National Coalition of Associations of 7-Eleven Franchisees

AVANTI

November/December 2017

THE VOICE OF 7-ELEVEN FRANCHISEES

Preserving The Brand For Franchisees

Franchisee Unity

Who Is Out Of Touch?

7-Eleven By The Numbers

Protecting Our Brand Or Our Numbers?

SEI's Town Hall Meetings

SEI Did It To Itself

Autonomous Future

Workers' Comp Claims Handling

BUILDING FRANCHISEE UNITY:
JOIN YOUR LOCAL FOA

43rd Annual Convention
GAYLORD PALMS ORLANDO
JULY 23-26, 2018

Page 14
NCASEF Board Votes Not To Attend SEE

PRSRT STD
U.S. POSTAGE PAID
Philadelphia, PA
PERMIT No. 85

7-ELEVEN & Coca-Cola

#BetterTogether

Visit the Coca-Cola Booth at the 7-Eleven Experience in Las Vegas to learn about 2018 initiatives and win exciting prizes!

Make Significant Margin With Rebates

GOOD HUMOR · Vermont's Finest BEN & JERRY'S · Breyers

18% Rebate On Top 15 Unilever Novelty Items

SLIN	Description	GP$	GM%
190557	Magnum Double Caramel Bar 3.38 oz	$1.50	50.1%
190088	Good Humor Giant King Cone 8z oz	$1.50	50.1%
190164	Klondike Mrs Fields Ice Cream Sandwich 6 oz	$1.50	50.1%
190496	Good Humor Oreo Ice Cream Bar4 oz	$1.10	55.1%
190081	Good Humor Strawberry Shortcake Bar 4 oz	$1.10	55.1%
190472	Klondike Choco Taco 4 oz	$1.01	51.0%
191378	Good Humor Giant Vanilla Ice Sandwich 6 oz	$0.78	55.8%
190019	Good Humor Reeses Peanut Butter Cup 3.3 oz	$1.10	55.1%
190394	Klondike Original Bar 5.5 oz	$1.10	55.1%
190443	Good Humor Oreo Cone 4.2 oz	$1.25	50.3%
190206	Magnum Double Chocolate/Vanilla Bar 3.04 oz	$1.50	50.1%
190560	Magnum Almond Bar 3.38 oz	$1.50	50.1%
190822	B&J Pint Slices Cookie Dough	$1.50	50.1%
190690	Popsicle Sponge Bob 1.8 oz	$0.88	58.7%
190671	Klondike Oreo Ice Cream Sandwich 4.5 oz	$1.37	54.9%

6% Rebate On Top 14 Ben & Jerry

THE #1 SUPER PREMIUM ICE CREAM IN 7-ELEVEN AND NATIONALLY

SLIN	Description	GP$	GM%
190395	B&J Half Baked Pint	$2.48	41.5%
191112	B&J The Tonight Dough Pint	$2.48	41.5%
190003	B&J Choc Fudge Brownie Pint	$2.48	41.5%
190002	B&J Chocolate Chip Cookie Dough Pint	$2.48	41.5%
190001	B&J Cherry Garcia Pint	$2.48	41.5%
190155	B&J Strawberry Cheesecake Pint	$2.48	41.5%
190556	B&J Steven Colbert Americone Dream Pint	$2.48	41.5%
190004	B&J Chunky Monkey Pint	$2.48	41.5%
190551	B&J Phish Food Pint	$2.48	41.5%
190737	B&J Boom Chocolatta Core Pint	$2.48	41.5%
190351	B&J Everything But The . . . Pint	$2.48	41.5%
190006	B&J Peanut Butter Cup Pint	$2.48	41.5%
191099	B&J Salted Caramel Core Pint	$2.48	41.5%
190197	B&J Brownie Batter Core Pint	$2.48	41.5%

6% Rebate On Top 10 Breyers Items

THE #1 PREMIUM ICE CREAM BRAND NATIONALLY

SLIN	Description	GP$	GM%
190239	Breyers Oreo Pint	$1.41	40.5%
190647	Breyers Reeses Pint	$1.41	40.5%
190350	Breyers Butter Pecan Pint	$1.27	42.5%
190360	Breyers Natural Vanilla Pint	$1.27	42.5%
190352	Breyers Chocolate Pint	$1.27	42.5%
190362	Breyers Strawberry Pint	$1.27	42.5%
190807	Breyers Vanilla 48 oz	$1.92	32.1%
190804	Breyers Neopolitan 48 oz	$1.92	32.1%
190899	Breyers Chocolate 48 oz	$1.92	32.1%
190371	Breyers Oreo Ice Cream 48 oz	$1.92	32.1%

#1 BEST SELLING ICE CREAM BRAND* at 7-Eleven®!

BEN & JERRY'S

7 ELEVEN

Power Shelf

SLIN: 0190395 | SLIN: 0190001 | SLIN: 0190003 | SLIN: 0190002 | SLIN: 0190551 | SLIN: 0190556 | SLIN: 0191112

SLIN: 0190155 | SLIN: 0190004 | SLIN: 0190006 | SLIN: 0190351 | SLIN: 0191099 | SLIN: 0190737 | SLIN: 0190197

YOUR TWO MOST POWERFUL SHELVES!

NEW!

SLIN: 0190875

SLIN: 0190888

*Source: IRI, 7-Exchange Database, YTD Ending 12/27/15

7-ELEVEN EXCLUSIVITY JANUARY-MARCH 2018

RESEALABLE POUCH

game

García y Vega

SINCE 1882

LIMITED EDITION

BERRY BLAST

NATURAL LEAF CIGARS

GRAB A

WHILE IT LASTS

2-for-99¢ Pouch

0 31700 05425 3

SAVE-on-2 Pouch

0 31700 05549 6

FOR MORE INFORMATION
CONTACT YOUR SWEDISH MATCH REPRESENTATIVE
800-367-3677 • CUSTOMERSERVICE@SMNA.COM

GAMECIGARS.COM

COMING in 2018

M&M'S® ICE CREAM CHOCOLATE COOKIE SANDWICH

P2 2018 (2/28-5/1)

- M&M's® Vanilla and Chocolate Ice Cream Cookie Sandwiches 2 for $3
- Consumers will receive 300 Bonus Points with a purchase of the new M&M's® Chocolate Ice Cream Cookie Sandwich with the 7REWARDS App

Stop by our booth at the 7 ELEVEN Experience and try the NEW M&M's® Chocolate Cookie Sandwich!

FOD February 5, 2018*

MARS ice cream

SWISHER SWEETS

BANANA SMASH

No Longer Limited, Here Every Day!

The perfect bold, yet sweet blend of banana and strawberry is back. Banana Smash delivers the taste your customers want and now you can stock it all the time. Available in "2 for 99¢", "Save on 2", and "2 for $1.49" price points. Order today and make Banana Smash a part of your everyday selection.

swishersweets.com
800.874.9720

SWISHER INTERNATIONAL, INC.

2 for 99¢	2 for $1.49	Save on 2
SLIN# 323134	SLIN# 320381	SLIN# 320922

All Rice Krispies Treats® Big Bars $1 per bar!*

BE READY TO FEED THEIR SWEET CRAVINGS!

*PROMOTIONAL PRICING VALID
January 3 – February 27, 2018
Fully funded promotion.

PRODUCT DESCRIPTION	McLANE UIN #	SLIN #
RKT Big Bar Blasted with M&M'S 2.1 oz.	500439	301726
RKT Big Bar Buttery Toffee 2.5 oz.	547109	303820
RKT Big Bar Double Chocolatey Chunk 3 oz.	539593	303821
RKT Big Bar Original 2.2 oz.	539627	303863
RKT Big Bar Chocolate Chip 2.9 oz.	539593	303864
RKT Big Bar Cocoa Krispies 2.94 oz.	988758	

For more information, visit www.KelloggsSpecialtyChannels.com

Indulgent snack cravings GOING STRONG.

SWEET FACT: CONSUMERS LOVE THEIR RICH, INDULGENT SNACKS

Nearly **40%** of your snacking consumers are looking for new ways to satisfy their cravings and **71%** of these shoppers prefer indulgent snacks over healthy ones.[1] Best of all, the majority of these people typically snack throughout the day, giving you a great opportunity to meet their needs with the brands they already know and love.

BE READY when indulgent cravings bring shoppers to your store with a variety of sweet snacks and new product innovations. *Rice Krispies Treats*® is the #1 selling treat bar in convenience stores.[1] A broad selection of flavors and sizes appeal to those who crave indulgence AND those looking for bold flavor. The newest choice, *Cocoa Krispies Treats*® with M&M'S Big Bars, gives snack fans the big chocolate flavor they crave, topped with M&M'S, the #2 chocolate brand in the U.S.[1]

Since many convenience store shoppers act on impulse, it's important to set up indulgent snack displays now to start maximizing grab-and-go purchases.

Plus, be sure to showcase a variety of flavors to keep them coming back for more!

FOR MORE INFORMATION, VISIT
WWW.KELLOGGSSPECIALTYCHANNELS.COM

National Coalition of Associations of 7-Eleven Franchisees

AVANTI

THE VOICE OF 7-ELEVEN FRANCHISEES

November/December 2017

Contents

31 **Franchisee Unity**
By Jay Singh, Chairman, NCASEF, President, San Antonio FOA

35 **Who Is Out Of Touch?**
By Michael Jorgensen, NCASEF Executive Vice Chairman, President, Central Florida FOA

43 **7-Eleven By The Numbers**
By Eric H. Karp, Esq., General Counsel, NCASEF

47 **SEI's Town Hall Meeting**
By Rehan Hashmi, NCASEF Vice Chairman, Vice President, Alliance of 7-Eleven Franchisees

53 **Protecting Our Brand Versus Protecting Our Numbers**
By Romy Singh, NCASEF Vice Chairman, President, Eastern Virginia FOA

Features

26 Metro NJ FOA Trade Show Unites Franchisees & Vendors
64 Only The National Coalition Can Represent Franchisees
64 The New Central FOA Officers

74 Midwest FOA Store Sells Winning Mega Millions Ticket
76 Alliance of 7-Eleven Franchisees & Midwest FOAs' Holiday Showcase
79 Joy & Fun At The Midwest FOA Holiday Party
81 Texas FOA Donates $25,000 To SAA

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 1001 Pat Booker Road, Suite 206, Universal City, TX 78148. For membership information, call 702-249-3301 or e-mail 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.

55 **The Need For A Balanced Business Relationship In The Autonomous Future**
By Yousaf Naseer, President, United Franchise Owners Of Long Island and New York

57 **SEI Did It To Itself**
By Hashim Syed, Franchisee, Chicagoland FOA

61 **Workers' Compensation Claims Handling Process & Cost Control**
By John Harp, CSP, ARM, Risk Engineering Consultant, MSIG

DEPARTMENTS

Member News.....14
Bits & Pieces.....16
Legislative Update.....20
SEI News.....83
Vendor Focus...89

Franchisee Calendars.....94
Ad Index.....91

11.5 fl oz
MIX & MATCH
2/$3.00
JANUARY 1, 2018 THROUGH FEBRUARY 28, 2018

Simply Beverages®

WHY Simply?

- Simply Beverages is the #1 chilled juice/drink brand with 28% dollar share – it's also the fastest growing[1]
- Simply Orange Pulp Free 11.5 fl oz. continues to be the #1 juice SKU at 7-Eleven[2]
- Simply Lemonade 11.5 fl oz. is the #1 chilled fruit drink & lemonade single-serve item[1]
- Simply Cranberry Cocktail 11.5 fl oz. and Simply Lemonade 59 oz. are the fastest growing Simply SKUs at 7-Eleven[1]
- Made with simple, delicious ingredients, including not from concentrate juices
- No added preservatives, colors, or artificial flavors

Honestly Simple.®

Sources: 1. Nielsen Total U.S. – All Measured Channels, Annual 2016. 2. 7-Exchange full year 2015/2016

SIMPLY ORANGE® PULP FREE
(11.5 fl oz)
UIN #:152405 / SLIN #:248051

SIMPLY LEMONADE® WITH RASPBERRY
(11.5 fl oz)
UIN #:152264 / SLIN #:248028

SIMPLY LEMONADE®
(11.5 fl oz)
UIN #:152173 / SLIN #:248027

SIMPLY FRUIT PUNCH® JUICE DRINK
(11.5 fl oz)
UIN #:162719 / SLIN #:246790

SIMPLY ORANGE® WITH MANGO
(11.5 fl oz)
UIN #:152314 / SLIN #:248029

SIMPLY CRANBERRY COCKTAIL™
(11.5 fl oz)
UIN #:152389 / SLIN #:248052

SIMPLY TROPICAL® JUICE DRINK
(11.5 fl oz)
UIN #:162727 / SLIN #:240163

SIMPLY APPLE®
(11.5 fl oz)
UIN #:152074 / SLIN #:248049

SIMPLY LIMEADE®
(11.5 fl oz)
UIN #:152249 / SLIN #:248050

SIMPLY PEACH®
(11.5 fl oz)
UIN #:862177 / SLIN #:242055

LIGHTS FOD 2/12/18

SIMPLY LIGHT ORANGE PULP FREE
(11.5 fl oz)
UIN #:TBD / SLIN #:TBD

SIMPLY LIGHT LEMONADE
(11.5 fl oz)
UIN #:TBD / SLIN #:TBD

32 fl oz FOD: 9/28/17

SIMPLY ORANGE® PULP FREE
(32 fl oz)
UIN #:978882 / SLIN #:246638

SIMPLY ORANGE® PULP FREE WITH CALCIUM & VITAMIN D
(32 fl oz)
UIN #:978874 / SLIN #:246643

Member News

7-Eleven's Plans For Sunoco

SEI's recent acquisition of 1,100 convenience stores in 18 states from Sunoco LP will support the company's growth strategy in key geographic areas—including Florida, the Mid-Atlantic states, Northeast states, and Central Texas—and will also give 7-Eleven entry into Houston, the fourth-largest U.S. city, and a strong presence in Corpus Christi and across South Texas, reported *Convenience Store News*. The deal is expected to close in January 2018, and includes the associated trademarks and intellectual property of Sunoco's Laredo Taco Co. and Stripes brands, which Sunoco acquired through its purchase of Susser Holdings Corp. and Stripes in July 2015. Also as part of the transaction, Sunoco is entering into a 15-year take-or-pay fuel supply agreement with a 7-Eleven subsidiary, under which Sunoco will sup-

"The Sunoco acquisition supports SEI's growth in Florida, the Mid-Atlantic states, Northeast states, Central Texas, Houston, Corpus Christi and South Texas."

continued on page 16

NCASEF BOARD VOTES NOT TO ATTEND 7-ELEVEN EXPERIENCE

The presidents of all 43 Franchise Owners Associations (FOAs), which represent the interests of nearly 7,000 franchised locations in the U.S., voted unanimously to skip the 7-Eleven Experience during a recent NCASEF Board meeting. Every year, SEI holds a giant convention and trade show, which it says is a "chance to recognize and celebrate our franchisees." But, franchisee leaders say they will not be attending the next event, to be held February 14-15 in Las Vegas. They're skipping it to send a clear message that SEI was wrong to cut off communications with its franchisees.

"Our FOA representatives spoke loud and clear and the Coalition listened. They voted to urge members stay away from the 7-Eleven Experience and now the Coalition wants to deliver that message to all," said Rehan Hashmi, vice chairman of the National Coalition. "The relationship between SEI and its franchisees is no longer evenhanded and that is hurting our members and their livelihood." According to Hashmi, SEI closed its regular channels of communication after franchisees in California filed a federal lawsuit against SEI in October.

"If SEI truly wants to recognize and celebrate its franchisees as the marketers of the 7-Eleven Experience claim, it shouldn't cut off communications. Franchise owners have invested their lives in this brand and we want to prosper, but we can't if our relationship with SEI remains so controlling and one-sided," he said.

AVANTI

Sheldon Smith
PUBLISHER & ADVERTISING SALES
215 750-0178
SHELDON.SMITH5@VERIZON.NET

John Santiago
ASSISTANT EDITOR
215 750-0178
AVANTIMAG@VERIZON.NET

Tricia Kessler
GRAPHIC DESIGN
KESSLER DIGITAL DESIGN

The Voice of 7-Eleven Franchisees
November/December 2017

continued from page 14

ply approximately 2.2 billion gallons of fuel annually.

SEI President and CEO Joe DePinto told *Convenience Store News* that he views the Sunoco acquisition more as two separate entities: the first one being the Susser Holdings business in South Texas, and the other being the Sunoco stores in the Northeast and Florida. "Susser built an incredible business and we are really excited about that part of the business. The South Texas customer is heavily Mexican-American, so we can learn a lot about how to cater to that consumer," he said. The stores in the Northeast and Florida are more traditional convenience stores, so 7-Eleven will be looking to bring its best practices to them, including private label, DePinto said. It's also expected that these stores will be put into its franchise system.

Amazon Cash Service

Online shoppers who don't have a credit card, or prefer not to use one for purchases, can now use Amazon Cash to add funds to their Amazon.com Balance at almost 8,000 7-Eleven stores in the U.S., SEI has announced. The process is simple. To load money into their Amazon account, customers present their personalized Amazon barcode to a 7-Eleven cashier along with the money they wish to load. That amount of Amazon Cash will immediately appear in their online Amazon account and be available for use. Between $15 and $500 can be loaded in a single transaction, with no fees charged.

FDA Smoking Cessation Ads In C-Stores

The U.S. Food and Drug Administration recently announced an adult smoking cessation education campaign that will be displayed in and around gas stations and convenience stores—retail locations where "smokers face a multitude of triggers and that typically feature cigarette advertisements," the agency said. The "Every Try Counts" campaign targets smokers ages 25-54 who have attempted to quit smoking in the last year but were unsuccessful. Ads will be placed in various locations at the point-of-sale, including at the gas pump and other places around the retail environment such as the front door, cash register and shelves. The two-year campaign launches in January in 35 U.S. markets and also features print, digital, radio, and out-of-home ads, such as on billboards.

continued on page 18

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 Universal City, Texas.

1001 Pat Booker Road
Suite 206
Universal City, TX 78148
Office 702-249-3301
E-mail: nationaloffice@ncasef.com

Visit the NCASEF Website
www.ncasef.com

Bits + Pieces

PepsiCo has reserved 100 of Tesla's new electric semi trucks, the largest-known order of the big rig, as the company seeks to reduce fuel costs and emissions, according to Reuters. **Anheuser-Busch** recently placed an order for 40 of the electric semi-trucks as part of its strategy to reduce its carbon emissions by 30 percent by 2025, reported ***CNN Money.*** According to *Bloomberg,* **Walmart has pre-ordered five of the electric trucks** for its U.S. operations and 10 for its Canada units. • **Uber** has agreed to buy thousands of cars from **Volvo** to prepare a fleet of fully driverless on-demand vehicles, reported the *Financial Times*. The deal will see Uber purchase up to 24,000 XC90 vehicles between 2019 and 2021 for $1.4 billion. • **Constellation Brands—the third-largest beer company in the U.S.—** has acquired a 9.9 percent stake in the Canadian **cannabis** holding company Canopy Growth, reported *Business Insider.* The beer giant paid $191 million for its stake in the largest legal marijuana producer in the world because it believes marijuana will eventually be legalized nationally in the United States. • **Target recently opened 12 small-format urban stores** in high-profile cities including Chicago, New York City, Philadelphia and Los Angeles, reported the *Star Tribune*. These smaller stores are part of the retailer's growth strategy, as it plans to ramp up the pace in the next couple of years to **40 new stores a year**, most of them with the smaller format. • C-store chains QuikTrip and Sheetz are among the top 10 on Fortune's list of the **20 Best Workplaces in Retail**, coming in at #2 and #7 respectively. **Wegmans Food Markets ranked #1**. • Anheuser-Busch recently sent barley seeds, one of beer's key ingredients, on a rocket to the International Space Station—the first step in its research on **microgravity** beer, reported the *Washington Post*. The company boldly stated last spring that when hu-

continued on page 44

continued from page 16

Visit the NCASEF Website
www.ncasef.com

THREE NCASEF OFFICERS ELECTED FOR 2018-2019

The National Coalition Board of Directors elected three new officers for 2018-2019 at the October 29 to November 2, 2017 Board meeting in Nashville, Tennessee. Jay Singh, Chairman, Michael Jorgensen, Executive Vice Chairman, and Jaspreet Dhillon, Treasurer, each were elected to two-year terms. Election Committee Chairman Jerry Sahnan (President, Phoenix FOA), and members Pete Gragnano (President, Suburban Washington FOA), and Lakha Wahla (President, South Nevada/Las Vegas FOA) ran the election, managed the voting, and delivered the results. National Coalition General Counsel Eric Karp verified the votes per association, the count, and the final results. The National Coalition elects three out of six officers every year. The next election will be October 2018, for the three National Vice Chair positions. All six officers serve two-year terms.

Executive Vice Chairman-Elect Michael Jorgensen.

Chairman-Elect Jay Singh and Election Chairman Jerry Sahnan, President Phoenix FOA.

Treasurer-Elect Jaspreet Dhillon at the candidates forum.

UFOLI President Yousef Naseer.

Cal-Neva FOA President Ken Smitreski.

The NCASEF Board includes a president and vice president from each of 43 owner's associations.

FOAGLA Board Member Gary Walia.

continued from page 18

Legislative Update

NY C-Stores Fight 'Predictive Scheduling'

New York convenience store owners have rallied to fight new "predictive scheduling" regulations that the state Labor Department plans to impose on employers statewide, reported NACS Online. Retailers representing hundreds of convenience stores have filed formal comments objecting to the proposed rules, which would add costs and curtail flexibility for employers. The New York Association of Convenience Stores (NYACS) has urged all retailers to file comments before the deadline of January 5, 2018. After that, the governor's administration intends to enact the regulations without any vetting by the state legislature.

"Predictive scheduling rules would require workshift scheduling 14 days in advance with monetary penalties for call-ins and check-ins."

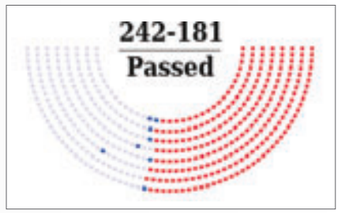
Some of the key provisions of the proposed regulations include:

- Employers would have to post the schedule 14 days in advance.
- If an employee is called in to work a shift that was not scheduled at least 14 days in advance, they would be entitled to an additional two hours of call-in pay.
- If an employer cancels an employee's shift within 72 hours of the start of the shift, they would be entitled to four hours of call-in pay.
- If an employee is on call for any shift, even if they aren't called in, they would be entitled to at least four hours of call-in pay.
- If an employee is required to check in within 72 hours of the start of a shift to confirm whether to report to work, they would be entitled to at least four hours of call-in pay.

There are exceptions to some of these regulations for new hires, higher-paid full-time employees, employees who volunteer to substitute for a scheduled co-worker, employees who cancel the shift themselves, and extreme weather or other circumstances beyond the employer's control that force the store to close.

'Joint Employer' Bill Passes House

The House recently passed legislation titled the Save Local Business Act that would prohibit the National Labor Relations Board (NLRB) from implementing its expanded "joint employer" rule, which vastly extended the circumstances under which a business could be held liable for workplace violations by another business, reported the *Washington Examiner*. Republicans argued the rule was a huge overreach by the agency and threatened to hurt the economy by forcing corporations to cut back on franchising their brands. Business groups argue the rule would make franchisers legally liable for franchises even when the latter are separate businesses that merely rent out the corporate brand.



The previous standard the board used required one business to have "direct control" over the workplace policies of another employer. In a 2015 case called Browning Ferris, the NLRB expanded the rule to the much vaguer "indirect control." The board has since used the case to pursue major labor rights violation cases against McDonald's Corp., arguing it is responsible for actions by its franchises.

Democrats opposed the Save Local Business Act, arguing it would hurt workers' rights. Republicans countered that the workers were already protected under the earlier standard and the NLRB's expansion created confusion over who was liable.

Menu Labeling Back On Track

Under the Trump administration, the FDA is moving forward with the Obama-era menu-labeling requirements, reported *Convenience Store News*. Convenience stores, restaurants, grocery stores and other foodservice retailers must be in compliance by May 7, 2018. The FDA posted a preliminary guidance page on November 7. The National Association of Convenience Stores stated that the newly posted guidance does little to address concerns raised by c-store retailers and various industry organizations. Areas in the guidance that NACS cited as falling short of answering

continued on page 22

continued from page 20

Legislative Update

retailer questions include impractical salad or hot food bar disclosures; whether marketing materials constitute menus; which businesses are actually subject to the regulation, and others.

> "THE FDA IS MOVING FORWARD WITH OBAMA-ERA MENU-LABELING REQUIREMENTS, INCLUDING COMPLIANCE BY MAY 7, 2018."

Federal Gas Tax Hike Possible

President Donald Trump's chief economic adviser has raised the possibility of increasing the federal gasoline tax next year to help pay for the administration's $1 trillion infrastructure plan, reported *Bloomberg*. National Economic Council Director Gary Cohn brought up the fuel tax as a way to help fund promised upgrades to U.S. roads, bridges and other public works during a meeting with a bipartisan group of lawmakers, dubbed the Problem Solvers Caucus, in late October. There have been proposals over the years to raise the gas tax, which hasn't been increased since 1993, but they have faced stiff opposition from congressional Republicans and others reluctant to raise taxes.

New York Bans Vaping Indoors

Vaping has been outlawed in indoor public spaces in New York, reported BBC News. The new rule, which took effect in November, means the practice is now treated the same as smoking normal cigarettes. Vaping is now banned in places including restaurants, bars and offices. New York was one of the first states to ban cigarettes in indoor public spaces in 2003.

Using e-cigarettes has become more popular since tighter restrictions were introduced around real cigarettes, but this new law will have a relatively small effect. Many areas of New York State already have a ban in place, including New York City, which has had it since 2013. In fact, 70 percent of municipalities in the state had already prohibited using e-cigs in public indoor spaces.

> "All forms of vaping have been banned in indoor public spaces in New York state."

Supreme Court To Hear American Express Case

The Supreme Court recently agreed to hear an appeal from 11 states challenging American Express's rules prohibiting merchants that accept its card from persuading shoppers to use credit cards that charge lower swipe fees, reported *The Hill*. Ohio initially brought the case, which was joined by Connecticut, Idaho, Illinois, Iowa, Maryland, Michigan, Montana, Rhode Island, Utah and Vermont. The states claim that the American Express rules violate the federal antitrust law by restricting trade.

continued on page 72

Visit the NCASEF Website
www.ncasef.com

continued from previous page

Member News

continued from page 18

Visit the NCASEF Website
www.ncasef.com

Circle K Closes Jet-Pep Acquisition

CrossAmerica Partners LP and its partner Circle K Stores, Inc., a wholly owned subsidiary of Alimentation Couche-Tard, recently announced that they have closed on the purchase of certain assets of Jet-Pep, Inc. for a total consideration of $72 million, plus working capital and closing costs. The acquired assets consist of 119 petroleum marketing and convenience stores located throughout Alabama, and a 270,000-barrel motor fuels terminal, which is located in Birmingham and directly connected to the Colonial and Plantation pipelines, according to *Convenience Store Decisions.*

Overseas Drives Profit Growth At Seven & i

An overseas push is paying off for Seven & i Holdings, as the company makes strong profits even as business at home struggles amid a checkered recovery in consumer spending, reported Reuters. Hit hard by an economy mired in deflation for nearly two decades, top Japanese retailers have focused on expanding abroad to boost earnings. Offshore business underpinned results for Seven & i Holdings, driving its quarterly operating profit up 10.3 percent to a record high of 110.3 billion yen, above an average estimate of 106.1 billion yen from three analysts polled by Thomson Reuters.

"Reuters reported offshore business underpinned results for Seven & i Holdings, driving its quarterly operating profit up 10.3 percent to a record high."

The company's convenience store business accounted for 85 percent of its first-half operating profit of 194.5 billion yen. It has nearly 20,000 7-Eleven stores in Japan and 8,500 in the United States. Same-store sales, a key gauge of retailers' health, at 7-Eleven stores in Japan rose 1 percent year-on-year in the first six months of the financial year. At U.S. outlets, same-store sales climbed 1.5 percent. The company forecasts a 16 percent rise in full-year operating profit at its North American unit, 7-Eleven Inc.

SEI Could Acquire Kroger's C-Stores

7-Eleven is among the convenience retailers seen as potential buyers of Kroger's c-stores, reported *CSP Daily News*. Supermarket giant Kroger recently announced it intends to explore strategic alternatives for its convenience store business, including a potential sale, which has led retail industry observers and analysts to compile a list of retailers that could acquire Kroger's nearly 800 c-stores if they're put up for sale. While Alimentation Couche Tard is at the top of most analysts' list, SEI—which is battling with Couche-Tard to become the largest convenience store chain in North America—comes in second. Analysts note SEI's long-term expansion goal of 20,000 stores within several years as a sign that 7-Eleven would attempt to acquire the Kroger c-stores.

DePinto Among CSNews Honorees

More than 130 retailers and suppliers from the convenience store community gathered in 7-Eleven Inc.'s hometown of Dallas, Texas recently to honor the newest members of the *Convenience Store News* Hall of Fame—one of which was SEI President and CEO Joe DePinto, CSNews Online reported. DePinto, who has served as 7-Eleven's CEO since 2005, was inducted into the Hall of Fame by industry friend Jim Dinkins, president of the Minute Maid Business Unit and chief retail sales officer for Coca-Cola North America. Dinkins praised DePinto's style of "servant leadership" and talked about how they forged a lasting friendship when Dinkins led the 7-Eleven team at Coca-Cola.

"7-Eleven could be a candidate to acquire Kroger's nearly 800 c-stores if they're put up for sale."

In his acceptance speech, DePinto credited all 7-Eleven associates and his family for their support. DePinto became the fourth 7-Eleven executive to enter the Hall of Fame. Former CEO James Keyes was inducted in 2005, and 7-Eleven founders John and Jere Thompson were inducted in 1991.

Lidl Planning Smaller Stores

Lidl, the German retailer that made a grand introduction to the U.S. behind a gleaming 36,000-square-foot discount prototype, is now considering significantly smaller sites closer to the size of convenience stores for its continued expansion, reported *Winsight Grocery Business.* The discounter—which built and in many cases, owns the sites on which its 47 stores sit—is now seeking leasing opportunities along the East Coast for existing properties as small as 15,000 square feet and as large as 25,000 square feet.

continued on page 26

Member News

continued from page 24

A smaller box would indicate big changes in assortment and design are also forthcoming at Lidl, the article states. Sources told the publication they expected Lidl could reveal more details of its smaller box within 60 to 90 days. One source said Lidl was in the process of testing a smaller model prototype built at a distribution facility, as it had with its initial store prior to its debut, but a spokesperson for the company would not confirm that.

New McLane Distribution Center

McLane Company recently celebrated the opening of its brand new, $150 million, 417,338-square-foot grocery distribution center in Findlay, Ohio. The company said its Findlay distribution center will employ approximately 400-500 teammates in Ohio. Of McLane's 80 distribution centers nationwide, the massive Findlay facility is the most technologically advanced—utilizing teammates, robotics and artificial intelligence to deliver over 325,000 picks of items per day at peak operation.

"McLane's Findlay facility will use 400-500 employees, robotics and artificial intelligence to deliver 325,000 item picks per day at peak operation."

The McLane Findlay distribution center stores approximately 16,000 grocery and convenience store items representing over 700 suppliers, which will continue to increase in 2018, the company stated. These items are then delivered to convenience stores, mass merchants, warehouse clubs and drug stores in Ohio, Michigan, Indiana and Pennsylvania.

Tesla C-Store Supercharger Stations

Tesla recently opened its first convenience store-like supercharger stations featuring integrated customer lounges, food services and areas designated for families, reported Teslarati.com. The 40-stall supercharger stations in Kettleman

continued on page 64

METRO NJ FOA TRADE SHOW UNITES FRANCHISEES & VENDORS

The Metro New Jersey FOA Trade Show was held on May 11, 2017 at the Royal Albert Palace in New Jersey. We had around 35 vendors at our event, and it was our first trade show under the new Board. Initially, we weren't sure how many vendors we would get to participate, but when we reached out to our vendor community they stepped up and supported our trade show. Turnout and support from our FOA franchisees was fantastic. After the trade show we hosted a dinner for our 200 guests—franchisees and vendors—with special raffle giveaways. Each and every vendor had something to raffle off to support our franchisees. Items such as a TV, home theater system, iPad and gift cards were raffled off. We would like to thank each and every vendor, along with our FOA members, for making this event a hue success.

We plan to hold our 2018 trade show in Atlantic City, New Jersey, and we are targeting around 50-75 vendors. We have many local vendors, as well as national vendors who are excited to go back to Atlantic City where our FOA used to have trade show. With the increased number of stores under our FOA and the excitement among our members, we are certain that 2018 trade show will be bigger and better than 2017.

—Hari Patel, Metro New Jersey FOA President

SENECA™
PREMIUM
CLASS A CIGARETTES

The perfect blend of quality, flavor and price.

SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

Contact a distributor near you

1-844-766-5366

Greater VARIETY And PROFITS.

Cigarettes, Cigars, Snuff, Pipe Tobacco, and Vapor

SURGEON GENERAL WARNING: Cigar Smoking Can Cause Cancers Of The Mouth And Throat, Even If You Do Not Inhale.

Franchisee Unity

BY JAY SINGH, CHAIRMAN, NCASEF

Four franchisee plaintiffs, with the support of the National Coalition, have filed a class action lawsuit against 7-Eleven, Inc., our franchisor. This action was taken because franchisees are not being treated as independent contractors and business owners due to increasingly pervasive control by our franchisor. Three times, over the course of three separate meetings, the National Coalition Board voted unanimously to support the lawsuit. The Board consists of 43 presidents and 43 vice presidents of Franchise Owner's Associations from around the country. These are the folks who represent franchisees in all of the states in which 7-Eleven operates.

The National Coalition's Board also voted unanimously to skip the 7-Eleven Experience, our franchisor's convention and trade show. The Board made this decision as a result of the suspension/cancellation of the Franchisee Agreement Committee meetings, the National Business Leadership Council (NBLC), and the CEO Roundtable meetings, which are the most highly visible means—along with National Coalition Board meetings attended by SEI's senior team—that we have to communicate with our franchisor.

The NCASEF Board did not come to these decisions lightly. The majority of us have been in the system for 20 or more years. We love and respect our brand, which has given us our businesses and our livelihoods and supported our families for many, many years. We don't want to hurt our brand, because that would not be good for the growth of our businesses and our profits. Instead, we are gravely concerned for our businesses and our futures as franchisees.

JAY SINGH
CAN BE REACHED AT
702-249-3301 OR
JKSINGH2300@YAHOO.COM

On the eve of the new 2019 Franchise Agreement it is important, now more than ever, that we continue to organize to provide representation for 100 percent of franchisees in the system. At the October Board meeting I was elected chairman of the National Coalition, to serve for two years. My colleague Michael Jorgensen from the Central Florida FOA was elected executive vice chairman, and Jaspreet Dhillon from the FOA of Greater Los Angeles was elected treasurer. As chairman, I realize this is a difficult time for franchisees, so my first impulse is to get all franchisees thinking about unity and building more membership in our Franchise Owner's Associations (FOAs).

I urge every single franchisee to join your closest local FOA to stay informed, to have your questions answered, to network with other franchisees, and to share representation through the National Coalition. If you are already a member of the local FOA, please reach out to your friends and colleagues who are not members to get involved with the FOA closest to their geographical location and support franchisee unity. The leadership of every FOA should take responsibility for recruiting new members, for educating them on how to create cases online to become members, and for providing opportunities to stay involved in FOA activities. Most FOAs do a wonderful job of staying in touch with local communities surrounding their stores.

> "The NCASEF National Board—43 FOAs—voted unanimously to support the lawsuit and to skip the 7-Eleven Experience."

The National Coalition has represented franchisee interests for 43 years, since 1975, when 60 franchisees incorporated as the Convenience Store Franchisee Association, and the NCASEF was

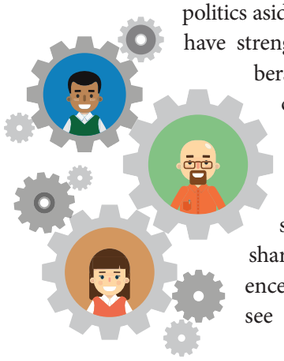
continued on page 32

Franchisee Unity

continued from page 31

created. In 1978, then chairman Bill Schuessler framed the National Coalition motto, "None of us is as great as all of us together."

Join your local FOA to get the support of other franchisees and franchisee leaders. I urge everyone to leave all local politics aside because we have strength in numbers, in our association, and in sharing information about our similar and shared experiences. We can all see the current status of our system, which is changing before our very eyes. Let us all work together with our franchisor and existing management, and hold them more accountable for the system, the brand, and the well being of franchisees who for the last 50 years have formed the backbone of the system we know so well and the brand we continue to love.



> "The Board did not come to these decisions lightly. We are gravely concerned for our businesses and our futures as franchisees."

To find the Franchise Owner's Association closest to you, visit the National Coalition website at www.NCASEF.com. We are the only national forum where 7-Eleven franchisees can speak freely, trade experiences, and optimize our joint interests in working with 7-Eleven, Inc., vendors, and other franchisees. AV

"Now is the time to join your local FOA, to get involved, and to remain knowledgeable about the franchisee situation."

Who Is Out Of Touch?

BY MICHAEL JORGENSEN, NCASEF EXECUTIVE VICE CHAIRMAN, PRESIDENT, CENTRAL FLORIDA FOA

On November 9, an article titled "Franchisees to Boycott Annual 7-Eleven Trade Show" was published on CSPdailynews.com. The article accurately states, "The presidents of all 43 7-Eleven Franchise Owners Associations, which represent the interests of nearly 7,000 franchised U.S. convenience-store locations, have voted unanimously not to attend 7-Eleven's annual convention and trade show in 2018." These 43 presidents make up the Board of Directors of the National Coalition of Associations of 7-Eleven Franchisees, often referred to as the National Coalition or NCASEF. These FOA presidents have been elected by franchisee members as representatives in matters important to our interests as 7-Eleven franchisees.

Originally founded in 1973 by six franchisees, NCASEF today consists of 43 Franchise Owners Associations (FOAs), located in the 31 states where 7-Eleven does business. Each regional FOA represents between 15 and 400 7-Eleven franchisee members who pay dues to their local association, and a portion of these dues supports NCASEF activities. This magazine, Avanti, is published by the NCASEF and is sent to every franchised 7-Eleven store in an effort to support and educate everyone, both members and non-members.

'The presidents and vice presidents of 43 FOAs voted not to attend the 7-Eleven Experience in Las Vegas."

Some of the NCASEF's major objectives are:

- To seek a balanced, constructive, cooperative, collaborative and mutually respectful relationship with SEI.
- To communicate with SEI and with the various FOAs and coordinate efforts to attain a social economic framework that will enhance the brand, enhance franchising, serve the public, and provide fairness and justice for 7-Eleven convenience store franchisees.
- To articulate and advocate in favor of the needs, economic interests and goals of franchisees of 7-Eleven Inc., its affiliates, subfranchisors, successors and assigns.

In the *CSP Daily News* article, NCASEF Vice Chairman Rehan Hashmi explained that the group has taken the stand to skip the 7-Eleven Experience in response to SEI cancelling the previously scheduled Franchise Advisory Committee (FAC), CEO Roundtable, National Business Leadership Counsel (NBLC) and the Franchisee Merchandising Forum. 7-Eleven cancelled these meetings partly in response to the misclassification lawsuit filed in United States District Court for the Central District of California Western Division (California Case No.: 2:17-CV-7454) on October 12 by members of NCASEF.

"Cancelling the previously scheduled meetings of committees that SEI designed specifically for facilitating communication would appear to fly in the face of a 'long history of consistent and transparent communication with franchisees.'"

A representative for SEI is quoted as stating, "The National Coalition is clearly out of touch with the quality and volume of communications between 7-Eleven and franchisees. The reality is that 7-Eleven postponed two meetings in October involving less than 80 of the over 4,600 franchisees." The representative went on to state, "7-Eleven Inc. has a long history of consistent and transparent communication with franchisees. In fact, 7-Eleven has spent nearly $1 million dollars developing a best-in-class app built for franchisees which allows them to easily access commun-

continued on page 36

>>JOIN Your Local Franchise Owner's Association

It is a critical time to support your local FOA and the NCASEF. Please visit www.NCASEF.com to find the FOA closest to you, then create a case on your ISP to join.

Who Is Out Of Touch?

continued from page 35

ications at their convenience." This is a reference to the 7-Eleven Stores App, which was launched in 2017.

Although the 7-Eleven Stores App certainly upgrades 7-Eleven's ability to communicate with franchisees more effectively, and provides the ability for franchisees to receive communication outside of the store's ISP, it is not a substitute for two-way communication. The meetings that were cancelled were committees created by SEI for the purpose of facilitating effective two-way communication. The first of these committees, the NBLC, was created in 2010 as a replacement for the PLC (Presidents Leadership Counsel), which SEI had disbanded. The PLC was a forum where every FOA president was invited to meet with 7-Eleven's executives and senior management team, and provided an opportunity to communicate issues and obstacles that needed to be addressed.

"NCASEF Vice Chairman Rehan Hashmi explained the group has taken this stand in response to SEI cancelling the previously scheduled Franchise Advisory Committee, the CEO Roundtable, the National Business Leadership Counsel and the Franchisee Merchandising Forum."

The NBLC was established after the PLC was decommissioned. The NBLC's work started in 2011, but unlike the PLC, where the members were chosen by franchisees, SEI created an application process and determined, at their sole discretion, which franchisees to include. I served on the NBLC for six years, from its inception in 2011 until the end of 2016. The NBLC membership is broken into several different committees, each responsible for different work streams. In these committees franchisee members work with SEI stakeholders to tackle various projects through closure and then are provided a new work stream to tackle. There have been changes in the NBLC format since it's inception, including the creation of the CEO Roundtable.

The CEO Roundtable was created for the purpose of setting the agenda for the NBLC. The CEO Roundtable consists of 14 franchisee leaders selected by SEI (not necessarily elected franchisee leaders)

continued next page

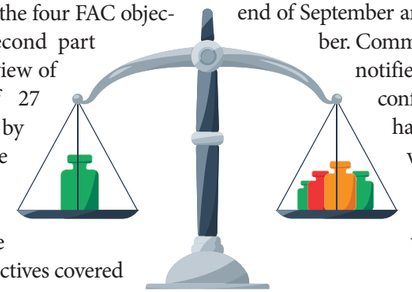
continued from previous page

who periodically meet with the CEO and other key senior executives and identify top priority franchisee issues for which solutions must be expedited.

The Franchisee Merchandising Forum was a separate committee created in response to merchandising concerns voiced by CEO Roundtable members that began working in June 2017.

The Franchise Advisory Committee (FAC) was designed by SEI to gather feedback from franchisees in preparation for the 2019 Franchise Agreement. This important committee consisted of 13 franchisees who met with SEI senior management, including Larry Hughes, Vice President Franchise Systems, and Michael Crist, Director Franchise Agreement Development. NCASEF leadership did have some input into the membership, having nominated half of the committee members. I was one of two members added after the initial few meetings.

The committee was given four objectives for the 2019 Agreement: 1) Balanced Economics, 2) Protect the Brand, 3) Independent Contractor Status, and 4) Marketable Agreement. Each meeting consisted of two parts. Part 1 covered presentation of materials and discussions relating to one of the four FAC objectives, and the second part consisted of a review of any number of 27 points submitted by the NCASEF. The points selected for review would typically be related to the objectives covered in the first part of the meeting, with SEI key stakeholders presenting information and open discussions to get a better understanding of franchisees' requests and reasons for the requests.



The FAC meetings were hosted in Dallas and the committee met consistently every month. The last meeting was June 28-29 in Dallas, and subsequent meetings were scheduled for the end of August, the end of September and again in November. Committee members were notified on an August 19 conference call that there had been no new developments from our June meeting, and the committee would stand down

continued on page 38

Who Is Out Of Touch?

continued from page 37

and would be notified if and when we would reconvene. The change in the FAC's meeting schedule was made prior to the October 12 filing of the lawsuit.

The FAC members expressed our desire to continue to meet. In fact, the FAC members planned a meeting in Dallas in early September and invited SEI to attend. SEI FAC members, as well as Chris Tanco and Greg Franks, did attend a portion of this meeting. Unfortunately, not all of the franchisee members were able to attend, and I was among those not attending due to Hurricane Irma. The FAC has not had any further meetings.

The invitations franchisees across the country received to attend the Agreement Update Town Hall meetings was the first communication franchisees received regarding 7-Eleven's intent to present a 2019 New Agreement update. The FAC had no prior knowledge or input into these meetings or the list of items that were presented.

On November 13 Senior VP Larry Hughes sent an email to all franchised stores assuring us, "SEI has every intention of resuming the NBLC," and "The NBLC has proven to be a powerful mechanism for organizational problem-solving and Franchisee-Franchisor collaboration." The communication mentions re-launching the NBLC, the CEO Roundtable and the Franchisee Merchandising Forum in early first quarter 2018, but makes no mention of the FAC.

Members of the CEO Roundtable—who are also FOA Presidents, Vice Presidents and some FOA Board members and are therefore part of the NCASEF—were told that they would no longer be participating in the CEO Roundtable. Seven franchisee leaders, half of the CEO Roundtable, will be replaced for the next meeting, which was scheduled for December 14—much sooner than the first quarter 2018 timeline previously communicated. Of the participants removed from the Roundtable, six were also part of the FAC. Two of the replacements selected by SEI for inclusion in the CEO Roundtable were also part of the FAC.

These events and decisions are very troubling. Cancelling the previously scheduled meetings of committees that SEI designed specifically for facilitating communication would appear to fly in the face of their proclaimed "long history of consistent and transparent communication with franchisees." It should also concern all franchisees that SEI would remove elected franchisee leaders from these committees when they reconvene. Does SEI believe these franchisees are out of touch, as they claim the National Coalition is? Keep in mind that the individuals being removed from these committees were chosen by SEI to serve as franchisee leaders on these committees from a large pool of available franchisee applicants. Some of these franchisees have served on multiple SEI committees and were asked to take on additional responsibilities, such as NBLC Committee Co-Chairs.

> "Each and every franchisee needs to understand the current situation. It is more important than ever to be an engaged member of your local FOA, and through your FOA, a member of NCASEF."

Each and every franchisee needs to understand the current situation. It is more important than ever to be an engaged member of your local FOA, and through your FOA, a member of NCASEF. Attend as many meetings as you can to stay informed. Communicate with your FOA leadership and members and share your thoughts. It is more important than ever to make our collective voices heard. If you are a multiple, please register all of your stores and work to identify and recruit franchises in your area who are not members. Offer to have them join you at your next FOA meeting and introduce them to your FOA leadership and other members. Our strength is in our numbers, our UNITY and our SUPPORT of our common good. AV

MICHAEL JORGENSEN
CAN BE REACHED AT
JORGENSEN.NCASEF@GMAIL.COM OR 347-251-1828

FRANCHISEE ADVISORY COMMITTEE MEMBERS

Jay Singh
NCASEF Chairman Elect

Michael Jorgensen
NCASEF Executive Vice Chairman Elect

Nick Bhullar
NCASEF Vice Chairman

Jim Bayci
President, Midwest FOA

Kirin Hussain
Trade and BCP Franchisee, California

Dave Carpenter
BCP Franchisee, Colorado

Joe Galea
Former NCASEF Chairman

Dennis Lane
Former NCASEF Chairman
President, New England FOA

Jawad Ursani
Franchisee, California

JoAnn Lawson
Franchisee, Florida

Alan Dumain
Franchisee, New York

Rita Cassanova
Franchisee, Texas

CHOMPS
SNACK STICKS

"The times they are a-changin'..."
-Bob Dylan

Stay ahead of the curve with one of the **fastest growing brands** in the meat snacks category.

Are you missing out on sales to the core millennial consumer? They want healthier options and it's up to you to adjust your offering. Chomps can help you do just that with the cleanest label meat snack sticks available.

- Sales of over 330 units/store/week at a national retailer
- 9 grams of protein per serving
- 100% Grass-Fed Beef

Introductory Offer:

50% off your first order!*

*One-Time Placement - limit one box per flavor per store. Expires 2/28/18

www.**Chomps**.com

Available for order now at McLane and Core-Mark | **Questions?** Contact us at team@chomps.com

ORIGINAL FLAVOR

CHOMPS

✓ 9g Protein
✓ 100 Calories
✓ No Sugar

HOPPIN' JALAPEÑO

CHOMPS

7-Eleven By The Numbers

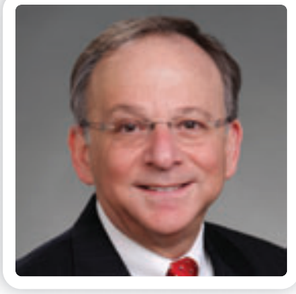
ERIC H. KARP, ESQ., GENERAL COUNSEL TO NCASEF

As I write this, SEI is gearing up for a series of so-called Town Hall Meetings across the country, the apparent purpose of which is to somehow convince existing franchisees how wonderful it is to be a franchisee and why franchisees should be grateful for the franchise agreement they have, notwithstanding the pervasive control the company exercises over every aspect of store operations. When I think of that pervasive control, my mind drifts to some of the lyrics of one of my favorite Sting songs:

"Every breath you take
Every move you make
Every bond you break
Every step you take
I'll be watching you."

I have good reason to believe that these Town Hall Meetings will also attempt to demonstrate the advantages of the 7-Eleven franchise agreement and system over other similar systems. Attendees should beware of these apples and oranges comparisons. Moreover, they should be suspicious of a company deep into the preparation of a new 2019 franchise agreement, which has refused to negotiate or meaningfully collaborate with its own Franchise Agreement Committee or any other group of franchisees, yet claims not to have made any final decisions regarding its terms and conditions. SEI is treating the terms and conditions of the new franchise agreement with the same kind of secrecy it applies to its supply chain contracts but should only be reserved for nuclear launch codes.

Beyond the hype, the PR and the manipulation of expectations on the part of franchisees and prospective franchisees, the numbers tell a very different story. So here is part of the story told by



the numbers as reported by SEI in its franchise disclosure documents and by its publicly held parent company, Seven & I Holdings, in its financial and securities reporting. I visit their website often, because it contains a lot of information that SEI would prefer you not have. See: http://www.7andi.com/en/ir/index.html

FUEL

• $164.4 Million—That's how much SEI's gross margin from fuel rose from 2013 to 2016, notwithstanding a $3.88 billion or 27 percent decrease in fuel revenue. How do you increase gross margin dollars with declining fuel revenue? The answer is obvious: increase prices at the pump.

• 9.61 Percent—This was SEI's gross margin on fuel as a percentage of revenue in 2016, which has risen from 5.53 percent in 2012 to 6.28 percent in 2014 to 8.42 percent in 2015, before jumping again to 9.61 percent last year.

• 29.4 Percent—The increase in fuel sales for the first six months of 2017 over the same period of time the year before. Contrast this with an 11 percent increase in gallons pumped over the same timeframe.

• 20.91—SEI's margin on fuel sales measured in cents per gallon for the six months ended June 30, 2017, up from 19.2 cents during the same six-month period the year before.

• 44.8 Percent—The percentage of SEI's total revenue derived from the sale of gasoline products for the six months ended June 30, 2017, up from 39.2 percent for the same period the year before. These numbers, of course, do not include results from the 1,100 Sunoco gas stations, the closing of which was expected to occur by December 31, 2017.

continued on page 44

"SEI has not collaborated meaningfully with franchisees on the preparation of the new 2019 franchise agreement."

"Beyond the hype, the PR and the manipulation of expectations on the part of franchisees and prospective franchisees, the numbers tell a very different story."

7-Eleven By The Numbers

continued from page 43

Do you need any more proof that SEI is gradually becoming a gasoline company than its pricing strategy emphasizing gross margin over gallons?

MERCHANDISE STORES

• 86.9 Percent—The percentage of domestic stores that are franchised, the highest percentage perhaps in the recent history of the company, up from 79.3 percent in 2012. As of December 31, 2004, 60 percent of the stores in the United States were franchised.

In this space, we repeatedly opined that SEI is jettisoning company stores in order to flee the consequences of rising minimum wage costs and declining merchandise gross margins, exacerbated by overpriced fuel prices in gasoline stores. In its message to investors, the parent company explicitly ties increase in profitability to an increase in both the percentage of franchised stores and gasoline gross profit.

"SEI is treating the terms and conditions of the new franchise agreement with the same kind of secrecy it applies to its supply chain contracts but should only be reserved for nuclear launch codes."

• 28.87 Percent—The gross margin percentage of all company-owned stores in 2016, down from 32.29 percent in 2010.

• $198 Million—This is the decline in company store gross margin dollars from 2013 to 2016, a decrease of 21 percent.

• 1.5 Percent—This is the amount by which same-store sales increased for the six-month period ended June 30, 2017 over the same period the year before. As of June 30, 2016, the same-store sales increase was 3.2 percent over the previous. Thus, the increase was more than cut in half.

• 7.1 Percent—This is the amount by which SEI's operating income increased during the same period of time that same-store sales were increasing by only 1.5 percent.

• 34.4 Percent—The merchandise gross profit margin for all U.S. stores for the six months ended June 30, 2017, down a full 1/2 of 1 percent over the same six months in 2016. For that same six-month period ended June 30, 2017, total SEI store sales were $1,518,799,000. This latest gross profit margin decline resulted in a loss of $7.6M in gross margin at the store level.

• 47.6 Percent—The percentage of SEI's total capital expenditures devoted to existing stores in 2015 for refurbishment, remodeling and equipment replacement. That percentage dropped to 29.9 percent in 2016 and 22.2 percent in 2017.

• 63 Percent—This is the percentage of the total capital expenditures of the parent company devoted to SEI as projected for 2018. This in part reflects the $1.1 billion investment in the Sunoco stations, but pales in comparison to reinvestment in franchise stores, which have greater and greater challenges in competing with modern and gleaming new stores operated under other brands, such as Wawa, Race Trac and others.

• $2.9 Million—The price agreed to be paid by SEI on average for each Sunoco station.

• $21,975—The average projected property and equipment capital investment in existing stores that was budgeted in 2016. That's 7/10 of 1 percent of the amount that SEI is spending on average to acquire the Sunoco stores.

If you attend one of these Town Hall Meetings, please keep these numbers in mind. Ask good questions. Do not assume that anything you are told is necessarily true. Support your local FOA and the National Coalition. Stay united. Protect your investment. AV

ERIC H. KARP
CAN BE REACHED AT
617-423-7250
ekarp@wkwrlaw.com

BITS + PIECES

continued from page 16

mans reach Mars, its beer will also be there. • **Wawa opened its first store in Washington, D.C. on December 14. At 9,200 square feet, this location is also the c-store chain's largest to date**. • Pharmacy chain **CVS** announced it is acquiring health insurance company **Aetna** for $69 billion. CVS said this deal will provide customers with reduced costs and improved access to health care experts in homes and communities across the country. • **NACS recently announced** it is working with Partnership for a Healthier America to help convenience stores provide more visibility to **healthier choices** inside their stores. NACS said it has launched a new web-based nutrition calculator that helps its members develop better-for-you store sets. • CSP recently announced the **finalists of the 2018 Category Manager of the Year Awards**, and among them is SEI Sr. Category Manager of Hot Beverages **Shawn Barnes**. Winners will be announced during the 2018 Convenience Retailing University conference, held February 21-23, 2018. • Amazon.com recently launched a service **for its Prime members called Amazon Key**, which uses an Amazon security camera and a compatible smart lock to allow delivery drivers inside customers' home to leave packages, reported CNN. • **Alimentation Couche-Tard** announced it has reached an agreement with a subsidiary of Metro Inc. to repurchase, for cancellation, 4,372,923 Class B subordinate voting shares in Couche-Tard for a repurchase price of approximately C$250 million. • **Dunkin' Donuts is expanding its Dunkin' Delivery** service to participating locations in New York and New Jersey through the on-demand delivery platform DoorDash. • The **Ferrero Group** recently announced a definitive agreement under which one of its affiliated companies will acquire Ferrara Candy Company—maker of brands such as **Trolli** and **Black Forest Organics** and the third-largest U.S. non-chocolate confectionary company—from L Catterton. • **Inventure Foods, Inc. and Utz Quality Foods, LLC** announced they entered

continued on page 58

5-CALORIE FLAVOR THAT CRACKED THE BAR CODE ON SALES

5 Calories Per Serving | 1 Only 1g of Sugar | No Artificial Sweeteners

SEI'S TOWN HALL MEETINGS

BY REHAN HASHMI
VICE CHAIRMAN, NCASEF

7-Eleven began its Town Hall meetings to talk about the 2019 Franchise Agreement the week of December 4-8, on very short notice. Chicago had ours December 7, 2017, and we believe the presentations were the same for franchisees across the country.

In the very first message, a recorded video, a senior vice president of 7-Eleven, Inc., said, "Franchisees have helped build this system into the iconic brand that's known and loved far and wide….The time spent getting to know your customers, providing them with a friendly, clean, well-stocked store is the difference between 7-Eleven and the competition. They can't do what you can do."

He went on to tell us how much money 7-Eleven has invested in the brand: $35 million for Rise and Guided Replenishment; $70 million for network, security and pin pad upgrades; $85 million for in-store hardware; $220 million for business transformation; over $100 million in franchise accounting system upgrades; and $100 million plus in new platforms such as hot foods.

Throughout this presentation, all I could think of was the current status of franchisees, how we have given up so much, and the fact that what makes 7-Eleven unique IS our franchisees. Being franchisees makes us better than the competition, because we have invested in the system, and we're willing to work harder than anyone else to protect our investment. We have funded the system, and we have provided the fuel to grow the system, both in manpower and with our pocketbooks.

"DURING THE PRESENTATION, ALL I COULD THINK OF WAS THE CURRENT STATUS OF FRANCHISEES, HOW WE HAVE GIVEN UP SO MUCH, AND THE FACT THAT WHAT MAKES 7-ELEVEN UNIQUE IS OUR FRANCHISEES."

For me the brand is not Slurpees and Big Bites anymore. The brand is franchisees. The brand is the people who work for the system. We are unique because franchisees are involved in the community. We keep our stores friendly, we love our customers and we make sacrifices to build the brand. 7-Eleven has to protect the franchise system, the franchisees and the structure that allows us to be more than glorified employees carrying out the merchandise sales.

"FOR ME THE BRAND IS NOT SLURPEES AND BIG BITES ANYMORE. THE BRAND IS FRANCHISEES. WE KEEP OUR STORES FRIENDLY, WE LOVE OUR CUSTOMERS AND WE MAKE SACRIFICES TO BUILD THE BRAND."

Since 7-Eleven went full franchised over the last 20 years, franchisees have helped double the store count. We've given up gasoline margins. We started paying the credit card fees. We have invested millions of dollars into labor-intensive programs. We've covered the development of the 7-Eleven ordering system, daily deliveries, CDC and commissary. We have given up profits to GGPS, to master lease expirations, and to the outsourcing of pretty much everything, from audits to maintenance to payroll.

This 2019 Franchise Agreement is monumental for all of us. Some 80 percent of all 7-Eleven franchise agreements will be renewed between now and 2024. We are struggling mightily with external factors like increased competition and minimum wage, and we are hoping that 7-Eleven will offer some relief with this new contract. We have high expectations, and that is why tensions and anxiety are high across the country. Both sides understand the importance of this agreement and why franchisees would go so far as to file an independent contractor lawsuit in California.

Dallas is good at explaining why they need to make more money, but they have never explained to me why I should

continued on page 50

"THE FIRST OPTION GETS YOU OUT OF THE SYSTEM. THE INCOMING FRANCHISEE WHO BUYS YOUR STORE PAYS THE GOODWILL FEE. SEI IS ACTUALLY MAKING HALF OF THE FRANCHISE FEE BECAUSE THAT STORE WAS NEVER REALLY ON SALE."

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

WARNING: This prod uct contains nicotine.
Nicotine is an ad dictive chemical.

LOGIC PRO

Upgrade Your Experience.

SEI's Town Hall Meetings

continued from page 47

make less. Dallas never mentions in their video that a 2004 franchisee at a bare minimum will work 15 years in the system. The average must be much higher than that—at least 20 years. Why do they think we need to make less? Why do they think we need GGPS, a regressive form of profit sharing split, unique to 7-Eleven system, that punishes the franchisee who keeps increasing gross profit?

Franchise expenses have increased substantially over the last few years. External factors such as FLSA, sick pay, minimum wage increases and other regulatory factors have affected the franchisee side of the financials. Franchisee forums (FOA, NBLC, and NCASEF) have failed to convince SEI to make changes to bring back financial equilibrium to the agreement. Yet the video presentation goes on to describe four guiding principles SEI used in working on the 2019 agreement.

The first of these is Balanced Economics, which really means "both franchisees and 7-Eleven should have the opportunity to earn a fair return." What is a fair return for franchisees? Our data shows that 90 percent of franchisees got their money back in 4-5 years, but SEI has never defined what franchisees should expect as an ROI. If they have the numbers why don't they release them? We have to ask ourselves, have we received a fair return?

The second principal was Brand Protection. The video said it is critical that we strengthen the brand as we move forward. To me strengthening the brand means strengthening the franchise system. It means franchisees are making a good living. That is what strengthening the brand means to me.

> "WE CAN'T JUST BE INDEPENDENT CONTRACTORS ON PAPER. **ACTIONS** SPEAK LOUDER THAN **WORDS**."

The third principal is Independent Contractor. He said the entire franchise model is based on our status as independent contractors. For me this is most confusing. If we're independent contractors, how do you control the time I approve my payroll? How do you control on what day my payroll week should start? How do you control what time I receive my Coke order? We can't just be independent contractors on paper. Actions speak louder than words. We understand that we bought into a system, but at the same time, the vendor relationship is the biggest relationship that we have. If 7-Eleven comes in between that relationship, then I'm not an independent contractor anymore.

The fourth principle was all about a marketable agreement. This is very interesting because 7-Eleven needs to get feedback from its own people to know if it's marketable or not. The majority of 7-Eleven franchises are purchased by existing franchisees. If you don't protect the franchisees you can't have a marketable agreement because franchisees ARE the brand.

After the video presentation, the first thing we heard about is a "one time option for 2004 contracts, and the first option is a 5-year non-renewable agreement. That is the first option laid on the table. How do you start a conversation with that with someone who has put 20 years of their life into the business? It's insulting. When you sell your store after 5 years, you can collect the goodwill and you get to keep half of the franchise fee.

continued next page

Franchisee Questions For The 2019 Agreement

WE WANT TO KNOW:

1. Will the 2019 agreement have a regressive form of profit sharing split that is unique only to 7-Eleven system and punishes the franchisee for increasing gross profit?
2. Will the 2019 agreement finally address financial imbalance due external factors such as minimum wage increases?
3. Will the 2019 agreement increase the split for the franchisee due to increased labor cost from hot food operation, BT Non-integrated gas?
4. Will the 2019 agreement address the inability of low volume stores to maintain minimum net worth?
5. Will the 2019 agreement finally acknowledge that franchisees' cost of operating and maintaining a gasoline site has gone up? What will be the new gas commission?
6. Will the 2019 agreement have a recommended vendor purchase requirement?
7. Will the 2019 obligate SEI to apply all payments received from vendors towards "lower cost of goods?"
8. Will the 2019 agreement continue the vendor review committee (FSC)?
9. Will the 2019 agreement help me build equity (Goodwill) in the business after working (10/20) years? Will there be a cap or a formula to calculate the franchise fee?
10. Will the 2019 agreement obligate SEI to spend the Ad Fee in my local market?

Vice Chairs' Forum VCF

continued from previous page

The second option is if you don't sell after 5 years, 7-Eleven will buy your store at a pre-determined amount. What is that? We were told that they recommend you sell your store through goodwill because that would be the better deal. We are presuming that the pre-determined amount would be the franchise fee itself.

The first option gets you out of the system. The incoming franchisee who buys your store pays the goodwill fee. 7-Eleven doesn't pay it. They'll give you half of the franchisee fee. They are actually making half of the franchise fee because that store was never actually on sale. They are encouraging franchisees to churn the stores so that they make money off of the franchise fee. What goes out of their pocket? A true buyout would be more than 150-200 percent of the total value of the store with no strings attached. That is a true "Thank you for your service for the last 25 years." Why would they want to get rid of good franchisees that know how to run their stores?

> **"HOW DO YOU START A NEW AGREEMENT CONVERSATION WITH SOMEONE WHO HAS PUT 20 YEARS OF THEIR LIFE INTO THE BUSINESS?"**

The second option gets you out of your store at a price they determine. The third option gets you on a GGPS. Shouldn't my first option be the last option? Why is the first option "Get Out?" Does that mean that the 2019 agreement is awful? The first option speaks for itself. The minority is on the 2004 agreement—I think 30 percent. Eventually everyone will be treated the same way.

The National Coalition is doing the right thing pursuing our independent contractor status. Now is the time for all franchisees to unite and to support local FOAs. If you are not a member, visit the NCASEF.com website to find the FOA closest to you and join that group. Now is the time for your elected local FOA and elected national leaders to represent us. This is a challenging time for the brand "franchisees." AV

PROTECTING OUR BRAND VERSUS PROTECTING OUR NUMBERS

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

No one can argue that we have a great brand. People like it, it's established, our clientele is established, and the public in general believes in our brand. But it seems that lately our focus has shifted from our brand to "the numbers." All we care about is achieving our numbers—store count, foot traffic, product assortment, and such—and now our brand is suffering as a result.

"A GOOD EXAMPLE OF A COMPANY THAT IS MORE FOCUSED ON PROTECTING ITS BRAND IS STARBUCKS. THEY DON'T LOWER THEIR PRICES TO BRING IN MORE TRAFFIC."

One area of focus has been increasing customer traffic into our stores in order to improve our numbers, and SEI wants to lower prices to accomplish that. But corporate is not improving our stores, so while the numbers may be going up, our brand is going down. Our competitors—like Wawa and Sheetz—are building brand new stores, but we are not uplifting the image of our existing stores. Indirectly, we are hurting our brand because we are not uplifting the image of our brand. There is such a huge difference between the newer 7-Eleven stores and the older ones. If you go to Philadelphia, for instance, you'll see some stores from the 1960s and SEI is not spending a penny on updating them. If you go to another area, you'll see a beautiful, modern, brand new 7-Eleven store. Our image is not consistent.

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

A good example of a company that is more focused on protecting its brand is Starbucks. They don't lower their prices to bring in more traffic. They are consistent. Every location looks relatively the same. Their customer service is consistent. Even though they bring in new items, their guest count is consistent. They are more concerned with protecting their brand than they are with the numbers. In fact, a few years ago when Starbucks was struggling, it closed about 1,000 locations in order to save their brand.

We, on the other hand, launched Expand the Assortment (ETA) and that is nothing but adding more numbers. At first ETA was about bringing in a few new products to expand our offerings. Now it's about bringing in more products and making our assortment bigger. In my opinion we spent $1 million in ETA not to build the brand, but to increase the numbers. It didn't help. If you look at it from the franchisee's point of view, the average store used to have $65,000 in inventory. Now we have $100,000 in inventory. With the increase in inventory, our turnover is slower and our gross profit has decreased. I used to have a 38-39 percent GP and now I have 35-36 percent GP. My GP has declined because someone thought ETA would improve the numbers.

There is a big disconnect between some folks in corporate and the reality of our stores. Until we stop caring about the numbers game and start uplifting our brand, only then will the brand's future prevail. That is the direction we should be heading. AV

The Need For A **Balanced** Business Relationship In The **Autonomous** Future

By Yousaf Naseer, President, United Franchise Owners Of Long Island

Our franchise dynamic was built upon a foundation of trust, as a type of symbiotic relationship in which both the franchisor and franchisee benefit mutually. As time has progressed, we have seen a shift in this business relationship. The scales have tipped, and now the relationship has soured due to a lack of understanding the fundamental values of franchising. Franchisees must acknowledge the role franchisors play in ensuring the stable operation of their businesses. Similarly, the franchisor must acknowledge the tremendous effort franchisees make in generating profit so that all parties benefit.

A balanced approach is necessary in any successful business relationship. Understanding that all parties in the franchise model should be profiting, not to the detriment of any involved, is of the utmost importance. As such, the introduction of novel programs must involve methodical calculations by the franchisor to assess the potential profit margins a franchisee may or may not receive from them. The franchisor should be overtly cautious before introducing any new program, and all parties should fairly receive their respective profits. No party in the franchise dynamic should be at a loss fiscally, and extra care must be taken to make sure this is the case.

> "No party in the franchise dynamic should be at a loss fiscally, and extra care must be taken to make sure this is the case."

YOUSEF NASEER
CAN BE REACHED AT
631-786-4711 OR
YN1@ME.COM

As technology moves forward at trailblazing speeds with the rise of Machine Learning, Automation, Big Data, Internet of Things (IoT), Industrial IoT (IIoT), and Robotics, we find ourselves in a time that is of pivotal importance to the future success of all businesses. We are at a time that is being compared to the Industrial Revolution—major changes are on the horizon. Business models, most especially of small businesses and franchises, must address technological advances to assess the viability of current franchise models.

The dilemma faced by most small business owners today is that of increasing payrolls fueled by higher minimum wages and decreasing profit for owners. Herein lie the benefits of efficient time management and autonomous technologies. With methodical planning, convenience stores can become "smart devices" with fewer employees and prosper. But this requires a collaborative relationship between franchisors and franchisees. This is not a time for divisiveness if brands want to thrive in the autonomous future.

It's important to note that other franchises, like McDonald's and Dunkin' Donuts, are also feeling the pressure of increased minimum wage rates and effective time management. Fully autonomous stores, those with few employees, like some Japanese 7-Eleven stores operating currently, will have to be introduced worldwide if small businesses are to be a part of the impending future.

By acquiring and utilizing Big Data, franchisors can join forces with franchisees in developing a new business model, one that can withhold the test of time. Profiting from Big Data, franchisors can invest in autonomous technology. This is a major commitment requiring dedicated resources for its implementation. Franchisors may use this as an excuse to stymie franchisees, blaming in-store technologies for high costs. But if brands want to prosper fiscally, returning profits for not only them but also for their franchisees, the current business plan must be remodeled.

> "The scales have tipped such that now the relationship has soured due to a lack of understanding the fundamental values of franchising."

In reconstructing the business model of the future, both sides must unite—there is no other way to succeed. Fully autonomous businesses eliminate the payroll factor from the equation. While initially job loss is inevitable, the technology sector has caused a rise in occupations in the past. This will assist in maintaining a stabilized economy. In regards to franchisees' profit margins, there will be a transitional time in which profits may decline. But if managed properly and timely, the convenience store industry can not only come out unscathed, but also be a vital component of the automated future. AV

SEI Did It To Itself

By Hashim Syed, Franchisee, Chicagoland FOA

SEI has no one to blame but itself. The National Coalition was willing to work with them to create a fair and equitable contract. The individual FOAs (Franchise Owners Associations) were willing to work with them. The franchisees were willing to work with them, but SEI would not budge, and now we will all pay the consequences of legal action.

For those of you who may not be fully aware of the sequence of events, please allow me to share them with you.

Several months ago, I sent an email to SEI's upper management team, including CEO Joe DePinto. In this email, I informed them that franchisees were not looking for a confrontational relationship with SEI. In fact, I stressed very clearly that the franchisees wanted to work with SEI on all levels, as good partners should. I further informed them that the franchisees were NOT looking for a legal battle in order to get a new contract, as long as the contract was fair for all sides, and the problem with the current contract is that it allows SEI to exert way too much control over the day-to-day operations of franchise stores.

SO WHAT DID SEI DO?

I'll tell you what they did. My email was ignored, and SEI continued carrying on discussions with franchisee leadership without any indication that they were even considering a fair contract. All of the issues that franchisees presented with regard to the contract were disregarded, SEI refused to negotiate, and eventually, SEI completely stopped talking to franchisee leadership.

HASHIM SYED
CAN BE REACHED AT
hj.syed@gmail.com or
347-251-1828

When SEI was speaking with franchisee leadership, there was absolutely no give and take. They were not open to anything that was being shared with them. Their selfishness and arrogance were evident.

"The National Coalition and individual FOAs were willing to work with them, but SEI would not budge, and now we will all pay the consequences of legal action."

It was obvious to me that it was all about them, and they could care less about their franchisees. The only franchisees that they did listen to were those within a tiny minority who told them what they wanted to hear; franchisees with self-serving motives who had only their own best interests at heart.

By this time, the vast majority of franchisees had finally had enough. They were sick and tired of being mistreated and ignored. The relationship between SEI and its franchisees got ugly and several lawsuits were filed across the country. As I stated earlier, I was not in favor of things moving in this direction, but the franchisees felt they had no choice—this was the only way they could make their voices heard.

Our national leadership (NCASEF), under tremendous pressure by its members, made the decision to remove the Chairman because he violated his duty to the organization and failed to protect the legitimate interests of the franchisees. This is something that has never happened before in the entire history of the NCASEF.

For me, all of this was so sad and painful to watch. I was truly hoping that SEI would find a way to work with the franchisees and protect the relationship and the brand. Sadly, I believe that SEI's upper management only cares about themselves and getting a hefty compensation package when the company goes public or they leave. Perhaps this is how the corporate world works, but it doesn't make it right for franchisees like me.

Within the last few weeks there have been further developments showing SEI that franchisees will not back down from wanting what is right.

Most importantly, our National Coalition voted unanimously NOT to attend the 7-Eleven Experience this com-

continued on page 58

continued from page 57

"There is no doubt in my mind that things didn't have to be this way. SEI could have been more open, and more willing to communicate with its franchisees."

ing February in Las Vegas. Since SEI chose to stop all communication with franchisee leadership, no one in leadership roles wishes to attend and be part of an unfriendly atmosphere created by SEI. Why should we support SEI when SEI won't support its franchisees?

What's interesting is that vendors reportedly were told by SEI that they don't have to participate in local FOA trade shows because SEI shows were all they needed in order to sell their products. The truth of the matter is that franchisees make the final decisions about what they want to sell in their stores, based on the store location. This is what SEI refers to as "Retailer Initiative." So, SEI is saying one thing to the vendors and another thing to its franchisees. The lies, the broken promises and the deception continue…

In closing, I would like to say something on behalf of the low volume store franchisees. I am one of them. I have seen the critical situation faced by low volume stores and how SEI has chosen, over and over again, to ignore us. Did you know that not one single low volume storeowner was chosen to be part of SEI's PLC (President's Leadership Council)?

"All of the issues that franchisees presented with regard to the contract were disregarded, SEI refused to negotiate, and eventually, SEI completely stopped talking to franchisee leadership."

Yes, SEI has offered marginal help for the low volume storeowner, but it's been too little, too late. The current increase in operating costs of a low volume store has gone up significantly, making it difficult to survive. This, along with all of the reasons mentioned above, is why the Chicagoland franchisees have decided not to attend the 7-Eleven Experience.

There is no doubt in my mind that things didn't have to be this way. SEI could have been more open, and more willing to communicate with its franchisees. Upper management could have listened to what franchisees had to say about the contract and could have found a way to work together, as partners, to develop a fair and equitable plan for all.

Unfortunately, this was not the case. SEI was not willing to collaborate or communicate, and they may end up hosting a trade show in Las Vegas with minimal attendees. I feel badly for the vendors, but SEI brought this onto themselves. They have no one else to blame. It's time for them to look in the mirror and realize that there are consequences for their actions.

It's too bad that the franchisees are forced to suffer along with them. AV

Bits + Pieces

continued from page 44

into a merger agreement under which Utz has agreed to acquire all of Inventure Foods' outstanding shares of common stock in an all-cash transaction. • **Kellogg's** recently moved its **brick-and-mortar cereal café from New York City's Times Square** to the downtown Union Square neighborhood. The company said the move came about because the cereal café became so popular it needed a larger space. • **McDonald's plans to offer delivery** from 5,000 of its U.S. locations by the end of 2017, reported CNBC. Currently, the burger chain delivers out of about 3,700 of its stores nationwide, and generated nearly $1 billion in delivery sales globally in 2016. • **Wal-Mart saved $20 million** by making a small change to its plastic bags and shaved $7 million in costs by shortening the length of its receipts, reported CNBC. • Oil company **Royal Dutch Shell** revealed a deal to acquire NewMotion, one of Europe's largest electric vehicle charging providers that specializes in **converting parking spots into electric charging stations**, reported *CNN Money*. The acquisition shows how Big Oil is being forced to confront the long-term threat posed by electric cars. • **Wine.com** has tripled its number of pickup locations to more than 10,000 sites nationwide. **This includes nearly 1,000 in California and over 500 in New York**—both states where Wine.com now offers a larger selection of wine than any other store. • Ailing department-store chain **Sears Holdings has reached a deal that will allow it to sell up to 140 additional properties** as it faces mounting losses and declining sales, reported *USA Today*. The company is expected to use all of the proceeds from the sales or financing deals—estimated at $407 million—**to fund a pension plan** that still supports about 100,000 beneficiaries. • **FedEx and Walgreens** announced that FedEx package pickup and drop-off services are now available at more than 7,500 Walgreens locations in all 50 U.S. states. • **Florida could be moving closer to stockpiling fuel for future hurricanes** or other disasters, reported Fox TV News 13. A proposal (SB 700) was recently filed to establish a task force within the state Division of

continued on page 66

Workers' Compensation Claims Handling Process & Cost Control

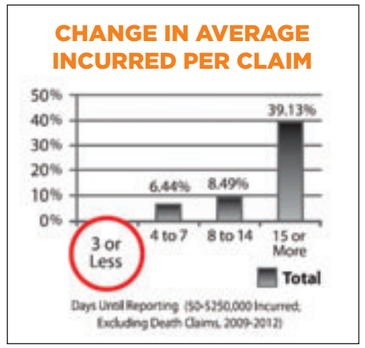
By John Harp, CSP, ARM, Risk Engineering Consultant, MSIG

When an injury is reported to have happened to one of your employees, the actions taken by you as the employer can greatly assist your workers' compensation carrier to reduce the workers' compensation claim costs.

The initial information you provide your insurance carrier can aid them in determining whether the injury was in fact caused by work. Information about how the injury occurred can assist you and the insurance carrier in evaluating and developing possible safety measures to prevent claims in the future. Your early actions also ensure the employee receives prompt and proper medical care, reducing likelihood of the employee retaining an attorney.

All of these factors can be directly impacted by:

- The Accident Investigation
- Identification of Witnesses
- Completion of Claim Forms
- Directing Employee to Medical Clinic
- Timely Reporting of the Claim to Insurance Carrier



The Accident Investigation

When an employee alerts you of an injury, as much information as possible regarding how the accident happened or the cause of the injury should be obtained from the employee. Get very specific information as to what occurred. What was the employee doing at the time of the accident? But note, not all injuries are the result of a single isolated incident—for example, an employee slipping and falling and hurting their back. Some injuries reported by employees are stated to have arisen from repetitive work activities or duties. For both—a report of a specific injury or report of an injury stemming from repetitive work activities or duties—an accident investigation report/record should be completed to document as best as possible the circumstances surrounding the claim of industrial injury.

> "Your early actions help ensure the employee receives prompt and proper medical care, reducing the likelihood of the employee retaining an attorney."

Identify Witnesses

It is useful in the insurance carrier's handling of your claims for them to have independent verification of any reported accident. If the incident that caused the injury was observed by other 7-Eleven employees, record the name(s) and contact information of the individuals to provide to your insurance carrier. If any witnesses are not 7-Eleven employees, request their contact information: name(s), address(es), and telephone number(s). Provide this contact information for any such non-employee witnesses to your insurance carrier. The insurance carrier will contact the individuals identified to them as possible witnesses to try to obtain any additional pertinent information that may be needed for the handling or investigation of the workers' compensation claim.

Completion Of Claim Form

If your state requires completion of any formal claim filing forms or documents, complete the forms for timely submission. If the form is to be completed by the injured employee, provide the employee with any state required forms. Often the states have established specific timeframes as to when any such mandatory forms must be completed and returned. Contact your insurance carrier or broker for the specific requirements for your state.

Send Injured Employee To Medical Clinic

Direct the injured employee to your local occupational clinic or urgent care. Verify with your insurance carrier whether there is a preferred medical

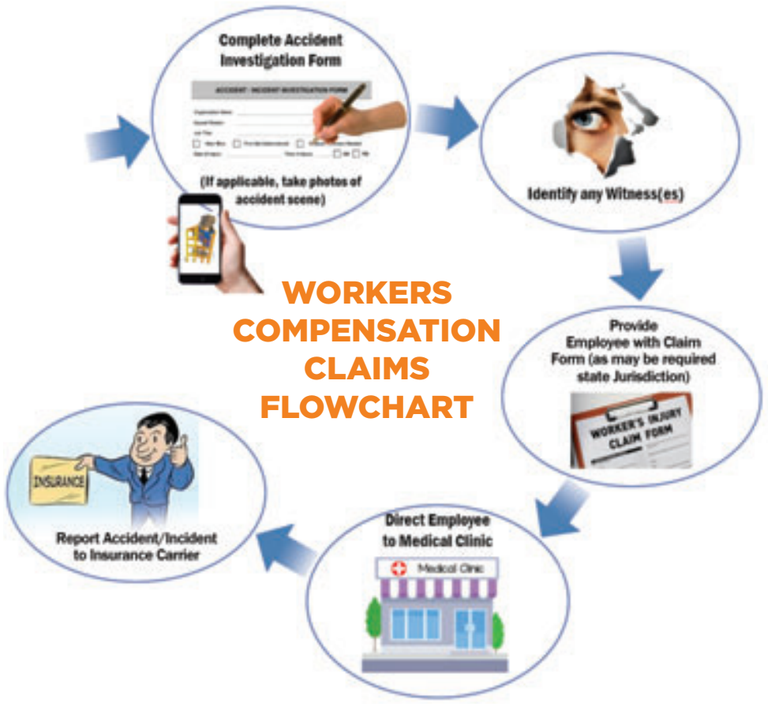
continued on page 62

continued from page 61

clinic to which your injured employees are to be sent. Many states permit the direction of medical care to be controlled by the insurance carrier. Through medical management tools and preferred provider pricing, the carriers are able to control the medical costs on the claim. As the employer, you can actively assist in the control of a claim's medical costs by ensuring that your injured employees are seen at the proper clinics for medical evaluation and treatment.

A good practice is to identify such a medical clinic with your insurance carrier before any injury occurs. If the medical clinic is known in advance of any injuries, it prevents unnecessary delays when an injury occurs to one of your employees.

However, in case of an emergency or any significant injury, do not delay medical response and call "911" immediately. Then, after aid has been rendered by the first responders, complete your accident investigation and report the claim to your insurance carrier.



Report The Claim To Your Insurance Carrier

Timely reporting of the employee's claim of injury is critical in assisting your insurance carrier to conduct their initial evaluation of the claim. Most states have mandatory timelines for various claim-handling actions that are required to be taken or completed by the insurance carrier. If any such actions are not taken or completed within any state mandated timelines, it could hurt your insurance carrier's ability to best mitigate claim costs on behalf of you, the insured.

> "MSIG provides the workers' compensation insurance for over 4,000 7-Eleven franchised stores throughout the U.S."

Tips for success in controlling workers' compensation costs:

1. Good hiring decisions
2. Focus on training and education
3. Managers should take an active role in injury prevention and after-injury management
4. Find a local clinic that understands work related injuries (your insurance company can help)
5. Document the facts after an incident
6. Report the injury to the insurance company within 3 days
7. Communicate with the employee
8. Communicate with the Claims Adjuster
9. Reduce lost time costs by accommodating restrictions
10. Prevention, prevention, prevention

MSIG provides the workers' compensation insurance for over 4,000 7-Eleven franchised stores throughout the U.S. Our risk management professionals are available to help you with your risk control and claim management efforts. AV

For more information, contact:

JOHN HARP, CSP, ARM
jharp@msigusa.com
908-604-2951
Risk Engineering Consultant

GREG AVERETTA
gaveretta@msigusa.com
818-942-3943
Claims Account Executive

Member News

continued from page 26

Visit the NCASEF Website
www.ncasef.com

City and Baker, California are strategically located at halfway points between popular travel routes, connecting Los Angeles with San Francisco and Los Angeles with Las Vegas. Each supercharger station includes access to food and craft beverages, a kid's play wall, pet relief area, and outdoor space for families to use while charging their Tesla vehicles.

Tesla's high-powered charging stations in Kettleman City and Baker each have a solar canopy and Tesla's Powerpack battery storage units. Tesla said it is committed to expanding its network of charging stations in the U.S. and abroad, and has started to augment its supercharger network with new urban superchargers designed for inner city and local travel, according to the article.

continued on page 68

Only The National Coalition Can Represent Franchisees

With all the turmoil currently going on within our 7-Eleven system, what with the upcoming 2019 Agreement and the recently filed lawsuit against SEI, it is essential that we franchisees remain united and speak to our franchisor with one voice. Unity right now is our greatest strength, and the backbone of our unity is our National Coalition.

Comprised of the presidents and vice presidents of 43 FOAs from across the country, the National Coalition is the only entity capable of truly representing the interests of 7-Eleven franchisees. We voted in every one of our FOA leaders, who also make up the National Coalition Board, so these are the people we want SEI to negotiate with on our behalf. We don't want entities that have been elected or selected by SEI to represent us—like the NBLC, which contains franchisees handpicked by our franchisor. We want to choose the people who represent us. And those people are currently serving as Board members of the National Coalition.

—Bilal Barqawi,
Vice President, Delaware Valley FOA

The Central Florida FOA was recently invited to participate in Swim Across America's check presentation of $180,711 to the Moffitt Cancer Center in Tampa. The Central Florida FOA, in partnership with the South Florida FOA, donated $25,711 to SAA in 2017, and SEI added $10,000. Pictured above are (left to right): Amber Smith, Amy Maguire, Rob Shapiro, Matt Kupec, Dr. Shari Pilon-Thomas, Edie Harper, Rob Butcher, Margo Smith, Harvi Thaper, Jeff Davis, Dr. Damon Reed, Chintan Patel, Merrill Joseph and Michael Jorgensen.

The New Central FOA Officers

The Central Florida FOA held elections for officers during its November 9, 2017 general membership meeting in Orlando. The following officers were elected to serve two-year terms beginning in January 2018 (L to R): Fari Ishani—Vice President, Harvi Thaper—Treasurer, Anil Ratnani—Secretary, and Michael Jorgensen—President.

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.
- Potential for consideration as NACS Board or Committee Member.

- One copy of NACS Magazine (monthly publication).
- NACS Daily News e-newsletter.
- Congressional and federal agency representation through the NACS Government Relations team.

NACS membership is available to any NCASEF member who operates a total of four (4) or less stores and is not a current member of NACS in 2017.

NCASEF members who joined NACS previously at the $40 rate can renew based on the instructions they have received via e-mail and by mail.

To Join: Email NationalOffice@NCASEF.com and ask for the NACS Membership Application, which can be returned by email, fax or U.S. Mail.

If you have questions about NACS membership for NCASEF members, please contact VP Member Services Michael Davis, at mdavis@convenience.org or NACS Retail Membership Manager, Eboni Russell, at erussell@nacsonline.com or (703) 518-4271.

Bits + Pieces

continued from page 58

Emergency Management to come up with recommendations for a strategic fuel reserve. • **Kroger is exploring strategic alternatives for its convenience store business**, including a potential sale, as part of its Restock Kroger plan. Kroger's c-store business includes 784 stores located across 18 states, with 68 franchised operations, all operating under the banner names **Turkey Hill Minit Markets, Loaf 'N Jug, KwikShop, Tom Thumb and QuickStop**. • Dollar Tree Inc. recently reported third-quarter comparable store sales and profit that beat Wall Street estimates, reported Reuters. **Same-store sales jumped 3.3 percent** versus a year ago, topping the 2.4 percent growth that analysts were anticipating. • **Casey's General Stores, Inc.** announced the opening of its 2,000th store in Russellville, Kentucky on November 30, 2017. The 4,600-square-foot store features six pumps and offers made-from-scratch pizza, a fresh sub sandwich station and numerous bakery items. • **MasterCard** announced they will eliminate the requirement for a signature at the point of sale, effective as of April 2018, reported PYMNTS.com. • **The legal cannabis market in North American grew 34 percent to $6.7 billion** in 2016 and is expected to reach $22.6 billion in 2021, reveals a new study by Arcview Market Research. The study also shows that legal cannabis continues to take market shares from the illicit market. • **CVS Health** recently rolled out **free same-day deliveries** in New York City, with plans to roll out next-day deliveries nationwide, reported the *Los Angeles Times*. The drugstore chain will add same-day delivery service in Boston, Miami, Philadelphia, San Francisco and Washington, D.C., in 2018. • **Half of all shoppers will abandon online shopping baskets** if delivery choices on offer are unsatisfactory, and 60 percent will buy their goods from one online retailer over another if they offer more convenient delivery options, reveals the MetaPack 2017 State of eCommerce Delivery Consumer Research Report. • **Circle K** stores in the U.S. **offered free coffee to customers on Black Friday**. From 6:00 PM Thanksgiving Day, November 23 through 11:59 PM on

continued on page 70

continued from page 64

Couche-Tard Keen On Selling Cannabis

Alimentation Couche-Tard has hired a lobbyist to work on ensuring it is involved in the cannabis-distribution system Quebec will eventually set up, reported *The Canadian Press*. If Quebec's biggest chain of convenience stores gets its way, customers will eventually be able to buy cannabis along with their chips, beer and cigarettes at its locations. Couche-Tard operates more than 2,000 stores in Canada, but it is not clear whether it wants to sell cannabis outside of Quebec. A spokeswoman for the chain said the company would be an "ideal partner in implementing a responsible sales model for citizens."

In April 2017, the federal government introduced legislation proposing that Canadians 18 and older be allowed to buy and cultivate small amounts of marijuana for personal use as of summer 2018. The bill has not yet become law.

SEJ Testing Energy-Saving Technologies

Seven-Eleven Japan unveiled a store featuring the company's most advanced energy-saving measures yet on December 6, including solar panels embedded in the pavement outside the door, reported *The Mainichi*. In total, 58 new technologies from 38 companies both foreign and domestic are being tried out in the model store, attached to Seven-Eleven's headquarters in Tokyo's Chiyoda Ward. If the new facilities prove effective over a six-month trial period, they will be rolled out to the firm's franchises nationwide.

The French-made solar panels combined with a hydrogen fuel cell system are expected to reduce the store's power grid draw by 28 percent. Other innovations

> *"Fifty-eight new technologies are being tried at 7-Eleven stores in Japan, including solar panels embedded in the pavement."*

have been installed to reduce employees' workload, such as sliding doors on all fridges and freezers to make restocking easier, and a cash register area design that allows staff to pull out plastic shopping bags without bending down. All told, the changes are expected to reduce time spent on tasks in each store by 5.5 hours per day.

Amazon's C-Store Almost Ready

Amazon employees have been test driving Amazon Go, the company's experimental cashierless convenience store in downtown Seattle, and the team is said to have worked out many of the technical bugs and is starting to hire store-related personnel, reported *Bloomberg*. The idea behind the concept is to let consumers walk in, pick up items and then pay for them without ever standing in line at a cashier. Amazon Go represents Amazon's most ambitious effort yet to transform the brick-and-mortar shopping experience by eliminating the checkout line, saving customers time and furthering the company's reputation for convenience.

The e-commerce giant unveiled Amazon Go in December 2016, saying it planned to open the store to the public in

continued on page 70

San Antonio FOA members gathered for a group photo during their recent holiday party.

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.

$Name Game Winner Harbinder Gill, Davis, California$

Member News

continued from page 68

2017. The company encountered technical difficulties and postponed the launch to work out the bugs. Seven months later, challenges remain, but the "just walk out" technology has improved markedly, according to a source close to the project. In a sign that the concept is almost ready for prime time, hiring for the Amazon Go team has shifted from the engineers and research

"Amazon Go would eliminate the checkout line, saving customers time and changing the brick and mortar experience."

scientists needed to perfect the platform to the construction managers and marketers who would build and promote the stores to consumers.

Target Buys Shipt In Challenge To Amazon

Target Corp. agreed to purchase grocery-delivery startup Shipt Inc. for $550 million, stepping up its challenge to Amazon.com Inc. by speeding the rollout of same-day shipping, reported *Bloomberg*. The all-cash deal will let Target customers order groceries and other goods online, and then have the items sent directly to their doors from nearby Target stores. Buying Shipt further beefs up Target's logistics operations after the retailer earlier this year acquired software company Grand Junction, which also manages local and same-day deliveries. Target now offers same-day delivery in New York City and can send orders from 1,400 of its stores.

The deal will give Target same-day delivery at about half of its 1,834 stores by next summer, with the number growing to a majority of stores in time for next year's holiday season. The service—costing $99 a year for unlimited deliveries—will initially encompass categories like groceries, household essentials and electronics before expanding to all major product groups by the end of 2019. Four out of five shoppers want same-day shipping, according to a survey by fulfillment software maker Temando, but only half of retailers offer it.

Organized Retail Crime On The Rise

Organized retail crime is continuing to grow, with 67 percent of retailers surveyed reporting an increase in the past

continued on page 74

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.

Visit the NCASEF Website

www.ncasef.com

Bits + Pieces

continued from page 66

November 24, customers were able to receive a free medium premium coffee from participating Circle K stores. • **Amazon.com** has received 238 proposals from cities and regions across North America vying to host the **company's second headquarters**, reported Reuters. The company said it would invest more than $5 billion and create up to 50,000 jobs for "Amazon HQ2." Amazon is expected to make a decision in 2018. • Supermarket chain **Meijer** announced it **recently surpassed 500,000 grocery deliveries in the Midwest**, and is on-pace to see more than a million deliveries made from its stores by year-end. • A new study reveals **Americans are drinking fewer sugar-sweetened drinks**, reported the *New York Times*. The study, published in the journal *Obesity*, shows that 60.7 percent of children and 50 percent of adults drank a sugary beverage on any given day in 2014, **down from 79.7 percent of children and 61.5 percent of adults in 2003.** • McLane Company Inc. recently announced convenience retailer **Kum & Go** has reached an agreement for McLane Company to serve as its grocery wholesaler effective in Q2 2018. • **Up to 800 million global workers will lose their jobs by 2030** and be replaced by robotic automation, reported the BBC, citing a new study by the McKinsey Global Institute. The **study of 46 countries** and 800 occupations found that one-third of the workforce in richer nations like Germany and the U.S. may need to retrain for other jobs. • **One Drop, a digital diabetes care** and self-management platform, recently announced a multi-part collaboration with **Fitbit** that will use the power of Fitbit wearable data to bring enhanced data-driven care management tools to the diabetes community. • Peter Tedeschi, former head of **Tedeschi Food Shops**, is planning to run next year for the **9th Congressional District seat in Massachusetts**, reported WickedLocal.com. Tedeschi, a Republican, will go against incumbent Democrat Rep. Bill Keating. • **Jack Link's recently opened its first retail store**, called Wild Side, inside the skyway level of the recently renovated Target Center in Minneapolis, reported the *Minneapolis/St. Paul*

continued on page 78

Visit the NCASEF Website
www.ncasef.com

Legislative Update

The company enacted the rules after Visa and MasterCard started running advertising campaigns in the 1980s targeting American Express's smaller acceptance network and higher merchant fees, court documents reveal. The states argue that the company's rules have had the actual market effect of raising the amount that the industry charges merchants. American Express, however, says its rules have allowed it to compete in a market where Visa and MasterCard command a combined share of 68 percent of credit card transactions. The Second Circuit Court of Appeals tossed out a lower court ruling that blocked the company from enforcing its rules.

Oklahoma C-Stores Could Be Liable For Some Beer Sales

A divided Oklahoma Supreme Court recently ruled that convenience stores may be held liable when they sell beer to an intoxicated person, reported News OK. By a 5-to-4 decision, the court ruled the state should allow lawsuits that target a commercial vendor of alcohol for non-premises consumption when it sells the product to a noticeably intoxicated person and when that person is subsequently involved in an accident that kills or injures himself or others. The ruling also held that a person who sells intoxicating beverages for off-premises consumption "has a duty to exercise reasonable care not to sell liquor to a noticeably intoxicated person."

> "Convenience stores in Oklahoma may be held liable if they sell beer to an intoxicated person."

The court's ruling involved a long-running appeal of a case filed in Custer County in 2012. Two people involved in a vehicular accident with an accused drunken driver filed a lawsuit against a convenience store that apparently sold the driver the alcohol. Attorneys representing various defendants, including the driver and the convenience store involved. Fast Lane Stores Inc. argued a statutory duty to not sell alcohol to a noticeably intoxicated person for off-premises consumption wasn't supported by existing state or case law—assertions a majority of the court rejected.

Indiana Sunday Alcohol Sales Could Exclude C-Stores

Alcohol sales on Sunday may finally be coming to Indiana, but it could come at the expense of convenience store chains if a new agreement reached between two major lobbying groups becomes law, reported RTV6 ABC. The associations representing liquor stores and grocery stores now say they support allowing the sale of adult beverages on Sundays as long as the sale of cold beer any day of the week remains restricted to liquor stores. The agreement between the Indiana Association of Beverage Retailers and the Indiana Retail Council could prove influential in next year's legislative session. This agreement did not sit well with the Indiana Petroleum Marketers and Convenience Store Association, particularly since it was partnering with grocery stores as recently as a few months ago to lobby for both cold beer and Sunday sales.

Legislators held hearings on revising alcohol laws over the summer after Ricker's convenience stores attempted to circumvent the ban on cold beer sales by establishing restaurant space at one of its locations in Columbus. Restaurants and breweries/brewpubs are allowed to sell cold beer for carryout. The legislature hastily passed a bill to close the loophole, which led the convenience store association to commission a poll that showed that 71-percent of Hoosiers favor the sale of cold beer at convenience and grocery stores and 65-percent were in favor of Sunday sales, according to the survey.

Pennsylvania To Ban Credit Card Skimmers

A Pennsylvania lawmaker is revving up a campaign to give police a new tool to stem the flood of credit card skimming devices turning up in gas pumps and bank ATMs throughout the state, reported *The Sharon Herald.*

continued next page

Legislative Update

The legislation authored by state Rep. Kristin Hill would make it illegal to possess the skimming devices.

> "PENNSYLVANIA LAWMAKERS ARE CAMPAIGNING TO MAKE POSSESSION OF A SKIMMING DEVICE A FELONY, WHICH IT CURRENTLY IS NOT."

Under current Pennsylvania law, while the devices have no purpose other than stealing information from credit and bank cards, it is not against the law to have them. As a result, if a police officer stops a car and sees a bunch of the skimming devices, he can't charge the driver. Police can only seek charges once the devices have been used to steal financial information. In those cases, prosecutors have been filing theft charges.

Hill's legislation would make possessing devices for credit card skimming a felony even if the person caught with the devices hasn't managed to steal anything. Hill said the proposal is modeled after legislation in place in Florida. According to the National Conference of State Legislatures, 31 states have laws in place to fight the use of the skimming devices. AV

Member News

continued from page 70

Visit the NCASEF Website
www.ncasef.com

year, according to the 13th annual ORC study released by the National Retail Federation. The survey of retail loss prevention employees found that 96 percent of responding companies had experienced ORC in the past year. Losses averaged $726,351 per $1 billion in sales, an increase from $700,259 last year. The survey also found that six in 10 retailers had recovered merchandise from physical fencing locations including pawn shops, flea markets kiosks and temporary "pop-up" stores, about the same as last year.

Los Angeles continued to be the hardest-hit area for ORC in the nation, a position it has held since 2012. Following in order were New York City, Houston, Miami, Atlanta, Chicago, Orlando, San Francisco/Oakland, Orange County, California, and Northern New Jersey.

"Los Angeles is ranked the hardest-hit area in the nation for organized retail crime, a position it has held since 2012."

Midwest FOA Store Sells Winning Mega Millions Ticket

A 7-Eleven store owned by Michigan franchisee and Midwest FOA member Adnan Siddiqui (pictured right) recently sold one of two winning Mega Millions lottery tickets. The jackpot for the Friday, October 13 drawing was $42 million, and Adnan's store will receive $50,000 for selling one of the winning tickets.

Couche-Tard's Gas Station Of The Future

Circle K, owner Alimentation Couche-Tard Inc. is testing a next-generation service center in Norway that offers super-charging for electric vehicles and gourmet food—all in 10 minutes, reported *The Globe and Mail.* The new power and food services are two of several pilot projects in Norway by Couche-Tard, which gained a European foothold with its 2012 acquisition of Statoil ASA's retail arm. Couche-Tard is using the Nordic country as a testing ground for how to respond to the electric-vehicle (EV) boom. "This is a trend that will continue to grow, so what is important to us is to transform with the market," said Jacob Schram, Couche-Tard's head of European operations.

At Circle K's Dal, Norway facility, the new supercharger is part of a European-wide push financed by a group of carmakers including BMW AG and Ford Motor Co. Circle K is their northern European partner, with 60 stations planned in seven countries—20 in Norway alone—and room for six cars per charging station. The retailer will pocket rent from automakers, as well as a share of revenue.

continued on page 76

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 to contact any one of the 43 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

continued from page 74

Visit the NCASEF Website
www.ncasef.com

Alliance of 7-Eleven Franchisees & Midwest FOAs' Holiday Showcase

The Alliance of 7-Eleven Franchisees FOA and the Midwest FOA members gathered for a festive Holiday Showcase on December 6 at the Hilton Rosemont O'Hare in Chicago. The event included an educational seminar by the law firm of Ogletree, Deakins, Nash, Smoak & Stewart about recent changes to city and county sick leave ordinances, vendor exhibits with demos and sampling, dinner and networking. Both groups thank their franchisee members and vendor partners who participated in such a successful event. Together, they all are excited for a successful 2018.

Sheetz Voice Ordering Through Alexa

Pennsylvania-based convenience store chain Sheetz announced that it has created a new skill for Amazon Alexa using interactive voice activated technology to enable Sheetz customers, for the first time ever, to place an order by using just their voice. The company said customers who have a Sheetz online ordering account and an Alexa-enabled device can use the new Sheetz skill for Alexa. Ordering through the Sheetz skill for Alexa is now available at all of Sheetz's 564 locations throughout the Mid-Atlantic.

One In Five Adults Using Tobacco Products

About 49 million U.S. adults used some form of tobacco product in 2015, according to new data published by the Centers for Disease Control and Prevention and the FDA's Center for Tobacco Products. Of that group, about 42 million adults reported using a combustible product such as cigarettes, cigars, or pipes. The remaining adult tobacco users reported using e-cigarettes or smokeless tobacco products such as chewing tobacco, snuff, dip, snus, and dissolvable tobacco.

Data from the 2015 National Health Interview Survey also found that 9.5 million American adults reported "every day" or "some day" use of two or more tobacco products. Among all adults, cigarettes were the most commonly used product (15.1 percent); followed by e-cigarettes (3.5 percent); cigars, cigarillos, or filtered little cigars (3.4 percent); smokeless tobacco (2.3 percent); and pipes, water pipes, or hookahs (1.2 percent).

continued on page 78

Member News

continued from page 76

Nielsen's Top C-Store Categories

Nielsen's recently released 2017 Store Choice Drivers Report for the Convenience Channel reveals that the fastest growing c-store categories are Liquid Tea (+27 percent), Tobacco Alternatives (+25 percent), Premixed Alcohol Cocktail (+19 percent), Cookies (+10 percent), and Liquor (+9 percent). Other key takeaways from the report include:

- 33 percent of c-store shoppers expect to purchase fresh food in the convenience channel in the future.

"Quality is the biggest claimed barrier for purchasing fresh food in c-stores."

- Quality is the biggest claimed barrier for purchasing fresh food in c-stores, so retailers should focus on differentiating their destination by offering fresh ready-to-eat/healthy foods.
- Shopping experience/satisfaction can increase with focus on store operations around good customer service, store cleanliness, quick in-and-out, and product availability.

continued on page 80

Visit the NCASEF Website

www.ncasef.com

Bits + Pieces

continued from page 70

Business Journal. • **True Leaf Medicine International Ltd.**, a small Canadian company operating in the country's fast-emerging marijuana industry, plans to sell dog chews containing cannabis extracts, reported *Bloomberg*. True Leaf already makes hemp-seed infused products for dogs to **ease joint pain, anxiety and inflammation**, and the company hopes that its new cannabidiol chews may eventually be used to help older dogs. • **RaceTrac** celebrated all things roller grill this fall with its first-ever Dogtoberfest promotion, including a declaration of the hot dog as the official fall tailgating food. According to a survey commissioned by RaceTrac, **75 percent**

continued on page 80

Joy & Fun At The Midwest FOA Holiday Party

The Midwest FOA hosted its Holiday Party on Saturday, December 2 at the Somerset Inn in Troy, Michigan. There was a great turnout of franchisees, who celebrated the end of 2017 together and toasted the upcoming New Year. The Midwest FOA thanks Vice President Nisar Siddiqui for coordinating a wonderful event filled with entertainment by Priyanka Kher and her team, plus duets from Josh Ross' music group. The group also sends a very special thank you to its entering Michigan Board members: Lisa Foss, Ike Uddin, and Khalid Memon. Last, but by no means least, the Midwest FOA extends another special thank you to its sponsors Forto Coffee, Hershey's, Red Bull, Smokey Mountain, VIXXO, and US Ice.

continued from page 78

Online Groceries A Hard Sell

Most U.S. shoppers are fiercely loyal to local food stores, calling them better than online options, according to a new Reuters/Ipsos poll that raises questions about how much Amazon.com's $13.7 billion purchase of Whole Foods will shake up the supermarket business. Seventy-five percent of online shoppers said they rarely or never buy groceries online, according to the survey. Even among frequent online shoppers who make internet purchases at least weekly, almost 60 percent said they never buy groceries online or do so just a few times a year, according to the poll. The poll also found that around 60 percent of all adults said their local food markets win on price, selection, quality and convenience. Online sellers led in those categories with only around 3 percent of respondents.

Walgreens Closing Stores For Rite Aid Deal

Walgreens is closing 600 stores, mostly Rite Aids, as the company completes a $4.38 billion deal to buy nearly 2,000 stores from its rival, reported NewsMax.com. The vast majority of the axed stores will be within a mile of another store in the Walgreens network, the company said. Walgreens announced its acquisition plan in September, nearly two years after it launched an attempt to buy all of Rite Aid Corp., based in Camp Hill, Pennsylvania. Regulators balked at that bigger deal. The store closings will start next spring and be completed over 18 months. Walgreens operates more than 13,200 stores worldwide.

"Walgreens will close 600 Rite Aid stores, the vast majority within a mile of another Walgreens store."

California 7-Elevens Must Post Coffee Warnings

7-Eleven stores in California will soon have to post notices informing the public that their coffee contains a chemical that may cause cancer, reported the *San Francisco Chronicle*. The chemical is acrylamide, which is produced when some foods are roasted or fried. A Los Angeles judge recently approved a settlement requiring 7-Eleven to pay $900,000 to the Council for Education and Research on Toxics, which filed the suit in 2010, and post warnings of a potential carcinogen under California's Proposition 65. That law requires businesses to notify the public when their products, or any products they release into the environment, contain ingredients that have been shown to cause cancer or birth defects.

Acrylamide is listed as a potential workplace carcinogen by U.S. government agencies, which have set limits on its emission. The American Cancer Society said last year it was still uncertain about whether the chemical actually does increase the risk of cancer. The National Coffee Association denies that coffee contains acrylamide or any other ingredient at carcinogenic levels.

continued on page 81

Visit the NCASEF Website

www.ncasef.com

Bits + Pieces

continued from page 78

of Americans believe hot dogs are an essential part of sporting event tailgating. • Las Vegas is home to the top-grossing restaurant in the United States, **Tao**, at $42 million along with 13 other high-volume players on *Restaurant Business* magazine's Top 100 Independent Restaurants list. • **QFC, a division of The Kroger Co., announced it is offering home delivery** at a majority of its stores in both Puget Sound, Washington and Portland, Oregon through a partnership with on-demand retail delivery service Instacart. • **Swisher International** recently announced that its President and Chief Executive Officer, Peter Ghiloni, plans to retire at the end of 2018 after 34 years with the company. John Miller has been appointed President of **Swisher**, effective January 1, 2018, as part of the succession planning process. • **Denny's celebrated the holiday season by offering customers a free pumpkin or pecan pie** through Denny's on Demand, the brand's online ordering platform. From Nov. 27 through Dec. 25, customers who used the **promo code FREEPIE** when placing a mobile or online order of $20 or more received a free whole pie in the flavor of their choice. • **Wal-Mart** recently started rolling out **shelf-scanning robots** to more than 50 stores across the U.S., reported *TechCrunch*. The two-foot tall robots scan the shelves looking for sold out, missing or misplaced items. • **Panera Bread announced it is acquiring Au Bon Pain Holding Co. Inc.**, parent company of Au Bon Pain. The Boston-based bakery-cafe chain has 304 units worldwide, and will be part of Panera's initiative to **grow in new real estate channels** like hospitals, universities, transportation centers and urban locations. • Burger chain **Wendy's** has partnered with **DoorDash** to offer customers delivery service in 48 major markets nationwide. Wendy's and DoorDash piloted a partnership earlier in 2017 in Columbus, Ohio, and Dallas across 135 restaurants, which the company said resulted in highly rated customer satisfaction scores. • **The CVS Health Foundation recently awarded $1 million dollars** in grants to eight Association of American Cancer

continued on page 81

continued from page 80

NACS Show Attendance Record

Attendance at the 2017 NACS Show surged 7 percent to a record 24,940 attendees from 63 countries, the National Association of Convenience Stores announced. In addition, "buyers" attending the NACS Show—classified as retailers and convenience distributors, including Petroleum Equipment Institute (PEI) registration—grew 3.3 percent to 8,502. The NACS Show, held October 17-20 in Chicago, featured four days of general sessions, 60 education sessions and 1,263 exhibiting companies in a record-setting 425,800 net-square-foot expo.

"7-Eleven will pay $900,000 to the Council for Education and Research on Toxics and post warnings of a potential carcinogen in some coffee."

NY Tobacco Taxes Fuel Black Market

A national survey by the Tax Foundation reveals that New York's high taxes on tobacco products have led to an explosion in cigarette smuggling and provided the black market with a major source of profit, reported *The Daily Star*. The foundation estimates that 56.8 percent of all cigarettes consumed in New York come from smuggled sources. That troublesome statistic was enough to put New York at the top of the charts among states when it comes to the rate of untaxed cigarettes that find their way to consumers.

The high rate of smuggling is linked to the fact that New York has the highest state cigarette tax—$4.35 per pack, with an additional $1.50 added in New York City—in the nation. The surging black market for cigarettes has taken a significant toll on mom-and-pop and chain c-store retailers across the state, according to the New York State Association of Convenience Stores.

Milwaukee C-Store Owner Charged With Human Trafficking

Federal agents recently arrested the owner of several Milwaukee area gas and convenience stores for forcing an immigrant from India to work at his businesses and engage in sex while he controlled her passport, reported the *Milwaukee Journal Sentinel*. Harshinder "Shinda" Bhatia, 58, of Brookfield, faces three counts in a new indictment — harboring an alien for financial gain, forced labor with aggravated sexual abuse and document servitude. The offenses carry possible maximum sentences from five years to life in prison. AV

Texas FOA **Donates $25,000 To SAA**

For the seventh year in a row year, the Texas FOA has chosen Swim Across America (SAA) as the beneficiary of its Annual Charity Golf Tournament, held on May 19, 2017 with vendor partner support. On September 30, the FOA presented SAA with a check for $25,000, which is the amount raised during the golf event.

Bits + Pieces

continued from page 80

Institutes member cancer centers to build new smoking cessation programs or expand existing ones across the country. • **Mars, Inc.** recently bought a minority stake in **KIND**, the maker of popular healthy snack bars. The companies said KIND will provide Mars with a **"pioneering and trusted" brand** to anchor a newly formed global health and wellness platform, while Mars will provide KIND with its proven international model to expand into new markets. • Dairy group **The Farmer's Cow** recently unveiled it's latest limited edition flavor: **Peppermint Milk**, made with rich whole milk mixed with the cool, sweet flavor of peppermint candy canes. The company said like all of the flavors of its Limited Edition Milk, Peppermint Milk is produced in small batches and sold in collectible glass bottles. • ***Convenience Store Decisions*** **honored Sheetz** as the 2017 Convenience Store Chain of the Year during a dinner held during the recent NACS Show in Chicago. AV

SEI News

NEW 7-ELEVENNOW APP OFFERS MOBILE ORDERING

SEI is testing on-demand ordering for delivery or in-store pickup at select Dallas stores with its new 7-ElevenNOW smartphone app. Currently being tested in 10 downtown and uptown 7-Eleven stores, 7-ElevenNOW is expected to roll out to other U.S. locations in 2018. Customers in the Dallas area who enroll in the new app will receive free delivery on their first order. The app can be downloaded from Google Play or Apple App stores.

When ordering items through 7-ElevenNOW, 7-Eleven customers can choose to receive direct delivery to their location or pick up their prepared order at the participating store of their choice within the 7-ElevenNOW footprint. A wide selection of snacks, cosmetics, gift cards, home goods, beverages and hundreds of other products are available for purchase on the app, making 7-Eleven the go-to place to get everything customers may need, all from one location, the company said. Customers can pay for both delivery and pickup via the app.

"The 7-ElevenNOW smartphone app allows customers to order for delivery or in-store pickup."

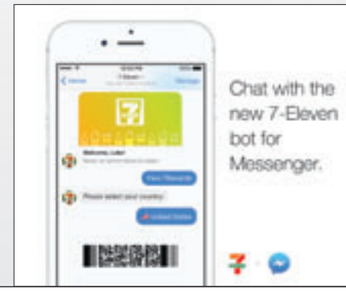
NEW BREW FROM PERU

For its latest exclusive single-origin coffee, SEI headed south to the Cajamarca region of Peru. As with its other single-origin, sustainably sourced coffee, the new brew from Peru is Rainforest Alliance Certified. Made with 100 percent Arabica beans, the newest 7-Eleven single-origin coffee has bright citrus notes complimented by vanilla, cinnamon and berry undertones. To ensure the best quality and freshest taste, the Cajamarca region was selected, in part, for its prime harvest season between August and October. After harvesting, the fresh crop was authentically roasted to a medium level for a smooth rich taste.

Peru is the eighth largest coffee producer in the world and one of the leading growers of certified coffees. Peru single-origin coffee from Cajamarca is available for a limited time at participating 7-Eleven stores, and the third limited-time, single-origin coffee offered at 7-Eleven. The others were from Matagalpa, Nicaragua, and Chiapas, Mexico.

SEI UNVEILS FACEBOOK MESSENGER CHATBOT

SEI recently launched a new chatbot platform that allows digital-savvy consumers to converse with the brand on Facebook Messenger. The 7-Eleven Bot on Messenger is driven by Conversable, a conversational intelligence software platform that leverages automation and machine learning technology. The chatbot allows customers to engage with 7-Eleven easily and quickly. Users can sign up for the 7Rewards customer loyalty platform, find a store location near them, learn about the latest discount offers, and much more, 24/7. The company said the 7-Eleven Bot on Messenger platform is the latest innovation for the 7-Eleven Digital team, which is using a wide range of advanced technologies to appeal to the needs of on-the-go, time-starved and digital-reliant consumers, especially those in the Millennial and Gen Z demographics.



BIGGER & BETTER 7REWARDS

The 7Rewards loyalty program has been expanded to give members the opportunity to earn and redeem points—including bonus points— while they shop, SEI announced. This is in addition to the original "Buy 6 Cups-Get the 7th Free" 7Rewards offer on any 7-Eleven proprietary beverages such as coffee, Big Gulp fountain drinks and Slurpee semi-frozen drinks. Digital coupons are also redeemed through the 7Rewards app.

Now, customers don't have to have the coupons in their basket. Instead, they simply scan an applicable item and the digital coupons will be immediately applied allowing customers to get their rewards much faster. Besides earning more points from more products, 7Rewards users can redeem

continued on page 84

"Digital coupons will be automatically applied in the 7Rewards app if the customer scans an applicable item."

Visit the NCASEF Website
www.ncasef.com

SEI News

their points on a wide menu of top-selling items found within the app. The points program now offers several new ways to earn besides the in-app option.

PRIVATE BRAND MAKEUP LAUNCHED

For women on the go, 7-Eleven now offers cosmetic convenience with the launch of Simply Me Beauty, an affordable, fashion-forward line of makeup. Available exclusively at 7-Eleven stores, the Simply Me Beauty brand was created for busy millennial-aged women looking for their makeup and accessory must-haves while taking care of business, family and themselves. The well-rounded collection of cosmetics and cosmetic accessories for the face, eyes and lips includes offerings for day or night use, different complexion types and skin tones. All items are affordably priced between $3 and $5.

Beauty products is a $46 billion industry that is expected to increase by 12 percent by 2020, and makeup makes up 17 percent of the cosmetic market, another number that is expected to continue to grow. Drug stores and supermarkets have 30 percent of the market, and SEI said it plans to gain market share in a big way with this introduction.

TWO NEW WINES HIT 7-ELEVEN STORES

7-Eleven expanded its selection of private brand wines with the recent launch of two quality white wines—chardonnay and pinot grigio. SEI created the Trojan Horse brand for this new line of quality wines. Suggested retail price for a 750 ml. bottle is $6.99, and the Trojan Horse wines come with a Stelvin closure—a type of screw top that is easy to open and preserves freshness.

Trojan Horse Chardonnay is described as having delicate aromas of ripe pear and stone fruit with balanced oak notes of vanilla; luscious fruit flavors are complemented with subtle hints of caramel and toasted oak. Trojan Horse Pinot Grigio is bursting with bright citrus and green apple aromas, with the citrus fruit flavor leading to a crisp and clean finish. SEI said the two whites are the first 7-Eleven private brand wines to carry vintage dating and California appellations, designating that all the grapes were grown in California and harvested the same year.

"New York City drivers can now pay parking tickets in cash at 100 7-Eleven locations."

EXCLUSIVE OREO MINT HOT CHOCOLATE

SEI has teamed up with America's favorite cookie brand to launch a minty fresh product lineup, anchored by Oreo Mint hot chocolate. The company said the exclusive flavor has never been available before as a hot chocolate and 7-Eleven stores are the only ones—anywhere—to carry the limited edition. Besides the Oreo Mint hot chocolate, Oreo Mint Creme cookies are available at participating stores in an exclusive single-serve size that won't be available elsewhere until 2018, as well as the Milka OREO Mint chocolate candy bar. This is the second time 7-Eleven has carried an exclusive Oreo-flavored hot chocolate. In 2015, 7-Eleven stores introduced the first-ever Original Oreo hot chocolate and had an exclusive on the product for six months. It was the best-ordered limited-time offer of the year.

"New Oreo Mint hot chocolate limited edition is available exclusively at 7-Eleven."

PAY PARKING TICKETS AT NYC 7-ELEVENS

PayNearMe has partnered with the New York City Department of Finance to allow drivers to pay for parking tickets in cash at over 100 7-Eleven locations in all five boroughs. To make a cash payment, those with parking ticket violations simply go to the municipal website and click the "Get Started" button to obtain a PayNearMe payment code for any unpaid balances. The code and the cash payment can then be presented to any 7-Eleven cashier. The transaction takes less than a minute and payment is posted within approximately 15 minutes to an hour, for a low convenience fee of $2.99.

THE $7 DATE NIGHT DEAL

SEI's offer of a large hot pizza, Coca-Cola beverage and one-night Redbox movie rental ringing up for less than $7 ran through the end of the year (January 2,

continued on page 86

continued from page 84

Visit the NCASEF Website
www.ncasef.com

SEI News

2018). The affordable and convenient offer was intended for at-home date nights as well as family movie nights, slumber parties, "girls' night" get-togethers, and action-packed movie marathons.

Customers were invited to purchase a large triple cheese or pepperoni pizza for just $5.55 and received a pizza box-top coupon good for $1 off a pizza purchase and a code for a free one-night Redbox movie rental that was good right away. Customers were able to save another $1 when a two-liter bottle of any Coca-Cola beverage was added to the sale of a large pizza. The code was available to be used at the time of purchase or on a later visit.

RENEW PROGRAM PLANTS TREES

SEI announced that company volunteers will help plant trees as part of a new pilot program called RENEW. The RENEW reduced emissions program launched in September at select 7-Eleven convenience stores in the Pacific Northwest region. As part of the ongoing benefits of the RENEW program, 7-Eleven will support tree-planting and local green-scape projects in the regions testing RENEW, including Portland, Seattle, and Madison and Milwaukee, Wisconsin. The first two volunteer projects included planting trees in Everett and cleaning up a landmark park in Portland. SEI said since the start of the RENEW program in late August, the initiative has offset 2,838 tons of carbon dioxide and planted 3,000 trees.

"Since the start of the Renew program in August, 3,000 trees have been planted."

Under the program, customers are able to reduce emissions by simply purchasing the same fuel they have always pumped at 7-Eleven stores. GreenPrint, which powers RENEW, calculates tailpipe emissions from gasoline sales to determine the amount to invest in certified carbon reduction projects to help neutralize those emissions in the atmosphere. Depending on the type of fuel purchased, emissions can be offset by up to 30 percent. That means for an average American car with a 15-gallon tank, SEI can plant up to two trees per car or invest in equivalent solar power, wind power or gas capture projects to offset the car's emissions.

CUSTOMER'S SODA TAX LAWSUIT SETTLED

A day after the Cook County Board voted to repeal its controversial penny-per-ounce tax on sweetened drinks, a lawsuit against 7-Eleven for allegedly misapplying the charge was settled, reported the *Chicago Tribune*. Chicago resident Kelly Tarrant sued 7-Eleven in August in Cook County Circuit Court, alleging she was charged a 28-cent tax on a 99-cent unsweetened coffee in a Super Big Gulp cup. Circuit Judge Celia Gamrath said in a court filing that the parties have agreed to dismiss the case. Her order notes a confidential agreement to settle the lawsuit, which sought class-action status. Gamrath noted in her order that 7-Eleven has, among other steps, reprogrammed its registers not to charge the tax on such drinks. SEI told the judge the changes were underway before Tarrant filed the lawsuit.

7-ELEVEN CANADA LISTS NUTRITION INFO

7-Eleven Canada has joined the British Columbia government's Informed Dining program, adding 600 participating locations across Canada. Now 7-Eleven customers will have in-store access to information on calories, sodium and 12 other core nutrients for prepared foods and beverages. The Informed Dining program builds on 7-Eleven Canada's nutrition transparency program. In the fall of 2016, 7-Eleven began voluntarily posting calorie labels nationwide on non-packaged foods and beverages—one of the first quick service restaurants in Canada to do so. In 2015, 7-Eleven Canada rolled out its "Better Choices" healthier options program, which expanded its assortment of healthier products and provided customers nutrient data for non-packaged foods and beverages.

NUTRIfacts

"7-Eleven Canada will provide access to nutritional information for prepared foods at all 600 locations."

GIFT HELP ON THE 7-ELEVEN SHELF

7-Eleven offered its customers the perk of convenience by making hard-to-find holiday gifts easy to find while grabbing coffee in the morning or gas on the way home. Among the holiday helps packed in its stores this past holiday season were the latest toys for kids, game cards for teens, gift cards for teachers and co-workers, presents for white elephant gift exchanges, holiday party food and beverages, sweet treats and stocking stuffers. Customers were also able to earn points when they purchased holiday items on the enhanced 7Rewards loyalty program. These points can be redeemed in-store at participating locations on other select food and beverage products found in the app, which can be downloaded from the Apple Store and Google Play.

continued from previous page

SEI News

POSTMATES DURING THANKSGIVING

POSTMATES

"Postmates and 7-Eleven offered free delivery Thanksgiving week in 35 metro areas."

SEI and Postmates made life a little easier during the extended Thanksgiving holiday by offering free delivery of favorite 7-Eleven items from Monday, November 20 through Monday, November 27. The service was available in 35 of the metro areas in which 7-Eleven operates stores. Orders were placed through the Postmates app. To use, shoppers simply had to select 7-Eleven from the list of retailers, click on products to order and pay with the app. Postmates coordinated the delivery from the most convenient outlet and a nearby courier to fulfill the customer's order in 30 minutes on average.

CANADA CELEBRATES REVERSE BIRTHDAY

On Tuesday, November 7 (11/7), 7-Eleven stores in Canada celebrated Reverse 7-Eleven Day by giving away free medium Slurpee drinks. Beginning November 1, 7-Eleven's social accounts debuted their "In Reverse Challenges" up until their big day. Slurpee fans were invited to join in on the fun for the chance to win a $117 gift card each day. Customers who dressed backwards on Reverse 7-Eleven Day and visited a store received a free medium Slurpee. The promotion was available at all 7-Eleven stores across Canada between 11:00am and 7:00pm and for one day only on November 7, 2017.

COKE $100,000 HOLIDAY SWEEPSTAKES

7-Eleven and Coca-Cola brightened the holidays with a Slurpee "Sip & Scan" sweepstakes that had a grand prize of $100,000. The holiday promotion ended January 2, 2018. To enter the sweepstake, customers had to purchase one of the special holiday red, medium-size Slurpee cups at a participating 7-Eleven store, open coke.com/711 on a smartphone and follow the links and instructions, then scan the "Sip & Scan" icon on the Slurpee cup using the camera tool at coke.com/711. Weekly winners received a free Slurpee drinks for a year (365 medium drinks). The $100,000 grand-prize winner will be announced in January of 2018.

HALLOWEEN AT 7-ELEVEN

This past Halloween, 7-Eleven stores had treats for the whole family—creepy candy for the kids, monstrously good deals on whole pizzas for parents, and ghostly Slurpee drinks for everyone. Along with the pizza, candy and Slurpee drinks that everyone could enjoy, 7-Eleven stores had hundreds of other meal-time, and treat-time, options.

With October being National Pizza Month, and Halloween one of the top pizza-selling days of the entire year, 7-Eleven stores made dinner easy and affordable with $5 deals on whole pizzas. The featured Slurpee flavor was Ghost White Gummi with the supernatural sweetness of pineapple and a ghostly white color. 7-Eleven stores also had plenty of spooky sweet Halloween treats to enjoy. Product selection varied at stores across the country, with some carrying costumes and accessories while others stocked a selection of Halloween horror movies. AV

NoDoz Lands In C-Stores Nationwide

NoDoz is now available to the c-store channel in on-the-go pack sizes.

Lil' Drug Store Products Inc. recently announced that NoDoz, the most recognized brand in the alertness aid category, is now available to the convenience store channel in on-the-go pack sizes suitable for immediate use occasions. One NoDoz caplet contains approximately the same amount of caffeine as a cup of coffee, so it is a safe and effective way to get an energy boost.

Recent research surveys by Brandware showed that consumers recognize the NoDoz brand more than any other brand in the alertness aid category and view NoDoz as a safe and effective way to help restore mental alertness and fight fatigue. Social media posts on Facebook and Twitter occasionally reference the NoDoz brand when people are preparing for long road trips, working a double shift, or studying for college tests.

New Banana Flavored Nesquik Protein Plus

Nestlé Nesquik has introduced a new flavor to its Protein Plus milk beverage lineup—Banana. Banana is one of the core flavors in RTD Milk/Protein Beverages, and outside of Chocolate and Vanilla, Banana generates the next highest velocity in Protein Shakes. Perfect for the casual athlete, Protein Plus is packed with 23 grams of protein and delivers a delicious taste along with a heightened nutritional profile. Nesquik Protein Plus is also the top ranked protein item in convenience (Source: Nielsen TTL Convenience L12weeks ending August 12, 2017). SRP is $2.49 with an expected margin of 52 percent after rebate. First order date is January 15, 2018.

Nesquik Protein Plus is now available in popular Banana flavor.

Three New Snickers Limited Edition Flavors

Snickers announced that the brand will debut three new limited edition flavors—Espresso, Fiery and Salty & Sweet—all at the same time, a first for the brand. The new flavors will join the popular "Hunger Bar" campaign and have everything fans love about Snickers: peanuts and caramel covered in milk chocolate, now with a bold new flavor-infused nougat of espresso, hot pepper or salted caramel. Snickers fans will be able to find the limited edition flavored Hunger Bars nationwide beginning June 2018. Snickers plans to support the launch through a variety of 360 marketing tactics including in-store promotions, consumer activations, and social media.

Snickers Espresso, Fiery and Salty & Sweet will hit shelves June 2018.

Smirnoff Ice SMASH Offers A Two-Flavor Combo

Introducing Smirnoff Ice SMASH, a delicious combination of two well-known flavor pairings smashed together to create a refreshing tast-

continued on page 90

SHAMROCK FARMS UNVEILS NEW PACKAGING & BRANDING

This spring, Shamrock Farms will introduce new branding and packaging for its milk-based, ready-to-drink protein beverages and cold brew coffees. As part of the facelift, the Rockin' Refuel protein drink line will be renamed Rockin' Protein. The new packaging features "Rockin' Protein" in large bold letters, a callout to the 30g of protein in each bottle, Shamrock Farms' new logo against a green background and imagery representing the various flavors, such as chocolate chunks for the chocolate variety. Additionally, the bottle will be replaced by a new 12 oz. PET format with a more curved shape, giving the product a contemporary design. Ahead of the 2018 rollout for the new packaging, Shamrock Farms released a limited edition bottle in December highlighting the company's partnership with the U.S. Ski and Snowboard Team.

Shamrock Farms is introducing new branding and packaging for its milk-based protein beverages and cold brew coffees.

continued from page 89

ing malt beverage. Smash is available with 8 percent alcohol in cans in five flavors: Original Lemon-Lime, Strawberry-Lemon, Screwdriver, Cherry-Lime and Peach-Mango.

SMASH features mouthwatering flavors that jump out of the cooler brought to you by Smirnoff Ice—the most recognizable brand in FMBs. Smirnoff surveyed 2,000 consumers and they picked SMASH more than any other FMB cans surveyed. SMASH scored a 92 percent purchase intent, with 99 percent of consumers saying it would catch their eye. Smirnoff Ice understands convenience shoppers want to make quick decisions when it comes to flavor at the cooler so it has perfected its flavors and designs to delight your consumers. Look for Smirnoff Ice SMASH from your distributors in early spring.

Smirnoff Ice SMASH is available in five flavors.

Nutrish Pet Food By Rachel Ray

Rachel Ray's Nutrish line of pet food is now available in 7-Eleven.

Now available to 7-Eleven stores for ordering is Rachel Ray's Nutrish pet food. In 2008, Rachael Ray, a pet lover and animal advocate, partnered with the experts at Ainsworth Pet Nutrition to create this line of high-quality, real food recipes for dogs and cats inspired by her own kitchen. Every Nutrish recipe is made with thoughtfully-chosen, wholesome ingredients like real meat and veggies, and never contain any poultry by-product meal or fillers. Also, a portion of proceeds from each sale of Nutrish is donated to The Rachael Ray Foundation, which helps animals in need. Now, we are making it even more convenient for pet parents to purchase these specialty recipes by proudly joining the 7-Eleven family!

Exclusive Blue Bunny Load'd Sundaes For 7-Eleven

In February, Blue Bunny Ice Cream will offer a new way for consumers to skip the scoop shop and enjoy a sundae straight from your 7-Eleven freezer section. Introducing Blue Bunny Load'd Sundaes: soft ice cream stuffed with tons of toppings deliciously swirled together. Load'd Sundaes come in a mess-free, single-serve sundae cup, so consumers can dig right in and eat on the go.

7-Eleven will have exclusive access in the convenience channel to the top two flavors, Bunny Tracks and Chocolate Brownie Bomb, from February through April. Blue Bunny Load'd Sundaes will retail for $3.49.

Blue Bunny Load'd Sundaes Bunny Tracks and Chocolate Brownie Bomb flavors just for 7-Eleven.

Fast-Selling Chomps Jerky Snacks Come To 7-Eleven

Chomps is the fastest growing meat snacks brand in the category, selling over 330 units per store per week in a national chain with no sign of losing steam. This is a high-margin, high-volume product that customers will come looking for at your store.

Chomps is the fastest growing meat snacks brand in the category.

Chomps are now available for 7-Eleven Franchisees in two great flavors—Original Beef and Hoppin' Jalapeño Beef—you can easily pull through McLane or Core-Mark. By going back to basics, we cook up high quality jerky snacks that you can enjoy anytime, guilt free. We start with just a few all-natural ingredients, such as sustainably sourced, 100% grass-fed non-GMO beef and a handful of spices like jalapeños, cracked black pepper and sea salt. We blend them together to create filling, tasty treats that are bursting with flavor—no artificial flavors or preservatives necessary. For more information visit CHOMPS.com or e-mail at team@chomps.com. (McLane Vendor # 48116, Core-Mark Vendor # 28161)

Cruz Edible Coffee Thins

New from DS Tiger are Cruz Edible Coffee Thins, a delicious treat for early morning coffee lovers and those in need of an energetic boost in the late afternoon or evening. Made 100 percent from coffee beans, this innovative new concept tastes great, and is low in calories. This "game changer" comes with stackable display cases to maximize sales and profits at the cash register.

Priced at $0.49 per Coffee Thin, customers will buy multiple units (if not boxes) of Thins to make sure they don't disrupt their busy schedules, and they'll loyally return to your store for more.

Cruz Edible Coffee Thins is an exciting new 7-Eleven nationally recommended item with 56 percent GP.

The Latte and Expresso flavors come beautifully packaged and easy to find in your stores. This is especially useful during your customers hectic early morning rush to work or school, or to catch that late afternoon or evening workout, study class or business meeting.

Give out samples and put them into the mouths of your loyal customers, then watch as you build a whole new repeat customer base. Your customers will love Coffee Thins, and they'll demand that you keep them stocked and readily available.

Punch Up Your Beverage Sale With New Natty Rush

Packing a punch of flavor, Natty Rush is the perfect beverage for people just out to have fun. Natty Rush contains 8 percent alcohol and is available in a variety of flavors.

- Natty Rush Hurricane Punch: Inspired by New Orleans' famous Hurricane cocktail, Natty Rush Hurricane Punch brings big fruit punch flavor with a sweet taste.
- Natty Rush Blue Frostbite: Cold and refreshing, Natty Rush Blue Frostbite packs a punch of blue raz flavor with a sweet taste.
- Natty Rush Watermelon Smash: Juicy and sweet, Natty Rush Watermelon Smash packs a punch of watermelon flavor.

Natty Rush is available in three flavors—Hurricane Punch, Blue Frostbite, and Watermelon Smash.

Game Berry Blast Available Exclusively At 7-Eleven

7-Eleven customers will be the first to experience Swedish Match's new Game Limited Edition cigar, Berry Blast. This offering will be available to 7-Eleven exclusively for three months before hitting stores nationwide. Bursting with lots of flavor and eye-catching packaging, this FBO is guaranteed to excite consumers. Game Berry Blast will be available in two formats: 2/$.99 and "Save on 2 Cigars" FoilFresh pouches. AV

Limited Edition Game Berry Blast exclusively at 7-Eleven for three months before hitting stores nationwide.

Advertiser's Index

Altria/AGDC....56
Anheuser Busch....10
Aon Risk Services....23
Blue Bunny/Wells....19
Chobani....42
Chomps....40-41
Coca-Cola....Cover 2
Dean Foods....45
Diageo Guinness....39
Don Miguel....25
Dr Pepper Snapple....46
Fini....77
Ferrero....51,73
Green Dot....59
Kellogg's....8-9
Kretek International ..cover 4, 69
Logic Ecig....48-49
Mars Ice Cream....6
Maruchan....27
McLane....52
Mondelez....33
Nestle Confections & Snacks....75
Nestle Ice Cream....75
Nutrish....88
Old World Industries....85
Pepsi Quaker....32,36,39
Perfetti Van Mele....34
P&G....17,67
Reynolds American....60
Seneca....28-29
Shamrock....22
Simply Orange....12-13
Swedish Match....5,71
Swisher International....7,15,65
Tierra Nueva....82
Unilever Good Humor/ Breyers....3,4,63
Vixxo....54
Whitewave Foods....92
Whitewave....30
Wrigley....Cover 3
Windsor....21

FOA EVENTS

continued from page 94

7-ELEVEN FOAC ANNUAL PICNIC
Forest Preserves of Cook County
Busse Woods, Grove 29
Elk Grove Village, Illinois
July 21, 2018
Phone: 847-353-9999

MIDWEST FOA MICHIGAN GOLF OUTING
(venue to be announced)
August 16, 2018
Phone: 815-210-2950

MIDWEST FOA/ ALLIANCE OF 7-ELEVEN FRANCHISEES FOA GOLF OUTING
St. Andrews Golf & Country Club
West Chicago, Illinois
August 22, 2018
Phone: 815-210-2950

7-ELEVEN FOAC HOLIDAY TRADE SHOW
(venue to be announced)
November 15, 2018
Phone: 847-353-9999

COLUMBIA PACIFIC FOA HOLIDAY PARTY
(venue to be announced)
December 1, 2018
Phone: 503-998-5941

MIDWEST FOA/ ALLIANCE OF 7-ELEVEN FRANCHISEES FOA HOLIDAY PARTY
(venue to be announced)
December 5, 2018
Phone: 815-210-2950

MIDWEST FOA MICHIGAN HOLIDAY PARTY
(venue to be announced)
December 12, 2018
Phone: 815-210-2950

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.

FOA BOARD MEETING DATES

7-Eleven FOAC
Phone: 847-353-9999
January 25, 2018—Board Meeting
February 22, 2018—Board Meeting
March 29, 2018—Board Meeting
April 26, 2018—Board & General Meeting
May 31, 2018—Board Meeting
July 19, 2018—Board Meeting
August 30, 2018—Board Meeting
September 27, 2018—Board & General Meeting
October 25, 2018—Board Meeting
November 29, 2018—Board Meeting
December 13, 2018—Board Meeting

Central Florida FOA
Phone: 347-251-1828
February 1, 2018
May 17, 2018
August 16, 2018
November 8, 2018

Columbia Pacific FOA
Phone: 503-998-5941
January 25, 2018—Board Meeting
February 27, 2018—Board Meeting
March 12, 2018—Board Meeting
April 19, 2018—Board Meeting
May 24, 2018—Board Meeting
August 21, 2018—General Members Meeting
September 20, 2018—Board Meeting
October 25, 2018—Board Meeting

Midwest FOA
Phone: 815-210-2950
CHICAGO DATES
(Co-hosted with Alliance of 7-Eleven Franchisees FOA)
March 22, 2018—General Meeting
September 27, 2018—General Meeting
MICHIGAN DATES
March 28, 2018—General Meeting
October 4, 2018—General Meeting

FOA EVENTS

FOA OF GREATER LA/ SAN DIEGO FOA TRADE SHOW
Pechanga Resort and Casino
Temecula, California
March 7, 2018
Phone: 909-822-4122

COLUMBIA PACIFIC FOA ANNUAL TRADE SHOW
Doubletree Hotel Lloyd Center
Portland, Oregon
March 13, 2018
Phone: 503-998-5941

CENTRAL FLORIDA FOA & SOUTH FLORIDA FOA ANNUAL CHARITY GOLF EVENT
(venue to be announced)
March 27, 2018
Phone: 347-251-1828

CENTRAL FLORIDA FOA & SOUTH FLORIDA FOA ANNUAL TRADE SHOW
(venue to be announced)
March 28, 2018
Phone: 347-251-1828

DELAWARE VALLEY FOA ANNUAL TRADE SHOW
Caesars Palace Atlantic City
Atlantic City, New Jersey
April 4, 2018
Phone: 262-275-3086

UFOLINY TRADE SHOW
Hilton Long Island
Melville, New York
April 11, 2018
Phone: 631-486-6266

TEXAS FOA TRADE SHOW
(venue to be announced)
May 23, 2018
Phone: 214-208-0992

TEXAS FOA CHARITY GOLF TOURNAMENT
Cowboys Golf Club
Grapevine, Texas
May 24, 2018
Phone: 817-797-4911

NATIONAL COALITION 43RD ANNUAL CONVENTION & TRADE SHOW
Gaylord Palms Resort & Convention Center
Orlando, Florida
July 23-26, 2018
Trade Show: July 25-26, 2018

NCASEF BOARD MEETINGS

NATIONAL COALITION AFFILIATE MEETING
Four Points by Sheraton Dallas
Fort Worth Airport North
Coppell, Texas
February 5 & 6, 2018

NATIONAL COALITION BOARD OF DIRECTORS MEETING
Four Points by Sheraton Dallas
Fort Worth Airport North
Coppell, Texas
February 7-9, 2018

NATIONAL COALITION BOARD OF DIRECTORS MEETING
San Juan Marriott Resort
San Juan, Puerto Rico
May 9-11, 2018

UTAH FOA TRADE SHOW & GOLF TOURNAMENT
Airport Hilton Doubletree Hotel
Salt Lake City, Utah
June 6-7, 2018
Phone: 801-450-4538

MIDWEST FOA/ ALLIANCE OF 7-ELEVEN FRANCHISEES FOA TRADE SHOW
Donald E. Stephens Convention Center
Rosemont, Illinois
June 6, 2018
Phone: 815-210-2950

EASTERN VIRGINIA FOA GOLF TOURNAMENT
Sleepy Hole Golf Course
Suffolk, Virginia
June 6, 2018
Phone: 757-247-6152

EASTERN VIRGINIA FOA ANNUAL TRADE SHOW
Hilton Garden Inn Suffolk Riverfront
Suffolk, Virginia
June 7, 2018
Phone: 757-247-6152

MIDWEST FOA MICHIGAN TRADE SHOW
(venue to be announced)
June 27, 2018
Phone: 815-210-2950

7-ELEVEN FOAC CHARITY GOLF OUTING
St. Andrews Golf Course
West Chicago, Illinois
June 27, 2018
Phone: 847-353-9999

7-ELEVEN FOAC ANNUAL TRADE SHOW
Odeum Expo Center
Villa Park, Illinois
June 28, 2018
Phone: 847-353-9999

COLUMBIA PACIFIC FOA ANNUAL GOLF TOURNAMENT
(venue to be announced)
June 28, 2018
Phone: 503-998-5941

continued on page 93

INTENSELY **COLD.**
UNMISTAKABLY **COOL.**

Ultra Menthol

The addition to the Djarum Black line combines the unmistakable taste and aroma of a premium aged tobacco with an intensely cold blast of menthol. No wonder more smokers than ever are asking for Djarum by name.

DJARUM

www.djarumcigar.com

WARNING: This product can expose you to chemicals including tobacco smoke, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

WARNING: Smoking cigars causes lung cancer, heart disease, and emphysema, and may complicate pregnancy.

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