

FAST FORWARD

A newsletter from the Association of Taco John's Franchisees

Winter 2018

FROM THE PRESIDENT

By Walt Cressman, ATJF President

I am honored to have been elected ATJF President and look forward to working closely with the ATJF board members, TJI Senior Management and the TJI board of directors to improve the Taco John's franchise ownership experience. I have great respect for my fellow partners in our continuing efforts to improve our brand. It has been a privilege to serve on various franchisee committees over the years, as well as on the ATJF board as director for multiple terms and as president for 2005 and 2006.

At only 61 years old, I am way too young to consider retiring. As I look forward to my 47th year in this brand, I can truly say I am as excited as I have ever been about being a part of this family. I want to see us grow as a brand, and be a part of that personally and professionally. We have great food, and serve it with wonderful staff and teammates. Our customers know and love us. In return for that loyalty, we owe them the very best experience we can provide.

I am fortunate to pick up the baton from my friend Bryon Itterman, who has served both of his terms and now gets a well-earned rest for a while from the ATJF board. He will be spending more time on the fairways and at his favorite fishing holes. We owe a huge debt of gratitude to Bryon for his

strong leadership over the past several years. I also want to thank Myrna and his family for sharing his time with us so generously. Byron will be joining us for the upcoming convention in March, and you will have the opportunity to thank him personally for his dedication and commitment to his fellow franchise owners. I will have some huge shoes to fill.



As we start thinking ahead, I would like to share some key thoughts and the priorities of our board:

CONTINUE TO ENHANCE COMMUNICATIONS

With the significant change in TJI leadership that took place in August 2016, there also came an opportunity for the Association to become more engaged with TJI on key issues affecting franchisees. Over the past year and a half, we have built a healthy communication with Jim Creel and his management team. In the past year, direct communications between the TJI board/shareholders and Association president

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Our Mission

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

Association Directory

ADVERTISING PRODUCTION COMMITTEE

Brian Fuder, chairman	brian@echosinc.com	218-770-1659
Jeff Bremer, vice chairman	jbremer@quikserve.com	402-884-2799
Alex Habeeb	alexanderhabeeb@yahoo.com	815-939-1313
Brett Itterman	bitterman@pentexmanagement.com	605-228-8468
Rick Kammerer	brewed4me@aol.com	641-420-2230
Ted Miller	tedkmiller@gmail.com	605-728-6616
Jennifer Shama	jennifershama@midco.net	605-381-1118
Jim Atkinson	jimatkinson58@gmail.com	507-390-0466
Aaron Schommer	aaron.tjohns@gmail.com	701-426-0948

These franchisees serve on various boards and strive to represent your interests. Call them with your questions, comments and concerns. They want to hear from you.

ASSOCIATION BOARD OF DIRECTORS

Walt Cressman President, Insurance Program Liaison	waltcres10@aol.com	612-804-9200
Jeff Brands 1st Vice President, Supply Chain Liaison	jbrandsA@tjiowa.com	605-338-1330
Jim Atkinson VP, Treasurer, Legal/Finance/Training Liaison	jimatkinson58@gmail.com	507-390-0466
Jeff Bremer VP, Marketing Liaison	jbremer@quikserve.com	402-884-2799
Mike Sartwell VP, Operations/Technology Liaison	mikesartwell@gmail.com	701-838-3996
Aaron Holthaus VP, Secretary, Development/Construction Liaison	ahaus26@gmail.com	763-482-0340
Gary Wofford Executive Director	garywofford@atjf.net	877-455-4749

To learn more about Association membership or committee or Board participation, contact any member of the Board of Directors or the Association office by phone at 877-455-4749 or by email to ATJFranchisees@comcast.net.

ASSOCIATION UPDATES

By Gary Wofford, Executive Director



2018 ATJF BOARD OF DIRECTORS CONFIRMED

Two newly elected Association board members were confirmed during the December 2017 board meeting. The new directors are Aaron Holthaus, franchise owner of 9 restaurants in Minnesota, and Mike Sartwell, franchise owner of

15 restaurants in North Dakota, Idaho, Montana and Missouri, who has been re-elected to a second term. One of the first responsibilities of the newly assembled board is to elect a president for the current year. During the January 2018 board meeting, Walt Cressman was elected ATJF president for 2018. Board members are elected to a 3-year term and are eligible for re-election to a second term. To enhance communications with TJI, each board member has a liaison responsibility with a TJI department.

The 2018 board responsibilities were confirmed as follows:

- President – Walt Cressman
- 1st VP – Jeff Brands
- Secretary – Aaron Holthaus
- Treasurer – Jim Atkinson
- Insurance Program Liaison – Walt Cressman
- Legal, Finance & Training Liaison – Jim Atkinson
- Development/Construction Liaison – Aaron Holthaus
- Marketing Liaison – Jeff Bremer
- Operations/Technology Liaison – Mike Sartwell
- Supply Chain Liaison – Jeff Brands

YEAR END 2017 OPERATING PROFIT STUDY ANNOUNCED

In keeping with our objective to provide this valuable information each year, information about the year-ending 2017 study will be distributed during February. Data will be compiled and a custom report will be provided to each participant in late-April. If you have not participated before, you can begin now with the 2017 study. Please contact the Association office with any questions related to the process and thanks for being part of this study. This is information you cannot obtain any place else.

EXCITING NEWS UNVEILED AT 2018 CONVENTION

The New Year has begun, and the 2018 National Convention will be here before you know it. We hope you have or are making plans to join us in Orlando, Florida, for the March 24 - 27 Taco John's National Convention at the Renaissance Orlando at SeaWorld Resort. We've created valuable content to satisfy every attendee. Following are some featured presentations filled with exciting news and information:

Walt Cressman, incoming 2018 ATJF president, will welcome attendees and share his thoughts on key initiatives and opportunities for 2018 and beyond.

Jim Creel, president/CEO and **Van Ingram**, vice president for development, will discuss the overall future of Taco John's—including areas of focus and concentration—by outlining the results of the extensive strategic plan process TJJ undertook in 2017. They will also discuss the development plan for the next three years including development incentives, geographic concentration and venue types available for new development (with a deeper dive on end-cap opportunities).

Bob Karisny, vice president for menu strategy and innovation, has developed a reputation for providing fascinating insight into his unique world of menu development and menu strategy. This year will be no different, as he delves into the menu development project Taco John's commissioned with Synergy Restaurant Consultants. Interested in our menu strategy for the next two years? Bob's session is for you.

Rocky Clark, vice president for operations, will outline what Taco John's is doing currently and what new technologies—so critical for success—will be pursued in 2018 and 2019. He will also discuss how we're improving guest experience through the "I Believe" hospitality initiative. And, finally, Rocky will explain the evolving role of the Franchise Business Consultant and how they will help franchisees grow sales and improve profitability.

Tom Meyer, vice president of marketing, will discuss the intriguing strategy behind the newest ad campaign. In the ultra-competitive world of marketing, it's not enough to stand out. We've also got to increase transactions. Tom will also provide insight on the results of focus group testing

which identified what customers had to say about us and what they want in food promotions. In addition, he'll discuss how we'll attract more customers in 2018.


Ted Suor, vice president for supply chain, will undoubtedly entertain, as he always does, with an informative session complete with his signature use of charts. He'll recap the dollar spend for food and non-food items in the "market baskets" to show inflation and deflation, and will look at the first two months of 2018 (YOY 2017 vs 2018) to show how we're starting the year. Anything but dry, Ted's speeches are always a favorite.

Stacie Homan, director, training and development, will discuss why 2018 is "The Year of the Manager" and how The Olé Way (Taco John's e-learning management system) is helping train and develop managers. She will also outline how to create a career path for managers from training specialists to shift managers to assistant and general managers. The better we train, the longer we retain.

Sunday evening has been designed with something for everyone to enjoy! The activities start with the golf Calcutta auction and the Make-A-Wish fundraiser/raffle. Last year, through attendees' generosity, more than \$7,500 was raised from the raffle. This donation granted "James'" wish for a family Hawaiian vacation. After the auction and raffle, there will be a delicious buffet dinner. Then, to conclude the evening, we have lined up some very special entertainment for everyone to enjoy.

Monday, March 26: The day begins with the ever-popular vendor exhibit show from 8 a.m. - noon. You can get your questions answered directly from the suppliers and learn what is new or on the horizon for Taco John's. The annual awards banquet will conclude the evening with attendees enjoying cocktails, dinner, fun entertainment and the highlight of the evening—the awards program!

Reminder: If you have not yet registered and reserved your hotel, please do so right away. The cutoff for discounted rates is February 23, 2018. You don't want to miss it!

We hope to see you soon in Orlando! 



APC – MARKETING UPDATE

By Jeff Bremer, Marketing Liaison

Greetings fellow franchisees!

AD PRODUCTION COMMITTEE ELECTION RESULTS

First, let me congratulate the newly-elected franchisees to the ad production committee (APC). Aaron Schommer (ND) and Jim Atkinson (MN) will begin their 3-year terms with their first meeting in February. Also, in keeping with the bylaws of the APC, the Association board has the right to appoint qualified franchisees to the APC. Because of a previous appointee's resignation, the ATJF board has appointed Jennifer Shama (SD) to fulfill the one year remaining on a vacated term.



Aaron, Jim and Jennifer are experienced franchisees and will be strong additions to the APC. We look forward to their contributions.

NEW TJI MARKETING DIRECTOR ON BOARD

Alan Wright is a lifelong "marketing foodie." His contributions include marketing leadership positions with legacy and disruptive franchised brands. These include Regional McDonalds Agency, Hardee's Food Systems (7 years), and The Krystal Company (11 years). Most recently, he launched the fast-casual upstart Newk's Eatery brand position in 2013. He believes "It's better to be different, not just better" which leads to a leverageable brand personality. Alan has served on the Technomics Operations advisory board and the Greater Chattanooga Hospitality Association board. He and his wife Marilyn were born and raised in Indianapolis, and have three sons. Alan and Marilyn will be relocating to Cheyenne very soon. We'll all have the opportunity to spend time with Alan at the February APC meeting and the March national convention in Orlando.

AN UPDATE ON WHAT'S HAPPENING TO YOUR BACK-DOOR COSTS

By Ted Suor, TJI Vice President for Supply Chain

After seeing deflation in spend in 2015 and 2016, we predicted inflation would return in 2017. Indeed, it did! Our market basket of items that represents 65% of our total food spend was up by 1.8% year-over-year. You will recall, we compare our performance against the federal market basket of food items which was up by 1.3% YOY. Note, the two market baskets are not identical, but we use the federal number as a benchmark. For paper and disposables, our 2017 spend was basically flat YOY with a small amount of deflation of 0.02%.



So, what do we expect to see in 2018? Great question! We are looking at some items as stable, and others we know will increase. We then factor in the unpredictable produce situations or act of God weather dilemmas. Wrapping it up, look for our 2018 spend to be up by approximately 2.0%.

For more details and to learn how all this affects your back-door costs, come to see my presentation at convention in March. I'll be happy to answer your questions and will have plenty of charts and graphs!

RENAISSANCE ORLANDO AT SEAWORLD RESORT



FROM THE PRESIDENT

have proven productive in representing the ideas and concerns of the franchise community. To help maintain that communication, the ATJF will continue to have time on the TJI board meeting agendas going forward. We are grateful to them for allowing that significant change to happen.

“I can truly say I am as excited as I have ever been about being a part of this family. I want to see us grow as a brand, and be a part of that personally and professionally.”

We will also work to improve our communications with the franchise community. Each ATJF director has a certain liaison responsibility with a TJI department. These roles are listed within the Association Updates article in this newsletter. The ATJF board is committed to improving communications with TJI department and to sharing information with you. I would encourage you to contact us with your concerns and priorities, so that we can more effectively represent you.

TACO JOHN'S STRATEGIC PLAN

Where are we going and how are we going to get there?

I applaud the fact that TJI retained a company experienced in franchising to facilitate the development of its new strategic plan. Many franchisees were involved in the development process through participation in surveys or telephone interviews. The franchisee voice was represented in person through input and suggestions from ATJF directors and members with seats at the table. While we may not get everything we asked for, our voice was heard.

By the time this newsletter is distributed, we will have had a preview of the final strategic plan. Jim Creel will be presenting the plan to attendees during Tuesday's general session at the 2018 convention in Orlando. I invite and encourage you to be there to learn first-hand the vision for the future.

Once we understand the plan's key initiatives, the ATJF will update its own

plan to support increased sales and profitability to the existing restaurants, and to foster progressive growth for the chain through new restaurants and increased real-growth in transactions. I'm sure you will all agree it is imperative we have a solid roadmap for the future.

BEVERAGE CONTRACT NEGOTIATIONS

Taco John's chain decided to convert to Pepsi as the primary beverage supplier in 2005. In 2018, this decision will again be deliberated. There will be active franchisee involvement in the process as we work with TJI to make the best overall decision most beneficial to franchisees. This will be a major joint-initiative for the ATJF and TJI this year—one with significant financial ramifications.

These are but a few of the opportunities that lie ahead. Once we have updated our own ATJF plan, we will share it with you.

I want to express my appreciation for your support of the Association. Since 1992 we have worked to fulfill our mission of *“providing an environment for increasing long-term profitability in support of improved value and brand equity.”* This work will continue.

I look forward to spending quality time with you during the March 24 - 27 national franchisee convention. Please register and make hotel reservations prior to February 23. Be part of what's happening in Orlando! We will also have exciting news there to share with you about our 2019 event. See you there! 

**REGISTER
ONLINE!**

You can register and make hotel reservations online through the Association website—www.atjf.net. If you have questions or need additional information, contact the Association office at 877-455-4749.

ASSOCIATION OF TACO JOHN'S FRANCHISEES, INC.

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Get details on the 2018 National Convention inside!

EXCITING SPEAKER LINE-UP FOR ORLANDO CONVENTION



SUNDAY'S GENERAL SESSION — VINH GIANG

The psychology of illusion/magic is much more than sleight of hand. It's the ability to guide perspective, spotlight influence and challenge belief systems. With humor, heart and captivating showmanship, Vinh Giang transforms these three powerful components and shares how creating and cultivating the RIGHT influence in our lives can make the difference between tremendous success and limited mediocrity.

What we know in this world is everything that once seemed impossible can be reimagined and overcome. It takes suspending old belief systems, unlocking mindsets, innovation and deliberate, definitive actions. Vinh's presentation will bring out the magic in you!

TUESDAY'S GENERAL SESSION — CHESTER ELTON



One of today's most influential voices in workplace trends, Chester Elton has spent two decades helping clients engage their employees to execute on strategy, vision and values. In his provocative, inspiring and always entertaining talks, #1 bestselling leadership author, Elton provides real solutions to leaders looking to manage change, drive innovation and lead a multi-generational workforce. His work is supported by research with more than 850,000 working adults, revealing the proven secrets behind high-performance cultures.



TUESDAY EVENING'S EVENT — REED BARRETT

From a young age, Reed's biggest dream in life was to become an Air Force Fighter Pilot. His father was one of his biggest supporters growing up, and he taught Reed to navigate the road less traveled. On Nov. 13, 2004, Reed's father unexpectedly passed away from sudden cardiac arrest. After his passing and at the young age of 12, Reed adopted the "lone wolf" mentality and began chasing his dreams of becoming an Air Force aviator.

Reed's dream came true when he was selected for active duty as an Air Force pilot. However, that long-time dream was short lived. Just three days prior to leaving for pilot training, Reed received yet another devastating blow. At his annual cardiology appointment, Reed discovered he had an abnormality in his heart—a dysplastic aortic valve. Within a few months, Reed was medically discharged from the US Air Force.

These unfortunate circumstances did not impede Reed's success in life. Instead, they made him realize his true potential and passion—motivating and empowering others. Reed currently works in emergency medicine and speaks to students, companies and young adults across the United States about chasing greatness. His background in psychology and leadership experience guarantees a powerful message for any audience.