



Operator

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President's Corner

Greetings from North Lima, Ohio! It is Spring, and in this part of the nation our winter has been the warmest that I can seem to remember since the 1970's. Then came March and 80 degree temperatures! Here at North Lima Dairy Queen, my son Dean has started a ½ price lunch sale every Tuesday 10am-2pm which has been building in sales each week. We have talked about an ending date at the end of April, but the sales have just grown by leaps and bounds every week, we are not 100% clear on the ending date. We are continually amazed by the strong sales of salads, cakes, and of course our great Chicken Strip Basket product.

Last Tuesday, we had our ½ price sale, the \$.99 Blizzard promotion, Free Cone Day, and 80 degrees! If our customers didn't know we were open they sure do now. I am sure everyone in our membership is welcoming the weather with open arms. It has been one year since the switch was made from paper to plastic cup, whipped cream, and a cherry. So what is the verdict? Have you actually checked your numbers? Do you know or just think you have

an idea? So where are we? This is a breakdown from my son's store:

	2010	2011
Units Sold	12,511	15,924
Income	\$30,506	\$37,148
COG	26.1%	31%

The shake units increased by 3,413. This increase represents a 21% increase in shakes. Our gross profit margin increased \$3,125 even with a cost of goods increase of 5%. The bad part is the cost of goods sneaking up to 31%, the shake might as well be a Brazier item. The increase is there, but you make the decision, we report the numbers fair and balanced, you decide.

I hope that all is well, and we look forward to a very profitable first part of the year!

Ron Rapp • Ronrapp35@zoominternet.com

Need a Vacation?

On March 13th 2012 DQQA/DQOC held its "staying connected" call. DQQA has announced that the **2012 National Convention will be held at the Swan resort in Walt Disney World, Florida!** The dates are during the week of Thanksgiving, November 18th -21st. Just months away, watch for more information on registration coming soon, or call DQQA direct (952)556-5511.



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NESO Mix Program

Rebate Checks were mailed January 1, 2012 in addition to having the best prices, NESO mailed out to stores \$50,000. Representing .03 per gallon to those stores who due were paid. Thank You To United Dairy, Broughton Foods, and distributors, Peck Foodservice, Instant Whip and Brown Foodservice.

We look forward to a great 2012. Any question on our mix program, call the NESO office 304-263-6380

Treat Tracker

Do you know how to work the computer? Would you like to begin learning? Then you are just the operator that needs to see this information. Have you ever attended an operator's meeting and everyone in the room is sharing numbers from their sales? I love when stores say they sell "a lot" of something. "A lot of salads" is 50, but to some who only sell 2 a day, "15" is a lot. It all has to do with your perspective. More times than not the store operator has no idea how many they sell, they just know it is "a lot". Don't be that operator that just doesn't know!!! Make it your business to know just what you sell, especially month to month.

On the DQOA website: dqoa-dqoc.com they have posted a "treat tracker" spread sheet. IT is SO easy to use and can help even the most novice computer operator understand and track product sales for the month. You can fill in the entire spread sheet in about 10 minutes and it is extremely user friendly.

All you need is your register report for the end of the month and the menu board pricing for each Dairy Queen item. An example is the sundae category. You fill in the unit amount for each size and the second column is the price. At the very end of the spread sheet is a slot for discounts. The spreadsheet does all the work. The treat tracker even has a worksheet for each month. It will tell you what percentage of sales each category represents and it will show you how much money each category puts in dollars in the register. I promise if you can email you can fill in this spreadsheet. It is just the first step in getting to know your business by the numbers. Go to dqoa-dqoc.com it is at the very end of the first page that pops up. The DQOA website also has past newsletters and endorsed suppliers with phone numbers for your convenience.

Modern Day Gold Rush

“Come and listen to a story about a man named Jed. A poor mountaineer, barely kept his family fed, then one day he was shootin at some food and up through the ground came a bubblin crude. Oil that is, black gold, Texas tea.” Most recognize the lyrics by Paul Henning of “The ballad of Jed Clampett”, but what do they have to do with a Dairy Queen?

If you own a Dairy Queen in eastern Ohio, Northern West Virginia, or western Pennsylvania, you have plenty in common with Jed Clampett of the “Beverly Hillbillies”. One week ago today the Shell Oil Company announced a much anticipated site for a 4 billion dollar project. Yes, I said 4 billion dollars!!! It will take 10,000 people just to build the plant, and that site is 20 miles north of West Virginia and 20 miles east of the Ohio/Pa line, in Monaca, Pennsylvania. This plant is slated to be a “world renowned” plant in the process of “cracking” ethane gas to make chemical by- products.

In the mean time, lots of people have been offered up to \$5800 per acre in the eastern half of Ohio for the leasing of mineral rights to Chesapeake Energy Company. My community has experienced the flurry of leasing groups forming. With the confirmation of the “cracker” plant being in the middle of the NESO membership and an additional plant for processing gas will be locating in Hanoverton, Ohio. The gas boom is starting! We are on the top of the tsunami wave, without much warning. The Hanoverton plant is estimated at 900 million dollars to build. No one would invest 4 billion and 900 million without the assurance of return on the dollars. The gas is here and someone wants it.

Next, comes the people to extract the gas, which is where the Dairy Queen story begins. Williston, North Dakota is a town that is in the process of going thru a huge oil boom. The unemployment rate is 1% according to several sources. They have grown from 36,000 people in the year 2000 to 50,000 in 2012 and the population is expected to increase to 100,000 in the next few years according to Todd Brabandt, owner of the Minot North Broadway Dairy Queen, Minot, North Dakota. Todd has owned the limited store for 3 years. His phone number is 701-839-3612.

Todd’s store is located about 45-60 minutes east of Williston, North Dakota. He has seen plenty of changes in the last 3 years due to the modern day gold rush occurring in Williston, North Dakota.

First stop is housing. There is not much! Last year they had a record flood and lost 4000 homes to the rising flood waters. Pair that fact with the huge increase in transplant people to work the oil fields, the result astronomical housing costs.

I personally checked craigslist and newspapers to verify, housing is crazy nuts!!! Here is the nuts part. bedrooms’ are renting for \$800 per month. Not the house just the bedroom. I called on one today and they guy had 3 bedrooms in the basement with

common kitchen and common bathroom. Only one left at that price! One unit 3 bedroom/2 bathroom apartment was \$3750. One place was \$1250 per month per person per bed!!! So if you are the Dairy Queen what does that mean? That means people have money and want to eat!

Todd told me that one piece of advice for areas that are going to be seeing this kind of development. . . “build a Grill and Chill, these people want food”. His second piece of advice is “be prepared for people, and some are really not nice”. He told me there is tons of out of state license plates due to all the high paying oil field jobs. He did tell me it was not hard to find workers for his store, because he uses a lot of high school and college kids. His state’s minimum wage is \$7.50 but he is starting his workers at \$8-\$9 per hour based on experience. He has had to raise prices because groceries have risen, as well as the cost of every other aspect of life. His Royal Treats are priced at \$3.95, Medium Blizzard \$3.79, and Medium Cone is \$2.09. He is thinking of rebuilding to add an area for food due to all the business. He is only open 8 months out of the year but is considering staying open with all the business opportunity. I asked him if he is participating in the \$.99 national Blizzard sale. He replied that he did not want to, but that they are participating in the sale. They just do not need to discount. His sales are up about 25% in the last 3 years, huge compared to any other business in Ohio, West Virginia, and Pennsylvania. I appreciate Todd for letting me speak to him on a 70 degree day and for his insight into the oil boom in North Dakota.

Fast forward to our areas of interest in the upcoming oil/gas boom for our membership area. The Minot store I told you about was about an hour away from the main town in the oil boom, Williston. In the Williston area it is really a no holds bar attitude. According to another person I spoke to, the traffic is bad, groceries and rent are high. Supply and demand writes the rules. Then the housing is so scarce that man camps have been built. The man camps are trailers that are brought in to house crews of 500-600 people with one common mess hall. These are just beds with rates of \$1200 per month. Along with all the transplants comes rising crime rates and accidents due to increased traffic. But lots of people have lots of money to spend. Our 3 states will have much to gain from all the jobs, people will begin to have confidence in spending again, registers will sing the long ago heard song of profits. It will be an exciting time for Dairy Queen owners, if we can just hang on a little longer! Spring and warm weather has been our first encouragement, each day the news has more stories to support the incoming of the oil/gas business. Be ready!! Like The “Beverly Hillbillies” let’s hope “ol Jed, the millionaire” loves Blizzards!

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Ray & Chrissy Smith

During our recent convention Ray and Chrissy Smith were asked to give a presentation on some events they hold at Cornersburg Dairy Queen and Austintown Dairy Queen/OJ. Ray and Chrissy began in the Dairy Queen system working for Ron Rapp during their high school and college years. Eventually they married and bought their first dairy queen 20 years ago this year. They now own 2 stores near Youngstown, Ohio. The newest store just opened last year and is a DQ/OJ store.

Each month they try to have a special activity at the store to increase customer count and frequency. Some ideas work very well. January is always started with a half price day on the 1st of the year. The stores are only opened from 12noon to 8 pm. This day is used as a bonus day for employees and employees are paid based on sales. IF the store does well then the employee does well. Employees all clamor to work this day and it gives them a chance to make extra money. Everything in the store is half price and only employees that work the most are asked to staff the store for the day. The sales for the day grow year over year, with sales resulting in cash in the drawer equal to the two best days of the year! All in just 8 hours, you can imagine the amount of cakes, novelties, and just about anything else goes with lines starting before the doors are unlocked.

Some of the other clever ideas they told us about were;

- Pajama party introducing midnight truffle blizzard, open from 10pm-12midnight, all employees wearing PJ's, and customers in PJ's get gift certificates.
- Easter egg hunt, live rabbits, candy, cupcake decorating, etc.
- Decorate your mother's day cake for a fee.
- Mechanical Bull riding in parking lot with country nite theme.
- Pumpkin Hunt in the fall.
- Nativity Scene & animals petting zoo at Christmas time.
- Santa visits.

They did such a nice job of highlighting things they do to increase sales. Employees take pride in the store because they do many activities to keep the momentum of sales going thru the end of the year. They are very avid Facebook participants with each store as well as sending out lots of coupons to the surrounding customer base. If you have any questions or ideas please feel free to contact Ray Smith on his cell phone: (330) 506-4487, email: rymndsmith1@aol.com. Happy 20th Anniversary Ray and Chrissy Smith! And thanks for sharing.

2012 NESO Convention

Convention Fun!

Waterfront Place Hotel • Morgantown, WV

January 26th-28th 2012 marked the 41st year of the annual NESO convention. If you missed it, here is a recap of the convention. On Thursday the convention began with Serve-Safe for the DQ operators and managers with an early morning class that lasted all day. Thank you to June Davies and Sue McFadden for doing such a fine job teaching the course! Congratulations to Thomas Maphet (Batavia, OH) who scored 100%. The average score of the class was 92% Our evening festivities began with a meet and greet reception that included a 3 foot tall chocolate fountain for our convention attendees to enjoy. Friday morning opened with our Tradeshow in the exhibit hall. With almost 40 booths! Some of the highlights at the exhibit hall, the new chemical program thru Diversey/ Staples, Schwebel's bakery had buns for each attendee to take home, blind folded cone contest, and the cake decorating booth for everyone to enjoy. We gave away an Apple ipad for touring every vendor and we also gave away a brand new bakery craft air brush/compressor. Eddie Clendenin from Eleanor, WV won the air brush and Kay Royce Terra Alta, WV won the ipad!

The afternoon at the convention consisted of an Ohio Workers Comp meeting given by Shawn Combs, Care works Consultants Inc. Shawn had great information concerning the NESO Ohio Worker Comp. program. Questions? Call Shawn at (614) 526.7264 or Shawn.Combs@ccitpa.com. He has saved our group significant money with low workers comp premiums. The Pennsylvania stores also met to discuss the future of their possible association with NESO. The afternoon concluded with our annual auction. We ended our Friday with our buffet, playing the always entertaining Jeopardy. Saturday morning, the final day of the convention began with our president Ron Rapp congratulating our very own Rick Bepler new DQQA/DQOC national president. Rick Bepler and his wife Linda live in the Columbus, OH area and are long time members of NESO. Rick is also a past board member. Troy Bader, IDQ, COO, spoke to the convention regarding his new promotion with IDQ, about the implementation of the Orange Julius program, and that the chief brand officer position has been filled by Barry Westrum.

Josh Schmieg, Exec. Director DQQA/DQOC took the podium next to update our membership about product updates for the DQOC/DQOC warehouse distributors. He brought us up to date on the topping issue going from cans to pouches which should occur sometime this summer. We thank Josh and his staff for all of his tireless efforts to save our membership so much money! Reminder: DQOC rebate checks are distributed in April, 2012 for the previous year's purchases, dues need paid to participate in the rebates.

The convention closed with the banquet and the crowning of the queen, Linda Marble, from Portage Trail Dairy Queen, in the Akron Ohio area. Congratulations Linda Marble!



Top: (R) Bill & Linda Marble, Cuyahoga Falls, OH • Bottom: (L) Kay Royce, Terra Alta, WV won the Apple iPad! • (R) Gail and George Stegeman, St. Bernard, OH

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2012 Queen



2012 Queen: Linda Marble (L to R)
 2011 Queen Vicki Peterson, Winchester VA, 2012 Queen Linda Marble, Cuyahoga Falls, OH and Ron Rapp, NESO President

Convention Fun!



Top: (L to R) Chris & Johnna Burns, Marlinton, WV • Zack & Chris Smith, Youngstown, OH
 Bottom: (L to R) Mary Kay Paidas, Boardman, OH • Kay, Cecil & Gena Royce, Terra Alta, WV

Contest Winners



Blindfolded Cone Contest Winners (L to R)

- 3rd Place: Chrissy Smith, Youngstown, OH
- 2nd Place: Suzie Birkholtz, Youngstown, OH
- 1st Place: Richard Dana, Geneva, OH

Cake Decorating Contest Winners (L to R)

- 1st Place Kids: Zack Smith, Youngstown, OH
- 1st Place: Ray Smith (for Chrissy Smith), Youngstown, OH
- 3rd Place: Stephanie Mulherin, Mansfield, OH

Sally Myers from IRD

Well we got to meet Sally Myers from International Restaurant distributors, your DQQA/DQOC EQUIPMENT COMPANY. She is great to deal w/ on all your equipment needs. You can reach Sally at mike@irdequipment.com.



Save the Date
 Dairy Queen Operators' Association
 42nd Annual Convention



November 18-22, 2012
 Walt Disney World Swan
 Room Rate: \$135/night (INCLUDING Resort Fee)
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*(L to R) 1st Place Booth Decor Winners - Tundra Specialties, Tonya Gambrel & Launa Waldrop
 2nd Place Booth Decor Winners - Broughton Foods & Shenandoah's Pride Dairy, Mark Roe & Mike Cain*

In Memoriam

Margaret "Peggy" Powers of Ridgeley, WV passed away March 15, 2012.

Peggy, along with her husband Lemuel, had owned and operated the Ridgeley WV Dairy Queen from 1960-1982.

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