changes and removals can also be submitted by calling customer service at 1-877-711-4422.

It is very important that the following information is included when the cases are created:

- Store # and letter code
- Correct name of FOA you want to join
- Dollar amount of monthly dues
- If adding multiple stores, be sure you provide the dollar amount to be deducted per store. See examples below:

For A Single Store

“Please add store 12345W to ABC FOA at \$10.00 per month.”

For Multiple Stores

Please add the following stores to ABC FOA:

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Member News

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wants to dabble in more veggie-friendly diet. There is also a hidden financial bonus to focusing on beefing up vegetables offerings: vegetables typically cost less than meat, meaning that adding more vegetables to a dish can provide a cheaper way to fill up customers.

AmEx To Enforce Restrictions



A federal appeals court recently ruled that American Express could stop merchants that accept its cards from encouraging customers to use rival payment cards that charge the

“The 10 largest franchised brands collectively lost system-wide sales for the first time in the history of the Franchise Times Top 200+.”

stores lower transaction fees, reported the *New York Times*. The decision reversed a lower court’s 2015 ruling that such restrictions violated federal antitrust law. The decision is a major victory for American Express, which wants to ensure that its customers, who pay higher-than-average membership fees, do not encounter any barriers to use. The ruling means that American Express can continue to enforce provisions in its contracts with merchants that pro-

hibit them from steering customers toward other forms of payment.

The decision stems from a 2010 lawsuit brought by the Justice Department and attorneys general in 17 states. Last year, Judge Nicholas G. Garaufis of the United States District Court for the Eastern District of New York ruled that prohibiting merchants from steering customers toward other forms of payment constituted “an unlawful restraint on trade.” But on September 26, the United States Court of Appeals for the Second Circuit disagreed, saying that the decision focused only on the merchants’ interests, “while discounting the interests of cardholders.”

A New Store Celebration!

Franchisees Balwinder Singh and Harpreet Kaur recently celebrated the opening of their new store in Willoughby, Ohio. NCASEF Chairman Joe Galea and SEI representatives were on hand at the store’s grand opening ceremony to help the pair commemorate the momentous event, as were family members and friends.



Largest Brands Sink In Franchise Times Ranking

The 10 largest franchised brands collectively lost system-wide sales for the first time in the history of the Franchise Times Top 200+ as some of the very largest brands in franchising showed massive year-over-year sales declines, according to this year’s exclusive ranking by *Franchise Times*. By contrast, the other 190 big brands posted stunning sales growth, with Nos. 11-200 up nearly 7 percent.

The largest 10 brands—which include McDonald’s, 7-Eleven, KFC, Burger King, Subway, Pizza Hut, and Wendy’s—lost a combined total of \$7.3 billion in sales during the year. In addition, many of these largest brands slowed

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Member News

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their units growth within the United States while adding new international units, suggesting that franchising's most prominent companies have topped out at home and are accelerating an already massive pivot toward international markets.

In all, the largest 200 U.S.-based franchise systems posted \$596.1 billion in worldwide sales in 2015, up 2.2 percent from the prior year or \$12.5 billion, according to the Franchise Times Top 200+. They operated 497,335 units total, a 3.1 percent increase from the year before.

Holiday Spending To Increase

Holiday spending is expected to reach its highest point since the Great Recession, increasing 10 percent compared with the 2015 holiday season, according to PwC's 2016 Holiday Outlook. PwC outlines the big trends that are expected to drive the 2016 holiday shopping season:

- Shoppers will likely spend 10 percent more this holiday season—an average of \$112 each. Consumers with annual household incomes less than \$50,000 will likely increase their percentage spending levels even more than consumers overall.
- Millennial parents are far more optimistic about the economy, and they start shopping earlier than consumers overall and enjoy it more.
- Hipsters will likely spend \$500 more this season than consumers overall, and they will likely



“Oklahoma City-based licensee 7-Eleven Stores just last year began rolling out a new format featuring full kitchens.”

Quick Trips The Shopping Norm

Consumers' grocery shopping patterns are quickly evolving as just-in-time shopping is becoming the norm, according to a new IRI Times & Trends Report, “The Omnichannel Journey: Translating Big Data into a Prescription for Growth.” Quick trips—those “I need it now” grocery excursions—account for two-thirds of shopping visits and one-third of grocery expenditures, the report states. Furthermore, these trips are not made at one store or even one channel—there is a major shift in how consumers are approaching grocery shopping, because they are spreading their money across more channels and formats as they shop to fulfill their needs.



7-Eleven Of Oklahoma Adds Kitchens For Foodservice

Oklahoma City-based licensee 7-Eleven Stores is growing and just last year began rolling out a new format featuring full kitchens in anticipation of offering more

spend a hefty third of their holiday budget on themselves.

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made-to-order foodservice items, reported *The Shelby Report*. “I don’t think we’re very far away from a made-to-order format,” said Jim Brown, president and CEO of the company. He added that in a

year’s time there will be a total of nine of the new models operating in central Oklahoma. 7-Eleven Stores debuted the first of these format stores last year, as reported by CSNews Online. The concept offers breakfast items as well as menu items like pizza and chicken bites, and an expanded selection of coffee, icy drinks and frozen yogurt.

Turnover A Big Problem

Finding and keeping good employees is one of the biggest challenges facing the convenience store industry today, according to the 2016 Convenience Store News HR & Labor Study. In an exclusive report, *Convenience Store News* writes employees' tenure seems to correspond with the level of their position on the hierarchy: store associates stay in the role 2.2 years on average; assistant managers stay 3.2 years; and store managers stay 6.4 years. Only field managers for chain c-stores spend more time in the role, at an average of 6.5 years.

The trade publication further states that corresponding with employees' average time spent in a role, turnover is a bigger issue for entry-level employees than it is for those who have moved up the job ranks. The average annual rate of turnover for store associates in 2015 was 54 percent. This figure dropped to 23.8 percent for assistant store managers and 14.9 percent for store managers. Field managers for c-store chains saw very little turnover, at just 4 percent annually.

Top factors impacting turnover include competition from other businesses

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Member News

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“The average annual rate of turnover for store associates in 2015 was 54 percent.”

for employees, wages, dismissal for cause, and benefits, all of which ranked higher than a 3.0 on a 1-6 scale, where 6 is a serious problem. Retailers also expressed concern about the work ethic among the available pool of employees.

Mars Takes Control Of Wrigley



Mars Inc. is combining its chocolate business with its Wrigley candy subsidiary, headquartering the combined division in Chicago, reported the *Chicago Tribune*. The move was possible after Mars said it would take full control of Wrigley by acquiring the stake held by Warren Buffett's Berkshire Hathaway. Berkshire has owned a piece of Wrigley since the company was bought by Mars in 2008. The chocolate business has been based in Mount Olive, N.J., while Wrigley's offices are in Chicago's Goose Island neighborhood. According to the article, the units will remain separate for the time being, with a gradual phase-in expected next year. Martin Radvan, currently Wrigley's global president and a 30-year company veteran, will lead the combined division.

New Jersey Lawmakers Raise Gas Tax

Gas in New Jersey just got more expensive after lawmakers voted recently to raise the tax by 23 cents per gallon to

pay for the state's expired transportation trust fund, reported the Associated Press.

Once Republican Governor Chris Christie approves the bill it would make New Jersey's gas tax the sixth-highest in the nation, up from 49th before. It would still remain lower than the gas tax in neighboring New York and Pennsylvania, though. The measure kicked in on November 1. The bill—raising the tax from 14.5 cents per gallon while cutting the sales and estate taxes—passed in the Democrat-led Assembly and Senate despite robust bipartisan opposition from lawmakers and many residents.

Amazon Planning To Open C-Stores

Amazon.com is pushing deeper into the grocery business with plans to introduce convenience stores as well as curbside pickup locations, reported the *Wall Street Journal*, citing sources familiar with the matter. According to the article, the Seattle company aims to build small brick-and-mortar stores that would sell produce, milk, meats and other perishable items that customers can take home. Primarily using their mobile phones or, possibly, touch screens around the store, customers could also order peanut butter, cereal and other goods with longer shelf lives for same-day delivery.



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The convenience/grocery stores, known internally as Project Como, are designed to capture the large share of people who prefer to pick out their produce or bring home their groceries on the way from work. For customers seeking a quicker checkout, Amazon will soon begin rolling out designated drive-in locations where online grocery orders will be brought to the car, the people said. The company is developing license-plate reading technology to speed wait times.

SEI Dropping Belly iPad Loyalty Program

7-Eleven is dropping Chicago startup Belly's iPad loyalty program from its stores, reported the *Chicago Tribune*. Belly, which makes a program that lets small businesses reward customers when they check in on iPads in the stores, announced a partnership with 7-Eleven in August 2014 that would put its platform into 2,000 stores that year, rewarding regular customers with free food and drinks. Now the iPads are going to disappear. In an email to its users Belly stated, “7-Eleven is transitioning to a new rewards program in December. Stop by 7-Eleven and redeem your Belly Points as soon as you can—November 30, 2016 is the last day!”

In an email response quoted in the article, 7-Eleven FOAC President Ken Patel said that the group's 300 member stores will shift to using only 7Rewards. “Belly has been a great partner, but dual loyalty systems is complex and confusing to our customers and our stores. We appreciate their partnership and efforts, but the corporate team has decided to go another direction,” he wrote. **AV**

WIINGS FOR EVERY TASTE.



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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NCASEF Chairman Joe Galea presented a check for \$5,000 to Dallas Police Cpl. Bryan Shaw on October 12, 2016. Cpl. Shaw sustained injuries when he was shot by a gunman who ambushed police officers on July 7, 2016 at El Centro Community College in Dallas, Texas.



Correction

Coke representative Roxanne Lowder was misidentified as Carrie Niggli in a photo caption on page 49 of Avanti's July/August issue. Apologies all around!

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dollars. • Building on the success of its consumer mobile app **DineTime**—which allows consumers to locate restaurants, join wait lists and book reservations—QSR Automations recently unveiled an **updated version that shows the current wait time and the number of parties on the wait list** at thousands of chain and independent restaurants found within the app. • CideRoad, LLC, a line of ready to drink **Organic Switchel beverages**, dominates the segment with an 82 percent dollar share and an 84 percent unit share with 230 percent dollar growth, according to retail consumer insights

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SEI News

NEW ATM SERVICES JULY 2017

Fiserv, Inc., a provider of financial services technology solutions, announced it has partnered with nationwide ATM network company FCTI Inc. to provide transaction processing for nearly 8,000 ATM terminals at franchise- and corporate-owned 7-Eleven stores across the United States. Through the partnership, Fiserv will provide ATM device driving, transaction authorization, network gateway access and switching and settlement. Additionally, Fiserv will tailor its self-

service tool to meet the specific needs of these ATMs to enable FCTI to do self-terminal setups. The conversion of all ATMs to the Fiserv platform is slated to

begin in July 2017. Components of the overall products solution include providing priority routing of transactions over the Accel debit payments network to FCTI clients and the availability of CardFree Cash from Fiserv on FCTI ATMs—delivering an immediate, cardless way to withdraw funds at thousands of additional ATM locations nationwide.

POP-TARTS TOAST SLURPEE'S 50 YEARS

Kellogg's joined Slurpee's Fiftee Partee celebration by introducing the first-ever Slurpee birthday Pop-Tarts. Available from September 29 to November 11, the Limited Edition Printed Fun Pop-Tarts in



"SEJ's information system will use data from orders placed by the stores, along with sales volume and trends, to automatically decide when inventory levels are low."

Frosted Strawberry and Frosted Blueberry revealed images of the Crazy Good Pop-Tart characters and Slurpee birthday messages once unwrapped. During the special promotion consumers were also able to continue the Slurpee Fiftee Partee with a Crazy Good Slurpee 50 Game, a Scratch 'n' Win game that provided a chance to win 7-Eleven \$50 gift cards.

SEVEN ELEVEN JAPAN UP-GRADING INVENTORY SYSTEM

Seven Eleven Japan is planning to spend a record US\$517.6 million on upgrading its information system to automate its inventory process and rely less on human contact to get the job done, reported *Tech Wire Asia*. The c-store chain wants to overhaul its Retail Information System Evolution (RISE) to make it easier to monitor inventory levels without having to depend on employees to check on them manually. Currently, 7-Eleven franchises rely on employees to check on stock levels and to update the system as they become depleted—which can be a slow and inaccurate process, the article states. The

upgraded system will be able to use data from orders placed by the stores, along with sales volume and trends, to automatically decide when inventory levels are low, and simplify the order-replacement process.

SEI EXEC RECEIVES INNOVATION AWARD

SEI senior director of fresh food innovation Anne Readhimer was recently named recipient of the Innovation Award in the 2016 Top Women in Store Brands (TWISB) program, reported CSNews Online. Conducted by Women Impacting Storebrand Excellence (WISE) and Store Brands magazine—a sister publication of Convenience Store News—the program was created to provide well-deserved recognition for women executives who have achieved exceptional success and bring a passion for store brands to their day-to-day activities. Recognition categories cover functional expertise areas, as well as three achievement areas not linked to a specific functional expertise area.

DOLLAR COFFEE DAYS

The day after each of the three 2016 Presidential Debates, 7-Eleven offered fresh-brewed coffee in its extra-large 7-Election Stay-Hot Cups for just \$1. The first Dollar Coffee Day occurred on September 27, after the first debate and lasted all day at participating U.S. 7-Eleven stores. The last occurred on October 20. Coffee-quaffing voters simply needed to download the 7-Eleven mobile app, select one of the three 7-Election Presidential coffee cups, fill it to the brim and scan the app for the dollar deal.

2016 marked the fifth quadrennial 7-Election Presidential Coffee Cup Poll. The



"In previous 7-Election coffee cup polls, 6 million cups (ballots) were cast, and the results accurately predicted the 'real' elections."

SEI News

campaign invited 7-Eleven customers to "cast their cups" by purchasing coffee in specially marked 7-Election Stay Hot Coffee cups—blue Democrat, red Republican and, new this year, a nonpartisan, purple Speak Up cup. Coffee lovers were able to "vote" through Election Day, November 8, simply by purchasing coffee in a 7-Election cup. In each of the previous 7-Election

polls, a staggering 6 million cups (ballots) were cast, and results in each

accurately predicted those in the "real" elections.

'BIG TASTE GRILL' SUPPORTS ST. JUDE CHILDREN'S HOSPITAL

SEI teamed up with the Johnsonville Sausage Big Taste Grill in Irving, Texas over the summer to raise funds for St. Jude Children's Research Hospital, reported Convenience Store Decisions. Parked at SEI headquarters on Hackberry Road, the Big Taste Grill cooked more than 1,500 sausages for the one-day event. Attendees

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BUY ONE
GET ONE



NEW PRODUCT FEATURE



BUFFALO CHICKEN MAC & CHEESE

Pasta shells tossed with premium breaded white meat chicken in a creamy buffalo cheddar cheese sauce topped with a touch of real blue cheese.



CHICKEN ENCHILADA SUIZA

Enchiladas stuffed with premium pulled chicken topped with a blend of cheese and creamy green chili sauce on a bed of spanish rice corn, black beans and bell peppers.



SKU	PRODUCT	COST/UNIT	BOGO	FINAL UNIT COST	SRP	MARGIN	MARGIN %
25155-05704	DEVOUR Buffalo Mac N Cheese	\$2.64	\$1.32	\$1.32	\$4.49	\$2.56	71%
25155-15706	DEVOUR Chicken Enchilada	\$2.64	\$1.32	\$1.32	\$4.49	\$2.56	71%

Offer Valid Through November 31, 2016 Through McLane VTS

Working together to find real solutions



Franchisees are 7-Eleven's greatest competitive advantage – local small business owners serving local communities. You know your customers and business better than anyone. We created the National Business Leadership Council (NBLC) to leverage this advantage across the system.

The NBLC is made up of 45 Franchisees across all zones working with 7-Eleven senior leaders. The Council has been active since January 2011.

Mission & Purpose

The mission of the NBLC is to solve operational problems and drive the business.

How the NBLC Works

- » 7-Eleven and Franchisee leaders identify top issues affecting store operations
- » Each issue is then assigned to a committee, which works on the issue until a solution is found



NBLC Committees

- » Accounting
- » Communications
- » Continuous Improvement
- » Hot Food Acceleration *(new committee as of May 2016)*
- » Lottery Processes *(new committee as of May 2016)*
- » Maintenance
- » Minimum Wage
- » Omni Channel Acceleration *(new committee as of May 2016)*
- » Billback/Scanback *(closed April 2016)*
- » Inventory Audit Review *(closed April 2016)*
- » Underperforming Stores *(closed April 2016)*



Applications for the 2017-2018 National Business Leadership Council closed in September and new members will be announced mid-November.





Member News

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SEI News

were offered a choice of Johnsonville's Cheddar Beer Brat or a Johnsonville Italian Sausage, the latest addition to 7-Eleven's hot roller grill line-up. All proceeds—\$2,200—were donated to St. Jude Children's Research Hospital.



FREE COFFEE WEEK

7-Eleven customers were able to enjoy a free cup of coffee every day during Free Coffee Week, October 3 through October 9. All-size cups and flavors of hot beverages were free through the 7-Eleven mobile app. The free offer appeared automatically as a coupon each day in the "Scan and Save" section of the app during the promotion. No purchase was necessary to receive a free, fresh-brewed cup of coffee, cappuccino, latte or hot chocolate every day, for one week, at participating 7-Eleven stores. Each free cup also counted as a star in the 7Rewards ongoing "Buy Six Cups, Get the Seventh Cup Free" offer.

'TWO COOL' TWO-WEEK SLURPEE OFFER

7-Eleven kicked off Share-a-Slurpee fun this fall with exclusive new flavor Slurpee flavor Green Apple Skittles and a

Buy One-Get One Free Slurpee drink

event that initially ran September 12 to 18, but was extended an extra week to September 25. Customers who bought any size or flavor Slurpee drink were eligible to receive a second Slurpee drink free the same size as purchased or smaller. During the Buy One-Get One Free Slurpee drink event, both the purchased and free Slurpee drinks counted toward the 7Rewards "Buy Six, Get the Seventh Free" drink offer available on the 7-Eleven smartphone app.

CALORIE MENU LABELS AT ALL CANADA STORES

7-Eleven Canada stores recently announced that calorie counts are now on price tags and menu boards for non-packaged food and beverage products, including hot and cold beverages, crispy chicken, hot foods, and fresh bakery products. The introduction of Canada-wide calorie labels coincides with the lead-up to Ontario's new menu labeling requirements in the New Year. 7-Eleven Canada said it chose to move with early implementation and extend this nutritional information to its customers across the country. The company said it has gone above and beyond Ontario's menu labeling regulations, having also posted a Nutrition Quick Reference Guide in stores to provide customers with comprehensive information on calories and 13 core nutrients for over 300 food and beverage entries. **AV**

"7-Eleven Canada stores recently announced calorie counts are on price tags and menu boards for non-packaged food and beverage products."

Visit the National Coalition
Website: www.ncsef.com



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provider SPINS. •

Dunkin' Donuts announced that it will launch a line of Dunkin' Donuts branded ready-to-drink coffee beverages in the United States in early 2017. The Coca-Cola Company will manufacture, distribute and sell the products. • The Bakery, Confectionery, Tobacco Workers and Grain Millers International Union announced that its "Check the Label" campaign, which urges American consumers to reject Mexican-made Nabisco products and instead buy those that are produced in America, has reached over 100 million American consumers through social media, television and radio. • Swisschocolate-online.com recently launched the XXL Toblerone, the biggest Toblerone tablet available on the market at 4.5kg (150oz). • An in-depth analysis by personal-finance website [Wallethub](http://Wallethub.com) reveals that 2016's fastest growing cities are (in order from #1 to #10) Frisco, TX; League City, TX; Lehigh Acres, FL; Kent, WA; Surprise, AZ; Meridian, ID; Midland, TX; McKinney, TX; Concord, NC; and Bryan, TX. • The Kroger Co.'s Board of Directors recently declared a quarterly dividend of 12¢ per share to be paid on December 1, 2016, to shareholders of record as of the close of business on November 15, 2016. • [Empire Petroleum LLC](http://EmpirePetroleum.com) recently purchased a portfolio of leasehold interests in 21 convenience stores with gasoline in Kansas, Missouri and Oklahoma—along with sublease/fuel supply interests in the stores—from Florida based distributor Sunshine Fuel LLC, reported *CSP Daily News*. **AV**

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DEF003
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BLUEDEF®
DIESEL EXHAUST FLUID (2.5 GAL)
DEF002
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PREDILUTED ANTIFREEZE
PRAB53
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PEAK® -20° WASH
& DEICER
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VENDOR FOCUS

Drink Chobani Offers Yogurt On-The-Go

Created for those on the move, new Drink Chobani yogurt beverage is a refreshing drinkable yogurt that combines real fruit and vegetables with creamy low-fat Chobani Greek yogurt. With delicious flavors like Straw' Nana and Apple Veg, it's the perfect one-handed snack to enjoy on-the-go, at home or in the office. Plus, each bottle contains 1/3 less sugar than other yogurt drinks, is an excellent source of protein and is made with only natural, non-GMO ingredients. Order today. Drink Chobani Straw' Nana 10oz—SLIN 150036 Drink Chobani Apple Veg 10oz—SLIN 150042



Drink Chobani yogurt beverage is the perfect one-handed snack.

professional photo shoot, airfare and three nights in a Manhattan hotel. The sweepstakes opened on August 25 and will run until December 31, 2016, or while game pieces last.

Organic Ingredients & Gatorade Performance

Pepsi's newest Gatorade, new G Organic offers athletes a fueling option that is USDA certified organic, while still providing the proven fueling benefits found in Gatorade Thirst Quencher. It also helps athletes achieve peak performance during training and competition by delivering sports fuel derived from organically grown sugar that provides scientifically balanced carbs, electrolytes and hydration. Backed by science, G Organic features just seven ingredients—water, organic cane sugar, citric acid, organic natural flavor, sea salt, sodium citrate and potassium chloride—and is available in Mixed Berry, Strawberry, and Lemon flavors.



G Organic features just seven ingredients and is available in Mixed Berry, Strawberry, and Lemon flavors.

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White Castle Kicks Off X-Men Sweepstakes

White Castle has partnered with Twentieth Century Fox Home Entertainment to host an X-Men themed sweepstakes, timed to the Digital HD release of X-Men: Apocalypse on September 9, 2016. Customers who purchase a specially marked White Castle Slider six-pack in retail locations, including 7-Eleven stores, will receive a scratch off card for a chance to win a trip for two to New York City to "Be an X-Men for a Day," and thousands of other White Castle and X-Men instant win prizes. The grand prize pack includes a



Become an X-Men with White Castle's X-Men themed sweepstakes.

Patco Unveils BruTab 6S

Patco recently introduced BruTab 6S, an effervescent sanitizer tablet for use on hard, non-porous food contact surfaces. BruTab 6S is strong, surface and user friendly, stable, sustainable, simple and smells better than bleach. A single dose tablet delivers accurate strength solution every time, eliminating measure and pour guesswork.



SPACE JAM PREMIUM E-LIQUID



MOST RECOGNIZED E-LIQUID BRAND GLOBALLY

INDUSTRY LEADER IN RESPONSIBLE MARKETING & BRANDING

LARGEST LOYAL CONSUMER FAN BASE

HIGH RETAILER MARGIN

VENDOR FOCUS

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On-the-Go LALA Yogurt Smoothies

LALA Yogurt Smoothies are the new way to fuel your customers' on-the-go lifestyle. With 5 grams of protein and real fruit, LALA Yogurt Smoothies are also an excellent source of Calcium and Vitamin D. The smoothies do not contain high fructose corn syrup, artificial colors or flavors, and don't require a spoon like traditional yogurt. Available in three delicious flavors—Wild Strawberry, Tropical Mango and Mixed Berry—LALA Yogurt Smoothies deliver both great taste and the nutrition that consumers want in a convenient bottle that goes where life goes. 7-ounce single-serve LALA Yogurt Smoothies retail for \$1.79 and are available for order November 7, 2016.



LALA Yogurt Smoothies retail for \$1.79 and are available for order on November 7.

Bazooka Gum Now Available Sugar Free



New Bazooka Sugar Free is available in both 22-piece slim tube and 60-piece To Go Cup formats.

Bazooka Candy Brands, a division of The Topps Company, Inc., introduces Bazooka Sugar Free Gum to the confectionery space. This brand new product is packed with the huge flavor of classic Bazooka Bubble Gum, but in a brand-new sugar free form. It is accredited by the American Dental Association and is the winner of the "Most Innovative New Product" in the Gum/Mints

category at the 2016 National Confectioners Association Sweet & Snacks Expo. Bazooka Sugar Free is available in multiple formats, and the "To Go Cup" product offering contains 60 pieces of sugar free gum and includes a pullout comic that fea-



tures a variety of games and puzzles.

In keeping with its roots in fun and entertainment, Bazooka Sugar Free is also working together with two of the most iconic properties of all time, Disney's Frozen and Marvel's Avengers. The slim tubes come with 22 pieces of sugar free gum in one of two delicious flavors: classic Original and all-new Blue Razz. The Original flavor slim tube features Captain America from Marvel's Avengers, while the Blue Razz flavor slim tube features Anna and Elsa from Disney Frozen. Bazooka Candy Brands has launched a national integrated marketing and promotional campaign that includes a fun, animated television spot called "Little Piece, Big Flavor."

New Stride Gum Launches In 7-Eleven

With the launch of new Stride Gum with Crunch Reactors, 7-Eleven is set to help invigorate Gum Category sales with a new chewing sensation that should have customers coming back again and again. The new Stride Gum line-up features five flavors: Peppermint, Spearmint, Icymint, Lemonberry, and Melo-peach. All are available to order now.



Bring some mad intensity to your Gum Category sales with new Stride Gum with Crunch Reactors.

Stride gum has been re-formulated with Crunch Reactors and dual layers to deliver a powerful sensorial experience that's totally new in the gum aisle. In addition, the Stride Gum new packaging will stand out with a radical vertical orientation designed to attract attention as well as save space on your shelf. Hot, fully-funded Stride Gum promotions are coming in November and December, so be sure to check what's available for you.

Taste The Twist With Swisher Sweets Twisted Berry

Swisher Sweets Limited Edition Twisted Berry cigarillos are the perfect blend of sweet grapes and tangy raspberries. Twisted Berry is

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LALA 7oz Singles Now Available to Order!

F.O.D. 11/07/16

NEW!

\$1.79
RETAIL



5g
of
PROTEIN

made with
REAL FRUIT

perfect for
ON THE GO



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McLane UIN 803668



SLIN 150383
Core-Mark UIN 873992
McLane UIN 803627



SLIN 150381
Core-Mark UIN 874008
McLane UIN 803593

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PRACTICE IT ON THE GO

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sure to delight customers with its sweet, satisfying taste and popular pricing.

Limited edition cigarillos continue to be a huge hit and Twisted Berry is on track to be as popular as the summer favorites Summer Twist and Arctic Ice. In 2015,

stores that carried Swisher Sweets limited edition cigarillos experienced significantly higher growth than stores that did not carry the product, with stores carrying posting an 11.3 percent increase in large cigar volume (based on MSAi database through June 11, 2016).

Swisher Sweets Twisted Berry cigarillos are available in "2 for 99¢" pouches and "Save on 2" pouches, but only while supplies last. For more information or to place an order today, contact your Swisher representative at 1-800-874-9720.



Swisher Sweets Limited Edition Twisted Berry will delight customers with its sweet, satisfying taste.



New Nature Valley Biscuits feature a delicious layer of creamy almond or peanut butter.

New Nature Valley Biscuits With Creamy Filling

General Mills Convenience is rolling out a new version of its Nature Valley Biscuits featuring a delicious layer of creamy almond or peanut butter between two 100 percent whole grain oat biscuits. Two varieties—Nature

Valley Biscuits with Almond Butter and Nature Valley Biscuits with

Peanut Butter—give c-store retailers an opportunity to bring on-trend nut butters to the grain aisle in combination with nutritious whole grain oats. Already a success in retail channels, the new biscuits help c-stores meet consumer demand for protein with a product that delivers a unique texture and great taste. The biscuits, with no high fructose corn syrup and no artificial flavors or colors, are available in 1.35-ounce packages.

continued next page

Walkers Shortbread Now Available In 7-Eleven

Walkers Shortbread is now authorized and suggested in 7-Eleven's new planogram. Walkers Shortbread products are sold all over the world. Although increased demand means that the company has had to modernize its equipment, they still use the same wonderfully simple recipe that founder Joseph Walker would recognize. It is only by baking in small batches that they can ensure that classic taste for which Walkers are famed. As it always has been, Walkers Shortbread is made using only four ingredients: flour, butter, sugar and salt. Walkers is proud to say that its products contain no artificial flavorings, colorings or preservatives. Order today.

- 4.4oz/6 Mini Shortbread Fingers Cello Bag—SLIN# 305471
- 4.4oz Mini Choc Chip Shortbread Cello Bag—SLIN# 305458
- 4.4oz/6 mini Scottie Dogs Shortbreads Cello Bag—SLIN# 305473



Walkers Shortbread is now authorized in 7-Eleven.

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FOA BOARD MEETING DATES



7-Eleven FOAC

Phone: 847-278-7415
November 15, 2016
December 15, 2016

Cal-Neva FOA

Phone: 775-826-7111
November 16, 2016
December 21, 2016

Central Florida FOA

Phone: 407-683-2692
November 17, 2016

FOA Of Greater LA

Phone: 619-726-9016
November 15, 2016

Greater Seattle FOA

Phone: 425-308-1216
November 30, 2016—Board Meeting

Metro New Jersey FOA

Phone: 908-232-1336
All meetings include tabletop trade shows.
Vendors are welcomed to participate.
November 17, 2016

Northern California FOA

Phone: 916-412-3702
November 16, 2016

San Francisco/Monterey Bay FOA

Phone: 510-693-1492
November 8, 2016

Southern California FOA

Phone: 626-255-8555
November 9, 2016
December 2016—No Meeting

Want to talk to other franchisees?



The National Coalition has Franchise Owner's Association member organizations in all 31 states in which 7-Eleven operates.

To find the FOA closest to you. Visit www.NCASEF.com to contact any one of the 42 local Franchise Owner's Associations nationwide. Want to talk to someone at the national level? Call the NCASEF Vice Chairman in your area:

- Jas Dhillon, East Coast, Chicago, Kansas, Florida
jasdhillon@rocketmail.com
818.571.1711
- Serge Hattayan, Seattle and Midwest
sergez@comcast.net
559-355-4899
- Hashim Syed, California
hj.syed@gmail.com
847-293-8551
- National Office
nationaloffice@ncasef.com
831-426-4711

FOA EVENTS

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

MIDWEST FOA MICHIGAN HOLIDAY SHOWCASE

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

CENTRAL FLORIDA FOA HOLIDAY PARTY

Holiday Inn
Orlando, Florida
December 10, 2016
Phone: 407-897-7484

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

SOUTHERN CALIFORNIA FOA HOLIDAY PARTY

Royal Banquet Hall
Upland, California
December 10, 2016
Phone: 626-255-8555

MIDWEST FOA ILLINOIS HOLIDAY SHOWCASE

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

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

(venue to be announced)
December 14, 2016
Phone: 630-202-1538

FOA OF GREATER LOS ANGELES HOLIDAY PARTY

Diamond Bar Center
Diamond Bar, California
December 16, 2016
Phone: 619-726-9016

GREATER SEATTLE FOA HOLIDAY PARTY

Pabla Punjabi Palace—SeaTac
SeaTac, Washington
December 17, 2016
Phone: 425-308-1216

FOA OF GREATER LOS ANGELES & SAN DIEGO FOA TRADE SHOW

Anaheim Convention Center
Anaheim, California
January 27, 2017
Phones: 619-726-9016
619-713-2411

SOUTHERN NEVADA/LAS VEGAS FOA TRADE SHOW

Cashman Field Center
Las Vegas, Nevada
April 19, 2017
Phone: 702-561-0311

SOUTHERN NEVADA/LAS VEGAS FOA GOLF TOURNAMENT

Rhodes Ranch Golf Club
Las Vegas, Nevada
April 20, 2017
Phone: 702-561-0311

SOUTHERN CALIFORNIA FOA TRADE SHOW

Pasadena Convention Center
Pasadena, California
May 17, 2017
Phone: 626-255-8555

UTAH FOA TRADE SHOW

(venue to be announced)
June 7, 2017
Phone: 801-450-4538

UTAH FOA GOLF TOURNAMENT

(venue to be announced)
June 8, 2017
Phone: 801-450-4538

SOUTHERN CALIFORNIA FOA CHARITY GOLF TOURNAMENT

Industry Hills Golf Club
Industry Hills, California
September 20, 2017
Phone: 626-255-8555

NCASEF BOARD MEETINGS

NATIONAL COALITION AFFILIATE MEETING

JW Marriott Starr Pass
Tucson, Arizona
February 20-21, 2017

NATIONAL COALITION BOARD OF DIRECTORS MEETING

JW Marriott Starr Pass
Tucson, Arizona
February 22-24, 2017

NATIONAL COALITION BOARD OF DIRECTORS MEETING

Caesars Palace Las Vegas Hotel
Las Vegas, Nevada
July 16-17, 2017

NATIONAL COALITION AFFILIATE MEETING

Gaylord Opryland Resort & Convention Center
Nashville, Tennessee
October 30-31, 2017

NATIONAL COALITION BOARD OF DIRECTORS MEETING

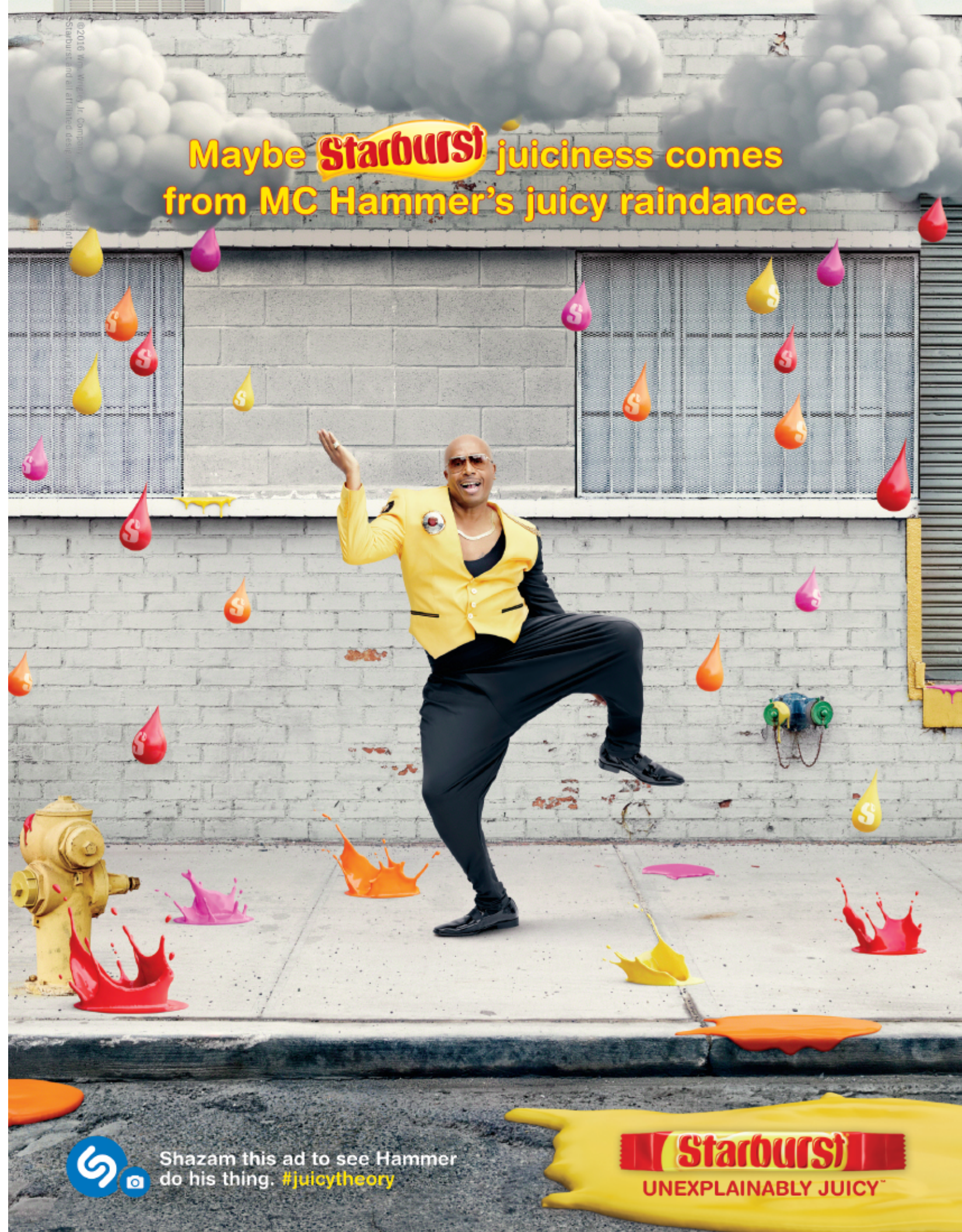
Gaylord Opryland Resort & Convention Center
Nashville, Tennessee
November 1-3, 2017



NATIONAL COALITION 42ND ANNUAL CONVENTION & TRADE SHOW

Caesars Palace Las Vegas Hotel • Las Vegas, Nevada

July 17-20, 2017 | Trade Show: July 19-20, 2017



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Djarum Black SLIN 0321436 7 51667 04694 7	Djarum Black Cherry SLIN 0321435 7 51667 06754 6	Djarum Special SLIN 0321433 7 51667 06758 4
Djarum Splash 7 51667 07422 3	Djarum Mild SLIN 0321395 7 51667 07426 1	Djarum Bali Hai SLIN 0321205 7 51667 07434 6
Djarum Black Vanilla SLIN 021434 7 51667 09062 9	Djarum Black Menthol 7 51667 09066 7	Djarum Black Ultra Menthol 7 51667 29002 9



Ask your Kretek representative for details at salesinfo@kretek.com



www.djarumcigar.com

WARNING: Smoking cigars regularly poses risks of cancer of the mouth, throat, larynx, and esophagus similar to smoking cigarettes. This product contains chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.

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 26% ACV reach