The National Coalition Chronicles

A look back at 25 years of 7-Eleven and National Coalition History

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The Beginning

Firefighters who battle wilderness and brushfires each summer know the story of spontaneous combustion. Flames emerge here and there in no predictable pattern and move to a pulse of their own. Small control fires are sometimes started by the firefighters in a strategic effort to isolate and strangle the wildfire's momentum. Just when it appears the fire is contained, a flame appears in the distance. Like the flames, franchisees' desires to succeed burned bright, and in the early 1970s, Franchise Owners' Associations were born.

By 1970, 7-Eleven, then called the Southland Corporation, experiencing an era of rapid growth, numbered 3,537 stores, 36 percent of which were franchised. Southland began holding area discussion forums called DACs (Divisional Action Committees) and ZACs (Zone Action Committees) during the early 1970s. While the stated intent of these gatherings was for management to "hear and seek solutions to topics of concern from franchisees," the meetings brought franchisees together to network, share concerns, and to listen and give feedback to management. The DACs and NACs fanned the flames of franchisee enthusiasm and zeal for their businesses. For the first time, individual franchisees began to realize they each weren't the only ones with questions and suggestions about how to run their stores. The committees allowed individual franchisees to come together, become familiar, raise their hands, ask questions, and get to know their fellow franchisees and management.

In some areas, management was truly unprepared for the growing bravado of franchisee discussions at meetings. Some areas discontinued scheduled advisory meetings. Only select franchisees were invited to meetings in some other areas. Slowly, in different pockets of the country, franchisees gathered together to continue their pursuit of problem resolution. They wanted to improve their situations.

The Gathering

No one seems to agree as to who, how or where it all came together. Like the flames of spontaneous combustion, FOAs popped-up all over the 7-Eleven landscape. In 1973, six store owners held a basement meeting in Seattle and searched for ways to improve their net profits. From this gathering soon emerged a group of 60 franchisees who incorporated in 1975 as the Convenience Stores Franchisee Association. In 1976 a group of San Francisco owners held a meeting with the determination to communicate to Dallas about the actual issues from the "frontline." When they met with several 7-Eleven Officers they were surprised to learn that other franchisee groups existed.

Sometime in late 1976, a Seattle FOA leader stopped by to say hello at a 7-Eleven while vacationing in the San Francisco area. The store he happened to visit was owned by the president of the newly formed California FOA. Bingo! Leaders of Seattle and San Francisco held several planning meetings in 1977 and formed the 7-11 (no…not a typo) Franchise Owners Committee. The first convention was held that year in Las Vegas, soon to become everyone's favorite convention site. Contact was made with other FOAs. FOAs from Seattle to San Francisco to L.A. to San Diego to Detroit to Philadelphia to Baltimore learned of each other's existence. Names like Reinbott, Gonzales, Milburn, Robinson, Thayer, King, Odell, Rainsforth, Casey, Saraceno, Markman, Jorgensen, Schuessler, Wixon, De Stories, Hill, Bender and Barach became familiar to franchisees in their areas. Soon the FOAs began to operate in more structured forms, occasionally surpassing the presence of advisory councils.

It didn't take long for FOAs from around the country to connect with one another. In 1977 some franchisee leaders met with top Southland representatives to discuss points of franchisee contract concern. The visible result from that meeting was the introduction of a new Store Agreement. In the new contract, Southland attorneys addressed the points of franchisee unhappiness by expanding and clarifying franchisee obligations. Disappointed participants of that meeting learned a hard lesson.

1978

The concerns of one area were generally shared elsewhere. Communication between many of the groups became a lifeline of information and excitement. On February 13, 1978, four 7-Eleven officers met in Dallas with representatives of the Detroit and San Francisco Owner's Associations. The franchisees came prepared with a list of 20 areas of concern. Included in the list were the following:

- Communications: some that really work and mean something.
- Bottom-line Profits: areas the company is really missing.
- Dual Franchisees: company should encourage it.
- Survivorship Rights: need ability to assign.
- Goodwill Sales: no company interference… shorter time-frame.

- Franchisee Renewal: need fair and equitable ability to renew agreement.
- Merchandising Programs: allow franchisee input.
- Indemnification: increase coverage figures to realistic level.

Many FOAs were hopeful that this initial meeting would lead to ongoing opportunities to resolve a growing list of problems. The meeting was long, cordial and nonproductive. Spontaneous Combustion: The meeting to form a coalition was held the following week. The 7-11 Franchise Owners Association was formed, and the first National Convention was held in Hawaii, demonstrating the early tropical wisdom of these visionary leaders. By 1980, thirteen associations learned of and joined ranks in the national organization. They realized that the strength they gained by binding together locally could be duplicated on a national scale.

In 1980 The National Newsletter, a mimeographed pile of pages, became the first Coalition publication. It estimated that perhaps 800 franchisees belonged to FOAs. No one really knew. It also acknowledged that FOAs could exist of which the Coalition wasn't aware. Then National Coalition Chairman Bill Schuessler closed his newsletter message with the Biblical words: "None of us is as great as all of us together, so let's stay tightly knit together."

1981

A pivotal moment occurred in early 1981 when San Francisco attorney Tim Fine was retained as general counsel of the fledgling Coalition. Tim had already gained the attention of many FOA leaders as he served the Bay Area FOA and also established himself as a leader in the emerging field of franchise law. He was a fun-loving friend of kings and a concerned, dynamic protector of the small businessman. He was wise of franchise law as few were, but his driving force was fired by a concern that unprotected franchisees needed his help. He injected worldly wisdom and a permeating passion into the souls of every FOA leader. The time was right and interest high for the ignition of a national group. The National Coalition of Franchise Owners Association was formed and replaced its predecessor. It slowly grew in size of membership and scope of action.

AVANTI Magazine

The newsletter was replaced in the spring of 1981 by the first issue of AVANTI magazine. AVANTI was born from National Coalition dreams and franchisee editor Joe Saraceno's undying beliefs and determined efforts. In the second issue he cautioned the need for balance: "Actions which would tend to destroy the system make no more sense than building a roof over your head, while at the same time tearing down the walls and foundation designed to support it."

In 1981, the top National Coalition issues were:

1. Legal right of renewal. Incorporate a fair renewal procedure into current contracts.
2. Approval of an outside insurance program by Southland in order to remove the strings attached to indemnification Exhibit C.
3. Improve the financial return of 7-Eleven franchisees from the gasoline consignment arrangement.
4. Should the Coalition support the various advisory councils?

Contract Renewal Amendment

The Baltimore FOA, with Coalition support, worked with legislators in Annapolis to introduce solid Fair Franchise Legislation. Defying long odds, the legislative effort had built up a full head of steam and was ready for passage. At the last moment Southland emissaries asked the FOA leaders to pause their efforts. Southland said they desired to discuss the issues and provide franchisees with contractual protection for their concerns. The talks proceeded in a strangely slow manner. Frustrated FOA leaders finally believed the talks would never produce the promised results. FOA leaders were dumbfounded when they directed their lobbyist to move forward with the bill's passage. During the legislative time-out, Southland lobbyists had worked the Annapolis hallways and offices in an all-out effort to kill support for the bill. Shocked franchisees found that their supporters had received reasons to withdraw their support.

Franchisees, both members and non-members of the Coalition, were thrilled and surprised when Southland did agree to several changes requested by the Coalition. Indemnification levels were increased and optional additional coverage was allowed. More surprising and controversial was when the company agreed to provide franchisees with contractual renewal. The "Renewal/ Equity Building Amendment" was offered to all franchisees. The Coalition worked tirelessly on this goal when many franchisees believed it was a hopeless cause. A "survivor clause" was added also that allowed franchisees to assign their stores.

1981 was also the year of the first true National Coalition Convention. In true 7-Eleven franchisee spirit, it was big, loud and fun and held in Las Vegas. Franchisees from throughout the country ate and bought their way through the first Coalition trade show. Some had been to earlier versions of conventions at sights including Hawaii and Washington D.C.

1982

Franchisee representatives were invited to speak on an Agreement Committee in 1982. Former Coalition Chairman Bill Schuessler said the new contract should eliminate perceived conflicts that could inhibit maximizing sales and profits. It should also allow for communication and positive ideas to improve the system. Another key desire was to return to an equal 50/50 gross profit split. New Coalition Chairman, Bennie Thayer, repeated the words of Frederick Douglass: "without struggle there is no progress."

What were the struggles with which Bennie Thayer dealt? Concerns with encroachment and the accounting system were among the top issues. Problems related to the check cashing program were concerns. Bennie was invited to attend the Southland trade show not as franchisee, but as the National Coalition Chairman. In 7-Eleven language, this was a huge gesture. Senior Southland management also spoke as guests at a Coalition Board Meeting.

True Partnership

A new national chairman was elected in 1984. Bay Area franchisee Jack Wixon took over the reigns as the Coalition reached the 60 percent (of all franchisees) membership mark. Many in Southland management previously claimed a reluctance to deal whole-heartedly with the Coalition until it represented a majority of all franchisees. The time had come. The list of Coalition successes continued to grow, and many more franchisees realized the true value and strength of their national and local organizations. FOA leaders were often asked by members and even non-members to "go to bat" for them. A food service amendment was distributed by Southland. The Coalition voted to not support signing of the amendment. As a result, the company agreed to substantive changes requested by the Coalition and also to throw out any signed copies of the first version.

To get a clearer understanding of the accounting system, the Coalition hired Price, Waterhouse. Meetings were held with 7-Eleven accounting, and franchisee interviews were conducted around the country. The "Money In Your Pocket" manual was published and distributed to Coalition members. It really opened the eyes of many franchisees. In the fall, franchisees invaded New Orleans for the '84 Convention. Activities included a parade down Canal Street, a riverboat dinner/jazz cruise, humorist Mark Russell, Senator Alan Cranston and a visit to the World's Fair.

Affiliate Members

Joe Saraceno took over the helm as the Coalition headed into 1985. Interaction continued to grow between the Coalition, Southland and the vendor community. The Affiliate Vendor program was established. This was also the year that the Long Island FOA, with financial assistance from the Coalition, put a solid effort together to introduce a Fair Franchise Bill. The Long Island leaders held discussions with Southland as the legislative work continued. Southland also had a full-time team meet with state legislators. Once again franchisees experienced the tactic of delay, deflect and defeat.

In 1986 Coalition membership passed the 75 percent mark. It also was the year that franchisees began questioning their own ability to meet future equity level requirements. As a result of cries from community activists, Southland recommended that all stores discontinue carrying adult magazines (the ones store customers and employees like). In a remarkable reaction, many franchisees chose not to follow the corporate recommendation. The National Coalition and FOAs advised franchisees that they each could make an individual decision, based on their independent contractor status and good business practice.

A new contract was introduced that contained the concept of "high investment store." The company would charge a higher split for stores with an initial investment over $400,000. Franchisee share of gross profit could get as low as 43% of gross profit. Coalition representatives reacted like a synchronized Navy Seal team. They immediately refused to accept the concept as presented by senior management. Eventually the company let the concept slip into a quiet death, but not before adding "variable gross profit split" to the '86 Agreement.

Leveraged Buy-Out

Three letters sum-up the key action of 1987: LBO. In July 1987, a corporation controlled by the founding Thompson family (J. T. Acquistion Corp), tendered an offer to buy outstanding shares of Southland stock (buyback). By the time the LBO deal was finalized later that year, "Black Monday" had already occurred, interest rates skyrocketed, and the "Thompson" LBO model became impossible to achieve. The company was destined to be stripped of Citgo Petroleum, Chief Auto Parts, Reddy Ice, Tidel Safes, Southland Distribution Centers, Southland Foods, lucrative properties, Southland Dairies and other businesses. The lucky folks behind J. T. Acquisition Corp. received in the range of $4.6 billion. The unlucky franchisees and management who remained with the 7-Eleven system received "happy face" messages about how good it was that folks who knew and cared about 7-Eleven bought it. This was the era when people learned the true meaning of the term "junk bond." The LBO reminded folks of the term for years and years to come. Chairman Joe Saraceno told Dallas, "We must have an agreement we can live with."

At the start of 1988 FOA leaders were hearing from many disgruntled franchisees. Southland had embarked on an austerity program. Management group areas were consolidated from many small, independent, aggressive speedboat-sized divisions into a few slow, overtaxed supertankers. National centralization soon replaced division autonomy. Symptoms included less frequent audits, less marketing support, more stores assigned to each field consultant and almost a complete stoppage of building maintenance. Soon the only new equipment was being provided by some of the larger recommended vendors.

Coalition leadership raised more and more questions. Equity building, the Norand cash registers and 7-Eleven's video rental program (Movie Quik/Stars To Go) kept the Coalition busy. Often when these concerns were raised by the Coalition, management would plead that the company needed to temporarily marshal its assets as a result of the LBO, but to not be concerned. Management toured the country reassuring everyone that the company was stronger than ever and that the financial gamesmanship was the best thing that could have happened. They told franchisees and area management to ignore articles in Forbes and other publications that voiced concern over the LBO and the company's ability to weather the debt. (Another Texas-based company named Enron would sing the same song exactly 25 years later.)

A New Jersey FOA leader named Ted Poggi summed up the concerns of many franchisees when he wrote a letter to John Thompson. In the letter he listed many of the company programs and services that had been reduced and asked, "What's in it for us?" Tim Fine began dissecting the financial terms and obligations of the LBO. He began questioning the company's ability to meet future financial obligations as well as maintain the 7-Eleven franchise infrastructure. The Coalition was open and direct in stating the concern of many board members regarding 7-Eleven's future. Later in the year, 7-Eleven responded by offering franchisees a contract term-extension. This was called the 2000 Amendment. It was hoped that the amendment would lift franchisee spirits, but questions about franchisee profitability and the future of 7-Eleven continued.

Board members questioned that the only new equipment coming to stores was provided "free" from suppliers like Coca-Cola, Oscar Mayer and Compass Foods. The Coalition sent a letter to Dallas asking that an outside expert be allowed to review 7-Eleven's books in order to determine if discounts, rebates and allowances were being handled properly. As these issues were being discussed, Las Vegas FOA leaders met with state legislators to discuss proposed Fair Franchise Legislation. The prospects looked bright for this franchisee initiative until 7-Eleven lobbyists convinced legislators that this was really a family matter that Dallas was anxious to solve by discussions with the FOA leaders and amendments to the Store Agreement.

In an effort to allay Coalition concerns about the financial strength of 7-Eleven, top management spoke to franchisees at every opportunity, but Coalition concerns didn't go away. Questions started being raised about franchisee rights if 7-Eleven filed for bankruptcy. The Coalition soon retained a bankruptcy attorney to study and protect franchisees from the unthinkable.

Southland announced several procedural changes in response to Coalition efforts. Among the changes:

- Equity Freeze: Minimum equity levels mandated by the Renewal Amendment were frozen.
- Long Term Incentive: Franchisees who remained in the system certain lengths of time would receive an increasing percentage of the franchise fee for goodwill sales.
- Variable Gross Profit Freeze: This related to high investment stores.
- Performance Based Incentive: Each store that met image standards received a 2% credit monthly credit.

Tim Fine

The Coalition and franchisees lost their best friend in 1990 when Coalition General Counsel Tim Fine passed away. Tim had provided a helping hand to Coalition and FOA leaders for many years. His passion to protect small business operators meant that he passed on much more lucrative legal opportunities. He earned his wages in smiles, thank you's and an occasional payment. Patrick J. Carter was selected as the new National Coalition General Counsel. His wisdom and wit has been finely tuned from his years of working side-by-side with Tim Fine.

Another death occurred in 1990; Southland Corporation filed for bankruptcy. Franchisees cried over Tim's death, while they shivered over the end of Southland. Unlike other bankruptcies of the day (e.g. Circle-K), 7-Eleven "prepackaged" its bankruptcy, and tried to protect franchisees…not one vendor lost money. Many franchisees never even knew what actions had been undertaken by the National Coalition in anticipation of bankruptcy. The Coalition took steps to make sure that the interests of franchisees were protected. Much of the work was done without publicity for confidentiality. The bankruptcy court heard from Coalition Chairman Joe Saraceno and accepted the plan that recognized and upheld the Store Agreements. Franchisees remained franchisees. This single accomplishment forever answers those who ask, "Why belong to an FOA that's a member of the National Coalition?"

Changing of the Guards

As 1992 came to a close, leadership changes occured within the Coalition and 7-Eleven. Ted Poggi was elected Coalition Chairman. He replaced Joe Saraceno, who prided himself on developing and maintaining open lines of communication with management. Steve Krumholz was promoted to 7-Eleven Senior V.P., replacing Dick Dole, who year-after-year had employed a variety of methods to communicate and build understanding with the franchise community. Ted's and Steve's styles couldn't have been more incompatible. Ted asked the hard questions and often questioned the answers until he was satisfied with the answer. Steve employed a bunker approach of not wasting time answering questions, but rather using his efforts to tell people what they needed to do in order to be successful. Wilderness firefighters call this situation "pouring fuel on the fire."

All of this was happening as 7-Eleven Japan took greater control over its 7-Eleven USA acquisition. Franchisee profits were plummeting, equity problems were building and tenured 7-Eleven management were jumping to other c-store chains. Soon, when the new Chairman spoke to Dallas he repeated the words of Tim Fine. The 7-Eleven/Franchisee relationship is "a thin line of shared profitability for each party. When either party steps to the other's side, it presents an unfair advantage."

7-Eleven soon announced a "pure cost of goods' concept. Franchisees were told that soon they could no longer use suppliers that provided services such as product guarantees, assistance in order writing, pricing, delivery to areas in the store that required extra driver time, etc. If a franchisee received these "extras," 7-Eleven would isolate and not share in these product costs. Coalition leaders spoke quickly and firmly in disagreement with the concept. The company tried several times to reinterpret the intended change but eventually agreed to drop it.

Troubled Times

1993 saw the addition of two new names to the list of Coalition Regional Chairmen. Teresa Maloney of Reno began chairing the Northwest region and Tariq Khan of Long Island took over the Northeast Region. Both of these franchisees would have significant impact on the future of the organization. Another name that quickly drew the affection of many, the dissatisfaction of others and the attention of all and was Spenser D. Witt. Spenser was the so-called AVANTI guest columnist who's stated goal was "to the open and provocative discussion of issues that confront the 7-Eleven system today." Many questioned his witty, acerbic style, and many refuted his commentaries, but all, friend and foe, grew to know well his caustic wit.

Communication grew less effective as Ted Poggi's questioning approach clashed with Steve Krumholz's autocratic method. The Coalition became a founding member of the AFA (American Franchisee Association). The AFA's primary thrust was to establish and maintain meaningful Franchisee/Franchisor Relationship Legislation in all states and on a national basis. The Coalition also took a front seat in supporting national legislation proposed by New York Congressman John La Falce. A letter writing campaign was conducted and supported by a "busload of board members" visiting the offices of Capitol Hill.

7-Eleven announced that it was time to start work towards a newer, better Store Agreement. The Coalition bit at the bait and spent considerable time developing its own proposed new contract. To be more accurate, the Coalition drafted two different contracts based on the input of franchisees. One version was based on a Royalty On Sales and the other on a Gross Profit Split. The drafts were presented to Dallas and met with a resounding "You gotta be kidding." Weak communications now became a line drawn in the sand by Southland. To many franchisees, it appeared that Dallas wanted to influence rather than receive franchisee input.

The Unthinkable Happens

What happens when one party restricts communication? Lawsuit! 1993 saw some California franchisees file a class action suit against 7-Eleven, the 7-OFFF suit. The Coalition wasn't a party to the case, but certainly took an active interest in its progress. In response to the lawsuit, Dallas canceled all meetings with franchisee organizations or input committees. WOW! This decision killed the dialogue but provided added impetus to pursue Franchise Rights Legislation. Some board members became recognized faces with their legislators. Franchisees had to seek solutions in methods formerly unfamiliar to them. Legislators offered sympathetic ears.

Two other non-Coalition lawsuits were filed. Washington state franchisees brought legal action against 7-Eleven who had stopped them from making cash payments to vendors. Another action, Sparano vs. Southland, claimed deception and fraud related to Southland's LBO and corporate contractual breaches. The Coalition continued to send letters and meeting invitations to Dallas, but the only responses were "no thanks." Unhindered, the Coalition announced plans to operate a 7-Eleven franchisee website (the term hadn't been introduced yet). The site, InfoNET, was establishing a 7-Eleven archive of information. It also offered a franchisee, vendor, Southland bulletin board and e-mail capability (another term that didn't exist). The goal of InfoNET was increased communication and information sharing to assist all parties in their business operations. Most franchisees hadn't a clue about what it was; they also didn't have computers.

What did Coalition leaders do with their free time? They became participants at the White House Conference On Small Business Main Street Task Force. They went to local meetings and eventually attended in D.C. along with a select group of retailers and service people from the small business community. They went to speak up for the issues affecting franchisees. As White House Conference members, they addressed issues that affected all or many small businesses. It wasn't the forum for dealing with 7-Eleven specific problems.

Store operators were thrilled when the company began remodeling (RESTORE) stores. RESTORE had been updating various stores for nearly a year when Steve Krumholz decreed that franchisees still awaiting a remodel would have to sign various amendments to the Store Agreement. The Coalition questioned the legality and necessity of this new policy. Many owners hoped the Coalition could resolve another issue through discussions with the company. Franchisees complained that Southland required them to sign a form releasing Southland of any and all known and unknown claims in order to be able to sell their stores. The Coalition agreed that these Mutual Termination and Release Agreements weren't part of the Store Agreement terms. Frustrated in its efforts to find solution through dialogue, the Coalition filed a lawsuit, Saraceno vs Southland, against the company. This was the first time the National Coalition ever used such extreme measures to resolve a dispute with Southland.

1995

By 1995 it was obvious that the management relationship and communication practices of Steve Krumholz and his impasse with Ted Poggi benefited lawyers at the expense of 7-Eleven franchisees and Southland. Nevada franchisees again went to Carson City in the hope of gathering support for a Fair Franchise Bill. Southland accepted an invitation to attend a Coalition board meeting and sent Finance V.P. Jim Keyes. A glimmer of hope appeared; maybe someone on Southland's board felt the approach of isolate, separate and divide wasn't working. Steve Krumholz began providing articles to AVANTI as he, Clark Matthews, Jim Keyes and Rod Brehm toured the country speaking to franchisees at 18 stops in what was termed "the traveling road show."

Southland officials began to again regularly attend Coalition board meetings. Increased communication resulted in a settlement of the Mutual Termination and Release case, Saraceno vs. Southland, in 1996. This was also the year that Jim Keyes became Marketing V.P. while retaining C.F.O. responsibilities.

The CDC operation became the new hot topic of concern to franchisees. FOA leaders began to share stories of their area CDCs with others at board meetings. Coalition members began to ask hard, probing questions about the benefits to franchisees provided by CDC operations. They asked Southland to show them the money. The company responded that if franchisees would support the CDCs one hundred percent, the benefits of CDC would become obvious. It was the "chicken and egg" conundrum.

1997

In 1997 the Coalition in combined efforts with Anheuser-Busch developed, introduced and promoted the Retailers Against Minors Purchasing (RAMP) program. A series of press conferences were held to bring attention to the effort. It was also supported by a full-page message in USA Today. The Coalition had taken its efforts to assist franchisees to a new level. It's also worth noting something that didn't happen. Payroll in franchisee stores didn't change from a weekly basis. Southland had announced that payroll periods were changing to a bi-weekly arrangement. Coalition leaders spoke quickly and directly to the subject. Their efforts won the day and Dallas reversed the announcement.

This was also the year that franchisees became nervous and uneasy regarding how the Renewal process and the Operational Review would be administered. Many feared that it would be used as a tool to reward compliance and punish independence. Some members of the 7-Eleven management team used Renewal as leverage to "remind" franchisees that non-participation in a program could jeopardize that franchisee's future. The Coalition worked on many levels to assure that the Renewal process would be managed in a fair and just manner.

The end of 1997 saw the close of Ted Poggi's tenure as Chairman. It was also the end of Steve Krumholz's service with 7-Eleven. It was also the end of the Bay Area FOA's membership in the Coalition. A relationship sadly ended with one of the dynamic founding member associations of the National Coalition.

New Administration, New Relationship

The end of 1997 was also the beginning of Tariq Khan's service as Coalition Chairman. Soon after Tariq's election, Southland promoted Jim Keyes to President and CEO of 7-Eleven, Inc. The 7-OFF/Valente suit was settled and a summary judgement put the class action aspects of the Sparano suit to bed. Clark Matthews and Jim Keyes immediately became fixtures at every Coalition board meeting, and amicable and professional dialogue flowed with every encounter. By the next summer, 7-Eleven included its USE (University of 7-Eleven) at the Coalition convention. In response to franchisee profitability concerns 7-Eleven, Inc. agreed to roll back minimum equity requirements to $10,000. Jim Keyes made the warmly received announcement at the Coalition's Grand Banquet.

Tariq stated that one of his primary goals was a return to the 50/50 split. The corporate response was to raise franchisee income through revitalized sales growth. The answer was not a bigger percentage of the pie, but a growth of the pie. Since those statements were made, sales have grown at a steady pace for several years. Coalition leaders continue to pursue an equal percentage split. While franchisor and franchisee may disagree on the viability of an equal share of the goss profit, they share a firm resolve to work together for mutual success. That message was read in a 1999 Convenience Store News article featuring Clark Matthews, Jim Keyes and Tariq Khan. It's seen in the ongoing interaction between both parties. It was also read in a joint letter from Tariq and Jim to all franchisees.

In 1999 the National Coalition was invited to send a delegation to visit 7-Eleven Japan. Three Coalition officers took the big trip, toured many stores, attended a tradeshow, visited a CDC operation, met with Mr. Ito and completed the trip with a private discussion with Mr. Suzuki. What else could occur to demonstrate reopened doors of communication and cooperation? That was answered when 7-Eleven's headquarters, Cityplace, opened its doors and welcomed franchisees to the Coalition's 25th Anniversary Convention in Dallas. Coalition board members and franchisees invaded every nook and cranny as they enjoyed touring the facility and meeting the faces behind the names in addition to traditional convention activities.

In an effort to identify sources of franchisee store shrink, the Coalition performed a series of Inventory Case Studies. These involved extended store visits, interviews of each store operator and review of store procedures. The study helped involved stores dramatically reduce and understand sources of inventory variation.

The Future

The Coalition left the old millennium and entered 2000 looking for ways to improve RIS, CDCs, Store Agreement, accounting and profitability. Southland changed names to 7-Eleven Inc. and also agreed to a number of changes requested by the Coalition. The list includes items like:

- Rollback of minimum equity requirements.
- Review of large audit variations before booking.
- Chargebacks reversed if proper documentation isn't given within 30 days.
- Suggested price changes default to "no."
- Increased sensitivity to encroachment.

When those six Seattle franchisees held their basement meeting they never could have envisioned what growth and accomplishments would be realized down the road. Their common sense told them that if they worked together they could make their 7-Eleven investments more valuable. They were true visionaries. The future of the National Coalition, 7-Eleven franchisees and the 7-Eleven System is driven by those who choose to join together to enjoy the future.

- Chairman's Welcome
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- Vendor Affiliate Membership
- Avanti Magazine
- NCASEF Board of Directors Meeting Registration

- 2019 NCASEF Major Sponsor Registration
- 2019 NCASEF Convention Exhibitor Registration

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