



# AVANTI

January/February 2017

THE VOICE OF 7-ELEVEN FRANCHISEES

ASSORTMENT  
PRICING  
STORE PA

STORE PA

STORE SECURITY

WAGE

SECURITY

2019  
AGREEMENT

MINIMUM WAGE

What's  
next for  
franchisees?

Expand The  
Assortment

The Bottom Line

The Ultimate Power

Let's Go After

The Competition

Taking  
Legislative  
Action

Minimum Wage  
Fee: Charge or  
Not Charge?

Presidents'  
Reports

4th QUARTER 2016

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**NACS**  
**Membership**  
**Offer** FOR  
FRANCHISEES  
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Down**  
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**ELIGIBILITY:** Each store that increases the number of Coca-Cola Simply Juice SKU's will gain entries into a drawing for cash prizes (eligible SKU's in priority ranking on opposite page).

- Stores adding one (1) incremental 11.5oz Simply SKU will receive 5 entries into drawing
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- Stores adding two (2) incremental 11.5oz SKU and one (1) incremental 59oz SKU will receive 15 entries into drawing
- Stores adding three (3) incremental 11.5oz Simply SKUs will receive 15 entries into drawing
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### MEASURE: 7-Exchange Data

- Number of store entries into the drawing will be determined by using the Latest 12-Week ending 5-28-17 store level data for eligible SKU's.

**DRAWING:** Coca-Cola Company will complete the drawing among eligible franchisees in June 2017, winning stores announced in July 2017, and payout by August 31st, 2017.

**INCENTIVE KICKER:** NCASEF will receive a payment of \$30,000 to be used at the boards discretion if total store SKU growth meets certain parameters.

### PAYOUT POTENTIAL: \$150,000

Forty (40) \$500 prizes available (\$20K)

Twenty (20) \$1,500 prizes available (\$30K)

Twenty (20) \$1,000 prizes available (\$20K)

Twenty (20) \$2,500 prizes available (\$50K)

30,000 to NCASEF for achieving 5% growth target.

**Note:** Store level prize pool will be determined by overall growth % achieved for NCASEF. Every 1% = \$5,500

**Questions:** Contact Patricia Hale at 806-786-2159  
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SLIN #: 0246790  
UIN #: 162719



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UIN #: 650119



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Cocktail  
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Simply Lemonade®  
(59 fl oz)  
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UIN #: 443358



Simply Apple®  
(11.5 fl oz)  
SLIN #: 0248049  
UIN #: 152074



Simply Lemonade®  
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RESULTS OF THE COLLABORATION BETWEEN TWO GREAT COMPANIES



# AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

January/February 2017

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*Save The Date!*  
**July 17-20**

**NCASEF 42nd Convention  
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AVANTI is published by the National Coalition of Associations of 7-Eleven Franchisees for all independent franchisees, corporate store managers and interested parties. National Coalition offices are located at 740 Front Street, Suite 170, Santa Cruz, CA 95060. For membership information, call 831-426-4711 or e-mail [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com). AVANTI Offices are located at 116 Bellevue Ave., Suite 304, Langhorne, Pennsylvania 19047. For advertising information, call Sheldon Smith at 215 750-0178 or fax to 215 750-0399; on-line, send messages to [sheldon.smith5@verizon.net](mailto:sheldon.smith5@verizon.net).





## Member News

### 7-Eleven #1 On Franchise 500 List

*Entrepreneur* magazine has unveiled its 38th annual Franchise 500, ranking 7-Eleven number one for the first time in nearly a decade. The magazine says the “90-year-old brand has implemented key tactics, including its retailer initiative program and co-prosperity model,” to make it the top performer. McDonald’s, Dunkin’ Donuts and The UPS Store follow in second, third and fourth place, respectively. Only two other c-store chains made the list: Circle K at #357 and ampm at #368.

“As a franchisor, being recognized as

the No. 1 business opportunity by *Entrepreneur Magazine* is a tremendous honor,” said SEI President and CEO Joe DePinto. “In turn, we recognize that our

franchise owners are the key to this iconic brand’s success and share this award with them. Together, we have created a winning franchise system and work every day to provide new opportunities to entrepreneurs.”

The magazine said it continues to evolve its 38-year-old formula for the ranking, developing new ways to measure and analyze the collected data. The key factors that go into the evaluation include costs and fees, size and growth, support, brand strength, and financial strength and stability. All franchises are

given a cumulative score based on more than 150 data points,

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*“Entrepreneur cited 7-Eleven’s retailer initiative program and co-prosperity model in making it the top franchise performer.”*

## 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](http://www.NCASEF.com).



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January/February 2017

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Core Mark # 435748



KING SIZE BAR!



OREO Chocolate Candy Bar King Size

McLane UIN #808931

Core Mark # 436198







## Member News

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and the 500 franchises with the highest cumulative scores become the Franchise 500 in ranking order.

### SEJ's Profits Increase

NIKKEI  
ASIAN  
REVIEW

Seven-Eleven Japan grew its operating profit for the March-November period by 4 percent or 187.1 billion yen (\$1.64 billion U.S.), thanks largely to strong sales of private-brand goods, reported *Nikkei Asian Review*. Through December, year-on-year sales at existing stores have grown for 53 straight months. Seven-Eleven's winning product strategy was a large factor, according to the article. The chain captured expanding demand for ready-made take-home meals, spurred by a rise in dual-income and elderly households.

Private brand goods—which rake in over 1 trillion yen in sales per year—sold well, particularly Japanese con-

venience store staples such as rice balls and pastries. Deep-fried foods prepared in-store were also successful. The chain's other strength is the sheer amount it spends on advertising. From March to November, it spent 54.8 billion yen on promotions, up 1.1 billion yen on the year. Seven-Eleven uses price markdowns to make consumers feel that they are getting a bargain, which encourages incidental purchases, raising spending per customer.

### Walmart Testing A New C-Store Concept

Walmart Stores Inc. recently unveiled new convenience stores in Rogers, Arkansas and Crowley, Texas, reported the *Arkansas Democrat-Gazette*. The 2,500-square-foot buildings are located in the parking lots of the company's Supercenter stores and

are Walmart's latest fuel station and convenience store concept. The stores feature a hot food bar offering paninis, nachos, hot dogs and sausages; a walk-in cooler stocked with domestic, imported and craft beer; and a soft-serve ice cream machine with multiple flavors.

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



SEI announced it has selected retail leasing specialists R.J. Brunelli & Co. as its preferred real estate broker for store sites in **Monmouth, Ocean, Mercer, Middlesex and Union Counties** in New Jersey. • **Taiwan**—an island with a population of 23 million—is **home to the highest density of convenience stores in the world** with more than 10,000 in total, or one per 2,300 people, according to new agency AFP. • In its report on c-store sandwich and salad sales, **McLane states 94.64 percent of c-store locations sell commissary/packaged sandwiches**, and the average yearly sales per store is \$47,209. • **Starbucks** is poised to overtake McDonald's as the world's most valuable restaurant company, and could ultimately become the **world leader in locations** within the next several years with over 50,000 cafes, reported *Bloomberg*, citing a Nomura analyst who named Starbucks his top restaurant stock for 2017. • In an effort to replace slumping soda sales, beverage companies are **focusing on naturally flavored water products** with healthy benefits to propel growth in 2017, according to OTC-StockReview.com. • **Walmart is relaunching its Scan and Go app**, designed to let grocery shoppers scan their own purchases to skip the checkout lines and just show an electronic receipt on the way out of the store, reported *Tech Times*. The latest version of the app is being tested in one Arkansas store. • Discount chain **Five Below**, which has **grown to operate more than 500 stores in 32 states** since its founding in 2002, expects its 2016 sales to reach **\$1 billion**, reported *Philadelphia Magazine*. The company also said it plans to expand to California next year, and increase both gross sales and bottom-line profits by 20 percent in the next five years. • **Right now, 51 percent of job**

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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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7-Select Steak, Black Bean  
& Rice Chimichanga - 12/6oz

SLIN #839407 • UIN #178679 • DCMS #437064



7-Select Spicy Beef, Beans & Cheese  
Bomb Burrito - 12/7oz

SLIN #174033 • UIN #272625 • DCMS #433312



7-Select Chicken Chile Verde & Beans  
Bomb Burrito - 12/7oz

SLIN #174030 • UIN #272633 • DCMS #433313



Beef & Bean Chimichanga (Bulk)  
6.0 lbs/case

SLIN #176406 • UIN #149468 • DCMS #433309



Mini Breakfast Empanada Bites (Bulk)  
6.0 lbs/case

SLIN #178842 • UIN #385047 • DCMS #473543



Beef Mini Tacos (Bulk)  
5.25 lbs/case

SLIN #171164 • UIN #540757 • DCMS #435688





## Member News

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They are also stocked with a few grocery staples like milk, eggs, frozen meals and pizzas, in addition to pre-made sandwiches and salads. Like any test, Walmart will decide whether to roll the convenience stores out to a larger audience based on results and customer feedback from the Rogers and Crowley locations.

### C-Store Count Continues To Grow

The U.S. convenience store count increased to a record 154,535 stores as



of December 31, 2016, a 0.2 percent increase (340 stores) from the year prior, according to the 2017 NACS/Nielsen Convenience Industry Store Count. The study also reveals that the industry store count has increased by 63 percent over the last three decades, and that

within the retail universe that Nielsen tracks, convenience stores account for more than one-third (34.1 percent) of all outlets in the United States. In fact, the convenience store count alone is 25 percent higher than the combined store counts of superettes, supermarkets and supercenters (51,191 stores), drug stores (43,636 stores) and dollar stores (28,832 stores).

The report states that the convenience retailing industry continues to be dominated by single-store operators, which account for 63.1 percent of all convenience stores (97,504 stores total) and 42.6 per-

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## Legislative Update

### Labor Dept. Files Appeal On Blocked Overtime Rule

On December 15, 2016, the U.S. Department of Labor (DOL) filed the opening brief in its appeal of a nationwide preliminary injunction that blocks the agency from implementing its revisions to overtime rules, which doubles—to about \$47,500—the annual salary threshold below which workers are eligible for overtime pay, reported *The National Law Review*. In its brief, the DOL asserts that Judge Amos L. Mazzant III erred as a matter of law when he issued the injunction on November 22, 2016. The injunction halted the implementation of the new rules that were scheduled to go into effect on December 1, 2016.



duced that would “protect small businesses and their workers from the unreasonable burdens and potential criminal penalties of the Food and Drug Administration’s final menu labeling regulations,” the National Association of Convenience Stores (NACS) announced in a released statement. The Common Sense Nutrition Disclosure Act, which passed the House last year by a strong bipartisan vote, maintains but modifies the FDA’s menu-labeling regulations so businesses may provide nutritional information to customers in a more practical format, while also removing the possibility of criminal penalties.

NACS explained that the current FDA menu-labeling regulations do not take into account the differences in approach to foodservice between big-chain restaurants and convenience stores, grocery stores and delivery operations, according to the association. NACS has called for rapid action by Congress and the new administration on this measure as the May 5 compliance deadline nears.

### Connecticut Lawmakers Push For \$15 Minimum Wage

Democratic lawmakers in Connecticut are pushing to raise the state’s hourly minimum wage to \$15, but they face a tougher fight to get it through as the state Senate is now evenly divided between Democrats and Republicans, reported the *Wall Street Journal*. The state’s minimum wage, currently

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“The Department of Labor has filed a brief to appeal revisions to overtime rules that would double the threshold on overtime pay for salaried workers.”

The DOL also asserts in its brief that the 21 states that are plaintiffs in the lawsuit failed to meet the irreparable harm standard necessary for a preliminary injunction. It is unclear if President Donald Trump, who has expressed antipathy toward the rule and Obama administration regulations, will order the DOL to drop the appeal, reported Bloomberg Law.

### Bill To Protect C-Stores From Menu-Labeling Rules

Legislation was recently reintro-



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## Member News

continued from page 16



Zone Leader Brian Voss (left), with Eastern Virginia FOA President Romy Singh, SEI Asset

Protection's Terry Drivas, and Eastern Virginia FOA Vice President Sanket Acharya. Voss organized a meeting between franchisees, SEI management and Richmond police to introduce the new GPS-enabled cigarette packs designed to assist law enforcement in apprehending individuals committing crimes at stores nationwide.

cent of store growth in 2016. Among the states, Texas continues to lead in store count with 15,671 stores—or more than one in 10 stores in the country. The rest of the top 10 states for convenience stores are California (11,774), Florida (9,930), New York (8,570), Georgia (6,761), North Carolina (6,306), Ohio (5,635), Michigan (4,833), Pennsylvania (4,787) and Illinois (4,737). The bottom three states in terms of store count are Alaska (217 stores), Delaware (348) and Wyoming (354).

### Dollar General Debuts 'DGX' C-Store

Dollar General Corp. recently opened the first location of its DGX

concept store in Nashville, Tennessee, reported *Supermarket News*. The 3,400-square-foot convenience store format provides “a focused selection of consumable items and instant consumption options in a compact format,” Dollar General said. A second DGX is scheduled to open in Raleigh, North Carolina.

DGX offers customers items geared toward instant consumption including a soda fountain, coffee station and grab-and-go sandwiches. Additional items include a limited assortment of grocery offerings, pet supplies, candies and snacks, paper products, home cleaning supplies, an expanded health and beauty section and items



*“WalMart and Dollar General both are trying out convenience store concepts, but with different formats.”*

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not typically found in quick-trip stores, including a carefully edited assortment of home décor, electronics and seasonal offerings. The store also offers a checkout lane geared toward a high-volume, smaller basket size with the goal of providing a quick and easy checkout for customers.

### C-Store Sales Grew In 2016

Low gas prices helped drive sales increases at convenience stores in 2016—and retailers expect those strong sales to carry over into 2017, according to a survey released by NACS. More than two in three convenience retailers (68 percent) say their fuel sales increased in 2016 and nearly the same percentage (63 percent) say foodservice sales increased. The survey further reveals that 69 percent of retailers are optimistic about their own business prospects in the first quarter of 2017, largely because of the combination of convenience and an enhanced food offer. Retailers also are very optimistic about the overall convenience retailing industry—78 percent said they are optimistic about the industry's prospects in the first quarter of 2017, a 7-point jump from October.

### GoPuff Expands Delivery Service

On-demand convenience store delivery service GoPuff recently launched in Pittsburgh, Pennsylvania and Columbus, Ohio, bringing the total number of major cities in which the company operates to 15. GoPuff has local warehouses in every city that are stocked with inventory of more than 3,000 c-store items so it can control the experience and bring products directly

continued on page 22

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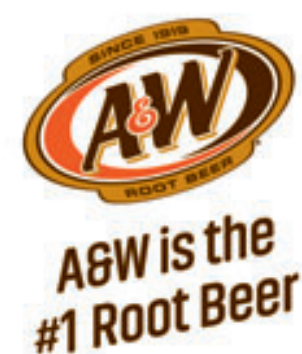
SLIN#240283



SLIN#241130



## GROW SALES WITH STRONG BRANDS!



Source: Total US Convenience 52 wks through 11.05.16 dollar share





## Member News

continued from page 20

to customers in 30 minutes or less for a flat delivery charge of \$1.95, reported the *Pittsburgh Business Times*. Besides Pittsburgh and Columbus, Ohio, the 24-hour online delivery service also operates in Philadelphia; Boston; Washington, D.C.; Austin, Texas; New York; Denver; Phoenix; Seattle; Chicago; Portland, Oregon; Manayunk, Pennsylvania; Tucson, Arizona; and State College, Pennsylvania.

*“On-demand convenience store delivery service GoPuff has local warehouses with inventory of more than 3,000 c-store items that can be delivered in 30 minutes or less for a flat delivery charge of \$1.95.”*

### Online Grocery Sales Set To Surge

Online grocery shopping could grow five-fold over the next decade,

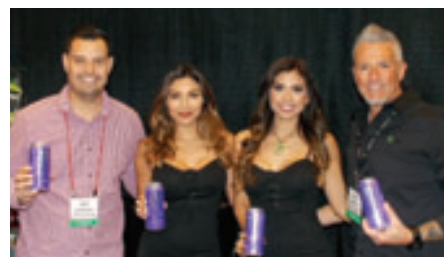
with American consumers spending upwards of \$100 billion on food-at-home items by 2025, reported CNBC. Supermarket giants Walmart Stores and Kroger already draw sales from their online efforts and compete with Ama-

continued on page 24

## SAN DIEGO FOA & FOA OF GREATER L.A. TRADE SHOW



This year marked the 7th anniversary of the San Diego FOA's and FOA of Greater Los Angeles' highly successful combined trade show. Held on January 27 at the Anaheim Convention Center, members of both associations were treated to a convention floor full of exhibiting vendors showcasing their latest products and offering great show-only deals. The event also featured a raffle with fantastic prize giveaways, including a new car, Disneyland passes and passes to the San Diego Zoo. It was a fun day for vendors and franchisees alike.



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\*Source: IRI, 52 Wks Ending 10/2/16, Total US All Outlets, Volume Sales





## Member News

continued from page 22

zon and other e-commerce challengers, but a study by Food Marketing Institute and Nielsen points out that the online channel is likely to capture significantly more market share in the decade ahead from the bricks-and-mortar stores.

Around a quarter of American households currently buy some groceries online, up from 19 percent in 2014, and more than 70 percent will engage with online food shopping within 10 years, according to the re-

port entitled "The Digitally Engaged Food Shopper." It also found that of those who will buy online, 60 percent expect to spend about a quarter of their food dollars online in 10 years.

### Holiday Sales Spiked In 2016

Holiday retail sales during November and December increased 4 percent over 2015 to \$658.3 billion, as a strengthening economy encouraged consumers to spend even more freely than expected, the National Retail Federation

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(NRF) announced. The number includes \$122.9 billion in online sales, which were up 12.6 percent over the year before. The numbers exceeded the NRF's forecast of \$655.8 billion, which would have been an increase of 3.6 percent. The NRF had forecast that online sales would grow between 7 and 10 percent to as much as \$117 billion. The numbers exclude automobiles, gasoline stations and restaurants.

### Retailers & Consumers Differ On Physical Stores

A new study conducted by consulting firm Capgemini's Digital Transfor-

continued on page 68

*"Around a quarter of American households currently buy some groceries online, up from 19 percent in 2014."*



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# Expand The Assortment— Do We Really Need It?

BY JOE GALEA, EXECUTIVE CHAIRMAN, NCASEF

We've been hearing for at least a year about SEI's new Expand The Assortment program (ETA). Many of us assumed it was going to entail adding a few SKUs to each section in our stores, but as it continues to roll out, we see that there's much more to ETA than we initially realized.

As the program was being rolled out, we heard the pros and cons regarding the installation and impact on sales from our own franchisees and suppliers. Although roll out is now almost complete throughout all of our stores, ETA at my store is still pending, so I've had time to check around and ask a lot of questions about it. In that time I've heard some really good things about it and I've seen some great pictures of stores where ETA been implemented. SEI has said that some stores in Texas and California have seen an increase in sales by \$280 per store day.

I also decided to visit a couple of non-convenience stores to see how they were expanding their assortments, since the growing trend—as per SEI—is that customers want one stop shopping to meet all of their needs. So I went into a hardware store and the first thing I noticed as I entered was a 12-foot section designated to candy. This is in a high theft area, where no backpacks are allowed. I also found a three-foot section designated to health and beauty aids. At the other non-convenience store location I visited, an automotive store, what they had to offer at the front wasn't totally different: they had a

complete section of candy and stationery. This made me realize that we're all doing the same thing—expanding the assortment and becoming one-stop destinations.

Like it or not we need to stay ahead of the competition, which appears to be growing every year, including traditionally non-food stores. This is real. We've heard about it, but now we need to realize that this is real. As



**“ETA made me realize that our competition is doing the same thing—expanding the assortment and becoming one-stop destinations.**

such, we need to make sure that we are visiting our competition more frequently. SEI has told us many times that they want us to look for regional items that best meet the needs of our guests, and ETA provides the best opportunity for us to do so.

Given the state of the economy and sales, we are all fighting for the same

**“SEI has told us many times that they want us to look for regional items that best meet the needs of our guests, and ETA provides the best opportunity for us to do so.”**



**“Many of us assumed ETA was going to entail adding a few SKUs to each section in our stores.”**

thing—more customers and increasing our bottom lines. What we need to do now is use ETA to find those regional customer-favorite products we can bring into our stores in addition to the store recommended items. This way we can increase our store traffic and raise awareness among our guests that we can compete with the non-convenience stores that have now become our rivals.

The weather has affected a majority of our stores with decreased sales, from the West coast to the East coast. It's been a tough winter, but the warmer weather is coming and guest counts and sales will increase if we can put our effort into focusing on our stores and expanding the assortment we currently have. **AV**



Steak and Cheese Chimichanga	Chicken and Cheese Chimichanga	Egg and Sausage Breakfast Burrito
SLIN: 180177	SLIN: 180005	SLIN: 129312
McLane Single Pick UIN: 10538	McLane Single Pick UIN: 176024	McLane Single Pick UIN: 129312
McLane Full Case UIN: 552026	McLane Full Case UIN: 4509768	

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# The Bottom Line

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

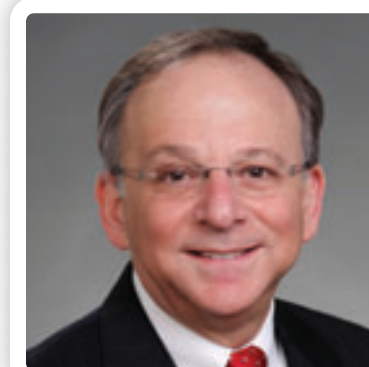
One of my favorite Saturday Night Live skits involves a scene in the Change Store, a retail outlet that makes change in currency for customers. Here is how I remember the skit: A newly hired clerk in training watches as an experienced employee changes a \$10 bill into two \$5 bills for one customer and a \$1 bill into four quarters for another customer. After watching several transactions like this, the puzzled new clerk turns to the experienced employee and says, “This is an interesting business model, but how do you make money?” The experienced employee pauses, looks up thoughtfully, and then responds, “Volume!”

I think of this skit often when I hear SEI officials tout the benefits of fresh food and hot food. Franchisees have been bombarded with data that suggests that this category can add incremental gross revenue, and that the gross margin on fresh foods and hot foods is higher than on other inventory items. While the gross margin data appears not to take into account spoilage and write-offs, the most important omission is the lack of reliable data on the incremental labor cost associated with this category. It is my understanding that SEI claims not to have access to that information, which is especially crucial in the era of rising minimum wages. No less than 22 states raised their minimum wage as of January 1, 2017.

As every franchisee knows, SEI’s financial stake in the operation of

“Franchisees have been bombarded with data that suggests that fresh and hot foods can add incremental gross revenue, and that the gross margin on fresh foods and hot foods is higher than on other inventory items.”

your store is based on its share of the gross margin. For the franchisee, their financial stake in the operation of the store is based on the bottom line. SEI’s seeming indiffer-



ence to the net effect of the fresh food and hot food segment is noteworthy and deeply concerning. We also strongly believe that SEI’s recent initiative to markedly increase the percentage of stores that are franchised and reduce the percentage of stores that are company-owned is an attempt to transfer the challenges of minimum wage increases and the as yet undisclosed system wide impact of fresh food and hot foods from its own stores to franchised stores. It also insulates them



from the effects of overpriced gasoline and the resulting negative impact on customer traffic in the retail stores.

In particular, from 2012 to 2015, the percentage of stores in the system that are franchised rose from 79.3 percent to 85.5 percent.

The shedding of corporate stores and the push for fresh foods and hot foods did not originate in Dallas, but in Tokyo. The parent company of your franchisor has recently faced serious financial and governance problems. Based on publicly available information, here are some highlights of their consolidated financial results for the nine months ended November 30, 2016, compared with the same period in 2015:

- Revenue from Operations, down 5 percent

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## Growth Driver: Conversion to Franchise Stores

First Quarter Comparisons



“While the gross margin data appears not to take into account spoilage and write-offs, the most important omission is the lack of reliable data on the incremental labor cost associated with this category.”



The Bottom Line

continued from page 29

- Net Income Attributable to Owners of Parent, down 39.8 percent
- Net Income per Share, down ¥141.8 to ¥85.4
- For the 12 months ended January 30, 2017, the value of the parent company's publicly held stock fell by 12.23 percent; during the same period of time, the S&P 500 rose by 19.6 percent

The only bright spot for the parent company is its convenience store segment, which experienced a 2.7 percent YOY increase in operating income through November 30, 2016. According to the company's summary report for investors, issued January 12, 2017, this increase is the result of "higher merchandise sales led by fresh food and beverages."

The advantages of this strategy are shown in the following chart, taken from a report to shareholders issued by the Japanese parent company comparing its first fiscal quarters over the last several years. Note the sharp increase in SEI's operating income resulting from the increase in the number of franchised stores and the substantial ramp-up in gross profit achieved from the gasoline business. In short, your franchisor believes that as fresh foods and hot foods become a higher per-

Franchise/Company Stores



"The time is now for franchisees to set aside all other concerns and focus on one, and only one, issue: the form of the 2019 franchise agreement."



"This increase is the result of 'higher merchandise sales led by fresh food and beverages.'"

centage of revenue, it can make much more money franchising a store than operating one itself. And that's what it's telling investors will rescue the company.

According to an article in the *Dallas Morning News*, SEI intends to increase the number of franchise stores in the U.S. to 10,000 by fiscal year 2019, mainly through acquisitions of smaller chains. It

"The only bright spot for the parent company is its convenience store segment, which experienced a 2.7 percent YOY increase in operating income through November 30, 2016."

also plans to introduce counters featuring hot foods and more fresh food offerings, bringing to the U.S. some elements from its Japanese stores.

All of this data leads to the inevitable conclusion that the parent company's formula for the future of the company as a whole depends in great measure on expanding the number of franchised stores in the U.S., transferring the risks of minimum wage and reduced net profit on fresh foods and hot foods from corporate stores to franchised stores, and increasing reliance on fresh foods and hot foods to enhance gross sales and gross margin for the franchisor, leaving the franchisees to deal with the fallout.

This is an existential moment for the franchisee community. The future of the franchise system in general and the value of franchisees' goodwill in particular, now hang in the balance. The time is now for franchisees to set aside all other concerns and focus on one, and only one, issue: the form of the 2019 franchise agreement. All other issues, concerns, problems, differences and challenges pale in comparison. **AV**



continued from page 14

tasks—not jobs themselves—could be automated with today's technology, reported Yahoo Finance, citing a new report from McKinsey. "About 60 percent of all occupations have at least 30 percent of constituent activities that could be automated," the report says. • **Mars Inc. is buying pet hospital operator VCA Inc.** for \$7.7 billion in a deal that will tighten the Whiskas and Pedigree pet food maker's grip on the pet care market, reported Reuters. **The deal will add about 800 pet hospitals to Mars' network** of more than 900 clinics, which includes the 61-year-old Banfield pet hospital chain. • **Domino's Pizza recently unveiled its very own wedding registry** at dominoweddingregistry.com. Couples can choose from a variety of featured gifts to enjoy before, during and after the wedding, such as "Cater the Bachelorette Party" and an option to treat wedding guests to pizza at the end of the reception. • Nearly 70 percent of all shoppers and 82 percent of millennials **prefer using loyalty cards that can be stored on their mobile phones**, according to a study from Urban Airship. • C-store retailer **RaceTrac announced it plans to open 50 more stores in Florida** over the next two years. The Atlanta-based retailer

continued on page 39

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## LET'S GO AFTER THE COMPETITION

BY ROMY SINGH  
VICE CHAIRMAN NCASEF • PRESIDENT, EASTERN VIRGINIA FOA



Local FOAs can do a lot to help franchisees who are struggling. Competition comes in many forms, and franchisees sometimes need help improving sales at their stores.

It becomes very frustrating when we invest tons of money to acquire a 7-Eleven franchise, or a 7-Eleven BCP store, and within a month, or six months, or a year we see new competition just across the street, or even building up all around us. The average franchisee will look to 7-Eleven, Inc. for help, and 7-Eleven will help, customizing pricing, reviewing purchasing on slow selling items, and reviewing the franchised operation.

One of the differences between us as franchisees and our competition is that we are involved in a 50-50 split with our franchisor, so when we raise prices, we get 50 percent of the profit, whereas our competitor receives closer to 100 percent of the price hike.

However, as 7-Eleven franchisees we have distinct advantages that our competitors do not. We are part of the of the largest c-store organization in the world, and we have a massive franchised system supporting our product offerings and our physical operation. 7-Eleven itself operates over 10,000 stores in North America, and some 60,000 worldwide, but this is not enough to make every store successful.

The biggest advantage we have as franchisees is we are part of the community. We care about our customers, because they make us successful, and we want to

support and get involved with our community as much as possible.

ROMY SINGH  
CAN BE REACHED AT  
757-506-5926  
evafoa@gmail.com

Recently in Virginia, the Eastern Virginia FOA experimented with helping a franchisee get more involved in the community. With the help of a market manager we identified a store, and we planned a community appreciation event involving

**“WITH THE HELP OF A MARKET MANAGER WE IDENTIFIED A STORE, AND WE PLANNED A COMMUNITY APPRECIATION EVENT INVOLVING CUSTOMERS, FOA MEMBERS AND SEI MANAGEMENT.”**

The event was a huge success, and a win-win-win for the franchisee, the community and 7-Eleven. All expenses were paid for by our FOA and 7-Eleven, Inc. Our FOA members and SEI staff were actively involved serving food to the community. The day generated a positive result, and the community got a very strong message that we are there for them.

We are going to do another event soon to help another store in a different area. This was our first experience uplifting a store, and now we have decided to help four stores in a year, and SEI has committed to helping us. We decided we must do something to send a strong message to the community that we are part of them, and the community is part of us.

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customers, FOA members and SEI management.

Two weeks prior to the event we distributed a flyer announcing a community event at the store. We invited the local Hampton City mayor, Donny Tuck, who on the day of the event greeted the community. We gave away some 400-plus Big Bites, 200 Ta-quitos, 40 pizza slices and 800 cookies.



Market Manager Robert LeViolette, Asset Protection's Terry Drivas, Zone Merchandiser Riaz Vaziralli, FC Andy Parks and all the Eastern Virginia FOA team worked together at the Community Appreciation Day to help uplift one store.



# CARRY & DISPLAY GUINNESS DURING MARCH FOR THE ST. PATRICK'S DAY SEASON

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- GUINNESS DRIVES 50% SALES LIFT IN MARCH DUE TO ST. PATRICK'S DAY HOLIDAY<sup>2</sup>
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**24%<sup>5</sup>**

**13%<sup>5</sup>**

**7%<sup>5</sup>**

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PLEASE DRINK RESPONSIBLY Guinness Beer Company USA, Newark, CT 1. Guestmetrics Full Year 2015 Thursday Sales vs. Friday Sales; 2. IR 2016; 3. Field Study Survey 2015; 4. Nielsen 2016; 5. IR Latest 13 Wk 2/5/17

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- SMIRNOFF ICE Spiked is growing triple digits at 7-Eleven!<sup>3</sup>
- In "2 For" Pricing Program
- FOD January 30<sup>th</sup>

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**ORIGINAL SCREWDRIVER**  
**HURRICANE PUNCH**



<p>0 82000 77688 8</p> <p>SMIRNOFF ICE SPIKED ORIGINAL 16 OZ. SLIN: 102470 MARKETS: AZ, CA, FL, NC, NV, NY, OR, SC, TX, VA, WA, WV</p>	<p>0 82000 77678 9</p> <p>SMIRNOFF ICE SPIKED HURRICANE PUNCH 16 OZ. SLIN: 102402 MARKETS: AZ, CA, FL, NC, NV, NY, OR, SC, TX, VA, WA, WV</p>	<p>0 82000 76983 5</p> <p>SMIRNOFF ICE SPIKED SCREWDRIVER 16 OZ. SLIN: 106867 MARKETS: CA, FL, TX</p>	<p>0 82000 78181 3</p> <p>SMIRNOFF ICE SPIKED GRAPE 16 OZ. SLIN: 101589 MARKETS: CA, VA, FL, MO</p>	<p>0 82000 78177 6</p> <p>SMIRNOFF ICE SPIKED GREEN APPLE 16 OZ. SLIN: 100429 MARKETS: CA, TX, WA, NV</p>	<p>0 82000 78179 0</p> <p>SMIRNOFF ICE SPIKED GREEN APPLE 23.5 OZ. SLIN: 101375 MARKETS: TX (DFW &amp; SAN ANTONIO)</p>
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PLEASE DRINK RESPONSIBLY SMIRNOFF ICE Premium Flavored Malt Beverages, The Smirnoff Co., Newark, CT

\*May vary by region  
Sources: 1. Nielsen Scantrack TOTAL US XAC+Com, FMB SEG >8% ABV, Sales \$ Share, 52 Wk 07/16/16; 2. Nielsen Scantrack TOTAL US XAC+Com, FMB SEG >8% ABV, Sales \$, 52 Wk 07/16/16; 3. IR Convenience Latest 4 Wk 11/27/16

## LET'S GO AFTER THE COMPETITION continued from page 33

As FOA leaders, we have the power to help our franchisee members. My challenge to everyone is to get united and meet the competition head-on. Let's identify

"As FOA leaders, we have the power to help each other. What if we identify stores that have lost sales due to competition and are struggling, and help those stores out? If 46 FOAs help 4 stores per year, we can uplift 184 stores in a year."

## PROTECTING OUR NIGHTSHIFT EMPLOYEES

BY REHAN HASHMI

VICE CHAIRMAN NCASEF • VICE PRESIDENT, ALLIANCE OF 7-ELEVEN FRANCHISEES FOA

It's no small secret that our stores are targets for criminals, and in places like Chicago—where my stores are located—crime in general is on the rise and it's becoming increasingly difficult to keep our stores, customers and employees safe. This is especially true during the overnight hours. That's why I have been meeting with SEI upper management and local and national franchisee leadership to discuss an idea that could make our stores safer.

Chicago area franchisees are suggesting that we use existing technology to install an electronic door latch to be used during the off-peak hours between 11 p.m. and 7 a.m., when the crime rate tends to be the highest. On the outside of the store, we'd have a camera and a sensor. Inside the store there'd be a chime and a 40-inch monitor above the door. Let's say at 3 a.m. the door is locked. When a customer approaches the door, the chime will sound inside the store. The clerk can be working and will hear the chime, look at the monitor above the door and unlock the door by remote control.

There would be only two reasons the clerk will not buzz a customer in: if

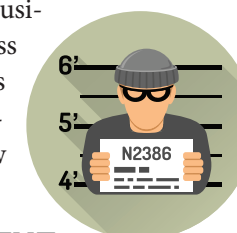
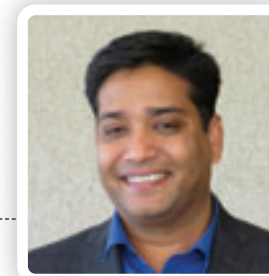
they're wearing a mask or if they have a visible weapon. Obviously, this won't stop someone with a concealed weapon from entering the store. Legally, according to the laws of Illinois, a business owner can institute a dress code. The mask is a dress code. As an owner of a business, you cannot allow

**"CRIME IN GENERAL IS ON THE RISE AND IT'S BECOMING INCREASINGLY DIFFICULT TO KEEP OUR STORES, CUSTOMERS AND EMPLOYEES SAFE, ESPECIALLY DURING OVERNIGHT HOURS."**

firearms in your store, even if the person has a permit to carry.

Contractually, we're supposed to operate our stores 24 hours a day. However, the contract technically does not define what "24 hour a day operation" means. In my perspective, if you are staffed 24 hours a day and a customer comes to the door and your staff is able to service them, then you're running a 24 hour a day operation. 24 hours a day does not mean that you have to keep the

stores that have lost sales due to competition and are struggling, and let's help those stores out. Let's all get united and compete with our competition. If 46 FOAs help 4 stores per year, we can uplift 184 stores in a year. In 5 years, perhaps there won't be any low volume stores to help. Just a thought. **AV**



doors open 24 hours a day. If you go to SEI corporate offices, you have to be buzzed in. Lawyers' offices are locked also and you have to be buzzed in. But that doesn't mean they are not open for business. With our proposal we are just putting value on our employees' lives by protecting the clerk that works the overnight shift, the most extreme situation.

We put this idea in front of 7-Eleven, and we've had several meetings and conference calls, some with our Chairman Joe Galea and Executive Vice Chair Jay Singh involved. SEI did not like the idea. They said they can't stop us from doing it, but they did not encourage us to pursue the issue. SEI expressed concerns that controlling this program would be difficult, even if we train our clerks to only keep out those people wearing a mask or carrying a weapon. They also pointed out it would

continued on page 37

**"Chicago area franchisees are suggesting an electronic door latch to be used during the off-peak hours between 11 p.m. and 7 a.m., when the crime rate tends to be the highest."**





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## PROTECTING OUR NIGHTSHIFT EMPLOYEES continued from page 35

open the franchisee and SEI to a discrimination lawsuit if a customer feels they were not allowed into the store because of his/her race.

I believe for a program like this to be successful, we have to do it together and the company has to agree with it. We have more meetings scheduled with SEI on the matter. If they think this isn't a good idea, then they should come up with a better one. At the end of the day, your clerk is a family member. He or she is helping to run your business and they're protecting your inventory when you're not there. They deserve to be safe.

**REHAN HASHMI**  
CAN BE REACHED AT  
847-845-8477 or  
rehan711@yahoo.com

inventory when you're not there. They deserve to be safe.

## What To Do In The Event A Robbery Occurs

Even if you're following all the rules, robberies happen. Your number one goal is to prevent violence during the robbery. Most robberies take less than two minutes. Here are some key things to keep in mind to help keep you and your employees safe.

- Remain calm.
- Don't be the hero.
- Do as you're told during the robbery, but don't be overly helpful.
- If possible, get a description of the robber, but only if this doesn't endanger you or others nearby. Try to get an idea of how tall they are and other characteristics such as the clothes worn, race, hair color, eye color and approximate age.
- Cooperate with the robber and try to get them out of the store as soon as possible. Robbers seldom hurt people who cooperate with them.
- Handle the entire procedure as if you were making a sale. Keep it short and smooth.
- If you're not sure exactly what the robber is asking you to do, ask.
- Don't allow or create surprises for the robber. If you're going to have to reach into a drawer or perform some other movement to comply with his instructions, tell him ahead of time.
- If another employee is in the back room or is expected in the store soon, tell him so he won't be surprised. Surprises can cause a nervous robber to become violent or do something he didn't intend to do.

## SYNERGY—THE ULTIMATE POWER

BY NICK BHULLAR  
VICE CHAIRMAN, NCASEF



As we welcome 2017, there couldn't possibly be a better opportunity to reflect upon the future and growth of the 7-Eleven Enterprise. In this fine publication's latest editions, you all must have seen some head-turning headlines such as minimum wage increases, new agreement negotiations, and competitive pricing issues. Although we have all been deeply impacted at the front end of these events individually, I would like to humbly put forth that the need for all vendors, franchisees and SEI to work together is greater than ever.

We must all work together in this partnership for continuous growth and prosperity. At the end of the day, what do vendors want? What does SEI want? What do the

franchisees want? We all simply want to continue to grow and to sustain. So we must all be concerned with each other's growth and financial health, and we can do so by putting all our forces and resources together.

Regardless of the challenges we face, we all intend to stay in business and aim to protect our investors and jobs. In order to

do so, we must understand the basis for transformation of our industry. To succeed and to have a purpose towards the continual improvement of 7-Eleven products and services, with a plan to become competitive and prosperous, we must find clarity in our vision. What are we doing, and why are we doing it?

In 1998, Kodak had 170,000 employees and sold 85 percent of all photo paper worldwide. Within just a few years, their business model disappeared and they went bankrupt. What happened to Kodak will happen in a lot of industries in the

**"WE HAVE ALL BEEN DEEPLY IMPACTED BY ISSUES AND EVENTS. I WOULD LIKE TO HUMBLY PUT FORTH THAT THE NEED FOR ALL VENDORS, FRANCHISEES AND SEI TO WORK TOGETHER IS GREATER THAN EVER."**

next 10 years and most people don't see it coming. Will we see it coming? Will we be prepared? All of this to say that shift happens! It is happening all around you and at a very fast pace. Uber is just a software tool, they don't own any cars, and are now the biggest taxi company in the

continued on page 39



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opened 24 new stores in Florida in 2016, bringing its total store count there to 207. • Technavio analysts **forecast the global retail market for self-checkout terminals will grow at a compound annual growth rate of almost 18 percent** between 2017 and 2021. • Walmart, Target, Macy's and other retailers, as well as trade groups like the National Retail Federation, have formed a coalition to oppose a plan by Republican lawmakers to **alter taxes on imports that would raise prices for U.S. consumers**, reported the Associated Press. The effort, dubbed Americans for Affordable Products, will include an educational campaign for consumers. • **Amazon.com had its best holiday season yet**, having shipped more than 1 billion items through its Prime and Fulfillment services, reported *Bloomberg*. • In 2016 **digital touchpoints** (i.e. email, social media, mobile) impacted an estimated 49 percent of total U.S. retail sales, reveals a new report by the National Retail Federation's Shop.org division and Forrester. In response, **54 percent of retailers said that mobile is one of their top initiatives in 2017**. • A new report from Arcview Market Research reveals that the North American **marijuana market** posted \$6.7 billion in revenue in 2016, up 30 percent from the year before. The report also **projects sales will top \$20.2 billion by 2021** at a compound annual growth rate of 25 percent. • Package delivery company **UPS** posted a quarterly loss in late January caused by a **pension charge**, and forecast full-year profit below analysts' expectations, reported Reuters. • FedEx plans to launch **FedEx Onsite—its package drop-off and pickup service**—at nearly 8,000 Walgreens locations across the U.S. within the next several months, the companies announced. The service allows customers to drop off prepackaged and prelabeled items at Walgreens stores and direct FedEx shipments to Walgreens for pickup later. • **Pilot Flying J, the country's largest truck stop chain**, will invest nearly \$500 million over the next five

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## THE ULTIMATE POWER continued from page 37

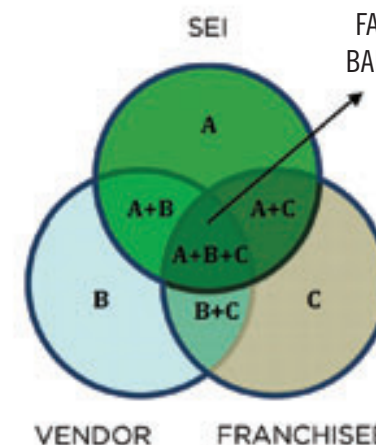
world. Airbnb is now the biggest hotel company in the world, although they don't own any properties.

Uber, Airbnb and many recent wonders show that we now live in a new economic age where customer demand changes very fast and the market competition is steadily increasing. We must awaken to these challenges, must learn their responsibilities, and take on leadership for the change we wish to see in the coming years. We need to deviate our thinking from short-term profitability and aim to become competitive, to stay in business and to provide jobs.

**"To succeed and to have a purpose towards the continual improvement of 7-Eleven products and services, with a plan to become competitive and prosperous, we must find clarity in our vision."**

drive out fear so that everyone may work effectively for a common goal. We all must build trust and cooperation and collaborate on pressing issues that

**OUR BEST CAPABILITIES FALL IN THE CENTER, BALANCING ALL THREE PARTNERSHIPS.**



**"WE MUST ALL BE CONCERNED WITH EACH OTHER'S GROWTH AND FINANCIAL HEALTH, AND WE CAN DO SO BY PUTTING ALL OUR FORCES AND RESOURCES TOGETHER."**

concern the entire 7-Eleven Enterprise. The solution is to create outstanding agreements that align the interests of all partners.

To effectively do so, we have to learn and adopt the new philosophy, one of cooperation and communication, to benefit all. We can no longer live with usually accepted levels of miscommunication with our partners. Defective relationships are a cost to the system. The problems we will face in the future will require dedication to improvement. Improvement never stops; it can never finish as change never finishes, and as we go through these changing and challenging times its imperative that the entire 7-Eleven Enterprise come together for pursuit of a common goal.

Or as writer Stephen R. Covey, author of *The 7 Habits of Highly Effective People*, would say: "We need to 'synergize.'" In his exact words, "Synergy means two heads are better than one. It is team-

work, open-mindedness and the adventure of finding new solutions to old problems. But it doesn't just happen on its own. It's a process, and through the process, people bring all their personal experience to the table. Together, they can produce far better results than they would individually."

I take these words as is simply because I could not have said it better myself, plus I strongly believe in taking a little help when needed. **AV**

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## The Minimum Wage Fee: To Charge or Not Charge

By Roger St. George, Vice President, Pacific Northwest FOA



On November 8, 2016 voters in the State of Washington approved Initiative 1433 to raise the state minimum wage to \$11 per hour. The minimum wage for the past two years was \$9.47. Additionally, the law mandated annual increases of 50 cents until the minimum wage reaches \$13.50 by 2020, to be followed with additional increases annually based on the Consumer Price Index.

Unlike minimum wage increases in several cities around the country, SEI did not prepare our stores on how to generate additional gross profits to pay for the increased employee wages, estimated to cost franchisees \$26,750 based on 280 work-hours per week.

In response to this threat to our net income, three area franchisees instituted a minimum wage transaction fee of 25 cents per transaction. The state attorney general had

line. Gasoline customers were encouraged to pay at the pump to avoid the fee.

On January 5, the local newspaper ran a front page article with the headline "Minimum Wage Impacts Local Businesses."

The sub-headline was "Local 7-Elevens have added a 25-cent fee to every transaction." That ignited a social media firestorm! Most were negative, with many people stating they would never shop at 7-Eleven again. Some were supportive and attempted to explain the economic realities of the minimum wage increase. One person went so far as to say customers should not be expected to pay for employees' wages. Among the naysayers the common theme was higher prices were preferable to a minimum wage transaction fee.

**"ON NOVEMBER 8, 2016 VOTERS IN THE STATE OF WASHINGTON APPROVED INITIATIVE 1433 TO RAISE THE STATE MINIMUM WAGE TO \$11 PER HOUR."**

disse sales remained strong but customer counts were down compared to the same time a year ago, however, that was due to the over \$1 billion lottery artificially inflating customer count with little increase in income. So by month end customer counts were down 50 to 80 customers per day versus last January, but merchandise sales were up.

On January 20, SEI called with a preliminary report of proposed suggested retail price (SRP) increases in select categories. The price changes began on February 6 and will continue for six weeks. SEI said the proposed change in SRP will generate about \$45 in additional gross profit dollars, based on 2016 unit movement. That is half of what is needed to pay for the minimum wage increase because of the gross profit split with corporate. SEI has promised to review additional categories to identify other opportunities to increase gross profit.

However, this is not the solution. It is a short-term fix because further minimum wage increases will be coming over the next three years. Additionally, minimum wage hikes are spreading across the country and will eventually affect every franchisee and impact the viability of the present SEI franchise model. SEI needs to stop believing franchisees can sell their way through this problem.

SEI personnel have said repeatedly that 7-Eleven cannot be the first to implement a minimum wage transaction fee. Well, if that's the case then SEI needs to lead by changing the franchise agreement...if there are still franchisees in the system. **AV**

**"Unlike minimum wage increases in several cities around the country, SEI did not prepare our stores on how to generate additional gross profits to pay for the increased employee wages, estimated to cost franchisees \$26,750 based on 280 work-hours per week."**

previously stated businesses could do this, provided they post a notice about the fee for customers and with the understanding that a sales tax had to be collected on the fee. Also, the fee could not be charged to EBT sales or collected on lottery transactions.

The fee was implemented at midnight on January 1. Most customers did not seem to mind, as the 25 cents was inconspicuous in their total purchase. Sales associates were coached to explain the fee was to meet the increased payroll in lieu of an across board retail price increase. The customers who were most

upset were those buying just a newspaper or purchasing gaso-

**ROGER ST. GEORGE**

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## Preventing The Norovirus

By Linda Wilt, Patco Food Safety Specialist

Illnesses and disease are present with us all year round, but some become more prevalent during the winter months when we spend more time indoors and in close quarters with other people. This is especially true for germs such as those causing the common cold and influenza, and the Norovirus.

The U.S. Centers for Disease Control and Prevention (CDC) reported that productivity losses associated with absenteeism cost employers \$225.8 annually in the U.S., which is approximately \$1,011 per employee due to just illness. Eighty percent of illness-causing germs are spread through touch, which emphasizes the importance of proper cleaning and disinfecting in the fight against illness and outbreaks, including those from contaminated food.

Perhaps you have recently heard about Norovirus. It is sometimes referred to in the media as "food poisoning" or "stomach flu." The CDC says it is a leading cause of food-borne deaths, hospitalizations and illnesses. Norovirus is responsible for more illnesses

Foods can become contaminated at their source, such as oysters harvested from contaminated water or produce contaminated in the field. But food can also become contaminated with Norovirus when:

- infected people have minute particles of stool or vomit on their hands and then touch food,
- it is placed on counters or other surfaces that have infectious stools or vomit on them, or
- tiny drops of vomit from an infected person spray through the air and land on food.

Food service workers can spread the virus to others if they have the Norovirus illness. Unfortunately, they may infect others before symptoms start or after they feel better. In fact, infected food

**"Eighty percent of illness-causing germs are spread through touch, which emphasizes the importance of proper cleaning and disinfecting in the fight against illness and outbreaks, including those from contaminated food."**

than all other viruses, bacteria and parasites combined. Over half of all food borne illness outbreaks for which there is a known cause are from Norovirus.

Norovirus is very contagious and can make you sick with diarrhea, vomiting, and stomach pain. It can easily contaminate food because it is very small and easily causes infections. It takes only a very small amount of virus particles (as few as 18) to make someone become ill.

workers cause about 70 percent of reported Norovirus outbreaks from contaminated food. Fifty-four percent of outbreaks caused by food service workers involve touching ready-to-eat foods with their bare hands. Ready-to-eat foods are those that are ready to be consumed without any further preparation, such as washed raw produce for salads or sandwiches, baked goods, or items that have already been cooked.

Food workers can follow some simple steps to help prevent Norovirus from spreading:

**"THE U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) REPORTED THAT PRODUCTIVITY LOSSES ASSOCIATED WITH ABSENTEEISM COST EMPLOYERS APPROXIMATELY \$1,011 PER EMPLOYEE DUE TO JUST ILLNESS."**

- Avoid preparing food for others while you are sick and for at least 48 hours after symptoms stop. For most Health Departments across the country, this is a requirement; it is considered a Critical Violation.
- A recent CDC survey indicates that 1 in 5 food workers reported working while sick with vomiting and diarrhea. Fear of job loss and leaving co-workers short-staffed were significant factors in their decision.
- Wash hands carefully, thoroughly, and frequently with soap and warm water for at least 20 seconds. The CDC's survey also showed that food service workers practice proper hand washing only 1 of 4 times that they should.
- Rinse fruits and vegetables and cook shellfish thoroughly.
- Clean and sanitize food preparation and serving utensils, counters, and other surfaces routinely.

What if an employee, or even a customer, has an episode of vomiting or diarrhea in your store? It could happen in the restroom, on the sales floor, or even in the food preparation area. Here are some tips for you, supplied by the Pennsylvania Department of Agriculture:

- Use a disinfectant that is EPA registered against Norovirus. Patco Food Safety recommends using Brulin branded BruTab 6S. It is

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“The CDC says Norovirus is a leading cause of foodborne deaths, hospitalizations and illnesses. Norovirus is responsible for more illnesses than all other viruses, bacteria and parasites combined.”

a bleach alternative; comes in a convenient small tablet size, delivering an accurate strength solution every time; and has a longer shelf life than bleach in solution or in tablet form. Always follow the use instructions on the product label.

- The disinfectant should be applied to all surfaces within a defined contamination area—equipment, floors, walls, etc.
- Disassemble all exposed food preparation equipment within the contaminated area and apply disinfectant solution following the manufacturer’s directions. Food contact surfaces should be rinsed after the appropriate contact time has been met; and then washed, rinsed and sanitized as usual.
- It is recommended that all open and exposed food items and single service items be discarded.

Your store should have a written plan for the cleanup of vomit and diarrhea episodes. Check with your corporate office if you don’t have one. Above all, stress to your staff the importance of good hand washing practices during this season of Norovirus prevalence. **AV**

Sources: [www.brulin.com](http://www.brulin.com); Pa Dept. of Agriculture; [www.cdc.gov](http://www.cdc.gov); [www.foodsafety.gov](http://www.foodsafety.gov)

## Don’t Roll the Dice on Your Workers’ Compensation!

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

Did you know.....

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

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

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

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

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

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years to renovate existing locations, while continuing to open 20 to 30 new stores annually, reported the *Knoxville News Sentinel*. • **Anheuser Busch InBev** and coffee maker **Keurig Green Mountain** have teamed up to develop a **countertop appliance that could dispense alcoholic drinks**—beer, spirits, cocktails and mixers—in the home, reported Reuters. • For the very first time, the combined **brand value of China’s banks** has surpassed that of the United States. China’s bank brands account for 24 percent (US\$258 billion) of the total brand value of the Brand Finance Banking 500, while the U.S. accounts for 23 percent. • **CVS** recently launched a new pilot program specifically for **better-for-you beverage brands**, introducing grab-and-go coolers and shelf-stable stock to 450 stores in nearly 20 states, reported BevNet.com. • The **number of identity fraud victims in the U.S. increased by 16 percent in 2016**, bringing the number of affected consumers to 15.4 million, ac-

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# Slip, Trip And Fall Prevention To Control Injury Costs

By **John Harp**, CSP, ARM, Risk Engineering Consultant,  
MITSUI SUMITOMO INSURANCE GROUP

## THE CHALLENGE

Slips, trips and falls can result in employee or customer injuries that affect your business and impact profit. Nationally, MSIG-insured franchisee locations the past five years suffered 567 employee injury claims as the direct result of slip, trip or fall injuries. The cost for these injuries totals \$9,184,238 in medical bills and lost time. At an average cost of \$16,198 per claim, a small investment can provide valuable savings. If a customer falls, the liability risk and potential cost is also significant.

Making slip and fall prevention a priority is inexpensive and reduces the chances of these costly accidents.

## COMMON CAUSES OF SLIP, TRIP AND FALL INCIDENTS

The average person does not think about the hundreds of steps that take place in your parking lot, apron and store. When a customer or employee hits the ground because of a slippery surface, an unseen object on the floor or improper footwear, the results can be devastating, resulting in broken bones, severe strains, back injuries and permanent disability.

“MSIG-insured franchisee locations the past five years suffered 567 employee injury claims as the direct result of slip, trip or fall injuries, at an average cost of \$16,198 per claim.”

The National Floor Safety Institute (NFSI) estimates that more than 80 percent of slip-and-fall accidents take place on wet surfaces.

What to look for:

1. Spills, especially near the coffee bar, beverage areas or ice machine.
2. Improper cleaning technique on the sales floor.
3. Lack of warning signs.
4. Cooler or vault—spills, slippery floor, poor lighting, dollies left upright.
5. Foreign material on shoes.
6. Floor mats with corners upturned or not positioned correctly.
7. Weather such as rain and snow being tracked in.
8. Low stock displays.
9. Stock or crates left in aisles.
10. Leaks from machines.



- Use a suitable mat at the front door, make sure it lays flat and is clean.
- Clean spills immediately. Add cones or wet floor signs and supervise the spill. (Your customers may go around the cones and they

do not prevent possible liability or an injury claim!)

- Do not leave inventory, cleaning

materials or other items on the floor where a customer or employee could trip.

- Make sure mirrors, cameras and displays allow for a good view of the aisles.
- Consider mats at coffee or other food service areas where spills occur.



## SALES FLOOR—MOPPING

- There are different floor cleaners for certain floors for effective cleaning and slip resistance. Check with your consultant.

## TIPS TO AVOID SLIP, TRIP AND FALL INCIDENTS

*Parking Lot, Sidewalk and Apron*

- Potholes, cracks, and uneven surfaces should be marked as hazards until repaired.
- Parking stops misaligned or damaged should be checked immediately and scheduled for repair.
- Make sure ramps and other areas are painted to highlight the elevation change.
- Quality of lighting—call immediately if bulbs are out or dim.
- Gas islands can have oil or other liquid spills. Check often and clean.
- Make sure the trash cans are not overflowing and there is a clear path to the dumpster.
- If there is a mat outside make sure it is in good condition, and in front of the door.

## SALES AREA

- Stock displays—keep them full and avoid low displays, especially near front door.

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- Check that mop water is clean and mop head is in good condition. (Time to change if it's too dirty to see the bottom of the mop bucket!)
- Mop buckets should be emptied after each use is the best practice.
- The mop head should be put through the wringer and hung to air dry. Replace mop heads frequently.
- Use wet floor signs before-during-after mopping.
- Mop only during less busy times and clean small areas at a time.
- Follow wet mopping with a quick dry mop.
- Check that employees understand the proper mix for Patco or other cleaing products.

“In the case of an accident, attend to the fallen, showing concern but don’t lift them to their feet. Call 911 or seek medical help when needed.”

VAULT AND BACK AREAS

- Vault floors can be slippery from moisture or leaks. Clean and use caution.
- Crate dollies should be out of the aisle and turned upside down when not in use.
- Lighting should be sufficient to see any trip or slip hazards.
- Check for leaks or spills at the sink.
- Bathroom—make sure the floor is dry and clean. Set a regular check and clean procedure.

FALLS

- Sitting stools are not safe for reaching shelves. Obtain and use a proper ladder or step stool.
- Milk crates are not safe—a suitable step should be used.
- Climbing on shelves or dumpsters is dangerous.



Is this OK as a step stool?

WEATHER

- Keep an eye on the forecast. Be prepared with salt, shovels and an extra mat.
- In rain or snow add an extra mat at the front door (cardboard is not a good substitute).



- Dry mop frequently.
- Use Caution-Wet Floor signs, but remove when not needed.
- If the landlord is responsible for the side-walk-parking lot snow removal, make sure it's OK and take care of the apron when it needs it.

EMPLOYEE SAFETY PRACTICES—GENERAL

- Always walk with caution—no running.
- No climbing on boxes, shelves or other items that may tip over.
- Never carry items that block vision.
- Don't leave spills unattended—cone off the area.
- Ask employees to wear shoes that have good tread and are non-slip.
- Use extra caution and watch parking lots, sidewalk, sales floor and mats when there is rain or snow.
- Only use warning signs when needed.

IN CASE OF ACCIDENT

- Attend to the fallen, showing concern but don't lift them to their feet.
- Call 911 or seek medical help when needed.
- Get the accident facts—take photos and save surveillance tape.
- Document the incident whether the employee or customer says they are OK.
- Time is critical in resolving incidents. Report any potential customer claim on the hotline, and employee/customer incidents to your insurance company/agent within three days.



If you drop it, pick it up  
If you spill it, wipe it up  
Go where you're looking and look where you're going.

If you need assistance with your slip and fall safety program, please contact me at 908-604-2951 or [jharp@msigusa.com](mailto:jharp@msigusa.com).



**Google's self-driving car startup Waymo** began deploying its fleet of self-driving Chrysler Pacifica minivans onto **public roads** for the first time in January, reported *The Verge*. The minivans hit the roads in Mountain View, California and Phoenix, Arizona, where the company's **self-driving Lexus SUVs have already driven thousands of miles over the past few years.** • The estimated cost of **raising a child from birth through age 17 is \$233,610**, or as much as \$13,900 annually, reveals a new report by the U.S. Department of Agriculture. That's the average for a middle-income couple with two children. • Starbucks is offering **legal advice to its employees and their family members** who are immigrants affected by Donald Trump's travel ban, reported Mashable. The coffee giant is working with the immigration branch of Ernst & Young to offer an advisory team that employees and their families can reach out to with questions. • **It is very likely that the world's first trillionaire would be Microsoft co-founder Bill Gates**, reported CNBC. According to research by Oxfam, this could happen in the next 25 years. The re-

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The National Coalition Board of Directors meeting in Hilton Head, South Carolina began with a Vendor Affiliate Meeting October 24-25 just prior to the Board's meeting Oct 25-28. • Eighty-seven presidents and vice presidents, representing 46 Franchise Owners Associations in the 33 states in which 7-Eleven operates, were in attendance and able to network with vendors in the program. • Twelve vendors gave presentations to the full Board. • Once the Board meeting started, franchisees zoned in on issues of major importance: the 2019 contract, independent contractor status, minimum wage, ETA, maintenance, accounting and legal issues. • Three new vice chairs were elected to two-year terms, AON Insurance representatives answered questions concerning workman's comp and SEI Senior VP Alan Beach and other SEI personnel presented and answered questions from Board members.

## Greater Oregon FOA

**BILL HUFFMAN,  
SOUTH VICE PRESIDENT**

The Greater Oregon FOA's first general membership meeting of 2017 was held in Portland on January 19. Despite adverse weather, almost half of our membership attended. The major topic was to explore the viability of creating a Political Action Committee for the members in Oregon. Ross Day, an attorney that limits his practice to PACs and lobbying, explained to the membership what PACs are, why they are important, and what steps we need to take to create a PAC. Our next speaker was Jas Dhillon, from the FOA of Greater Los Angeles. Jas is president of the Cali-



Bruce Maples (Franchise Relations), Randy Quinn (Chief of Staff), Alan Beach (Merchandising) and John Centala (Merchandising Strategy), presented to the board and answered questions about 7-Eleven's directions in merchandising.

fornia PAC, and is very active with legislative issues that effect 7-Eleven franchisees in that state. Jas related his experience in PACs and how they can be used not only to influence legislation, but how they can help elect and educate candidates that can help us. The Greater Ore-

gon FOA Board and membership would like to thank Jas for taking time to help us with this project.

The membership spent the rest of the meeting brainstorming ideas that affect

how we can simplify, increase profits, merchandise, manage labor, improve accounting practices and other items that we can work with SEI on to increase our profits. Thanks to Mo Avishan for setting up this presentation. Our next scheduled board meeting is March 23, and our Trade show will be Tuesday, April 4 at the Monarch Hotel & Convention Center in Clackmas.

## Columbia Pacific FOA

**HARBHAJAN GHOTRA,  
PRESIDENT**

Markets 2362 and 2363 completed ETA in November 2016. On average, stores added 250 to 500 new items. ETA has given leverage to each store by allowing them to bring in unique items that we did not have the ability to bring in previously. Some of our franchisees had concerns because ETA has increased their total inventory. Overall, however, this has been very beneficial for franchisees because they have been able to bring in special items to sell in their neighborhoods.

Due to the record cold weather and snowstorms in Oregon and Southwest Washington, sales decreased during the month of January. There has also been some anxiety for franchisees about the increase in minimum wage. Franchisees are trying to find ways to decrease the negative affect this minimum wage hike will have on their stores. They are looking at SEI for financial help and guidance.

## UFOLINY

**JACK W. RUGEN, PRESIDENT**

Sales under UFOLINY's umbrella of influence are flat. The number of unfunded promos is certainly exacerbating the negative effects on our GP%, which is so critical this time of year. We've had a number of robberies in the past month and are working with our Zone leader, market managers, Asset Protection and the local police department on how and what we need to do to be proactive. Reacting after the fact doesn't mitigate the problem and all the AP videos and security procedures are certainly not effective.

We are facing a barrage of New York State legislation regarding cigarettes, OTP and e-cigs. There are several bills both on the Assembly and Senate sides requiring imposition of tax stamps to be 2x2 inches with a color graphic depicting the adverse effects of cigarette use, a ban on public e-cig smoking, increasing the purchase age to 21 in counties that are below that threshold, prohibiting the sale of flavored tobacco products, taxes on e-cig cartridges parallel to those on cigarettes, prohibition of sale of any quantity of electronic liquid used to refill an e-cig or cartridge, and a bill that would require companies selling tobacco products over the internet to first send a form to individuals to sign stating such individual is 18 years old (19 in some counties and 21

in others). We are working with state legislators, the N.Y. Association of Convenience Stores, LIGRA and Forum Strategies (Altria's lobbying group) to mitigate the negative effects of these onerous measures.

ETA has not been as successful as SEI claimed it would be. Inventories have been increased \$15-20,000, decreasing GP%, which again is so critical this time of year.

Following a 24 percent jump in state minimum wages over the past three years, we face another 7.8 percent to 11.1 percent hike in December and further increases across the board, as well as payroll



NCASEF Chairman Joe Galea emphasized the importance of focusing on the 2019 agreement.

taxes, workers' compensation and unemployment insurance. The Commissioner of Labor has been empowered to "smooth" or equalize the fast food and general minimum wage rates as long as nobody's wages are reduced. Since a Texas judge stayed the federal overtime rule, the New York Department of Labor's new overtime rule was hidden in the minimum wage increases and went into effect on December 31, 2016. Minimum wage went to \$9.70/hour statewide, \$11 in NYC for 10 or fewer employees, \$10 in Long Island and Westchester. The new ceiling for ex-

empt employees is \$727.50/week statewide, \$787.59 for NYC employers with 10 or fewer employees, \$825/week for NYC employers with more than 11 employees and \$750/week for Long Island and Westchester.

We are in the process of a membership drive, bylaws revision and recently hired a part-time office assistant. Our trade show will take place at the Hilton, Long Island/Huntington on April 4, 2017 from noon-5pm. We hope to beat last year's revenue for our FOA and our vendor partners.

## Cal-Neva FOA

**RICHARD ROSE, PRESIDENT**

What a year the Cal-Neva FOA has had. Sales are up around 7.5 percent for the year and our franchisee income is up around 6.5 percent. The only concern is the eroding GP%. Our area's growth rate for this year is one of the areas leading the company, and we are looking for bigger and better results this year. The Northern Nevada/Lake Tahoe area was the first to roll out Core-Mark as our supplier in Septem-



New Vice Chairman Romy Singh questioned why the NBLC minimum wage committee was abolished with no outcome or replacement.

ber. So far the new supply chain has had many bumps, but the most concerning are the out-of-stocks and miss-pulls.

Our year started with a Kick Off party in January. Last year we started another

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# Presidents' Reports

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fundraising drive. Our FOA teamed with the Reno Central Rotary and the Northern Nevada Children's Cancer Foundation to raise monies to support those who are battling childhood cancer. Denise Barcomb headed this drive, and her efforts have resulted in over \$9,000 raised.

In June we had our 14th Annual Lou Magnotti Golf Classic, which helped raise money for the fight against Battens Disease, MDA, and to support two local Boys and Girls Clubs. This year our Golf Classic will be on June 15. To close out our fundraising efforts is the Fight Against Breast Cancer. We are still counting the collections. I'm sure we will add greatly to the \$75,000 we have raised over the last four years. Thank you to our vendors, customers, 7-Eleven field personnel and the franchisees for a great year. This year we had three Table Top Trade Shows and we are planning on having another three this year.

The Bob Dylan song "The Times They Are A Changing" comes to mind for our association, because three long-term franchisees are stepping down from the Board: Mike Morelli, Jim Conley and myself. I have had the honor of being President for 16 years and representing the Northern Nevada/Lake Tahoe franchisees for 36 years. I am sure that I will miss the interaction with franchisees from across the country and working with the Franchisee Select Committee,

but it is time to let others take the forefront in leading our FOA. We have had many changes in our local area, but one thing has always stayed the same: we have the best franchisees who support and work with the FOA and local 7-Eleven management. Thank you for the trust you have shown in me.

## Greater Bay FOA MANJIT PUREWAL, PRESIDENT

Four years ago, several FOAs joined together to form the NorCal United 7-Eleven FOA for the purpose of holding combined trade show and golf events, and it has been a great success. NorCal United is having our combined trade show on March 10, 2017 at the same venue we've had it for the last three years in Thunder Valley near Sacramento. We are having our golf event on June 7, 2017 at the Hidden Brook Golf Club at American Canyon near Napa.

The year didn't start on a good note as far as sales are concerned. I believe it is due to the amount of rain we've received. We haven't seen this kind of rain in ten years. Although it's good for our five-year drought, it's bad for our sales. I hope now that we are at the tail end of the rain, so our sales can pick up.

These days, most of the talk at our Northern California Board meetings is about ETA. We have to increase our SKUs to run 2,800 items, and a couple of stores have gone

"THE STORES THAT SELL THE MOST FOOD HAVE THE BEST OVERALL MARGIN."

—Alan Beach, 7-Eleven, Inc.,  
Senior Vice President, Merchandising

way up—4,000 plus. The people who have ETA say it helps with sales. We are excited about this and busy with it.

There are rumors that SB1400 might be reintroduced this year in California. This bill seeks to limit the sale of cigarettes and other tobacco products to specified "tobacco stores," which prohibit customers under the age of 21 and generate more than 60 percent of their annual revenue from tobacco. Needless to say, this bill would be detrimental to c-stores, and we plan to join forces with the 7-Eleven California PAC and SEI to fight it.

Some of our Board members attended a town council meeting in nearby Novato to discuss new tobacco regulations that could harm our business there. Although we agree with and support the main goal of the regulations, which is to require local tobacco licensing and curb tobacco sales to minors, we have issues with several parts of the new rules. They include the ban on the sale of flavored tobacco, the minimum pack requirements for cigars under \$5 and minimum purchase of smokeless tobacco in quantities

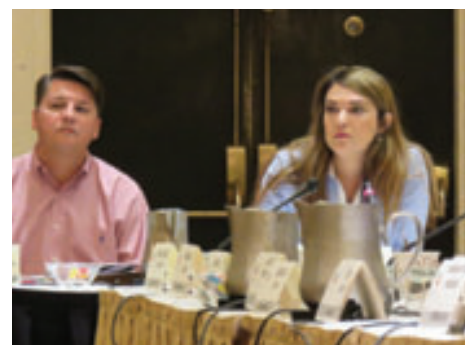
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Suburban Washington FOA President Pete Gragnano said minimum wage increases are eating up merchandise sales growth.



Vice Chairman Hashim Syed praised Business Transformation as a game changer and asked what took so long.



Ryan Fulton and Tonya Leffal from AON spoke about Workmen's Compensation packages in light of recent store events.

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# Presidents' Reports

4th QUARTER 2016

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of 5 or more, and the penalties are too severe.

Nevato has a slogan that says "Shop Local" but these regulations will hurt small businesses operating there, including our stores. They are unnecessarily penalizing small business because people will go to a neighboring town to buy their one can of chew or flavored cigarillo. So we went to the council meeting and presented our case. We are hoping they will make the changes we suggested.

On the store front, with the severity of the rain we have been receiving lately, many stores have been experiencing roof leaks. By the time FM would arrive to fix the leak, another would form. So instead of fixing both leaks in one trip, they want to turn it into two cases and two trips. This costs us money. My appeal to SEI is to see the franchisee as their partner, not their adversary. They need to help us as

"FRANCHISEES TODAY HAVE TOO MUCH COMPETITION, AND WE NEED HELP AND GUIDANCE FROM THE COMPANY TO OVERCOME MINIMUM WAGE ISSUES."

—Joe Galea, Chairman, NCASEF

partners so together we can build up the brand name. When a franchisee reports a leak, they should be able to fix the existing leak as well as the new ones in one trip. I think 7-Eleven is a great system, but being a large system in the corporate world, the red tape sometimes gets in the way and becomes a hurdle.

## Southern California FOA

PAUL LOBANA, PRESIDENT

We had a very busy and successful 2016, and began 2017 with a great first

Board of Directors meeting. Event dates for the year have been locked in, vendors have been contacted for events package deals, and our 2017 Committees have been assigned.

We can all agree the number one concern of franchisees is the new 2019 Agreement. A fair agreement is essential to the livelihood of so many 7-Eleven storeowners. FOASC is fortunate enough to have three members representing our FOA on the 2019 Agreement Committee. The goal of the committee, established by the National Coalition last year, is to meet, discuss and negotiate what franchisees want to see on the new agreement.

FOASC representatives are actively involved in the meetings with SEI executives regarding franchisee concerns. Those concerns are outlined in order of importance as: GGPS, Gasoline, Long Term Contract and Renewal Fee.

The four main points 7-Eleven considers when negotiating the new agreement terms are: Balanced Economics, Protect the 7-Eleven Brand, Independent Contractor Status and Marketable Agreement.

Franchisees are very concerned about the new contract that will be put forward by 7-Eleven. We are hoping to get a balanced agreement for both parties. Along with protecting the 7-Eleven brand, we must also protect our franchisees. The 2019 Agreement Committee has looked to FOASC for ideas and feedback to balance the new agreement. The committee is making all efforts for a balanced agreement without going through a litigation process. The Board has approved a contribution on behalf of FOASC to the National 2019 Agreement Legal Fund in the amount of \$40,000 and/or \$100 per store.

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Pacific Northwest Vice President Roger St. George urged franchisees to keep a close eye on MO1s and merchandise reports.



Joe Saraceno FOA President Matt Mattu said we must have a timeline for GGPS as franchisees are being punished for higher sales.



Southern Florida President Fari Ishani said maintenance needs improvement because too many things are happening at franchisee expense.



New England FOA President Dennis Lane said the penny profit for alternative brands is less, and promos don't help franchisees unless funded.

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## Sacramento Valley FOA

JAY BRAR, PRESIDENT

During the last few months, almost all area franchisees have been having a similar dream in their sound sleeps. It goes something like this: There's a knock at the door. "Who is there?" the franchisee asks. "ETA," a voice replies. "ETA who?" the franchisee questions again. "I am popularly known as Expand the Assortment and soon I shall take a permanent place in your store or stores," the voice discloses.

Well, guess what? It was a dream once, but now it is turning into a reality at a much faster pace and as a result, franchisees are now wide-awake.

To say the least, most franchisees in whose stores such a transformation—based on the ETA model—has taken place are totally overwhelmed. Some are very excited and optimistic about it, while others are nervous and foresee lots of challenges in regard to the inventory control, stealing, and extra hiring. Although only time will tell the true benefits of ETA, it is being perceived as an opportunity to grow the franchisee's profitability.

Almost all members of the Sacramento Valley FOA strongly believe that our latest transition from McLane to Core-Mark has been a disappointing experience, as our delivery and distribution system has been unreliable, unpre-

dictable, and undignified. It took many weeks, if not months, for Core-Mark in the Sacramento region to resolve its scheduling issues (in some cases, the delivery trucks showed up from 8 to 12 or more hours delayed from the window hours promised to the perspective stores). Even after months of being in business, Core-Mark is almost always short on items in both the driver's check-in and in honor check-in. Core-Mark is well aware of the existing issues and, supposedly, is working hard to meet the desired results.

All areas of Northern California received lots of rain this winter. It seems it might end the drought in the state, which has been overdue. Some of the forthcoming issues are the reintroduction of S.B.1400, an increase of \$2 tax on a pack of cigarettes, a ban on plastic bags and sale of marijuana for recreational purposes.

## San Francisco/Monterey Bay FOA

ANN SEKHON, PRESIDENT

This year, January has been very wet and sales are flat. We're dealing with the Core-Mark transition. It has been a little bit of a bumpy ride, but we're hoping to have it ironed out soon. We're having some issues with Core-Mark deliveries and invoices, so we'll be working with them to straighten it out. There's a lot of



SEI Senior Merchandising VP Alan Beach described the goals behind 7-Eleven's merchandising strategy: drive traffic, increase sales and provide franchisees with better support.

talk about ETA, about which items fit and which items don't fit. We're talking with franchisees that already have ETA to figure out what works and what doesn't, and what to look for and what sales are up in what sections. It seems like the Hispanic foods are helping run the numbers up. So far fresh foods is working for us. The new private brands are really good. The new ones that are coming out, the quality is good. The cookies and pastries are really good.

We held elections in February and new officers were elected. We now have a new 17-person Board from different areas in the East Bay. I was elected the new President, and our new Vice President is Inderjit Sidhu. Our Secretary is Jay Chinoy and our Treasurer is AJ Dhanoo. We had our planning meeting in Fremont in January and everybody is ready to go. The biggest issue that we're facing is ETA. Our trade show is April 5, 2017 in Fremont.

## South Texas FOA

BALWINDER DHILLON, PRESIDENT

The South Texas Market is the newest of all the markets, so challenges are more. We had a great summer with an increase in sales, but the New Year has brought an overall drop in sales. Factors could be weather, elections, and recovering from the holiday season. In 2016, average store sales increased from the previous year. A total of 41 stores are franchised and we are increasing our franchisee family. Our market is struggling with the overall GP\$, even though sales are better. We have to partici-

pate in all promos since we are new in the market, which has led to an overall soft gross profit.

Food sales are better, but new products such as pupusas and tamales don't sell very well. Chicken and cheeseburgers are doing great, along with sales of promos like wings and pizza.

We have a huge challenge when it comes to employment because it's hard to retain employees. The turnover is so high that each and every franchise has to struggle to have shifts covered.

Our market is dealing with unexpected maintenance charges. There are al-



Kraft's Megan Sparks presented a host of new products including Brownies, Devour frozen meals, Trios, and Philly Cream Cheese with bagel chips.

ways non-contract and building charges on every 48A. Our audits are coming under control compared to the previous year, as we struggled with big shortages on our audits in the first year. Still, this is affecting the market overall.

We try to meet at least every other month with knowledgeable people and our market managers. Our collaboration with the vendors is getting better. With the formation of our FOA we have been able to wake up our laid-back vendors, who are getting more involved now than they were before.

McLane has been delivering expired shippers and wrong products. We have addressed these problems with SEI and hopefully will get them resolved in the future.

We have successfully hosted two picnics for franchisees and their families, and hosted our very first golf tournament on February 28. Our FOA has participated in hosting charitable events for veterans and local communities, like Walkathons to support planting more trees. We look forward to a successful summer 2017 and year ahead!

—Eric Karp, NCASEF General Counsel

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California PAC President and FOAGLA Board Member Jas Dhillon reported on efforts to derail bills that take away franchisee income.



Northern California FOA Vice President Sukhi Sandhu described confusing changes to the accounting system but major improvements.

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So. Nevada Las Vegas FOA President Ken Smitreski said franchisees need to be careful to claim McLane credits.

Baltimore FOA  
BARBARA GRAHAM, PRESIDENT

The Baltimore markets finished out the year with a plus 3 percent increase, and the customer counts are up slightly, around 11 per day. ETA is complete in our area, and we should be getting the results soon. Members are paying close attention to the legislature regarding the minimum wage and paid sick leave. We have just returned from the 7-Eleven Experience. There were many new products on display from all the vendors. It is always nice to interact with franchisees from across the country. We will be having our joint trade show on March 23 with the Washington, D.C. FOA and Suburban Washington FOA. We are looking forward to all the great deals from our local and national vendors.

San Diego FOA  
ROBERT ELKINS, PRESIDENT

In San Diego we had five days in a row of “winter weather,” causing sales to be trending 5.5 percent down. Now we are back to 72 degrees and sunny, and are expecting sales to return. On January 27, 2017 we had our trade show with the FOA of Greater LA and had a lot of fun and good show deals for all. A San Diego franchisee was the lucky winner of a Chevy Cruze. We haven’t had a Board meeting yet, but we do have four new Board members.



Colt Bearden from Perfetti talked up Mentos Gum, Now Mints, and Xtremes Sourfuls.

Greater Seattle FOA  
AJINDER HANDA, PRESIDENT

The Greater Seattle FOA had a great year marked by camaraderie and building relationships. Most notably, the GSFOA recently held its fourth annual holiday party. We would like to thank the vendor community, franchisees, and the 7-Eleven team for coming out and gracing us with their presence. We had a great turnout, and it was inspiring to see so many friends celebrating under one roof.

However, there have been some ups and downs. Sales were flat in Washington's last quarter; as a matter of fact, January was down 4



Above: VPX's Gene Bukovi presented the Redline, Rush and Bang products. Right: San Diego Vice President Gary Singh reported a great joint San Diego/FOAGLA Trade Show.

percent. Around the same time, ETA was implemented in our area after the success of pilot programs in Dallas and other parts of the country. ETA functions include adding categories and products to each



Northern California FOA President Jivtesh Gill described franchisee efforts to defeat SB 1400 in California, which would have restricted tobacco sales in c-stores.

store’s assortment to better satisfy the needs of our customers. The rollout of this program in our area has coincided with very mixed sentiments. We have already forwarded our feedback to SEI on how this program can be more effective. ETA can potentially be a great tool that will increase sales if franchisees and 7-Eleven personnel implement it properly. Specifically, ETA should be on a store-by-store basis. While some stores require full-expanded assortment, many need a custom-fit assortment. We believe that to have expended assortment, we don't have to extend the fixture higher in many stores.

Furthermore, the Pacific NW Zone is now part of the \$711 challenge program. It is an incentive program from SEI to mitigate many headwinds that franchisees now face, such as competition, government mandates, and increases in payroll due to higher minimum wage. To receive the \$711 incentives, franchisees have to increase PSA17 sales by 8 percent (used to be 10 percent), increase private brand take-rate to more than 76 percent, and increase the SKU count by 5 percent.

The GSFOA is having its fourth annual trade show on March 15 at the Lynnwood Convention Center in Lynnwood, WA. FOA presidents and vice presidents are most welcomed to join us for this occasion.



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South Florida FOA Vice President Eric Donihoo said their efforts to fight unfair cigarette stings has been successful.



St. Jude's Jesse Miller described all the great things the charity is doing to help children and families with cancer.



South Texas FOA President Balwinder Dhillon said their new market participating in all the promos has caused overall soft gross profit.



SEI VP Operations and Chief of Staff Randy Quinn said McLane ordering will be simplified and recommended items will be searchable.

## Virginia FOA

WAQAR SHEIKH,  
PRESIDENT

We are changing with the times and we are adapting to our customers' needs. We have Mexican coffee coming soon and we have Columbian coffee and Nicaraguan coffee. We are responding to the changes that are taking place in our neighborhoods and we are fulfilling the needs of our customers. When you look at the grill, we have tacos, we have beef patties and egg rolls and chicken wings and pizza. We are diversifying our product assortment to reflect the diversity of the U.S. population.

We went to the SEE in February. Mr. Joe DePinto's slogan was that we are strong today and stronger tomorrow. We have strong growth and are planning for our 10,000th store in the next few years. Franchisees will benefit, vendors will benefit and of course, SEI will benefit. It is good for all of us. It is a win/win situation. I think it is a huge opportunity for franchisees to grow with the company. I met a lot of franchisees at SEE and they all seemed to be optimistic about their future and the future of the company. They were happy that the growth is coming, as well as new products and new foods.

We are planning our trade show for May 25, 2017. We are hoping that Mr. DePinto will attend as he did last year. It is a franchisee event and we talk about what's going on nationally, internationally and locally. We are making a cultural difference. We are trying to accommodate our customer base. We want to fulfill their desires. One thing that was shared at SEE is that vendors will work with your store and try to give every store custom merchandising so that we can meet our customers' needs. I see that if we start

looking at bigger stores, the size of Walgreens, we could do that, too. ETA would enable us to do that. I even see supermarkets as 7-Elevens!

## Eastern Virginia FOA

ROMY SINGH, PRESIDENT



SEI Senior Director Merchandising Strategy John Centala said his team wants to learn from the stores what merchandising processes are working.

2016 was a great year for us in Eastern Virginia. We had several weather challenges in our area, but it was a very busy year. We started our year with BT being implemented from one market to another market. SEI's operations team was very helpful, as FCs worked day and night to make sure franchisee had a smooth transition. Right after we finished with BT, we started working on ETA. In the beginning, franchisees had lots of concerns and confusion

regarding this program. We had boxes on top of boxes in front of our stores. After ETA was installed, everyone loved it. We expanded the SKUs and we're gaining extra sales.

Our FOA is growing day by day because our members are so dedicated to helping each other. Our WhatsApp group is strong. Franchisees can ask questions on the WhatsApp group—on anything from how to fix the Slurpee machine to accounting—and get an answer or advise from other franchisees in seconds. We have gotten requests from franchisees in Chicago, Pennsylvania, and Maryland to Florida to be added to our WhatsApp group.

Our area faced a lot more robberies last year. Our FOA, along with Loss Prevention, have met with several police chiefs and asked them to provide more patrolling to our stores. Our FOA is committed to help each franchisee with the aid of

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Loss Prevention. Our FOA has started uplifting low volume stores by holding community appreciation events in those stores to help their sales. We have decided that every quarter we will identify one store in each market that has been hurt by competition and help them out in this manner. We want to send a strong message to the community that we are part of them and we care for the community. If we can successfully uplift at least four stores every year, we will feel proud that we helped our franchisees. Lets have a great and successful 2017.

## Suburban Washington FOA

PETE GRAGNANO, PRESIDENT

It's wintertime in the Maryland/Washington, D.C. area and the relatively

“FOAS NEED TO HELP FRANCHISEES BY IDENTIFYING STRUGGLING STORES AND PLANNING COMMUNITY EVENTS THAT WILL HELP DRAW ATTENTION TO AND LIFT THE STORE'S SALES.”

—Romy Singh, NCASEF Vice Chairman, President East Virginia FOA



Kansas City President Faisal Asad reported much success and satisfaction with the new ordering system.

mild but erratic weather has resulted in minor sales decreases. Sales across the Liberty Zone for December and January were down 0.9 percent and 1.4 percent, respectively, compared to 2016, primarily due to warmer temperatures this past December and the absence of a mega lottery jackpot this year as compared to January 2016. Despite the sales decline in December, the Zone still experienced a 2.1 percent annual sales increase in 2016 vs. 2015. And while January 2017 had a decline, the initial days of February are trending at a 3 percent increase.

Moreover, we saw relatively little or no impact on sales in the region from either the Presidential inauguration or the Women's March in Washington in January.

Consequently, stores continue to suffer financially due to negative or flat sales growth resulting from encroachment, combined with the impacts of minimum wage and paid sick leave, among others. Even stores with sales growth are seeing less income, as increased labor costs more than offset the corresponding increase in profitability.

Despite the rose colored outlook from the corner offices in Dallas that were presented to attendees at the 7-Eleven Experience in Las Vegas this February, something needs to be done immediately, as a growing number of stores are experiencing net worth deficiencies.

Our new Zone Leader, Jas Singh, has met with local franchisee leadership to discuss a number of critical issues that we are



Midwest FOA President Jim Bayci described a deteriorating crime situation in Chicago.

dealing with (encroachment, minimum wage, higher cost of goods via the CDC, increasing robberies and flash mobs in D.C. and Baltimore, among others) and has proposed several solutions to deal with the dilemmas that we are facing.

Additionally, both Government Affairs and Asset Protection are playing an increasing role in our region, with initiatives underway to deal with the flash mobs and robberies. Asset Protection has scheduled a visit in late March to outline their plan, while Government Affairs is advocating that local franchisees become more involved in the legislative process, with us either testifying before or emailing Maryland State legislators on topics such as Paid Sick Leave and Pre-Exemption (state control over wage and benefits issues rather than individual county control). Moreover, they have arranged for a day in late February in which we will meet our respective legislators to voice our concerns over the critical issues that we as small business owners are facing.

On a more lighter note, in early December the TriState FOSE Association (the Baltimore, Washington, D.C., and Suburban Maryland FOA corporation) sent a \$10,000 check to Swim Across America as the proceeds from our annual golf tournament last September.

Finally, on March 23 TriState will be holding its annual trade show at the Howard County Fairgrounds. Last year's show was well received by the vendor and franchisee community, and we hope to build upon that success.

## South Nevada/Las Vegas FOA

LAKHA SINGH WAHLA, PRESIDENT

Both South Nevada/Las Vegas FOA markets were up in sales in 2016. Market 1607 was up 6.93 percent from the previous year in gross sales, and Market 1608 was up 7.87 percent. Nationwide, gross sales were up 1.7 percent from the previous

year. Month-to-date we are up 6.4 percent in Market 1607 and 7 percent in Market 1608. That is great, and construction is back and the economy in Vegas is very good. Real estate is almost back to where it was at the peak of the market. These are good reasons for our increased sales.

Our trade show will be held Wednesday, April 19, 2017, and our golf event is on Thursday, April 20, 2017. We combined them so that vendors will only have to make one trip and they are happy about that. The trade show will be at the Cashman Center and the charity golf event will be at the Rhodes Ranch Golf Club. We anticipate donating between \$15,000 and \$20,000 to charity from our golf event.

7-Eleven is aggressively looking for opportunities to open more stores in Las Vegas. They are predicting up to 300 addi-

“THE NEED FOR VENDORS, FRANCHISEES AND SEI TO WORK TOGETHER IS GREATER NOW THAN EVER BEFORE.”

—Nick Bhullar, NCASEF Vice Chairman

tional stores in the Las Vegas market. We currently have between 180 and 190 stores.

ETA is coming to Las Vegas this month. I don't want to say if it's good or bad. We will have to wait and see. We have a very good relationship with our market manager and zone leader. I don't remember the last time any franchisee received a breach in our area. If we have an issue, the

market manager calls me and I talk to the franchisee. This is the system that our former president Jay Singh set up, and it works wonderfully. We work with the franchisee, and if needed, we have a meeting with the zone leader.

The biggest problem in Las Vegas is inventory shrinkage. More franchisees are concerned with the 2019 contract. We are also concerned about rising minimum wages in neighboring states. We know it's only a matter of time before higher minimum wages come here and decrease our net profits. We have a commerce tax imposed on our franchisees. Any store that has gross revenues of \$4 million has to pay the commerce tax. Whether you owe it or not, you have to file the commerce tax return. Franchisees are concerned that these regulations will affect their bottom lines. **AV**



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## Member News

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### Legislative Update

\$10.10 an hour, has increased for each of the past four years. Democrats say a more reasonable entry-level wage that will pay for housing and food in the state is closer to \$19 an hour.

Democrats led by Gov. Dannel Malloy have had success in recent years at passing similar legislation, including two minimum wage increases and a paid-sick leave law. Such efforts will be more challenging now that the state Senate is evenly divided between Democrats and Republicans. The Democratic Party controls the state House of Representatives.

#### Washington Bill To Delay State Minimum Wage Increase

Washington State Sen. Michael Baumgartner, R-Spokane, recently introduced three bills regarding the state's two-month-old \$11 minimum wage, most significantly one that would lower the minimum wage to \$9.53 in all counties except King, reported *The Daily World*. Baumgart-

ner's bill would provide for incremental state-mandated 50-cent annual raises through January of 2020, when it peaks at the same \$13.50 as drafted into I-1433, the citizen initiative that was passed during the November elections.

According to the bill summary, the bill would delay the provisions of I-1433 for two years in all counties with a population less than 1.5 million. Employers in the 38 counties that are subject to the delay will pay the minimum wage of \$9.53 per hour; the amount that was set to be implemented on January 1 if I-1433 did not pass. Beginning on January 1, 2019, these employers will move to the new phased-in minimum wage schedule, starting at \$11 per hour, and will be required to pay mandatory sick leave. If passed, the provisions of the bill would be retroactive for January 1, 2017.

The bill was heard in early February in the Senate Committee on Commerce, Labor & Sports. Two

continued on page 70



### 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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port also finds that **eight billionaires from around the globe have as much money as the 3.6 billion people who make up the poorest half of the world's population.** • Based on sales and consumption data reported over the past 12 months by major gasoline retailers, drivers across the U.S. have more than **500 million miles driven on E15**, highlighting the fuel's performance, safety, and value for American consumers, according to ethanol support group Growth Energy. • **Amazon** recently announced that it plans to create **100,000** full-time, full-benefit jobs in the U.S. over the next 18 months. The company said many of the jobs will be in new fulfillment centers currently under construction in Texas, California, Florida, New Jersey and many other states. • **Target plans to launch its own mobile payment service** this year in stores, which would allow customers to pay for goods using an app on their mobile phones, reported Reuters. • **Save-A-Lot's more than 150 stores** in Florida are carving out a successful niche in a competitive market, with smaller stores often located in older shopping centers and a reliance on private-label items, reported the *Tampa Bay Times*. • **The Kroger Co.** recently announced that its family of stores is hiring to fill an estimated 10,000 permanent positions in its supermarket divisions. The company also announced that its total active workforce grew by more than 12,000 associates in 2016. • **The number of convenience stores in South Korea has jumped by more than half over the past five years, to 32,000 in 2016**, fueled by the rising number of single-person households, reported *Bloomberg*. • The top five best-selling CSD products on Amazon, as per Profitiro's Top 100 Amazon Best Seller list, are **Coca-Cola** with six brands on the Top 100 Amazon Best Seller rankings, **Hansen's** with eight brands on the list, **Mountain Dew** with 11 products, **Zevia** with 12, and **Pepsi** with 19 products,

continued on page 72



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## NO CHANGE IN SEI CULTURE

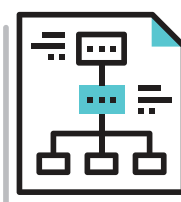
BY HASHIM SYED | Franchisee, FOA Chicagoland

Many businesses across the nation are trying hard to deal with the increase in minimum wages, while simultaneously struggling to hold on to their experienced employees by offering them better financial incentives and working environments. 7-Eleven franchisees are finding it especially difficult to cope with these minimum wage increases, since we require our franchisor's help to find a meaningful solution. So far, very little has been forthcoming.

We've been asking SEI's upper management for help since before many of these minimum wage hikes were made official. Now it is very clear that all our hopes are nothing but wishful thinking, and we must realize that we are mostly on our own to swim or sink according to market conditions in these challenging times.

**"7-Eleven franchisees are finding it especially difficult to cope with these minimum wage increases."**

I believe the lack of a franchisee solution in regards to minimum wage is due to lack of investment by SEI upper management. Franchisees have invested their hard earned resources from day one, and for management, the chief concern is their compensation package, and their package on their way out. Their



compensation depends on how good the company looks financially, and it is all about the NOW, without considering the larger picture or future after they leave SEI. Most current 7-Eleven franchisees will still be in the system after the current corporate upper management leaves, and frankly, out of sight, out of mind. For me, this explains why the franchisees with minimum wage pressure are treated with such disregard to their immediate needs and pressing issues, despite our ongoing communications with SEI.

Our NCASEF counselor Eric Karp has both written and spoken about how things are done fairly at Popeyes Louisiana Chicken between the franchisor and its franchisees. The CEO of Popeyes treats her franchisees as the Most Important Customers, and because of this fair-mindedness of collaboration and transparency, Popeyes had a 33 percent increase in the number of franchised restaurants and a nearly 400 percent increase in the price of its publicly-held shares during her tenure. Compare this with what is going on at SEI, where its franchisees are treated more and more like glorified managers and are asked to work even harder for less money in order to overcome the challenges caused by the increase in minimum wages.

In my experience, it appears the SEI's policy of shifting expenses onto franchisees and

continuously increasing the franchising fee has resulted in decreasing goodwill value of our stores. Meanwhile, prospective franchisees are joining the system thinking they are getting into a gold mine business, and some of them find out that they are in the coal mine business that requires very hard work just to survive.

This ongoing tug of war between SEI's upper management and its hard-pressed franchisees is very harmful for the future of the company and the brand, and is very painful to all the long-time franchisees who have invested in and care about the 7-Eleven system.

There is widespread talk about the need to change the current 7-Eleven business model to make our stores more desirable places to shop. With the very stiff competition we face these days, it is becoming more challenging to increase or even hold on to our current customer base. It requires long-range creative planning. I don't know if SEI's current leadership is up to the task because it would necessitate leadership capable of finding the funding to help franchisees, and seeing beyond their compensation packages.

7-Eleven franchisees backed SEI when it filed for Chapter Eleven by putting in hard work to survive that dark and very difficult period, but now the same SEI under this new upper management has turned its back on the franchisees who are hard hit by the current minimum wage increases. Franchisees are in desperate need of some real financial help, and they need it now. **AV**

HASHIM SYED  
CAN BE REACHED AT  
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*"With the very stiff competition we face these days, it is becoming more challenging to increase or even hold on to our current customer base."*

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## Member News

continued from page 24

mation Institute reveals that there is a growing divide between retailers and consumers on the importance of physical stores: while 81 percent of retail executives see the store as important, less than half of consumers (45 percent) agree. Shoppers are frustrated by in-person retail experiences that have not only failed to keep pace with developments in online shopping but are also disconnected from online stores. More than half (54 percent) of the retail executives surveyed admit that they have been slow to digitize their physical stores.

### Credit Card Use Grows

From 2012 to 2015, credit and debit card payments continued to gain ground in the payments landscape, accounting for more than two-thirds of all core noncash payments in the United States, according to the 2016 Federal

Reserve Payments Study. The study, which presents 2015 payments data, found that the number of domestic core noncash payments totaled an estimated 144 billion—up 5.3 percent annually from 2012. The total value of these transactions increased 3.4 percent over the same period to nearly \$178 trillion. Among the other key findings of the study: card payments grew 19.9 billion from 2012 to 2015 led by non-prepaid debit card payments, which grew by 12.4 billion, and credit card payments, which grew by 6.9 billion.

### Online Grocers To Accept Food Stamps

The U.S. Department of Agriculture announced major online food retailers including Amazon will soon begin accepting food stamps from those participating in the Supplemental Nutrition Assistance Program (SNAP), reported *Fortune*. The pilot program will begin this summer and take place in seven states: Maryland, New Jersey, New York, Pennsylvania, Washington, Iowa, and Oregon. Amazon, FreshDirect, Safeway, ShopRite, Hy-Vee, Hart's Local Grocers, and Dash's Market are all set to participate. The USDA said it eventually hopes to add more retailers and make using food stamps online a national option.

*"A pilot program to allow major online grocers to accept SNAP payments will begin this summer in seven states."*

### Speedway To Go On Hiring Spree

C-store chain Speedway LLC, which has approximately 2,770 stores in 22 states, plans to hire more than 1,000 employees across nine states, reported the *Circleville Herald*. According to the company, Speedway is seeking to fill leadership positions, including shift leader trainees and co-manager trainees. A variety of full-time and part-time field positions also are available, including customer service representatives, who primarily serve customers, and food service specialists, who help maintain food and beverage programs. Speedway held open interviews at every store in Ohio, Indiana, Illinois, Kentucky, Michigan, Pennsylvania, Tennessee, Wisconsin and West Virginia on January 25.

### Walmart To Add 10,000 U.S. Retail Jobs

Walmart plans to add about 10,000 retail jobs in the U.S. as it opens new stores and expands existing locations, reported the Associated Press. The world's biggest retailer said that its plans will also generate about 24,000 construction jobs. The jobs will come from the opening of 59 new, expanded and relocated Walmart and Sam's Club locations, as well as e-commerce services that were previously announced. Although Walmart is opening fewer stores this year, the company is still adding jobs as it offers more

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Texas FOA Board members took a moment to pose with 2000 Olympics Gold Medalist Ryan Berube and Swim Across America's Dallas Event Director Leslie Lucas during the association's planning meeting in December. The Texas FOA has been a proud supporter of SAA for many years. Pictured above (left to right): Bob Price (FOA Board member), Sanjiv Shelly (FOA Board member), Azar Saghir (FOA Vice President), Mark Gramlich (Kellogg's), Ryan Berube (SAA Olympian), Raj Singh (FOA President), and Leslie Lucas (SAA).



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## Legislative Update

companion bills also dealing with the state's minimum wage and authored by Baumgartner were also heard. Senate Bill 5532 would allow nonprofit employers to pay a slightly lower minimum wage; Senate Bill 5541 deals with the minimum wage for employees less than 18 years old.

### Virginia Shoots Down Online Lottery Sales

A coalition of convenience store owners, among them 7-Eleven franchisees, worked to undermine a bill from the Virginia Lottery to allow for online gambling, thwarting an effort aimed at increasing sales among millennial gamblers, reported *The Connection*. The bill was defeated with an overwhelming vote by a House General Laws

subcommittee on January 17. Convenience store owners testifying before the subcommittee raised concerns about the economic consequences of changing the rules. "It's bad for business," said Chuck Duvall, lobbyist representing 7-Eleven. "Customers don't just buy lottery tickets. They buy cigarettes. They buy soft drinks. And sometimes they buy beer. And all of those are higher markup items than the lottery ticket. So if we don't have that body in the door, we are

probably not going to sell those other products." Ultimately, members of the committee opted for the status quo, denying the lottery officials the online marketing they hoped would infuse their business with millennial gamblers.

### Gas Taxes Change In Several States

Motorists in nine states saw changes in gas taxes at the pump on New Year's Day, and more than a dozen states will examine adjustments in 2017, reported *USA Today*. Pennsylvania's gas tax increased from 50.4 cents per gallon to 58.3 cents, the largest rate in the country. The other big increase was in Michigan, where the gas tax rose 7.3 cents per gallon to 37.84 cents. Nebraska's rate of 27.7 cents per gal-

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## 2017 Minimum Wage Hikes

The New Year rang in with minimum wage increases in 21 states, at least 22 cities, four counties and one region, reported CNN Money. The majority of those increases took place on January 1, but in Maryland, Oregon and Washington, D.C., they go into effect in July. New York bumped up its minimum pay on December 31, 2016. The biggest minimum wage raises, percentage wise, are in Arizona (up 24 percent to \$10), Maine (up 20 percent to \$9) and three Silicon Valley cities (up 20 percent to \$12). Here is the list of the 2017 minimum wage hikes:



### STATES

Alaska .....	\$9.80
Arizona .....	\$10.00
Arkansas .....	\$8.50
California .....	\$10.00 for small employers \$10.50 for large employers
Colorado .....	\$9.30
Connecticut .....	\$10.10
Florida .....	\$8.10
Hawaii .....	\$9.25

Maine .....	\$9.00
Maryland .....	\$9.25 (as of July)
Massachusetts .....	\$11.00
Michigan .....	\$8.90
Missouri .....	\$7.70
Montana .....	\$8.15
New Jersey .....	\$8.44
New York .....	Varies across state from \$9.70 to \$11*
Ohio .....	\$8.15
Oregon .....	\$10.25 (as of July)
South Dakota .....	\$8.65
Vermont .....	\$10.00
Washington .....	\$11.00

(\*The basic minimum wage is \$9.70 in most of the state but it's higher for the fast food industry, Long Island, Westchester County, and large and small employers in New York City.)

### CITIES & COUNTIES

#### CALIFORNIA

Cupertino .....	\$12.00
El Cerrito .....	\$12.25
Los Altos .....	\$12.00
Mountain View .....	\$13.00
Oakland .....	\$12.86
Palo Alto .....	\$12.00
Richmond .....	\$12.30
Sacramento .....	\$10.50 (large employers)
San Diego .....	\$11.50
San Mateo .....	\$12.00
San Jose .....	\$10.50
Santa Clara .....	\$11.10
Sunnyvale .....	\$13.00

#### DISTRICT OF COLUMBIA

Washington, D.C. \$12.50 (as of July)

#### IOWA

Johnson County .....	\$10.10
Linn County .....	\$8.25
Wapello County .....	\$8.20

#### MAINE

Portland .....	\$10.68
New Mexico:	
Albuquerque .....	\$8.80
Bernalillo .....	\$8.70
Las Cruces .....	\$9.20

#### NEW YORK

New York City .....	\$11.00
Long Island and Westchester, NY	\$10.00

#### WASHINGTON

Seattle .....	\$15.00
SeaTac .....	\$15.35
Tacoma .....	\$11.15

**"Minimum wage increases are scheduled for 21 states and at least 22 cities in 2017."**



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## Member News

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### Legislative Update

lon went up 1.5 cents per gallon, as part of a four-step hike approved in 2015.

Georgia, North Carolina, Indiana and Florida each saw modest gas tax increases of less than a penny per gallon, based on automatic adjustments in those states. Two states—New York and West Virginia—had slight reductions based on automatic adjustments. New York's rate fell 0.8 cents per gallon, and the West Virginia's rate dropped 1 cent per gallon. The hikes reflect state efforts to balance budgets for road construction and maintenance when Congress hasn't raised the federal gas tax of 18.4 cents per gallon since 1993.

#### New Hampshire Bill Would Roll Back Smoking Bans

New Hampshire lawmakers are considering a bill that would roll back smoking rules across the state, reported news station WMUR-9. If passed, the legislation would let business owners decide whether people can smoke indoors. Ten years ago, it became illegal to smoke in bars and restaurants throughout New Hampshire. The legislation would apply to privately run grocery

stores, restaurants, and cocktail lounges, along with transportation, such as taxis, buses and boats.

The sponsor of House Bill 279, Rep. Robert Hull, R-Grafton, said he drafted it at the request of a voter.

**“New Hampshire lawmakers are looking to roll back smoking rules across the state to allow business owners to decide whether people can smoke indoors.”**

The bill was met with strong opposition by the American Cancer Society, which argued that it would create a major health risk for state residents. The proposal will be referred to a subcommittee, and it's unclear when it could be put to a vote.



#### Illinois Considers Soda Tax

A proposition to tax sugary beverages is being revived as part of the Illinois Senate's “grand bargain” to pass a state budget, reported the *State Journal-Register*. Senate Bill 9 will tax any beverage that has five grams of sugar or more, meaning drinks like soda and certain juices will be affected. The bill requires distributors to impose a penny-per-ounce tax on retailers, which would produce an estimated \$560 million for the state. Health care advocates view the beverage tax as a responsible revenue generator, but soft drink representatives say SB 9 would have dire consequences, not only for prices, but also employees in the industry. As part of its budget compromise, the Senate is also considering an income tax increase that aims to generate \$4.1 billion.

#### Franchisees Testify For Tobacco Regulation Changes

Members of the Greater Bay FOA recently spoke before the Novato, California City Council in support of changes to new tobacco regulations passed by the city. The new rules, as they stand, contain certain elements that will have a negative impact on retailers in the

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reported *CSP Daily News*. • Nearly half of consumers (48 percent) prioritize in-vehicle technology over brand or body style, according to the 2017 Autotrader Car Tech Impact Study. • **Werther's Original recently introduced Caramel Popcorn** to its line of offerings. Available in two flavors—Classic Caramel and Sea Salt & Pretzel—Werther's Original Caramel Popcorn was an official sponsor of the People's Choice Awards 2017. • Pizza Hut recently announced that it expects restaurants to fill up to **11,000 job openings** in the coming months as it strives to improve the customer experience and fueling restaurant growth. The company said the 11,000 positions are offered by corporate-owned restaurants and many of the locally-owned and operated franchise restaurants across the country. • **Marijuana users** in North America **spent \$53.3 billion on legal, medical, and illicit cannabis in 2016**, reported the *Cannabis Telegraph*. That's more cash than Americans blow in a year at McDonald's and Starbucks combined. • Panera Bread announced its entire U.S. food menu and portfolio of **Panera at Home** products are now free from all artificial flavors, preservatives, sweeteners, and colors from artificial sources as defined by the company's No No List. • **Ford Motors recently unveiled two new apps** for its in-vehicle Sync AppLink system: ExxonMobil's Speedpass+, which allows drivers to **pay for gas using the touchscreen or voice controls of their cars'** Sync 3 infotainment systems, and DriverScore, which grades a driver's performance in order to help lower insurance rates. • Walgreens is working with the National Institutes of Health and The Scripps Research Institute on a precision health initiative that **aims to use wearables, such as small electronic devices, to encourage healthier behaviors** and outcomes, reported *Marketing Daily*. • **Uber pulled its self-driving cars off**

continued on page 76

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## The Smoother Side of Camel

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## Legislative Update

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city, the franchisees said. At the heart of the legislation is a requirement for a tobacco retailer's license in order to sell cigarettes in Novato, and more rules to curb tobacco sales to minors.

During the January 24 meeting, the franchisees said they support local tobacco licensing but have serious concerns about four of the provisions in the ordinance: the requirement that all employees selling tobacco to be at least 21 years old; the ban on the sale of flavored tobacco; the minimum pack requirements for cigars under \$5 dollars and minimum purchase of smokeless to-

bacco in quantities of 5 or more; and the suspension and revocation penalties are too punitive and should be revised.

The franchisees requested the following revisions to the proposed Novato tobacco retail license ordinance: delete the minimum age for persons selling tobacco (Sec. 7-6.3(e)); delete the ban on flavored tobacco products (Sec. 7-6.3(h)); delete the minimum pack size for cigars (Sec. 7-6.3(i)); and amend the Suspension or Revocation of License Section

(Sec. 7-6-11) to be consistent with Marin County tobacco retail license ordinance provisions.

### Chicago Approves Partial Rollback Of Tobacco Ban

Chicago Aldermen recently approved a plan backed by Mayor Rahm Emanuel to weaken rules prohibiting the sale of flavored tobacco, reported the *Chicago Tribune*. The City Council adopted the measure to again allow menthol cigarettes, candy flavored ci-

**"Greater Bay FOA franchisees spoke before the Novato, California City Council to change new tobacco regulations passed by the city."**

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## Proposed State Bills Affecting Tobacco Regulation

As state lawmakers begin their 2017 legislative sessions across the nation, several have introduced bills that will affect tobacco regulation, reported CSP's Thomas A. Briant, executive director of the National Association of Tobacco Outlets, offered the following proposed measures that his organization is closely monitoring (only those states where 7-Eleven operates are listed):

### Connecticut

- House Bill 5384 would raise the legal age for the purchase and use of tobacco products to 21.

### Indiana

- House Bill 1313 would remove the smoking-ban exemption for certain public places, including tobacco and cigar specialty stores.
- House Bill 1320 would increase the state cigarette tax by \$2 per pack.

### Kentucky

- House Bill 125 would allow minors to sell tobacco products on behalf of an employer.

### Massachusetts

- Senate Bill 171 would tax "electronic smoking liquid" at 40 percent of the wholesale price and would cap the tax on cigars at 50 cents.

### Missouri

- House Bill 286 would create a child protection registry that prohibits advertising of certain products such as tobacco and vapor products

through electronic messaging to registered underage persons.

### New Hampshire

- House Bill 333 would eliminate the exemption for premium cigars from the state's tobacco tax, which would then assess a tobacco tax on premium cigars at a rate of 65.03 percent.

### New York

- Senate Bill 729 would make the restrictions on smoking in public areas applicable to electronic cigarettes.
- Assembly Bill 273 would increase the age to purchase tobacco products from 18 years old to 21 years old.
- Assembly Bill 277 and Senate Bill 758 would prohibit the sale of flavored tobacco products (except for pipe tobacco and handmade cigars) but exempt the flavors of tobacco, menthol, mint or wintergreen and does not apply to an age-restricted retail tobacco business.

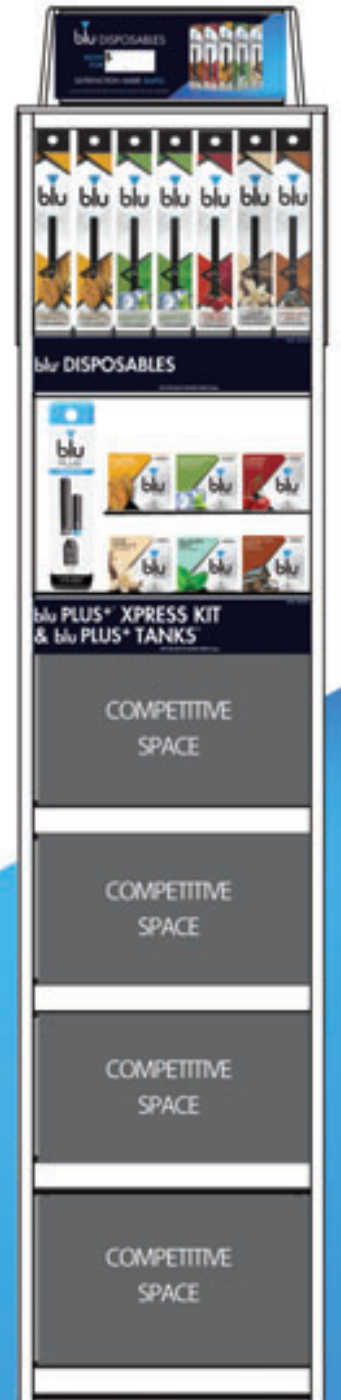
- Assembly Bill 1138 and Senate Bill 1089 would tax electronic cigarette cartridges (defined as a replaceable cartridge) as tobacco products.
- Assembly Bill 325 would prohibit the sale of any quantity of electronic liquid used to refill an electronic cigarette or cartridge. It defines "electronic liquid" as any liquid composed of nicotine and other chemicals that is sold for use in electronic cigarettes.
- Assembly Bill 516 would make the restrictions on smoking in public places applicable to electronic cigarettes (retail electronic-cigarette stores would be exempt).
- Assembly Bill 749 would increase the purchase age for tobacco products and electronic cigarettes to 21 and prohibit the vaporization of nicotine within electronic cigarettes in certain areas.
- Assembly Bill 1117 would require companies selling tobacco products over the internet to first send a form to individuals to sign stating such individual is 18 years old.

### Virginia

- House Bill 1925 would give all counties the authority to tax cigarettes.
- House Bill 2056 would assess a vapor product at 5 cents per fluid milliliter of consumable vapor products and 10 percent of the retailer's sales price of non-consumable vapor products and devices, including e-cigarettes, e-cigars and similar devices.
- Senate Bill 1938 would permit any locality the ability to adopt ordinances designating non-smoking areas within outdoor public spaces.

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- Frees up space on the consolidated fixture to feature additional MMC &/or OTP products
- Fixture is double-sided to hold more inventory
- blu offers an ongoing Billback\$\*\*

Contact your ITG Brands Representative





## Member News

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positions in online grocery pickup, trainers for its new academies for hourly workers and construction jobs for remodels. According to the article, Walmart has been looking to trim costs and expenses as it tries to be more nimble and compete better with Amazon. It announced early last year it would close 154 U.S. store locations, and this summer eliminated 7,000 back-office positions.

### Customers Favor Fuel Savings As Loyalty Reward

For the second year in a row, American consumers have identified rewards that help them save on the everyday cost of fuel as their preferred loyalty program currency, according to Excentus' new "Road to Rewards Revisited" survey. The report states that 37 percent of consumers preferring fuel discounts over credit card rewards, coupons, retailer points and instant discounts at the cash register. Respondents say they prefer fuel-saving rewards because they like saving money any way they can (39 percent) and they like earning rewards from everyday purchases made (23 percent) among a variety of retailers.

Additional survey findings in 2016 also underscore the inherent power of loyalty programs to influence consumer behaviors and brand preferences. More than one quarter (26 percent) of consumers say they shop more frequently at stores where they can earn rewards, 17 percent plan ahead to take advantage of rewards and promotions, and 14 percent shop only where they can earn rewards.

*"Excentus' survey report found 37 percent of consumers prefer fuel discounts over credit card rewards, coupons, retailer points and instant discounts at the cash register."*

Another 13 percent said the ability to earn more rewards or save more money would prompt them to switch brands or shop at a different store.

### Walmart Using Big Data To Boost Grocery Sales

Walmart is in the process of building the world's biggest private cloud in order to process 2.5 petabytes of data every hour, reported *Forbes*. To process all of this information, and put it to work solving problems, the company has created what it calls its Data Café, a state-of-the-art analytics hub located within its Bentonville, Arkansas headquarters. Here, over 200 streams of internal and external data, including 40 petabytes of recent transactional data, can be modeled, manipulated and visualized. Teams from any part of the business will be able to bring their problems to the analytics experts and see a solution appear before their eyes on the nerve centre's touch screen "smart boards."

*"WalMart and Dollar General have each announced plans to hire 10,000 employees nationally in 2017."*

### Dollar General Announces Job-Creation Plans

Dollar General Corp. said it intends to create approximately 10,000 new jobs

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**San Francisco's streets** on December 21 after the state's Department of Motor Vehicles revoked their registrations, effectively ending the company's controversial pilot program after just one week, reported *The Mercury News*. • Some 10 percent of the world's **\$18.9 billion market research spend is allocated to online surveys** in the U.S. alone, according to mobile survey company Pollfish. With so much money at stake, mobile surveys can **influence consumers in their micro moments** with relevant content—allowing brands to pivot quickly and improve offerings, Pollfish said. • **Sunoco** recently announced it plans to sell more than **100 real estate assets**, including company-owned locations, undeveloped greenfield sites and other excess real estate. The properties are located in Florida, Louisiana, Massachusetts, Michigan, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas and Virginia. • **U.S. Smokeless Tobacco Company** recently recalled certain of its smokeless tobacco products manufactured at its facility in Franklin Park, IL after receiving eight consumer complaints of **foreign metal objects**, including sharp metal objects, in select cans. • Fruit and vegetable processing company **Seneca Foods** announced that it is now using The Valspar Corporation's non-BPA valPure can linings in its flagship Libby's brand canned vegetables. **The valPure lining provides superior protection for food while addressing consumers' desire to avoid BPA.** • **Amazon** has been awarded a patent for a **giant flying warehouse** that acts as a launch pad for **drones** to deliver items within minutes, reported CNBC. The company described plans for an "airborne fulfillment center"—such as a **blimp**—that would

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## Member News

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in 2017 as the result of 1,000 planned new store openings and two new state-of-the-art distribution centers. The creation of these approximate 10,000 new jobs will be a roughly nine percent overall increase to its workforce and

mark the largest one-year employee increase through organic store and distribution center growth in the company's 78-year history. The company said it plans to use its training programs to support the company's

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## Grocery Shopping Trends For 2017

More digital connections and a speedier checkout process rank among the top trends for grocery shopping in 2017, according to John Karolefski, veteran supermarket analyst and purveyor of GroceryStories.com. Karolefski also predicts a more diverse produce department, increased availability of meal kits, and better access to product information. His top trends for 2017 include:

- More Digital Engagement: Grocers will ramp up their digital tactics by promoting their own mobile apps for shoppers to get discounts and specials. Online grocery ordering and delivery will grow as shoppers opt for this convenience.
- More Ways to Check Out: Grocers are testing new checkout options such as using a smartphone or a special

*"The use of stolen card data to pay for merchandise on websites, in mobile apps and by dialing call centers surged 40 percent last year."*

handheld scanner that enable shoppers to scan and bag products while they shop.

- More Diverse Produce Departments: Shoppers will find more organic fruits and vegetables, as well as local produce.

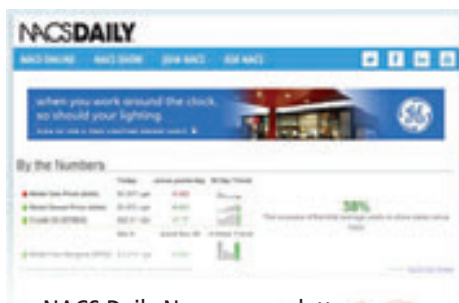
- More Meal Kits: A growing number of grocers will be selling their own meal kits in 2017. Manufacturers such as ConAgra and Campbell Soup have launched their own meal kits, and other food makers will follow.

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## NACS SPECIAL NACS Membership Offer FOR NCASEF MEMBERS

The National Association of Convenience Stores (NACS), in partnership with the National Coalition of Associations of 7-Eleven Franchisees, is now offering a special membership to NCASEF members at the **reduced price of \$40**—an 80 percent discount off of the starting membership rate of \$200. The NCASEF NACS Membership Program offers industry-specific programs and services, as well as traditional association benefits to help you compete and succeed. The benefits of the special NCASEF NACS Membership Program include:

- Discounts to all NACS events.
- Discounts on all NACS training, educational, and operational products.
- Access to NACS Help Desk, an information resource that provides answers to retailer member questions and facilitates greater industry connections.
- Full voting rights as a NACS Domestic Retail member.



- NACS Daily News e-newsletter.
- Potential for consideration as NACS Board or Committee Member.
- One copy of NACS Magazine (monthly publication).
- Congressional and federal agency representation through the NACS Government Relations team.
- And more!

To sign up, all you need to do is complete the one-page membership application distributed by your FOA and scan and e-mail, fax, or mail it to NACS.

If you have questions about NACS membership for NCASEF members, please contact NACS Vice President of Member Services Michael Davis at [mdavis@nacsonline.com](mailto:mdavis@nacsonline.com) or (703)-518-4246. You may also contact NACS Retail Membership Manager, Eboni Russell, at [erussell@nacsonline.com](mailto:erussell@nacsonline.com) or (703) 518-4271.



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## The Importance Of Taking Legislative Action

By **Vincent Emmanuel**,  
Treasurer, Delaware Valley FOA

Lately, 7-Eleven franchisees and small business owners all over the country have been inundated with legislation at the local, state and federal levels that could be detrimental to our livelihoods. From minimum wage increases to cigarette licensing regulations, our lawmakers seem to think we are impervious to legislation aimed mostly at the big box and corporate chain retailers. Now more than ever it is essential that we become heavily involved in legislative affairs, before the damage becomes too overwhelming to recover.

In my personal experience, many of the politicians pushing bills and regulation changes affecting small business owners are primarily looking out for the public's best interest. This is fine, but they also need to consider how their actions will affect us all. A minimum wage increase to \$15 an hour may do little harm to a big retailer like Walmart, but it could drive many 7-Eleven franchisees out of business. That's why we all need to get involved, not only to help educate our lawmakers on how their proposals could harm us, but also to help them change their bills and regulations so they benefit everyone. We can achieve this by knowing our local elected officials and lawmakers since they also shop in our stores, inviting politicians to our FOA meetings, visiting them in their offices, attending fundraisers for our lawmakers, creating political action committees, helping to get small business-friendly candidates elected to office, or even running for political office ourselves.

I and my fellow franchisees in the Delaware Valley FOA have been very active on the legislative front for a number of

**"7-Eleven franchisees and small business owners all over the country have been inundated with legislation at local, state and federal levels that could be detrimental to our livelihoods."**



years now, both locally in the Philadelphia area and on the state level in Pennsylvania. In January of last year, I had the privilege of being appointed to the staff of Philadelphia City Councilman Hon. Al Taubenberg. He being a champion of small business owners (his family owned a small corner deli), it was easy to relate to him about the issues facing small businesses. As a member of his staff, I have seen legislation that could have potentially harmed my fellow franchisees and I was able to set up face-to-face meetings between franchisees and City Council members. 7-Eleven storeowners know they can call me directly to help resolve any law- or ordinance-related issues they may have.

The bottom line is that our businesses are at stake, and we have no other recourse but to get involved. Many people don't like politics, and I understand that. But the truth of the matter is that we are surrounded by politics. The politicians and bureaucrats regulate how we run our stores, so we all need to get to know your city or town council members, get to know our state representatives and state senators, because they are the people that make all of the decisions.

Working in the Philadelphia City Council office, I realize how powerful these people are. They can make things happen for you. I for one did not get involved in politics for the paycheck. I am here because I want to help small business owners like 7-Eleven franchisees attain what they need to operate their stores from the city government. Consider this a call to action. I hope you all answer it. **AV**



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Call your wholesaler or contact your Altria Group Distribution Company representative about Marlboro Black at 1.877.968.5323.

\*Source: IRI/MSAI Cigarettes 2016 - Total US Blended Share as of 7/02/16  
\*\*Source: 2016 Retail Experience Study, June 2016

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## Member News

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### Legislative Update

gars and other such tobacco products to be sold within 500 feet of grade schools by a 31-14 vote. The mayor had endorsed the partial rollback of his own 2013 ordinance prohibiting those sales, saying it represented a compromise with aldermen worried about small businesses suffering in their wards.

Aldermen who favored the change said the Emanuel-sponsored move earlier this year to raise the age to buy tobacco in Chicago from 18 to 21 made the prohibition on flavored tobacco sales near grade schools redundant. They argued elementary school kids can't be mistaken by clerks for 21-year-olds. The ban on flavored tobacco sales near high schools will remain in place.

#### Arizona Considers Raising Cigarette Age Limit

Teenagers would no longer be able to buy tobacco products or e-cigarettes under a proposal at the Arizona Legislature to raise the legal age for such purchases to 21 from 18, reported *The Arizona Republic*. House Bill 2335 would put tobacco purchases on par

with liquor sales and would be simple to enforce because drivers younger than 21 already get a vertically-oriented driver's license, which makes it easy to identify them as underage, said the bill's sponsor, Rep. Paul Boyer. The House Health Committee recently advanced the bill on a 7-2 vote. The measure next goes before the House Commerce Committee.

#### Oregon Bill Would Make Legal Smoking Age 21

Oregon lawmakers are considering a bill this year that would raise the statewide smoking age to 21 years old, reported news station KATU-TV. Under the Tobacco 21 proposal, a clerk selling tobacco to someone under 21 would face a \$50 fine. The manager or owner of a store that did so would face a \$500 fine. One of the bill's supporters, Sen. Elizabeth Steiner Hayward, has sponsored other smoking-related measures, including one that restricted

the sale of vape pens to minors and another that banned smoking in cars while children are present.

#### New Effort In Washington To Raise Smoking Age

A renewed effort was recently launched to raise the smoking age in Washington State from 18 years old to 21, reported KOMO News.com. There are identical state House and Senate bills (HB1054 and SB5025) currently making the rounds in Olympia that seek to put cigarettes on par with the age of legally purchasing alcohol and marijuana. If one is successful, it would make Washington the third state in the country to increase its smoking age, following in the footsteps of California and Hawaii.

#### Texas Lawmakers To Up Minimum Smoking Age

Texas lawmakers are seeking once again to become the next state to raise the minimum smoking age to 21, re-

*continued on page 84*

**"Texas could lose up to \$100 million in taxes if the smoking age is raised to 21."**

## Want to talk to other franchisees?



**The National Coalition has Franchise Owner's Association member organizations in all 33 states in which 7-Eleven operates.**

To find the FOA closest to you. Visit [www.NCASEF.com](http://www.NCASEF.com) to contact any one of the 46 local Franchise Owner's Associations nationwide. Want to talk to someone at the national level? Call the NCASEF Vice Chairman in your area:

■ Nick Bhullar, Vice Chairman, Board Member, So. California FOA  
bhullar711@yahoo.com  
818.571.1711

■ Romy Singh, Vice Chairman, President, Eastern Virginia, FOA  
757-506-5926  
evafoa@gmail.com

■ Rehan Hashmi, Vice Chairman, Vice President, Alliance Of 7-Eleven Franchisees  
rehan711@yahoo.com  
847-845-8477

■ National Office  
nationaloffice@ncasef.com  
831-426-4711

Visit the National Coalition

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

## It's The National Coalition's Las Vegas Double Down Big Car Giveaway!

### July 17-20, 2017



Trade Show:  
July 19-20

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*We're doubling down on this year's convention!*

- Second straight year in Las Vegas!
- Second straight year at the luxurious Caesars Palace Hotel & Casino!
- And TWO car giveaways during the Trade Show—a 2017 BMW Series 3 320i and a 2017 Chevy Malibu LS!

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- More MAJOR PRIZE giveaways during the Trade Show!
- A two-day Trade Show filled with money-making products for your stores and special show-only deals!
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- All meals and events are covered by the \$149 franchisee registration fee!

Attend the NCASEF's 42nd annual convention at Caesar's Las Vegas for a chance to win a car

**AND MANY MORE FANTASTIC PRIZES!**

**2017 BMW Series 3 320i**

**2017 Chevy Malibu LS**



**Two Cars!**

Franchisees must place orders with exhibiting vendors to qualify for raffle entries

**Register online at [www.NCASEF.com](http://www.NCASEF.com) beginning March 1**

Questions? Contact the NCASEF office at 831-426-4711 or [nationaloffice@ncasef.com](mailto:nationaloffice@ncasef.com) for more information.







## Member News

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• **More Access to Product Information:** Nearly 30,000 grocery products will bear a new SmartLabel on packages by the end of 2017 to give consumers easy access to detailed information about what they are buying.

### Credit Card Thieves Move Online

The adoption of credit-card chip technology by U.S. retailers is having an unintended consequence—criminals are moving from brick-and-mortar stores to the internet, reported Bloomberg. The use of stolen card data to pay for merchandise

on websites, in mobile apps and by dialing call centers surged 40 percent last year, according to a report from Javelin Strategy & Research. That's forcing merchants to spend billions on online fraud protection in an effort to detect when a crook is using someone else's card number.

By the end of last year, almost 1.81 million U.S. merchants had switched to accepting European-style chip cards, more than double the number the year before, according to Visa Inc. Issued by banks, cards containing the EMV technology are much harder to counterfeit, which cuts down on in-person fraud at stores. With worldwide e-commerce surging and more stolen data available on the black market, retailers are ramping up spending on online security and will spend \$9.2 billion annually in fraud-detection solutions by 2020, up 30 percent from current levels. **AV**

*"With more stolen data, retailers will spend 30 percent more on fraud detection by 2020."*

### Legislative Update

ported Fox News. State Rep. John Zerwas said he believes the bill can get through the Legislature, especially with more Republicans backing the proposal. State Sen. Carlos Uresti has been trying to convince lawmakers to raise the minimum age to purchase tobacco products for the last 10 years, and believes this year is the

best chance he's had to push the bill through. Rep. Donna Howard and Sen. Joan Huffman are also expected to file a bill. However, these lawmakers are expected to get some push back in the Legislature—an analysis of Uresti's past bills shows that Texas could lose up to \$100 million in taxes if the age is raised. **AV**



### Share Your Experience and Expertise

Do you have a store experience, some operational expertise, or thoughts about the 7-Eleven system you would like to share with your fellow storeowners? **Avanti Magazine welcomes articles from franchisees** interested in communicating their ideas, knowledge, suggestions, opinions, etc. to the franchisee community at large. Please contact Sheldon Smith at sheldon.smith5@verizon.net or 215-750-0178 if you would like to contribute an article to Avanti.



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float at an altitude of around 45,000 feet and deliver items via drone within minutes of a customer placing an order. • **FedEx is considering small autonomous vehicles** that could drive around neighborhoods and make deliveries, reported *MIT Technology Review*. The shipping giant said it is **investing in emerging artificial intelligence** and robotics technology that could affect everything from the way people send and receive parcels to the global movement of large fleets of vehicles. • **Sales of alternative ingredients in snacks—those using vegetables and grains** such as chickpeas, sweet potatoes, kale, and spinach, among other novel elements—are **forecast to rise to \$1.2 billion in 2017**, according to market research firm Packaged Facts. • Walgreens executives have said they **won't be stopping cigarette sales anytime soon**, although plans to snuff out the category have been discussed. The company is currently in merger talks with fellow competitor Rite Aid. • **Finland has declared war on tobacco**, and wants to rid the country of all forms of tobacco by 2040. Sixteen percent of all Finns between the ages of 15 and 64 smoke daily. • **E-cigarettes are running wild in Kentucky**. According to a news release from Foundation for a Healthy Kentucky, 40 percent of Kentucky adults ages 18 to 45 have tried an e-cigarette versus 12.6 percent of adults nationwide in 2014. • **Looks like Apple itself may be getting into the \$32.11 billion (by 2021) global market for vaporizers** with its own vaporizer that uses high temperatures to "cause the substance to sublime or vaporize." Apple's recently disclosed patent on the device was filed in July 2015. • **Well Fargo Securities** managing director of tobacco, beverage and convenience store research has indicated that channel **sales figures for c-stores represent a "sequential and year-over-year slow-down."** Cigs, CSDs, and energy drinks all dipped in the fourth quarter of 2016. **AV**

## Breakfast Is Big For C-Stores

By Mondelez

Did you know 63 percent of consumers believe it's unhealthy to skip breakfast, but only 26 percent actually eat breakfast every day?<sup>1</sup> This creates the perfect opportunity to capitalize on one of Convenience Store's core competencies—winning in the morning.

McDonald's continues to learn what consumers want and how to give it to them. This past September, McDonald's launched the second phase of its All Day Breakfast initiative, called ADB 2.0. At McDonald's in the afternoon or evening, you can see someone enjoying breakfast next to someone enjoying a burger or salad.

"Breakfast away from home is a \$25 billion industry with \$10 billion of that going to McDonald's. As the employment market continues to improve, more consumers will be rushed on their commute and look to a foodservice outlet to satisfy their morning hunger."<sup>2</sup>

**"To attract the protein-seeking morning consumer, Mondelez International is introducing a new variety to the successful belVita product line up."**

For the morning commuter on the property to fill their tank with gas, the convenience store can offer these time-starved consumers a breakfast value that comes in different shapes and sizes.

**WHILE TREAT OFFERINGS ARE STILL CRITICAL, DEMAND FOR BETTER-FOR-YOU OPTIONS HAS CLEARLY INCREASED**

Consumers expect to see packaged sweet snacks in a convenience store, and

they often serve as quick and easy breakfast impulse purchases complimented by the Convenience Channel core offering of coffee. While this type of offering is still critical, demand for better-for-you options has clearly increased.

The Hudson Institute, commissioned by the National Association of Convenience Stores (NACS) was tasked with evaluating the consumer health and wellness push towards better-for-you foods and the impact of these trends for direction on how to capitalize on growth opportunities.

"C-Store executives should place focus on two primary consumer segments—their traditional core consumer and the growing better-for-you segment characterized as 'Fence Sitters.'"<sup>3</sup>

Compared to other meal occasions, nutrition at breakfast is considered most important, and "Fence Sitters" in particular are currently eating healthier options during this meal occasion. A gap exists in the availability of healthier breakfast options. This offers an opportunity to go beyond packaged and baked sweet goods that comprise the more decadent breakfast items. Better-for-you products that are ready to heat and eat, and on-the-go items offer possibilities to help bolster foodservice sales.

"Consumers are not abandoning the indulgent occasion any time soon, but they do

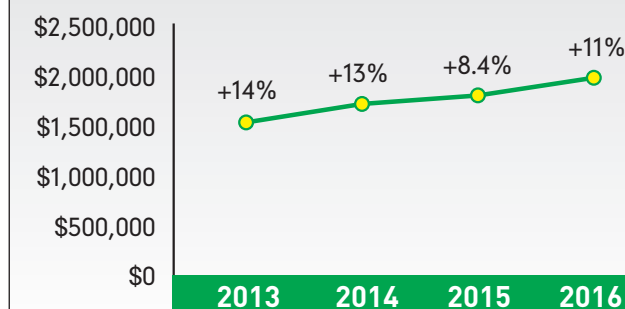
want healthier products that don't sacrifice the flavorful and indulgent aspects."<sup>2</sup>

### PROTEIN AS A PRIMARY OR SECONDARY HEALTH FOCUS

One trend that compliments the breakfast daypart is the quest for protein. According to The NPD Group, 37 percent of protein snacks are eaten in the morning<sup>4</sup>

**"BREAKFAST AWAY FROM HOME IS A \$25 BILLION INDUSTRY WITH \$10 BILLION OF THAT GOING TO MCDONALD'S."**

### Total belVita Revenue



and 52 percent of bars are eaten in the morning.<sup>5</sup> In addition, 27 percent of Convenience Store consumers indicate protein as a primary or secondary health focus.<sup>6</sup> As reported by NMI in 2016, 54 percent of U.S. consumers trying to increase protein intake claim they are interested in protein for the benefit of "increased energy."<sup>7</sup>

To attract the protein-seeking morning consumer, Mondelez International is introducing a new variety to the successful belVita product line up. belVita Protein Soft Baked Biscuits is launching in March to help fuel the growing morning protein

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occasion. They deliver a perfect balance of delicious taste and texture with 10 grams of high quality protein.

The belVita brand has proven highly successful at 7-Eleven. In 2016, 7-Eleven belVita dollar sales grew +11 percent and significantly outpaced the overall Category.<sup>8</sup>

Across channels, belVita is purchased more often in the morning vs. other snack bars.<sup>9</sup> belVita has also been good for the cof-

“A gap in the availability of healthier breakfast offers an opportunity to go beyond packaged and baked sweet goods that comprise the more decadent breakfast items.”

fee business. Loyalty Card data in 2013 showed over 35 percent of belVita purchased in C-Stores was recorded as bought with hot beverages.<sup>10</sup> belVita is a perfect breakfast complement to coffee, made with whole grain and no artificial colors, flavors or sweeteners.

**7-ELEVEN STORES HAVE A GREAT OPPORTUNITY**

Top performers in the Convenience channel prove that their foodservice program competes successfully with QSRs. By focusing on products and messaging that meet the needs for better-for-you products for on-the-go breakfasts, Convenience stores can help drive significant, new growth in this category. 7-Eleven stores have a great opportunity to leverage their strong, established morning business

to capture more on-the-go customers looking for a quick and healthy breakfast and help increase sales! **AV**

Sources:

1 Technomic Breakfast Consumer Trend Report 15; Nielsen Global Snacking Report 14

2 NACS State of the Industry Annual Report, 2015 Data

3 Health & Wellness Trends and Strategies for the Convenience Store Sector, Hank Cardello and Steve French, Oct 2015

4 The NPD Group/Snack Track 2.1; data for 4 years ending June 2016.

5 The NPD Group/Snack-Track 2.1; data for 2 years ending June 2016

6 NMI/NACS Health & Wellness trends & strategies for the Convenience Store sector

7 NMI 2016

8 7-Exchange FY 2016

9 NPD Two Years Ending Dec 2015

10 C-Store shopper loyalty card 2013



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## SEI News

### 77 DRONE DELIVERIES IN A MONTH

7-Eleven, in partnership with drone delivery service Flirtey, completed 77 autonomous drone deliveries to customer homes in Reno, Nevada last fall. Flirtey conducted regular weekend deliveries during November from a 7-Eleven store to a dozen select customers who were able to use a custom app to place their unique orders. Along with listing all items available for delivery, the interactive app also notified customers when their drone was loaded, when it departed from the store and when it was arriving at their doorstep. Once at the customer's home, the Flirtey drone hovered in place and lowered the package. On average, customers received their packages by Flirtey less than 10 minutes from the point of order.



On average, customers received their packages by drone from Flirtey less than 10 minutes from the point of order.

Customers of all ages participated in the deliveries—including elderly couples, working parents and busy college students—and feedback from customers cited the speed and convenience as the most appealing aspects of Flirtey deliveries. The deliveries are the result of Flirtey and 7-Eleven's commercial collaboration, which kicked off in July with the world's first autonomous drone delivery to a customer's residence. In addition to these commercial deliveries, 7-Eleven and Flirtey are planning to expand their drone delivery operations in 2017.

### SEVEN-ELEVEN JAPAN ADDS NEW COFFEE MACHINES

Seven-Eleven Japan plans to upgrade the fresh-brewed coffee machines in its more than 19,000 outlets nationwide by the end of December, reported *Nikkei Asian Review*. The chain will still offer hot and ice coffee, but the new machines will also let customers buy hot lattes. Seven-Eleven Japan hopes that enhancing its menu will boost sales of fresh-brewed coffee from a projected 900 million cups for the current fiscal year ending in February to 1 billion cups the following fiscal year.

The company decided to introduce the new machines at all locations based on customer response to trials at some outlets. Seven-Eleven began selling its Seven Cafe fresh-brewed coffee in January 2013, and cumulative sales volume exceeded 2.4 billion cups by the end of August 2016 as customers enjoyed the ease of purchasing the beverage at the counter.

### 7-ELEVEN SPONSORS INDY CAR'S TONY KANAAN

SEI will join with Chip Ganassi Racing (CGR) to sponsor popular veteran IndyCar Series driver Tony Kanaan 14 years after first backing him at the start of his record-breaking career. 7-Eleven will be an associate sponsor for Kanaan's No. 10 Indy car in four races in the 2017 Verizon IndyCar Series: St. Petersburg (March 12), Long Beach (April 9), Indianapolis 500 (May 28) and Texas Motor Speedway (June

10). The 7-Eleven logo will appear on Kanaan's racing suit throughout the season. The company said the partnership provides an opportunity to use the enthusiasm around auto racing to connect with customers and fans in a meaningful way. Kanaan is as popular off the track as he is a winning driver while on it. In 2014, he won "Most Popular Driver," an honor voted by racing fans.

"7-Eleven will be an associate sponsor for IndyCar Driver Tony Kanaan's car in four races in 2017."

### NEC EXCLUSIVE POS PROVIDER

SEI recently announced that it has selected NEC Corporation of America as its new exclusive point-of-sale (POS) provider to 8,600 7-Eleven stores throughout the United States and Canada. NEC will deliver the robust TWINPOS G5100 POS that features a sleek, stylish display to run promotions and share information with customers to offer a personalized shopping experience. NEC will also offer full service desk and maintenance support for the next five years.

"We wanted to reach tech-savvy customers with a POS system that would streamline operations and improve customer engagement," said Raj Kapoor, CIO and Senior Vice President at 7-Eleven. "Providing an engaging digital in-store experience is something we are investing in for the long-term and NEC has the best POS hardware and software to take us there."

### NEW CREATIVE AGENCIES

SEI recently announced that it has selected Deutsch as its lead creative agency of record. The company said it shifted to a new

continued on page 91



## SEI News

creative agency to support its ongoing efforts to cater to changing customers' needs. Ketchum will retain the public relations business. As the lead creative agency, Deutsch will be responsible for collaborating on marketing strategy, brand positioning and creative campaigns to promote 7-Eleven and its proprietary products like Slurpee drinks and the 7-Select private brand line.

The move consolidates SEI's advertising into one shop for creative content across all channels including traditional media outlets, in-store messaging, and social and digital. Ketchum retains the public relations side of the business for 7-Eleven, which includes both national and regional efforts. The agency has supported the account since 2008. Additionally, Camelot will continue to be SEI's strategic media planning and buying agency.

### TOP-UP PAYPAL AT 7-ELEVEN

PayPal recently added 7-Eleven to its list of PayPal Cash locations, making it the first c-store chain in the country to offer the service, reported *Tech Times*. PayPal Cash, which is now offered by 8,000 7-Eleven stores nationwide, essentially lets physical cash make its way into a user's PayPal account without the user even visiting the bank by allowing the desired amount to be directly dumped into a user's PayPal wallet.

"7-Eleven customers can now deposit cash directly into their PayPal accounts."

To use the service, a customer simply takes their cash to a 7-Eleven, uses the iOS or Android version of the PayPal app to generate a barcode, gives it to the cashier for scanning, and hands the money

over to them. The money is then instantly credited to their PayPal account.

### SEI ROLLS OUT BREAKFAST PIZZA

Participating stores are now serving hot, ready-to-eat breakfast pizza. The new breakfast pizza is loaded with smoked bacon, breakfast sausage, hickory-smoked ham, scrambled eggs, cheddar and mozzarella cheese, and peppered cream gravy on top of a flaky biscuit crust. The hot breakfast pizza is part of 7-Eleven stores'



"Breakfast pizzas are the newest hot, ready-to-eat offering to expand morning sales."

two-for-\$2 pizza slice offer. Whole breakfast pizzas are \$5.55. During a successful test at select 7-Eleven stores, the breakfast pizza proved so popular with customers that it became the second highest-selling pizza. Once customers tried it, they came back for more.

### 7-ELEVEN SPONSORS JIM DUNN RACING

7-Eleven has partnered with Jim Dunn Racing and associate sponsor Oberto Beef Jerky for the 2017 NHRA Mello Yello Drag Racing Series season, the National Hot Rod Association announced. The primary colors of 7-Eleven—green and orange—

will be showcased at more than half of the 24 NHRA national events. Featured races will be in markets where 7-Eleven stores are accessible to race fans on their way to and from the racetrack each day. Throughout the promotion, associate sponsor Oberto Beef Jerky will be featuring its new Trail Mix and Original Beef Jerky in 7-Eleven stores in the U.S. 7-Eleven is no stranger to motorsports, having sponsored IndyCar, NASCAR, and NHRA teams dating back to the 1980s. Jim Dunn Racing has been a leader in the sport of NHRA drag racing for more than 50 years and has represented top North American and global brand leaders like 7-Eleven around the world.

### LATEST FLORIDA OPENINGS

A 7-Eleven convenience store officially opened next to Palm Beach International Airport in Florida on January 13, reported *CSP Daily News*. The store features an arrivals and departure board and phone charging stations. Petroleum Marketing Group told *CSP Daily News* the location represents an airport-related niche market for the company, which has similar facilities in Fort Myers, Florida, Cleveland and Indianapolis, with others are on the way in Chicago, Orlando and Houston. Nine more 7-Elevens were also completed in Florida in January, in north Fort Myers, Miami (2), Fort Lauderdale, St. Petersburg (2), West Palm Beach (2) and Zephyrhills. **AV**







# COLD STONE<sup>TM</sup>

CREAMERY

## MILK SHAKERS<sup>®</sup>

INDULGENT BEVERAGES



SLIN 150464

SLIN 150458

REWARD YOURSELF<sup>TM</sup>  
WITH MORE SALES.

**Capture Sales** with  
America's favorite  
ice cream brand!

SRP: \$ 2.19

Target Margin: 40%

Shelf Stability:

9 months ambient

Case Pack:

12 x 10oz

Promotion package:

12 weeks on start

# VENDOR FOCUS

## VENDOR FOCUS

### Kellogg's Bear Naked Granola Bites

Delight your active consumers' taste buds and energize their lifestyle with Bear Naked Granola Bites—a tasty snack bite that goes anywhere. Bear Naked Granola Bites deliver portability and offer real ingredients consumers are seeking. Gluten-Free, Non-GMO Project verified and made with Fair Trade Cocoa, Bear Naked Granola Bites meet the needs and tastes of today's consumer. Available in two indulgent flavors: Peanut Butter & Honey and Dark Chocolate Sea Salt.



Satisfy your health-conscious customers with new Bear Naked Granola Bites.

### Popular Oreo Chocolate Candy Bar Lands In The U.S.

Oreo is raising the bar on chocolate candy with the new Oreo Chocolate Candy Bar. Available in both 1.44 ounce Standard Bars and 2.88 ounce King Size Bars, Oreo Chocolate Candy Bar features delicious bits of Oreo cookie mixed in vanilla crème filling and coated in

*continued on page 94*

### Win Up To \$2,500 In The 2017 Simply Beverages Contest

Coca-Cola has kicked off its 2017 Simply Beverages Incentive Contest, with individual prizes ranging from \$500 to \$2,500 and a payout potential of \$150,000! Over 100 franchisees will win! To qualify for entries into the contest drawing, franchisees must increase the number of Simply Juice SKUs they carry in their stores between March 1 and May 27, 2017. As an Incentive Kicker, NCASEF will receive a payment of \$30,000—to be used at the Boards' discretion—if total store SKU growth meets certain parameters.

*Over 100 Franchisees Will Win!*

#### OVER 100 PRIZES WILL BE AWARDED, INCLUDING:

- Forty \$500 prizes (\$20,000 total)
- Twenty \$1,500 prizes (\$30,000 total)
- Twenty \$1,000 prizes (\$20,000 total)
- Twenty \$2,500 prizes (\$50,000 total)
- \$30,000 to NCASEF for achieving 5 percent growth target



#### ELIGIBILITY REQUIREMENTS

To see the list of eligible SKUs, go to the Simply Beverages ad in this issue, pages 9-10:

- Stores adding one incremental 11.5 ounce Simply SKU will receive 5 entries into drawing.
- Stores adding 2 incremental 11.5 ounce Simply SKUs will receive 10 entries into drawing.
- Stores adding two 2 incremental 11.5 ounce SKUs and one 1 incremental 59 ounce SKU will receive 15 entries into drawing.
- Stores adding three 3 incremental 11.5 ounce Simply SKUs will receive 15 entries into drawing.
- Stores that are currently carrying all 10 SKUs of 11.5 ounce Simply will receive 5 entries into drawing.
- Stores that are currently carrying all 10 SKUs of 11.5 ounce Simply and 2 SKUs of 59 ounce Simply will receive 10 entries into drawing

The number of store entries into the drawing will be determined by using the latest 12-Week store level data ending May 28, 2017 for eligible SKUs. The Coca-Cola Company will complete the drawing among eligible franchisees in June 2017, winning stores will be announced in July 2017, and payouts will be made by August 31, 2017. Please note: store level prize pool will be determined by overall growth percent achieved for NCASEF. Every 1 percent = \$5,500. If you have any questions regarding this contest, please contact Patricia Hale at 806-786-2159.



Pure Organic bars have natural ingredients for healthier snacking.



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Milka chocolate candy, the #1 chocolate candy in Europe.

With its unique combination of smooth and crunchy textures that melts in your mouth, Oreo Chocolate Candy Bar offers a truly amazing chocolate candy experience never before seen in the chocolate aisle. Already successfully launched in over 20 countries, at some U.S. retailers it's already flying off the shelves.

Oreo's Chocolate Candy Bar is being supported with a coast-to-coast launch with national TV and print ads, a year-round sampling program, impactful in-store displays, engaging digital executions, traffic-driving mobile, share-worthy social, and high-impact shopper marketing support. Sales of the Oreo Chocolate Candy Bar could be so



**Oreo Chocolate Candy Bar capitalizes on the popularity of the Oreo brand.**

hot, they just might melt the chocolate category.



## Banana Smash Joins Swisher Sweets Limited Edition Lineup

A classic fruit duo is now available as a cigarillo—Swisher Sweets Limited Edition Banana Smash provides the perfect bold, yet sweet blend of banana and strawberry. Swisher Sweets Limited Edition Banana

Smash comes in a resealable two-count pouch with the "Sealed Fresh" guarantee that is available for shipment to stores na-

tionwide. It is offered in "2 for 99¢," "Save on 2," and "2 for \$1.49" options.

Limited edition cigarillos continue to be a huge hit and Banana Smash is sure to be another favorite. As reported by MSAi, Large Cigar volume grew by 10.4 percentage points more in stores that received a limited edition item, compared to stores that did not receive a limited edition item (MSAi 52 weeks ending December 24, 2016).

This fruity blend won't be available for long so don't wait. For more information or to place an order, contact your Swisher representative at 1-800-874-9720. Visit <http://trade.swishersweets.com/bananasplash/> for more information.



**Limited Edition Banana Smash from Swisher Sweets.**

## Enjoy Mango All Year With Swisher Sweets

Mangos are now in season all year long with Swisher Sweets' newest addition to its classic cigarillo line. Swisher Sweets Mango cigarillos deliver a tangy, smooth and sweet taste that has customers going mad for the mango blend. Swisher Sweets

Mango comes in a resealable two-count pouch with the "Sealed Fresh" guarantee that is available in "2 for 99¢," "Save on 2," and "2 for \$1.49" options.

The satisfying mango blend has increased 29 percent in the large cigar category (MSAi 26 weeks ending November 26, 2016). Swisher Sweets cigarillos with their popular pricing options help convenience stores drive incremental volume. For more information or to place an order, contact your Swisher representative at 1-800-874-9720. Also visit <http://trade.swishersweets.com/mango> for more information.



**Swisher Sweets Mango cigarillos now available year-round.**

continued from page 94



**Eat Quaker Breakfast Squares on-the-go in two flavors.**

wheat, quality filling, and other delicious ingredients to help fill you up and take care of cravings.

Quaker Breakfast Squares offer 23 grams of whole grains per serving, are a good source of fiber, and contain no artificial flavors or high fructose corn syrup. Available

## New Quaker Breakfast Squares

Say good morning with new soft-baked Quaker Breakfast Squares in two popular flavors, Baked Apple Cinnamon and Peanut Butter. Eat on the go, in the car, anytime.

Crafted with whole grain oats, whole



## New Quaker Granola Snack Pouches

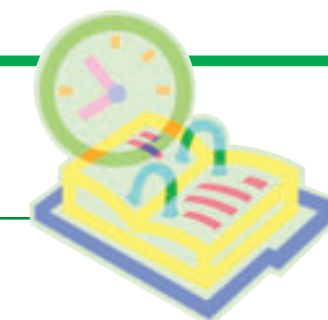
now recommended through McLane and Coremark: Baked Apple Cinnamon SLIN 868562 and Peanut Butter SLIN 868570.

Capitalize on the popularity and strong double-digit growth of Cap'N Crunch ready to eat pouch cereal. New Quaker Granola Snack Pouches, available in two flavors, Oats, Honey and Almonds, and

continued on page 96

**Increase your e-cigarette category sales with Logic LQD—a cutting-edge, dual coil open system vaporizer with a no-spill operation and a choice of e-liquid options for adult consumers.**

# FOA BOARD MEETING DATES



## 7-Eleven FOAC

Phone: 847-353-9999

March 30, 2017  
April 27, 2017  
May 25, 2017  
June 29, 2017  
July 27, 2017  
August 25, 2017  
September 28, 2017  
October 26, 2017  
November 30, 2017  
December 21, 2017

## Columbia Pacific FOA

Phone: 503-901-1677

March 2, 2017—Board Meeting  
May 18, 2017—General Members Meeting  
August 24, 2017—Board Meeting  
September 21, 2017—General

Members Meeting  
November 9, 2017—Board Meeting

## FOA Of Greater Los Angeles

Phone: 909-822-4122

March 21, 2017  
April 18, 2017  
May 16, 2017  
June 20, 2017  
Aug 15, 2017  
Sept 19, 2017  
Oct 17, 2017  
Nov 21, 2017

## Midwest FOA

Phone: 908-232-1336

Dates for Chicago:  
(Co-sponsored with Alliance of 7-Eleven Franchisees FOA)

March 23, 2017—General Meeting  
September 21, 2017—General Meeting

## Dates for Michigan:

June 13, 2017—General Meeting  
September 28, 2017—General Meeting

## UFOLI, NY

Phone: 516-647-4617

## General Membership Meetings

March 30, 2017  
April 27, 2017  
May 23, 2017  
June 27, 2017  
August 31, 2017  
September 26, 2017  
October 24, 2017  
November 28, 2017

## Board Meetings

March 21, 2017  
April 18, 2017  
May 16, 2017  
June 20, 2017  
July 25, 2017  
August 22, 2017  
September 19, 2017  
October 12, 2017  
November 21, 2017  
*NOTE: February through June meetings will be held at the Upsky Long Island Hotel in Hauppauge, NY.*





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Oats, Honey, Raisins and Almonds, are great for portable snacking and snacking in new day parts, and can be displayed in a caddy on shelf. A peggable hole provides convenience to display in alternative locations. Available now recommended through McLane and Coremark: Oats, Honey and Almonds SLIN 878272, Oats, Honey, Raisins and Almonds SLIN 878280.

Quaker Granola Snack Pouches are convenient, portable, healthier.



## Inventure Foods Launches TGI Fridays Party Bites

Inventure Foods recently introduced TGI Fridays Party Bites, a line of ready-to-eat snacks inspired by classic Fridays favorites like Buffalo Wings and Mac and Cheese. The new Party Bites are baked, not fried, and feature just 140 calories per one-ounce serving. With no trans fat or cholesterol, they are perfect for any moment when snack cravings come calling.

The new bite-sized snacks pack a punch of flavor in every bite. Flavors include Mac & Cheese, everyone's favorite

go-to combination of cheesy and savory tastes together in a crunchy, on-the-go form, and Buffalo Ranch, the perfect balance of sweet and hot flavors inspired by a favorite Friday's menu item, Buffalo Wings.

This new snack line is available nationwide in 2.25-ounce and 5-ounce bags with a suggested retail price of \$1.99 and \$2.99 per package.



TGI Fridays Party Bites Mac & Cheese and Buffalo Ranch pack a punch of flavor in every bite.

## Consumers Love Rips Licorice

Rips Licorice is the perfect blend of sweet and sour with intense fruit flavors. These bite-sized sugar sanded licorice pieces are unlike any other licorice candy. Fun and bold flavor combinations add excitement to any peg set. Bright packaging will be sure to stand out. Rips licorice won a national taste test and 85 percent of consumers tested said they were more likely to purchase Rips over a national competitor. Rips has been a

## VENDOR FOCUS

### Nestlé Unveils Coffee-Mate Salted Caramel Chocolate

New for your coffee island is Nestlé Coffee-Mate Salted Caramel Chocolate Liquid Creamer Singles. Coffee-Mate Salted Caramel Chocolate, a requested flavor favorite from Retail's Chocolate Boutique Flavor Collection, combines rich and creamy chocolate with delightful salted caramel—two of the most popular flavor requests from consumers. Lactose free, cholesterol free and Kosher dairy, Coffee-Mate Salted Caramel Chocolate requires no refrigeration and has a 6-month shelf life at room temperature.



proven consumer favorite and a top performer in the c-store channel. Rips is available in Strawberry/Green Apple, Rippin' Reds and the new and exciting Rainbow Peelable 4-ounce peg bags. Your store should have all three!

### Walkers Shortbread Authorized & Suggested

All three Walkers Shortbread products are now in the 7-Eleven plan-o-gram. A fourth generation family business located in the Scottish Highlands, Walkers Shortbread products are made using only four natural ingredients—flour, pure creamy butter, sugar and a pinch of salt—and contain absolutely no artificial flavorings, colorings or preservatives. The name Walkers is recognized as a mark of excellence the world over, a true Scottish classic. Walkers Shortbread convenient grab and go cello bags come in three varieties to suit everyone's snacking needs. The suggested retail of \$2.99 is subsidized by Walkers until the end of 2017.



Walkers Shortbread is on billback with all three flavors until the end of 2017.

- 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



Rips Licorice won a national taste test.

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### MIDWEST FOA/ALLIANCE OF 7-ELEVEN FRANCHISEES FOA ILLINOIS GOLF TOURNAMENT

St. Andrews Golf & Country Club  
West Chicago, Illinois  
June 7, 2017  
Phone: 847-971-9457

### 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

### MIDWEST FOA

Michigan Golf Tournament  
(venue to be announced)  
June 14, 2017  
Phone: 847-971-9457

### FOA OF GREATER LOS ANGELES GOLF INVITATIONAL

Black Gold Golf Club  
Yorba Linda, California  
June 21, 2017  
Phone: 909-822-4122

### COLUMBIA PACIFIC FOA GOLF TOURNAMENT

Langdon Farms Golf Club  
Aurora, Oregon  
June 29, 2017  
Phone: 503-901-1677

### CHESAPEAKE DIVISION FOA ANNUAL PRIVATE YACHT CRUISE

National Harbor  
Oxon Hill, Maryland  
June 30, 2017  
Phone: 571-344-2781

### 7-ELEVEN FOAC GOLF TOURNAMENT

(venue to be announced)  
July 12, 2017  
Phone: 847-353-9999

### 7-ELEVEN FOAC TRADE SHOW

(venue to be announced)  
July 13, 2017  
Phone: 847-353-9999

### 7-ELEVEN FOAC FAMILY PICNIC

(venue to be announced)  
August 12, 2017  
Phone: 847-353-9999

### SAN DIEGO FOA DAY AT THE RACES

Del Mar Horse Racetrack  
Del Mar, California  
August 25, 2017  
Phone: 619-713-2411

### UFOLINY GOLF TOURNAMENT

Baiting Hollow Golf Club  
Baiting Hollow, New York  
September 7, 2017  
Phone: 516-647-4617

### SOUTHERN CALIFORNIA FOA CHARITY GOLF TOURNAMENT

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

### MIDWEST FOA/ALLIANCE OF 7-ELEVEN FRANCHISEES FOA ILLINOIS HOLIDAY SHOW

Chicago O'Hare Marriott  
Chicago, Illinois  
November 1, 2017  
Phone: 847-971-9457

## FOA EVENTS

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

(venue to be announced)  
November 16, 2017  
Phone: 847-353-9999

### MIDWEST FOA MICHIGAN HOLIDAY SHOW

(venue to be announced)  
December 6, 2017  
Phone: 847-971-9457

### UFOLINY HOLIDAY PARTY

(venue to be announced)  
December 7, 2017  
Phone: 516-647-4617

### COLUMBIA PACIFIC FOA HOLIDAY PARTY

(venue to be announced)  
December 8, 2017  
Phone: 503-901-1677

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## FOA EVENTS

### COLUMBIA PACIFIC FOA TRADE SHOW

Double Tree Hotel Portland  
Portland, Oregon  
March 16, 2017  
Phone: 503-901-1677

### TRI-STATE FOSE TRADE SHOW HOWARD COUNTY FAIRGROUNDS

West Friendship, Maryland  
March 23, 2017  
Phone: 301-572-6811

### GREATER OREGON FOA TRADE SHOW

Monarch Hotel & Conference Center  
Clackamas, Oregon  
April 4, 2017  
Phone: 503-516-3483

### UFOLINY TRADE SHOW HILTON LONG ISLAND HOTEL

Melville, New York  
April 4, 2017  
Phone: 516-647-4617

### PACIFIC NORTHWEST FOA TRADE SHOW

(venue to be announced)  
April 6, 2017  
Phone: 253-261-4455

### 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

### CHESAPEAKE DIVISION FOA TRADE SHOW

Waterford at Springfield  
Springfield, Virginia  
April 27, 2017  
Phone: 571-344-2781

### MIDWEST FOA MICHIGAN TRADE SHOW

(venue to be announced)  
May 4, 2017  
Phone: 847-971-9457

### SAN DIEGO FOA CHARITY GOLF TOURNAMENT

Salt Creek Golf Club  
Chula Vista, California  
May 4, 2017  
Phone: 619-713-2411

### SOUTHERN CALIFORNIA FOA TRADE SHOW

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

### TEXAS FOA TRADE SHOW

Four Points by Sheraton Hotel  
Irving, Texas  
May 18, 2017  
Phone: 214-208-6116

## NCASEF BOARD MEETINGS

### NATIONAL COALITION BOARD OF DIRECTORS MEETING

Marriott St. Louis Grand  
St. Louis, Missouri  
May 3-5, 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

### TEXAS FOA GOLF TOURNAMENT

Cowboys Golf Club  
Grapevine, Texas  
May 19, 2017  
Phone: 214-208-6116

### EASTERN VIRGINIA FOA TRADE SHOW

Hilton Garden Inn  
Suffolk, Virginia  
May 24, 2017  
Phone: 757-506-5926

### EASTERN VIRGINIA FOA GOLF TOURNAMENT

(venue to be announced)  
May 25, 2017  
Phone: 757-506-5926

### MIDWEST FOA/ALLIANCE OF 7-ELEVEN FRANCHISEES FOA ILLINOIS TRADE SHOW

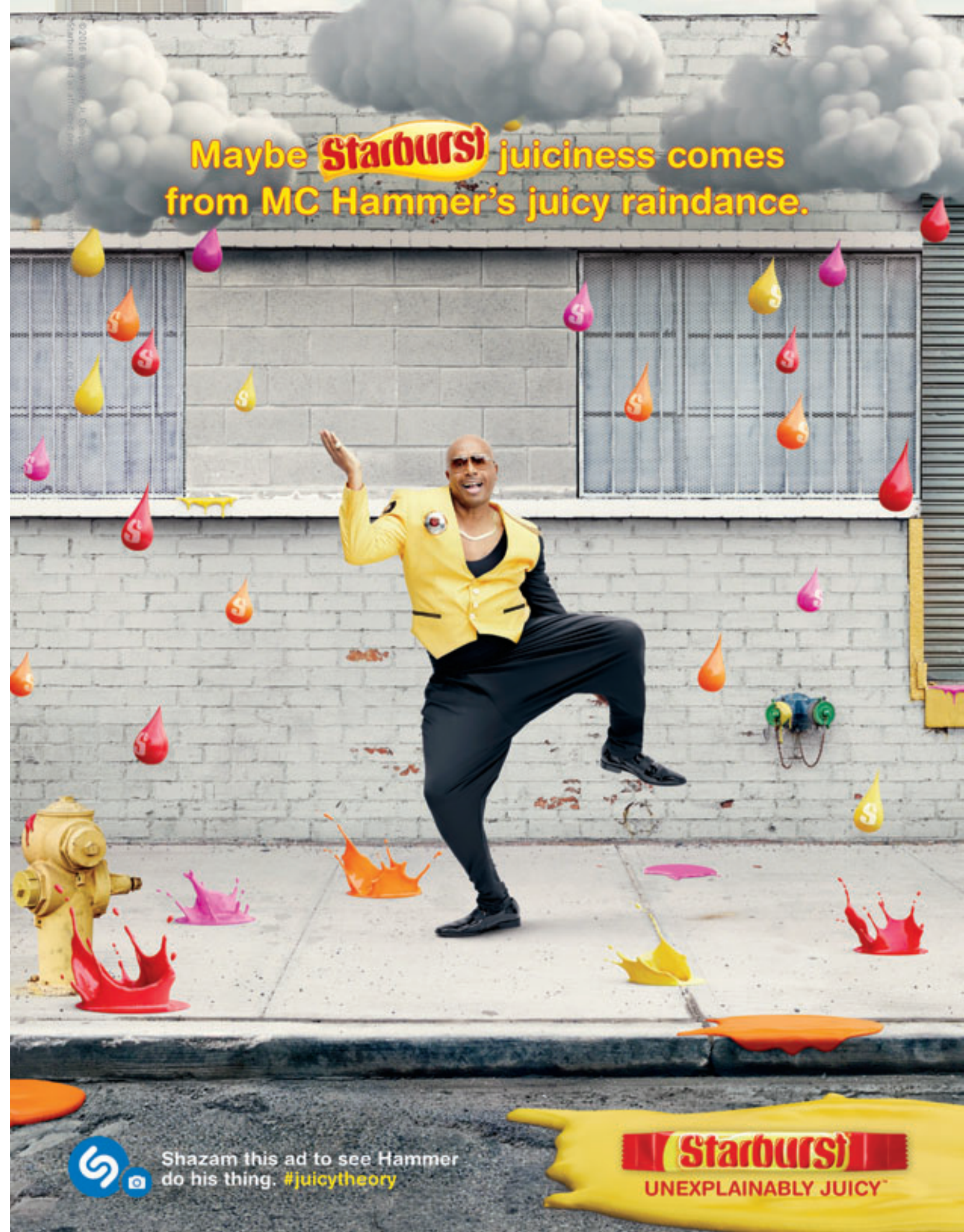
Rosemont Convention Center  
Rosemont, Illinois  
May 25, 2017  
Phone: 847-971-9457

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*Caesars Palace  
Las Vegas Hotel*  
*Las Vegas, Nevada*

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

## NATIONAL COALITION 42ND ANNUAL CONVENTION & TRADE SHOW





# UNMISTAKABLE TASTE. UNFORGETTABLE AROMA.



## *DJARUM BLACK*

Using the finest tobacco, Djarum's signature brand, Djarum Black, is harvested and blended with an artisan's care and is known worldwide for creating a rich, pleasurable smoking experience like none other.



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

WARNING: Cigars contain many of the same carcinogens found in cigarettes, and cigars are not a safe substitute for smoking cigarettes. This product contains chemicals known to the State of California to cause cancer and birth defects and other reproductive harm.

Ask your Kretek representative for details at [salesinfo@kretek.com](mailto:salesinfo@kretek.com)