



# scanner

I o w a G r o c e r y I n d u s t r y A s s o c i a t i o n

[www.iowagrocers.com](http://www.iowagrocers.com)

February 2007  
scanner

Cherie Woodworth, Editor

### Inside this issue

Heat Is On	1
Jerry's Jottings	2
Supermarket S.M.A.R.T.S.3	
Asparagus Club Scholarship	4
Supermarket S.M.A.R.T.S. Registration Form	5
Calling All Caterers!	7
News Briefs	8
Despite Snowstorm	10
Building Blocks	11
16th Annual Scholarship Golf Registration Form	15
Dates to Remember	16

## HEAT IS ON FOR A \$1 PER PACK TOBACCO TAX PROPOSED BY CULVER

*\$1 PER PACK WILL BE DISASTROUS FOR IOWA RETAILERS, PARTICULARLY BORDER AREAS*

by Jerry Fleagle, CAE

New Democratic Governor Chet Culver has heavily emphasized a \$1 per pack increase in the cigarette tax in his budget this year.

Although we were at one time optimistic that a smaller cigarette tax increase could be gained, **we are now pessimistic we can stop a \$1 a pack increase without engaging tobacco consumers who will pay the 278% increase. IGIA also recommends that retailers must make calls to their legislators and let them know what a 278% increase in the**

**tobacco tax will do to their business;**

especially coupled on top of a minimum wage increase that passed and was signed by Gov. Culver last month.



Frankly, the tobacco tax issue has suddenly taken on the same eerie look as the pseudoephedrine issue of two years ago:

1. A Governor crusading on an issue.
2. The Des Moines Register trumpeting the issue, with total disregard to any impartiality.
3. The "do-gooder" groups becoming very rabid about an issue, with disregard to accuracy or fact, and
4. Legislators

(See HEAT IS ON continued on page 12 )



## Ribbon Sponsors Fuel Association Programs

It's not too late for your company to realize the maximum benefit as a 2007 IGIA Ribbon Sponsor. Planning is well underway for our annual convention, as well as the golf and banquet events. As always, the success of this year's IGIA programs is directly tied to the support of our Ribbon Sponsors. You can still be a major part of making this year a success.

### Ribbon Sponsorship Benefits Industry

Ribbon sponsors make it possible for the IGIA to keep its membership dues to a minimum yet provide quality legislative, educational, and networking programs that benefit not only our membership, but the industry as a whole. Case in point, is the successful Grocers Care Day at the Iowa Capitol, which was held earlier this month. Nearly 250 grocers registered to attend the IGIA-organized event and many that came were able to connect directly with their legislators as part of the day.

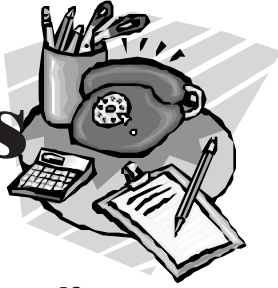
*"Fareway has always supported efforts that bring every segment of the grocery industry together to collaborate on issues of interest. The IGIA is the perfect forum for us to find common ground and work together in both the educational and legislative arenas."*

Fred Greiner  
President & COO  
Fareway Stores, Inc.

(See Ribbon Sponsors continued on page 10 )

# Jerry's Jottings

By Jerry Fleagle, CAE  
IGIA President



## Are You Engaged, or Dis-Engaged?

No, I am not talking about your current marital status! What I am talking about is all the public debate about issues affecting your industry and your business. Are you:

1. Informed about legislative issues affecting your industry? Do you read the IGIA Legislative Updates? The IGIA Scanner newsletter? Your area newspaper, and/or weekly newspaper? How about the letters to the editor, or newspaper editorials?
2. Are you participating? Do you express your opinion through coffee shop conversations? Or through letters to the editor? Or going to local legislative forums? Or communicating to legislators during the session, either through phone or email?
3. Do you talk to your city council members and mayor on a regular basis? We are seeing a marked increase in local ordinances that affect the grocery and c-store industry. Often they are pushed by some state advocacy group, and no one finds out about it until AFTER the meeting, or a decision has been voted on. If you are talking with them on a regular basis, they will be much more likely to seek YOU out as an expert.
4. Are you engaged with your fellow IGIA members? Do you talk with others about your legislative concerns? Do you let IGIA staff (me in particular!) know what your concerns are?

Engaged associations and groups win on issues. Dis-engaged groups never win. And once an association has been beaten and viewed as “dis-engaged”, they are considered easier prey for their opponents. Often times called “the law of the jungle,” it applies at the Capitol, too.

An engaged IGIA membership is much more effective than one that is dis-engaged. If you are engaged (and I know a lot of you are!), pat yourself on the back, but only after making one more call to another IGIA member about issues! If you are not, now is as good as time as any! Start in on the above questions, and you will soon be engaged.

Do you want to be a part of the hunt? Or do you want to be the hunted?

Fortunately, we had over 130 engaged IGIA members who battled through a snowstorm to get to the Capitol on Feb. 13 during Grocers Care/ Legislative Day. Thanks for taking time away from your stores! For those not able to make it, stay engaged, or get engaged!

## IGIA Legislative Update Conference Calls

Every Friday morning during the legislative session, IGIA will hold Legislative Update Conference Calls for IGIA members. The call lasts 30 minutes, and includes the latest update on what has happened in the Iowa Legislature this week. IGIA lobbyists Jim West and Scott Sundstrom give an Update on issues that involve the industry for the first 15 minutes of the call, and I moderate a question and answer session the last 15 minutes of the call. For those that have an interest in what is happening at the legislature, this is an ideal way to hear the latest, and also ask questions.

To participate on the call: The first time, you must call the IGIA office ahead of time to get the toll free phone number, and conference code. Also, if you have an email address, Jerry Fleagle will email out the IGIA Major Bill Tracking List (with links to the complete bill if you have questions) to all call registrants late Thursday afternoon or early Friday morning. This way you can pull the list up on your computer during the call, or print it off and follow along during the conference call.

**THE LEGISLATIVE UPDATE CONFERENCE CALL WILL BE EVERY FRIDAY AT 8AM SHARP. Remember, you only have to register once to participate on the call!**

## Legislative Updates

IGIA distributes Legislative Updates throughout the session by email or blast fax to its members. If you are currently not receiving the Update, but wish to, please call Linda Brooks in the IGIA office, and we will add you to our list. If you have any questions about these specific issues, or others, please give Jerry Fleagle a call in the IGIA office (800-383-3663) or email at [jfleagle@iowagrocers.com](mailto:jfleagle@iowagrocers.com)

Jerry

# Supermarket S.M.A.R.T.S. Program Empowers Retailers

*“The chronic inability or unwillingness of the supermarket industry to make the best use of its people and to attract the best people to its companies and nurture talent is the most important challenge facing the supermarket industry,”* cited a senior professor of retailing at the Harvard Business School at the Food Marketing Institute’s Mid Winter Conference.

There is not a retailer in Iowa that this doesn’t apply too. Period. Retailers have to get past the simplistic idea that when the economy is weak you don’t have the resources to invest in training people, and that when the economy is strong you don’t have the time to invest in training people. Unless we start training the next generation of store managers and owners now, they will not be there, or ready, when you choose to retire, slow down, or sell your stores. This is not only part of a succession plan for your business operation, but the entire industry.

## Now let us tell you how IGIA help.

Have you ever had to clean up the aftermath of a situation that was badly handled by an inexperienced assistant store manager? Have you ever wished you had had someone trained to “take care of it,” whatever “it” was? Too often in the retail world, we feel we can’t afford the time (ours or key employees) away from the store to take a training class. In addition, if we can find the time, we don’t have the resources to create a customized store-specific course and the “one-size-fits-all” seminars available on-line or through national organizations, don’t really fit.

That’s why the Iowa Grocery Industry Association (IGIA) has collaborated with retail specialist, author, and consultant Harold Lloyd to offer a program specific to the needs of Iowa’s retailers.

## Supermarket S.M.A.R.T.S.

*Supermarket S.M.A.R.T.S. (Successful Managers Ambitiously Refining Their Skills)*, which will be offered for the first time in April, is an intense three-day program customized to meet the needs of store managers and assistants, key department heads with a bright future and other “up and coming” professionals committed to a career in the grocery industry. Facilitated by Lloyd, the curriculum consists of three self-standing modules, each focusing on key areas for success of those who are “in the trenches” of Iowa’s retail industry.

The retail industry is intensely competitive, and the need for a quality-training program customized to address the obstacles faced by the people who are making on-the-spot decisions on the floors of Iowa’s retailers day-in and day-out has never been more apparent.



Harold Lloyd

The *Supermarket S.M.A.R.T.S.* program tackles these competitive pressures head on. Developed cooperatively by Lloyd, the IGIA staff, and a committee of IGIA members, the program deals with everything from cost control and team building to communication skills and personal time management.

“Supermarket S.M.A.R.T.S. is rigorous, relevant, results-driven and grocery industry-specific. It is a ‘must take’ course for the supermarket store managers, assistants and trainees who will lead our industry in the future,” said Bob Frady, from the Retail Development organization within Affiliated Foods Midwest.

## Modular Approach

The Supermarket S.M.A.R.T.S. program is divided into three self-standing modules: Personal Leadership and Customer Relationships; Team Building; Sales Building and Cost Control. Each module is an eight-hour course. Participants can take any combination of the courses but must successfully complete all three to receive the *Supermarket S.M.A.R.T.S.* certificate. However, by far the most economical way to complete the program will be to attend all three days.

“Everyone talks about empowerment in this industry, but the only way to truly empower is to educate. This program will provide store employees with the tools they need to make decisions that positively impact both store culture and the bottom line,” says Harold Lloyd.

## Look At the Value!

Other national seminar series like this are priced at \$1800 plus for 4 ½ days. IGIA has worked overtime to get the cost of Supermarket S.M.A.R.T.S. to a great value at \$299 for three full days (and nights!). This price is good for IGIA members only. Non-IGIA members will pay \$699. Spending three full days with Harold Lloyd, one of the leading educators in the industry, and perhaps the best at

(See *Supermarket S.M.A.R.T.S.* continued on page 4 )

(Supermarket S.M.A.R.T.S. from page 3)

actual “hands on, take away, doable” instruction, will be one of the best training opportunities you will ever be able to give.

### It's Up To You!

Here it is the best training program ever available to Iowa's retail industry at a steal of a price (\$299). One of the most satisfying things you can experience as a retailer is when you assist people who want to improve. This program is it!

Space is limited and interested participants can apply for the class at [www.iowagrocers.com](http://www.iowagrocers.com) or complete the registration form in this issue of the *Scanner* newsletter and fax it to the IGIA office before the March 24, 2007 deadline. Participants will be accepted into the program based on their experience levels, as well as their personal and professional goals.

If you have any questions, please feel free to contact the IGIA office at 515-270-2628.

## Supermarket S.M.A.R.T.S.

### Day 1 Leadership Skills Development and Customer Service

- How to Measure your Ability to Lead Others
- Personal Time Management
- Achieving Superior Customer Relations

### Day 2 Team Building

- Hiring and Orienting New Associates
- On-going Communication Techniques and Disciplining Poor Behavior
- Recognize and Review their Performance

### Day 3 Sales Building and Cost-Control

- Achieving a Fresher Image
- Generating Promotional Excitement
- Increasing Customer Traffic
- Reducing Expenses and Shrink

**April 17-19, 2007**  
**8 a.m. to 5:00 p.m.**  
**West Des Moines**

**\$299 per participant for 3-day course**

Applications are available at [www.iowagrocers.com](http://www.iowagrocers.com)  
Call 515-270-2628

## Asparagus Club Scholarship

The Asparagus Club was founded in 1909 to generate a spirit of cooperation and fellowship among members of the grocery industry. The purpose of the Asparagus Club Scholarship Fund is to enhance the future of the grocery industry by investing in the education of needy and deserving young people who are pursuing a career in the grocery industry. The Asparagus Club Scholarships are up to \$1,500 a year for up to two years. They are awarded to select sophomore or junior students attending college full-time.



Applicants eligible to apply for the Asparagus Club Scholarships are college sophomores and juniors who satisfy the following criteria:

- *The applicant must get a written referral from a professor in the food management and/or business school.*
- *The applicant must have a financial need.*
- *The applicant must be pursuing an education in a career in the grocery industry.*
- *The applicant must have the ability to make satisfactory academic progress towards a degree or a major in an academic discipline relevant to the grocery industry.*
- *It would be beneficial to list any job experience within the grocery industry and provide a letter of recommendation from someone in the grocery industry, if applicable.*

Should you know of any young people who are in college pursuing a career in the food industry, and who you feel would be a genuine asset to the industry, visit the IGIA website [www.iowagrocers.com](http://www.iowagrocers.com) for more information, eligibility requirements and application information. The cutoff date for entry is May 15, 2007.



# Application for Admission

## SUPERMARKET S.M.A.R.T.S. DEVELOPMENT PROGRAM

### “Successful Managers Ambitiously Refining Their Skills”

*Application Deadline: March 24, 2007*  
*Fax completed application to: 515-270-0316*

#### GENERAL INFORMATION: (to be completed by the applicant)

##### Current Personal Information

Applicant's Last Name \_\_\_\_\_ First Name \_\_\_\_\_  
Home Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone Number ( ) \_\_\_\_\_ Cell Number ( ) \_\_\_\_\_  
E-Mail \_\_\_\_\_ Work Number ( ) \_\_\_\_\_

##### Current Work Information

Store Name: \_\_\_\_\_ Wholesaler: \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone Number ( ) \_\_\_\_\_ Email \_\_\_\_\_

#### WORK EXPERIENCE: (to be completed by the applicant)

Present Employer \_\_\_\_\_  
Length of Employment: \_\_\_\_\_  
Title of Current Position: \_\_\_\_\_  
Length of time at current position: \_\_\_\_\_  
Key Responsibilities: \_\_\_\_\_  
\_\_\_\_\_

#### PREVIOUS WORK EXPERIENCE: (to be completed by the applicant)

<i>Employer</i>	<i>Location</i>	<i>Title</i>	<i>Dates From-To</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**EDUCATION:** (to be completed by the applicant)

Circle Years                      *High School*                      *College/University*                      *Graduate/Professional*

Completed To Date:    9 10 11 12                      1 2 3 4                      1 2 3 4

Please list Honors received. Community Involvement/ Service and any Specialized Training experienced.

---

---

**SELF EVALUATION:** (to be completed by the applicant)

Describe your leadership style.

---

---

---

List what **you** consider to be your strongest leadership skills.

1. 

---
2. 

---
3. 

---

In what areas would you like to strengthen your leadership skills?

1. 

---
2. 

---
3. 

---

List what your career aspirations are.

1. 

---
2. 

---
3. 

---

Taking into consideration your career aspirations, what would you desire to take away from the Supermarket S.M.A.R.T.S. program?

---

---

---

---

---

---

---

---

# CALLING ALL CATERERS!

Are you interested in being the caterer at the 2007 IGIA Scholarship Golf Classic May 17, 2007 at the Legacy Golf Course, Norwalk?

The selected caterer will provide approximately 350-380 box lunches, and approximately 275 Rib-Eye Steak, Iowa Chop or Roast Pork Loin dinners.

If you are interested in bidding on the catering, please call Michelle Hurd at IGIA at 515-270-2628, or 800-383-3663, or email [mhurd@iowagrocers.com](mailto:mhurd@iowagrocers.com) for further details or questions..

Preference will be given to IGIA members. **Deadline for bids to IGIA will be March 16, 2007, 5PM.**

## **Here are the Bid Requirements:**

Lunch (must be delivered to the Legacy Golf Course (approximately 175) and Echo Valley Golf Course (approximately 200), Norwalk by 10AM on Thursday, May 17, 2007).

**Lunch Menu:** Boxed Lunch (must be able to take on golf cart) Consists of:

Hoagie Sandwich or Hot BBQ Shredded Pork Sandwich (may bid both ways)  
Bag of Potato Chips  
Cookie  
Apple  
Napkin

**Evening Meal:** Consists of: (buffet style)  
10-12 oz. Rib Eye Steak, Iowa Chop, or Roast Pork Loin (may bid each, all dinners will be the same)  
Potato (baked, mashed or casserole style)  
Vegetable  
Salad (Pasta or Tossed)  
Dinner Roll & butter  
Dessert  
Plates, Napkin & plastic ware  
Iced Tea and Lemonade



Evening meal provider will need to clean up afterwards, garbage dumpster will be provided by Legacy Golf Course.

The Scholarship Golf Committee has expressed an interest in evaluating both the lunch and evening dinner separately, and together. If you only want one meal, and not the other, please let us know. If you only want to be considered if you get both, please let us know that, too.

***Want to learn more about the 2007 IGIA Ribbon Sponsor Program? Contact Michelle Hurd in the IGIA office at 515-270-2628 or in Iowa at 800-383-3663.***



## Legislative Updates

Do you receive the Legislative Update every Friday? IGIA distributes Legislative Updates throughout the Legislative session by email or fax to its members. If you are not currently receiving the Update, but wish to, complete this form and return it to the IGIA office or give Linda Brooks a call at the IGIA office 515-270-2628 and we will add your name to our list.

Name \_\_\_\_\_ Company \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone # \_\_\_\_\_ Fax # \_\_\_\_\_

Email \_\_\_\_\_

Return to:  
Iowa Grocery Industry Association  
2540 106<sup>th</sup> Street, Ste 102  
Des Moines, IA 50322

I prefer to receive the Legislative Update by  
circle one:    Fax                      Email

# News Briefs

## Fred Witecy Named New President of No Frills



Fred Witecy

Former No Frills Executive Vice President and COO Fred Witecy has been named the company's President. "Since Fred joined No Frills more than 2 1/2 years ago, our customers have enjoyed superior customer service and higher quality products," said No Frills' former President Rich Juro, "even while expanding No Frills from 10 to 15 stores." Juro will remain as Chief Executive Officer and Chairman.

"After renovations and upgrades, customers at our Valley View, Blair and Q street stores now enjoy an energetic and modern shopping experience. And we'll soon begin similar work on the Ashland, Bellevue and Broadway stores."

"We have made tremendous progress over the last two years and have put together an experienced leadership team that is passionate about providing the best of everything for our customers," said Witecy. The team will analyze product selection at every No Frills location, customizing grocery items by location in order to better serve the customers at each store. "We want to provide our customers with the products they want at the best possible price," he added.

Under Witecy, the leadership team also pays close attention to customer feedback. Shoppers are encouraged to participate in Customer Feedback Surveys, and store managers quickly act on the comments. No Frills even offers customers incentives for their feedback. "This kind of interaction helps us provide our customers with affordable, high quality products and the best possible customer service," Witecy said.

## IGIA Member FASTSIGNS® Center Wins Award For Sales Achievement at FASTSIGNS Annual Convention

Steve Smith, the owner of a FASTSIGNS® sign and graphics center in Clive, received a sales achievement award at the 2007 FASTSIGNS International, Inc. convention held recently in Colorado Springs.



Steve Smith  
FASTSIGNS

The award recognizes any single FASTSIGNS center that achieves more than \$1 million in total sales from October 1, 2005 through September 30, 2006. This was the first year that Smith's center reached over one million dollars in sales.

"Steve Smith is a great example of how successful FASTSIGNS owners can be when they offer great customer service, high-quality signs and graphics and quick turnaround," said Larry Lane, president of FASTSIGNS International, who presented the award at the convention.

FASTSIGNS International, Inc. is an international sign and graphics franchisor with 500 locations in the United States, Canada, the United Kingdom, Mexico, Brazil and Australia (where centers operate under the name, SIGNWAVE®).

In January 2004, Smith purchased the award-winning center, which was originally opened in October 1989. "I was very excited when we hit over \$1 million in sales at the center this year," said Smith. "I want to thank my staff for all their efforts in reaching this milestone."

A Story Of Progress Since 1931

## Our Best To You!

*"No Distribution Center Is More Dedicated To Helping The Independent Grocer Grow And Prosper!"*

Serving Over 875 Independent Retailers In 12 States.



Norfolk, Nebraska  
Phone 402-371-0555  
P.O. Box 1067

www.afmidwest.com

Elwood, Kansas  
Phone 913-365-9741  
P.O. Box 420

## Roberts Dairy

*Homestead Quality, Freshness Taste*

[www.robertsdairy.com](http://www.robertsdairy.com)

**Joe Leu**  
Iowa City  
1-800-397-7575

**Mike Nunez**  
Des Moines  
1-800-369-2495

---

---

# News Briefs

---

---

## ***Tait's to be missed by some***

*Tait's Natural Foods* grocery store, located in downtown Iowa City, will close because of a lack of sales.

While the popular salad bar and diverse selection of gourmet cheeses of Tait's Natural Foods will no longer beckon to shoppers through wide storefront windows, owner Bob Tait hopes a new grocery store will take its place.

The shop, located in the heart of Iowa City's Pedestrian Mall, filled part of Plaza Towers, which joined the city's skyline in late 2005. The 14-story high-rise also encompasses a luxury hotel, a restaurant, and 24-hour fitness center.

Plaza Towers owner Marc Moen told the *Daily Iowan* nearly two years ago that he thought the downtown area needed a grocery store. He cited market research as proof the new natural-foods store had the potential to succeed.

"At the time, we thought it would be most beneficial to the citizens of Iowa City," City Councilor Mike O'Donnell said.

Despite the great locale and liquor deals, the store couldn't attract enough customers to make it.

"We just never had the customer sales we needed," said Joan Tait, the wife of storeowner Bob Tait.

Bob Tait said he was confounded by the lack of sales. "I'm completely perplexed why we weren't able to do more business," he said, adding that the store's location may have actually contributed to lack of sales because of flawed parking – the store's lot is hidden and only accessible from Linn Street.

Joan Tait said the decline in the store's sales had been apparent for a while. With students gone for winter break, lack of sales led to their decision to close the store's doors for good.

When Tait's Natural Foods opened last spring, it boasted a few thousand customers on a daily basis. Despite the numbers, Bob Tait said he didn't have a solid average sale per customer. Instead, many visitors would overlook the groceries and buy only a salad.

Along with browsing its wide array of organic and natural foods, customers at Tait's could enjoy a cup of Joe or a fresh fruit smoothie at the coffee bar. Shoppers also delighted in a full service deli with ready-to-go meals.



Since Tait's opening, its competition, the New Pioneer Co-op has experienced an increase in sales. "It was interesting," said Jason Thrasher, a store manager at New Pioneer. "Our business grew every month even when Tait's was open."

Bob Tait, 56, has a lot of experience in the grocery business, first jumping onto the scene in Des Moines more than 20 years ago with his original store, Tait's Foods. They owned that store for 18 years, before they sold it six years ago.

"I lost the battle, but I'll win the war," Bob Tait said, laughing.

*Daily Iowan, Iowa City, IA*

## **Board Approves Retailer Bonus for Selling \$200,000 Powerball Winner**

On December 1, the Iowa Lottery Board approved an additional sales bonus to all lottery retailers. Retailers will now earn a bonus of \$200 for selling a Powerball ticket worth \$200,000, the second prize in the game. The lottery was already paying bonuses to retailers who sold a Powerball jackpot-winning ticket (\$10,000), a Hot Lotto jackpot-winning ticket (\$5,000) and a \$100,000 Cash Game jackpot-winning ticket (\$100).



# Despite Snowstorm, Over 130 IGIA Members “Storm” Capitol!

Over 130 IGIA members braved a snowstorm on Feb. 13 to visit the State Capitol to talk to their legislators about tobacco taxes, increased food license fees, and other industry issues. IGIA members also heard a luncheon address from new Speaker of the House Pat Murphy, along with a lively question and answer time.



“I’m really proud of the turnout we had this year,” said IGIA President Jerry Fleagle. Despite questionable weather, we had members that felt it was really important to come this year.” Fleagle noted that 249 IGIA members had registered to attend, but the storm held nearly half back from attending. “You can’t control mother nature,” said Fleagle. “And we know when it snows; our members need to take care of their customers back in their stores.”

Because of the large crowd registered, IGIA had more lunches than attendees, and donated over 80 lunches to the Bethel Mission in Des Moines.

After IGIA members were briefed on Legislative developments by IGIA President Jerry Fleagle, they enjoyed lunch and the address by Speaker Murphy at the Quality Inn & Suites in downtown Des Moines. They then bussed over to the Capitol for legislative visits, and an old fashioned pie and ice cream reception with legislators and staff. Main issues discussed were tobacco taxes, food code licensing fees, EBT reimbursement fees, bottle bill, health insurance mandates and other business issues.

Several IGIA members had their pictures taken with their legislators, and made contributions to their legislator’s favorite food bank or food pantry, in honor of Grocer’s Care Day.

(Ribbon Sponsors from page 1)

**New Blue Ribbon Sponsor**  
Glazer’s Distribors of Iowa  
**New White Ribbon Sponsors**  
Associated Wholesale Grocers  
Ruan Transport Corporation

## Blue Ribbon Sponsors

Anderson Erickson Dairy  
Budweiser/Bacardi Silver  
Blue Bunny  
Coca-Cola Company  
DeWay Capital Management  
E & J Gallo Winery  
Fareway Stores, Inc.  
General Mills  
Glazers Distribors of Iowa  
Kraft Foods  
Roberts Dairy  
Sara Lee  
SHAZAM  
Swiss Valley Farms

Renewals

## Red Ribbon Sponsors

ACOSTA Sales & Marketing  
Advantage Sales & Marketing  
Cadbury Schweppes Bottling Group  
Daymon Worldwide  
Faribault Foods/Mrs. Grimes  
Interstate Brands Corp.  
Kellogg’s Snacks  
Old Dutch Foods, Inc.  
Vista Bakery, Inc.

Renewals

## White Ribbon Sponsors

American Italian Pasta Company  
American Pop Corn Company  
Associated Wholesale Grocers  
Berres Brothers Coffee Roasters  
Burke Corporation  
City Carton Recycling  
Conwood Sales Co., L.P.  
Dahl’s Food Markets  
Famous Dave’s Products  
Gurley’s Foods  
Holmes Murphy & Associates  
Johnson Brothers  
Mueller-Yurgae Associates  
PAT Brokerage Company, Inc.  
R.J. Reynolds Tobacco  
Ruan Transportations  
Taylor Industries, Inc.  
The Brenmar Co., Inc.  
The Hershey Company  
Unilever

**Thank You!!**

*Ribbon Sponsors committed as of February 23, 2007.*



# Building blocks

By Michael Sansolo

Imagine you are building a new store. There are probably many decisions you relish making: from the departments you will include to the kind of décor package you will offer. It's unlikely, however, that you are going to get really excited about the foundation.

However, without the foundation—and for that matter, the walls and roof—you aren't going to have much of a store. Except for important sanitation issues, no one spends a whole lot of time focusing on the frame of the building. Likewise your customers will care much more about the service, the prices and the products. The foundation, the ceiling and walls are just necessities.

So is technology. This analogy about the foundation, walls and roof was hammered home at FMI's recent MARKETECHNICS technology show, an event that unfortunately few operations executives or independent operators attend. Consultant Tom Murphy, who previously was the chief technology strategist for Kroger, used the analogy to help small operators understand how to get in the right mindset to deal with the budgetary challenges of technology.

Technology, as Murphy explained, isn't what attracts shoppers. Neither is it what builds sales or profits or a distinct market position. However, all the same could be said about the basic attributes of a building. And just as you can't have a store with a floor, you can't operate today's without technology.

The message for operators like you is critical, especially because of a significant change FMI is making in our show calendar. Starting in May 2007, the FMI technology show will become part of the May FMI show many of you now attend. So attending the event will be easier than ever. But even with a year to plan, there are critical issues about technology that you must consider.

## 1. Technology is complex and can be expensive, but in today's business it is more important than ever.

Technology can help you better serve customers and better run your store than ever before, if you apply it correctly. Steal a page from larger companies when it comes to looking at technology by thinking of your business first

and foremost. Think about the problems you would like to solve in your stores and then look for technologies that help you solve them. Invest where you can help your business.

**2. Work with your wholesaler and your information technology department as much as possible.** Your wholesaler likely has in house technology experts who can help you identify the best places to invest and can help with in-house support when there are problems. In addition, your wholesaler may be able to link you to other retailers using specific solutions who could provide you feedback. Likewise, your information technology specialist might help you find a technological tool to solve some basic business problems. Use whatever resources you can find.

*Technology may feel very complex, but it's just a tool to make you a better competitor.*

As part of this, talk to fellow operators about the technologies they use. A significant percentage of retailers now feature self-scanning checkout, for instance. If you are thinking of installing them, see if you can find other retailers to talk with about these systems.

**3. Don't try to find perfect solutions.** One pitfall that many companies make, according to Tom Murphy, is overspending to solve a problem. Murphy says there are a surprisingly large number of off-the-shelf programs and computers that can solve most of the problems you might have.

Again, finding other independents to share experiences can be vital.

**4. Last, and possibly most important, don't ignore the importance of these decisions.** Technology may feel very complex, but it's just a tool to make you a better competitor. You need every tool possible to compete to your maximum ability today.

Technology may intimidate some, but it's a necessary part of business today. You can't afford to let your competitors have an unfair advantage in any aspect of business, whether it's cost control or merchandising. Technology can help in both places.

To help all parts of our industry prepare for these offerings next May, FMI will offer special workshops and other educational tools to make the technology part of the exhibitor floor as easy to use as possible. But the really hard part falls to you to prepare yourself and your company for how to best understand technology and how it is such a vital building block for today's companies.

(HEAT IS ON from page 1)

that sense an issue may be turning, and are looking to “pile on” (like two years ago on PSE, where the mantra became “we have to have the toughest law in the nation” instead of reason); in fact a bill increasing the tobacco tax to \$2 a pack was introduced recently!

**HERE IS WHAT RETAILERS NEED TO DO:**

**1. Put out the Tobacco Consumer Alerts that were mailed and/or distributed to retailers.** IGIA is working in conjunction with the Petroleum Marketers & Convenience Stores of Iowa and the Wholesale Distributors

Association to distribute the Alerts to all retailers of interest on this issue. The Alerts were used very successfully four years ago- we believe they can be a HUGE help if retailers put them out for their tobacco consumers. Four years ago the Alerts generated a huge amount of calls by smokers to legislators.

*Iowa minimum wage increases in a two step increase, the first to \$6.20/ hr effective April 1, 2007, and then “topping out” at \$7.25/ hr on January 1, 2008. The bill left in training wage for the first 90 days of employment; however it will rise to \$5.30/hr on April 1, 2007, and \$6.35/ hr on January 1, 2008*

**2. It is only fair to let tobacco users know their opportunities to call and influence their legislator’s position. PLEASE HAVE YOUR CLERKS HAND AN ALERT TO ALL TOBACCO CONSUMERS, AND HAVE THEM ASK TOBACCO CUSTOMERS TO CALL LEGISLATORS ASAP IF THEY DO NOT WANT TO PAY \$10 A CARTON MORE!!** Frankly, without calls by tobacco users and stores, prospects are dim of stopping an increase. If you need more pads, please call us in the IGIA office, and we will see that more gets to you ASAP. If you would like, please

make copies of the Alert for your tobacco consumers and put them out right away.

**Call your legislator NOW at home. I CANNOT EMPHASIZE THIS ENOUGH, ESPECIALLY IF YOU ARE NEAR A BORDER OF THE STATE!**

Friday and Saturday is much better than Sunday, and if you can’t get them Saturday, call them Monday, Tuesday, Wednesday or Thursday at the very latest at the State Capitol. All legislators’ home phone numbers and House and Senate Switchboard numbers are listed on the Tobacco Consumer Alert.

**ANOTHER GREAT RESOURCE IS THE WEB**

**SITE:** [www.dumphetaxhike.com](http://www.dumphetaxhike.com) The site gives some very good information on statistics, as well as suggested letters to the editors and an Opinion Editorial piece you could provide your local newspapers with. A person can edit a letter, print it, and send it to your local newspaper. **This needs to be done as soon as possible.** Most weeklies have deadlines of Monday noon for a paper that week. If you are doing an Op-Ed piece, I would hand-carry that to your newspaper, especially if you are already doing business with them! Another page that is very good shows the loss of business to other states by packs and dollars of cigarette sales.

**IMPORTANT: STORES- DO NOT USE THE TOBACCO CONSUMER ALERT TALKING POINTS (those are for consumers). INSTEAD, USE THESE:**

1. Tobacco Sales will fall by 20-30%, and up to 40% in some border areas. Because Iowa has had a lower tobacco tax than it’s neighbors, in many border areas, Iowa has had customers come from out of state to buy tobacco, and then purchase gas, groceries, and other goods. It will be a big loss of sales; not only for my store, but the state will have a big decrease in tobacco tax collection, gas tax collection, and state sales tax collection.
2. Tobacco sales will not rebound (a terrible argument made by the American Cancer Society) after a few months. Once customers create new habits, they don’t return, in particular from Border States.
3. Coupled with big increases in minimum wages in less than 60 days, and again 9 months later, this will be two huge blows to my business. (We are beginning to hear some sympathy for retail, but unless you squawk, you will get squashed!)

**Let Our 40 Years In Business Work For You!**

- Recycling Shrink Wrap, Grocery Bags, Cardboard, Etc!
- Customized Recycling Programs For IGIA Members!
- Recycling & Waste Equipment Sales, Service & Repair!
- Mill Direct Brokerage Services!

 **CityCarton RECYCLING**  
 1967 – 2007  
 Proud Member & Sponsor of the Iowa Grocery Industry Association

AndyOckenfels@citycarton.com  
 www.citycarton.com  
**1-800-369-6112**

(See HEAT IS ON continued on page 13 )

(HEAT IS ON from page 12)

4. This will push even more tobacco sales on line, where tax collection, both tobacco and sales, is spotty at best. It will also be easier for minors to procure tobacco on-line. Remind them Iowa has one of the highest tobacco compliance rates in the country at over 90% compliance.
5. Remind them of all the community support you provide, and how hard it will be to continue getting double whacked on a big minimum wage increase, coupled with a 278% tobacco tax increase (yes, 278%- unbelievable, isn't it?!).
6. After you make contact with your legislator and get feed back, PLEASE call or email info@iowagrocers.com with his or her comments and position on this issue. WE NEED TO KNOW!

**Minimum Wage Bill Passed & Signed By Governor-**

As promised, the new Democratic majority passed HF 1, the minimum wage bill in both the House and the Senate, and was the first bill signed by Gov. Culver. The bill, HF 1, has a minimum wage increase, with a two step increase, the first to \$6.20/hr effective April 1, 2007, and then "topping out" at \$7.25/hr on January 1, 2008. The bill left in training wage for the first 90 days of employment; however it will rise to \$5.30/hr on April 1, 2007, and \$6.35/hr on January 1, 2008. The bill did not allow for an automatic cost of living increase.



Reportedly there was a deep division in the Democratic party caucus on the need for the automatic cost of living increase provision. The last thing the Democrats did not

want to do was appear divided on their very first bill priority. Many of the same pro-union Democrats that support the automatic cost of living increases on minimum wage also support repeal of the Right to Work Law and the "Fair Share" proposal, where nonunion employees would be forced to pay union dues, whether they wanted to or not.

IGIA had worked on inserting a "Starting Teen Wage" provision of 85% of minimum wage for employees under the age of 18. Since the main talking point for politicians increasing the minimum wage had been that "you can't support a family on minimum wage", IGIA's provision would have fit with their philosophy. This idea has been of interest to several legislative leaders, and many rural legislators, who realized if the minimum wage is increased dramatically without a buffer, jobs, and possibly businesses, will be lost. Unfortunately, this was not included in the bill, and was resisted as amendments to the bill.

**A Little Bit About A Lot Of Things (Legislatively!)  
The House Bottle Bill Sub-Committee has continued meeting.**

Jerry Fleagle, IGIA President, is slated to present at the subcommittee meeting on February 28. IGIA anticipates something will come out of subcommittee, and most likely be passed by the House Environmental Protection Committee, since the Committee Chair, Donovan Olson, is on the subcommittee. Likely is some kind of increase in the handling fee, and having the unclaimed deposits go to the state. This week they heard from redemption centers around the state, as well as a beer distributor from central Iowa.

**Food Code/ Licensing Fees-** The Department of Inspections & Appeals met with IGIA on HSB 103 and SSB 1073. This bill went to a subcommittee February 20. Basically the DIA wanted IGIA to sign off on doubling (actually tripling) your license fees. DIA is not willing to compromise (in fact, they believe they are in a position where they don't think they have to). IGIA pointed out that our members face a steep minimum wage increase, which will ripple throughout the pay structure of many of our members, are facing an increase in the tobacco tax, besides a host of other proposed mandates. Some legislators are starting to pick up on the huge costs they are putting on retailers, and are starting to listen. However, we still have a long ways to go. Legislators need to hear from YOU, as they hear from the state and local inspectors, counties, etc. that want YOUR MONEY to pay for increased "services". **DO NOT LET THEM USE THE ARGUMENT THAT**

**IB**  
INTERSTATE BRANDS COMPANY  
1104 East Four Dr.  
Des Moines, IA 50319  
319-223-2647

**wonder BREAD**

**Hostess**

*Committed to being the market leader in branded bakery goods, through efficient production and distribution of high quality products demanded by customers and consumers alike.*

*The Bread and Snack Cake you grew up with is now even better!*

*Serving you with fresh bakery products from our Waterloo bakery and numerous distribution points throughout the state of Iowa.*

**Whole Grain White**

**White Bread**

**K&B**

(See HEAT IS ON continued on page 14 )

(HEAT IS ON from page 13)

BECAUSE OF THE RECENT LETTUCE AND SPINACH CONTAMINATION PROBLEMS, THEY NEED TO INCREASE FEES OR INSPECTIONS. NOTHING STATE OR LOCAL INSPECTORS DO COULD AFFECT THOSE PROBLEMS. Those contaminations happened at the growing source, and unless Iowa is going to send state and local inspectors to California, that excuse is a sham!

**Keg Registration** is in a subcommittee. IGIA has adamant that in the bill being considered (HF 56), that NO MORE RECORD-KEEPING REQUIREMENTS be placed on retailers that what are currently in the bill. IGIA has analyzed the bill and think it will be workable for retail, and accomplish what many on this issue has sought.

**Gift Card** legislation was introduced on Feb. 15 (HS 201). It is the Iowa State Treasurer's bill, and would prohibit issuing a gift card with an expiration date, except as part of a loyalty program or as a promotion. It presumes a gift card abandoned after three years of nonuse. Repeals provisions allowing deductions from the value of a gift card. IGIA will oppose this bill.

**Right to Work and Fair Share employment issues.** The IGIA Board adopted a position in support of the Iowa Right to Work Law, and to oppose any weakening of the law through proposed "fair share" laws, where a union can force nonunion workers to pay "fees" approximately 80-100% of union dues. IGIA has joined a coalition of businesses and other associations working to preserve right to work. Word inside the House Democratic caucus that only about half (27 out of 54) support Fair Share, and the number has been trending down. However, expect a strong push from unions for Fair Share, as they think legislators "owe" them for getting elected. How's this for government moving quickly: The bill was introduced on a Friday, as was a notice of public hearing. Pro-union people were aware of the notice, and filled the public hearing before most people (and the media) was aware it was going to be held. Not surprisingly, it was held on Valentine night (Feb. 14). Yes, there are a lot of "games" and positioning going on in Des Moines these days! Several bills have been introduced that of passed, would be very costly to business. SSB 1158 was introduced which would reverse Iowa's 94-year law on employer directed medical care in workers' compensation. Under the bill, employees are allowed to seek care, consultation

and treatment from anyone they choose, at the employer's expense.

Under current law, the employer and the insurer are able to assist an injured employee to receive care from qualified medical professionals for the specific injury or condition. Referrals to specialists can be made and the injured employee can return to work and or rehabilitation. If the employee is dissatisfied with the care, he or she can apply for alternative medical care with the work comp commissioner and receives an opinion within 10 days.



SB 1158, pending before the Senate Labor and Business Committee, allows the injured to seek any care they choose and if the employer is dissatisfied with the care, the employer may petition for alternative care and expect a decision within 30 days.

Mandated health coverage bills that have introduced require coverage for everything from prosthetics to hearing aids. The short-sightedness of mandating private plans to cover more is remarkable as other legislative subcommittees meet simultaneously trying to reduce premiums so that more Iowans can afford health insurance coverage at all.

**Legislative Updates**

IGIA distributes Legislative Updates throughout the session by email or blast fax to its members. If you are currently not receiving the Update, but wish to, please call Linda Brooks in the IGIA office, and we will add you to our list. If you have any questions about these specific issues, or others, please give Jerry Fleagle a call in the IGIA office (800-383-3663) or email at [jfleagle@iowagrocers.com](mailto:jfleagle@iowagrocers.com).





# IOWA GROCERY INDUSTRY ASSOCIATION

## 16th Annual

# Scholarship Golf Classic

## Sponsor Registration Form

Reservations Limited  
 First Come, First Serve!  
 No reservations will be  
 confirmed until payment  
 is received.

**Thursday, May 17, 2007**  
**Legacy & Echo Valley Golf Courses**  
 Norwalk, Iowa  
 Time 11:00 A.M. • Shotgun Start  
 4 person Best Shot • \$200 per person

Be a sponsor for  
 only \$1300!  
 Sponsorship includes 4  
 Complimentary  
 Registrations

To play in a foursome of your choice, submit names by cart designation on one entry form. (Individual entries will be formed into teams) Return entry form prior to April 20!

Golfers Name	Company
Cart 1-1	
Cart 1-2	
Cart 2-3	
Cart 2-4	

### Golf Hole Sponsorship – \$1,300 per hole

Sponsorship Includes:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Signage at the hole at both courses</li> <li>• Recognition in the <i>Scanner</i> newsletter and <i>Iowa Grocer</i> magazine</li> <li>• Ability to have product on hole at both courses</li> <li>• Golf Foursome</li> </ul> | <ul style="list-style-type: none"> <li>• Lunch (4)</li> <li>• Dinner (4)</li> <li>• Mulligans (4)</li> <li>• Drink Tickets (4)</li> <li>• General raffle tickets (8)</li> </ul> |
|---|---|

Yes, I will sponsor a hole at the IGEF Scholarship Golf Classic.  Yes, I will place product on both golf courses.

**Payment Method:**

Check enclosed for \$ \_\_\_\_\_

**Product to be displayed on hole:** \_\_\_\_\_

Please charge my  VISA  MasterCard  American Express

Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_

Include 3 or 4 digit signature pin from back of card

Name on Card \_\_\_\_\_ Signature \_\_\_\_\_

Confirm to: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Signed: \_\_\_\_\_

Mail this form and payment to:  
**IOWA GROCERY**  
**INDUSTRY ASSOCIATION**  
 2540 106th Street, Suite 102  
 Des Moines, IA 50322  
 Phone: (515) 270-2628  
 Fax: (515) 270-0316  
 lbrooks@iowagrocers.com

Classic is open to retail store owners, executives, managers, warehouse executives and personnel, field reps, buyers, manufacturers, brokers, sales reps, men and women. This event will be held rain or shine! **All proceeds will benefit the Iowa Grocers Education Foundation which funds scholarships for children of employees of the Iowa Grocery Industry Association members or part-time employees of members.** Faxed and e-mail registrations will be accepted with credit card payment only. No refunds after April 20, 2007. A processing fee of \$25.00 will be assessed on all refunds.

**Iowa Grocery Industry Association**  
2540 106th Street, Suite 102  
Des Moines, IA 50322

Phone: 515-270-2628  
Fax: 515-270-0316  
Toll Free in Iowa: 800-383-3663  
Email: [info@iowagrocers.com](mailto:info@iowagrocers.com)

**PRSR STD**  
**U. S. Postage**  
**PAID**  
**Ames, IA**  
**Permit No 14**

THANK YOU!

In just over 20 years, lottery sales have provided state programs more than \$1 BILLION.



We appreciate the Iowa Lottery retailers who make it possible.

**PEPSI**  **AMERICAS**

## Dates to Remember



- |                          |   |
|--------------------------|---|
| <i>March 5, 2007</i>     | IGEF Scholarship Golf Committee Meeting @ IGIA Office           |
| <i>March 8, 2007</i>     | IGIA Convention Committee Meeting @ IGIA Office                 |
| <i>March 23, 2007</i>    | IGIA Convention Auction Committee Meeting @ IGIA Office         |
| <i>April 10, 2007</i>    | IGIA Board of Directors Meeting @ IGIA Office                   |
| <i>April 17-18, 2007</i> | Supermarket S.M.A.R.T.S. Training                               |
| <i>May 17, 2007</i>      | IGEF Scholarship Golf<br>Legacy & Echo Valley Golf Course       |
| <i>May 31, 2007</i>      | IGIA Board of Directors/Blue Ribbon Sponsors Dinner @ Glen Oaks |
| <i>July 9 - 11, 2007</i> | IGIA Convention, Okoboji, IA                                    |
| <i>August 10, 2007</i>   | Best Bagger Contest @ Iowa State Fair                           |

Contact the IGIA office for more information at  
515-270-2628 or in Iowa 800-383-3663.