Dedicated to helping independent operators turn greater profits **MARCH/APRIL 2013**

C SQUARE MAGAZINE

UNSAFE FOOD

HOW NOT TO SERVE IT AT YOUR STORE

FOOD POINTERS

C-store food science and stats

BEST PRACTICE IDEAS

C-store tricks of the trade

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C SQUARE

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If you are going to chase food concepts, and I know many of you are, food safety is critical. It's an easy area to overlook in the rush to get it all done, but it is so important to establishing the right tone. Solid food safety practices reinforce to employees your commitment to food and demonstrates to customers that you take food seriously.

No one wants a bad food experience.

Even a customer who is generally impatient waiting in line will be content to wait while a food operator puts on a pair of gloves or washes their hands before making his sandwich. No one wants a bad food experience.

When food comes into the picture, it's time stop, refocus and make sure what's being served is safe. From that basis, food can grow.

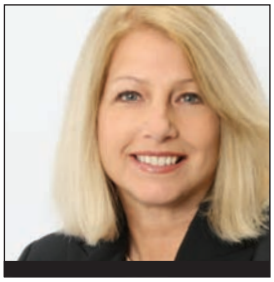
Food contamination issues are widespread today. We've all seen the stories in the news. From restaurants to grocery store recalls to farms, many have been affected by unsafe food issues.

The FDA Food Safety Modernization Act (FSMA) drew even more attention to food safety practices when it was signed into law two years ago. The aim of the act is to prevent--instead of react--to contamination issues.

Prevention is the cornerstone of food safety. With that in mind, CBC is putting the final touches on a food safety training and certification program geared for independent c-store operators. It will offer a comprehensive food safety program appropriate for all levels of c-store employees. Watch for it this month online at www.myCsquare.com.

Our cover story this month on p.8 will help you get started on the food safety bandwagon, with best practice ideas and reinforcements as to the importance of food safety. Follow that up with the Food Pointers story on p.14 and you'll have gained some excellent ideas on building or expanding with food.

Everyone needs a refresher in food safety from time to time. It's a continuous cycle, not a one-time occurence.



Much success,

Pamela J. Romeli

Pam Romeli
romeli@cbuying.com
Vice President of Retail Division
CBC

8
COVER STORY

Unsafe Food

By Renee Pas

We know. Food safety is neither a glamorous or super exciting topic, but it is a critical one. If you are one of the many c-stores ramping up for an even greater food presence, now's the time to understand the complete risks and rewards around safe food.

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By Kathryn Barnack

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By Kathryn Barnack

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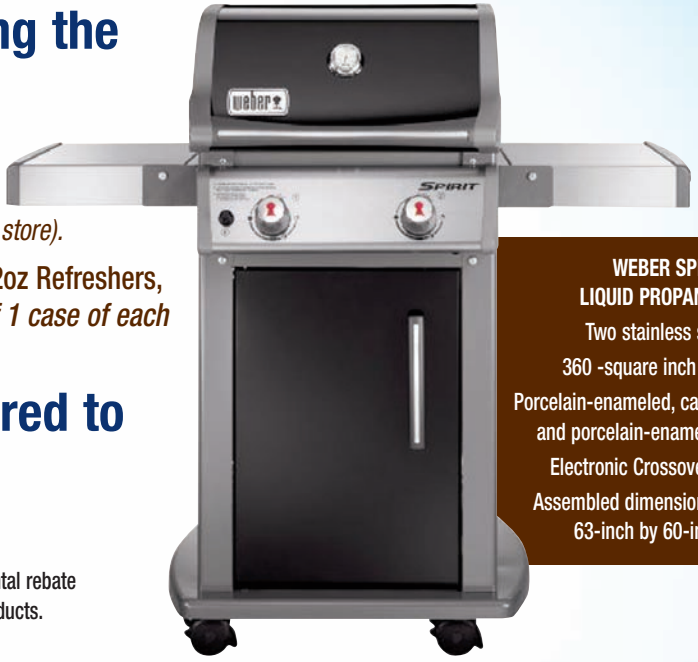

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Limit one entry per store location. Maximum one (1) $20 rebate per store.

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BENEFITS OF WALKABOUT ADVENTURES

Have you ever been on a walkabout? By definition a walkabout is a brief break from work. It stems from the Australian Aborigines, who informally left work to wander in the bush and briefly return to native life. Royalty has since adapted the term; their take on the word meaning to walk among the regular folk and greet the public. The idea is the same: Take a break from your ongoing routine in order to open your mind to a new way of looking at things.

It is a simple tool that will definitely yield some fresh, applicable ideas for c-store owners and employees.

OUT OF THE STORE

The biggest thing you can do for yourself is to go visit other stores. Buy a pack of cigarettes somewhere else. Pay attention to the customer service offered at that location. What did the clerk do better than your store employees? Worse? Either answer gives you an opportunity to return to your store and either improve your own customer service, or pat your team on the back for doing a better job than the competition. Sometimes you just have to step out of your own domain in order to have things really click.

The same principle is highly effective with employees. Start with an employee you hold in high regard. Give them a couple of dollars and ask them to buy a bottle of water at a competitor's store. Ask them to come back and report what they see.

Maybe they will find the competitor's shelves are faced perfectly or the restrooms were spotless. Having a positive experience somewhere else can help reinforce the task list employees face daily. They will understand in a new way why clean bathrooms are so important.

Sending someone on a walkabout mission also demonstrates that you value that person. The employee feels like, "Wow, the owner really cares what I think about the business." Creating that kind of connection to your operation is priceless.

A WALK A WEEK

Initiate a walkabout program that sends someone out in the field at least once a week. Visit competitive c-stores, grocery stores, drug stores, fast food chains, even local coffee shops. There is something that can be learned at every spot. Vary the time of day and the type of store to bring back a variety of insights.

Walkabouts can also be a great tool when you want to change your store. Send someone out with a specific mission. For example, if you are considering a snack reset, specifically look at how other retailers merchandise snacks. Is there a new item you don't have? A fresh approach to merchandising? A great bundle idea? You never know what will spark a new idea until you get out there and start looking for them. ■

TOM TERRONO
CBC Learning Center
Instructor

Terrono@
cbclearningcenter.com

Tom Terrono's operational and financial management expertise stems from more than 42 years working in the convenience store industry as a manager, owner and consultant.

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Unsafe Food

PEAKING IN ON THE RIGHTS AND WRONGS OF C-STORE FOOD

Ever find a hair in your food? Gross. Ever have an even worse food experience? Let's hope not.

Whatever bad experience you've had with food—and we've all had one— I'm hoping it wasn't at a c-store. Worse yet, at my store.

Is that what you are thinking? That's your strategy for food safety?

Uggh. That's exactly what Bob Gumatz, a CBC Learning Center advisor and ServeSafe expert, fears the most. "There are a lot of excuses out there," he said. "A lot of c-store owners just do not think food safety principles apply to them."

By Renee Pas

Gumatz outlined three common excuses for lack of food safety principles:

► We have never had a problem before. The classic "It hasn't happened yet" excuse.

► We sell preprocessed foods. The thinking holds that because food is pasteurized/preprocessed, there is no real exposure to foodborne illness problems. An untrue notion that Gumtaz finds has many followers.

► We sell through our items quickly. The thinking is that because food tends to be eaten immediately after a customer buys it at a c-store and does not sit around a long time, there is little reason to worry about holding times, etc.

Each of the above hold no weight in reality, said Gumatz. Here's how he breaks it down:

► It hasn't happened yet. "Here's the problem with that thinking," said Gumatz. "It leaves you waiting for when it does happen." It's bound to happen if you are not taking precautions to prevent it, he added. And the repercussions can be severe, including losing your whole business.

► Selling preprocessed foods. "Because most c-stores do not start with raw ingredients, the belief is that it's OK," Gumatz said. "That is a huge misconception. You can still contaminate processed foods."

► The it-doesn't-sit-around mentality. "You are still exposed," Gumatz said, "even if the food is eaten quickly." He recommends that every operator understand the risks with food and work to protect their customers, their brand and their business.

GETTING FOOD SAFETY RIGHT

If you are among the growing number of c-stores looking to increase your share of the foodservice pie your biggest worry needs to be food safety, said Gumatz. For those just starting to get into the foodservice business, Gumatz advises making a commitment to food safety before anything else. "If safety is not a concern," he advised, "do not even think about expanding foodservice."

Gumatz has been a ServeSafe instructor for twelve years and recently added his expertise to www.myCsquare.com. New program additions are on the way, including ServeSafe Certification, foodservice tips and a complete foodservice reference library.

ServeSafe educator Anthony Salemi is also lending his expertise to foodservice education via www.myCsquare.com. He has extensive experience in ServeSafe training and believes it is a critical component of c-store food education. "Stores need to have the tools in place to ensure that food is safe for customers," he said.

"Food safety is a huge deal," said Pam Romeli, vice president of retail division for CBC. "We created a complete food safety training experience online so that independent operators, who do not have a food-

service director to go to, have resources and training tools. The main goal is to prevent something from ever happening."

Specific food training requirements vary from state to state, but most states require at least one person at convenience stores selling food to be food-certified. Most food safety experts argue the best approach is to provide food safety training to all food handlers at the store, which sets the tone for the importance of not only food safety but the growing c-store food business.

A gap can often be found between recognizing the need for food safety and allocating the resources to actually providing the training. That gap is where contamination can occur, according to a white paper from the National Restaurant Association.

The National Restaurant Association (NRA) created the ServeSafe training and certification program that is widely accepted among restaurants, convenience stores and all varieties of food retailers. The ServeSafe program is also the primary learning tool found via www.myCquare.com.

"Our goal is to help fill that gap between understanding the need for food safety and actually getting employees trained," said Romeli.

WAKE-UP CALL

The biggest advice the experts agree on is to start with the basics, which includes considering the food piece a separate part of the business. Not always a simple task. "It's absolutely harder for c-stores," Gumatz said. "We are not technically viewed as restaurants, so we are not 100% dedicated to food."

That means c-stores don't always give the same level of attention to food issues, specifically food safety, as restaurants and businesses that sell food and only food. "We don't take it as seriously," added Gumatz. "Roughly 25% of the population gets a food-borne illness every year. We are a cause of that."

Taking it seriously means getting everyone properly trained in food safety and food handling practices, said Gumatz. Currently, he finds most c-stores have one person that is properly trained, the minimum necessary to meet food-safe requirements. The problem with that approach, he noted, is that the one person certified is likely the owner or general manager and not the actual employees that are working with the food every day. That level of training gets missed.

The good news is that once the commitment to food safety exists, the rest is not that difficult, said Gumatz. The number one problem area that he sees at stores revolves around personal hygiene. That includes employees wearing clean clothes, washing hands regularly and knowing when to take off their apron. Too often he finds employees just keep the apron on all day, even when they stop preparing food to take out the garbage or go to the bathroom. "The apron should come off every time someone leaves the food area," he said.

IT'S IN THE HANDS

Proper hand washing is another hygiene-related problem area when it comes to food safety. One FDA report cited hands as a "common vehicle for the transfer of harmful bacteria and viruses to food

A gap can often be found between recognizing the need for food safety and allocating the resources to actually providing the training.

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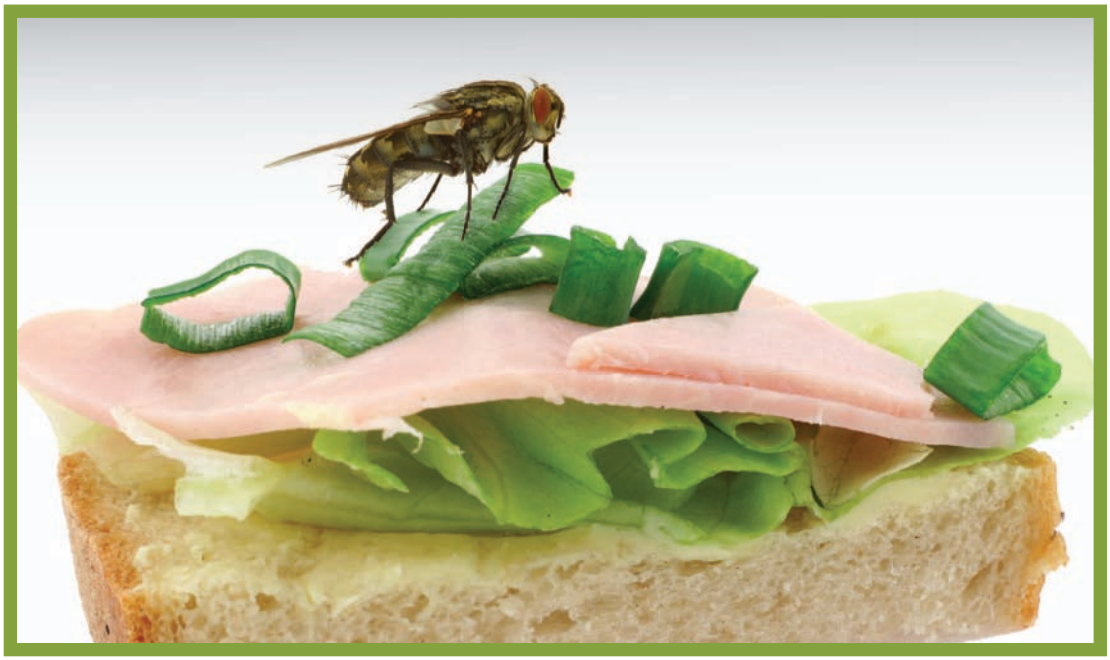
Free food safety tips and a complete foodservice reference library are also available online. Simply log on to **www.myCsquare.com** and get started.



products." Training programs can be effective in making that connection between washing hands and the spread of certain illnesses.

An NRA white paper found that employees who complete a food safety training program gain an in-depth understanding of how and when to adequately wash their hands. The biggest issue cited in one study as to why hands do not get washed properly was time constraints. Employees didn't feel they had time to wash their hands. Again, training programs help reinforce the need and show how it just takes 20 seconds to safely wash hands.

Employees didn't feel they had time to wash their hands.

Another food safety area to watch is holding food at the correct temperature. Cold items are often not being held at the correct cold temp, Gumatz said, which is 41 degrees or lower, and hot items are not being held hot enough.

The hot side is where Gumatz finds retailers often believing the fast-sell-through nature of c-store food excuses them from the rule of keeping food hot for the correct amount of time. "It's going in the warmer and selling in an hour or two, so operators don't think it needs to stay that hot. The reality is that food is not safe once it drops even one degree below the recommended temp," he said.

ServeSafe educator Salemi agreed that temperatures are a key area of food safety. Soup, for example, has to be maintained at 135 degrees and stores should document that they are taking the temperature many times a day, he said. "Labeling and logs have to be kept to provide safe food handling."

RED KNIFE/GREEN KNIFE

Safe food handling is becoming more of an issue not just at c-stores, but restaurants as well. The key is to make it easier to avoid contamination issues in the first place. For example, he said the trend in restaurant chains is a color-coding method to keep meat and produce apart. Chains use a red knife and red cutting board for meat and a green knife and a green cutting board for lettuce. It's one tool that helps avoid cross-contamination issues.

Salemi added that following food safety guidelines not only helps keep food safe, it ensures that food is fresh and appealing for customers. "The overall c-store trend remains getting into the foodservice business for those not already in it. The industry is really getting more competitive with quick-serve restaurants. You can almost get a gourmet meal at some c-stores today."

"Food growth is on fire," Salemi added. "You cannot just have a sandwich in the fridge for a week. It has to actually be good. It has to be a value for the customer and a choice they want. "

Food in c-stores has grown to the point that many operators are no longer just dabbling in food. As the food commitment grows, so does the need for food safety. "Operators that build their food business with food safety in mind set the food side up for success," said Romeli. "When food safety efforts are not instilled, it's like a house of cards toppling over when something goes wrong. It is far better to build a solid foundation with food safety tools and keep building up." ■

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Food Pointers

THE SCIENCE, STATS AND SIGNS OF VICTORY TO BE HAD WITH C-STORE FOOD

By Kathryn Barnack

Consider food as its own business: Advice many experts give convenience store operators. Why? Because running foodservice is very different than operating the rest of the store.

The part that often becomes confusing is that there has always been some element of food in c-stores. Because of that familiarity with already selling food at some level, expanding it seems common sense. And it is. What's not always common sense is how to maximize foodservice growth and steer the food piece of the business.

A good starting point is to build a profit and loss statement specific for food. C-store foodservice consultant Dean Dirks, Dirks & Associates Inc., suggests operators new to food begin by forecasting.

"Take customer counts coming through the door and multiply them by 10%," Dirks said. "That is the capture number, or the number of foodservice customers operators should expect daily." Additionally, he advised taking the projected average transaction, for example $6. "That process will give the store owner the expected sales," he said.

From there, other financial assumptions can be made by examining the cost of goods sold, labor and overhead, Dirks said. The primary purpose is to see if it is even profitable to go into foodservice. Performing the proper analysis up front will help reassure owners that investing in food is a wise choice for their store, or it should show them if it is not.

Not every store and every operator is a fit for food and Dirks hopes to ensure owners set themselves up for success. Areas he specifically points out that require careful consideration up front include store location, customer counts, financial analysis and concept choice.

Timothy Powell, director of c-store programs at consulting and research firm Technomic, agrees that foodservice is not for every c-store. "You cannot force a square peg in a round hole," he said. "Even large c-stores with more than 300 stores might find that a store in a certain area may not be a fit for the grab-and-go case. C-store operators must first do their homework and understand what their current customers want, by location. If you build it that doesn't mean customers will come."

At the same time, Powell does feel there is still room to jump on the foodservice trend. "There is tremendous growth for foodservice if c-stores understand the local and regional market demands and competition."

SET FOR PROFIT

"Really, most independent operators are still looking at food with the same profit model as candy," said Bob Gumatz, a CBC Learning Center advisor and ServeSafe expert. "Independents need to understand foodservice better overall."

Today it is much more of a science, said Gumatz. Not viewing it that way can be a mistake. It's an error he recognizes was made early on when growing a food program at one c-store chain. "We just kept opening Taco Bell Express units and didn't match the concept up to the local marketplace. So we were opening them in places that did not have a strong customer base for that type of food. We just never considered that."

That learning curve clearly proved to Gumatz that there is not a one-size-fits-all foodservice solution. "And it's not build-it-and-they will come," he added. "It's more complicated than that. Not even pizza will be successful everywhere. You need to look at what your customers in your store want."

Gumatz advised using science to back your gut instinct by conducting a site analysis, market analysis, and looking at the ethnic make-up of target customers. Ask yourself: what food concepts best match that? Ask customers: what do you want?

Dirks advised paying close attention to customer counts and your own expertise with food. "If customer counts are high, it makes sense to consider a branded concept, such as a Subway or a Church's Fried Chicken," he said. Especially if your store lacks food expertise. However, he said if the store has enough expertise, you may want to consider building your own food program.

If choosing a branded concept, be sure to understand the boundaries for concept expansion. Dirks pointed out that there have been instances where a brand may partner with a c-store to test the waters in a smaller market. If the market proves solid, the chain opens another corporate location nearby and potentially dries up the volume at the c-store location. Owners can protect themselves by paying close attention to that when considering a concept partner.

INDEPENDENTS SHOW FOOD GROWTH

From the numbers side, foodservice is looking good for independents. Single-store owners are showing positive gains in foodservice sales. According to a 2012 Foodservice Study from Convenience Store News for the Single Store Owner, foodservice category sales grew 6.5% in 2011 to $14.4 billion. The category, which includes prepared food and hot, cold and frozen dispensed beverages, outpaced sales increases in all other in-store merchandise categories.

When foodservice was taken out of the equation, merchandise sales were up only 2.7% at single stores.

The lunch daypart showed the biggest increase in the study, with the average store increasing its lunch business 25.6%. Single stores fared even better, increasing the lunch daypart by 55.6% compared to the chain store increase of 46.6%. One reason single stores showed a higher increase is likely that those independents are still adding foodservice, where chain stores may have a more established food base.

Single stores also saw a slightly better than average increase in the dinner daypart.

Made-to-order programs generated the largest percentage of foodservice sales--42.3%, up from 36.8% the prior year. Single stores ranked high in that area, with 65% offering made-to-order programs.

GETTING BETTER

Overall, c-stores are becoming better at foodservice expansion and execution, according to findings in Technomic's Outlook and Opportunities in Convenience Store Foodservice study in 2012. Results showed a better-than-10% growth rate based on roughly the same number of stores selling food. Average unit volumes for c-stores offering prepared food and dispensed beverages jumped to more than $136k in 2011, up from $123k in 2007.

As food programs and foodservice experience grows in the industry, studies also show foodservice personnel growth. The number of stores with dedicated foodservice personnel has nearly doubled over a

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1 The NPD Group/Crest® YE Sept 2011

2 Nielsen, Total US Convenience, YTD ending 6/9/12

four-year period (2007-2011), according to Technomic.

Powell noted that c-store operators are now investing more in the people hired at the corporate level. That increase in dedicated food staff reflects operators' commitment toward developing successful food programs. "We are seeing foodservice professionals from limited service restaurants now heading foodservice at c-stores. This investment means that c-stores are taking a more serous look at menu options, food safety, food appearance, store cleanliness and food costs as a separate cost item from retail operations," he said.

Technomic expects annual c-store foodservice growth to reach 3.4% nominally through 2014, compared to 2.8% over the past four years. That exceeds expected growth for the entire foodservice industry, which is forecast at a nominal 2.5% annually through 2014.

Key trends, such as snacking and demand for various beverages and breakfast fare, are expected to be "pivotal components of future growth." The snack trend is definitely one area ripe for c-stores to grow. "Our data show that consumers view c-stores as the number one spot for snacks, but the last place for a meal," said Powell. "The definition of snack and meal is up for grabs, but I think this implies that c-stores are in a very favorable position to gain that 'snacking' occasion, where consumers are looking for the in-between meal answer."

From snacking to full-fledged meals, the door is open for c-stores to create a food-focused solution that fits their store and their customers. Finding the right fit may be the key to prosperity. ■

FOOD INSIGHTS ONLINE
Learn more about operating a successful food business online at www.mycsquare.com. A great spot to start is Retail Tip Videos, which houses several 4-minutes-or-less videos geared toward building success with food.

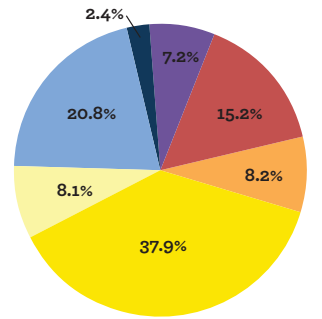
	2011	% Change
Sandwiches	$28,200	7.2%
Hot dogs	19,872	10.0
Pizza	17,763	14.2
Chicken	13,433	12.4
Bakery	7,771	13.8
Salads	4,319	16.7
Hamburgers	3,886	4.6
Soup	2,775	15.2
All other prepared food	13,100	9.7
TOTAL	**$111,019**	**10.6%**

FOODSERVICE SALES BY DAYPART

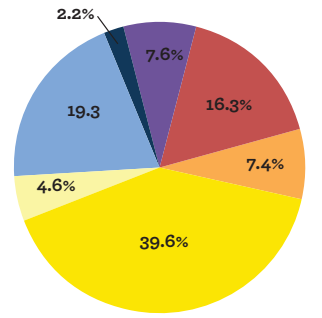
Single stores fared slightly better on both lunch and dinner dayparts than chain stores, according to data from Nielsen and Convenience Store News Market Research, 2012. The lunch daypart was the big winner overall, generating a little more than one-third of sales.

- **BREAKFAST** (6 A.M TO 8:59 A.M.)
- **MORNING SNACK** (9:00 A.M. TO 10:59 A.M.)
- **LUNCH** (11 A.M. TO 1:59 P.M.)
- **AFTERNOON SNACK** (2 P.M. TO 3:59 P.M.)
- **DINNER** (4 P.M. TO 6:59 P.M.)
- **EVENING SNACK** (7 P.M. TO 9:59 P.,.)
- **LATE NIGHT** (10 P.M. OR LATER)

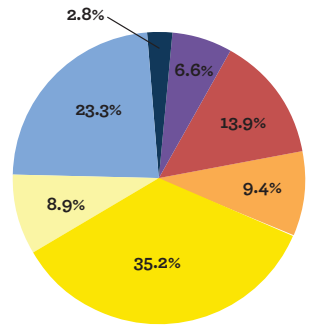
TOTAL



SINGLE STORE



CHAIN



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- Full innovation roadmap to support growth

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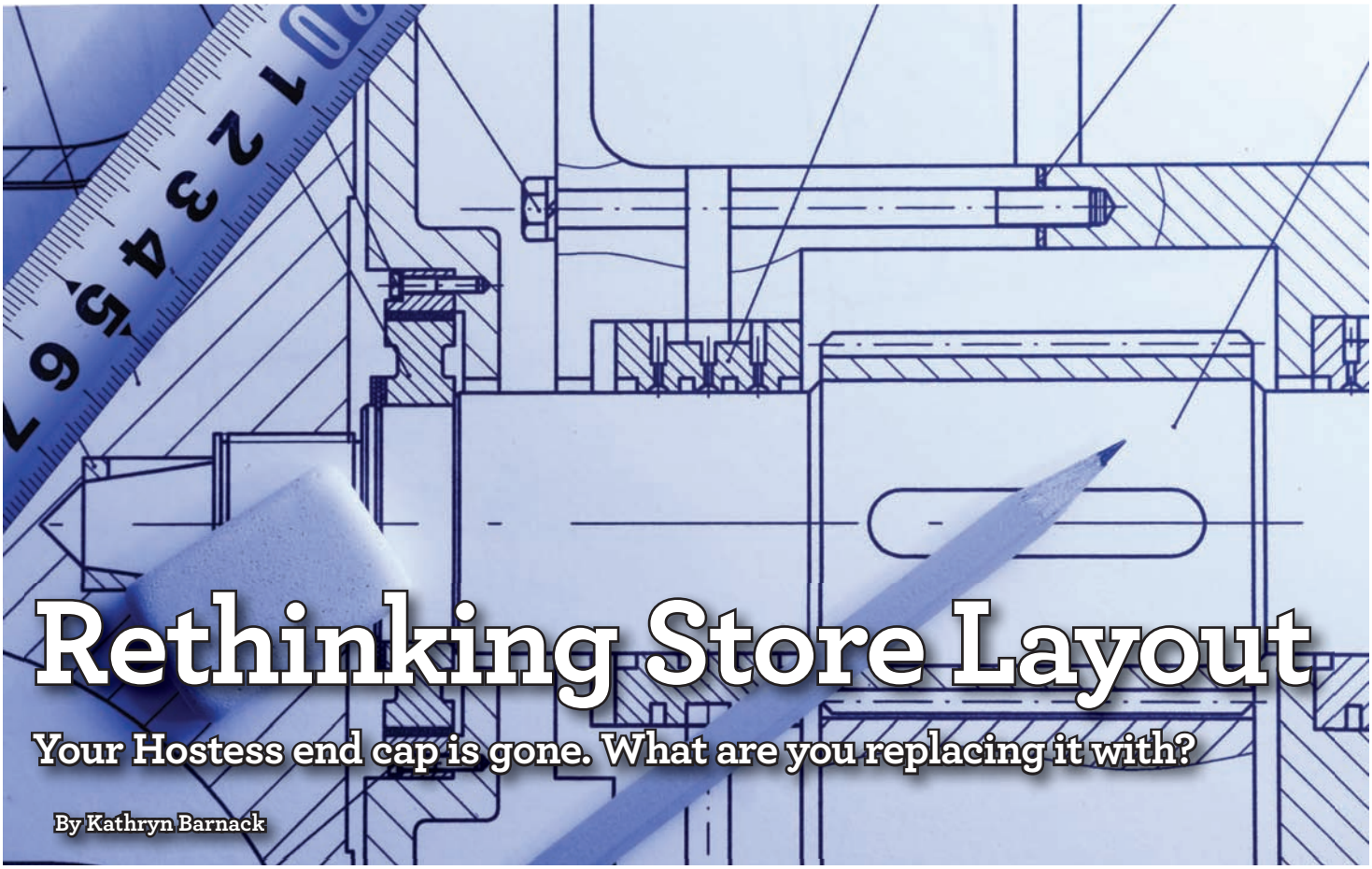

Rethinking Store Layout

Your Hostess end cap is gone. What are you replacing it with?

By Kathryn Barnack

Hostess going out of business created an open merchandising spot at c-stores across the country. It was an item everyone had grown accustom to and something had to replace it.

The question is was something else just dragged over to that spot to fill it or did operators take the time to consider what made the most sense? C-store consultant Steve Montgomery, b2b Solutions LLC, believes most retailers simply moved a rack they had somewhere else in the store over to the vacant Hostess spot. In essence, finding a temporary replacement for Hostess. Since it was likely adjacent to coffee, many probably found another sweet snack supplier to fill the spot.

A better approach—and one retailers can still take—is to find the time to consider the variety of options. It's the prefect prompt to think about resetting your store.

REGROUP ON RESETS

Montgomery believes in the importance of regular store resets, pushing retailers to consider two resets annually. "Operators should rethink the store at least twice a year," he said. "Once for the summer season and once for the colder weather. It forces you to do an analysis for what you are and are not selling."

Describing one single store that he was working with recently, Montgomery noted the large number of single-item purchases found on the retailer's order log. He went through and highlighted, by category, each time there was only one item ordered for the entire year.

Montgomery believes in the importance of regular store resets, pushing retailers to consider two resets annually.

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"It's a strong case for asking, why?" Montgomery said. "We have a tendency to believe we are good at product selection. What we are not good at is product deletion."

Now consider an extreme product deletion: the ATM. How is your ATM performing? Experts advise, if it's not doing 600 transactions a month, it might be time to consider getting rid of it.

If the thought of taking something like the ATM out of your store has not really crossed your mind as of late, you are not alone. It may be the most overlooked tool in the industry—taking the time to assess and reassess store products.

For c-store retailers, it is largely about having everything. Operators cram thousands of SKUs into a small square footage. The problem that can arise, however, is when all those products stop making sense for customers.

It may be the most overlooked tool in the industry—taking the time to assess and reassess store products.

CBC Learning Center instructor Tom Terrono frequently hears that comment from retailers. "Operators say that customers cannot find what they are looking for," he said. "Which is a big clue that your store is overdue for a reset."

In Terrono's opinion it could be that something is simply in the wrong location. For example, the ATM may need to be relocated to a spot where customers can more easily access it.

OWN YOUR STORE

Both Terrono and Montgomery agree that c-store owners need to maintain ownership of the reset. Suppliers are great resources, both said, but only you know what's best for your store.

That's one reason Terrono said not to worry so much if, as a small retailer, you feel you are not getting the reset attention you crave from beer or soda vendors. Just move on.

"Many rely on soda or beer venders to reset the beverage cooler, but smaller retailers can have a hard time getting them out to reset stores. If that's the case, tackle it yourself," Terrono said. "It's important to step back and see if it all makes sense."

TAKE THE TIME

Convenience retailers are so busy taking care of the day to day, they forget to stop and look around, said Montgomery. "Most retailers cannot get even 10 minutes a day to sit and wonder. But, taking that time to step back can pay off. Think about how you can make your store different. Better."

Take a trip to a competitor, Montgomery advised. He knows many small retailers feel their town is too small to stop at their competitor, because they will know them. "So what if they know you," he said. "They are not going to throw you out. If they have a big display of something and you don't, figure out why."

Don't overlook drug stores either, added Montgomery. Again, he finds many smaller store owners still do not view that segment as true competitors. "They are your competitors," he said, pointing out that Walgreens has even re-emphasized tobacco.

Montgomery advised even just resetting one department if the whole store seems too daunting. Consider traffic patterns in your store.

One basic traffic pattern that is almost instinctive is that people are going into stores and heading toward coffee. Even more than they used to, said Montgomery. Now, he said, think about what that could mean. "Can you open up the aisle to make that route better? Easier? Faster? Look at your coffee layout. Is that set in an order that makes it convenient and fast for customers to navigate through?"

Montgomery noted retailers can sometimes work backward to find the answer. Start by asking, What do my customers want my store to be? Then figure out where items should be located to support that.

"In the end, any reset takes time and effort," Montgomery said. "There is no fast way to do it well. But, the payback can be tremendous." ■

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Best Practice Ideas

Buying group members share their tricks of the trade

By Renee Pas

No one has better ideas and solutions than our members. We know that. And in this issue we celebrate the best practices featured in past articles about our members. These tricks of the trade continue to be top ideas that can help any store succeed.

FEELING LIKE AN OWNER

Mary Thorvig, owner of Chris's Convenience Center in Sandstone, Minn., has a great way of making employees feel ownership at the store. She gives each person their own aisle. "They are responsible for stocking it and keeping it clean," she said. That instantly instills the principle that every person plays at big role at the store.

Thorvig also goes out of her way to assign responsibilities that play to the strength of individuals. For example, the part-timer that was majoring in business was given business-related responsibilities, such as inventory management. The special way she treats employees makes them want to continue to work at the store.

Sometimes it's the simplest things that can make the biggest difference.

FIND A BETTER WAY

"If you don't learn from your mistakes, you are definitely not going to stick around," advised c-store veteran Lou Vicelli. He regularly looks for ways to find new solutions when something goes awry at his Roosevelt Laramie Service Center in Cicero, Ill.

Sometimes it's the simplest things that can make the biggest difference. That was the case when a new lottery receipt protocol was enacted. Nothing fancy, the new protocol involved simply dedicating one garbage can exclusively for lottery receipts. That way the receipts stay dry until all the daily paperwork is complete.

Before the new method, team members were going through the trash looking for a ticket to process. It was a simple, effective solution to a messy problem.

KNOW WHEN TO CALL IT

Convenience store owners Dale and Maggie Kossmann are not afraid of a challenge. They are also wise enough to know when to back down. The owners of Horse Creek Store in Star Prarie, Wis., started a hot

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food program at the store. With Dale's background in foodservice, they felt they could make it work.

What they realized was the hot food program proved too labor intensive for the store. The decision was made to remove hot foods in favor of a more manageable lineup that includes sliced deli meats and sandwiches. Switching gears kept them in the food game, but at a level the store could support.

CATER TO CUSTOMERS

Employees at Keeler Bay Variety store in South Hero, Vt., bend over backward to cater to customer requests. That's exactly how owners Gail and Mark Horne want things to run at the store.

Some of the multitude of things they've offered to customers include: a 10% discount to senior citizens every Tuesday; a five-cent discount on fuel every Tuesday for all customers; and a free coffee after customers' sixth purchase. The programs work to build a strong base of regulars.

Customers are not the only ones the Horne's want to stick around. They work just as hard at keeping employees happy and engaged. One fun way they build workplace camaraderie is a special pajama day where employees come to work in PJs, slippers and yes, even curlers. Employees also don special outfits for holidays, including Independence Day, Halloween and Thanksgiving.

UNDERSTAND BALANCE

C-store retailer Rick Gram, owner of Mack & Moross BP in Gross Point Farms, Mich., found that balancing his beverage line-up keeps the category successful. He invested in a frozen slushie machine a couple of years ago that started out slow in sales.

As the slushies started to take off, he scaled back on the fountain program to maintain a balanced offering between the two. The balanced approached worked to increase volume.

STAY COMPETITIVE

One profit center that really helps Steve Strittmater stay competitive is the cold vault. He credits competitive pricing at his Kwik Shop & Go in Cambridge, Ill., as the secret to his success.

"I keep packaged beer and packaged beverage prices very competitive--accepting a low margin (10%-12%) on case and 12-packs," Strittmater said. "It enables me to stay competitive with a grocery or drug chain on these products."

Strittmater's willingness to sacrifice some margin is worth it to him in order keep prices down. Being able to make those kinds of decisions, along with all the other ones that come with running a store, keep him enthused about c-store retailing. "I just like the fact that in this business you can get up every day and know you're an entrepreneur," he said.

That entrepreneurial spirit drives many independents. We hope the ideas, tips and tools here help re-energize that spirit as preparations for the busy summer selling season get underway. ■

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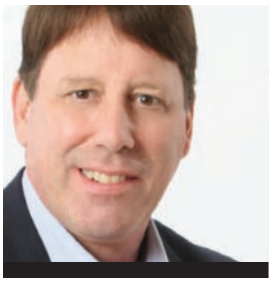
WARNING

WHEN DISASTER STRIKES



TERRY LAMBERT
CBC Learning Center Instructor

Lambert@cbuying.com

Terry Lambert is a CBC Learning Center seminar instructor as well as an active convenience retailer, operating two suburban Chicago locations and a jobber partnership.

Terry is 100% focused on helping retailers just like you overcome today's business challenges by learning how to identify and embrace opportunities.

Are you prepared for disaster? Pre-planning is vital to protect yourself, your employees, your customers and your business. Outline exactly what should happen in the event of a disaster, such as a hurricane, flood or tornado.

TWO ESSENTIALS WHEN CREATING A DISASTER PLAN:

► Protect employees. Different parts of the country face different kinds of disasters. Talk to employees about what they should do to protect themselves with whatever they might face in your area. For example, if earthquakes hit your town, where should everyone go? The restroom, where there are no windows? The walk-in cooler? Determine the best spot and inform your team.

► Protect your store. Clearly post the address of your store near the phone with a 911 label. Also write down where emergency pump switches are located, the main water shut off and fire extinguishers. Even with lots of preparation, sometimes the simplest things are forgotten in a moment of panic. Write it down.

THE ULTIMATE "DON'T"

Just as important as all the "dos" is one very important "don't": DO NOT PRICE GOUGE. Not only will you lose customers and ruin your business fast, it destroys the credibility of the industry.

Even after New York's Attorney General issued a warning that it is against the law to inflate prices during a natural disaster, it still happened in the wake of Hurricane Sandy last fall. At least seven gasoline stations are now being sued for raising prices as high as $15 a gallon. Don't be known as the bad apple in the bunch.

Instead, look to be a superhero for customers. Offer free coffee when a crisis hits your area, place donation buckets near the register to support community needs, or schedule a day where you will donate a percentage of all sales to the Red Cross. Anything you do to assist customers will go a long way toward building goodwill and making your business more profitable in the future.

THINK AHEAD

Take the time to review disaster plans as each new season approaches. For many, spring brings with it some major storm systems. Re-train employees how to react to what they may encounter. Also, stock up on anticipated customer needs, such as gallons of water.

If you operate in an area prone to power outages, consider investing in a generator. That will ensure your store has the power to dispense fuel and keep registers and coolers operating. You will be able to continue to conduct business during a power outage and will save money by preventing lost perishable merchandise.

If you do not have a generator, consider explaining that to customers if a big storm is approaching. Rutter's Farm Stores in York, Pa., did just that in the days before Hurricane Sandy was to hit. The company explained to local reporters that it did not have generators and decided that it would not be able to operate the store without power, so stores would close when power failed.

Customers were told clearly: If the store loses power, it will close. Rutter's customers were encouraged to fill up gasoline tanks and stock up on essentials before the storm hit. That is another option in preparing for a disaster—announcing in advance that your store will close. You won't always know exactly when a disaster is coming, but if you do, use that extra knowledge to prepare employees and customers. ■

WANT MORE?
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FOOD GOAL

Multiply customer counts by 10% to figure out the number of foodservice customers you should expect daily after adding a food concept. That's the recommended food forecasting equation to provide a view of what to expect.

MORE ON P.14

EFFECTIVE HANDWASHING

Food Safety training emphasizes the importance of when and how to wash hands properly, something often overlooked. *Follow these 3 steps to proper handwashing:*

- ▶Run water that is at least 100 degrees F.
- ▶Use an adequate amount of soap.
- ▶Scrub vigorously for 10-15 seconds.

MORE ON P. 8

SEARCH FOR SINGLES

Perform a singles search at least once a year. Start with your primary distributor and highlight by category all the items that are single purchases. You will likely be surprised how many you find. It's a great tool for determining what you don't need.

MORE ON P. 20

ACTION ITEMS

KEEP IT FUN

Maintaining a lighthearted work environment keeps employees at Rick Gram's store looking forward to what's coming up next. Every holiday brings with it the opportunity for a special dress code, such as red-white-and-blue themed attire for the 4th of July. Employees are also treated to random fun dress-down days, such as pajama day.

MORE ON P. 24

DISASTER 101

Planning for a flood or tornado will ensure both your store and employees are protected. Since many major storms happen in the spring, now is a great time to review your plan.

One idea: stock up on water. Many kinds of disasters bring an extra need for water. Consider where you can hold extra supplies when warnings start to come your way. For example, it might make sense to close your car wash and instead fill it with water bottles. Think ahead to what things your customers will need most.

MORE ON P. 28

ARE SNACKS YOUR SUPERHERO?

If you don't already view snacks as a superhero in your store, take another look at how they are merchandised.

Research shows consumers count c-stores as the No.1 spot for snacks. And trend data points to snacking trends continuing to grow.

MORE ON P.14

POP IN AT A COMPETITOR

Drive past your own store once a week in favor of making a purchase at the nearest spot down the road. Buy a pack of cigarettes, use the bathroom or grab a cup of coffee. Pay attention to the things that store does better and/or worse than your location. Then return to your store and see what learnings you can apply.

Stepping outside your normal surroundings can help open your eyes to a new way of looking at things. It's a simple approach to finding inspiration.

MORE ON P. 6

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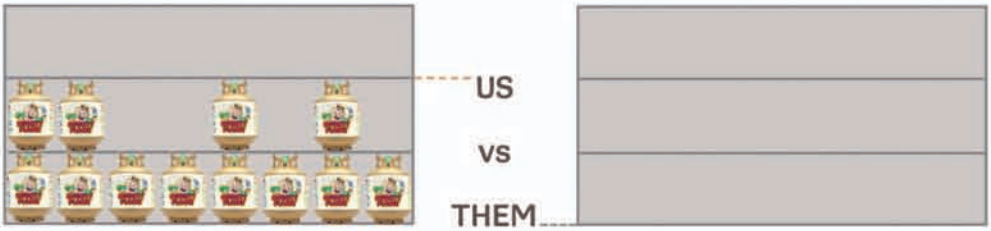

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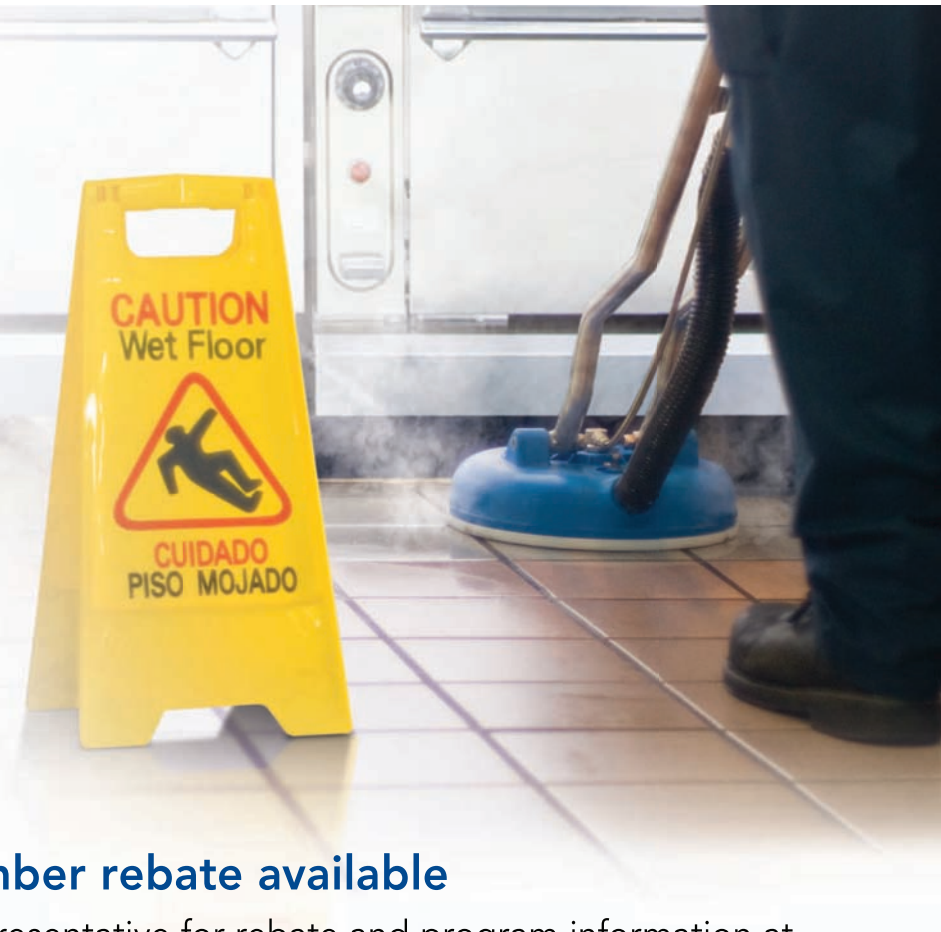

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