

Operator



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Greetings from North Lima, Ohio! Can you believe summer is coming to an end already? This is the week of our local county fair, the Canfield Fair is one of the biggest county fairs in America, so I write this in between trips to the Fair. In this newsletter I would like to address the Mini Blizzard. Although the jury is still out I have been tracking some numbers at the North Lima location. I would like to share these with you and I ask that you take the time to look up your numbers as well and do some comparisons.

In August during the national TV advertising we saw the mini Blizzard reach to 18.55% of total Blizzard sales. When the TV ended we saw that number settle to 13%. What does all of this mean? I don't know. I tracked the following items:

	August 09'	August 10'
Blizzard	20.49%	22.52%
Cones	11.81%	10.63%
Sundae	6.23%	5.79%
Royal Treats	7.72%	6.77%
\$ per Blizzard sold	\$3.10	\$2.96
Avg. Guest Check	\$5.76	\$5.79

President's Corner

From the numbers you can see it is clearly taking from the cones, sundaes, and royal treats. Our Blizzard percents are up by 2%, the guest check increased by \$.03 per customer. BUT the money per each Blizzard decreased by \$.14 due to the cost of the mini being \$2.29. That is great we raised our Blizzard category! But hold on, I decreased 3 other categories that are MUCH MORE profitable to do it. Our small cone has a COG of 9%, where as the mini blizzard is between 17-18% cog. The royal treats bring in more money at a better cost of goods as well. The Blizzard has the highest cost of goods on the entire treat line (not including Cakes). The mini proves you can get money in over the front counter, but my problem and your problem is KEEPING it.

For someone who has been in the system almost 50 years, it is very hard to fathom in this day and age how bad all the Dairy Queen operators are struggling to meet the bills. You have no wiggle room for mistakes, error, or slack. Why is it like this? We have the customers and we had one of the nicest DQ friendly summers we have had for a

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BPS saves DQ operators money

Ron Sluga, National Sales Rep for BPS Products, our newly approved Char Broiler Vendor, says “DQ operator demand” is what got BPS working with the DQ operators and owners. BPS is located in Cleveland, Ohio and was recently approved by IDQ to sell char-broilers to the DQ system. But a new vendor thru DQOA means what to the average store operator?

It means HUGE savings with a quality product. BPS started making grill parts in 1986 and by 2004 the refurbishing business had grown to making the char-broiler chain grill. “DQ owners were calling constantly to refurbish broken down grills, they couldn’t afford to purchase a new Char-broiler grill” according to Ron. It has been widely known that some of the grills were estimated to cost between \$16-20,000. The price of the BPS approved char broiler is \$7-10,000, which represents huge money savings to the DQ operators. I asked BPS what is the greatest distance they have shipped equipment? He replies “Alaska and Canada, we ship coast to coast, all of North America.”

The day we spoke, BPS, was in the process of moving across the street to a bigger facility. The DQ account is one of three national chains they serve along with Carl’s Jr and Hardees’ restaurants. I asked Ron what the biggest difference between the DQ’s and other customers they sell to, “ the huge difference is family, the DQs are all usually individually owned and BPS likes to work one on one with the operator instead of a maintenance man for a corporate store.” The DQ operators are the reason that BPS became involved and then approved, Ron mentioned several of “our NESO membership” including Ron Rapp, president of NESO, and Rick Bepler former NESO board member for pushing the approval process along. The application process started in November of 2009 and Bps received approval July 2010. The franchisees along with the determination of Josh Schmieg, Director of purchasing at DQOA and Harris Cooper, Executive Director, are the reason for the quick approval. He could not be more complimentary about the DQOA and their help in getting IDQ approval. If you need replacement parts or a new grill there is only one place to call if you want to save money, BPS Products Inc, (800) 272.8546, rlsluga@bpsproductsinc.com. BPS will also be attending our convention in Cherry Valley.

- Pam Simmons • pamelalsimmons@aol.com

A note from Jerry Rizer...

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I want to draw your attention to Bryan Moen's FAC presentation material. In looking at pages 28, 29, 33, & 34, we have the polling store data by selected items for both Brazier and G&C stores in U.S. and Canada. This data is average store sales per week. **There are 5 items I want to focus on. Shrimp, IGS, Waffles, Moolatte and Quesadillas.**

Quesadilla is the item that divides the systems of Brazier and G&C. It only sells 5/6 units a day. I question if it deserves a place on the menu based on numbers. It costs NMF and local DMA budgets about 45 million each national TV flight. The next 4 items have cost the system over \$100 million in the past years to promote. Are the results there to justify the \$100 million investment? **Shrimp** sells 4 units a day average in the U.S. It's so good that Canada doesn't even carry it. It's been a good LTO at Lent, but should be limited to Lent. (At least 3 flights – \$15 million) 3 SKUs needed. **IGS** sells an average of 8 units in Brazier (most of system is Brazier) and 14 in G&C. Canada units are even less at 4 Brazier and 8 G&C. As with Shrimp, these items slow service and distract the employees from our main focus on burgers and chicken strip baskets (4-5 TV flight - \$25 – 30 million). 5 SKUs. Do we need 2 sizes of these units? Note that this is to be changed as part of the new drink line up. **Waffles** started with such promise but have settled at 9 units a day in Brazier and 11 in G&C. I remember when this came to the FAC 2 Canadian test operators were adamant that the system needed them, reporting great units. Now Canada is down to 6/7 a day. (5-6 TV flights - \$25 – 30 million). 2 SKUs plus equipment and smallwares.

In my opinion, we have been wasting marketing dollars chasing the next high, getting good short term numbers but in the long test of time not growing. I view this expenditure as lost opportunities. If we had put the \$100 million into our basic burger, Blizzard and CSB we may have seen traffic growth. It goes back to defining who we are as a system. From our past marketing and current units movement listed here, the customers are getting a mixed message. On the recent FAC call, Keller points to the product pipeline as one of his achievements. All the above items are the fruits of his efforts. \$100 million down the drain. In DQ history. This is the lost decade.

- Jerry Rizer • Pres, DQOA/DQOC • rizerjk@yahoo.com *Re-Printed from the Arizona Newsletter

NESO thanks Jerry & his wife Karen for attending these meetings and giving us another side of the story.

President's Corner (Continued from page 1)

long time, but due to the economy being so bad it was a rough year for many. Even 5 years ago this summer would have left much more money in the checkbook heading into the winter months. The mini brings in less money over the counter, but are we stealing off of products that are good dependable cash producers to do it? We can only judge it's success on whether it improved cash flow, decreased waste, and improved speed of service at the counter. I already know the answer to 2 of the 3, cash flow still remains to be seen. I would appreciate any of your comments on this subject, the September promotion of the mini meal should make some interesting discussions too.

For my final remarks, I hope you were able to participate in the DQOA/DQOC phone conference call on September 28th. Mushrooms are kept in the dark and fed loads of manure, don't be the Mushroom! The health of the Dairy Queen system is up to each and every store owner, I am proud to have spent my life working in the Dairy Queen almost every day for the past 50 years. We have a premium product, and if we all work together for the good of the store and customer we can only become better operators. Don't forget to register for the 40th Annual NESO Convention & Trade Show at Cherry Valley Resort and Water Park in Newark, OH, January 20-22, 2011.

- Ron Rapp • ronrapp@zoominternet.net

Clever Customer Contest

Okay I know in the last newsletter I probably overwhelmed you with ideas to entertain and increase customer counts but I have

one more to add. The clever Frozen T-shirt contest. Yes, I said frozen, I completely stole this idea from Kurt Bush, (no, not the race car driver) Cortland DQ. Each year he does a block party at his store and this year he froze wet DQ t-shirts. Before he froze them he folds them into little squares and places them in the freezer.

The participating customers all receive the frozen T-shirts at the same time and the first customer to put on the t-shirt completely, wins! If you look on Cortland dairy Queens face book page you can see the customer grimace as they try to unfold the frozen shirts. Cute idea with lots of ways to benefit your charity event! Contact Kurt Bush at: cortlanddq@aol.com.

- Pam Simmons
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Classes for Ohio Workers...

Ohio Bureau of Workers' Compensation

Attend one of the more than 60 occupational safety, health and ergonomics courses offered by the Ohio Bureau of Workers' Compensation Division of Safety & Hygiene. Classes are held throughout the state as well as online. The division offers courses at no extra cost to Ohio employers with active workers' compensation policies.

Accident Analysis	1.0	How Methamphetamines Affect the Workplace	0.5
Basic Construction Safety (OSHA 30)	4.5	Lockout/Tagout and Safety-related Work	
Behavior-based Safety Systems	1.0	Practices	0.5
Bloodborne Pathogens	0.5	Machine Guarding Basics	0.5
Certified Safety Professional Examination Review	3.0	Mechanical Power Press	2.0
Confined Space Assessment and Work	1.5	Mold and Other Indoor Air Quality Concerns	1.0
Controlling Workers' Compensation Costs	1.0	NFPA 70E and You: Insight and Implementation	1.0
Effective Safety Teams	1.0	OSHA Recordkeeping	1.0
Electrical Hazard Recognition and Abatement	3.5	Personal Protective Equipment Selection Criteria	0.5
Emergency Preparedness Planning	1.0	Powered Industrial Trucks: Developing a Training Program	1.0
Enhancing Safety through a Drug-free Workplace	0.5	Restaurant and Food Service Safety	1.0
Ergonomics: Basic Principles	1.0	Safety Works for Industry Module 3	0.5
Ergonomics: Developing an Effective Process	1.0	Safety Works for Industry Module 4	0.5
Fall Hazards in Construction and Maintenance	2.0	Safety Works for Industry Module 5	0.5
First Aid in the Workplace	1.0	Safety Works for Industry Module 6	0.5
Fundamentals of an Effective Safety and Health Program	2.0	Scaffolding Safety	2.0
Hazard Communication	1.5	Temporary Traffic Management	0.5
Hazard Communication One-day workshop	1.0	Ten Steps for Safety	0.5
Hazardous Waste Operations and Emergency Response Refresher	1.0	Train the Trainer	1.5
Hazardous Waste Operations and Emergency Response Technician	3.0	Trenching and Excavation	3.0
		Violence in the Workplace	0.5
		Wellness in the Workplace Workshop	0.5

Online courses

- Avoiding Back Trauma
- Getting Started with Safety
- Health Hazards in Construction
- Industrial Hygiene Overview
- Ladder/Stairway Safety
- Preventing Cuts and Lacerations
- Preventing Slips/Trips/Falls

For more information, call 1 (800) OHIO-BWC.

To register for courses go to: www.bwclearningcenter.com

On the move Advertising

Bill Marble of Cuyahoga Falls, OH has gotten great response from his "rolling billboard" car wrap. "We park it strategically in view of Drive-thru traffic to promote cakes... my most profitable item."

"It has been great name recognition, as we have recieved many positive comments"

C: (330) 592.0246 • ptdq@sbcglobal.net



Re-building the Girard, Ohio Dairy Queen



For 49 years the Suich family has been part of the Dairy Queen Family. I would like you to meet the “baby” of the family, Bo Suich. He has 42 years of DQ experience himself, being raised behind the front counter until becoming an official franchisee about 14 years ago. Our system was built on families just like Bo’s, but Bo has the distinction of being the first Suich family member to own a DQ/OJ concept in the Youngstown, Ohio, DMA.

Last November, the Girard Dairy Queen walk-up was bull-dozed and construction began on the brand new Girard DQ/OJ store. In just 5 ½ short months the doors were unlocked to let the customers into the brand new dining room, which seats about 38 including 2 couches and a comfy chair. Inside seating is brand new to the Girard location, they also added customer restrooms, 4 doors of display freezers, and a DRIVE-THRU! But the biggest addition was the

OJ line which Bo estimates is about 15% of sales. The original walk-up store was built in 1962. At one point the Suich family owned 4 locations, one of which is an independent. With Bo’s parents’, Bill and Angie Suich retiring part-time to sunny Florida, the family is down to the McDonald Dairy Queen owned by Bo’s Brother Kenny Suich, an independent ice cream location by sister Chris, and Bo’s shiny new location in Girard.

Bo told me the reasons he decided to rebuild included adding a Drive-thru, to modernize the aging location, to lengthen the season to all year, and to allow for more room in the front of the location as his former walk up store was pretty much on the side-walk. Since the move, he has almost tripled his cake sales with the customer sales following. His staff has increased to 24 employees to handle the increase in customers. Bo’s attitude is always very positive and outgoing, during our interview, a frequent customer, declared it was her 4th visit this week, yet it was only Wednesday! This customer is a home health aide and treats her patients to Dairy Queen treats frequently. Bo is a natural with the customer and I am sure it reflects in his customer count. I asked Bo, “what

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Grill and Chill

Hermitage, PA

One of the kindest, Funniest owners you will ever meet is Ed Ackerman, owner of the Brand New Hermitage Grill and Chill. If you have ever been to the NESO convention you have probably met Ed. But what happens at the convention stays at the convention, but it is always a good time if Ed is there!

Ed purchased the Hermitage, Pennsylvania Dairy Queen Brazier in May of 1998. He spent 17 years as a special education teacher before joining our DQ family as an owner. Ed just opened one of the biggest Grill and Chills in the nation right here in our NESO area. He lost his lease for the original Hermitage location and decided to move it into a very large building that formerly housed a restaurant called "The Cookery." After receiving his building permit on Christmas eve of 2009, the Cookery was gutted and the new Hermitage Grill and Chill was born. Going non-stop till April 9th 2010 Ed finally had his first customer in his 152(inside) seat Grill and Chill. All that seating includes a meeting room that can hold 30. He recently added more seating outside with a very nice patio for customers to enjoy during nice weather. His former location at peak had about 28 employees, the new store at peak has 50. His product mix is 60% soft serve and 40% food. He is working on plans to add breakfast, which will in his opinion "will fill the hole that winter sales brings." He is also working on booking more kid parties and getting more use for the meeting room. He has a separate drink station in the center of the dining room with the new Gold Peak tea dispenser. One of the most unique attributes to his new Grill and Chill is the customer pager system he had installed. Each food customer is given a square pager with flashing lights that alerts the customer when the order is finished. It saves on the employees searching the dining room for the numbered table tents.

Ed has an extensive business background and has owned several successful businesses, including a Putt-Putt franchise, a Ponderosa, batting cages, and even an independent ice cream stand. He also is surrounded by some top quality people (Barb, Mary Lou, Scotty, Kelly and others) which he is always quick to point out. The day I stopped to take pictures, the store was packed with the lunch crowd and our food was hot and delicious. The employees could not be nicer. I asked if he is happy with the results and he says he is happy with the outcome. The building is beautiful and has a perfect location close to a Wal-Mart and other shopping. Ed is an extremely hard worker like most of our DQ family I hope you enjoy the pictures. If you get a chance to talk to Ed at the convention make sure you ask him about the time her hired the employee that could only work dayshift, but don't tell him I told you! Congratulations on your wonderful new store for all your NESO family. *Contact Ed at: pu77pu77@aol.com*

- Pam Simmons • pamelalsimmons@aol.com



Waste can improve your bottom line?

How? By knowing about the very easily missed wasteful habits in your store. It does not matter what operator we ask or look at, everyone can do a better in the waste department. Jeff Ward, territory operator in the Akron-Canton, Ohio, has an excellent spreadsheet to help you and your employees really understand that waste does add up to big \$\$\$\$\$. It is really genius. He has taken about 40 very common items such as burger wraps, short spoons, a piece of sliced cheese, ketchup packet, regular fry tub, burger patty, 12 oz cup etc. and shown the actual cost of each item from the current months price sheet. He then has estimated on a daily basis the waste of just a few of these products each day. He has also broken the days into months and then to an entire year. What store hasn't lost 2 wafer cones per day to the floor? Or over portioned 15 fry containers by a half ounce in one day. He even wasted 4 slices of tomato for the day. Make sure you add a few products that were also wasted due to customer bring backs or wrong ingredients.

The results are astounding, \$32 per day, \$988 per month and a whopping \$11,867.79 per year! Could you imagine adding \$11,000 to your yearly income just by doing better in the waste department. Jeff is conservative with his quantity of waste in a day, so this number could be easily much higher, especially in high volume stores when you are accessing more product by more employees. My point is , we endlessly preach about product over portioning to our employees as it falls on deaf ears sometimes. Take the time, produce your own spreadsheet and put in what you feel is on the floor, spilled on the counter, and thrown out due to hold times. Let your employees see what those 25 napkins on the floor at the drive thru everyday cost you and the store. It really does add up! Thanks to Jeff Ward for allowing me to share his neat idea. No store can be completely waste free but just think if you cut your waste by 1/3 what an impact the bottom line would have! One example: Burger Bun @.10 waste just 5 per day turns into \$15 per month, multiply that by 12 months and it is \$180 per year. Give it a try!

- Pam Simmons • pamelalsimmons@aol.com

Rebuilding DQ...

(Continued from page 5)

are some of the problems you encountered?" He replies, albeit, hesitantly, "finding financing is tough, with one bank taking 14 months to make a decision, then ultimately turning him down, besides this the back room has no room, especially for an office area, and I had to remove the Barbecue Beef sandwich." Bo says he would hope that at some point the menu could include the sandwich again, due to so many customer requests. I asked him if he went over budget, and he felt that it never really became an issue. He would definitely do it again. He is also optimistic about the Iron Grilled sandwich which IDQ is testing in this concept. He feels it would do well with his current menu. Bo has also been selected to be a test store for the new shake served in the clear cup with whipped cream cherry.

Another exciting thing which happened after the decision was made to completely rebuild was the expansion of V&M steel plant. One of the plant drive-ways is less than ½ mile away on the same street. This project is estimated at 650 million dollars, which can only increase his bottom line. This is one of the cleanest, well organized stores you will ever visit in the DQ system. The building looks great and even has some outdoor seating, including umbrellas. Katie, his manager, with her contagious smile is definitely proud to be a part of this massive undertaking, including the move, she tells me with a smile, "I have a surprise for Bo's birthday, (he will be 42 on Sunday) a scrapbook of the old store and of the new". Her wining attitude along with Bo's reminds me of why Dairy Queen is such a fun place to work, when you have the right people it is fun, hard work, and very rewarding to strive toward the common goal of serving the customer, and at Girard DQ/OJ that is the only thing that counts at the end of the night! Thanks to Girard for allowing me to take pictures and for taking time out to answer lots of questions. Congrats from NESO on your new Store! *Contact Bo at: bodq@aol.com, 330-545-2661*

2011 NESO Convention & Trade show

It's *Summer in January* at Cherry Valley Lodge

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January 20-22, 2011

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