

Executive Summary - Team Two Fifties

Overview

Company:

- Top 10 largest c-stores in the U.S.
- Has a reputation of a community hub
- Decreasing revenues & increasing costs

Challenges: Automation, financing, expansion & performance enhancement

Solutions

1. Implement a three-stage plan:

Stage 1: Alignment – Restructure the company (2018 – 2019)

Move to Automation

- Setup self-checkout machines in all stores
 - Tier-1: 3 machines/store
 - Tier-2: 2 machines/ store
 - Tier-3: 2 machines/ store
- Reduce employees in all stores
 - Tier-1: 12 employees/ store
 - Tier-2: 8 employees/ store
 - Tier 3: 6 employees/ store

Benefits

- Solve overstaffing problem
- Reduce wage expense
- Improve shopping experience
- Reduce customer turnover
- Operate more effectively

Funding approaches: Equity finance for short-term & self-fund for long-term

Stage 2: Expansion – Build stores (2020 – 2022)

2020

(Expansion to **Midwest**)

- Strong established reputation
- Pricing Power
- Growing Economy
- MN: 15% & ND: 10%

2021 & 2022

(Expansion to **South**)

- Expansion strategies
- Location:
 - Reduce Supply Chain Costs
 - Utilize current reputation
 - Small competitors
- 2020: AL: 10% & TN: 15%
- 2021: AR: 7.5%, MS: 7.5% & LA: 10%

Stage 3: Acquisition – Acquire Enmarket (2023 – 2025)

- Locations across GA, NC, SC
- 96 stores
- Established reputation
- Large customer base
- Similar culture & vision
- Has digital resources

2. Execute performance enhancement activities

Activities

- Communicate vision & mission
- Provide training & development
- Appoint VP of Analytics
- Utilize social technologies
- Improve gas station management
- Adopt digital assets (Enmarket)

Reasons

- Get employees prepared
- Support transition and expansion
- Tailor store offerings/recruitment
- Address customer problems
- Manage inventories
- Enhance customer experience

Risks & Mitigation:

Risks

- Negative impact on the reputation as a “friendly-neighbor”
- Increase in expenses
- Theft

Mitigation

- Communication & outplacement support
- Profits from new stores
- Offset by stores’ small size

PwC Services

Realignment

- Cultural Evolution and Change Management
- Technology Consulting

Expansion

- Enterprise Risk Management
- Value Chain Transformation

Acquisition

- M&A Transformation
- Tax Services
- Deals Data & Analytics

Enhancement

- Workforce Management
- Customer Strategy
- Product & Service Innovation