

FAST FORWARD

A newsletter from the Association of Taco John's Franchisees

May 2014

Fast Forward

2014 NATIONAL CONVENTION REVIEWED

From the President – by Bryon Itterman

San Antonio, TX, was the setting for the March 2014 Taco John's National Conference, where Taco John's franchisees were joined by suppliers, support center management, and staff. More than 400 people came together at the La Cantera Resort for this year's event with the underlying "Let's Go" theme in support of growing new restaurants, sales, and profits.

Activities got underway with the welcome reception, where attendees gathered to catch up with friends and enjoy some great food and entertaining Mariachi music as a welcome to the beautiful Texas Hill Country resort.

The general session was highlighted by a presentation from keynote speaker Steven S. Little, the business growth expert, who shared ideas and positioning strategies for growing businesses. Then, TJI President & CEO Jeff Linville presented a five-year strategic plan for the Taco John's chain. Attendees heard first-hand the key initiatives and strategies being implemented to attract new franchisees in support of restaurant growth and increasing sales and profitability.

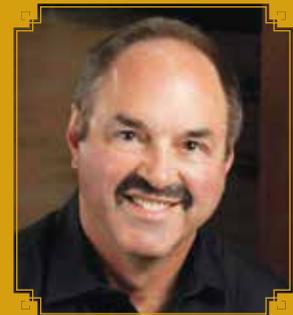
The vendor exhibit show was a huge hit. Seventy exhibitors were on hand to interact directly with Taco John's decision makers. This

proved to be a valuable opportunity for suppliers and service providers to spend quality time while having some fun. And, for attendees, the show

provides a look at what is new and soon to be released to the system along with a chance to sample some exciting new menu items for 2014.

The TJI breakout sessions were well attended and a lot of timely and valuable information was provided.

- ✓ TJI VP of Marketing Renee Middleton, VP for Menu Strategy & Innovation Bob Karisny, and ad agency Lawrence and Schiller shared the brand direction for 2014 and beyond.
- ✓ Dean Satchwell, VP for Supply Chain, aided by representatives from SpenDifference, provided a session discussing commodities, food cost, equipment, and managing profits in 2014.
- ✓ TJI VP for Operations Shawn Eby, with representatives from QuikServe Solutions and Mindshare Technologies, presented a session on managing profitability from the back office to guest satisfaction.



Our Mission

Continued on page 2

"TO PROVIDE OUR MEMBERSHIP AN ENVIRONMENT FOR INCREASING LONG-TERM PROFITABILITY IN SUPPORT OF IMPROVED BUSINESS VALUE AND BRAND EQUITY."

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2014 NATIONAL CONVENTION REVIEWED *Continued from page 1*

In addition to the business sessions, the annual awards and recognition banquet was the high point of the social and entertainment events. Top-performing Taco John's franchises were recognized for their achievements during 2013. For the third year in a row, Mike Sartwell's Willston, ND, restaurant received top honors with the prestigious Founder's Cup award. This restaurant was also the sole member of the Platinum Club.

Top-movers for 2013 included Pierre, SD, joining incumbents Brookings, SD, Marshalltown, IA, and Minot, ND (S. Broadway) in the Quad-Diamond Club. Other restaurants that made a big leap during 2013 were Cheyenne, WY (S. Greeley Hwy), Dickinson, ND, Muscatine, IA, and Sioux Falls, SD (12th). These restaurants joined Aberdeen, SD, Cheyenne, WY (Pershing), Gillette, WY, Marion, IL, and Sioux Falls, SD (10th) in the Triple-Diamond Club.

For the first time, six restaurants were recognized as National Certified Training Restaurants. They included Chadron, NE, Fergus Falls, MN, Lincoln, NE (N. 84th),

N. Platte, NE (Detco Cr.), Paducah, KY (Hwy. 60), and Rockford, IL (S. Alpine).

MOVING THE BRAND FORWARD

During the convention, Jeff Linville and I had an opportunity to spend some time talking about the upcoming year. We have put a plan in place that defines how TJI and the ATJF will work together with more collaboration to move the brand forward. We have committed to a schedule of meetings between Jeff, the ATJF board, TJI senior management, and myself. I am pleased to report that Jeff and I had a very productive day together a couple weeks ago. We were able to discuss many of the concerns that were voiced during the convention and agreed upon some "move-forward" strategies. The association board is looking forward to meeting with Jeff and his team in July, where we will review the progress made on many of the new initiatives that were rolled out at the convention and discuss strategies to increase sales and profits. As an association board we want to be a voice to communicate our members' concerns and ideas to TJI. Please contact an association board member with your input or questions before the July meeting. Thank you for your support!

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2014 NATIONAL CONVENTION SURVEY RESULTS

By Gary Wofford, ATJF Executive Director

Attendees of the March 2014 Taco John's National Convention were asked through an online post-event survey to rate their experiences during the event. The following is a summary based on a rating scale.

(5=EXCELLENT; 4=VERY GOOD; 3=ADEQUATE; 2=FAIR; 1=POOR)

GENERAL SESSION

- KEYNOTE SPEAKER, STEVEN S. LITTLE 3.52
- PLAN PRESENTATION, TJI PRESIDENT & CEO JEFF LINVILLE 3.40

BREAKOUT SESSIONS

- COMMODITIES, FOOD COST, EQUIPMENT, & MANAGING PROFITS IN 2014 3.71
- MANAGING PROFITABILITY FROM THE BACK OFFICE TO GUEST SATISFACTION 3.70
- BRAND DIRECTION FOR 2014 AND BEYOND 3.80

OTHER EVENTS

- VENDOR EXHIBIT SHOW 4.38
- ATJF MEMBERSHIP MEETING 3.96
- MARK DADY PRESENTATION (FRANCHISE AGREEMENT) 4.14
- AWARDS PROGRAM 2.91

SOCIAL EVENTS

- WELCOME RECEPTION – OVERALL 4.44
- GOLF CALCUTTA (AUCTION) 4.10
- GOLF TOURNAMENT 4.21

OTHER CATEGORIES

- ADVANCE INFORMATION PROVIDED 4.36
- ON-SITE REGISTRATION PROCESS 4.64
- LA CANTERA RESORT – OVERALL 4.15

Photos from the 2014 convention events are posted at www.atjf.net.

Attendees were also asked to respond to questions identifying their most-preferred and second-most-preferred convention destinations. This information will be very helpful for researching a suitable location and dates for the 2015 event. An announcement should be made during the summer of 2014—please stand by!



Andy and Nancy Lilleodden of Hanska, MN.



A mariachi welcome to San Antonio.



Mike Sartwell (left) and Walt Cressman catching up.



Golf scores were close!

PLANS FOR PROFIT STUDY ANNOUNCED

By Jeff Brands

The ATJF board is excited to announce its plans for a new Operating Profit Study based on year-ending 2013 data. This will be the fourth such study performed since 2005, and you'll be hearing more in the coming weeks.

Our objective is to perform an annual study to measure trends and identify opportunities for profit improvement. Our vision is to provide a presentation of each year's study at the annual national convention.

To help in the efficiencies and streamlining of the processes associated with this project, we will be introducing personalized business metrics and analytics software called The iLeague™, an online application product of iBusiness Solutions based in Edina, MN. This software is designed to help businesses communicate performance, influence decisions, and anticipate opportunities.

With the involvement of The iLeague software, the study will offer franchisees the clarity and confidence they need

to make decisions that will help grow their businesses through the online application of:

- Personalized dashboards and scorecards,
- Benchmarking,
- Customized metrics,
- Trending and detailed reports,
- And more!



We anticipate beginning this project by June. Your participation is invited and strongly encouraged. This will be a unique opportunity for you to be able to measure your operations against other restaurants and perhaps identify new profit improvement opportunities. Please stand by and be on the lookout for more detailed information coming soon.

If you have questions about the study, please contact the ATJF office.



Doretta, Doug, and Madison Heidebrink of LeMars, IA.



Jeff Kryzcki of Colby, KS, being flanked by Carrie and Tim Parker of Concordia, KS.



Left to right: Fred Frederes of St. Joseph, MO, Jeff Bremer of Omaha, NE, Jack Nosal of Columbus, NE, and Jennifer Shama of Rapid City, SD.





Fast Forward May 2014

APC – MARKETING UPDATE

By: Jeff Bremer, Vice Chair APC

The Taco John's Advertising Production Committee ("APC") met on March 18 and 19 in San Antonio, TX, just before the start of the 2014 National Franchisee Convention.

Several key topics were reviewed and considered by the APC and later presented during the convention events. Here are some highlights of things coming soon.

- New interior menu board merchandising and layouts.
- New drive-thru can of the future and new drive-thru panels for both old and new drive-thru cans. (Please note: It is suggested that you discuss the timing to purchase the new menu board with your FBC).
- The roll out of our new Unwrap the Original brand strategy. This new tagline will accompany all new TV, radio, digital, and point-of-purchase materials. This has been created to help bring uniqueness and personality to the Taco John's brand by adding a little swagger in our messaging. You'll be seeing and hearing more beginning in mid-July.

During the meeting the TJI marketing team and Lawrence & Schiller ad agency presented some of the plans for the new Unwrap the Original brand strategy, including a new approach to advertising "in warp speed." For example, bookending a commercial with a 15-second Taco John's brand spot at the beginning and a 15-second national calendar spot at the end. Thus giving us more opportunities to showcase brand along with our great food. The committee approved funding for production of commercial spots and materials in support of the new brand strategy.

After a lot of discussion among committee members, there were some revisions made to the remainder of the 2014 National Marketing/Promotional calendar, including a change to the Santa Fe Burrito promotion schedule. The following is a snapshot of the revised calendar for the balance of 2014:

- Currently running Flamin' Hot® Cheetos® Burrito LTO (April 21-July 13)
- May 1-May 5 was "Cinco 5 for \$5." The Great Plains Co-op tested a new price point of \$5.55.
- Strike Promotion: Six-Pack and a Pound® promotion
- Santa Fe Burrito and Bowls LTO have been changed to seven weeks.
- September should be good with back-to-school time and a week of Wake-Up Wednesday promotions. The remainder of 2014 will be finalized during the June APC meeting.

Alex Habeeb of Bourbonnais, IL, was welcomed as a newly elected member of the committee. Alex's previous experience with the APC will definitely add value and will be a positive influence going forward.

The meeting was filled with a lot of important and new information, and there was a great deal of healthy debate. The members of the APC are committed to assuring the best use of available advertising production budgets. If you should ever have questions, please do not hesitate to contact a member of the committee.

Thank you all for your support and accept my best wishes for a great summer. 

IT PAYS TO PARTICIPATE IN THE ATJF INSURANCE PROGRAM

As we announced at the convention in March, The Association Insurance Program earned the largest dividend ever for the 2012-2013 policy term. The final calculations have been completed, and it is official. The dividend check from Allied will be in the amount of \$103,804! Dividends are based on the overall loss ratio of the insurance program and are paid out based on a schedule. You are probably saying that's great, but what does that actually mean for me?

If you were participating in the insurance program during the policy term and are an Association member in good standing, you will receive your pro rata share of the dividend based on premiums paid in. The dividend is distributed in the form of a credit on the Association dues. This year, the credit should be more than enough to cover the annual dues and the franchisee will then have the choice to receive a refund or credit toward future dues. If you are NOT participating in the insurance program, you will receive nothing.



Kevin Vance with Kelly Digby and Terry O'Connor.

The dividend is just one of many benefits for participating in the Association Insurance Program. Due to special rating considerations, the plan provides competitively priced premiums that are available only through McKinneyOlson Insurance. If you purchase Allied Insurance from an agency other than McKinneyOlson Insurance, you are not receiving the same pricing consideration and you



AMY OLSON-MILLER
*PRESIDENT, MCKINNEYOLSON
INSURANCE*

do not have an opportunity to earn a dividend. Because McKinneyOlson Insurance has been writing the insurance for Taco John's franchisees for over 20 years, we know your business and we know it well. The coverage and endorsements are tailored specifically to the needs of Taco John's owners.

We are pleased to announce that the program continues to grow and we added about 20 new locations to the program in 2013. We currently insure 73% of the restaurants that are members of the Association. We would like to see 100% participation! If you aren't currently participating in the program, I would challenge you to give us an opportunity to earn your business. We are able to quote the majority of accounts in our office and can normally turn a quote around in a day or two. If you currently have Allied Insurance through another agency, please contact us and we can talk about getting you moved over to the Association Insurance Plan. You can reach Lori and me at 800-431-6714.