



The Truth Behind Why We Voted to Skip the 7-Eleven Experience

Once again this year, the National Coalition Board of Directors made the difficult decision to skip the 2019 7-Eleven Experience seminar and trade show in Las Vegas.

In a recent interview with CSP Daily News, 7-Eleven said, “We expect the vast majority of franchisees to attend this year’s 7-Eleven Experience.” Perhaps that is because many franchisees believe they must attend in order to take advantage of preordering and to hear from corporate executives about what’s new and important for their business. According to 7-Eleven, “Last year, more than 280 vendors offered franchisees more than 850 preordering opportunities.”

The fact is, 7-Eleven should provide franchisees with preorder opportunities, training, support and information at the store level. Franchisees should not have to take time away from their businesses or their families – and pay their way to Las Vegas – to take advantage of such opportunities.

As we have talked about over and over, the cost of goods for 7-Eleven franchisees is a serious issue. The new franchise agreement clearly states 7-Eleven will make no guarantee its supply chain will get the best pricing and advantageous payment terms for its franchisees. Long-time franchisees know that the 7EE has become a huge tradeshow where major, national vendors pay handsomely for the opportunity to present their products to brand executives and franchise owners. Then they allow franchisees to save a few pennies on preorders.

But the big bucks vendors pay for the right to display at the trade show go directly to SEI. It is not used to defray operational expenses for franchisees or help increase store-level profitability. More importantly, it is not used to help franchisees pay less for goods. Instead of charging vendors tens of thousands of dollars to show their products at the trade show, why not ask vendors to use that money to provide real discounts to franchisees? Instead of pocketing the money that is generated from the 7EE, why not provide a rebate to franchisees? SEI is awash in cash, posting record profits. North American operations are supporting Seven & I’s struggling Asian business, but the franchisees who are the backbone of the U.S. 7-Eleven business are seeing gross profits shrink while costs skyrocket.

The National Coalition Board voted to skip the 7EE to highlight SEI's lack of transparency. Despite our repeated requests for information, SEI refuses to disclose what it earns from the 7EE. We believe we have the right to know how much of that goes to operating costs. How much of it is pure profit? Is this money being disclosed in SEI's Franchise Disclosure Documents? Why can't this money be used to offset the rising cost of goods?

We have repeatedly asked for dialogue with CEO Joe DePinto and his executive team. We have reasonable questions which deserve a response, but all we get is a cold shoulder and links to watch feel-good videos produced by SEI to make us think franchisees are happy with the current situation.

7-Eleven likes to brag about its success and its franchisees. In its statement to CSP Daily News, SEI said, "We know that we succeed when franchisees succeed, and the 7-Eleven Experience is all about celebrating that relationship."

If that is true, then DePinto and his team should take the money it earns from the 7EE and use it to help lower the cost of goods its franchisees are paying. When they do, we will reconsider our position.

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