



Beating the Competition to Win the Race

Monday, October 9, 2006

NACSSHOW 2006
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Best Idea #1

Impulse Cookies & Pastries

Glennie Bench



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Best Idea #1

Impulse Cookies and Pastries

- Sometimes the Best Ideas come from unexpected places
- Now marketed at the checkout counter



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Best Idea #1

Impulse Cookies and Pastries

Sunshine Bakery Cookies

- Tempting aroma from in-house oven
- High-quality product
- Four Varieties
- Priced each and “2 for”
- Sold by the dozen



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Best Idea #2

Marketing Ice in Texas

Glenn Boenisch
Tiger Tote Food Stores Inc.

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Best Idea #2

Marketing Ice in Texas

Challenges

- Competition selling 20lb bag for 99¢
- Tiger Tote selling 8lb bag for \$1.29
- Impact on Sales and Gross Profit \$'s if the retail is reduced?
- Can we improve what the competition is doing?

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Best Idea #2

Marketing Ice in Texas

Marketing

- The cheap ice did bring in additional traffic into our competitor
- Observed customers were throwing away 1/2 the ice in many cases
- Observed some customers having difficulty carrying the 20lb bag

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Solution

Best Idea #2
Marketing Ice in Texas



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Best Idea #2
Marketing Ice in Texas

- We began offering the same value but in 2-10lb bags.
- The packaging is more convenient for our customers.
- One 10lb bag sells for 79¢
Still a **GREAT VALUE!**

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Best Idea #2

Marketing Ice in Texas

Results

- Ice Bag volume increased 72%
- Two thirds of the ice sold was 2/99¢
- Gross Profit \$'s increased 22%
- Had a positive impact on Beer Sales

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Best Idea #2

Marketing Ice in Texas

Beer Sales Prior

- Prior to changing the Ice Program Beer Sales were down 1.9% at Test Location for a six month period
- Company was up 6.4% in Beer Sales for the same time frame

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Best Idea #2

Marketing Ice in Texas

Beer Sales After

- Twelve months after changing the store had a 11.8% increase
- Company had an increase in Beer Sales of 4.18%

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Best Idea #2

Marketing Ice in Texas

Location Added

- Same town as first test store
- Beer Sales six months prior to starting, down 1.1%
- Twelve months after starting 99¢ Ice Program beer sales up 12.7 %
- First test store Beer Sales continued show increase of 9.3%

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Best Idea #2
Marketing Ice in Texas

Moral of the Story

We like our Beer

ICE

Cold in Texas

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Best Idea #3

Fax Server and Document Imaging System

Charles Morris



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Best Idea #3

Fax Server and Document
Imaging System

OBJECTIVE

Convert daily store auditing process to a paperless system.

- Implemented in 2006
- Use a third party fax server service that allows us to capture c-store paperwork in an electronic format.
- Used in conjunction with our document imaging system

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Best Idea #3

Fax Server and Document
Imaging System

Benefits

- Eliminate the need for District Leaders to pick up paperwork on a weekly basis
- Minimize cost related to paperwork transport
- Audit in a more real-time audit environment, i.e. next day
- Save money on paper storage and warehouse cost by moving from a paper to an electronic environment in the Support Center
- Allow our audit and accounting staff (even from remote offices) to access daily reports, invoices, deposit slips, and other paperwork without leaving their desk
- Search for information in a variety of ways by assigning multiple indexes to our paperwork in the document imaging system.

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Best Idea #3

Fax Server and Document
Imaging System

Overview of how this information is captured

1. On a daily basis, each Team Leader transmits via fax the following information

1. Fax Cover Sheet	7. Inventory Transfers
2. Daily Deposit Slip	8. Audits
3. Priva-Cash Report	9. Day Report-Pages 1 & 2
4. Invoices	10. Empowerment Vouchers
5. Paid Outs	11. Employee Incentives
6. Retail Inventory Adjustment	

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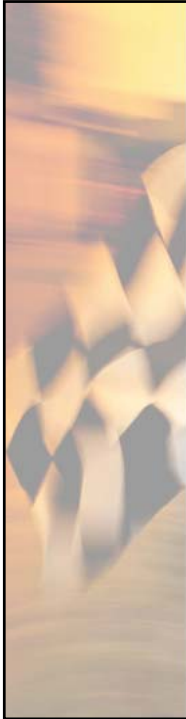
Best Idea #3

Fax Server and Document
Imaging System

Overview of how this information is captured

2. Once the fax server receives a fax from a given store, the fax is routed (based on the fax number) via e-mail to the appropriate auditor.
3. Each auditor, using two monitors positioned side by side, then audits daily paperwork compared to polled accounting data. Exception based auditing is utilized in order to minimize auditing time.
4. After auditing an individual store, the auditor drops the electronic file into a shared sub-directory on our server, and our document imaging system automatically picks up the file, indexes it, and stores it for future retrieval.

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Best Idea #3

Fax Server and Document
Imaging System

In the future, we plan to eliminate the fax server and give our Team Leaders the ability to scan their paperwork and e-mail it directly to the auditor.

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Best Idea #4 The Coldest Beer Cave in Texas

Dyke Rodgers
Frontier Fuel Company

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Best Idea #4
The Coldest Beer Cave in Texas

Beer Cave

Benefits:

- Takes up no more room than floor displays
- Vendors stock the cave
- Allows larger bridge buying opportunities
- Increases sales in larger package sizes

Case Study: Constructed as remodel in 10 stores

- 9 Stores had beer sales increases 12-20%
- 1 Store had no impact (low volume beer store)

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Best Idea #5

Above the line

Kevin Smartt
Kwik Chek Food Stores

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Best Idea #5
Above the Line

Smartt Buys

An advertising campaign designed to provide distinction to a group of products to catch the consumers attention & train them on a feeling of competitive pricing within our chain. Loyalty program pricing without a loyalty card.

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Best Idea #5
Above the Line



FILE SET UP AT 50%



Pump Topper / 12" x 26" / 4c Process

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Best Idea #5
Above the Line

- Marketing picks four products to promote every two months. We utilize local radio, billboards, and signage at each store location. The products are typically a blend of take home packages with some traditional c-store snack items.
- Our goal is to be competitive to the big box on the items we promote.

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Best Idea #5
Above the Line

FILE SET UP AT 50%

CMA TEMPLATE WILL NOT PRINT



The sign features the Coca-Cola logo in red script, followed by "8 Pack/12 oz." in bold black text. A large "2/\$5" is displayed in a stylized font. A "SMART BUYS" badge is positioned above the price. To the right is an image of a red 8-pack of Coca-Cola cans. A "K&S" logo is in the bottom left corner.

Pump Topper / 12" x 26" / 4c Process

FILE SET UP AT 50%

CMA TEMPLATE WILL NOT PRINT



The sign features the Ozarka logo in red script with "BRAND" and "Natural Spring Water" below it. A large "2/\$3" is displayed in a stylized font. A "SMART BUYS" badge is positioned above the price. To the right is an image of two 3-liter Ozarka water bottles. A "K&S" logo is in the bottom left corner.

Pump Topper / 12" x 26" / 4c Process

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Best Idea #5
Above the Line

We partner with Mfg.'s & Suppliers to participate in the program. There is a cost to the Mfg. to participate in the program. They must supply the product at a discounted rate, as well as pay a fee to help offset the advertising cost.

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Best Idea #5
Above the Line

FILE SET UP AT 50%

COAN TEMPLATE WILL NOT PRINT

POTATO CHIPS
2/\$1
2.8 oz.
SMARTT BUYS
SOFT CREAM & ONION ORIGINAL

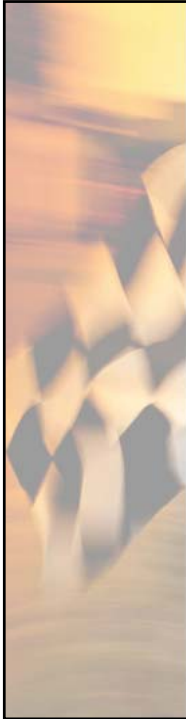
FILE SET UP AT 50%

COAN TEMPLATE WILL NOT PRINT

Blue Bell Ice Cream
PINTS
3/\$3
Assorted Varieties
SMARTT BUYS
BLUE BELL ICE CREAM
Pumpkin Pie
Cookie'n' Cream
Strawberry

Pump Topper / 12" x 26" / 4c Process

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Best Idea #5
Above the Line

We did two other things at the same time to help support the 'Smartt Buy' program.

- Created the '**Big Dog Monthly Sales Award**'.
- Started the KC Name Club.

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Best Idea #5
Above the Line

Big Dog Sales Award

- Stores were ranked off of last years sales. Store with the highest % of sales increase won.
- The store's reward. All District Managers, HR, Marketing, Buyer, and myself go to the store for an afternoon. We either cater lunch for the store or take them off premise and let the DM's run the store. We also give special Big Dog T-Shirts to all store employees, give them the front page of the company newsletter so they can bark about their success to their peers in other stores, and we give away a dinner and movie for two. The stores also receive a certificate acknowledging their success.

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Best Idea #5
Above the Line



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Kwik Chek/Brownstone Leasing

KC Knotes & Kwotes

Volume 8, Issue 7 August 2005

August

Smart Buys

- Blue Bell Pints 3/\$3.00
- 32 oz. Gatorade Buy 2 Get 1 Free
- Hershey Candy Bars Standard Size 3/\$1.00
- Hill Country Spring Water \$4.99 Case
- Any Size Fountain Drink .89 Cents

So Who's Gonna Bring It This Time Or Will It Be Us Again???

Proudly pictured below are the BIG DOG winners for June from Kwik Chek #34 in Paris, Texas. Leading the pack with a 25% sales increase is manager, Sharrl Chaverria. The group was presented with their Big Dog Certificate, T-Shirts, and catered lunch on Thursday, July 21st.


The pressure is on—listen to their BIG DOG remarks:

- To Karen and Kay (managers at the 2 other Paris locations) — maybe we will give you a few lessons on how to be a "Big Dog".
- We are the Big Dogs, so if you can't hang— you better stay on the porch.
- Store #32 has been sent to the dog pound.
- It was nice to see Lance break a sweat.
- The answer to your question Store #27— It's Us!!!
- It was fun to see Joe and Lance working in our spots.

Featured below with office staff is Carmen Meris, Merilee Rabson, Jessica Kirby, John Robinson, Sharrl Chaverria, Jim Arnold, Keith Poel, Brittany Cleem, and Pat Arnold.

Inside this issue:

- Manager Meeting Highlights 2
- August Anniversaries 3
- Country BBQ Bash Annual Company Picnic 3
- August Inventory Schedule 3
- Travel Time Entries 4
- What's Happening In August? 4
- More Big Dog Pictures KC #34 Insert



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Best Idea #5
Above the Line



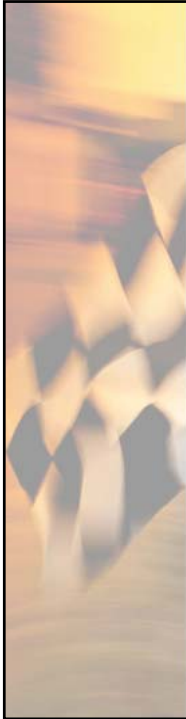
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Best Idea #5
Above the Line

KC Name Club

- Program is designed to encourage Kwik Chek store clerks to learn customer names and their product buying preference.
- Clerks fill out a form which asks them the customer's name and main products they like to purchase.
- District Managers test their clerks on 85% of the names on the list.


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Best Idea #5
Above the Line

- There are levels starting at bronze (100 names) going all the way to Millennium(2000 names).
- They are rewarded with extra vacation time, cash, and entries into a trip drawing at our annual banquet. We currently have one Manager who has successfully tested in the Diamond level (1000) names.

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Best Idea #5
Above the Line

Results of the **Smartt Buy Program**, **Big Dog Sales Award**, and **KC Name Club**.

- From April 05'-July 06' KC has averaged a 4% inside sales increase. Maintained an inside margin of 30%.
- Given stores the tools through aggressive marketing to help grow their sales.
- Given the stores a **fun** way to grow their sales besides monetary gain.
- Improved our customer relations with the Name Club.

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Best Idea #6

O.C.S

Glennie Bench



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O.C.S

Best Idea #6

O.C.S.

- Outrageous Customer Service
- Vendor participation
- Promotions
 - Soft Drink
 - Candy Bar
 - Salty Snack



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Best Idea #6

O.C.S.

How O.C.S. Works

- Awards to manager with best customer service record
- Monthly prizes to employees
- Prizes for
 - Plus-selling
 - Name tags
 - Greet & Thank you
 - Uniforms

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Best Idea #6

O.C.S.

O.C.S. Winners & Prizes

- Annual - PT Cruiser, Jeep Wranglers
- Quarterly - ATV, Vacation, Home Theater, Cash Prize
- Monthly to employees - Cash Prizes and Limo Rides



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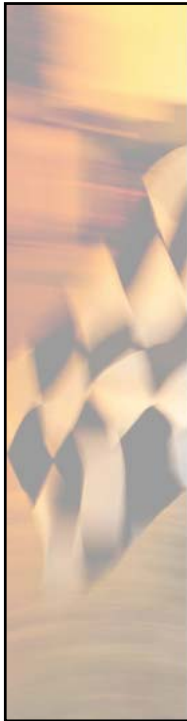
Best Idea #6

O.C.S.

O.C.S. Sales Increases

- Soft drink sales for sponsoring vendor increased from 688 to 1161 cases
- Monthly candy sales increased from 6,842 to 30,816
- Salty Snack sales increased by 35% during first year
- Store sales increased even in flat fuel volume years

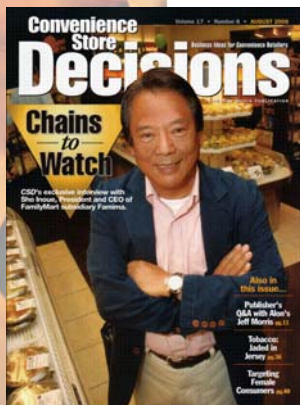
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Best Idea #6

O.C.S.

O.C.S. In the News



Mystery Shoppers Bring Rewards

To keep employees on their toes, the company sends mystery shoppers to every store twice a month seeking the "Outrageous Customer Service" it desires. There are monthly sales contests for associates with prizes such as a pizza party for the associate and a group of friends, or a \$100 gift certificate for a local mall. The associate with the biggest overall sales gets to participate in the monthly managers' meeting, arriving in a limousine.

Managers benefit as well: The top manager from each of the company's four zones receive a substantial reward at the end of each year. Last year winning managers received new Jeeps.

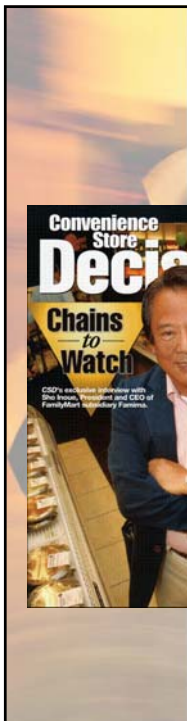
"The bottom line is that if you are courteous, respectful, customers will reward with continued patronage, and continued patronage is what it's all about," Hader said. **CSD**

“Outrageous customer service means treating every customer better than you want to be treated.”

Sean Hader,
SWGQ Director of Training

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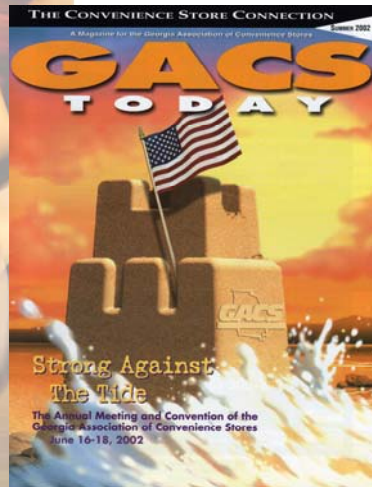
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Best Idea #6

O.C.S.

O.C.S. In the News



INLAND STORE MANAGER Wins News Car

How do you compete in today's competitive retail, according to Mike Havel, President of Bainbridge-based Southeast Georgia Oil Company, it's a matter of focusing on customer service. The company just conducted a year-long incentive for store managers around the theme "OCSP" (Outstanding Customer Service Program) which has found monthly mystery shops where the stores were graded on customer service, including greeting the customer, plus helping the customer and thanking the customer. The month's report indicated that stores had produced positive sales that exceeded expectations and that the



The two store manager finalists pose around the new PT Cruiser, as they wait to find out which one will get to drive it home.

Rick, in his third year at Inland, thanked his store crew. "They are the reason I won the car."



Each finalist was presented a bag, one of which contained keys to the car. Rick Havel found the keys in his bag.

contest format will be repeated, with a few changes. This year's winner was announced at a company store managers and support staff. The finalists were each presented with a gift bag, one of which contained the keys to a brand new Chrysler PT Cruiser, presented by Rick Havel.



Alan Goodson, Vice President of Operations, presents the "key" to Rick Havel, winner of the company's year-long Outstanding Customer Service (OCSP) contest.

SUMMER 2002

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Best Idea #7

Uniform Co-Op Program

Glenn Boenisch

Tiger Tote Food Stores



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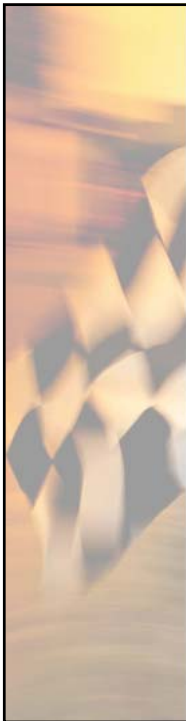


Best Idea #7
Uniform Co-Op
Program

Looking Good!

- Appearance plays a large role in the impression we make on our customers
- In an effort to step up our image and eliminate the company expense we elected to change our uniform program

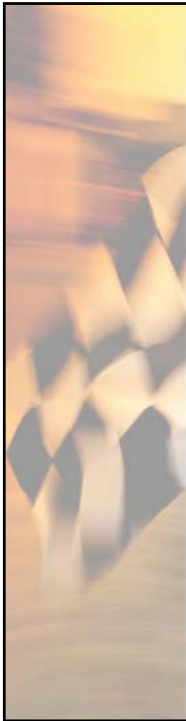
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Best Idea #7
Uniform Co-Op
Program

- The shirts that were used were a basic red polo shirt with no logo
- The shirts were thin and did not wear well
- We wanted a higher quality shirt and yet reduce the cost to the employee and the company

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Best Idea #7
Uniform Co-Op
Program

New Program

- Employee has a choice of a high quality shirt or smock
- The employee pays less than previous program
- The uniform has our logo embroidered on the front and a vendor logo on the sleeve

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Best Idea #7
Uniform Co-Op
Program

- Suppliers advertise on our uniforms
- To promote the value we guarantee only one supplier logo on each uniform
- Initially, the amount pledged allowed us to supply all current employees with new uniforms at no cost to the employee or the company

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Best Idea #7
Uniform Co-Op
Program

- Since starting the new program employee appearance has improved
- Suppliers get cheap advertisement
- Employees pay less
- The company has 0 expense

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Best Idea #8

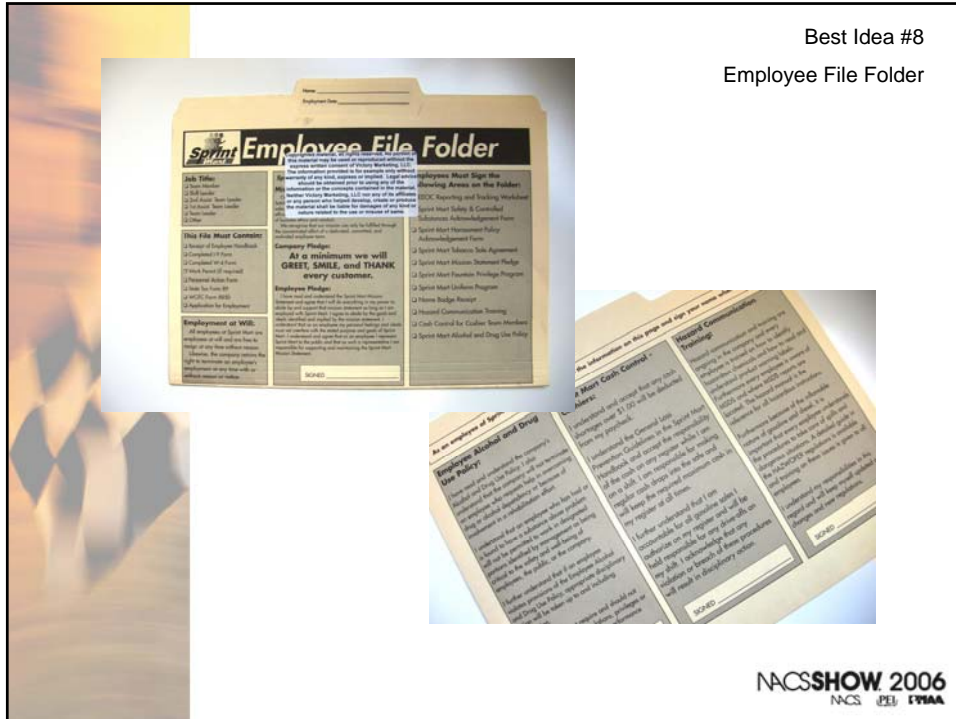
Employee File Folder

Charles Morris



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Best Idea #8
Employee File Folder



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Best Idea #8
Employee File Folder

OBJECTIVE

Reduce new hire paper work and personnel file size.

- Print several of our forms on employee file folders.
- Reduced the number of new hire forms from eighteen to seven by printing eleven forms on personnel file folders.

Add image

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Best Idea #8
Employee File Folder

- Decrease the size of new hire personnel file folders to seven pages.
- Reduce the time spent by Team Leaders in brining a new employee into the system.
- Reduce the possibility of losing a document since fewer documents are required.
- Save money on printing costs since one file folder has to be printed verses printing eleven separate forms.

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Best Idea #9 Touchless Car Wash

Dyke Rodgers
Frontier Fuel Company

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Best Idea #9

Touchless Car Wash

Maximizing Touchless Carwash Investment



Problem #1 - Wash time is slow

Best Idea #9

Touchless Car Wash





Best Idea #9
Touchless Car Wash

Results:

- Customer washes their own car clean
- Customer is occupied while waiting



Best Idea #9
Touchless Car Wash

Satisfied Customer
PRICELESS!

Brush-\$10

Bucket-\$15



Best Idea #10

Below the Line

Kevin Smartt
Kwik Chek Food Stores

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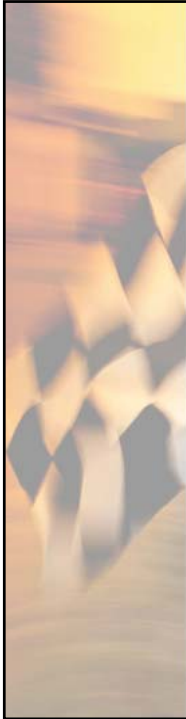


Electricity

Best Idea #10
Below the Line

- Electricity is KC's second largest line item under operating expenses.
- Texas deregulated about four years ago. We contracted to have all Texas stores where applicable under one contract. 60% of chain has fixed KWH cost.

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Best Idea #10

Below the Line

- We decided to see what changes we could make to help lower our electricity cost without spending any capital.
- KC hired an AC/Refrigeration person part-time that had retired from a leading big box retailer. We gave him the above task.

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Best Idea #10

Below the Line

Do you know electricity?

- We did not. I asked our employee assigned to this task to give me a crash course in Electricity 101.
- I wanted to know what an open faced refrigerated sandwich box cost me a month, or a regular light bulb vs. fluorescent. There are several pages following that show some of these costs.

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Best Idea #10
Below the Line

Conversion Rule

Converting amps to watts

$$\text{Amps} \times \text{volts} = \text{Watts}$$

$$\text{Watts divided by } 1000 = \text{KW}$$

$$\text{KWH} \times \text{KWH charge} = \text{cost of energy per hour}$$

Converting watts to amps

Watts divided by volts = amps

$$1200 \text{ watts divided by } 120 \text{ volts} = 10 \text{ amps}$$

$$1200 \text{ watts divided by } 240 \text{ volts} = 5 \text{ amps}$$

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Best Idea #10
Below the Line

KWH

(Kilowatt Hour)

1 – 100 watt bulb uses 100 watts of energy.

1 – 100 watt bulb working 10 hours = 1000 watts
or 1 kwh

1 – 100 watt bulb working 24 hours = 2400 watts
or 2.4 kwh

1 – 100 watt bulb working 30.5 days = 73.2 kwh
(.10 per kwh) or \$7.32

1 – 100 watt bulb working 365 days = 876 kwh
(.10 per kwh) or \$87.60

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Best Idea #10
Below the Line

Florescent Bulb

1 – 100 watt bulb uses 23 watts of energy.

1 – 100 watt bulb working 10 hours= 230 watts
or .23 kwh

1 – 100 watt bulb working 24 hours= 552 watts
(.10 per kwh) = .055 cost or .552 kwh

1 – 100 watt bulb working 30.5 days= 16.8 kwh
(.10 per kwh) or \$1.68

1 – 100 watt bulb working 365 days= 201.5 kwh
(.10 per kwh) or \$20.15 **\$20.15**

Florescent bulb saves \$67.45 or 77% savings

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Best Idea #10
Below the Line

Florescent 48 Inch 2 Bulb Fixtures

1 – 2 light old style fixture
Fixture working 10 hours

67.8 watts
678 watts
or .68 kwh

Fixture working 24 hours
(.10 per kwh) = 1.627 = .16 cost

1,627 watts
or 1.67 kwh

Fixture working 30.5 days
(.10 per kwh) = \$4.96

49.62 kwh
or \$4.96

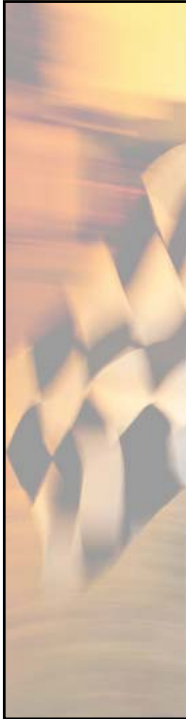
Fixture working 365 days
(.10 per kwh) = \$59.39

593.86 kwh
or \$59.39

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	Best Idea #10 Below the Line
1 – 2 light new style T8 fixture	56.4 watts
Fixture working 10 hours	564 watts or .56 kwh
Fixture working 24 hours (.10 per kwh) = .14	1,354 watts Or 1.354 kwh
Fixture working 30.5 days (.10 per kwh) = \$4.06	40.62 kwh or \$4.06
Fixture working 365 days (.10 per kwh) = \$49.42	494.21 kwh or \$49.42
New type fixture saves \$9.97 or 16.7% savings per year.	
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	Best Idea #10 Below the Line
<h1>Energy Cost Examples</h1>	
• KC #10	
– Hussman open faced sandwich case	
• 16 amps x 120 volts = 1920 KW or 1.92 KWH	
• 1.92 KWH x 22 hours= 42.24 KWH x .10= \$4.22 per day, or \$128.83 a month.	
– Additional Cost	
• Service Calls	
• Air conditioning to remove additional heat from store.	
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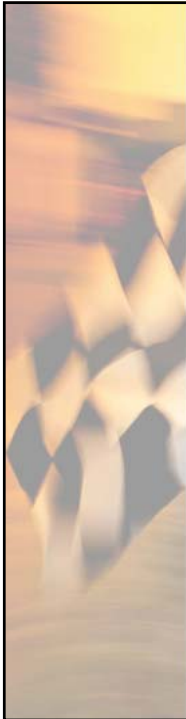


Best Idea #10

Below the Line

- A four light fluorescent fixture with new bulbs.
 - Would cost .33 per fixture, per day.
- Walk-in drink cooler = \$ 5.43 per day
 - If the main walk-in door is left open for delivery or stocking at least 30 to 45 minutes a day, cost will almost double.
 - Albertson's store research says: Walk-in cooler doors left open 1 hour per day cost \$2000 per year.

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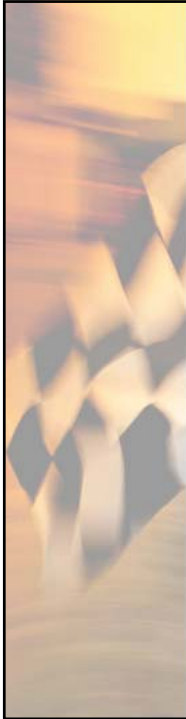
Best Idea #10

Below the Line

Kwik Chek's Action Plan

- Analyzed all additional refrigerated drink boxes, sandwich boxes, and frozen drink machines volume. Determined if we sold enough product to pay for the electricity, additional AC, and repairs.
 - Renegotiated soft drink contract and removed all drink boxes from stores.
 - Removed five non-productive sandwich boxes.

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Below the Line

Removed two lights per fixture in all back rooms and store manager's office. This was via store manager's recommendation.

- Our stores averaged 7 lights in the back room / office area. Estimated savings was \$13,068 for 31 stores.
- Also as old lights went out, we replaced the standard fluorescent with the new T-8, which estimated would save another 16.7%.

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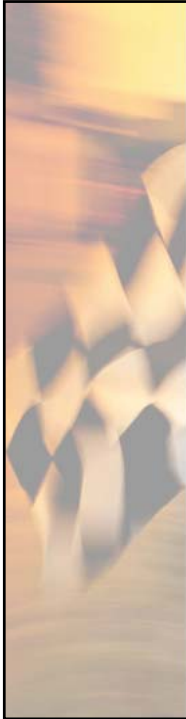
Best Idea #10

Below the Line

Implemented an awareness program for our walk-in drink cooler door being left open.

- Developed a citation system. If any clerk was found stocking the cooler with the door open they were issued a citation, it was stuck on the cooler door (first one was white) they signed it and it stayed there for two months. The second one was yellow, and the third pink. We never had a pink one issued.

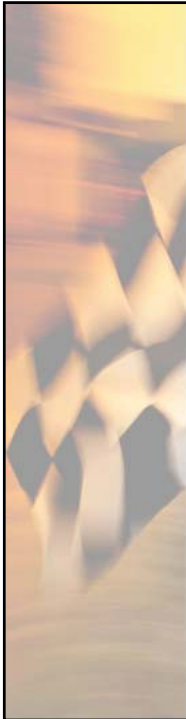
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If a vendor was found with the door left open while bringing product in they were warned, if it happened a second time that driver was not allowed back in the store until their company representative who calls on our office and I had a visit.

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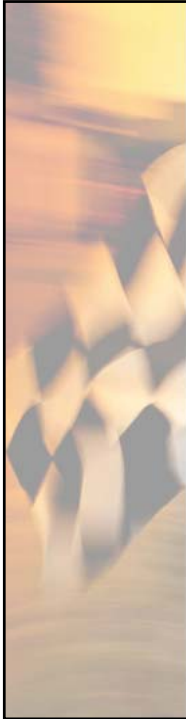


Best Idea #10
Below the Line

The Results

As a result of the changes we made, with 40% of our stores not on fixed electricity cost. Same stores, Kwik Chek realized a **\$44,000** decrease in its annual electricity expense with no additional capital expenditures.

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And the
Audience Choice
Award for Best Idea
goes to....

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