

The Perspective

Issue 9: Dec 2011

A Publication for the Convenience Store and Petroleum Marketing Industries

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BALANCING YOUR BUSINESS

"SAME DAY" DATA

Practical Uses of EPM

STATE OF THE INDUSTRY

What Fuels Customer Behavior?

THE POWER IS IN YOUR HANDS

Pinnacle Handheld Inventory Management

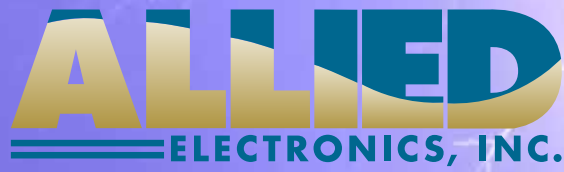
FUEL CUSTOMER ACCESS

What Could Be Better Than a Win-Win?

PINNACLE POINT OF SALE

Exciting New Enhancements





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JAN 22-25

SIGMA ELC
Vail, CO

JAN 23-26

PCATS Conference
Tucson, AZ

FEB 21-23

WPMA
Las Vegas, NV

APR 3-5

NACS/CSP SOI
Chicago, IL

JAN 2012						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

MAR 2012						
S	M	T	W	T	F	S
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEB 2012						
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5	6	7	8	9	10	11
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26	27	28	29			

APR 2012						
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

FROM BOB'S PERSPECTIVE

The 2011 Pinnacle client Summit is now history, and based on the feedback from our clients, it was our best event ever. My thanks to all who attended, and especially those who made the effort to make presentations and share their experiences with other clients. We continue to get feedback that these opportunities for clients to share their experiences are of great value to fellow clients. We continue to look for ways to further enhance and leverage this aspect of the Summit. I'd be remiss to not also thank our Master of Ceremonies, Mr. Bob Carpentier from Beacon & Bridge who was a wonderful spokesperson and leader of the conference this year. Thank you, Bob!

In the last Perspective, I made the comment that we believe leveraging technology can deliver a better consumer experience more profitably for our clients. As it happens, I was recently visiting a client and observed a couple of really great examples of this in action.

Perhaps a small item in the grand scale of things, and yet, a major pain for consumers, (especially business customers who need a receipt) is getting a fill-up, only to find out the DPT is out of paper! If you're already running late, (and who isn't these days?) having to unexpectedly run inside the store just to get a receipt (and remember what pump) is really an inconvenient experience. I believe all operators have manual procedures in place to address this problem, and yet it's still a problem. This client has been proactive on reporting these occurrences by automatically detecting the out-of-paper condition and sending an email report to the manager and supervisor of the situation. Providing a report at month-end showing the frequency of occurrence and incorporating that into store inspection/bonus plans has dramatically reduced the occurrence of this persistent problem. That which gets measured, gets done! And that was a major customer inconvenience has been eliminated by leveraging technology to deliver a better consumer experience.

The other example I saw was surrounding supply chain management and inventory management. A convenience brand will develop over time, a reputation for having certain products. When the consumers' expectation for product availability is not met due to out-of-stocks, a distrust is created in the mind of the consumer. I understand that in the tobacco category, if a retailer is out of stock twice on a consumer's favorite brand, the consumer will switch stores! A pretty steep penalty for a retailer having weak inventory management practices! The retailer I was visiting has eliminated out-of-stocks for their key items on a unique store by store set of items and virtually eliminated out-of-stocks for most other items by leveraging an item level replenishment system. They still have 'acceptable' out of stock situations occurring from time to time, which they feel very good about, but that's a great topic for a future article!

As we near the end of 2011, we at Pinnacle extend to you our very best wishes for a safe and joyous holiday season, and the very best for the New Year.

Happy Holidays!



Robert S. Johnson
President
The Pinnacle Corporation

FROM OUR PERSPECTIVE

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LETTER FROM THE EDITOR

If you look up the word “balance” in the dictionary, you will find a plethora of meanings; however, one particular definition seemed to really jump out at me as it relates to this issue of The Perspective, “Balancing Your Business”:

bal•ance [*bal-uh ns*] **noun** – Harmony in the parts of a whole.

What a pleasantly simple concept. But how many times have you heard questions tossed around like, “What is the most important factor in making a business successful?” And while it may seem like an easy question to answer at first glance – “the hard working employees,” ... “the loyal customers,” ... “the incredible products” ... is it safe to presume that any one of these answers is THE most important?

When you really think about it, the success of any business is attributed to a multitude of factors, or “parts of the whole” – right place/right time/right people/right tools, etc. So actually, the most important factor in making a business successful is finding a way to balance, or find “harmony” in all of these separate, yet interdependent, facets.

As you read through this issue of The Perspective, keep in mind this definition of balance – look for ways to help harmonize the areas of your business, from managing your inventory, to increasing customer loyalty, to expediting the fuel management process. Balancing your business is the key to success. ©



Rosemary

Rosemary Waldrip
Editor in Chief

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**OmegaSecure™ is designed to protect your network
-- down to every machine in every store.
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- Works with broadband and VSAT
- Works for small, medium and large merchants
- You monitor your entire data security status from one console
- Works with Pinnacle systems

"We have gained numerous business benefits from Omega. Among the most significant is the guarding of our customers' data." *Ed Freels, Director of Information Systems, Honey Farms, Inc., MA*

"Everyone at Omega is awesome to work with from the bottom up. Their team is extremely knowledgeable, very professional, and nice. They are true experts in data security." *Brad Buckmaster, IT Manager, Plaid Pantry Convenience Store, OR*



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"Same Day" Data Practical Uses of EPM

By: Wendy Head, Data Analyst/Reporting Specialist, Flash Foods

Let me give you a little background about Flash Foods' experience with Pinnacle's Enterprise Performance Management (EPM™). We have been using EPM since 2006, and during this time we have seen the benefits of this solution help us control theft and settle upset clients.

There are features to the product that we take advantage of every day. It is significant that every store's transaction data is transported and stored in one central data warehouse. Since the transaction data for all stores is located in one data warehouse, we can run reports on all stores at one time or whatever stores we choose. This greatly reduces research time when tracking down issues or checking on specific item movement or trying to identify associate problems.

It also means a lot to be able to access "same day" data versus day or two old data that doesn't get sent until the store completes their paperwork. To us, that means we can be more proactive in finding and addressing operations issues.

We have several departments using and running reports in EPM, such as Marketing, Quality Assurance, and Operations. With EPM we are able to run and email reports based on a regular schedule, which means that I don't have to execute and email the reports manually.

VOIDS, PRICE OVERRIDES, AND RETURNS

For example, there are three reports that we have scheduled to run and email out to our store supervisors every Tuesday morning.

We use these reports to help identify associate theft or training issues. These three reports run for the previous week and focus on a select group of events that can be triggered by store associates. These events include: voids, price overrides, and returns, just to name a few. We schedule these reports to run at 2:00am every Tuesday so that supervisors can review them at the start of their day.

The "Event Counts Report" sums up the number of times each of the selected events occurs and the total amount added to or deducted from sales totals due to the event. The report is laid out so that a supervisor can take a quick glance at an event and see what each store's totals are for that event. That makes it easy for the supervisors to identify the stores with problems.

For example, when looking at line voids, the supervisor's group of stores has a total of over \$8,000 of line voids in one week. The supervisor can look down the list and see each store's numbers. For example, store #258 alone has a little over \$3,000 in line voids for one week. This would throw a red flag and show that the supervisor needs to dig into why they have this many line voids in one week.

At that time, the supervisor can refer to the "Event Details Report" that they also receive every Tuesday morning, because it goes hand-in-hand with the Event Counts Report. The Event Details Report includes the same events as the Event Counts Report, but it lists out each event that

Page by:
Event Name: LV00

Store	Metrics	Event Count	Event Amt	Event Amt Avg
Total		1,593	(\$8,487.19)	(\$5.45)
27 Flash Foods #0027		149	(\$319.20)	(\$3.49)
29 Flash Foods #0029		138	(\$359.82)	(\$2.61)
79 Flash Foods #0079		159	(\$480.75)	(\$3.02)
81 Flash Foods #0081		303	(\$1,600.30)	(\$5.30)
99 Flash Foods #0099		170	(\$459.30)	(\$2.70)
105 Flash Foods #0105		183	(\$830.34)	(\$4.54)
163 Flash Foods #0163		114	(\$379.35)	(\$3.30)
199 Flash Foods #0199		186	(\$671.89)	(\$3.61)
258 Flash Foods #0258		391	(\$3,076.50)	(\$7.87)

Page by:
Event Name: MV00

Store	Metrics	Event Count	Event Amt	Event Amt Avg
Total		80	\$4,448.59	\$55.61
27 Flash Foods #0027		7	\$227.10	\$32.44
29 Flash Foods #0029		4	\$014.09	\$203.32
79 Flash Foods #0079		7	\$40.05	\$5.58
81 Flash Foods #0081		9	\$121.99	\$13.55
99 Flash Foods #0099		14	\$187.34	\$13.38
105 Flash Foods #0105		13	\$254.48	\$19.58
163 Flash Foods #0163		4	\$71.12	\$17.78
199 Flash Foods #0199		4	\$37.15	\$9.29
258 Flash Foods #0258		18	\$2,680.27	\$148.90

EVENTS COUNTS FOR DIVISION 1

was recorded by Palm POS and that was summed up on the Event Counts Report. Since Flash Foods uses line item level inventory, we have been able to use these reports on voids and returns to drill down into specific items that may be in question when it comes to inventory shortage. These reports have actually aided us in controlling theft.

PUMP DETAILS

The "Pump Details Report" is another report that is delivered through scheduled emails to our supervisors. Flash Foods feels that we provide a customer service by offering pay at the pump at our stores. If a customer chooses our store so they can use pay at the pump, then we don't want that customer to be inconvenienced by not getting their receipt. With the Pump Details

Store	Event Name	Associate	Ticket Date		Ticket Hour	Event Fuel Pos	Matrix	Event Qty
Total								175
27	34 DPTa		9/9/2011	Friday	18:00	5		1
			9/9/2011	Friday	18:00	5		1
			9/11/2011	Sunday	16:00	1		1
	35 DPTb		9/11/2011	Sunday	14:00	2		1
			9/5/2011	Monday	17:00	1		1
			9/6/2011	Tuesday	18:00	1		1
			9/9/2011	Friday	17:00	4		1
			9/10/2011	Saturday	15:00	3		1
			9/7/2011	Wednesday	17:00	8		1
			9/11/2011	Sunday	11:00	6		1
			9/7/2011	Wednesday	17:00	8		1
			9/9/2011	Friday	17:00	4		1
			9/11/2011	Sunday	18:00	1		1
			9/6/2011	Tuesday	09:00	3		1
			9/5/2011	Monday	17:00	1		1
			9/6/2011	Tuesday	09:00	3		1
			9/7/2011	Wednesday	15:00	7		1
			9/6/2011	Tuesday	13:00	6		1
					18:00	1		1
			9/7/2011	Wednesday	15:00	7		1
			9/8/2011	Thursday	15:00	6		1
			9/10/2011	Saturday	15:00	3		1
			9/11/2011	Sunday	11:00	6		1
					14:00	2		1
	36 DPTc		9/9/2011	Friday	03:00	6		1

PUMP DETAILS REPORT

Customer: 501486XXXX0822040

Ticket Date: 8/24/2011

Store: 137

Store	Date/Time	Ticket	Card Type
137	8/24/2011 08:57:35 PM	1216270	PUMPAUTH
137	8/24/2011 09:15:32 PM	1216283	PALV

Pumpauth - card scanned inside
 Palv - card used as pumpstart card
 S - Sale
 C - Cancelled Receipt
 D - Drive Off
 M - Manager Void

Store	Date/Time	Ticket	Type	Ticket	Total Tax	Fuel Amt	Fuel Vol	Disc
137	8/24/2011 08:57:35 PM	1216270	S	6.16	\$0.18	0	0.0000	\$0.00
137	8/24/2011 09:15:32 PM	1216283	D	37.28	\$0.00	37.28	10.6540	\$0.00

Store	Date/Time	Ticket	UPC	Pos Desc
137	8/24/2011 08:57:35 PM	1216270	1600012607	Chx Mx Bold EACH
137	8/24/2011 08:57:35 PM	1216270	7800000554	Chry 7 P 20 ECH
137	8/24/2011 08:57:35 PM	1216270	7800005240	A&W Rbter20 EACH

Store	Date/Time	Ticket	Tender ID	Sub ID	Amount	Tendered
137	8/24/2011 08:57:35 PM	1216270	LOYAL	GOBLUE	\$6.34	\$6.34

Fuel Types
 1 - PS
 3 - Prepay
 5 - DPTSale
 9 - Manual

Store	Date/Time	Ticket	Grade	Fuel Type	Pump	Volume	Fuel Amt	Transnum
137	8/24/2011 09:15:32 PM	1216283	1	1	5	10.6540	\$37.28	aDFD7199

Store	Date/Time	Ticket	Event	Desc	Fuel Pos	Amount	Volume
137	8/24/2011 08:57:57 PM	1216270	PARK	Ticket parked	0	0	0
137	8/24/2011 09:15:32 PM	1216283	DOFF	Invalid	5	37.28	10.654

CUSTOMER DRIVE OFF LOOKUP

Report, which we built using the EPM Report Writing feature, we can tell when the pump runs out of paper and when the pump paper is re-loaded. It helps us to determine if our associates are checking the paper at their pumps like they are trained to do.

Another report we wrote (using Freeform SQL) is the "Quarterly Crind Report". This report shows us the pump, the time the paper out event occurred on that pump, and the time the paper was reloaded or the printer was checked for that pump. The report also shows how many pay at the pump transactions were completed

during the time the Crind was not printing receipts, the number of gallons sold during the paper outs, and the total number of Crind transactions for all pumps for the quarter.

This report is intended to decrease the number of instances and the length of time that a pump is out of paper. It's all about delivering good customer service. We included this report in our quarterly inspections scorecard. If a store's total paper out count is 3% or more of their pay at the pump transactions, then it is counted against them at the time of store inspections, which in turn can affect their

quarterly bonus.

DRIVE OFFS

Another event that we monitor closely is Drive Offs. Most of our stores are prepay, but we do offer a pump start program through Pinnacle's LoyalPass® to our loyalty program customers. With a LoyalPass card, the customer can turn on the pump, dispense fuel, and then come inside the store to pay. When a customer signs up for a LoyalPass card, we collect the information off of their driver's license, such as name, address, etc.

If a loyalty customer drives off without paying for their gas, the gas transaction is recorded as a drive off event in Palm POS and later uploaded to EPM. A drive off event automatically deactivates the LoyalPass customer's card. A letter is mailed to the customer from the corporate office, and usually the customer contacts our Quality Assurance/Internal Control department to discuss the drive off.

Since we are able to capture the last 7 digits of the LoyalPass card in Palm POS, we can run an EPM report that shows us all the LoyalPass customer's transactions on that day, the drive off, and any other transactions. With that report, we can determine if they came inside the store and bought something else using their loyalty card and possibly just didn't get charged for their gas by accident.

CUSTOMER RESEARCH / TRANSACTION DETAILS

Another EPM report that has made customer service and complaint resolution easier is the "Customer Research Report". We offer a points redemption program to our customers, which we call Flash Cash. Basically, a customer's loyalty card is scanned and points accumulate with every purchase. Then, when the customer wants to use their points, they can use them as a form of payment.

Palm POS records the redemption as a payment type so this report shows when a customer redeemed their Flash Cash (FCASH). On occasion, we may have a customer call and say that their Flash Cash decreased and they don't remember using it. So they may want to know where and when it was used. Once again, since we capture the last 7

Customer loyalty flash cash - ticket and tender - multiple cards

Date/Time	Store	Ticket	type	Ticket Amount	Tax	Fuel Amt	Fuel Vol	Total Disc	Tender_ID	Sub_ID	Tender Amount	tendered	Customer Loyalty Number
6/1/2011 05:23:28 PM	290	2221488	S	\$8.23	0.58	\$0.00	0.0000	0.00	CRED	DEBIT	\$8.81	\$8.81	1476670
6/1/2011 05:27:22 PM	290	2147908	S	\$0.89	0.03	\$0.00	0.0000	0.00	CASH		\$0.92	\$1.00	1476670
6/2/2011 03:46:22 PM	290	2149156	S	\$4.49	0.31	\$0.00	0.0000	0.00	CRED	DEBIT	\$4.80	\$4.80	1476670
6/2/2011 11:09:59 PM	69	2090711	S	\$1.59	0.05	\$0.00	0.0000	0.00	CRED	DEBIT	\$1.64	\$1.64	1476670
6/4/2011 05:49:54 PM	83	1502504	S	\$33.74	0.26	\$30.00	8.3830	0.00	CRED	DEBIT	\$34.00	\$34.00	1476670
6/6/2011 02:13:07 AM	83	1503382	S	\$3.88	0.22	\$0.00	0.0000	0.00	CASH		\$4.10	\$5.10	1723973
6/7/2011 08:13:07 AM	259	2166869	S	\$4.49	0.31	\$0.00	0.0000	0.00	CASH		\$4.80	\$5.00	1476670
6/7/2011 05:29:24 PM	290	2155819	S	\$18.23	0.58	\$10.00	2.8980	0.00	CASH		\$18.81	\$20.00	1476670
6/11/2011 05:28:49 AM	83	1506197	S	\$1.19	0.04	\$0.00	0.0000	0.00	FCASH	FCASH	\$1.23	\$1.23	1723973
6/11/2011 06:23:29 AM	83	1506210	S	\$0.95	0.03	\$0.00	0.0000	0.00	CASH		\$0.98	\$1.00	1723973
6/12/2011 12:04:04 AM	83	1506458	S	\$2.99	0.09	\$0.00	0.0000	0.00	CRED	DEBIT	\$3.08	\$3.08	1723973
6/12/2011 03:42:57 AM	83	1506581	S	\$3.78	0.22	\$0.00	0.0000	0.00	CRED	DEBIT	\$4.00	\$4.00	1723973
6/12/2011 08:08:27 PM	83	1506877	S	\$8.23	0.58	\$0.00	0.0000	0.00	CASH		\$8.81	\$20.00	1476670
6/13/2011 01:42:01 AM	83	1507129	S	\$2.48	0.08	\$0.00	0.0000	0.00	CASH		\$1.97	\$2.00	1723973
									FCASH	FCASH	\$0.59	\$0.59	1723973

CUSTOMER USE LOG

Flash Foods The Jones Company
215 Piedmont Street
Waycross, GA 32183

Store: 290 Flash Foods #0018
Register No: 1
Operator: 1
Transaction: 1

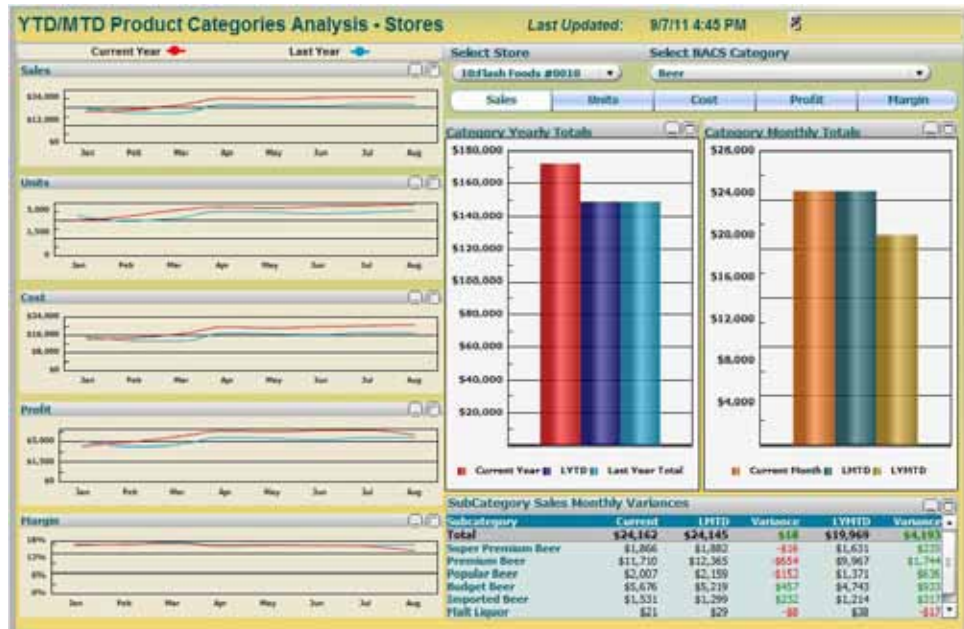
Date/Time: 6/1/2011 05:23:28 PM
Ticket: 2221488
Type: S

Sales: \$8.23
Tax: \$0.58
Fuel Amt: \$0.00
Fuel Vol: 0.0000
Total Disc: 0.00
Tender ID: CRED
Sub ID: DEBIT
Tender Amount: \$8.81
Tendered: \$8.81
Customer Loyalty Number: 1476670

Receipt Summary:
Sales: \$8.23
Tax: \$0.58
Fuel Amt: \$0.00
Fuel Vol: 0.0000
Total Disc: 0.00
Tender ID: CRED
Sub ID: DEBIT
Tender Amount: \$8.81
Tendered: \$8.81
Customer Loyalty Number: 1476670

Signature: [Signature]

RECEIPT REPRINT



DASHBOARD

digits of the customer's loyalty card, we can provide this information through EPM.

This report just shows the customer's transactions for part of June. We can see where they used Flash Cash as part of their payment.

This is just another way we can provide a service to our customers. We've had customers call and need a copy of their receipt for their business or expenses. With EPM we can do this even if its 2 or 3 months past the time the customer came in the store. And, since we use electronic signature pinpads at our stores we have the ability, through EPM, to reproduce the receipt with the signature whether it is by customer request or for our own research on charge backs or bank disputes.

This Transaction Detail report also eliminates the store having to keep the normal signed receipts on file for a required period of time.

DASHBOARDS

A dashboard is a collection of reports and metrics in one location that gives you a quick overview of information you want to track regularly. They also have options for more visual representation of data so they can be easier to read. We run several of the dashboards on a regular schedule. One group that regularly uses them is the marketing team. The Director of Marketing gets monthly updates for several product performance dashboards and reports. One is the "Product Performance - Year to Date/Month to Date Categories Analysis Dashboard". We use the scheduling tool to post these monthly

reports out to a folder on our server for easy access.

One of the best features of the EPM solution is that we can use the reports that are provided, but we are not limited by them. If our company needs a new report, we can build it. Occasionally, we have to seek assistance from Pinnacle specialists, but many times we can get the report done and delivered on our own. ©

Wendy Head has been in the Flash Foods IT Department for 10 ½ years. As the Data Analyst and Reporting Specialist, Wendy manages the EPM and Loyalty databases at the corporate level and the store level Journal Manager Synchronization processes.

State of the Industry what fuels customer behavior?

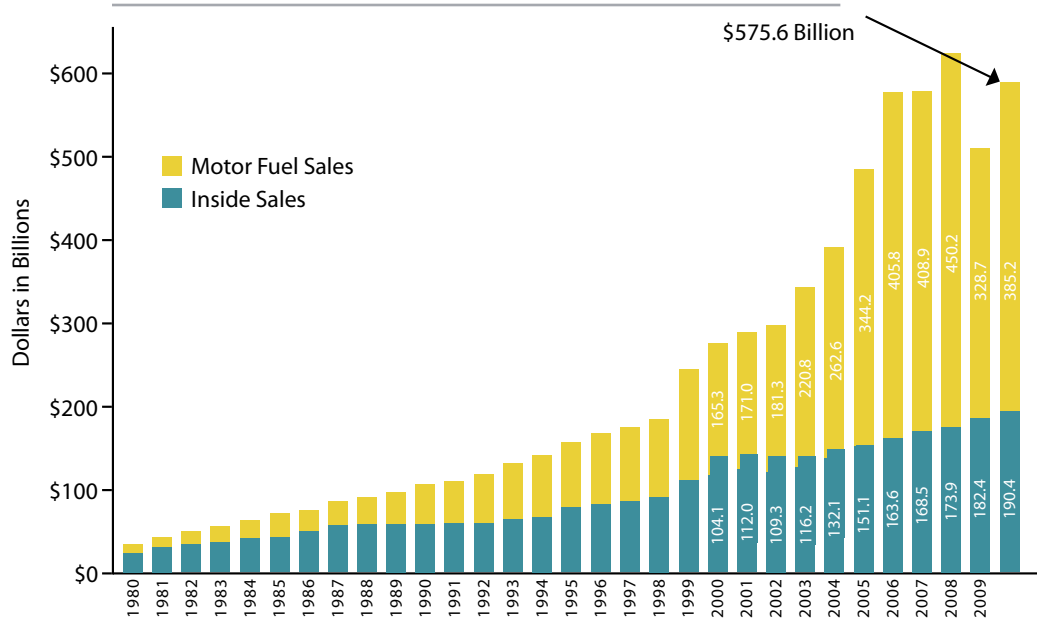


By: Michael Davis, VP of Member Services, NACS

30 YEARS OF INDUSTRY SALES

How many industries can say that 98% of the American population shops at their retail outlets at least once every month? Not many. However, convenience stores can claim this statistic. As an industry, we process about 166 million transactions per day – that's equal to the entire mobile population of the U.S. shopping with us daily. We sell 82% of the motor fuel sold in the U.S., and our 2010 sales equaled \$576 Billion. With our 146,300 stores, our industry is larger than warehouse clubs, supercenters, dollar stores, mass merchandise stores, supermarkets, and drug stores combined. We are truly a force to be reckoned with.

So, what is it that fuels our customers' behavior? And how can we leverage this information to keep them coming back?



Source: NACS State of the Industry Survey of 2010 data powered by CSX, LLC

INSTANT GRATIFICATION

Even in a down economy, our consumers still want to feel rewarded (think iTunes, Kindle, Starbucks VIA, etc.). Immediate consumption means immediate gratification, and with c-stores physically located closer to homes of America than any other channel of trade, we have the perfect opportunity to fulfill their needs (e.g. fuel), as well as their wants (e.g. inside the store).

GASOLINE PRICES

Price and convenient location typically rank in the top two reasons as most important for consumers when choosing where to buy fuel. Consumers today treat your fuel price as part of your brand, so high gasoline prices, combined with the decline in fuel demand presents new opportunities to grow in-store sales. Consumers are more likely to buy items to combine shopping and/or dining trips than the overall population. And keep in mind that consumers between 18–35 are NOT driving less and are our most profitable demographic for inside sales, so don't forget to market to Gen X & Y.

IN-STORE BEST PRACTICES:

CIGARETTES - BE IN STOCK

- Know what the best SKUs are
- Thin the herd...weakest SKUs are eating up valuable open-to-buy dollars

GREATER DEDICATION TO THE OTP CATEGORY / PROFIT CENTER

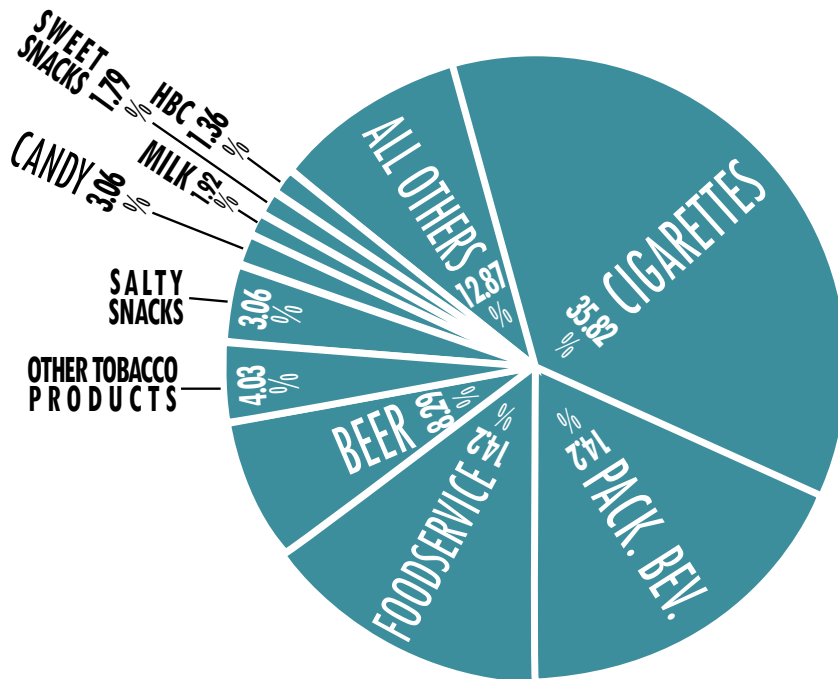
- Merchandising & Marketing
- Store Operations

Better assortment planning

- Take advantage of item assortment tools either within your company or those provided by your wholesaler or manufacturer

In-Store Sales Contribution

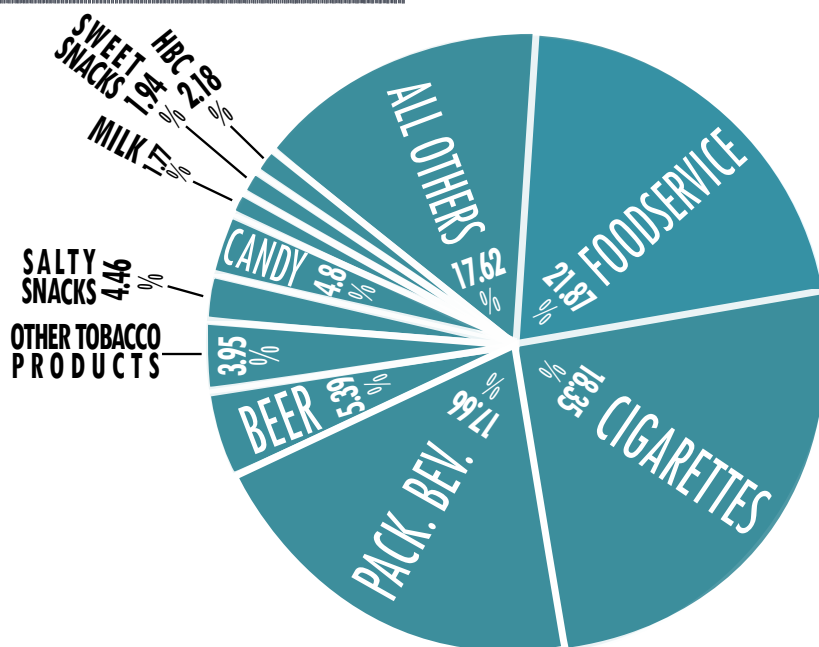
Average Monthly Sales = \$127,533 ▲ 4.4%



Source: NACS State of the Industry Survey of 2010 data powered by CSX, LLC

In-Store Gross Margin Dollar Contribution

Average Monthly Sales = \$127,533 ▲ 4.4%



Source: NACS State of the Industry Survey of 2010 data powered by CSX

Category Sales

By Quartile (Store Operating Profit Per Month Per Store)

- Perform assortment and space analysis
- Quantify impact of different assortment scenarios

Greater visibility of product

- Get OTP off the bottom or sides of tobacco fixtures and give it a good home
- Engage suppliers on fixturing that works to support visibility, differing store configurations, and sales & profits

Operations and marketing work together to ensure proper store execution

- For small operators who wear both hats, you need to make sure you can deliver in the store what you are advertising to your customers

Train store staffs

- Make sure product is always stocked and faced; re-merchandising is a perfect activity to perform between waiting on customers
- Rotate product: consumers always look at the freshness date

CONFECTIONERY PRODUCTS ARE STRONG IN CONVENIENCE STORES

- Candy and gum is the #5 in-store category measured on profit dollars
- 49% of all candy and gum purchases are unplanned impulse purchases

Targeting core products

- The top 50 SKUs in candy and gum represent 32.7% of total category sales
- The top 100 SKUs represent 47.2% of total category sales

In-stock levels

- Top 25 chocolate candy SKUs—82.8% are in stores
- Top 25 non-chocolate candy SKUs—53.0% are in stores
- Top 25 gum SKUs—72.7% are in stores

2010	Top Qrt	2nd Qrt	3rd Qrt	Bottom Qrt
Cigarettes	\$68,621	\$38,995	\$31,314	\$30,453
Packaged Beverages	\$22,194	\$17,282	\$12,884	\$12,236
Beer	\$15,779	\$14,947	\$16,906	\$11,647
Other Tobacco Products	\$7,116	\$5,340	\$4,481	\$3,963
Salty Snacks	\$6,106	\$5,120	\$4,390	\$2,471
Candy	\$4,551	\$4,192	\$3,450	\$2,853
Prepared Food	\$23,876	\$8,163	\$10,088	\$10,386
Hot Dispensed Beverages	\$8,608	\$5,163	\$1,866	\$1,956
Cold Dispensed Beverages	\$4,023	\$2,529	\$2,908	\$1,531

Source: NACS State of the Industry Survey of 2010 data powered by CSX, LLC

Gross Profit

By Quartile (Store Operating Profit Per Month Per Store)

2010	Top Qrt	2nd Qrt	3rd Qrt	Bottom Qrt
Cigarettes	\$9,400	\$7,511	\$5,121	\$5,438
Packaged Beverages	\$8,741	\$6,801	\$4,876	\$4,431
Beer	\$2,869	\$3,388	\$3,388	\$2,481
Other Tobacco Products	\$2,184	\$1,385	\$1,385	\$1,158
Salty Snacks	\$2,217	\$1,723	\$1,723	\$842
Candy	\$2,200	\$1,838	\$1,838	\$1,326
Prepared Food	\$12,973	\$5,143	\$5,143	\$5,175
Hot Dispensed Beverages	\$5,602	\$1,053	\$1,053	\$815
Cold Dispensed Beverages	\$2,039	\$1,462	\$1,462	\$659

Source: NACS State of the Industry Survey of 2010 data powered by CSX, LLC

Merchandising

- Position candy and gum in a high traffic aisle or front of store.
- Use secondary locations in front end, food service, beverage/coffee area
- More than 75% of customers who purchase candy purchase additional items
- Use a multiple vendor display rack at front of store or candy aisle

Take ownership of the category

- Work with vendors to only carry products that have higher turnover... space is at a premium
- Understand how warehouse delivered snacks can bring added sales and profits to the category

Conduct your own assessment

- The snacks category is a high impulse purchase category that responds well to branding & secondary merchandising displays
- Work with vendors on best locations and product adjacencies to support impulse and add on sales

FOODSERVICE IS NOT JUST ANOTHER CATEGORY

- From the cleanliness of the parking lot to the cleanliness of the washrooms as well as the food itself...all will be considered when customers are making a purchase
- Need to pay attention to all the details
 - Clean store
 - Fast, friendly service
 - Quality food

C-store foodservice comes with customer perception “baggage” that needs to be overcome

- Food and gasoline don’t mix
- Food isn’t fresh

Foodservice requires commitment

- Time, people, and resources

Start simple and get the basics right

- Coffee
 - People buy gas once a week, but they buy coffee every day
 - One bad smell will spoil the whole program
 - When in doubt, dump it out
- Fountain
 - Always in service means always selling
- Roller grill
 - They’re not made of gold and don’t increase in value the longer you keep them
 - When in doubt, throw it out
- Condiments provide options
 - What separates us from the competition is the customer’s ability to customize
 - Coffee...fountain...roller grill

Install an evaluation process

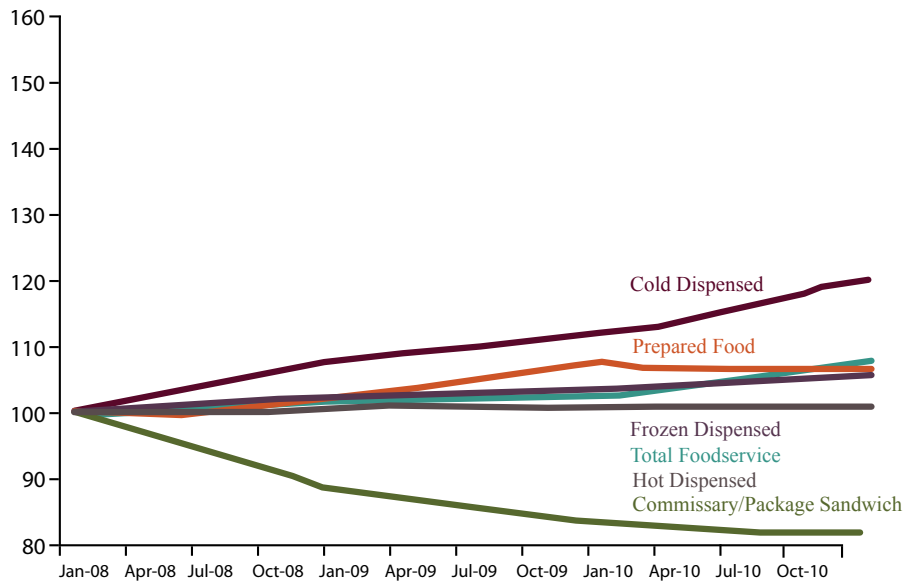
- Preparation processes and profitability
- Tasting and testing
- Customer feedback

At the end of the day, everyone in the organization should be proud enough of the foodservice program to serve food at least twice to...

- Their kids
- Their grandkids
- Their parents
- Their expectant wife
- Their girlfriend or boyfriend
- Their pastor...

Foodservice Sales Growth

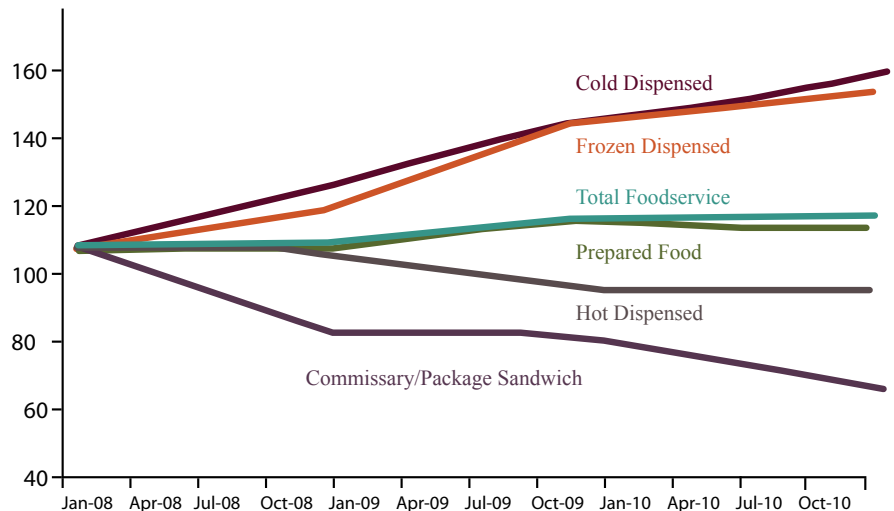
Jan 2008 = 100



Source: NACS State of the Industry Survey of 2010 data powered by CSX

Foodservice Gross Profit Growth

Jan 2008 = 100



Source: NACS State of the Industry Survey of 2010 data powered by CSX

So, despite a tough economic environment, we’re bound to sell more stuff as consumers become more time starved and looking for a “reward”. Remember that consumers want immediate gratification, and we can provide that by offering the greatest assortment of immediate consumption refreshments of any channel. With greater focus on the immediate consumption categories, you are sure to achieve greater sales & profits. ©

Sources:

“Convenience, Confections & Profit-Targeting the core; 2009 AWMA NCA NACS Study”

“AWMA Snack MVE Program; AWMA Warehouse-Delivered Snacks (WDS) Committee”

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of Mobile Marketing!



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The power is in your hands: Pinnacle Handheld Inventory Management

By: Melissa Fox Hadley, Retail Solutions Manager

Managing a convenience store is no easy task. In the daily life of a store manager, there are interruptions to be handled, distractions to be minimized, products coming in to be stocked, products going out to be removed from inventory, cashiers to be managed, and, of course, customers to be helped. And that's just within the first few minutes of walking in the door.

This is the exact arena where the right mix of hardware and software solutions works best to assist store managers in minimizing the churn and maximizing the turn. In this article, we will take a closer look at one such hardware and software solution that assists managers in better handling and controlling inventory which has a direct impact on customers, loyalty programs, and the retailer's profitability.

When you consider all of the time and money that retailers put into getting customers into their stores through loyalty programs, branding, and analyzing layouts and concepts, it makes sense to implement the tools necessary to ensure that the right products, in the right quantities, and in the right place are available to the customer when they walk in their store. And let's not forget, that customer wants it to be available at the right price, and they want the store associates to be friendly and knowledgeable.

Introducing a mobile handheld device that is capable of managing inventories, recording out-of-stocks, communicating item discrepancies with the corporate Price Book team, performing price look-ups,

receiving products, and generating orders can provide much needed assistance for a store manager to manage inventories much more effectively.

THE SOLUTION

Pinnacle's Handheld Inventory Management tool provides the solution that store managers need to manage inventory and ensure accurate pricing, while allowing them to boost productivity by removing the requirement that they sit in front of a computer terminal in the backroom.

Utilizing the Windows™ Mobile Operating System and a SQL Mobile database, the Handheld Inventory Management solution provides an accurate, up to date item catalog on the device itself so that simple tasks like price look ups can be done without having to go to the POS or another system. The store manager will cradle the handheld device to update the item catalog as needed, or to make things even easier, at the same time they update prices on the register. Using Microsoft® Active Sync, this simple batch process is automatically triggered to ensure data on the manager workstation and on the handheld device is in harmony and current.

RECEIVE MERCHANDISE

Using the handheld to receive merchandise makes it easier for the store manager to complete their daily paperwork by providing information directly to the manager workstation. In

addition, it helps control unauthorized product by utilizing Price Book to control cost, retail, gross margin, and other data elements.

RECORD PRICE BOOK DISCREPANCIES

Incorrect item descriptions, invalid departments, wrong retail price... whatever the discrepancy, the central Price Book needs to know. Easily record those discrepancies and send a report to the person responsible so that the necessary changes can be made, before they get noticed by the customer.

CREATE PURCHASE ORDERS

When not using Computer Assisted Ordering, use the handheld to generate a purchase order for your supplier. Once the product is delivered, there's no need for the store manager to re-key the data because it's already there.

COUNT INVENTORY

Whether performed by store managers or auditing crews, the inventory count application allows auditing of inventory for cycle counts or full-store inventories. Plus, when used with the Computer Assisted Ordering application to account for quantity on hand, the guesswork is taken out of the ordering process, ensuring you have the right amount of the products you need, not the products you don't.

VERIFY PRICES

When setting up a new store, making Price Book changes, or simply doing price

Update Quantities												
Entered Item	Vendor Item	GTIN	Description	Entry Method	Unit	Count Qty	Update Count	Date Time	Book Qty	Sales	Purchases	Variance
3410062346	271030	3410000880	Icehouse 12/24 Case	Manual	1	7	1	7/28/2009 3:32:04 PM	8	0	0	-1
3170004416	82123	3170004416	White Owl Burst Snapp	Manual	1	13	1	7/28/2009 3:32:04 PM	13	0	0	0
66660475667	66660475667	66660475667	Deus Outfitters Men	Manual	1	1	1	7/28/2009 3:32:04 PM	1	0	0	0
7656879629	64618	7656800225	Havoline 5-w-30	Manual	1	6	1	7/28/2009 3:32:05 PM	6	0	0	0
1254667371	35543	1254667371	Tident XtraCarePepp	Manual	1	5	1	7/28/2009 3:32:05 PM	5	0	0	0
7013750184	44404	7013750184	Black&Gold 3p 50off	Manual	1	10	1	7/28/2009 3:32:06 PM	10	0	0	0

Price Verify2

Description: J.LINKS PEPPER

Department: 1900

Price: 3.59

Cancel

Update

Audit5

01708200003
J.LINKS BFSTK

Scanned Items

017082000031
J.LINKS BFSTK1PK from CASE of 2
8/30/2011 14:31:08

017082000031
J.LINKS BFSTK1PK from CASE of 2
8/30/2011 14:31:07

012300200151
CML SLVR BX KN 22PK from CASE of 1
8/30/2011 14:31:04

017082880603

Total for Item: 2

Add Item

Menu

Price Verify2

Scanned Item List
01708248041
Modifier: 0 UOM:

Select Option

☒ Item In Stock

☐ Item Out of Stock

☐ Vendor Item

Back

OK

checks for a customer standing in the aisle holding a bag of chips, the handheld's price verification feature allows you to quickly check a price and information about an item. In the event the item being scanned is wrong in some way, the information is logged and made available to the Price Book manager to make the necessary corrections in the corporate Price Book.

RECORD OUT OF STOCKS

Knowing what items are not on the shelf is as important as knowing which items are. A loyal customer expects to find the products they need, when they need it.

THAT'S A WRAP

As noted in the State of the Store Manager 2011, published by Integrated Solutions for Retailers, store managers "face the continued pressure of doing more with less, while simultaneously delivering operational excellence in complex parts of their business such as labor and inventory management, merchandising, and customer-centric experiences." They go on to say that "better use of technology

is a good next step." Another interesting statistic from this report is that "among all store managers, 48.8% agreed that they're "going mobile" with applications, and 66.3% indicated that they would find handhelds valuable if given the opportunity to use them."

Faster data collection (often as much as 50% faster), higher accuracy (replacing manual processes can mean data is up to 20% more accurate), more complete data, more satisfied customers, and a more productive workforce. Those may sound like unachievable goals, requiring expensive and complex solutions to manage, but using mobile technology and the right hardware and software solutions, all of those goals can easily be achieved.

According to RIS News, "Today's portable inventory computers are powerful, multi-task devices with color displays and the ability to handle an ever increasing array of store functions. Moving forward,

the term portable inventory computer may be too simplistic a name for a tool that performs the tasks of a full-featured customer service device."

While managing a convenience store is no easy task, the Pinnacle Handheld Inventory Management solution is designed to remove the complexities of inventory management by arming store managers with the tools they need to ensure store inventory is accurate; from having the right mix of products, to having them in the right places and at the right prices. ©



GET BACK TO GREENER PASTURES

Pinnacle Exception Management

By: Matthew Milam, Senior Technical Writer/Trainer, The Pinnacle Corporation

In today's economy we are moving ahead by inches, not miles, and the age old adage of "time is money" has never felt closer to home. We can look across the scarred landscape of what was once green pastures from a friendlier time and see our managers and auditors weary and in need of relief. Here you are, sitting at the office, thinking, "What can I change? What can I do to make the tides turn?" In some cases it's not the battle plan, or even the troops, it's the tools that need to change; and times...they are a changing.

One of those tools you can add to your arsenal is exception management with the Pinnacle Symphony Business Platform. Working with clients throughout the industry, I often see home offices that have a 5-7 day turnaround on paperwork and store managers who are spread so thin they make needless mistakes on their paperwork, despite their best efforts. Exceptions can take you a long way to making these problems less frequent and freeing your employees' time for more valuable endeavors.

Exceptions at their core are automated rules that test the same things your store managers and auditors do every day. When you check to see if your cash over/short is in balance, or that a deposit was entered, you are looking for exceptions. In many cases your employees have a long checklist of things to check and verify, and making one mistake can be costly in terms of time and money. Automating these daily checks means your auditors only have to spend time validating data they know is wrong, or could even mean preventing errors from ever occurring by preventing a store from making the mistake in the first place. To help automate this, the exception tool within the Symphony Business Platform lets you check the following kinds of rules:

- **High/Low** - Compares a value to a high and low range; an exception exists if the value is outside the set range (Example: Cash Over/Short)
- **Average High/Low** - Works like a High/Low, except it uses an average

based on the number of business days you define (Example: Testing a smaller threshold for trends on the Cash Over/Short)

- **Zero/Not Zero** - You can set up a Zero Exception Rule to generate an exception if the value is not zero or a Not Zero Exception Rule to generate an exception if the value is zero (Example: Test to make sure the deposit total is not zero each day to ensure a deposit is entered)
- **Compare Values** - Tests total type elements to indicate the allowable tolerance when comparing a total against another element on a sales and cash template
- **Date within Reason** - Checks to see if the date entered is within the defined high/low tolerance as the number of days from the business days entered (Example: Making sure an Electronic Invoice is entered in a reasonable time from when it was supposed to be received)



Exception Rule

Items

Area:

Element

Description:

Cash Over Short

Must be approved to change any status to:

Audited

Warning Low:

-5.0

User Class for Approval:

Approve Warning - Approve Warning

Block Low:

-20.0

User Class for Approval:

Approve Block - Approve Block

Decimal Precision for the Value:

2

What Data to Test:

Element

Value to Test:

Final Currency

Exception Type:

High/Low

Warning High:

5.0

Block High:

20.0

Ok

From these rules, you can set up exceptions throughout the Symphony Business Platform to test business rules and make sure paperwork is entered correctly. This means less time doing data entry and more accurate paperwork initially. Also, Symphony Business Platform tracks three sets of numbers for each screen to allow you to decide if you want to test the home office or store:

- **Electronic** – Numbers polled at the store level
- **MWS** – Numbers entered by the store manager
- **Final** – Numbers entered by the home office

By setting up an exception on MWS values, you could test a store manager and you can use Final Numbers to test the home office. In many cases, you can even test the variances between these two numbers.

To help prevent errors in your final paperwork, you can actually block a store manager from sending paperwork if it has exceptions, for example, if they have not entered a deposit. You can also block the home office from sending data to the financial system until they get large errors approved. This gives you more control over your paperwork and can prevent costly errors or even catch suspicious behavior.

To round everything out, Pinnacle provides a detailed report that lists exceptions that are generated, who approved those exceptions, and the reasons why. This gives you all the tools you need to make your paperwork more accurate and keep everyone accountable. Times are tough, and if we keep with the status quo, things are only going to get tougher. Most are trying to do more with less and giving your employees more and better tools to do their jobs can mean the difference between coming out the other side stronger and better prepared

versus just making it another day. The great news is that if you already have a Symphony product, then you already have this tool at your disposal; and with new store level exceptions and a centralized location to set them up, it's even easier to use than before. If you are not a Symphony Business Platform user, now may be the time to give your troops some new tools to help save time and money!

For more detailed information on how to use and setup exceptions, consult your System Manager Documentation. ©



A Win-Win for All: Fuel Customer Access

By: Lonnie Buerge, Fuel Solutions Engineer, The Pinnacle Corporation

The term “web portal” has become part of the lingo in today’s world that is so dominated by information technology. It is easy to assume that everyone needs to have one. It sounds like a good way to save money on mailing or cut down on supplies. However, I would like to suggest that there is an even more important reason to have a web portal: good customer service.

In the petroleum marketing world, we are accustomed to thinking of good customer service as on-time deliveries, uniformed drivers, or a friendly voice on the order desk. Certainly those are part of the equation. However, getting the commodity delivered is only halfway toward the goal of good customer service. What about getting the necessary information back to the customer?

In the same way that a good wholesale marketer will get deliveries done timely, a customer-oriented marketer will find ways to create value for their customers by managing all aspects of the relationship. One way to create extra value for the customer is to lower the cost of the data exchange. After all, lowering costs has the same, if not better, effect on the bottom line; everyone makes more money. In the past, the emphasis was on the logistics of the commodity. However, today customers are considering the full cost of the relationship.

For this reason, a web portal creates benefits for both the wholesaler and the customer. In what ways? There are four easy ways to create value for your customer through the use of the Pinnacle Fuel Customer Access™ web portal:

1. **Anytime.** The Pinnacle Fuel Customer Access (FCA) tool allows for quick delivery of the data AND it allows for the customer to retrieve the data at their convenience. That time can be over a weekend, on a holiday, or 6 months later. The point is that the customer is given the immediate access, but on their schedule. In addition, the documents remain on the portal for as long as needed.
2. **Anywhere.** With the FCA portal, the customer does not have to be in the office. In fact, the customer does not even have to be at work. The web portal allows for access where the customer wants it. It gives your customer more options.
3. **Anyone.** With almost any other type of data transmission, the receiver is limited to one or two people at any time. With a portal, the data can be available to anyone in the customer’s organization that is granted permission. This means that their accounts payable clerk might receive an invoice, but the fuel buyer could see it as well. In addition, the owner might like to look it over or at least have it available. In other words, everyone who needs access can have it with no extra effort or cost.
4. **Anything.** Any piece of data that needs to be sent or shared between the wholesaler and the customer can be placed onto the FCA web portal. Today this includes invoices, statements, quotes, and settlement reports. This can be easily expanded if there are other standard forms that need to be shared.

The above benefits are primarily for the customer. What about the benefits for the wholesaler? Well, when there is a clear benefit to one party, there is usually a benefit to the other. It is an easy implementation decision where there is a WIN-WIN relationship. Here are a few ways to benefit from the FCA web portal for the wholesaler:

- **Research for lost invoices or draft notices is eliminated.** No worries, just go to the portal and reprint. You can sort the file and narrow the search in a variety of ways. Your customer will appreciate the fact that they do not have to wait on you any longer, and if they call you, it is available quickly and easily.
- **Audits for your customers are a snap when they require old copies.** It is much easier to look them up on the web than to go to the archives and open old, musty boxes. As a bonus, the reprint is fresh, easy to read, and deliverable by email if necessary. In this case, even the auditor wins. That can surely be a good point in the wholesaler’s box!
- **The wholesaler can direct his own staff to use the portal instead of looking up paper copies.** This can be done from anywhere in the world and at any time. Again, no need to file and refile paper, which creates no real value for your customer – just cost for you. Let the portal manage it.
- **Lowers cost.** Now we’re talking! Just think about it. What does it cost to print an invoice?



a. Form cost	\$0.50
b. Envelope cost	\$0.10
c. Printer and cartridge cost	\$0.75
d. Stamp cost	\$0.44
e. Sorting, collating, stuffing costs for staff	\$2.00
f. Doing-it-all-again-if-it-gets-lost cost	X2

How many invoices do you create a month? If they cost \$3.79 and you do 1000 invoices every month, you are spending nearly \$4,000 every 30 days. This cost, if it can be eliminated, can go to the bottom line instead. By using a portal, that incremental cost would go to \$0.

In short, the use of the Pinnacle Fuel Customer Access web portal is a way to (1) serve your customers better and (2) save overhead expenses. Do you need a bonus? Well, there is one: by taking advantage of tools that are available in the marketplace today, the wholesale distributor is letting their customer know that the wholesaler is an up-to-date and forward moving business partner. That is one more way to tie your customers closer to you. They want to know that their supplier is going to be around for years to come.

So, there it is. The customer wins. The wholesaler wins. They win together. What could be better? ©

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store retailers
connect the dots.**



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providing retailers
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STACK THE DECKS *in your favor:* ARM YOUR *employees* WITH LOYALTY

Advice from Ed Freels, Director of IT, Honey Farms Inc



Ed Freels, with Honey Farms Inc., came to Pinnacle Summit 2011 ready to talk about their Employee Loyalty Program. Offering an Employee Loyalty Program is not usually in the minds of retailers and their marketing teams as they consider and design their company's loyalty program. However, the benefits Honey Farms has derived with this type of program may convince others to follow suit. With his presentation, Ed answered key questions about why a company should consider offering such a program. He also discussed the importance of the implementation plan as well as measuring the impact of the program.

WHY OFFER AN EMPLOYEE LOYALTY PROGRAM?

Like your customers, employees have a shopping choice and convenience breeds frequency. It can't be more convenient for an employee than to be able to use their loyalty ID card to make purchases at the store and earn some rewards.

Perception is reality. A deep (personal) employee understanding of how-it-works

makes your employees your best promoters of your loyalty program. If your employees have a real understanding for how loyalty credit is accumulated and what shows up on a receipt when a loyalty reward is delivered, won't they be better able to deliver that same information to shoppers?

There are tangible benefits of working for you. Targeted rewards for performance are meaningful and immediate. Deliver a pat

on the back to an employee who has earned it. That's tangible!

Additional performance markers are in the loyalty transactions. In addition to delivering product discounts and special rewards, you can capture employee purchase habits and potentially identify abuses. For example, exceptionally high numbers of transactions associated with a particular account could indicate that an employee is using their employee benefit to give discounted rate to friends and family.

WHAT TO IMPLEMENT

Start with current benefits. Your store associates are familiar with those benefits and if you can automate and track the frequency in which the employees take advantage of the existing benefits, you will get some ideas on where you should refine your program.

Plan on policy changes, redistribution, and refocus. Implementing a loyalty



Store: 36 PLEASANT STREET ASH TREE PLAZA

Associate	Region	District	Total Sales	Loyalty Sales	Loyalty Sales as % of Total Sales	Total Ticket Count	Loyalty Ticket Count	Loyalty Ticket %
Total			\$101,122.02	\$5,293.81	5.24%	11,047	851	7.70%
Total			\$3,655.30	\$207.11	5.67%	417	40	9.59%
ALL			\$3,655.30	\$207.11	5.67%	417	40	9.59%
KO			\$3,655.30	\$207.11	5.67%	417	40	9.59%
Total			\$29,359.58	\$2,025.07	6.90%	3,359	285	8.48%
ALL			\$29,359.58	\$2,025.07	6.90%	3,359	285	8.48%
KO			\$29,359.58	\$2,025.07	6.90%	3,359	285	8.48%
Total			\$11,331.23	\$496.93	4.39%	1,417	117	8.25%
ALL			\$11,331.23	\$496.93	4.39%	1,417	117	8.25%
KO			\$11,331.23	\$496.93	4.39%	1,417	117	8.25%
Total			\$10,267.41	\$457.91	4.46%	1,148	97	8.45%
ALL			\$10,267.41	\$457.91	4.46%	1,148	97	8.45%
KO			\$10,267.41	\$457.91	4.46%	1,148	97	8.45%
Total			\$11,271.39	\$457.82	4.06%	1,070	57	5.32%
ALL			\$11,271.39	\$457.82	4.06%	1,070	57	5.32%
KO			\$11,271.39	\$457.82	4.06%	1,070	57	5.32%
Total			\$17,041.02	\$934.87	5.49%	1,819	143	7.86%
ALL			\$17,041.02	\$934.87	5.49%	1,819	143	7.86%
KO			\$17,041.02	\$934.87	5.49%	1,819	143	7.86%
Total			\$17,396.09	\$714.10	4.10%	1,817	112	6.16%
ALL			\$17,396.09	\$714.10	4.10%	1,817	112	6.16%
KO			\$17,396.09	\$714.10	4.10%	1,817	112	6.16%
Total			\$136,987.74	\$2,499.62	1.82%	8,000	386	4.82%
ALL			\$136,987.74	\$2,499.62	1.82%	8,000	386	4.82%
KO			\$136,987.74	\$2,499.62	1.82%	8,000	386	4.82%

Item	Count	Unit Price	Total Price	Loyalty Price	Loyalty %	Total Price	Loyalty Price	Loyalty %
HERSHEY KING BSG1F	5	\$09.90	\$49.50	\$14.00	28.28%	\$49.50	\$14.00	28.28%
DA SMALL PREPARED SALES BSG1F	3	\$21.52	\$64.56	\$7.38	11.43%	\$64.56	\$7.38	11.43%
BEANTOWN 9" SALES BSG1F	3	\$36.57	\$109.71	\$12.38	11.28%	\$109.71	\$12.38	11.28%
BEANTOWN WEDGES BSG1F	3	\$17.68	\$53.04	\$5.89	11.11%	\$53.04	\$5.89	11.11%
SUNSHINE CLUB BSG1F	2	\$11.38	\$22.76	\$5.84	25.66%	\$22.76	\$5.84	25.66%
TROPICANA PP 12 OZ BSG1F	1	\$1.79	\$1.79	\$1.79	100.00%	\$1.79	\$1.79	100.00%
FLORIDA SPRINGS TUA BSG1F	0	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%
DETROIT PROTEIN BARS BSG1F	0	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%
VITA COCO BSG1F	0	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%
POWERADE 32 OZ BSG1F	0	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%
NAKED JUICE BSG1F	0	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	0.00%

program will drive these kinds of changes. Implementing an employee loyalty program will drive even more changes.

Start with something to catch their interest (5% off selected categories). Remember, it is a loyalty program meant to help increase return traffic and drive sales. You need to make your stores the preferred shopping location for your employees.

Use the employee program to test loyalty promotions and validate everything is as you want it. Confirm that it is set up correctly and it is easy to understand how to qualify for a reward. Check the messaging on the receipts. Is it spelled correctly? Does it deliver the right information?

Transaction activity can be tracked through the loyalty system without being tied to the delivery of a discount or any receipt messaging, keeping the tracking “silent”; this provides more detailed tracking of employees’ use or misuse of the loyalty system. With the automation system tracking purchase activity, you have access to information about buying habits and how employees are using the loyalty

program to their advantage (and maybe your disadvantage).

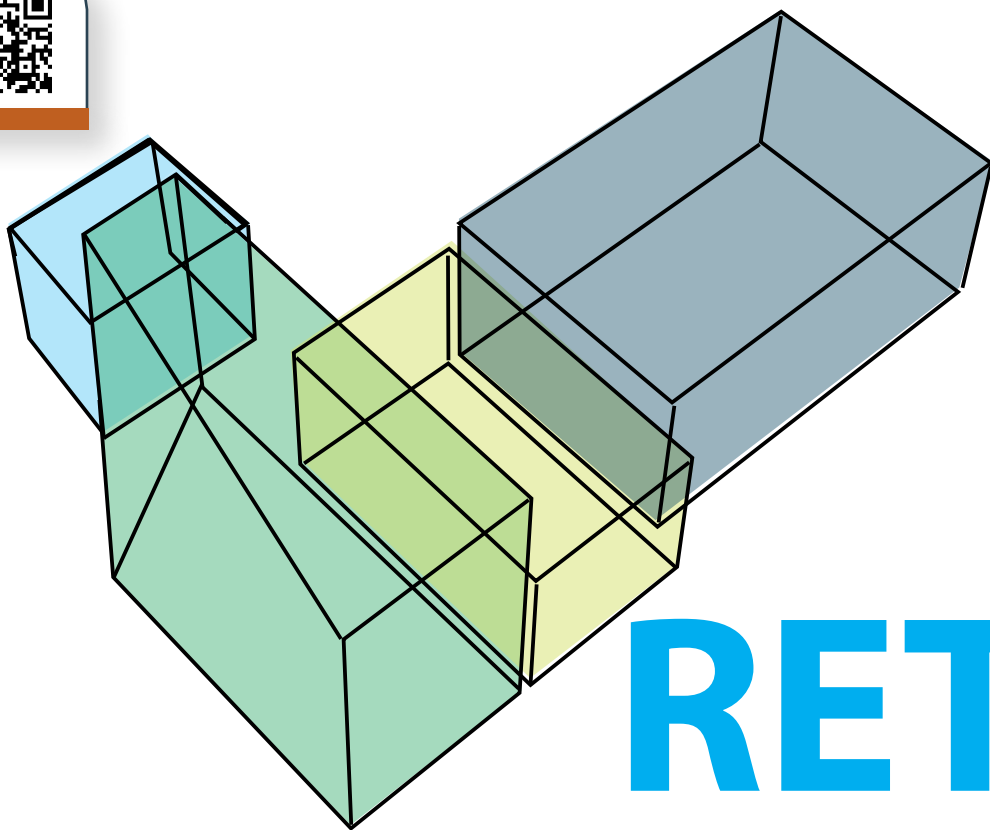
HOW TO TRACK

Three major areas that Honey Farms is tracking within the employee loyalty program are: account activations, web registrations, and transaction activity. Honey Farms is using both Pinnacle Loyalty and EPM™ to get a complete picture of how our program is working for us and our employees. Much of the same analysis will be used with our customers as well.

Last, but not least, an employee loyalty program can be a recruiting tool and promoted as an employee benefit.

With some ups and some downs along the way, what started as and continues to be a test bed for the Honey Farms’ Honey Money loyalty program can also be used as an operational oversight tool. ©





RETAIL DESIGN:

QUESTION:

What do you see as the top emerging growth opportunities in convenience store design?

ANSWER:

Good design is always a matter of understanding your customers' wants and desires and finding unique solutions to satisfy those wants and desires. The biggest problem in our industry is that we have become very inbred and myopic in our approach. Is that too harsh? I don't think so. We continue to do the same things over and over without re-examining who our customer is and how best to satisfy their needs. At Pinnacle Summit 2011, I outlined 6 trends that we should be addressing right now. These are evolving trends, which means whatever you did last year is dated:

1. Foodservice: I know we all look at our stores and think we are doing a fair job, but look outside our industry and you will see great improvements in the grab-n-go categories. From the traditional competitors like Starbucks and McDonalds, to the foodservice offerings at airports and supermarkets,

we see a rise in quality and convenience. Are we keeping pace? I don't think so.

2. Drive thru: Our competitors, the fast food industry, have embraced drive thru and are pushing 60-80% of their volume through the drive thru. Our customers have shown that they want that convenience. Why are we reluctant to give it to them? I have customers that are pushing 40%+ of their total volume through their drive thru. Now, I will tell you that it is not an easy endeavor. Most worthwhile endeavors are not easy. This one is critical to our future. Take coffee for example; our customers can go to Starbucks, McDonalds, or any fast feeder and get an excellent cup of coffee conveniently through the drive thru.

Why would they come to our store? We have to stop living in the past.

3. Branding: The major oil companies are divesting their stores, and along with them, most of their marketing support. We are losing our safety net (even if it is a poor one). Vendors are pushing their brands on us (along with our competitors). What do we stand for? What is our Brand? In many cases there is no brand. We are the Shell station at the corner, or the c-store at the corner. What separates us from our competition? How are we communicating that? These are vital questions to our future.

4. Loyalty: The supermarkets have been masters at loyalty. Fast feeders are quickly getting there. What are we doing? Have we let the major oil company dictate our loyalty program? Who is the customer then loyal to?

5. Social Media: Facebook, Twitter, Groupon, and so many more. What are

Q&A with Michael Lawshe,
Paragon Solutions

you doing to reach out through these mediums? I do think there is a reason we are not getting our proportionate share of young adults and teens in our stores (generation X and Y). I think it is because we don't always speak their language. Social media and text is their language. We have to embrace this language and get those customers in our stores.

6. Energy Efficiency: It is not just a good idea anymore, it is essential to the success of our stores to control cost through energy efficient design and operations.

Put those 6 things together in the future and envision our young customer sending in an order for his/her (fill in your brand here) latte and (fill in your brand here) sandwich that's on special through Groupon and picking it up in the drive thru of our modern, energy efficient, cool branded store.

When you put it that way, it doesn't sound so far-fetched.

QUESTION:

How can c-stores make the customer experience even more convenient?

ANSWER:

I really believe that the drive thru is the single thing that changes the convenience paradigm in our stores. Customers want it, and we need to deliver on our convenience promise.

QUESTION:

What advice would you give to stores who are struggling to generate loyalty to their foodservice concepts?

ANSWER:

If you don't have someone on staff to manage the social media aspect of your business, you need to change that now. We need to look outside our industry to learn from others, but it can't be just a side job to an overworked marketing manager. It needs to be a top priority. We have to challenge our suppliers to help us along the way.

QUESTION:

What are some of the ways c-stores

can go "green," and is it really worth the investment?

ANSWER:

The first thing everyone should do is an energy audit on a store by store basis to get a baseline. Next, you need a team of professionals to help you prioritize. There are also a lot of incentives out there. Put it all together and you have an opportunity to save a great deal of money and make a statement internally as well as externally as to what you stand for. These energy initiatives are easily financed and there are even programs where they are paid out of savings.

QUESTION:

How can c-stores get involved in the latest tech trends? (e.g. Facebook, Twitter, mobile apps, etc.)

ANSWER:

There is no easy answer to this. I think sometimes it can be as simple as getting us old guys (like me) out of the way. There is a tremendous wave of talent out there. Make it a priority and hire someone younger and smarter than you to help develop it.

QUESTION:

Does branding and store design really affect consumer behavior? How?

ANSWER:

Branding is perhaps the most effective way to communicate to your customers. Branding communicates 24/7, 365 as to who you are and what you stand for. This can be good or bad. Branding includes much more than your logo or color scheme. It includes every way that you communicate. Why do the vendors fight to get additional signage in your store? It is to promote their brand. They use your store as a billboard to sell their brand. Now, I am not saying that all vendor signage is bad. I am saying that it certainly can be. Our industry has got to raise the bar of expectations as it relates to who we are and how we communicate it to our most valuable asset – our customers. ©



Mr. Lawshe

is the owner of Paragon Solutions, a nationwide convenience store and retail industry design and consulting firm based in Fort Worth, Texas. He has 25 years of specialized and targeted industry experience, consulting a multitude of customers including convenience stores, travel centers/truck stops, petroleum companies, large chain operators, independently owned retailers, quick serve restaurants, fast casual restaurants, and other specialty retailers. His company is recognized as one of the leading design firms in the industry, with over 150 projects completed annually. Mr. Lawshe's background includes fuel distributing and retail operations, in addition to his existing consulting business founded in 1986. He has hands on experience with site analysis & selection, market research, property acquisition & management, cost estimating, and all-around operational consultation. Michael has won multiple awards for his cutting edge designs and has helped scores of customers maximize their sales potential and returns on investment.



Tips to Improve Inventory Tracking

Does your business hum along or sputter out?

By: Melissa Fox Hadley, Retail Solutions Manager,
The Pinnacle Corporation



Correct management of inventory can be the difference between a business that hums along efficiently and one that sputters out prematurely. Many businesses with good business plans and good products have failed because poor inventory management has choked out both cash flow and profits. - essortment.com

Retailers are faced with the challenge of keeping store shelves replenished not only with the correct products, but also the correct amount of products. Mismanaged store inventory can be a serious problem for retailers; often the wrong products are being ordered, higher quantities are being ordered of products that don't sell as fast as others, and not enough is being ordered of the products that do sell.

As if that's not challenging enough, overstocks and out-of-stocks can cause major problems in terms of the cost of storing products that aren't moving. They can also cause consumers to go elsewhere when the products they are buying are not available. Not only that, but the labor costs associated with the manual order process compared to the computer-assisted ordering (CAO) suggested order process

are considerably higher and can be greatly reduced when using a CAO system. Pinnacle's CAO and Item Level Inventory (ILI) solution is driven by the necessity of retailers to manage their inventory in the most efficient and cost effective manner by utilizing an integrated system. When implementing CAO and ILI, retailers will see immediate benefits from reduced labor hours to gross profit increases.

The purpose of inventory tracking is to ensure that while some of your capital must be tied up in inventory, it does not hinder your company's cash flow or waste employees' time. Your business will run best if you have an accurate count of that inventory, procedures for changing it, and an organization scheme that allows fast and efficient access to it. Conquer those challenges, and the business of tracking your inventory will be no problem at all.

So how can you ensure that your inventory is managed in a way that helps your cash flow rather than hinders it? Here are a few tips and pointers that can help from Amy Wood at Flash Foods Inc., as presented at the 2011 Pinnacle Client Summit:

First, determine what problems you want to solve and what your project goals are.

In Flash's case, they knew they had an issue with daily counts at some stores, primarily what they deemed the "problematic stores". They wanted to have better, more accurate counts at those stores and all of their stores and the ability to know exact shortages. Determining shortages obviously comes from a variety of important tasks that must get done with accuracy; from hand-entering merchandise invoices, to scanning each

product at the register, to tracking inventory adjustments and waste. Flash knew that they needed to look at all of these processes to determine what areas needed attention and improvement.

Their goals included switching their inventory valuation method from retail to a true cost inventory, to reduce their inventory investment, and to track inventory more efficiently.

Next, the plan was simple – put their goals into actions and analyze the results.

Flash decided the easiest next step was to move to Computer Assisted Ordering, first for products delivered to the store from their warehouse, then expanding that to DSD vendors. By doing this, they were able to control products being delivered to the store, reduce their inventory levels at the store, and reduce out-of-stocks and returns.

After they had perfected their use of CAO, they moved to working with remaining vendors to provide invoices in electronic format for importing directly into the store's daily paperwork. By adding this feature, they were able to ensure accurate item level gross margins were being calculated, because it ensured they were always using the pre-defined Price Book cost of the item. It also removes any possibility of keying errors by the store manager when entering an invoice.

Flash also implemented a regular routine for performing item count audits at each of their stores, using the batch handheld device and Pinnacle MWS™ Inventory application to ensure accurate inventory counts. By ensuring the right product mix was in place, where the inventory was easier to count and more organized, they were able to routinely see over time that their inventory on-hand investment was actually being reduced and that their inventories were being tracked much more efficiently.

The benefits of this project for Flash Foods not only met their goals in reducing their inventory investment and tracking inventory more efficiently, but far exceeded them in some unexpected ways.

#1 BENEFIT- BETTER INVENTORY MANAGEMENT

Controlling inventory in the backroom had always required managers to maintain a delicate balance between inventory levels and out-of-stock conditions. CAO controlled that balance across the entire range of products regardless of demand levels and, to some degree, space allocation.

#2 BENEFIT - REDUCTION IN INVENTORY DOLLAR INVESTMENT

When reviewing the results of implementing CAO and item level inventory with the cigarette category, Flash Foods found that the estimated dollars invested in unnecessary overstock of inventory was on average at each store \$82,000. The cigarette category was 44 percent of retail inventory, or \$36,080. When reviewing these numbers, Flash Foods found that the average cigarette inventory pulled from each store was \$9,000 which at 180 stores is equal to a \$1,620,000 investment.

#3 BENEFIT – IMPROVED SCAN RATE AT THE POS

In order to maintain accurate inventory item levels and ensure a successful CAO implementation, store personnel had to be trained to scan all individual item SKUs at the POS. For example, when cashiers are presented with a 12 oz. Diet Pepsi and a 12 oz. Diet Coke, they may be tempted to scan the Diet Pepsi twice instead of scanning each product separately. Doing this would have caused sales data from the POS to CAO to be misrepresented and cause the replenishment order to be incorrect. By training the store cashiers to correctly scan products at the POS to integrate with CAO, the scan rate at the POS was also improved.

#4 BENEFIT – DECREASED LABOR HOURS ASSOCIATED WITH ORDERING

When reviewing its manual ordering process before implementing CAO, Flash Foods found that the average number of hours spent by a store manager in the manual order process, including creating build-up sheets and other replenishment associated activities, was 12 hours per month. After implementing CAO with just the cigarette category, Flash saw that average number drop to just four hours per month.

#5 BENEFIT - INVENTORY THEFT DECREASED

When keeping an accurate balance of inventory at the store by knowing what products are selling, what items are necessary stock, and what is overstock, the backroom stock that tended to pile up and be unnoticeable was drastically reduced and much easier to manage. People cannot steal what is not there.

#6 BENEFIT – ABILITY TO LEVERAGE INVESTMENT IN TECHNOLOGY

Thousands of dollars are spent on equipping stores with POS systems and implementing scanning and training personnel, as well as in implementing business intelligence tools like Pinnacle's EPM™ to analyze that data. CAO was simply able to use the transaction sales data that was already being captured.

To summarize, the CAO and Item Level Inventory solution, removes a lot of guesswork because it allows retailers to use the information currently in the manager workstation to determine needs when ordering and tracking inventory. These automated processes reduce the time store managers dedicate to the inventory management and ordering processes. ©



The Paradigm of a True Cloud Platform

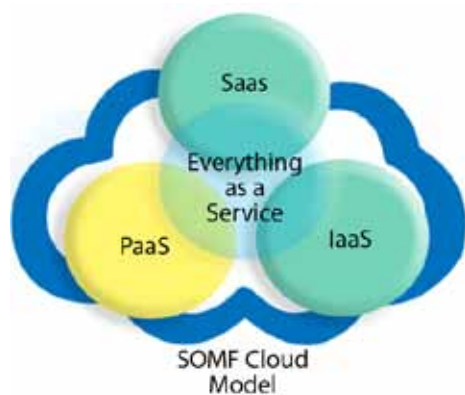
Mike Cooper, IT Manager, The Pinnacle Corporation

When the title of this presentation was first suggested to me, I did what all IT people would do. I went to Wikipedia to make sure my definition of what the title meant was correct!

Paradigm – an example serving as a model; pattern (Synonyms: mold, standard, ideal, paragon, touchstone.

My next thought was that when I talk to groups about cloud computing, there are a lot of definitions and acronyms that seem to be confused. Cloud computing really means bringing different services together – the hardware, O/S, storage, infrastructure, development environment, deployment tools and runtime management.

SaaS – Software as a Service
PaaS – Platform as a Service
IaaS – Infrastructure as a Service



As an example, Google is a cloud, but Gmail is SaaS. This would be analogous to Windows (the O/S and Microsoft Outlook, the application). Just remember that not all cloud applications are SaaS applications, but essentially all SaaS applications *are* in the cloud, and the cloud is strictly providing the computing power to run those applications. Cloud computing implies virtually unlimited scalability. The idea of cloud computing certainly isn't new. Oracle's Larry Ellison launched the New Internet Computer (NIC) company in 2000 to lead the industry toward cloud computing. The concept was very simple: on your desk, would be a very low-cost computer with just a processor, a keyboard and a monitor. There would be no hard drive or CD/DVD drive. It would be hooked up to the internet and would link to a central supercomputer, which would host all of your programs and files. The idea, however, was ahead of its time. The NIC sold very poorly, probably due to a lack of broadband availability in the United States. The company folded in 2003. By 2006, nearly 75% of Americans had broadband access at home.

When I talk to non-technical people, I'm always asked, "Where is the cloud?" Since I am a technology person, I tend to answer, "The location of the cloud is irrelevant. Anyone will be able to tap into the power of the cloud from anywhere."

This may be a technically correct answer, but completely useless. What most people are concerned about is exactly where their data is being stored. Most large providers can put it anywhere.

Data centers are going up everywhere. The key consideration for a data center location is often based around energy consumption. Many data centers are being built in locations with plentiful land, favorable corporate tax rates, and affordable.

The location depends on your provider. Pinnacle, for example, is concerned about security and reliability. We built ours into a secured facility in downtown Dallas. Pinnacle's cloud storage is secured like a bank, has mutable data connectors, and has 3 levels of electrical power and 2 levels of air-conditioning backup. During the dot com boom of the 1990s, data centers consumed on average one to two megawatts of power.

Today, a larger data center consumes as much power individually as an aluminum smelter foundry, with one Microsoft facility in Chicago needing three electrical substations to fuel its constant need for 200 megawatts of power.

Pinnacle has a *private* cloud. Private clouds mean the computing resources are not shared among different organizations, but still may be externally-hosted.



A lot of cloud providers are leveraging their already large internet presence.

Google – Leveraging their infrastructure from search and apps

Salesforce.com – Leveraging their infrastructure for salesforce.com

Amazon – Leveraging their infrastructure from their online business – you have to ask yourself, will they have excess capacity at Christmas time?

Microsoft – Probably just trying to keep in the game as people move off of desktop-oriented apps

Pinnacle has tested a few of these cloud providers with our products:

- Fuel Customer Access™ on GoDaddy
- Fuel Smart® on Amazon



- Price Book™ on Amazon
- Fuel Smart®, Andale and EPM on ZoneVault

When considering cloud, we think about location and who to use, but let me share some other concerns you should think of. Many of these have implications or impact on a Service Level Agreement (SLA) for cloud services:

Access – users will expect to be able to access and use the cloud where and when they wish, without hindrance from the cloud provider or third parties

Reliability – users will expect the cloud to be a reliable resource, especially if a cloud provider takes over the task of running “mission-critical” applications

Security – users will expect that the cloud provider will prevent unauthorized access

to both data and code, and that sensitive data will remain secure

Data Confidentiality and Privacy – users will expect that the cloud provider, other third parties, and governments will not monitor their activities, except when cloud providers selectively monitor usage for quality control purposes

Liability – users will expect clear delineation of liability if serious problems occur

Intellectual Property – users and third party content providers will expect that their intellectual property rights will be upheld

Ownership of Data – users will expect to be able regulate and control the information that is created and modified using those services

Portability – users will expect that data and resources stored in one aspect of the cloud can be easily moved or transferred to another similar service with little or no effort, i.e. a high expectation of data portability

Auditability – users, particularly corporate, will expect that providers will comply with regulations or at least be able to provide them the ability to be audited per regulation requirements

Legal Jurisdiction – in cases involving the cloud provider, where will the cases be adjudicated? How favorable is that jurisdiction to the cloud provider’s interests?

Government intervention – how intrusive can the government be under the law or under accepted local practices?

Costs of doing business – how high is the financial burden of taxes, insurance, and regulations (safety, environmental, industrial, etc.)? Is there sufficient work force available? How favorable is the business climate?

Longevity of cloud vendor – what if the cloud provider ceases to do business, radically changes their pricing model, or discontinues the service to which you subscribe?

License termination – in the licensed software model, you can stop paying maintenance, but if you purchased a

license to the software, you can continue to use it indefinitely if it still works. In a cloud model, if you stop paying, you lose access to the software

That’s a lot to think about, so let me shorten a little. Security is a concern, and many think it’s not a fully-baked concept just yet. A consumer of cloud has to have:

- Trust
- Faith
- A strong SLA

Sometimes we think of durability as being connected to the size of the company. This isn’t always true. The size of the company sometimes is a liability. Microsoft, for example, is a large target to hackers.

“Google and Microsoft both watched their cloud computing systems choke this past week, with Google Docs going dark for an hour and Microsoft Hotmail, Office 365 and SkyDrive knocked offline for three hours.” (Source: Channel Insider, 9/12/2011)

Let’s sum some things up...

What drives the move to the cloud?

- Access
- Lower startup
- Off load a lot of IT
- Lower TCO

What do you need to move to the cloud?

- Good high speed Internet connections
- Some knowledge about the risks and challenges (a good IT Guy)
- A need

Pinnacle is ready and willing to help with your questions related to cloud computing! ©



Exciting New Enhancements

Pinnacle Point of Sale

Palm POS™ v10 and v10 Service Pack 1 bring some exciting new functionality to users. POS Manager™ has also been updated to support the configuration of these new features.

By: Denise Lewis, Retail Solutions Manager and Jennifer Trafelet, Retail Solutions Analyst, The Pinnacle Corporation

Following is a summary of a few of the Palm POS enhancements.

1. Dispenser Prompting
2. Fuel Discount on Car Wash Sale
3. Dispenser Alerts for Help and ADA
4. Pricebook Validation
5. Image Scanners
6. Allied NexGen TCP/IP Connection
7. Fuel Enhancements
8. Scan Open Departments
9. Fuel Coalition NIM Support
10. Tender Configuration Support

DISPENSER PROMPTING

Pinnacle Palm POS, in conjunction with Allied Electronics NexGen, supports customizable dispenser prompting. Currently the functionality is targeted for car wash sales, add-on items, and services. This new feature lets you set up PPG discounts, customize items and descriptions, assign UPCs and soft keys, and change the wash prompts all through Palm POS's wash interface. The changes take effect on the CRIND lightning fast!

FUEL DISCOUNT ON CAR WASH SALE

Palm POS now supports discounting a car wash that is purchased inside or at the pump. As with other dispenser prompts

mentioned above, you can customize your car wash prompt to promote the car wash discount.



POS Manager allows for dispenser prompts to be configured remotely, and it works much the same as POS menu board configuration. The dispenser prompt screens have keys available for customizing PLU items and placement on the CRIND.

User Key:
Basic

Mode:
Single Select

Next Prompt:
...

Title:
Select available option

Show Approved Amount:
☐

Show Running Total:
☐

Description	Soft Key	UPC Number	Modifier	Group number
<input type="checkbox"/> Carriage	AUTO	1345	0	1
<input type="checkbox"/> Hand Dry	AUTO	1354	0	1
<input type="checkbox"/> Hand Wax	AUTO	5689	0	1
<input type="checkbox"/> Inside	AUTO	8965	0	1

Add Remove

PreviewUpdate

While configuring the dispenser prompts or once complete, POS Manager allows for a preview of what the configured prompt will look like once it has been configured on the dispenser.

Prompts:WASHMAIN Basic

Title: Select available option

Carriage

Hand Dry

Hand Wax

Inside

Clear Selection

Cancel

Done

close

When using POS Manager, Palm POS’s configuration tool, dispenser prompts are set up and configured in a profile manner. Profiles eliminate redundant work effort by allowing a single set of configurations to be associated with multiple store locations.

DISPENSER ALERTS

You can now configure custom wave file alerts and color-coded visual alerts for staked fuel sales, as well as for ADA and Help calls from the dispensers.

PRICEBOOK VALIDATION

Palm POS runs a validation check to ensure that Price Book tables are valid and that the updates get applied. If a validation fails, an event is generated.

IMAGE SCANNING

Palm POS now supports a variety of image scanners from Datalogic, Symbol, and Metrologic. These devices use optical imaging technology as opposed to laser technology to read standard barcodes as well as 2D barcodes on driver’s licenses.



NEXGEN TCP/IP

Using the NexGen’s TCP/IP connection makes sense for a number of reasons. You use fewer ports on the Allied box, leaving more ports for additional POS terminals. It’s also faster and more reliable than a serial connection. RS232 is more susceptible to port failures and noise, especially when distance between POS and NexGen is 100+ feet.

MISCELLANEOUS FUEL ENHANCEMENTS

Palm POS now provides several additional features related to fuel. Palm POS and POS Manager now support the following configurations:

- Configure up to 99 fuel discounts
- Force a prompt to have the cashier select the grade on an inside prepay
- Set up loyalty discounts for outside post pay transactions

SCAN OPEN DEPARTMENTS

Palm POS can scan an open department barcode. This can be used to scan a store level coupon. When the open department barcode is scanned, the cashier is prompted to enter an amount which is then applied as a negative amount to the receipt.

FUEL COALITION NIM SUPPORT

Palm POS now supports Pinnacle’s Fuel Coalition NIM. Fuel Coalition programs offer a fuel discount to customers based on purchases made at participating grocery stores.



Pinnacle provides an SDK to fuel coalition loyalty partners so they can write an interface to for Palm sites. Currently Palm POS works with Fueland and Centego, and KickBack Points has also licensed the SDK.

TENDER CONFIGURATION SUPPORT

POS Manager provides an easy to use interface for the setup of tenders. The interface allows for setting up of general tender information, tender rules, drawer formatting and how the tender will be displayed on the tender board.

The screenshot shows the Tender Configuration interface with three tabs: General, Tender Rules, and Display Settings. The General tab is active, showing fields for Tender ID, Tender Type, Short Description, Long Description, Accounting Type Code, Allow Interface Visit, Automatically Drop Tender, Currency Code (USD), Open Cash Drawer With Tender, Receipt Tender Description, Tender Code, Tender Subcode, and Validation Format (None). The Tender Rules tab is also visible, showing fields for Always Print Receipt, Count Window, Enable Quick Tender, Forced Safe Drop Amount, Inside Discount \$, Max Cash Back Allowed, Max Drop Amount, Drawer Open Amount, Outside Discount \$, Receipt Copies Number, Receipt Tag Format, and Safe Drop Warning Amount. The Display Settings tab is also visible, showing a checkbox for Show/Hide Setting Name.

Tender configurations use profiles which allows for a single tender configuration to be associated with as many store locations as desired.

Within tender configurations, POS Manager also has the functionality to allow for foreign currency configuration. Currently POS Manager supports the ability to be able to configure Pesos, Canadian dollars and Euros. There is no limit to how many different currencies can be generated to a store location.

Search Edit Currency View Rates Edit Rate			
Currency Code		Description	Symbol
View Rates	CAD	Canadian Dollars	\$
View Rates	EUR	Euros	€

In configuring foreign currencies, an exchange rate can be configured for each currency that is configured. Like tender configurations, foreign currency configurations also use profiles for store association.

The screenshot shows the foreign currency configuration interface. At the top, there is a field for CAD\$ with a value of 2.569. Below this, there are two columns: Available Stores and Associated Stores. The Available Stores column lists Gas N Go 203, Gas N Go 210, Gas N Go 1001, Gas N Go 1002, Gas N Go 1003, Gas N Go 1004, Gas N Go 1011, Gas N Go 1012, Gas N Go 1013, and Gas N Go 1014. The Associated Stores column lists Gas N Go 113 and Gas N Go 206. At the bottom, there are buttons for New Rate and Save Rate.

For more details about these enhancements, look for documentation on www.pinnacorp.com in the client services area.©

DON'T MISS NEXT YEAR'S

FORT WORTH



SEPT. 12-14, 2012

PINNACLE SUMMIT

PRE-SUMMIT ACTIVITIES

Tues. Sept. 11th 5:00 pm
Early Start Optional Activity
(tentative)

Wed. Sept. 12th 9:00 am
Solution Forums:
POS/Payments • Retail Operations
Fuel Solutions • Loyalty/BI/Price Book

PINNACLE SUMMIT 2012

Wed. Sept. 12th 12:00 pm
SUMMIT KICKOFF

Fri. Sept. 14th 12:00 pm
SUMMIT WRAP-UP

.....**VENUE**.....

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MORE INFORMATION COMING EARLY 2012!



PINNACLE SUMMIT 2011

ARLINGTON, TX
SEPTEMBER 20-22, 2011





IN THE WORDS OF OUR CLIENTS & PARTNERS

We asked you for feedback on Pinnacle Summit 2011, and here's what you had to say...

We are very close to rolling out our loyalty [program] to the general public, we got a lot of good direction from the other clients on "dos" & "don'ts".

As always, hats are off to all of you for a very excellent summit.

I liked having the Summit in Arlington, we had a lot more time to spend with the Pinnacle folks, and that's why we were there. Thanks, we had a great time!

We are definitely on the right track with Pinnacle.

Very well done!

This was one of the best Summits I've attended. The casual afternoon events were so much fun and seemed to provide a more relaxed atmosphere and allowed you to interact with others.

Really liked hearing about Andalé™ and how other companies are getting better

information faster. I also learned a lot about the industry as a whole.

Impressed to learn that everyone at Pinnacle is interested in my success with Fuel Smart. That was nice.

Pinnacle is very helpful in getting partners in front of their customers when asked. Thanks for helping us help your customers!

I must say that the only presentations that were not rated excellent were in areas that don't apply to my company. We're a small, very narrowly defined company and all the presentations that applied to us were very educational.

Everything was great. I could not have asked for a better partner showcase.

Most of the Pinnacle staff can dance! :-)

I believe that Pinnacle is a good company and will be a good fit for my company. Not many large companies are concerned

with the small businessman. I thank you for your hospitality.

The Pinnacle folks coordinating the summit were on top of every detail from pre-summit communications (agendas, partner setup, shipping), to assisting speakers in talks, to arranging outing transportation, and to assisting customers and partners whenever they needed some assistance. What a SMOOTH event!!!!!! Hats off to you!

Actually putting a face to the names was the best part. The Pinnacle staff is great. The two night events were great bonding times and gave everyone a chance to let loose and get their groove on - seeing Bob out there [on the dance floor] was great!

This was my first experience at a Summit and it was incredible. It was interesting to hear from other companies, entertaining speakers, and the evening events were so much fun! It was a great experience. I really enjoyed everything. ©



Loyalty Programs

How to Make the Loyalty Card Valuable

By: Jane Sinn Gabriel, Retail Solutions Manager, The Pinnacle Corporation

Loyalty programs are a big investment, and it is critical that retailers stay aware of the trends and focus efforts on the areas that allow the program to have a positive impact on their bottom line.

Flash Foods Inc. has had a loyalty program in place for several years, and they recently shared some of their philosophy on what allows their loyalty program to continue to deliver a positive value to their bottom line...

Target Marketing

Target Marketing is particularly important, as they do their best to add to their loyalty membership while maintaining good relationships with the existing membership. Of course the customer benefits from the loyalty promotions and services, but the loyalty program is meant to benefit Flash Foods as a company as well, and the marketing goals specifically are to increase customer retention, store traffic, and the average ticket amount. With that in mind, the following tactics are employed whenever they design a new promotion.

- Create promotions that require additional purchases
- Personalize marketing tools to appeal to different customers

Card Convergence

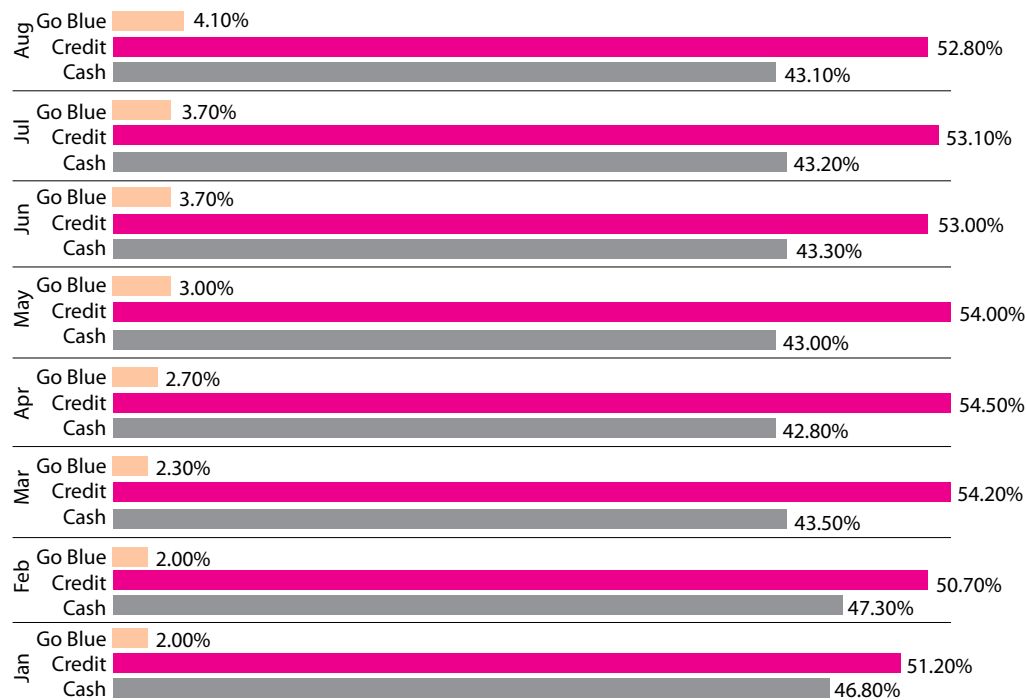
Card Convergence is viewed internally as key to Flash's early success with their loyalty program. As Jenny Bullard, CIO pointed out, "At Flash Foods, shoppers can pump fuel without prepaying; they can use a GoBlue card to make an ACH payment and get FlashCash Loyalty points at the same time. Customers like that they can use just one card to do all of these things. That's a powerful card! We point out these benefits in our marketing material, including the Flash Foods website."

Being able to use the Pinnacle Loyalty solutions to offer shoppers alternative payment options, the convenience of post pay fuel purchases and loyalty rewards discounts, extends the reach of the program deeper into customer population.

24 Hour Support

Our support line has proven to be an unanticipated contributor to success. What started out as a practical support tool that would alleviate the need for store personnel to respond to shopper concerns has turned into a great tool for collecting feedback from customers, who are not shy when it's time to give their opinion. The 24 hour support line really makes a difference in how card holders and store personnel view the company's

Payment Type Percentages



Flash Foods Loyalty 1 GOBLUE Payment Option gains traction against Credit purchases.

Loyalty vs. Non-Loyalty Average Transactions



Flash Foods Loyalty vs. Non-Loyalty Average Transactions

commitment to the loyalty programs. If you want customers to respond to your company, you should be prepared to respond to each of them when they call.

In addition to the phone support, a website gives members a chance to review their savings and update their contact information.

National Payment Card, Pinnacle's partner in the ACH solution (branded GoBlue by Flash Foods), sends participants confirmation emails on each transaction and provides a website for viewing their monthly statements online. Access to information and assistance are truly part of any real customer loyalty program.

Measuring Success

Of course, it is critical to be able to measure the success of your program. There is a wide array of loyalty specific reports that come with loyalty and that should be used on a daily, weekly, and monthly basis. The EPM CRM module analyzes and compares loyalty to non-loyalty activity. Understanding how loyalty transactions measure up against non-loyalty transactions is intrinsic to measuring the success of a program. At Flash Foods, loyalty transactions are, on average, more than \$1.00 higher than non-loyalty transactions. ©



"As we look forward, we expect our FlashCash program to grow even more successful because it gives our members the option to choose when to cash in their points. Every year brings a new opportunity and another way to assign value to the Flash Foods 'GoBlue' and 'Rewards in a Flash' cards. We look forward to the next opportunity," -Jeannie Amerson, Director of Loyalty Marketing, Flash Foods.

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