

Managing Key Categories

**Independents Day
November 9, 2007**

Agenda

- **The Changing Business Model**
- **Cigarettes**
- **Beer**
- **Packaged Beverages**
- **Foodservice Beverage**
 - **Fountain**
 - **Hot beverages**

Not All Products Are Created Equal

- **The Big Four**
 - Cigarettes
 - Beer
 - Packaged beverages
 - Foodservice beverage
- **Combined They**
 - Generated \$758,953 in sales (66.3%)
 - Contributed 57.63% of the gross margin

Cig. Success Elements – Inventory Management

**NEVER BE OUT OF STOCK ON
TOP SELLERS**

- **Use Indv. Store “Build To”
Sheets**
- **Customers Switch Stores Before
Switching Brands (50+ %)**

Cig. Success Elements – Promotion

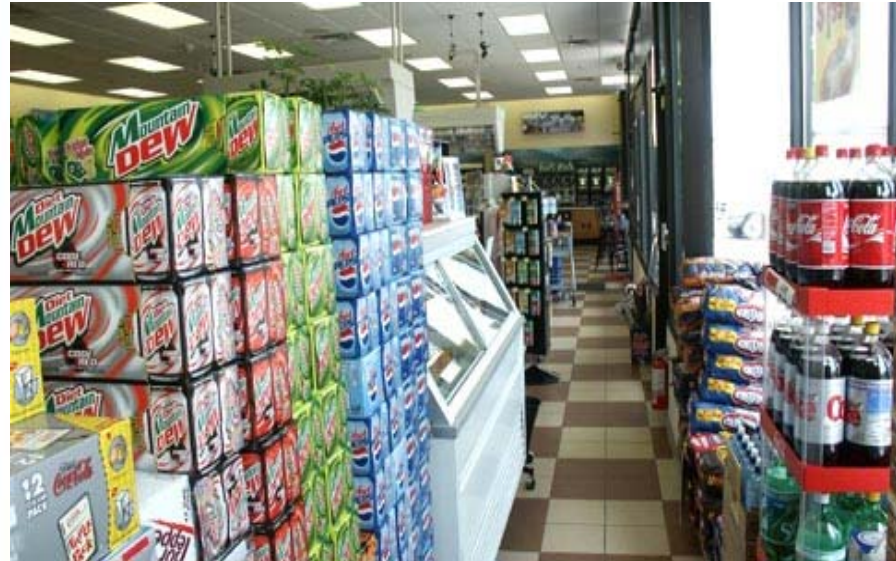
- **Offer Proprietary / Controlled Label Brand - If Possible**
- **Sign Multi-Company Contracts**
- **Merchandise Behind The Counter (make packages visible to customer)**
- **Participate In Consumer Offers To Build Store Loyalty**

Bev. Success Elements

– Inventory Management

- **Product Selection Appropriate For Your Market**
 - Items (new items very important)
 - **Sizes / Packs**
 - single sell – 12, 16, 20, 24, quart, 40 oz. / .5 liter, liter
 - multi-pack – 6, 8, 12, 18, 24 (suitcase)
- **Plan-O-Gram (seasonal / 2X per year / ?)**
 - Out-of-stocks
 - Space to sales (cold packages vs. warm)
 - Space to gross margin
 - Beverage aisle

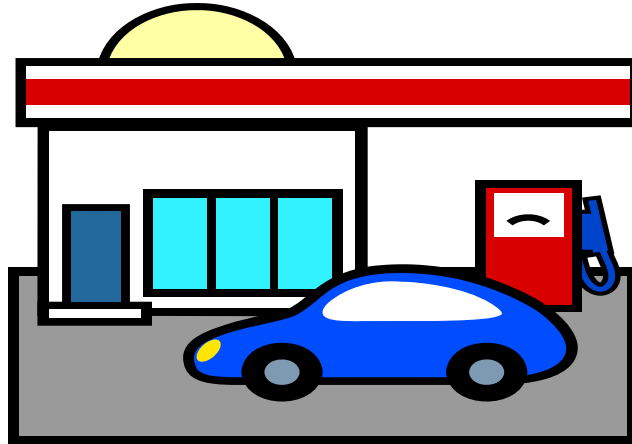
Bev. Success Elements – Displays vs. Storage



Package Beverage Changing Product Mix

- **Product Proliferation**
- **Growing**
 - Bottled water
 - Alternative beverages (7-Eleven – 1 per month)
 - Sports drinks
 - Iced tea
- **Stable / Declining**
 - CSD
 - Juices / juice drinks

FS. B. Success Elements – Cleanliness



**C-Store Clean is Not
Equal to Restaurant
Clean**



FS. B. Success Elements

– Cups

- **Cup Set**
 - Use two at minimum (hot beverage / cold)
 - One lid (to extent possible)
 - Refillable
- **Coffee**
 - 12, 16, 20, 24 oz.
 - Foam, paper, hybrid
- **Fountain**
 - 21/22, 32, 44, 64? Oz.
 - Car cups
 - Daily use / hard plastic / special events

Coffee Success Elements – Physical Space

- **Brewing**
- **Serving (allowing for multiple customers)**
- **Condiment**
 - Lids
 - Creaming solutions
 - Flavors
 - Sweeteners
- **Follow The Four C Rule[©]**

Managing Key Categories – Gain Expertise

- **Join Trade Associations**
- **Subscribe And Read Trade Press**
- **Subscribe And Read Internet Info.**
- **Participate In Meetings**
- **Network Within The Industry**
- **Form Share Groups**

For More Information

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