

July 2006 

O *The* **N E S O** **OPERATOR**

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

www.nesonews.com

From your NESO President *Greetings from North Lima Dairy Queen!*

Today, I will address two items, the “Hotdog Fiasco” and the “downward trend” of the Moolatte sales.

First, the “hotdog”, my son’s store at North Lima was a test store for the all beef 10-1 hotdog. Hotdogs have always been the top seller at the North Lima Store, out selling all other items as far as “numbers sold” goes. When we started the test February 1st, the hotdog was about 12% of our total sales. By the fourth week, our hotdog sales had plummeted to about 8% of our total sales.

The all-beef hotdog holds up about as well as the all-meat hotdog. We use the Carter-Hoffman holding cabinet. However, it sweats small droplets of grease and turns darker in color the longer that you hold it in the cabinet. It has a harder, tougher bite to it and tastes more like a kielbasa than a hotdog.

Before we could start the test we had to have a pre-test questionnaire filled out by our current hotdog customers. It seems to me, the questions were worded to get the answers IDQ wanted to hear. Why not just ask, “should this Dairy Queen serve a different hotdog?” Most of our customers already thought we were serving an all-beef hotdog. When asked on the survey, if they would prefer an all-beef or an all-meat, for themselves or their children, most responded that they preferred “all-beef”. But the drastic drop in the hotdog sales at our store, clearly shows they do not prefer an “all-beef” dog. We did not stay on the second part of the test with the new “slightly plumper dog”. We did do the entire 8 weeks of the test. We have changed back to

our Fields “all-meat” hotdog. Our hotdog sales have not recovered as of this July. In fact, the hotdog(units sold) has now moved to the 3rd position as far units sold per day. The small fry and small cone outsell the hotdog.

As sure as I am writing to you today, IDQ is going ahead and testing the 8:1 all beef hotdog, and in my opinion, we will be serving that hotdog this time next year in our Dairy Queens’.

There is no way you will be able to sell an 8:1 all-beef hotdog for less than \$.99, adding chili, the price will be much higher. You will no longer have a low priced hot sandwich to sell. The addition of the size and restricting the product to all-beef will drastically raise the price of the hotdog. Remember the all-beef hotdog price will be directly tied to the beef market like our burgers, this year we have seen huge price fluctuations as much as \$7 per case on our beef patties.

Enough of the hotdog, the Moolatte is next on my list. Even by IDQ’s own admission the sales of the Moolatte have taken a steady dive. This is a product that is easy to prepare, has an excellent COGs, and has a nice presentation. Then the Hazelnut product came along..... this is also a good tasting product, but we can’t seem to give this flavor away!

Our store spent almost \$400 on an 18-ft banner displayed by the roadside with a discounted price point of \$2.99. (regular price \$3.39) We are still selling the same 25 per day that we sold before the banner went up. What a disappointment, yet we have to invest in another new flavor for August- the Mint Mocha, you know the one with the cake crunch in August, Sept, Oct, and candy cane sprinkles on top- November and December.

(Continued on page 2)

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This also contains a NEW syrup, but by the IDQ e-news, you will only sell 5.2 per day or 37 per week. AND each case will last 6-7 weeks! Why bother!!!!

If you have spent any amount of time whatsoever in the Dairy Queen business, you know you cannot sell new products in August. August is always the month that is the beginning of the end. Sales are steady, but new products, even sales just never take off. Our sales of the Moolattes' are off by over 35%. The stores in Y-town all say the same, and it does not seem to matter what the price is – some stores have stayed with the \$2.99 price point from the beginning, others such as our store have had the price at \$3.29-\$3.39. Everyone in our area is still way down in Moolatte sales. I don't know the answer, but I feel we are letting a GOOD PROFITABLE item go by the way side. I think you would be better off investing in Moolattes' than making Waffle cones.... I forgot we already had the waffle cone 20 years ago and it was a dud, but this time you will have to invest a "grand" to find out the waffle cone is not profitable.

I have an idea- maybe we should have an "all-beef waffle cone sundae" free with any Moolatte purchase.. Be vocal let your FAC rep know your opinion. IF you DON'T know who your Rep is to IDQ find out, you bottom line depends on it!

Have a great summer, see you as the waterslides in Cherry Valley (really!)

Take care,
Ron

Bob Pike Retires

Bob Pike from the Youngstown, OH area has sold the last of his 3 stores after 37 years. Mr. Pike has served many years on the Dealer Marketing Council, ADI Chairman, IDQ President Council and as a member of the DQOA/DQOC Board. We wish Bob and Elaine the best in retirement and Thank you Mr. Pike for your years of service to the DQ store operator.

Lawsuit filed by DQOA

For current information on the lawsuit filed

by DQOA against ADQ, please log on to www.nesonews.com and follow links to DQOA website.

Protecting your rights. Preserving your traditions. That's what we're all about.

Welcome Home!

The Dairy Queen Operators' Association is run by and for Dairy Queen Franchisees. The DQOA has been helping franchisees protect their interests and improve their operations. Franchisee members can keep up with changing developments in their profession, exchange ideas and experiences with other franchisees, learn how better to serve their customers, keep up on legal issues and know their rights, and much more.

The Dairy Queen Operators' Cooperative endorsed distributors and suppliers provide products that are approved by International Dairy Queen. In doing so the DQOC has consistently driven down the cost of goods. Another benefit of becoming a DQOA/DQOC member and purchasing DQOC endorsed products is you will receive dividends.

We encourage you to browse our web site. Become informed on new issues. Become inspired by what you learn about supporting yourself, the franchisee. And then, take whatever steps you can to make a difference.

If you are interested in becoming a member and taking advantage of these benefits you can contact DQOA thru www.nesonews.com.

DQOA & NESO 2006 Dues are now Due

If you have not yet paid your 2006 DQOA/NESO Dues, please take time to do so now. \$350 for first store, \$300 for each additional store. Now more than ever, our organizations need your support.

Contact: Jeff Haynes
304-562-7355

email: neso@charter.net

Summer ⁱⁿ January!

Newark, OH, Cherry Valley Lodge & Water Resort

NESO 2007 Convention & Trade Show

TENTATIVE AGENDA

~Wednesday, January 24~

4:00pm - Board of Directors Meeting

~Thursday, January 25~

8:00am - 4:30pm ServSafe Course (pre-register below)

9:00am - Registration

8:30pm - Early Arrival Party

~Friday, January 26~

9:00am - 3:00pm - Exhibits Open

3:00pm - Cake Seminar

4:00pm - Annual Auction

7:30pm - Buffet Dinner / Cocktails / Entertainment

~Saturday, January 27~

9:00am ~ General Session

• DQQA/DQOC Update

• Guest Speakers

3:00pm - Annual NESO Meeting

7:00pm ~ Dinner Banquet

Crowning of the Queen / Instant Money / Entertainment

*You can also register ONLINE
www.NesoNews.com

*Register Before Dec 1, 2006 and SAVE MONEY !

HOW TO REGISTER

To Register With NESO

Mail to:

Jeff Haynes

103 Rosewood Dr.

Hurricane, WV 25526

Fax form to: 510-740-3586

To Register With Cherry Valley

*After 1/10/07 Rates go UP

Call 800-788-8008

Tell Them NESO/Dairy Queen Group
Room Rate Is \$109/sgl/dbl/tripl/quad

Questions?

Call Jeff: 304-562-7355 voice

510-740-3586 Fax

email: neso@charter.net

Call Jerry: 304-263-6380 voice

510-740-3653 fax

email: dacoinc@adelphia.net

COMPANY/OWNER: _____ PHONE: (____) _____ IDQ STORE #: _____ # OF STORES YOU OWN: _____

ADDRESS: _____ CITY, ST, ZIP _____ EMAIL: _____

List names of ALL persons attending below • Check box for each day they are attending the **EVENING** Function

• Check CHILD to receive a Childrens Meal. (age 12 and under) • Check SSAFE to register for Thursday ServSafe Class 8am-4:30pm

- **FEES:** Enter the appropriate amount for each person: **FEES INCREASE IF YOU REGISTER AFTER DEC 1, 2006**
- **FULL REGISTRATION: \$100 (\$125 after 12/1/06) for Adults, Children 12 & under \$50 (\$65 after 12/1/06) - Includes all Food & Functions for entire convention**
- **1 DAY PASS: \$35 (\$45 after 12/1/06) - Includes All food & Functions for 1 day and evening . (\$15 for Children (\$25 after 12/1/06)**
- **SERVS SAFE: NESO members \$50 non-members \$100**

NAME: _____ THURS FRI SAT SSAFE CHILD \$ _____

NAME: _____ THURS FRI SAT SSAFE CHILD \$ _____

NAME: _____ THURS FRI SAT SSAFE CHILD \$ _____

NAME: _____ THURS FRI SAT SSAFE CHILD \$ _____

NAME: _____ THURS FRI SAT SSAFE CHILD \$ _____

NAME: _____ THURS FRI SAT SSAFE CHILD \$ _____

DQQA/NESO DUES FOR 2007 - \$350 FOR 1ST STORE + \$300 FOR EACH ADDITIONAL STORE. >>>>>>> \$ _____

TOTAL ENCLOSED (MAKE CHECKS PAYABLE TO NESO)>>>> \$ _____

CREDIT CARD: VISA MASTERCARD ACCT #: _____ EXP DATE _____

NAME ON CARD: _____ SIGNATURE: _____

Some exciting things are happening within the Dairy Queen family

Mix- we have steadily seen a decline in the mix price this Spring which is a good thing. In June the mix price did slightly increase about a ½ a cent per gallon. The current price of the Mix thru the Peck warehouse in June is \$3.24. We are approaching our 4th year and have added several new stores this season. The mix customer number has remained very steady with some increases. This is essential for a viable mix program.

Other mix suppliers have DROPPED their mix price to remain competitive with the NESO program. Some have even implemented discount programs to entice others to leave NESO's mix program. The surprising thing, even figuring the discounts, **our mix is still cheaper.**

Rebates

Reminder, all current members of NESO and DQOA are paid a rebate on NESO mix purchases. Those checks have been calculated and mailed out in the middle of June. It contained the last 3 months of 2005 and the first 3 months of 2006. You must be a current paid member to receive the rebate. Make sure you have paid your 2006 dues to both of our organizations. We have 6 rebate checks that cannot be mailed due to unpaid dues.

Our 6 month mix rebate to our NESO membership was in excess of \$4,400!

Visa and Mastercard Processing Program

As you now know, IDQ has come out with a very competitive processing program. In the near future, IDQ gift cards will become part of the program. I have had several calls about the new pro-

gram.

1. The new program charges "interchange rate" plus 2.2 cents per transaction
2. The NESO program charges 'interchange rate' plus 5cents per transaction.
3. Both programs have NO monthly fees.
4. Both programs have FREE supplies (regardless of where you purchased your machine)
5. Both the omni and the hypercom t7plus can run the new gift card.

The equipment is still cheaper at Merchantwarehouse.com, though (last time I checked the website it was about \$249 for the hypercom t7 plus)

Those are the differences in a nutshell. About \$.03 per transaction with the NESO program. This is the first program that has beat our rates in almost 2 years. Amazing, That a small organization can produce these kind of results.

Where do we go from here? We are in the process of finding out the answer to this question with our FIRST DATA REP, Greg Allen. It does not seem possible to match the IDQ fees. Should we keep our program, or just let IDQ handle the processing? What control would we have to prevent IDQ from increasing the processing fee structure? Stay tuned.....

Good Bye to BULLSEYE!

The bullseye phone service supplier was very competitive when we first endorsed them. That is no longer the case. We cannot recommend them solely due to the lack of competi-

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tive pricing.... Sorry. (we will be looking for a new phone supplier)

Cintas

Cintas is a DQOA endorsed mat, towel, and paper supplies program. They supply many DQ's with the glass towel, which is a lint free towel. The pricing is very cheap only about \$.15 per towel. You can rent them by the week or every other week.

The mats are able to be customized to your location with our DQ logo for under \$5 per mat. There is no upfront mat cost. You just pay slightly higher rental bill.

The BEST thing about the towel program- no charge for lost towels!

You can contact Cintas @1-800795-7368 ext24219

Schwebels- The Bread Supplier

Schwebels Baking company which supplies the majority of the State of Ohio with Bread has sent me an update of Bread Pricing. Due to the cost of "Labor, fuel, etc" the bread pricing is :

- Hotdogs.....\$1.00
- BBQ Sesame 12 pk\$1.15
- BBQ Royal 12 pk.....\$1.08
- Texas Toast (24 oz).....\$1.28
- Footlong buns.....\$1.48
- Kaiser Rolls (4.5" 8pk.....\$1.21

Contact your Schwebel bread supplier @ 330-783-2680.

Window Towel

Trent Rapp has a reusable towel for all windows. This towel is to be used without CHEMICALS, only water. You wet the towel and proceed to clean your windows. He got this miracle towel from a local county fair. He has reused and reused it every day since last summer and it is still working as good as new. Chrissy Smith from Cornersburg Dairy Queen, Ohio, has found a supplier with this towel. She can send you 4 towels (some clean wood-work, and bathroom sinks, all without cleaner)

the cost is \$20.

You can contact Chrissy@ 330-799-5295 or email: rymndsmth1@aol.com.

Ohio Workers Comp Program

Compensation Consultants which handles the Workers Compensation program for Ohio, has information on the Drug Free Work Place discount program. If you are not rated at a "93%" discount it may be to your benefit to inquire about this additional discount program. Our endorsed drug testing program in Ohio, Health Index, can set up a "drug-free" workplace for your Dairy Queen. To get the discount , you must follow very specific guidelines.

Our Contact- Kirsten Gibson states " In regards to the question of the drug-free discount.. the discount is stackable to the group max. For example, this year the group max is at 93%, so if they had a 93%, they could not get any higher with the drug free. If they have an 85%, they can get an extra discount of up to 8%. Keep in mind that is for next years group, the max discount will be at 90%"

If you are interested in the drug-free workplace discount you can contact Kirsten Gibson @ Kirsten.Gibson@ccitpa.com

You may also sign up for the program online at www.nesonews.com

Payless Shoesource store program

I have had several articles on Shoe for Crews- those are the Non-skid shoes by mail order catalog(which is the best shoe for wet floors I have ever worn).

Dave Gwara, Lordstown, Ohio Dairy Queen has given me information on the **Payless Shoe-Source store program**. First, you receive a **10%** discount for your employee. You can order gift cards at no cost to you, until they are redeemed by your employee. You fill out a credit application and decide how much you

will pay toward the shoe purchase. You can decide to pay any amount you want.

For example, you can agree on \$15 per employee, when the card is redeemed you will receive a bill for \$15. You can order as many cards as you like, only pay for the ones that are redeemed. Many operators report that the shoes are not better than the Shoes for Crews, but the Payless shoes are comparable and there is no shipping or returns for sizing issues. The name of the slip resistant shoe is "safe t step." You can contact your local Payless or online @safetstep.com or Payless.com

Blade Uniform Update

Blade is our DQOA uniform supplier. They have received IDQ approval on some new uniforms. I just received notice, that Blade is now registered in the state of Ohio, and will be collecting Sales Tax as of July 1st. *IF you need some uniforms, hats, or aprons call Blade @1-800-741-5664.*

DQOA Warehouse Update

Your DQOA/DQOA has the following product updates for you:

Coming soon a new beef supplier for the grill burgers and the 6:1 burgers

Cake Crunch has gained the initial approval from IDQ. This product will be used in the upcoming Mint Moolatte and the Sept Blizard of the Month. This product should be in the warehouses for these upcoming promotions.

Please make sure to support your DQOA warehouse and purchase your products thru them, your BOTTOM LINE depends on it. Remember, your store receives dividends each April according to your stores' purchases.

Some stores in the States of Ohio and West Virginia received checks of **\$4,000**. This is not a multi store check. You must be a DQOA member to receive the dividend check on products. Uniforms forms and purchases from IRD(International Restaurant Distributors) also qualify for the dividend program.

Tricks of the Trade.....

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 O'Brien

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,

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

Schwab's Bakery, 330-783-2860, Tony Sugar, Serves Ohio

Shenandoah Trophies, 540-886-6872, Rob Stenzel

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

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During the summer, plan a few fun nights after work to let your employees unwind and have fun together. Usually you can rent the local pool after hours for less than \$100, money well spent to thank them for the endless hours spent taking abuse at the front counter. Add a few pizzas and a watermelon and you have a party after work.

DQ obstacle course.....

This is fun,,especially after you hire new people. Pair the teams by 2's (a new person and a veteran).

1st station- the cone smash (please tie a towel on their forehead, or they will have a cut on their forehead in a perfect circle.

2nd station- they have to drink a ½ cup of plain misty

3rd station- Peanut toss- new person to catch a peanut in a sundae dish from old team member

4th station- the dilly toss- toss a dilly bar across the parking lot and the other team mate catches it in a bucket.

Then both team members have to run clear around the building and cross the finish line! (Unbeknownst to the teams ,you can have water balloons waiting at the finish line to congratulate the winners!!!)

This was a lot of fun, it is all outside and it builds friendships and teamwork.,Don't forget to have some prizes for the winning teams!

Water Fight

All week you can fill water balloons and store them in strawberry buckets in the walk-in cooler or under your 3 bay sink. Pick a night to have pizza outside and separate your buckets at all different ends of the parking lot and then blow the whistle!

Make sure you lock your DQ door or the Water will end up inside the DQ!

The next day it takes about ½ hour to clean up all the water balloons, but it is a lot of fun, do NOT USE REGULAR balloons. They do not break easily and you will have possible injuries.

DQ Bonfire

You already have the hotdogs, buns, and ketchup. Add some marshmallows , chips and pop and you have another inexpensive evening after work to unwind.

Encourage your employees to have fun and be professional. They will be better employees. Make sure to give notice, put up a sign –up sheet, and let the parents know ahead of time that the employee will be home about an hour later.

Remember, you are employing future Teachers, Doctors, Lawyers ,and even a Rock star or two. (at least that is what they say when they get on Jay Leno!) Once in a while it is okay to have fun, after the customers go home!

I would love to print your ideas for the newsletter. It can be an employee team building project that has worked for your store or a “trick of the Trade”.

BY THE WAY, I have tried all of these things, and they really are lots of fun!

Pam Simmons

330-565-8700

Drapp11947@aol.com

www.nesonews.com

Check Out
Your
New Website

- Info on NESO
- Info on the NESO Co-Op
- Upcoming Events
- NESO Newsletter Archives
- Convention Photos
- NESO Boardmember Contact info
- Classified Ads
- DQOA / DQOC links
- Supplier Promotions
- Info and On-line registration for NESO conventions
- Coupons & Promotions
- Much Much more !



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Attention Ohio Stores!
 We are bringing the 2007
 NESO Convention Closer to YOU!
 Cherry Valley Lodge, Newark OH

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