

Fall  
**2014**



**NESO**

# Operator

**Official Newsletter**

North Eastern Store  
Owners, Inc



  
**WHAT'S**  
*inside!*

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**REGISTER**

*Inside*

for the 2015 **NESO**  
Convention in Pittsburgh, PA!

## **PRESIDENT'S** *Corner*

Ron Rapp • North Lima, OH • ronrapp@zoominternet.com

GREETINGS from Northeast Ohio! I would like to update our membership on some menu management data and meetings that I have attended upon your behalf. It started last January, our members expressed frustration at the lack of pace that IDQ has shown to reduce our menu.

First, why do so many stores support menu reduction? That is a simple answer-the bottom line! Or the lack of a healthy bottom line! We as store owners cannot continue to keep and maintain this vast inventory for a bloated menu with no return on the investment. We have record product waste, lack of storage space, and speed of service has suffered immensely. Training new employees on the endless product preps is very time consuming and costly. Our goal should be to achieve the most profitability with the least output, it really is that simple. The OJ product is such a slow moving product, our employees still have to look at charts to make the line. How do we get IDQ to understand the gravity of the need for menu reduction? We at NESO decided to form a committee for menu management. Then along with DQOA and Josh Schmieg, we had meetings with IDQ to explain our position. I have traveled two times this summer to Minneapolis, trying to get this accomplished.

The process to discuss menu reduction began in February. I met with our menu management committee, which consisted of seven NESO board members from 3 states. We unanimously agreed

on the reductions to the menu. In June, I traveled to Minneapolis and met with the DQOA. We then met with Dan Kropp from IDQ. Dan Kropp has taken the lead at IDQ on the menu reduction. We presented our position to Dan and some others at IDQ. At First, Dan was resistant to our research and findings, but as the meeting progressed, he warmed to our opinions. He has the same goals and recognized we could help him meet his goal of menu reduction. Our disagreement with the slow speed of the process and the amount of items needed to be released from the extensive menu.

One thing Dan wanted gone from the menu was the local menu option. In the end it seems like two local menu items will be allowed. Another disagreement that may actually have some resolution is the possible return of the all meat hotdog, which is a good thing. Everything has to be tested in the IDQ world. This is another area of disagreement for me personally. Why test something's removal when it amounts to .001% of sales? That is the test, it is NOT selling!!! If it is not selling, what it is going to do to the contribution margin or the profit of these stores if you remove these non-selling items? It is not going to affect these stores bottom lines in the least! In our NESO research, different concepts had the same low selling items universally. Food stores as well as limited stores easily agreed on most reductions. NESO wanted the Blizzard Flavors down to 12. FYI, 80% of the Blizzard sales are represented by about 12 flavors. Surprisingly of the first 6 best sellers, 4 or 5 are the original flavors. Of those 12 flavors, all of our research stores had the same flavors in the same order for the top 6 flavors. The second set of 6 flavors



## WHAT Next?

### RON RAPP, PRESIDENT

P.O. BOX 445 • North Lima, OH 44452  
(330) 549.2927 • C: (330) 565.8429  
ronrapp@zoominternet.com

### CHRIS BURNS, VICE PRESIDENT

690 Smith Street • Marlinton, WV 24954  
(304) 799.4908 • C: (304) 651.7227  
ctburns@frontiernet.net

### VICKI PETERSON, SECRETARY

808 Lake Drive • Winchester, VA 22601  
C: (540) 327.0294  
vicki@petersons1.com

### JERRY COYNE, TREASURER

1239 Showers Lane • Martinsburg, WV 25403  
(304) 263.6380 • C: (304) 671.0303  
dacoinc@comcast.net

### JEFF HAYNES, EXECUTIVE SECRETARY

317 East Maplewood Estates • Scott Depot, WV 25560  
(304) 562.7355 • F: (510) 740.3586 • C: (304) 610.1338  
neso@suddenlink.net

**LEONARD ANDERSON** • HC 78 Box 6 • Hinton, WV 25951  
(304) 466.2018 • C: (304) 860.8936 • dqwilma@msn.com

**JERRY BARTOE** • 1939 Adams Ave • Huntington, WV 25704  
(304) 429.1304 • C: (304) 654.7792 • bartoej@gmail.com

**TOM CLEARY** • PO Box 26 • Wellington, OH 44090  
(440) 647.5222 • C: (216) 390.3127 • tomkarylcleary@aol.com

**DONNA RING** • 116 30th St SW • Canton, OH 44706  
(330) 484.6263 • C: (330) 268.9447 • ringdq@gmail.com

**KEN MORLEY** • 6521 Lakeview Circle • Canal Winchester, OH 43110  
(614) 833.6681 • C: (614) 370.4120 • kmorley777@gmail.com

**DEAN PAIDAS** • 6120 Market Street • Youngstown, OH 44512  
(330) 726.9148 • C: (330) 719.3163 • dpaidas@att.net

**KEITH SCHREIBER** • 1009 Main Street • Conneaut, OH 44030  
(440) 593.2765 • C: (440) 812.1776 • conneautdq@suite224.net

**GEORGE STEGEMAN** • 4437 Vine Street • St. Bernard, OH 45217  
(513) 641.2100 • C: (513) 967.7004 • gstegeman622@gmail.com

**BRENDA THORNTON** • 313 Rumer Station Rd., PO Box 231 • Eleanor, WV 25070  
(304) 586.9352 • C: (304) 552.4939 • muddertmc@comcast.net

**TOM VANCE** • PO Box 1059 • Rupert, WV 25984  
(304) 392.5027 • C: (304) 667.7481 • icecreamman@frontiernet.net

## OFFICE Contacts

### JEFF HAYNES, EXECUTIVE SECRETARY

317 East Maplewood Estates • Scott Depot, WV 25560  
(304) 562.7355 • F: (510) 740.3586 • C: (304) 610.1338  
neso@suddenlink.net

### PAM SIMMONS • NESO Co-op Coordinator

290 East Calla Road • Poland, OH 44514  
(330) 921.9390  
pamelalsimmons@aol.com

George & Gail Stegeman • St. Bernard OH • gstegeman622@gmail.com

*Do you ever wonder about things? We do, all the time. We wonder, first of all, WHAT NEXT?*

*First of all, there were waffle cones and bowls made fresh in the stores. Smells good but, where to put more equipment? Our store is very small and space is at a premium. Of course, being re-sourceful D.Q. owners, we found a spot and all was well. But then- WHAT NEXT?*

*We were obligated by IDQ to carry the Orange Julius line of products with all the flavors. More equipment and freezer space required. This time the equipment was much larger, much more expensive and needed more room. This product keeps growing in required flavors and is not even 2% of our sales. Congrats to those stores that serve the average number, 70-90 of OJs a day, we don't.*

*But then – WHAT NEXT?*

*We are told that we will soon be carrying fresh baked fruit cobblers in our stores. We can't help but think that even some larger stores may have a problem with space for a baking oven. More space for more products.*

*Do you ever wonder WHAT IF? We wonder WHAT IF? What if there was no DQQA to help keep us informed about what is coming and help us with all the legalities?*

*What if there was no DQOC to give us an alternative source for all our products and equipment so that we have a choice? That is why we belong to, support, and promote DQQA-DQOC-NESO because, really, What if it wasn't there? Then, really, What Would Be Next?*

## FYI State Minimum Wages

Ohio – Current - \$7.95. Jan 1, 2015 – \$8.10

West Virginia – Current- \$7.25. Jan 1, 2015 - \$8.00. Jan 1, 2016 - \$8.75

Pennsylvania – Current - \$7.25

Maryland – Current - \$7.25. Jan 1, 2015 - \$8.00. July 1, 2015 - \$8.25. Subsequent increases will bring it to \$8.75 on July 1, 2016, \$9.25 on July 1, 2017, and \$10.10 on the same date in 2018.

Virginia – Current \$7.25

# Customers, Customers, Customers!

Pam Simmons • Poland, OH • pamelalsimmons@aol.com

While working for NESO I get the opportunity to hear about a lot of your ideas to grow customer counts. All stores need to increase customer counts, I work part time at a walk up store and our goal this year was to focus on growing our customer counts. We are a small store and we are in a customer count building year.

In February, I put together a comprehensive plan to reach the “three legged stool” of customers. The legs on my customer stool are – kids/families, “coupon” based customers, and the “sale” based customers. What is the difference between a sale customer and coupon customer? The coupon person has to cut out the coupon, store the coupon, and remember to use the coupon. The “sale customer” just sees the sign, comes in and buys the product. These customers are more of an impulse buy in my opinion. My goal is to increase our customer count and sales should follow. I looked at this year as a customer count building year, in the last few years we have made some very definite changes in employee appearance, attitude, and character, all for the better.

Our routines and systems have been consistent, and now we can add marketing to the mix. I would like to share with the membership our well rounded plan and results. We are a seasonal store open from February to mid- October. So I have 9 months to accomplish the increase in customer counts. My data review can only be thru August 31st due to the timing of our newsletter.

We started with booking 4 direct mail pieces to 10,000 homes. We picked March, April, June, and May. Each mailing has about 6 coupons per flyer, a space to announce our events, and it includes some product pictures. We also thought of a new way to use our direct mail piece, and the company allowed it!! We put a coupon on the outside of the envelope, that way our customer did not even have to open it to see it was from our local Dairy Queen. These direct mail pieces include ads from non competing businesses as well and it is important to get our customer aware of your presence in the envelope.

Next, we needed an aggressive sale for impulse customers. We designed our strategy of celebrating 30 years in the DQ business with a \$.30 sale on the 30th of the month for the entire year. So on the 30th of every month we had a door buster blowout sale. This idea came from the DQOA street fighter marketing information on the DQOA/DQOC website. Please go to [www.nesonews.com](http://www.nesonews.com) to see the poster that a local print shop made to celebrate our 30 years at this location. Don't Judge! It's aggressive! It was successful! If you have been in the business more than 25 years, you will recognize these sales, DQ's in the past had these aggressive 3 day sales!

If you can tell me the last time you had people lined up down the street holding the door open to get in to your DQ, then you are a

rarity! In the late 80's we would have these 3 day sales and people lined up to get the product. That is the thing of the past, until this year! The highest product sales for a single item in a day was the Banana Split sale at 1042. That is about 13 cases of bananas in one day. People in the community were talking at local restaurants' about our sales. In neighboring communities word spread about our sales. GOAL ACCOMPLISHED on this front. We had record volume, customer counts, and good will- all very very positive at this location. Aggressive sales being the second leg on the three-legged stool.

The final leg of the stool is kids/families. For the last 20 years we have hosted two annual events across the street from the DQ property in a park space called “the Green.” I have written about the Easter Egg hunt and the Pumpkin Hunt in past newsletters. Each of these events have 300-500 children plus parents in attendance. So how could we capitalize on that local crowd? We designed a family fun night for 11 weeks to be held for a hour on Thursday nights in the summer. We started before peak customer hours, start time was 6pm. We usually finished by 7:30 prime customer hours. I invested about \$1,000 in entertainment talent, supplies, and prizes. Our entertainment list is as follows: • DQ princess party- (famous themed Characters that sang and played games) • Make a DQ Craft (cement stepping stones, a return visit to pick up the next day) • Petting Zoo with a mini cow, kangaroo, snake, camel, etc • Mermaid / Pirate party with sword fighting lessons • Bounce house and raffle (2 different nights) • Decorated bike contest, obstacle course, prizes, and a bike ramp • Birds in Flight Sanctuary- live bird show • Family Scavenger Hunt- amazing fun- running all over town for items • Snow Sisters- performing a famous song and game play from an animated movie • Block party- which was well received considering the weather (rain all day)

At first our turnout was light- people were not sure about the idea. As the summer progressed it became better attended. Our highest number of children was about 60 at the Snow Sisters, which was one of the last events. Adding parents we had well over 100 people attend. Our Block party had rain all day and at the last minute cleared off so we served 120 customers in the parking lot a special grilled surprise. We are still deciding about next year for this event. We feel very confident about the blowout sale but of course it will not be 30 cents, but we will model our sales next year after it. Coupons are not being redeemed as aggressively as they once were. I feel it is still a good avenue, but just not the popularity it once had. The Pumpkin Hunt and Easter Egg Hunt are staying on the marketing schedule.

So next year's strategy will be an aggressive sale each month for one day, some family activities so that we can keep building our counts. We have to be smarter and cleverer than ever before to get and keep the customer. So I will

Continued on Page 5



**Do you have a computer and internet connection?**

PhotoCake® Online software offers a simple solution to assist cake decorators of all skill levels using your in-store computer.

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This easy-to-use, Print On-Demand cake decorating system will help you create fun and unique cakes that will get your customers talking...and buying!

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**Maintain**

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- Microfiber Service
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A periodic professional deep cleaning from Cintas is the final step to remove build-up that occurs even with proper protection and maintenance.

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## Customers, Customers, Customers!

Continued from Page 3

tell you where we are on customer counts over last year, but before I do, I hope you know where your customer count is currently so that you can compare.

Feb-August 2013 our customer count and sales increased. We were up about \$30,000 last year. This year we kept that increase and added just a tiny amount about \$6500- but our customer count increase is 2,392!! We will watch Sept- Oct, and I hope we continue to increase. My goal was to increase our customer counts, which we did, not as aggressively as I would have liked it to be, but it still was well worth the effort to have all the positivity from the community. If you have any questions please email me at pamelalsimmons@aol.com. I hope you take time this winter to set up your own local marketing plan to increase your customer counts at your location.

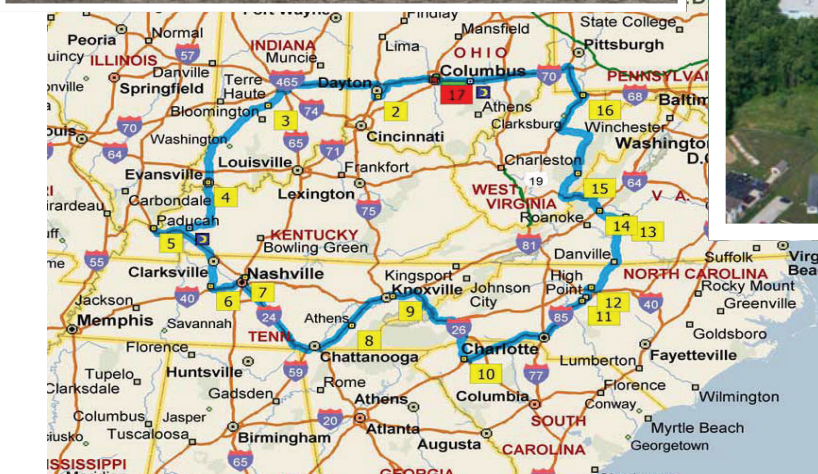
**\*\*Please go to [www.nesonews.com](http://www.nesonews.com) to see copies of the Direct mail piece and poster from the \$.30 sale celebration**

## President's Corner

Continued from Page 1

of the 12 total were very similar but were in different order. But basically the 12 best-selling were pretty consistent in our research, and remember that is 3 states worth of data. Another interesting point is that 10 of the top selling items in your store represent just below 50% of the dollars, and the top 20 items that sell represent almost 70% of your sales. WHY are we fighting this so much at the corporate level? Why can a dozen or so unpaid DQ owners come to these conclusions and IDQ with all the resources still does nothing on this? Recently, in the news many articles have been written addressing current trends in menu reduction across the food industry. The new trend is menu reduction, food concepts cannot support a vast menu if it is not supported by the customer. The cost of goods in this last year has increased at a record pace, we cannot afford to hold on to menu items that we sell single digits of on high volume days. We have a fine product, great concept, our customers love our DQ's, we need to stick to a strong core menu and get rid of the all of the fringe items that just don't sell.

I hope to keep you updated as information becomes available. I am hoping the FAC will also become an advocate upon the store operator's behalf for this very pressing issue. Hope you had a wonderful summer; I look forward to seeing you in Pittsburgh for a wonderful convention in January!



# Proudly serving

# NESO



# DQQA

# BROWN

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800-422-1058 www.brownfoodservice.com







# OPERATOR Registration Form



Early bird NESO Registration ends December 31st!

**JANUARY  
15-17TH**

**Pittsburgh Airport  
Marriott Hotel**

**Operators and Suppliers**  
Register at nesonews.com

**Free** Registration for new NESO members (one per store)

Special **Queens Tribute**  
Banquet Saturday!



## Thursday, January 15th

- 8 am - 4:30 pm** ServSafe Course (pre-register below)
- 9 am** Registration
- 3 pm** Board of Directors Meeting
- 5:30 pm** Meet-n-Greet, Hors d'oeuvres & Cocktails  
Bus trip to local Casino

## Friday, January 16th

- 9 am - 2 pm** Exhibits Open
- 3 pm** Annual Auction
- 7 pm** Buffet Dinner, Cocktails, Entertainment

## Saturday, January 17th

- 9 am** General Session  
Ron Rapp - NESO President  
Josh Schmieg - DQQA Executive Director
- 1 pm** Annual NESO Meeting
- 7 pm** Dinner Banquet - **QUEEN TRIBUTE**  
Crowning of the Queen, Instant Money

### Registration Instructions

**SUPPLIER** form available at [www.nesonews.com](http://www.nesonews.com)

**Online:** [www.nesonews.com](http://www.nesonews.com)

**Mail:** Jeff Haynes  
317 E. Maplewood Est • Scott Depot, WV 25560

### Accommodations

**Book room with The Marriott  
BEFORE 1/4/2015 for NESO rate**

**Rate:** \$109 (single / double)  
includes breakfast for 2 people  
\$189 after 1/4/15

**Reservations:** online at [www.nesonews.com](http://www.nesonews.com)  
(there is a link to the Marriott)  
-or- (877) 739.9461

**Convention Code:** NESO  
Check in 3pm - Check out 12noon

### Questions?

**Call Jeff:** **p:** (304) 562.7355  
**f:** (510) 740.3586  
**e:** [neso@suddenlink.net](mailto:neso@suddenlink.net)

Company/Owner: \_\_\_\_\_ Phone: \_\_\_\_\_ IDQ Store #: \_\_\_\_\_ # of stores: \_\_\_\_\_

Address: \_\_\_\_\_ City, State & Zip: \_\_\_\_\_ E-mail: \_\_\_\_\_

**FEES:** Enter the appropriate amount for each person.

**Full Registration:** includes all convention food & functions except ServSafe®

Adults: \$100 (\*\$125 after 12/31/14) • Children: (12 and under) FREE

**ONE day Pass:** includes food & functions for ONE day & evening.

Adults: \$35 (\*\$45 after 12/31/14) • Children: (12 and under) FREE

**List names of ALL persons attending below:**

Check box for each day they are attending the EVENING function • Check Child for a children's meal. (12 and under) • Check ServSafe® for thursday's ServSave® class.

Name: \_\_\_\_\_  Bus  Thurs  Fri  Sat  ServSafe®  Child \$ \_\_\_\_\_

Name: \_\_\_\_\_  Bus  Thurs  Fri  Sat  ServSafe®  Child \$ \_\_\_\_\_

Name: \_\_\_\_\_  Bus  Thurs  Fri  Sat  ServSafe®  Child \$ \_\_\_\_\_

Name: \_\_\_\_\_  Bus  Thurs  Fri  Sat  ServSafe®  Child \$ \_\_\_\_\_

Name: \_\_\_\_\_  Bus  Thurs  Fri  Sat  ServSafe®  Child \$ \_\_\_\_\_

Name: \_\_\_\_\_  Bus  Thurs  Fri  Sat  ServSafe®  Child \$ \_\_\_\_\_

DQQA/NESO DUES FOR 2015 - \$350 for 1st store + \$300 for each additional store. \$ \_\_\_\_\_

TOTAL ENCLOSED - (make checks payable to NESO) \$ \_\_\_\_\_

Credit Card:  Visa  Mastercard  Discover  American Express Card #: \_\_\_\_\_ Exp Date: \_\_\_\_\_

Name on Card: \_\_\_\_\_ Security Code: \_\_\_\_\_ Billing Zip Code: \_\_\_\_\_

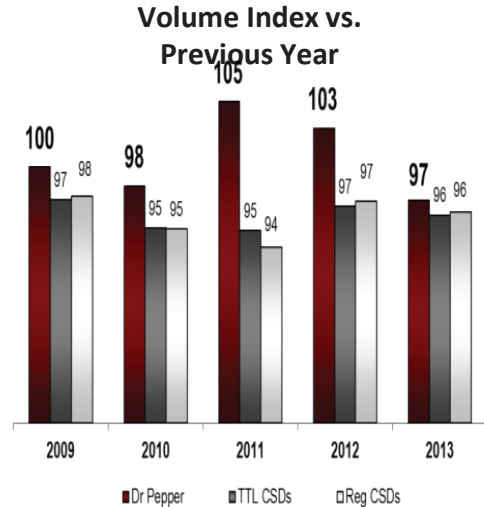
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# Always One of a Kind™



**TARGET AUDIENCE:**  
 Confident, driven, 18-24 year-olds with a bit of an independent spirit. They take pride in their heritage and who they are becoming, maintaining an optimistic yet realistic view of their future.

**Dr Pepper TM Continues to Outperform Total CSDs in 2013!**



Source: <sup>1</sup>DPS Internal reports (Volume Sales Index vs. Prev Year) YE June 2008, 2009, 2010, 2011, 2012, 2013  
<sup>2</sup>CREST: Total CSD (CSD Servings Index vs. Prev Year) YE June 2008, 2009, 2010, 2011, 2012, 2013

**Dr Pepper TM Holds 97.1% Share of the Retail Convenience Pepper CSD Category!**



Source: Nielsen Total U.S. Convenience 52 Wks thru 9.07.13

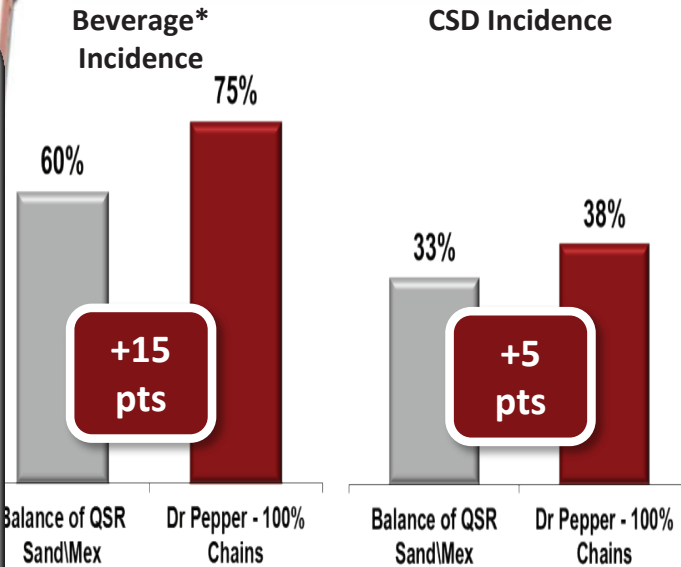
**Chains with 100% Dr Pepper Distribution Generate Significantly Higher Total Beverage\* and CSD Incidence Rates!**

**Both Dr Pepper and Diet Dr Pepper Rank Among the Top 10 Brands in a Dual Lineup in the Total US Retail Convenience Market!**

**Next Steps: If you already have Dr Pepper Thank You!**  
 Please submit your participation agreement

**If you do not have Dr Pepper:** Please submit your participation agreement and **contact Joy Arager** to begin the free installation process  
 Phone: (312)640-0169  
 E-mail: joy.arager@dpsg.com

**Dr Pepper will pay for installations that are coordinated and scheduled through our offices!**



Source: The NPD Group/CREST® YE June 2013 – 100% Dr Pepper® accounts include: Arby's, Burger King, McDonald's, Hardee's, Jack in the Box, Sonic, Carl's Jr., Whataburger, In 'N Out Burgers, Quiznos, Chick-fil-A, Taco John's, Schlotzsky's, Taco Cabana  
 \*Excludes Tap Water

**TOTAL US - CONVENIENCE**

Rank	Brand	Share
1	Coke	17.1
2	Mtn Dew	15.8
3	Pepsi	11.8
4	<b>Dr Pepper</b>	<b>8.4</b>
5	Coke Dt	7.0
6	Sprite	5.4
7	Pepsi Dt	4.4
8	Mtn Dew Dt	4.2
9	<b>Dr Pepper Dt</b>	<b>2.0</b>
10	Coke Zero	1.5

Source: Nielsen Total US Convenience 52Wks thru 9.07.13



North Eastern Store Owners, Inc.  
c/o Jeff Haynes  
317 East Maplewood  
Scott Depot, WV 25560



**CONVENTION  
REGISTRATION  
MATERIALS  
INSIDE!**



## Just Wondering

An article originated by John "Toots" Wilcox and continued in his memory

**Just Wondering...**"How hot the hot bakes are going to be?"

**Just Wondering...**"If ADQ will ever start to factor in prep time before they release new products so we can keep up with speed of service?"

**Just Wondering...**"Why I am not excited about the hot bakes?"

**Just Wondering...**"Where I am going to put my easy bake oven?"

**Just Wondering...**"Why IDQ never mentioned you can only make one sandwich at a time in the new \$4,500 DQ Bakes oven?"

**Just Wondering...**"Why ADQ and our FAC can vote to make changes to the \$5 Buck Lunch and still not change the small Blizzard upgrade for \$1 to a Mini Blizzard?"

**Just Wondering...**"Why IDQ is spending our advertising dollars to promote the Apple Pie Blizzard when they aren't able to supply the ingredients to make it?"



- Information on money saving programs
- Classifieds! Buy and Sell DQ related items



[www.nesonews.com](http://www.nesonews.com)