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May 2008



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NESO

Official Newsletter of North Eastern Store Owners, Inc. • Regional Association of WVa & Ohio DQ® Operators • Affiliated with DQOA® • Governed by Dairy Queen® Operators

www.nesonews.com



Letter from your President

Greetings from North Lima, Ohio. I hope you had the opportunity to spend some time with us at the NESO 2008 convention. A good time was had by all. Jerry Coyne and Jeff Haynes spend months and months planning and organizing the convention each year. Each year it is always a very educational and enjoyable event. If you have never been, make plans for our next convention, which will be held in Ohio. When the details are finalized you will get the information.

On to my topic for this newsletter, NESO's position on the new lawsuit that was filed by operators in Michigan. The NESO board voted to align ourselves with this legal action for many reasons all of which come down to one important reason- **protecting your rights as an operator**. Many of you, like myself, have years and years of time and money invested in your store. Some of you are brand new to the system, but one thing that brings us together is our investment in the Dairy Queen name. Make no mistake, NESO is not against Grill and Chill, remodeling, or reinvesting in your store. Any successful operator knows that you have to maintain and invest in your location to keep it viable. Especially in this competitive environment, well-maintained stores do have an affect on your customer counts. But if you have just remodeled recently, have newer signs, and run a great operation, why should you be mandated to invest more money into items that are not going to increase your customer count or sales?

I have heard several operators tell me that the field consultant is trying to "find" things to

reach a certain preset monetary goal in order to satisfy the requirement of "modernization" for IDQ. What study will show that changing the wallpaper will increase customer count? How about the 7-year-old store that is well maintained and must spend \$75,000 to modernize? Can you imagine taking out a loan to change your signage from Dairy Queen to "DQ", what kind of customer count increases will be generated? These are the issues that continually concern your NESO board, because if it can happen to one of our members, it happens to all of us. Each time a Dairy Queen location closes because it cannot afford to keep the doors open, it affects us all. If you do not have to modernize until transfer, you will be affected as well, you might as well take \$75,000 off of your transfer price right now. Some of you are counting on this money to retire, this requirement can really affect the outcome of your retirement. You have worked years to have something to retire with only to have it reduced by a memo from IDQ.

Our operators in Ohio have had an especially difficult year with the rapid increase of minimum wage by \$2.00 per hour almost overnight. All of our bottom lines have felt pressure due to record high mix prices. Combined with these factors and the requirement to spend on modernization and sign changes shrink an already fragile bottom line quickly. Somebody has to stand up and help the operator.

That is how DQOA and NESO came to exist, a group of franchisees' banding together for the operators common good. I, as a franchisee and operator am grateful that these organizations exist, because where else would you turn to?

We, the NESO board will continue to

watch this litigation unfold and keep you informed of how this will affect our membership. I invite your questions and comments any time. I appreciate each one of our operators for the time and talent they bring to our group.

In closing I would just like to ask ,What made *Dairy Queen* what it is today? Many feel now is the time to get back to the basics and promote our world famous shakes, banana splits, sundaes, etc. and I agree with them. In my opinion, some of these new products meet the criteria to sell the operator equipment and that the preference of the customer is lost in all the "R&D". We have a great product, one that I am proud to have spent my life selling and enjoying. Dairy Queen not "DQ" is what is today because of the relationship that exists between our customer and the operators. We must stand together as operators and protect the rights of our stores.....

I wish you a prosperous Dairy Queen Spring!

Respectfully yours
Ron Rapp
NESO President
pamelasimmons@aol.com
330-565-8429 cell

Thanks from our troops in Iraq

At the 2008 convention, NESO collected donations on behalf of CASCI, a company in Charleston, WV that has a program to prepare and send "care packages" to our troops in Iraq. NESO wants to thank the convention attendees that donated to this wonderful cause. Below is a letter of thanks that we received.

Department of the Army
Headquarters, 111th Engineer Brigade
1st Armored Division
Contingency Operating Base Speicher
APO, AE 09393

Dear Friends of the 111th Engineer Brigade;

Greetings from Contingency Operating Base

(COB) Speicher, Tikrit, Iraq.

Our mission here is going well. We wanted to take a minute and thank you for the items you sent during our deployment. The soldiers of the 111th Engineer Brigade are very appreciative of your support of our efforts here. Without the support of Americans like yourself, our time away from home would be more difficult. Knowing that people at home are behind us and care enough to send things to us while we are away from home means so much.

We have received mountains of soldier care items from our supporters and these have gone a long way in helping our soldiers cope with the environment here. Most of our neighboring units are a bit jealous of the support you have forwarded to us.

Many of you have helped us support our local Iraqi neighbors, and this has also been a big help to our mission here. The items you sent for us to pass out to local villages have been a great help in "winning the hearts and minds" of the Iraqi people.

This brings us to a bit of "good news". Jonathan and I will possibly be redeploying home in a couple months. We encourage you to continue any plans you might have for further support. However, we might not be able to receive any mail sent after April 30th. We would hope you would consider continuing your support for this mission by supporting our replacements. They will contact you with an introduction letter or email.

We are very blessed here, thanks in part to Americans like your self.

May God bless you and yours in this coming year.

Sincerely,
Bruce D. Reed
CH (LTC)
Brigade Chaplain

Jonathan G. Young
SSG
Brigade Chaplain Assistant

NESO 2008 Convnetion

Our NESO Convention was held at the Embassy Suites in Charleston, West Virginia at the end of January, and if you could not make it, you missed a lot of great things to get you ready to face another year at the counter. Our exhibits this year were brimming over with lots of great ideas some of which I would like to share with you.....

1. Yes, Ron Rapp won the cone contest... Again, (but to be fair Betty Gwara was having knee surgery, I guess that is what it takes to win for next year, by the way Betty is doing much, much better and will be back next year to Challenge Mr. Rapp!)

2. Registers, Registers, and more Registers.... This convention brought lots of information on new register systems, with many centered around the touch screen versions that are becoming quite popular. IF you needed a new register system this would have been your year! Lots to choose from.

3. A new exhibitor to the convention this year was **Steve Jones from Mitsubishi Security Equipment**, his booth had a constant stream of operators asking questions about his closed circuit security equipment. If you are interested, Steve can be reached at 330-289-4709.

4. The new burger supplier from DQOA- **American Foodservice** cooked up loads of burgers for convention attendees, they were excellent. They are available thru Peck Foodservice, Glass City and Browns Foodservice.

5. The Cake Seminar was outstanding, Debbie, from *Cremes Unlimited* focused on borders. Her seminar "Your bottom is showing" concentrated on bottom borders, since the cake domes do not "hide" borders anymore, you can see some of her cake designs on the NESONEWS.COM Website.

6. The annual Cake contest had lots and lots of great entries, sad to report the "turtle cake" from the Mulherin family did not win again, better luck next year! (I was thinking we could have an amphibian category next year, so keep practicing Joe!) Congrats to Amanda Hites, Cortland DQ for Winning first place with her rose cake and runner up Donna Ring of Canton, OH.

7. The NESO Board of Directors has decided to, on your behalf, join the lawsuit filed by a group of Michigan operators. Arizona DQ operators and several other State Associations have joined the suit.

Please refer to the last DQOA alert.

8. Harris Cooper spoke on your legal rights and contracts. It was one of the best speeches I have ever heard him give. One of the best and most relevant points he made was pertaining to your contract. He told the operators that the DQOA products help fund legal advice pertaining to your IDQ contracts. You cannot afford the legal work you would need done to oppose IDQ if you felt your rights were being violated. Buying the DQOA products are the cheapest legal fund you will ever buy. DQOA exists to protect the rights of the operators and provide an alternate source of product at a very competitive price. (and don't forget you get dividends on the products purchased if you are a DQOA member)

9. Donna Ring, from Canton Ohio, was crowned our 2008 "*Dairy Queen*" by WV Commissioner of Agriculture Gus Douglass.. If you look on our Website you can see her pictures! Congratulations to Donna, she joins the rank of many many other NESO Dairy "Queens" that we seek out every year to hold the honor.

10. Big Thank-you to Jerry Bartoe for his cleverly

written rendition of “Chuck Mooty went down to North Lima” a parody of “Charlie Daniel’s band “The Devil went down to Georgia”. We were laughing so hard we were crying, nice job to Kathy Wallace for the outstanding vocals, too. I hope we can talk her into singing for us next year.

11. Neatest thing at the convention for under \$5. A condiment bottle in 2 sizes that the nozzle always faces down. It has little feet on it, so the product nozzle does not touch the counter, and you fill it from the **TOP** so your condiment is always rotated and fresh.

Especially for the mayo, you know how you are always “shaking” it down to squeeze it on to the toasted bun. Kenny at Fad had just got these in stock, so if you are looking to solve a problem with condiment bottles call Kenny at 1-877-728-4643.

Well there is a lot more to talk about concerning the convention, next year we will be in Ohio. I hope you will make plans to attend, everyone always has a great time and you learn so much meeting with other operators.

Mix program

After several meetings and conference calls our NESO mix program is finally very competitive. Thanks to the folks on the Mix committee and Peck -an agreement was reached to help reduce costs to the program and insure you are receiving a very competitive price.(checking a few prices Peck is the Cheapest, and you receive a rebate at the end of the year)

Our program is a partnership between the operator and the distributors.

Peck, Brown, and Glass City have all given to make this program a continued success over the past 5 or more years. The distributors realize that mix is the lifeblood of the DQ system and have made adjustments to **reduce their revenue to benefit you, the operator**. Please continue to support this fine mix program, **if you are not a current mix customer, become one, another way our association can save you \$\$\$**.

DQOA PRODUCTS

DQOA has a new product coming out, your

DQOA warehouse should shortly be stocking DQOA waffle mix. The timetable seems to be the beginning of May
Just in time for the summer season.... Watch your price list for details...

New Contract for First Data

Visa and Master Card Processing

If you attended the convention, you heard us announce the fact that the NESO board had voted to approve a reduction in processing fees. Thanks to the great folks at First Data, Greg Allen and Patty Brizio, we were able to get a better rate to process Visa, MasterCard, and Discover card. Previously we processed at \$.05 per transaction, we are now processing at \$.035 per transaction. This allows us save more money. Remember there is no monthly statement fee and all paper supplies are free (just the cost of shipping and handling). We are very happy we could get all the details worked out just a few weeks ago, thanks to Greg and Patty at First Data. If you would like to become a customer of First Data or have any questions pertaining to the Visa and MasterCard program you can contact **Greg Allen directly at 1-877-457-2615 ext. 6521**.

Also in regard to this processing program, First Data has a new *contactless* unit that will allow the customer to tap their card on a special reader instead of swiping the card. This unit sells for \$245 and if you are interested in obtaining this piece of equipment it is called the *Vivopay 4000*, call Greg Allen and he can help you get set up.

Register Tape

Our endorsed register tape supplier has offered a cheaper rate to all NESO customers, our rate was always very low and free shipping but in December, Ed Swarz was able to lower our already great price to \$47.50 for a 235 ft roll (3 1/8in). The case size is 50 rolls per case. **Discount Paper** was one of our original suppliers when I started. The new price for thermal paper is the cheapest around and you cannot beat free shipping, no minimum cases to buy either. Make sure you ask for Ed

Swarz when you call and tell him you want the Dairy Queen price from NESO. Contact **Ed Swarz at 1-800-752-7655.**

Schwebels Bread Supplier

As you probably already know, flour prices have tripled in the past few weeks along with the agony of fuel prices. Schwebels our endorsed bread supplier has sent notice of a price increase for April. They have not raised bun prices since last March. The bread prices starting in April will be:

Weiner buns, 16pk	\$1.50(+10)
Wiener Buns 12pk	\$1.15(+7)
BBQ Sesame 12pk	\$1.20 (n/c)
BBQ Royal 12pk	\$1.15(n/c)
Texas Toast, 24 oz	\$1.40(+5)
Footlong Buns	\$1.65(+10)
Sliced Kaiser, 4 ½” 8pk	\$1.40(+10)

These prices will be in effect Monday April 7, 2008.

Welcome, CleanEzy

I would like to take the time to introduce our newest endorsed supplier, **CleanEzy**. CleanEzy is a towel supplier located in Wheeling, West Virginia. They supply a wide variety of towels which is the “chix” towel. They are available in white or a 3 color system. Mike Simpson, owner, tells me that many Dairy Queens use the 3 color system to designate areas. One color for the front counter, another for the tables and grill. Although these towels are available at your warehouses, CleanEzy towels come in a case size of **250 instead of the standard 150.**

The price for 13x23” is \$35.00. These towels last for a few weeks and then can be discarded. They also stock a 12x20” which is \$30.00 per case of 250. This price is about the same as 150 count case, but CleanEzy throws in another 100 towels! I have had several stores try them and I have tried them, I think they are an excellent towel. Give Mike a call at **1-800-597-7758**. He also stocks the green scrub pad used in the Brazier stores, they are \$.20 per piece. They can easily ship to all of our membership.

I would like to thank Kathy Wallace for letting us know about CleanEzy, if you have a supplier that could benefit our membership let me know

Operator Question

Finally, I had a call from an operator about a question concerning the visa machine. I thought I would share his question and answer with you. The DQ operator had an employee that took an order from a customer for \$7.95. The customer handed the employee a credit card and processed it. After the employee received it back, it was noticed that instead of \$7.95 the employee only processed \$.75 for the customer’s order. The question was could the operator *rering* the correct amount on to the customer’s card after the customer had already left the Dairy Queen?

After contacting Greg at First Data, the answer is “no”. He said you would have to get permis-

(Continued on page 7)

EARN DIVIDENDS

**Purchase DQOC Products
From Approved
Warehouses**

**Brown Foodservice, Inc.
Louisa, KY**

Mark Qualls, 606-638-1139

**Glass City Paper & Food Services
Holland, OH**

Rick Jackson, 800-526-8845

**Peck Foodservice
Aurora, OH**

*Dave Peck or Mark Rosatti
800-732-7325*

sion from the customer to void the original and ring the correct amount. Since this operator did not know the customer, the DQ was out over \$7.00 for this transaction. This is a good learning tool for your employees to be extra careful about processing credit card transactions. Hope this helps.....

Happy Spring!

If you have questions or comments please email *Pam Simmons*

NESO Co-Op Coordinator

330-565-8700 voice

email: pamelalsimmons@aol.com

NESO/Ohio Workers' Compensation Group Rating Program...



For a no-cost, no obligation quote of your potential premium savings, Please contact:

Kirsten Gibson 800-837-3200 ext 7110

kirsten.gibson@ccitpa.com



POSitouch / NCR Restaurant Management System w/ POS

A complete four terminal POSitouch system available with: POS, POS management, time clock management, labor scheduling, menu item inventory management, table seating management, delivery management, item production management, ingredient inventory management, food cost management, electronic payment parameters, customer database, and full system reporting.

Hardware was used for one year and includes: 4 NCR integrated touch screen terminals (2 NCR RealPOS 70's w/ integrated customer displays & 2 NCR Real-POS 62's), 2 NCR thermal POS printers, 2 Epson impact POS printers, 3 cash drawers, a kitchen video display system w/ 1 monitor & bump bar, and a network switch.

Buyer would need: a Windows XP PC, PC communication software, network wiring, electronic payment middleware, two dedicated phone lines or internet access, as well as set-up / install / training services.

Contact Don Boller, 814-571-2731



NESO Buying Group Suppliers

Full Service Distributors

Brown Food Service, 606-638-1139, Mark Qualls, Louisa, KY

Glass City Foods, 800-526-8845, Rick Jackson, Holland, OH

Peck Food Service, 800-732-7325, Mark Rosatti, Aurora, OH

Suppliers

AIS, Grill/Fryer Service, 877-346-6544, Youngstown, OH

All Bulbs, Light Bulbs, 330-549-9852, Jeff Sabrin, North Lima, OH

American Outdoor Media (Youngstown area) 330-545-8690, Mike Obrien

Blade Uniforms, 800-741-5664, Connie Copelan, 800-741-5664

Capital Planners, Financial Services, 216-360-7400, Dan Jindra

Compensation Consultants, 800-837-3200x7100, Kirsten Gibson, kirsten.gibson@ccitpa.com

CPI, Ceiling tile cleaning, 800-269-2202, David Finney, New Middletown, OH

Cintas, Towels and Mats, 800-914-1960

CleanEzy, Towel supplier, Wheeling WV, Mike Simpson, 800-597-7758

Decopac, (20% discount on cake supplies) 614-679-1448, Ernie St. Laurent

Dejane Business, Registers, 330-497-9696, Bob Wynkoop, Canton, OH

Delta Gloves, 800-874-3633, Richard Zook, West Chester, PA

Discount Paper, Register Paper, 800-752-7655, Ask for ED, Las Vegas, NV

Fad Distributing, Edible Images, 877-728-4643, Kenny Notter, St. Louis, MO

First Data, Credit Card Processing, 877-590-5838, Greg Allen

GBA Solutions (Health Insurance), 216-468-2100, Bev Cline

The Glass Doctor, 866-838-glass(4527), www.glassdoctor.com

Mix Hose, 330-872-5649, 330-872-5139 fax, Dave Gwara, 2550 East River Rd., Newton Falls, OH,

Musair, Drive-thru Equip, 800-833-4150, Joe Elum, Canton, OH

Oil-Flex (DQOA Oil Stabilizer) 630-325-8991, Jim Papanton

Omega Waste, 888-326-6342 ext. 24, Kim Kilby

Schwebels Bakery, 330-783-2860, Tony Sugar, Serves Ohio

Service Plus, Payroll Processing, 800-846-PLUS, Bob Brammer

TSS, Total Soft Serve, 920-565-3273, Tom or Todd, Cleveland, WI

Wonderlic, Personnel Testing, 800-706-4673



North Eastern Store Owners Inc.
103 Rosewood Dr • Hurricane, WV 25526

NESO Boardmembers

Please contact any Boardmember with questions or concerns related to NESO

Ron Rapp, President

PO Box 445 North Lima, OH 44452
 330-549-2927 • 330-549-0555 fax
 330-565-8429 cell
 pamelalsimmons@aol.com

1939 Adams Ave, Huntington, WV 25704
 304-429-1316 • 304-697-2253 fax
 740-867-2700 home • 304-617-7792 cell
 jb2700@aol.com

540-327-0294 cell • 540-667-1529 fax
 dqicecream@comcast.net

Dick Fulton

1262 Kenmore Blvd, Akron, OH 44313
 330-753-7999 • 330-753-1214 fax
 330-666-4062 • 330-283-0224 cell

John Wilcox, Vice President

2015 River Dr. N., Mullens, WV 25882
 304-294-7352 • 304-294-4154 home
 304-890-3348 cell
 williew@mail.usa.com

Rick Bepler

6651 Lakeview, Canal Winchester 43110
 614-833-0793 • 650-227-2299 fax
 614-531-7497 cell
 Lbeplerdq@aol.com

Ken Neuzil

5501 Memphis Ave., Cleveland, OH 44144
 216-363-7018 • 216-375-4426 cell
 kdneuzil@aol.com

Donna Peterson, Secretary

310 Stonehenge Rd, Winchester, VA 22601
 540-723-0503 • 540-723-0504 fax
 540-664-4995 cell
 singingdonna@comcast.net

Chris Burns

10 Smith St. Marlinton, WV 24954
 304-799-4908 • 304-799-4516
 304-799-7227 cell
 ctburns@sunlitsurf.com

Dean Paidas

772 Brookfield, Youngstown, OH 44512
 330-726-1316 • 330-726-9148
 330-719-3163 cell
 dpaidas@zoominternet.net

Jerry Coyne, Treasurer

1239 Showers Lane, Martinsburg, WV 25401
 304-263-6380 • 510-740-3653 fax
 304-671-0303 cell
 dacoinc@comcast.net

Mike Chapman

HC 61 Box 17 Gassaway, WV 26624
 304-765-2287 • 304-364-5154
 304-439-5155 cell
 dairyqueen@gassawaywv.us

George Stegeman

622 Moeller Ave., St. Bernard, OH 45217
 513-641-2100 • 513-242-0402 fax
 513-967-7004 cell
 gstegeman@webtv.net

Leonard Anderson

HC 76 Rt 87 Box 6, Hinton, WV 25951
 304-466-2018 • 304-466-0601 fax
 304-617-7792 cell
 dqwilma@msn.com

Tom Cleary

PO Box 26, Wellington, OH 44090
 440-647-4741 • 440-647-4712 fax
 216-647-5222 • 3216-390-3127 cell
 tomkaryl@comcast.net

Tom Vance

PO Box 1059, Rupert, WV 25984
 304-438-6211 • 304-392-6817
 304-667-7481 cell
 icecreamman@frontiernet.net

Jerry Bartoe

Vicki Dockeney

109 South Lewis St. Staunton VA 24401

Kathy Wallace

PO Box 144, Martins Ferry, OH 43935
 740-633-3815 • 740-676-9150 fax
 740-296-9519 cell

NESO Office Contacts

Jerry Coyne • NESO Executive Secretary • 304-263-6380 • 510-740-3653 fax • dacoinc@comcast.net
Jeff Haynes • NESO Asst. Executive Secretary • 304-562-7355 • 510-740-3586 fax • jeff@nesonews.com
Pam Simmons • NESO Buying Group Coordinator • 330-565-8700 voice • pamelalsimmons@aol.com