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The Most Profitable Part of a Convenience Store

It's Now Your Employees

“What is the most profitable part of your store?” When I pose that question to someone who works in the convenience store business, their mind will immediately begin to turn to the many products they sell within their store. Is it tobacco products? Gasoline? General merchandise? Food? If you would have picked any one of these products or something similar pre-pandemic, you may have been right. However, since experiencing the pandemic, which was one of the most life-changing experiences any of us have ever encountered so far, the business model for owning and operating a convenience store, or any business for that matter, has changed dramatically.

Today the most profitable part of a convenience store or any business has become its employees. Employees have always been the core of any business and have always been important but not to the level we are experiencing today.

Prior to the pandemic, hiring and retaining employees was always a priority. It was also a major part of operating a business in which the majority of the time the “carrot-and-stick” approach was used to hire and retain employees. Meaning if you come on board with our company, we will pay you X, and if you continue to do well, we will give you more money and benefits as you progress. This business model has been around forever and had always worked. Then comes this thing called a pandemic in which the employees not only think they are being underpaid, but are afraid to come to work because they may catch some dreadful disease and die. So, what is an employer to do? They raise the stakes and immediately give the employees hazard pay with a huge \$1-\$2 an hour wage increase just to

show up to work so they can keep their doors open. Oh, but wait, it gets better. The federal government and the state want to help the other people whose businesses were considered non-essential and had to close, so it was decided that people who lost their jobs because of the pandemic should be able to stay home and receive money for not working.

Now, it doesn't take a rocket scientist to figure this one out. If you are running a business and just had to increase your payroll costs to unimaginable heights to retain employees in order to keep your doors open, and their friends are sitting at home and getting paid for not working, this is not called the perfect storm. This is called a disaster, and that is what has occurred.

Recently, I was having dinner with one of my clients who owns and operates 20-plus stores when the conversation moved to the subject of employees, and I asked him how he was doing. He said it was awful. He said he was one of the fortunate ones, because he has never had to close any of his stores, as some of his competitors have had to do, because of employees not showing up. The day we were having dinner, he had 52 people call in to work and say they couldn't come in. I almost choked on my beer when I heard him say that.

Earlier in the week, I was working with a prospective buyer for a chain of 40-plus stores I am in the process of selling, and we were talking back and forth about the geographic location of the stores, the quality of the stores, and the EBITDA the stores were generating, all of the usual concerns, when the buyer asked me a question I have never heard before: What



is the status of the payroll of the stores since the pandemic? He wanted to know whether the pandemic had raised payrolls, and was the payroll a temporary increase, or was it the new norm; he also wanted to know how the higher payroll would impact future profits.

Now, things have started to loosen up, and the government is beginning to end the employment benefits in order to get people to go back to work, but if you are running a business, there is a new paradigm when it comes to finding, hiring, and retaining employees. Without employees, it doesn't make any difference what profitable item you sell in your store when you don't have anyone to service the customer. I am sorry, but the idea of a convenience store with nothing but vending machines, regardless of how high tech they may be, is not here yet, and the reality is the employee just became the highest profit center in your store.

-Terry Monroe

campaigns, and other marketing endeavors that let them know you haven't forgotten about their needs. They may not be ready to buy, and they may keep you on the line for a long time. But persistence will almost always pay off in the end — especially when you pair it with the last element of the formula.

Educate Leads

It's one thing to make your leads feel special, but you also have to remind them why your product or service has value. In the above



estate care example, can you answer the question as to why older adults need estate plans, regardless of their wealth? (Answer: Because it protects their families and legacy.) Or, can you answer the top questions people have about estate planning? (Is it difficult? Is it expensive? Will I have to update it?) To convince customers of your value, you have to convince them of your expertise!

Tie It Together: Diversification

Finding new leads, nurturing those leads, and educating them — it all boils down to a multipronged approach. You cannot rely on social media to find and develop your leads alone. You need to communicate with your consumers on multiple levels, hitting on the key ways people consume media. Some potential customers may grow into loyal fans via your podcasts or weekly email messages. Others prefer the intimacy and nurture of a direct mail campaign and special offers provided via text. However you choose to do it, diversify the formula across several communication channels.

When you introduce new potential customers to a diverse range of nurture and education campaigns, you create a winning equation that cannot be beat. It doesn't take a math genius to work out just how powerful this formula can be.

Family Matters in Business

PREPARING A SUCCESSION PLAN

Do you have family members in your business? Do you own the business with a brother or sister or both? Do you or your siblings have children in the business with you? If you answered yes to any of these questions, there is a good chance you will be facing the issue of business succession.

Business succession is something very few want to talk about, but everyone knows it has to be addressed sooner or later. Most people prefer to not address it until it becomes so serious that they have to. It's not always an issue between the siblings who are running the business. It could be the spouse of one of the siblings wanting to change how things are run or who is going to be in charge when one person retires or dies. Worse yet, it could be family members who own part of the business but are not involved and like to tell their siblings how to run the business.

Fortunately, many of these issues can be avoided if addressed early and with sufficient knowledge. I have experienced nearly every type of situation you can imagine. If you don't plan for succession, the end is not going to be pretty.

Besides dealing with the egos and the dysfunctional part of the situation, I have found it always comes down to money. Someone thinks someone else is either getting more or going to be getting more. In order to address



this issue, I have helped people by performing a market valuation of the business. Most people don't know what they are fighting over in the first place, and they need the appropriate information to make an intelligent decision. By understanding the numbers and being realistic about the situation, I have been able to help many business owners make peace among their families so they can stay in business and prosper.

To learn more about succession planning and the issues involved, I recommend you go to Page 26 of my book, "Hidden Wealth: The Secret to Getting Top Dollar for Your Business." To get a **FREE** copy of my book, send me an email at Terry@terrymonroe.com and mention "Family Matters in Business." Be sure to include your mailing address. It is always better to learn from the mistakes and experiences of others rather than make them yourself.

Get the Wisdom of Other Business Owners' Mistakes

FROM TERRY MONROE'S 'HIDDEN WEALTH'



Are you planning on selling your business in the next 1–2 years? If so, you need to start planning now. But where do you even start? Selling a business is a massive undertaking. With so many things to consider, some confusion is understandable, but if you don't get the right kind of help, you could end up selling your business for far less than top dollar, and leave tens of thousands of dollars on the negotiating table.

These are the kinds of cautionary tales that market maker and four-time author Terry Monroe shares in "Hidden Wealth: The Secret to Getting Top Dollar for Your Business." While we'd like to hope we're accomplished and savvy enough to sell our business without any help, the uncomfortable truth is that tons of successful business owners have lost out on millions of dollars in selling their businesses — all because they didn't know exactly what they were doing.

Sometimes, contemplating the financial implications of selling your business and dealing with the strain and grief that comes with doing so are worse than actually selling the business. So, what then? Well, in Terry Monroe's "Hidden Wealth," you'll also learn how to realistically assess your situation, deal wisely with the business that you've built over the years, and maximize the money you'll receive when you decide to sell.

It has been said that we learn from our failures, not our successes, but the true sign of a successful individual is to learn from someone else's failures and not your own. "Hidden Wealth" seeks to do just that: give every business owner access to the lessons learned from the mistakes of other business owners so they can avoid the setbacks and reap all the rewards. Find out how you can get a copy today by emailing Terry@terrymonroe.com.

Take a Break!

WORD SEARCH

C	R	T	Q	D	K	N	G	S	C	O	R	P	I	O
L	O	Z	H	E	O	N	W	J	U	V	X	N	S	T
S	M	R	F	A	I	D	F	O	E	H	X	G	K	R
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C	I	D	E	R	B	A	I	H	A	I	W	G	G	A
P	A	X	Y	M	S	S	Z	P	G	A	A	S	L	Q
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| CORNUCOPIA | PIES | THANKFUL |
| FEAST | PILGRIMS | TRADITION |
| GALES | STUFFING | VETERANS |

SUDOKU (SOLUTION ON PG. 4)

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5	6	7	4	2	9	1	8	3
9	8	1	5	3	7	6	4	2
7	2	9	6	8	5	3	1	4
3	1	5	2	7	4	8	9	6
6	4	8	9	1	3	2	7	5

Sudoku Solution



INSIDE

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MAKE MORE MONEY

With This Simple Sales Formula

Wouldn't it be nice if your business came with an instruction manual? It would include how-tos about hiring and customer retention, and the sales chapter would provide surefire tactics to target the best customers for your business. Too bad something like that doesn't exist — or does it?

While there may not be a one-size-fits-all manual, there is a guaranteed sales formula designed to help business leaders close more deals and create meaningful relationships with the *right* customers.

The concept is simple: **New leads + a nurture campaign + educational materials = more sales, more people helped, and more money in your pocket.**

Find New Leads

You have to start somewhere, and new leads are just the place. However, you have to find the right leads. If your demographic targets older adults in need of estate care, a 30-year-old newlywed isn't the one to pursue. Find the hot leads and move forward with those leads in mind.



Nurture Leads

It takes more than a dozen touches to actually convince someone to buy into your product or service, yet many businesses give up after only a few connections with their leads. Target your new leads with emails, social media, direct mail

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