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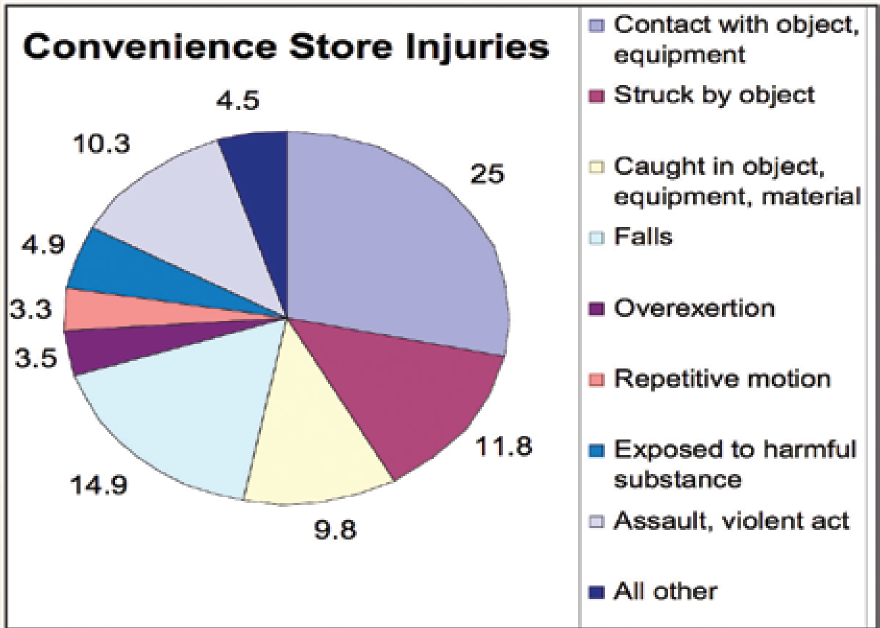
Below The Line

Bottom line building ideas

by Convenience Directions

Implementing Occupational Health and Safety Plans

Even if you have a safety program in place in your convenience store, occupational injuries and illnesses cost you time and money. Implementing a specific safety and health program can prevent serious injuries and illnesses with your employees, greatly reduce worker's compensation claims, and even boost employee morale, which can increase productivity.



A successful safety and health program depends on three criteria:

1) Active Employee and Management Involvement

Implementing your occupational health and safety program begins with a commitment at the top. Showing your employees that health and safety are important to you will make their health and safety important to them. Involving employees in the program is also a way to add accountability.

Some tips to involve your employees include:

- **Forming committees or safety teams**
- **Involving them in rule changes or definitions**
- **Having safety members responsible for training new-hires**
- **Assisting in accident investigations**

2) Comprehensive Worksite Analysis

An effective worksite analysis should look at possible hazards and anticipate future hazards. Conducting a past review of previous accidents, injuries, or illnesses should reveal potential hazardous areas in your worksite.

After conducting a worksite analysis, continue on a safe path by:

- **Setting up annual reviews of any possible hazards that may arise over time**
- **Ensure proper maintenance and repair of equipment in worksite**
- **Involve employees in voicing possible safety concerns within their worksites**
- **Establish appropriate first aide kits and safety equipment**

3) Conducting Safety and Health Training

Safe work practices training should include everyone. Your training is a large part in building a culture of safety within your business. Attention to strict policies should be communicated clearly to existing employees and new hires.

Follow these guidelines to implement an effective training program:

- **Managers or supervisors should inform employees of potential hazards**
- **Point out proper safety equipment in every work station.**
- **Employees receive ongoing and continuous feedback on safe work practices and, if needed, re-training on safe work practices.**

Having a comprehensive occupational health and safety plan will lower the cost that injury and illness can bring to employers, and improve the well-being of your c-store work force.

Gerald Johnson
Senior Vice President -
National C-Store Risk Solutions
Holmes Murphy & Associates, Inc.
gjohnson@holmesmurphy.com or
515-226-6826 / 800-247-7756

HOLMES MURPHY

Holmes Murphy & Associates ® founded in 1932 is the 28th largest independent premier risk-management and insurance-brokerage firm in the United States. National C-Store Solutions division of Holmes Murphy offers expertise in human resources consulting, risk-financing, claims management, and loss control services, you can be confident Holmes Murphy has you covered.

As the Economy Slows, Employee Theft Rises: Technology Solutions Fix a Human Problem

Over the past few years, the increased industry-wide adoption of new technologies such as DVRs integrated with the POS and networked cash handling "smart safes" has had positive impact with regards to reducing employee theft. However, the notion that workers who steal are simply dishonest to begin with is misguided. The reality is that internal theft usually occurs when a tempting opportunity to do so (with a low risk of detection) has presented itself. In other words, it does NOT typically happen because an employee is ethically challenged and intended to steal before they were even hired.

Most c-store workers act honestly most of the time, but contain the potential for crooked behavior. Once the current economic slowdown (with rising living costs, increases in the cost of personal debt, and stagnant wage levels for hourly c-store employees) is factored in, the criteria for an (otherwise honest) worker to commit theft at the POS becomes much lower than many believe.

Catching an employee "in the act" can be challenging, expensive, and time-consuming. It is also hard to gather evidence which proves the crime. Without it, c-stores are at risk for exposure to a wrongful accusation lawsuit, even if they're suspicions were 100% correct.

So, in a broad sense, how can c-store operators reduce employee theft? The solution -- which is to eliminate the opportunity for theft -- is simple on its face.

First, consider methods by which a typical employee theft occurs. By far, the best and most lucrative opportunities are at the POS. When a customer pays with exact (or close to exact) change, the bent employee rings a no-sale and

pockets the cash. Some other ways c-store pilfer at the POS is by under-ringing sales, and doing "sweetheart" deals. In rarer cases, theft occurs at the managerial level, usually in situations where a shift supervisor or manager has to manually receive, count, verify, change, safely store and issue cash each and every time a cash till needs to be changed or a shift ends.

In a c-store environment with a high volume of continuous transactions, a technology solution is required. Elements include a DVR system that records all in-store activities, including the POS and can (when necessary) instantly produce an exact digital replica of every sales receipt in order to track every purchase and/or transaction. As one expert in LP has said, "using a DVR is like stopping up a leaky cash register.

Additionally, the optimal setup includes digitally networked "smart safes" that streamline and secure the cash handling process. The safe, which validates, sorts and counts large amounts of currency, will decrease the risk associated with cash handling. As an added benefit, a cash handling smart safe will keep labor costs from rising uncontrollably by automating this process (which is very time-consuming when done manually).

Many retailers have worked with FireKing to install a tailored cash management system comprising of a smart safe manufactured under the company's NKL brand, along with a surveillance system from Image Vault, the company's Digital Video Recorder (DVR) division. In addition to the improvements in labor efficiency, once the employees understand that stealing will be detected, revenue will notably increase compared to the time period prior to the NKL and Image Vault installments. The bottom line is the numbers don't lie. Within months of the installation, the Image Vault and NKL cash handling solutions will typically have already paid for themselves.

About the Author

Van Carlisle is President/CEO of FireKing, a position he has held since 1975. For more information on FireKing and the NLK and Image Vault brands, please visit www.fireking.com

War Stories About Dirty Floors

With the onset of winter, it's a great time to tell stories about dirty floors. I heard two good ones last week. The first one features an educated buyer for a chain in the Mid Atlantic region who had just inherited a cleaning program from one of his peers. On his way to work he stopped at one of his stores for coffee. He saw one of his friends and asked him how he liked shopping their chain. His friend replied "You know I'm a long time customer and I love the chicken here, but your floors really look dirty. They never used to look that way. What happened?"

The second story occurred during a store tour. Clean stores being my business, I asked one of the retailers what they thought of the condition of the floor. She offered that getting the ceramic tile floors clean was an industry wide problem. Her employees were instructed to use only water because when they used cleaners the floors became slippery. So they felt it was better to live with dirty floors than fight law suits.

Both stories can have happy endings. Our friend from the first story was victimized by a cleaning program that focused on the mixing apparatus instead of the quality of the floor cleaner. He needed TILE TIME Ceramic Tile Floor Cleaner from Apter Industries to remove both the tracked in dirt and the high protein soil generated from the chicken preparation. The problem in the second story was made possible by years of using an acid cleaner designed to cut down on slippery conditions. Unfortunately, it permitted the gradual build up grime. The product had only enough cleaning ability to loosen the top layer of soil while softening the deep soil. The result was a slippery floor that looked dirty. The answer is TILE TIME Ceramic Tile Floor Cleaner. TILE TIME deep cleaned the floor. It easily cut through the top layer of dirt and removed deep soil embedded in the pores of the floor. This left the store with non skid, hospital clean appearance.

LET US KNOW HOW WE CAN HELP YOU GET CLEAN FLOORS. Email Joe DeLuca at jdeluca@apterindustries.com or call Apter Industries Customer Service at 800-441-7146. We can send you the free one page "Care of Ceramic and Quarry Tile Floor" Guide or you can buy TILE TIME with the Guide and a magic measuring cup with free shipping for $18.50.

Russ Quick Forms New Company

Russ Quick former Fas Mart Marketing SVP has formed a new consulting company C-Store 360.

About c-Store 360, Russ Quick principal

Russ Quick is a well respected leader in the convenience store industry – most recently serving as Sr. Vice President of Sales and Marketing for the Fas Mart chain, which currently operates roughly 211 corporate stores and approximately 130 dealer locations in the Mid Atlantic region. This visionary was an early innovator in developing a c-store loyalty program with a kick. While working with Fas Mart for the last 8 years Russ has taken a marketer's dream and turned it into a reality. The utopia for every marketer is having the ability to connect to their consumers on a one to one basis, and utilizing the Outsite loyalty platform, Russ has being able to create a marketing strategy that target markets each loyalty consumer based on their individual purchase behaviors.

Russ has been in the industry for over 25 years and sits on numerous Convenience Retailing advisory boards. He has served on many NACS and suppliers committees, has spoken in national meetings about food service "Best Practices" and was the key industry retailer of the warehouse MVE "multi vendor end cap" program. Russ truly strives to understand the convenience store customer and utilizes data to drive his fact based marketing decisions.

In 2003, Russ was instrumental in assisting Fas Mart emerge from bankruptcy, becoming one of the top retailers in the country. He has utilized the loyalty program to really hone in on the "true" c-store consumer and has been hugely successful in maximizing customer market basket size and frequency of visit. Recently Russ has started his own consulting agency that specializes in c-store marketing and taking a 360 degree look at c-store core competencies in marketing and consumer profiling.

Prior to Fas Mart Russ worked for 7-ELEVEN for 5 years holding various positions of Food Service category manager, District Manager Trainer and Gasoline product manager. During his time at 7-ELEVEN Russ created the programs "Heavenly Foods" these food service component programs were adopted nationally and became one of the industry standards in day part marketing.

C-Store 360 will offer consulting services that include review of current costs structures and review of all current marketing plans employed. This 360 marketing review of all marketing components will guarantee there will be incremental money added to your bottom line by implementing best practices that might be overlooked or not employed fully. Russ has extensive experience and training in category management best practices. Currently Russ is providing key consumer insight information to several manufacturers in the industry. He is providing market basket data to ensure that the total spend by each consumer is maximized. There is no cost to have this marketing review done for your organization just travel expenses. Contact Russ for more details of how he can add incremental dollars to your bottom lines.

Contact Info.
Russ Quick
804-833-9191
Russ.quick@yahoo.com

How to hire the best and the brightest... Tips from a Headhunter

My name is Con Cary. Some years ago I was in charge of 280 c-stores for a strong regional chain in the S/E. Like most of us, I preferred to promote from within whenever possible. We did a lot of college recruiting. We found that for what we were paying some of our Managers, we could get a graduate and train them for higher responsibility. I did feel strongly, however, that if we didn't have the quality we were looking for inside, then we needed to go outside. Occaisionally we would use recruiters, however, **I found their results to be spotty and their ethics questionable.**

One day, one of my direct reports, suggested that I meet with a man who had opened a new search firm that **had a different approach** that he thought had merit. I did meet with him. It took a lot of convincing but finally I did use him. The results were **significantly better than** the resources that I had used. He was after the **best and the brightest** and he usually found them—sometimes in un-obvious places. How could he find significantly better people than we could or the other recruiters could? I became obsessed with all of this and I became his friend and tried to pick his brain whenever I could. When I learned that my company was being sold—he said why don't you come to work for me and I will teach you the recruiting business. I spent four years with him before returning to the c-store business. **I will share with you just a few of the most important things I learned from him.**

Go for the caliber of the person. What do I mean? We are talking about things like work ethic, honesty, good values, family oriented, goal oriented, finishes what they start, smarter than average, a person who has made sacrifices to get ahead, someone who will tell it like it is. There is a group of people out there who—if they chose to do something—they will not fail. This is the group you want to choose from even if they don't have as much experience as you would like. If they do—then all the better.

The best candidates are already working and doing well where they are. Hiring "out of work" people or people about to become unemployed is risky. Obviously there are exceptions but the best wives are already married and the best people have jobs—but some of them might be motivated to leave for certain reasons.

Make sure the "Due Diligence" gets done and done right. We are talking about reference checking here. If you use a recruiter, ask how they check the references and whom they check them with. If they use a "fill in the blanks" form—then you need to get a new recruiter. It is easier for a trained recruiter to get references because they are often perceived as a neutral 3rd party. **Here is how it is done:** You need at least 3 references. Do not call the H/R Department of their previous employer. They are the least likely to know about the candidate's performance and they are the least likely to be candid with you. You should have a minimum of 3 references. Ideally you need a "superior" or two, a "subordinate or two, and a "peer" or two. Start by asking the reference just generally "how they feel about" the person. Ask about strengths, weak points, developmental needs, management style, etc. Ask this question exactly like this: How would you rank this person on a scale of one to ten, compared to others that you have seen in similar positions? If the answer is less than 7, you either need to check more references or delete the candidate. The **best and the brightest** will always score between 7 and 10. If they are ranked an 8, then you can ask, "what would it take to make them a 10"? At this point you can ask about anything that you might have a particular interest in. At the end, you should ask "is there anything else about this person that I should know that I have not asked you"?

Space does not allow me to teach you everything you need to know to get the **best and the brightest**, but if you just do the things I mentioned, you will see a big difference in the quality of your hires.

CARY & ASSOCIATES

Con Cary is a former high level c-store/petroleum industry executive who was involved in several large turnarounds. In 1993 he founded Cary & Associates in Winter Park Florida. They are a retained executive search firm. They recruit mid and upper level candidates for retail, wholesale, distribution, manufacturing, and not for profit entities across all of the functional areas. They have done a significant amount of work in the c-store and petroleum related industries. Their "process" is different than most of the resources typically available. If you would like to talk more, our number is **407 647 1145**, email is **concary@caryassociates.com** and our **website is www.caryassociates.com.**

Best Practice Fuel Pricing Decisions

By Mark Hawtin, VP Buisness Development at KSS, Inc.

Every day brings new challenges for fuel price decision-makers: costs are changing, competitors have changed prices, customer demand has shifted, there's a supply constraint limiting the creation of more demand – just to name a few. The repercussions of each of these challenges can be significant. That's why the ability to make timely and well-considered fuel pricing decisions is an essential trait of a successful business owner.

Use these tips as you think about the important pricing decisions you need to make for your business:

Respond fast and effectively

The fast pace of our world can lead us to believe that successful people can make reasoned decisions quickly and that they're implemented fast where it really counts – at the pump. While quick turn around decisions are the only option in many cases, the reality is that even decisive, successful people with stellar judgment usually benefit from taking some time to fully understand the best decision required. Then once the decision is made, ensure it's implemented as quickly and accurately as possible.

Use analytics to identify problems

Consider what you need to know to help you make smarter decisions – data and metrics can inform decision making and give you a clearer picture of the landscape in which you are operating. It can also round out your understanding of potential outcomes and possible solutions.

Focus on goals

Company goals should always be a filter for decisions. Remind yourself, or your decision-making team, of company goals to be sure that the pressures of the moment, the analytics and other factors do not take the decision in the wrong direction.

Comply with internal and external policies

In today's hyper-competitive markets ensuring that every one of your pricing decisions is consistent with company policy will promote price image and enhance customer loyalty. Advocating this behavior by providing clear guidance and capturing exceptions will help to meet regulatory, legislative and other external compliance requirements, protecting the company from the risks of financial loss and bad publicity.

Combine data with intuition

Using data to drive your decisions doesn't mean you have to forsake intuition. Ideally, you want to use data to develop educated intuition – that is, intuition informed by solid, reliable and timely information.

Avoid shooting from the hip

It is likely that you have strong feelings about the business for which you are making decisions. While this passion is a great engine for driving your energy to learn about the dynamics of the business, the interdependencies and the options, try not to use it to actually make the decision. Your strong bias toward or against something can easily sway a decision when you make it emotionally instead of critically. While prior experience and preferences can be used to inform future choices, try to avoid letting them cloud your view of the broader picture.

Avoid making decisions in a vacuum

Though you may be responsible for the outcome of a decision, other people may be likely to be affected by the choices you make, such as those responsible for the store, other site services or fuel logistics and supply planning. Consider who in your organization has a vested interest and inform them of the consequences of your pricing decisions, to allow them to compensate or benefit and to be sure they are not caught off-guard.

Challenge the strategy, is it time to adapt

Changes in site ownership, unprecedented cost volatility, rising demand for alternative fuels and supply-demand constraints are just some of the factors contributing to a fundamental shift in the dynamics of fuels wholesaling and retailing markets. Applying last years pricing strategies and tactics is unlikely to deliver the same results and may drive your decisions in the wrong direction. Consider how you can combine your talent and experience with the right tools to adapt your pricing strategies to suit today's dynamics.

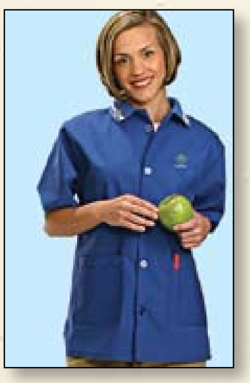
For more information contact KSS via email at info@kssg.com or visit us online at www.KSSG.com.

Mark Hawtin,
VP Buisness Development at KSS, Inc.

KSS

Cut Your Uniform Cost In Half

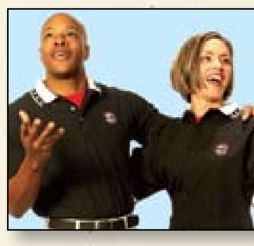
While Maintaining a Professional Upbeat Image



With new hire turnover rates estimated as high as 150% in the convenience store industry the cost of uniforming the trainee can be expensive especially when uniforms are lost due to new employees leaving after a short period. Solutions such as taking new uniform cost from the trainees first few pay checks or providing used uniforms have proven to be unsatisfactory. Trainee's see less benefit from their important first paycheck to employee dissatisfaction in wearing "used" and ill-fitting garments.

There is a solution; - A Smock. Not just any smock, a TLM Smock. As part of the TLM companywide uniform program, the TLM "smock" is a cost effective way to uniform new employees in high turnover positions and still maintain your all important corporate image. Made from durable wrinkle free fabric the TLM smock is easy to maintain, providing extended wear ability while projecting a stylish look that your customers and employees appreciate.

Action: Issue 1 smock per new hire. After a 60-90 day probationary period allow your seasoned trainee to choose to continue wearing the smock (and receive an additional one) or switch into the matching TLM polo (receive 3). Average cost for the smock is only $.05 per day vs. $.25 for the typical uniform outfit. Additionally, the TLM smocks can be recycled through the new hire workforce, dramatically cutting your uniform cost.



The TLM uniform program includes matching smocks and polos, coordinated in style and color. The difference in the smocks and polos are virtually indistinguishable to the customer allowing you to keep a consistent professional image throughout your CSR Team while maintaining a strict budget.

All employees are not built alike. It is impossible to choose one uniform garment that makes all employees happy. Using our matching smock and polo program the employee can have a choice; either way you have a look that's stylish, professional and cost effective.

To see the complete line of TLM matching smocks and polos go to www.tlmind.com or call (800)827-0640 for a catalog.

Ask about our Free Sample Program.

Remember "Few things affect company image as dramatically as the appearance of your employees"