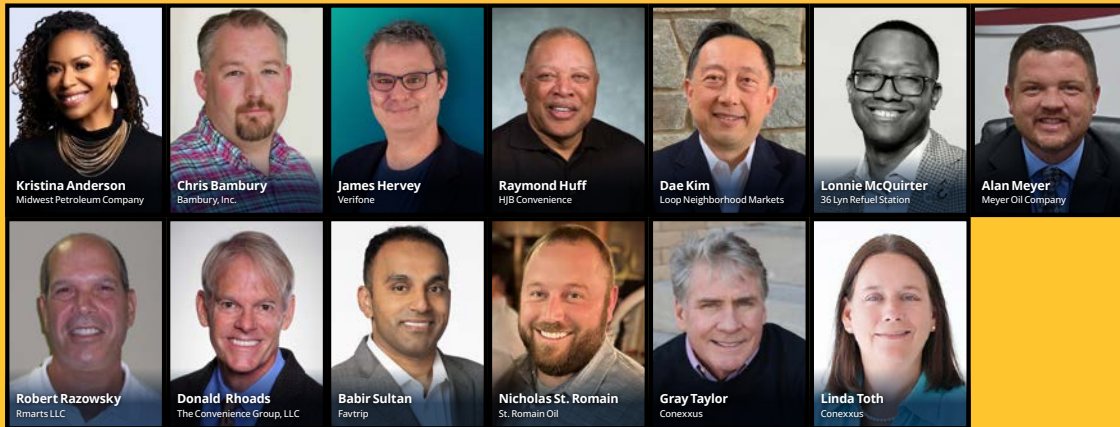




CONEXXUS VISION GROUP

PART OF **VISION GROUP NETWORK**

CXVG MEMBERS



VISION GROUP NETWORK CO-FOUNDERS



Envisioning Technology Innovation in the Convenience Store Future

VISION REPORT
CxVG VISION REPORT No.1

JANUARY 2025

FACILITATOR



James Maxey
Industry Expert, Trinity University



sharing today to shape tomorrow

We are Connexus Vision Group (CxVG), a group of invited technology leaders of the convenience industry who have volunteered our time to help our fellow retailers, solution providers and product suppliers. The only reason we gather is to discuss, debate and share our experiences and ideas. Each of us is offering our personal opinions. We are not looking for “group think” — our mission is to expand Connexus’ retailer and supplier engagement and amplify Connexus’ goals and achievements. We make our conversations available to everyone in the industry through CxVG Vision Reports. These reports will help you better understand current challenges, solutions, and opportunities while giving you access to different opinions and perspectives, regardless of the size of your business.

Connexus Vision Group is part of the Vision Group Network, whose mission is to gather the best minds in the industry, put them in a virtual room, and let the ideas and opinions develop

This **CxVG Vision Report** is comprised of three parts:

CxVG Views provides a summary of the conversation with additional resources for extra context including “Valuable Resources” for more in-depth education.

In The Room With CxVG provides you with the meeting transcript, tagged for easy reference, so that you can be “in the room” with us, rather than only having access to selected quotes and paraphrasing.

The full **presentation**, “Connexus Innovation Research Committee” is included and linked throughout the transcript for easy navigation.

We highly recommend that you read all three components.

The main topics in this CxVG Vision Report:

Connexus, IRC, and CxVG

Data Management

AI: Faster Horses or Practical Applications?

Employees: Engage, Retain, Simplify

Electric Vehicle Charging: Not So Much Plug-and-Play



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Verifone is the payments architect shaping ecosystems for in-person and online commerce experiences, including everything businesses need – from secure, reliable payment devices to intuitive POS systems tailored for convenience retailers. Our suite of solutions includes eCommerce tools, payment services, site management tools, POS and payment applications, advanced business insights and much more.

As a global FinTech leader, Verifone powers omni-commerce growth for companies in over 165 countries and is trusted by top global brands, leading convenience retail chains, major oil companies, financial institutions and small businesses alike. The Verifone platform is built on a four-decade history of innovation and uncompromised security, annually managing more than 14B transactions worth over \$500B on physical and digital channels.

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SUPPORTER SPOTLIGHT

More than just a POS, the Verifone C18 is a game-changer. Speed up service, minimize bottlenecks and save on operational costs with seamless self-checkout and easy payment options. Take your store's efficiency to the next level. Faster Transactions. Happier Customers. More Profits. [Click here to learn more.](#)



Compliance issues can make or break your business, but Compliance Safe ensures that never happens. This powerful document management solution helps retailers track, manage, and protect critical compliance documents, keeping your store open and preventing costly disruptions.

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CxVG Views

In The Room with CxVG

Presentation

CxVG VIEWS

A CONVENIENCE TECHNOLOGY VISION GROUP DISCUSSION

The inaugural CxVG virtual quarterly meeting on November 14, 2024, was facilitated by **James Maxey**, industry expert and current Trinity University instructor. Short excerpts of each member's introductory comments are included in the "In Their Own Words" section and in full detail in the transcript section. Following VGN's co-founder **Roy Strasburger's** remarks about CxVG's mission, Conexus Executive Director, **Gray Taylor** shared his organization's technology roadmap. The members enthusiastically identified specific topics they would like to see discussed by the Conexus Vision Group.



Conexus started with a simple but transformative goal: to connect convenience store back office with point-of-sale (POS) systems, breaking down the technological silos that once frustrated retailers. Founded in 2003 as PCATS (Petroleum Convenience Alliance for Technology Standards), Conexus now focuses on creating systems standards to enable communication between store technologies and adapting to rapid technological advancements. As a non-profit organization, Conexus strives to create a deeper conduit to clarify and act on retailer issues and ideas – technology or otherwise.

CxVG Views

In The Room with CxVG

Presentation

Taylor then set the stage for this CxVG meeting by explaining how the organization's strategy has evolved. The Conexxus Innovation Research Committee (IRC) has become a key driver for identifying and fostering industry innovation. The IRC is a Conexxus-led platform where stakeholders across the industry, from single-store operators to large major oil corporations, collaborate to address pain points. The IRC prioritizes user stories to extract actionable insights while emphasizing practical innovation.

To help Conexxus expand beyond tactics, CxVG is a forum to discuss problems, ideate solutions, and for "information gathering." The new Conexxus Vision Group "is really about the deep dive," says Taylor. Vision Group Network Co-Founder, CEO of StrasGlobal, and President of Compliance Safe **Roy Strasburger** brought the purpose full circle later in the meeting to articulate the hope for participants: "This [group] is all about having the opportunity to discuss, debate ideas, thoughts, trends, what your perspectives are. We're not looking for any type of proprietary information, but we are looking for your insight into issues that we're talking about so that we can share them with others."

[Learn more about the Conexxus Innovation Research Committee, how to join, and upcoming meetings at the IRC website.](#)

“ The mission of the Vision Group Network is to educate people and help to spread knowledge. We do that with the Vision Report that we create after this meeting that is published and is free of charge to anybody who wants to read it. What we're hoping to do with the report is to fulfill our mission, which is educating retailers to be better retailers.

How do we provide [help to] small and medium-sized retailers, who don't have the resources that your companies have or have access to such resources? How do we get information to them so that they know what's going on and how can they use that information to help run their businesses better?

***Roy Strasburger**, Vision Group Network Co-Founder,
CEO of StrasGlobal, & President of Compliance Safe*

Taylor also presented the **2024 Conexxus Roadmap**. Initiated in 2016, this updated roadmap with new technologies such as AI, digital media and marketing and mobility commerce, offers a forward-looking perspective on emerging technologies within a 2-10-year horizon, combining insights from retailers and vendors. Offering myriad real-world examples, Taylor articulated how these tools enable retailers to connect with customers in increasingly sophisticated ways, such as tokenized digital coupons that enhance customer experiences and retailer productivity or empowering cashiers via AI to interact with customers.

CxVG Views

In The Room with CxVG

Presentation

A SHARED SENSE OF URGENCY

CxVG members were eager to articulate challenges they face, for which technology and this group could offer solutions. Among those mentioned were practical data use and management, AI, electric vehicles, labor solutions and dealing with legacy systems.

Data: Practical Use and Management

Kristina Anderson, chief service officer at Midwest Petroleum Company, discussed her desire for data simplification, stressing that managers and employees need actionable insights, streamlining complex data for store-level employees. Looking from the viewpoint of an 18-year-old, part-time associate, she said: “I honestly believe that we can do wonderful things, but if they don’t understand it at the retail level, then they’re not going to execute the things that we are spending all of this time in our offices creating for them.”

Favtrip President **Babir Sultan** shared how he uses technology tools to make data more relatable for employees. He stressed breaking down data responsibilities for specific reasons, enabling better employee understanding. “We encourage employees to work smarter, not harder and we’re going

to do that through data,” Sultan said. “And for the sake of this meeting, technology absolutely makes us smarter if used properly,” he added.

Another topic addressed was how small retailers can effectively monetize their data, whether using digital media assets or advertising opportunities in order to generate additional revenue or engage with vendors. Sultan noted the growth potential he perceives for creative approaches and vendor partnerships with pump toppers and Gas Station TV (GSTV). Taylor proposed consolidating data from smaller retailers to create a valuable resource for CPGs, offering a scalable solution to monetize data effectively.

Another pain-point Anderson emphasized was compliance management for petroleum, tobacco and alcohol licenses, as well as the problems that arise with age verification at self-checkout. **Raymond Huff**, president at HJB Convenience, reiterated the complexities related to age-restricted sales citing the eastward trend of California’s regulations and policies. Along the same lines, Sultan requested a solution to keep track of managing fluctuating tobacco buy-downs. CxVG members also applauded Connexus’ leading standards activities and the need for solutions that will work together in an integrated

manner. **Nicholas St. Romain**, co-CEO at St. Romain Oil and self-described “nuts and bolts type of guy” who simply prefers something to work “like it’s supposed to,” shared a frustration with multi-platform foodservice transaction functionality when ordered from the fuel pumps, apps, or registers. He wishes for standardized solutions to reduce inefficiencies. Verifone Head of Petro **James Hervey** lauded Connexus’ work with standards, echoing, “What is the easier way to integrate all of these systems, and in particular systems from outside of the industry that maybe haven’t adopted some of the legacy standards?”

Vision Group Network Co-Founder and President of Kressner Strategy Group **Myra Kressner** encouraged accessing other Vision Group Reports, especially those from Convenience Technology Vision Group (CTVG), that have discussed many of these topics in greater detail, such as:

CTVG Retail Media Networks

CTVG Technology ABC&Ds: AI, Barcodes, Convenience & Data

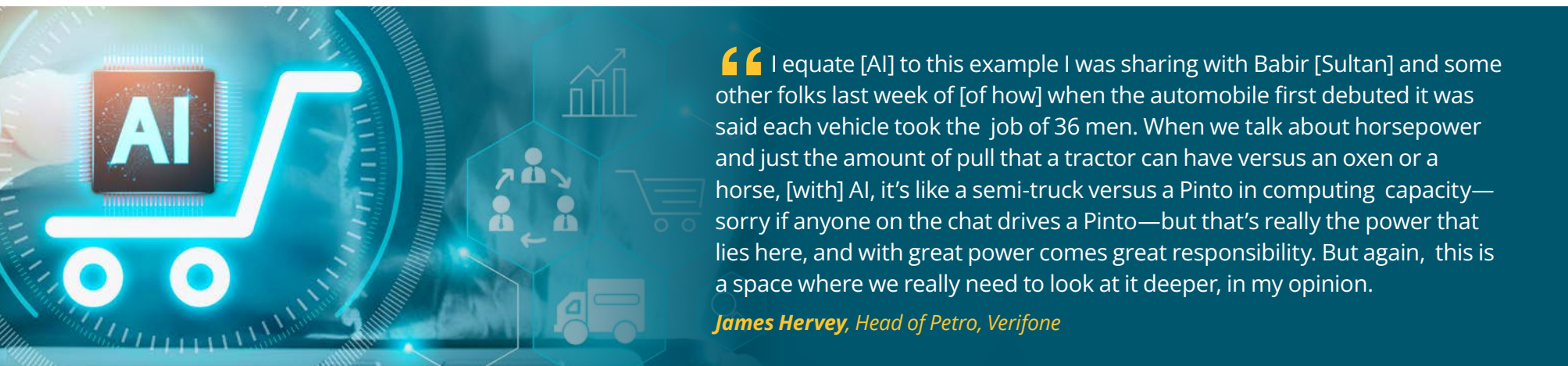
CTVG Generative AI and Retailing: Real Results and Real Challenges

CTVG In Focus: A CTVG Conversation with POS Solution Providers

CxVG Views

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Presentation



“ I equate [AI] to this example I was sharing with Babir [Sultan] and some other folks last week of [of how] when the automobile first debuted it was said each vehicle took the job of 36 men. When we talk about horsepower and just the amount of pull that a tractor can have versus an oxen or a horse, [with] AI, it's like a semi-truck versus a Pinto in computing capacity—sorry if anyone on the chat drives a Pinto—but that's really the power that lies here, and with great power comes great responsibility. But again, this is a space where we really need to look at it deeper, in my opinion.

James Hervey, Head of Petro, Verifone

AI: Faster Horses or Practical Applications?

AI is a frequent topic for discussion for multiple Vision Groups, especially as it relates to streamlining operational matters.

Chris Bambury president of Bambury, Inc. and **Lonnie McQuirter**, director of operations at 36 Lyn Refuel Station, expressed desires for practical AI applications tailored to convenience stores – plain language, easy to execute, industry-specific solutions. They noted AI's transformative potential for operations, HR, and customer service.

Similarly, **Robert Razowsky**, CEO of Rmarts LLC, discussed the financial challenges of transitioning efficiently from traditional fuel and tobacco sales to foodservice in a competitive market, despite all the tools available. While analytical technologies are available to analyze product purchasing habits and streamlining operations, they are cost-prohibitive for a 12-store operator like himself.

From a functional perspective, Anderson suggested using AI for self-checkout systems, particularly for age-verified products, to address staffing challenges. Hervey expressed frustration of vendors' self-purported AI tools, that they're conflating those solutions that are really “just well-built algorithms.” One solution he believes that Conexus could spearhead that could benefit the greater industry would be “building some sort of convenience store-specific LLM (large language model) that technology providers could license and use, without having to necessarily go try to build their own.” Taylor teased a new Conexus LLM in development in the Microsoft Teams chat, but provided no further details. Hervey also suggested leveraging AI to improve integration and operational efficiency in retail systems and EV chargers.

CxVG Views

In The Room with CxVG

Presentation

Employees: Engage, Retain, Simplify

Getting and keeping quality employees in the convenience industry is an oft-lamented pressure point and several group members contemplated how technology can assist. Huff highlighted the difficulty of hiring and retaining staff, especially with rising wages. He stressed the importance for management to understand employee retention and hopes to use technology to make their jobs easier in doing so. “Making sure the employee understands why we want them to suggest sell makes a lot of sense, but we first got to get the employee and it’s become harder and harder.” he shared.

Don Rhoads, president of The Convenience Group, focuses on digitized training to ensure new hires are engaged and productive within the first three months. He also stressed the importance of fostering a positive store culture.

Sultan offered two potential technology solutions that his company deploys to simplify shift scheduling and training. Homebase is a program that Favtrip uses for scheduling and employee communications, though he wishes there were a more industry-specific product available. To simplify and tailor employee training, he uses YouTube videos, replacing the thick employee manuals of the past to cater to the fast-paced Gen Z workforce.

“ We need to digitize training in a way where we have a three-month capture rate with our people, our new hires, and we need to make sure they’re engaged and you’re working on a culture. It needs to be fun so people want to get up and go to work in the morning.

Don Rhoads, President, The Convenience Group, LLC

CxVG Views

In The Room with CxVG

Presentation

Electric Vehicle Charging: Not So Much Plug-and-Play

The lack of technological integration within the electric vehicle charging infrastructure was something of interest to several members. Hervey forecasts the lack of digital communication between chargers and store technology will be “problematic at some point.” He equated the current non-connectivity of EV chargers with stand-alone parking lot car vacuum units and fears the “wait and see” mentality of both sides isn’t sustainable.

Operating in a mature market for EVs in California, Bambury was eager to share his frustration with charging technology. “They’re unreliable, overpriced, complex systems. And so we’re not a fan, and we’re hearing from most of our other California operators, they’re wanting to just hand off the burden. If they need to have one by mandate, that’s where they’ll just use a third-party company to put those in.”

Strasburger announced the formation of the Electric Vehicles Vision Group (evVG) which will explore issues amongst a diverse group of stakeholders both within and outside the convenience industry. EvVG Vision Reports will be available from this group beginning in January 2025.



CxVG Views

In The Room with CxVG

Presentation



Final Reflection

Conexus and Vision Group Network are driving the digital future of the convenience industry by bringing together technology, innovation, and collaboration. With initiatives like the IRC and CxVG, they equip retailers of all sizes to tackle challenges, embrace new technologies, and transform complex issues into actionable opportunities. The first-ever CxVG meeting introduced practical solutions to shared challenges, with members encouraged that CxVG could help uncover and facilitate real world solutions for the convenience channel.

▼
CxVG Views

In The Room with CxVG

Presentation

IN THEIR OWN WORDS

CxVG Members were asked to introduce themselves and share their technology stories at the beginning of the meeting.

Kristina Anderson, *Midwest Petroleum Company*



I have the pleasure of leading our IT group, our loyalty software group, HR, construction, petroleum construction, maintenance and fuel hauling. Everything that makes the stores run report up to me. So I get a bird's eye view at how technology really needs to intersect and how it needs to communicate appropriately to the end user, no matter who that end user is. Whether it's ops or it's a truck driver, they have to understand what it is that they're using and how they're using it and what the purpose is or else they're just going to disengage from it.

Raymond Huff, *HJB Convenience*



I've been around the industry since probably 1988 when we purchased a chain of stores called Trans Pacific Stores – they were actually gift shops... I looked at the P&L and the it basically said, card sales 20% and food sales 80%. And I'm like, we need to flip that. We need to flip from card shops to food shops, convenience or whatever it might be. We had to put in scanning and all the other stuff that you had to do to really move customers through. We had the highest volume store in the World Trade Center for Hallmark Cards. When we purchased the store, it was doing about \$600,000. When we sold the store back to Hallmark, it was doing \$6.2 million and that's just the one location. The technology is what got us there.



Chris Bambury, *Bambury, Inc.*

I'm fourth generation, so we've been out at a little over about 102 years; still in it, loving it, love the passion. I have an IT background...You fix one thing, break two, maybe fix two, break one. I came to understand a lot more why software takes so long to get out of the gate in a lot of these rollouts.



Nick St. Romain, *St. Romain Oil*

I've been full-time for 18 years since getting out of college, but I grew up next door to the family business painting tanks and cleaning trucks and loading oil. I've been around the industry my whole life.

James Hervey, *Verifone*



My story about technology is kind of fun. It goes back to when I was nine years old and my father was rolling out the first ever EPOS, electronic POS, at Mobil stations on the West Coast. So we had this big, gigantic point-of-sale system sitting in the living room because that's where my dad put it for some reason. And so I would spend hours just goofing around with that thing. So I guess that probably set me on the course for what I do today and it's been that way ever since.

Donald Rhoads, *The Convenience Group LLC*

I've been in the industry now for almost 35 years. I own and operate stores up in the Pacific Northwest and have been involved in state association activities as well as NACS.



James Maxey, *Facilitator*

I've been in the convenience store business for 28 years, and I started as a summer intern for a company called National Convenience Stores out of Houston... and when I left the industry, I was Senior Vice President, Chief Information Officer for CST Brands.



CxVG Views

In The Room with CxVG

Presentation

IN THEIR OWN WORDS

CxVG Members were asked to introduce themselves and share their technology stories at the beginning of the meeting.

Myra Kressner, Kressner Strategy Group & Vision Group Network Co-Founder



I have been part of the convenience industry in a little bit different way than most other folks on this call. I did start my career in the convenience industry on the publishing side as one of the founders of CSP... CSP started the very first convenience-industry daily newsletter. So just from a technology standpoint, we really were innovators in embracing technology as a communication tool back in 1998.

Gray Taylor, Conexus



My favorite tech story realizing that Regulation E—the Electronic Fund Transfer Act—had basically disrupted banking and that all of the state-ruled banking laws that were out there became null and void because now you could electronically project a bank out into a distant space...I installed 123 stores with AT&T drop lines and doing software updates and troubleshooting, all that stuff and then doing the cultural training because cashiers did not like to be banks, but it was actually a good project. It was too far ahead of its time...You can be right but you can be wrong on timing.

Roy Strasburger, StrasGlobal, Compliance Safe, and Vision Group Network Co-Founder



I got involved in the technology side of the business back in the days when we had an IBM 400 mainframe and we were really, really cool because we were doing our own processing. It took up a huge amount of room. I remember that, as we were trying to progress and keep up with the technological advancements in the industry, our big question was whether we really wanted to get into PCs at one point.

Robert Razowsky, RMarts LLC



I also grew up in the industry so I've seen many years of innovation, from vending machines all the way to full convenience stores... It's still in the family and my two sons are working with me.

Babir Sultan, Favtrip



My background is computer networking. I was very comfortable working at JFK Airport in New York. And my parents for some reason wanted to visit Missouri and they said, "We're leasing a store and guess what? You're going to run it." (Sultan has a YouTube channel, too. He causally says "we just reached 100,000 subscribers on YouTube. No big deal.")

Eva Strasburger, StrasGlobal, Compliance Safe, & Vision Group Network Co-Founder



Roy [Strasburger] created an internal software that would store all our licenses and permits in the cloud, and you could find them on any device at any time of the day. Overnight we saw the stress of our compliance department, responsible for keeping up with our business licenses, just disappear... So I said to Roy, "We need to make this public. If that's your headache, it's every retailer's headache." Therefore, we created Compliance Safe...So that's my tech story!

Lonnie McQuirter, 36 Lyn Refuel Station



I still remember very distinctly when we were soldering some of the boards we used to use on our pumps. You could still solder them back in the day. You weren't throwing them in the trash like we are today. I also very vividly remember a point in time when our point of sale caught on fire, and I sat there looking at the tech. He looked back at me and it's like, "This can't get any worse today," and it didn't.

CxVG Views

In The Room with CxVG

Presentation

NOTABLE AND QUOTABLE

“ The technology world continues to change, innovations continue to happen, and that's really a part of the reason we're putting this group together—to talk about it.

Roy Strasburger, *President of Compliance Safe and Vision Network Co-Founder*

“ The challenge for us has been to transform and get customers coming in to buy food and we're in a pretty built-out market from a standpoint of foodservice. Everybody's got their favorite hot dog stand, pizza place, various different things. So we've got to compete in that world.

Robert Razowsky, *CEO, RMarts LLC*

“ We used to have a 30-page training manual. Then we tried to get efficient. We went to 10 pages, then even a three-pager for training, but nothing speaks to a Gen Z or somebody with a low retention rate better than a quick video on training. Our training has drastically improved, and we're not doing anything fancy. It's just video taken on your phone explaining the training process for a cashier, how to run things. It has come a long way for us and it's an ongoing thing.

Babir Sultan, *President, Favtrip*

“ I would submit that the majority of your profit opportunity is sitting within your pricebook and at your backdoor. It's about keeping track of those things, the buy downs and so forth. And if you think pricing changes are happening quickly right now, get ready for weekly changes because the supply chain wants to maximize what their profit levels are. So just like we do in gasoline, you're going to start seeing more frequency of price changes and there's some technology that's bringing that to us.

Gray Taylor, *Executive Director, Connexus*

“ AI is incredibly complex, and it's incredibly dangerous. And I think somebody said NACS should have a role in this. I absolutely agree that there's a best practices that we should be developing just for the industry. Just because we can do stuff with AI doesn't mean we should.

Gray Taylor, *Executive Director, Connexus*

“ There always seems to be a little hitch in the giddy up where it doesn't quite work seamlessly and trying to get all of that fully integrated.

Nick St. Romain, *Co-CEO, St. Romain Oil*

“ The problem is staffing. The cost of staff is rising faster than just about anything on the planet. So how can we use technology to solve that and not lose the customer experience?

Kristina Anderson, *Chief Service Officer, Midwest Petroleum Company*

“ We've been operating an EV working group for a couple of years at the state association level, and...it's a shitshow, to be blunt...We did another large four-charger project, half a million dollars we estimated, 90% subsidized. We still can't figure out the ROI on the 10% we paid. So that's where a lot of retailers are. Even when it's 90% paid for, there's just no money in it.

Chris Bambury, *President, Bambury Inc*

CxVG Views

In The Room with CxVG

Presentation

VALUABLE RESOURCES

The quantity of materials on this topic would make for an insurmountable pile. To help you navigate through the masses, here are resources worthy of making your “must-read” list.



James Maxey
Facilitator

As an industry we have been following electric vehicle charging for several years and the concept is following Gartner's Emerging Technology Hype Cycle. For those not familiar, the Hype Cycle is a timeline where a new technology is introduced with an Innovation Trigger and then progresses through a Peak of Inflated Expectations, to a Trough of Disillusionment, to a Slope of Enlightenment and finally settles on the Plateau of Productivity. A CNN article from October 2022, [Here's why convenience stores aren't rushing to replace gas pumps with EV chargers](#), discusses why convenience retailers are hesitant on installing the technology where the primary concerns are supplemental fees driven by the electric utility companies. This is after the CAPEX required to install the chargers.

In November 2024, Electric Era (a company that “provides turnkey deployment to handle everything from procurement to installation”) published a promotional article, [The Future of Convenience Stores: Why Installing EV Chargers Now is a Smart Business Move](#), discussing why installing chargers is now smart.

It will be interesting over the next 12 to 24 months to see where we truly are on the Gartner timeline



Roy Strasburger
Vision Group Network Co-Founder

Two topics that came up during our meeting were the problem of customer frustrations when charging equipment is not working and the need to integrate EV payment systems with legacy fuel payment systems. While this article by Charge X Consortium, [Best Practices for Payment Systems at Public Electric Vehicle Charging Stations](#) addresses payment systems and the need for more consistent performance levels, ultimately, there is going to need to be a uniform payment systems and we are hoping that CxVG can help lead the way.



Eva Strasburger
Vision Group Network Co-Founder

The desire to simplify training came up several times in this meeting. CxVG members want to know how they can help their employees get the information that they need while at the same time, making it easier and simpler for them to access the required information. Babir Sultan indirectly makes that case that the time for written training manuals has passed. What if you could convert your written training programs into a video using AI? This article, [Why and How To Use AI for Training and Development](#), was written by Synthesia, an AI video platform. While we are not endorsing Synthesia, their article gives some interesting examples of how AI can be used to streamline the training process and keep employees engaged. It can jump-start your thinking about the possibilities of using technology to enhance employee productivity and retention.



Myra Kressner
Vision Group Network Co-Founder

CxVG members Babir Sultan and Lonnie McQuirter had both just returned from participating in the [NACS Innovation Leadership Program at MIT](#) and highly recommend it. They specifically referred to what they learned there during the CxVG discussions on data management, employee training/retention and AI applications. And, as Gray Taylor also said, “It's not about tech; it's about innovation.”

At this program, learn how to build an innovation culture – focused on skills, desire, freedom of action, high commitment and high integrity, recognize and overcome mental models that inhibit innovation, leverage the principles and processes of design thinking, identify choices for responding to disruptive competition, develop digital business models, apply innovative methods for designing work and operating models that engage employees/ create competitive advantage, and experience first-hand MIT's entrepreneurial innovation ecosystem.

CxVG Views

In The Room with CxVG

Presentation



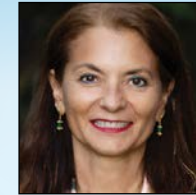
James Maxey
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Kristina Anderson
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Lonnie McQuirter
Director of Operations,
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Alan Meyer
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Robert Razowsky
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Donald Rhoads
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Nicholas St. Romain
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Babir Sultan
President,
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Gray Taylor
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Linda Toth
Managing Director,
Conexxus

CxVG Views

In The Room with CxVG

Presentation

IN THE ROOM WITH CxVG



Conexus Vision Group (CxVG) invites you to join us **In The Room** to experience our meeting on November 14, 2024. We are providing you with the entire conversation so that you can be “in the room” with us, rather than simply reading polished sound bites.



CxVG Views

In The Room with CxVG

Presentation

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CxVG Views

In The Room with CxVG

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Topic Reference Key

CTVG's mission is to increase the institutional knowledge of the retail industry by sharing ideas and perspectives. For your convenience, we have placed topic indicators throughout the dialogue. Below is a key to the list of topics.

Fuels	Marketing	Technology
Electric Vehicles	Data Analysis	AI
Workforce	Digital Advertising	Computer Vision
Retention	Shelf Tags	Legacy Technology
Training	Leadership	POS
	ROI	Pump Technology





James Maxey

Welcome, Introductions, Meeting Rules

Let me start out with a quick introduction of myself. My name is James Maxey, and I just want to welcome everybody to the first CxVG meeting. I will tell you guys, I've been in the convenience store industry for 28 years, and I was one of the original NACS Technology Committee members going back a number of years ago that I care not to mention, but it's been a day or two. But it's just so nice to see so many friends from Gray Taylor and Myra Kressner and Roy and Eva Strasburger and James Hervey. I've been out of the industry for a few years and when I got the email I was just generally excited because I switched from being in the convenience store industry to working at Trinity University and just to get the convenience store juices rolling again, it just, as I tell my students, it really made my heart happy. Before we get into further introductions, what I would like to do is go through the housekeeping.

First we have to be cognizant of our antitrust responsibilities and they're going to be presented on the screen in just a moment. There they are. [Antitrust statement is shown on screen.] We are recording. We do have antitrust rules. If we run into any issues that we might consider problematic, I'm sure someone will be great and raise their hand and say, "Oops, we may not want to go there."

The second thing is, and I learned this from my having to teach during the Zoom days, which was always entertaining with students, if you guys could keep your cameras on, that would be huge. It makes the conversation go a lot better. We can see each other's reactions. I can see when people raise their hands. So that would be a huge help. Conversely, if you have your microphone on mute, that's huge so we don't get echoes coming back at us.

If you have something that you want to chat about, there is a chat feature up at the top part of your screen. And if there's anything that you want to comment off the record, you are welcome to do that. Just make sure you mention that in advance. Those are the housekeeping items. Any questions, comments or concerns?

Since I don't hear anybody say anything, we're going to move on. Our first order of business is introductions. So again, I'm James Maxey. I was in the convenience store business for 28 years, and I started as a summer intern for a company called National Convenience Stores out of Houston, and we got merged and acquired six or seven times.

I began as a marketing summer intern to, when I left the company, I was senior vice president, chief information officer for CST Brands. I worked for Circle K for about a six-month period, but I really look at CST Brands as my final company.

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When I left the convenience store industry, I was sitting on my couch wondering what in the world I'm going to do after 28 years. And I thought about...I always wanted to teach and I answered an ad on a Saturday afternoon. Trinity University was looking for an adjunct professor and I said, "Okay, I can teach." They wanted someone to teach Excel. I know Excel pretty well and I taught three hours one semester. They hired me that summer and the rest is history.

Now I teach beginning and advanced Excel, so if you have an Excel question, I'm your man. I teach a course called Data Visualization, and I also teach Corporate Finance. So that's my list of things.

One of the things I always like to do to introduce ourselves is explain how we interact with the industry. I thought what we'd do today is an icebreaker is after we give just a brief bio like I just did, if we could give a quick story about technology in the convenience store industry.

The one I would like to use actually impacts supplier Verifone. I was working for Valero at the time, again, it got merged and acquired many times. We were trying to get a new POS system. We were transitioning from one and we said, "Hey, we want to get to a consistent system across all of our stores. We want to have the Southwest Airlines methodology: We want one system. We want to do it very well, one system of reporting, etc, etc." And we had five companies in the lab and one of them was Verifone. I'm dating myself, but it went back to the old registers with just the keyboards, and we went to Verifone and we said, "You guys really aren't on the list. We're looking for something with a touch screen." And the leadership at that time says, "Well, we have this thing called Verifone Topaz; how would you like to take a look at that?" They came into our office and within six months we had the very first Topaz in our stores and the rest is history. That is my story.

For the rest of the introductions, I'm going to go through the list based on the way that they are presented on my screen. Roy Strasburger, you are right next to me on my screen, so I'm going to let you go.



Roy Strasburger

Well, thank you, and James, we're really excited about you moderating this session for us.

I've been in the convenience store business for almost my entire life. We owned and operated our own stores and basically got out of store operations a couple of years ago. Now I'm doing The Vision Group, as well as a couple other projects, with my wife, Eva, and Myra Kressner, our other co-founder of The Vision Group.

I got involved in the technology side of the business back in the days when we had an IBM 400 mainframe, and we were really, really cool because we were doing our own processing. It took up a huge amount of room. I remember that, as we

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were trying to progress and keep up with the technological advancements in the industry, our big question was whether we really wanted to get into PCs at one point.

The technology world continues to change, innovations continue to happen, and that's really a large part of the reason we're putting this group together to talk about it. I'm really excited about how we are introducing technology into the industry and how we're going to continue to help it evolve. And I'm going to talk about that a little bit later on in the meeting, but thank you, James.



James Maxey

Robert Razowsky

Perfect. Thank you so much. Rob, I have you going next.

Well, thank you. I also grew up in the industry, so I've seen many years of innovation, from vending machines all the way to full convenience stores and so forth. And we were early adopters of computer software, PC-oriented.

We just took over a couple of stores, interestingly enough, the operator was at for 50 years. Not only didn't his son have a cell phone, but they had no computers, no fax machine. It's like, "Oh, my God." So we've seen a lot and, of course many of you know, we started a buying group almost 30 years ago. And so I've seen quite a bit as the industry has grown, and hopefully, we've grown along with it.

I'm also handing off our business. It's still in the family, and my two sons are still working with me.



James Maxey

James Hervey

Fantastic. Thank you. Mr. Hervey, you're next.

Hey, good to see everyone. I see a lot of old friends on the call here today. James Harvey here. I run the petro business at Verifone. I've been in the industry, I don't know, my whole life too, it feels like. I took my first job when I was in high school running the cash register at a Mobil station in northern Virginia. I ran some convenience stores for Country Cupboard and Minute Mart after I left college. And then I've done a variety of things including working at NACS. I worked at Radiant Systems, and I've been at Verifone for the last 14 years in a variety of different roles, all supporting the industry. I'm really excited to be part of this meeting.

My story about technology is kind of fun. It goes back to when I was nine years old and my father was rolling out the first ever EPOS, electronic POS, at Mobil stations on the West Coast. So we had this big, gigantic point-of-sale system sitting in the living room because that's where my dad put it for some reason. And so I would spend hours just goofing around with that thing. So I guess that probably set me on the course for what I do today, and it's been that way ever since.

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James Maxey

Don Rhoads

Legacy Technology



James Maxey

Myra Kressner

It's great to be here. And James, good to see you. I ask about you every time I'm in San Antonio, so next time we'll have to grab a bite to eat.

That would be fantastic. Don, I have you going next.

Okay, great. My name's Don Rhoads, and I've been in the industry now for almost 35 years. I own and operate stores up in the Pacific Northwest and have been involved in state association activities, as well as NACS. Many of you on this call I know from NACS, and we've been working on many technology initiatives over the years and with Gray and others. They continue to evolve.

My own personal experience, as we speak today, I'm working on **bundling our legacy systems** into something that I think is appropriate for the smaller operator. We do have a Verifone Commander for the first time, James, and it's an interesting change for us. With our Passport system, we're working through a back-end system with a vendor incorporating loyalty, marketing, data and digital systems, and we're trying to put this all together at one time. So it's been a really interesting process. I know enough to be dangerous. My son Billy is the one that was quarterbacking that whole initiation for us.

I'm excited to be with this group and on this committee and to learn more about what we're getting.

Fantastic. Thank you so much. Myra?

Hi. I am delighted to be part of the Connexus Vision Group. I have been part of the convenience industry in a little bit different way than most other folks on this call. I did start my career in the convenience industry on the publishing side as one of the founders of CSP, which in 2012 was sold to Winsight and now Informa. So I've had the pleasure of knowing many of you and learning about the convenience industry for all of these years.

My tech experience, again, is different than yours, but I will say personally that actually CSP started the very first convenience-industry daily newsletter. So just from a technology standpoint, we really were innovators in embracing technology as a communication tool back in 1998, I think it was.

After leaving CSP I started Kressner Strategy Group, which provides strategic advising for retailers and suppliers in convenience/mobility industries. As many of you know, I have the pleasure of being one of the founders of the Vision Group Network with Roy and Eva, which we started in 2020 and that does continue to evolve. It's great knowing James and Gray and so many of you on the call. Thank you very much.

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James Maxey

Babir Sultan

Perfect. Babir, I have you next.

My story is the opposite way. I was forced to be in the convenience store industry. My background is computer networking. I was very comfortable working at JFK Airport in New York. And my parents for some reason visited Missouri, and soon after, they said, "We're leasing a c-store and guess what? You're going to run it." In our culture, you listen to your parents. You don't give your opinion ever. I'm glad I did that and it worked out well, but I accidentally got into retail.

Currently I enjoy a lot of things AI-related and a heavy focus for us right now is a camera vision AI (artificial intelligence) side of things and audio AI. It's good to see a lot of faces that I know through NACS, so it's good to be here. Thank you.



James Maxey

Lonnie McQuirter

Perfect. Lonnie?

Good afternoon or good evening, everyone. My name is Lonnie McQuirter at 36 Lyn Refuel Station. Believe it or not, a little bit less than seven months from now it'll be 20 years of me being in this industry. I'm really excited about that.

I've seen a number of different evolutions and maturations in terms of technology and how we use them. I still remember very distinctly when we were soldering some of the boards we used to use on our pumps. You could still solder them back in the day, Gray. You weren't throwing them in the trash like we are today.

I also very vividly remember a point in time when the battery on our point of sale caught on fire, and I sat there looking at the tech. He looked back at me and it's like, "This can't get any worse today," and it didn't. But I'm still here and still loving being in this industry.

That's awesome. We had one of those too. Our employee called me and says, "These systems are hot." And I said, "Aren't they?" And he says, "No, dude, they're on fire." "Well, okay then."



James Maxey

Gray Taylor

Thanks, Lonnie. Hey, Gray. I think everybody knows you, but you still have to introduce yourself

My name is Gray Taylor. I'm Executive Director of Conexxus and I also run projects for NACS, several of the technology initiatives. I've been in the industry since 1963. I'm like Babir, my family forced me into it because I was 3 and I needed to eat. And so I've really done pretty much every job in retail. We sold our 87 stores in 1989. My dad knew Don Rhodes because they were both in the Convenient Food Mart system back in the '70s and '80s and that's where Don got his start.

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After we sold the company, I went sailing for two years, and I came back and went into the systems side with Omron. I was director of global systems. And then at Tokheim, I was eventually vice president of global commerce systems, and then I went to NACS and was the vice president of research and tech.

And then I went down to Austin, Texas, with Wayne. I was vice president of global products. Then I went back to Connexus, and the interesting thing is that my job was to go in and change Connexus. It was PCATS (Petroleum Convenience Alliance for Technology Standards) at the time. I'm going to give a couple of nods here. So James Hervey's dad started it, and I was there in the first meeting in 1996, and I actually signed the founding book. And I think James, you were there. So I've been around the horn, and it's really been fun. As I look back at 65 years old, it's been pretty much, with the exception of some sailing and a stint on the Chicago Board of Trade, this is what I've done all my life.

My favorite tech story is coming out and realizing that Regulation E – the Electronic Fund Transfer Act – had basically disrupted banking and that all of the state-ruled banking laws that were out there became null and void because now you could electronically project a bank out into a distant space. We went to NCR, worked with them on software, and we created the first convenience store terminal that took deposits, withdrawals, utility payments, mortgage payments, car payments, all of those things we did at the point of sale, and this was 1984. I learned an awful lot about technology by drinking from the fire hose. I installed 123 stores with AT&T drop lines and doing software updates and troubleshooting, all that stuff and then doing the cultural training because cashiers did not like to be banks, But it was actually a good project. It was too far ahead of its time. So that was my favorite story on technology. You can be right, but you can be wrong on timing.



James Maxey

Nick St. Romain

That's a great point. Thanks. Nick, I have you up next.

Hello, I'm Nick St. Romain, St. Romain Oil Company in Louisiana, third-generation wholesaler. I've been full-time for 18 years since getting out of college, but I grew up next door to the family business, painting tanks and cleaning trucks and loading oil. I've been around the industry my whole life.

Back to your theme of an interesting technology story: Back in 2006 when I started full time, we were getting more heavily into foodservice and needed a way to better market that to the consumer, and we met with Verifone. We found out that they had not only Topaz, but a self-order kiosk, and I've been using both ever since. James Hervey is telling me it's been 18 years now, and that's long enough. I need to move on to the next platform, so we're working on that.

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James Maxey

Casey Brant

Good for you. Thank you. Casey is next.

Hi. I am Casey Brant. I work with Gray at Conexxus. I'm fairly new to the industry; I think I've only been in the industry about 2 1/2 years, but I do work on the standards and everything at Conexxus. And I'm looking forward to learn from you all, and I'm here if you need anything.



James Maxey

Chris Bambury

Perfect. Thank you so much. Chris?

Yes, I'm Chris Bambury. We are a three-store operator out of Sonoma, California. I'm fourth generation, so we've been at it a little over about 102 years; still in it, loving it, love the passion. I have an IT background. I did ISP work when I got out of school before coming back to work for the family. I brought that background into the business and always had a passion for technology.

My favorite IT story was actually getting to know Pat Lewis and then being part of the Kickback loyalty program launch for the Wayne Nucleus back 10 years ago or so for P-66. I learned just a ton from twice-weekly calls with Wayne and really came to understand what beta testing is and how intensive it is. You fix one thing, break two, maybe fix two, break one. I came to understand a lot more about why software takes so long to get out of the gate in a lot of these rollouts.



James Maxey

Eva Strasburger

Thank you. Eva?

Hi. I actually married into this business. That was in 1987. We moved to Texas, and at that time Roy's parents were getting more involved in the international side. I was fortunate enough to be a part of that growth in operating stores internationally, and we were involved in around 6,000 stores in 33 different countries. I worked on the international client side of it, which was a lot of fun, a lot of travel and a lot of different cultures.

On the technology side, what kept Roy up at night was the thought of missing the renewal of permits and licenses or not being able to find a permit or license. Eventually he said something surely could be done about this, and he created an internal software that would store all our licenses and permits in the cloud, and you could find them anywhere on any device at any time of the day.

Overnight we saw the stress of our compliance department, responsible for keeping up with our business licenses, just disappear. What used to take them hours each day could just be done in 20 minutes. Someone would call up and say, "Do you have the weights and measurements license?" And they could in 20 seconds check and say, "Yes, we do." So I said

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to Roy, “We need to make this public. If that’s your headache, it’s every retailer’s headache.” We took it to NACS in 2019, found that what kept Roy up at night kept others up at night. So we went back and created Compliance Safe. Therefore, Roy and I now run a software company called Compliance Safe. So that’s my tech story!

I will add the fun tech is discovering during COVID Babir’s videos of shoplifters on YouTube. Those videos, in a time of hardship, just cracked us up again and again. That was a fun use of technology, which not only had a use but entertained, I think, thousands around the United States, if not the world.

James Maxey

I haven’t seen those videos, so I just made a note to myself to go find them on YouTube.

Eva Straburger

Yes, they’re fun.

Babir Sultan

Yes, we just reached 100,000 subscribers on YouTube. No big deal.

Roy Strasburger

Congratulations.

Babir Sultan

Yes, thanks for watching them. I’m glad that got you through COVID.

Gray Taylor

Actually, the commentary is the funniest part.

Babir Sultan

I hate my voice. I need some serious actors. So if anybody wants to volunteer in the future, they’re more than welcome.

Eva Strasburger

No, it has to be you. It has to be your sense of humor. I’m surprised you got away with some of it, but it was hilarious and it served them right.

Babir Sultan

Right on. Thank you.

James Maxey

Kristina, I have you next. I will tell you that I was looking at your Midwest Petroleum website and I saw a spicy burger, and I was ready to drive to go get one because it sounds delicious.



Kristina Anderson

I welcome you to St. Louis to come and taste our smash burgers. They are actually delicious. So all of our diets have been ruined here. My name is Kristina Anderson and I am the Chief Service Officer at Midwest Petroleum Company. I am a transplant into the c-store industry. I come from restaurants, healthcare and education from an HR perspective. I worked in operations, and I tell everyone that McDonald’s actually taught me how to work and how to think and how to deal with people, so that’s really where I learned just about everything I do now.

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Here at Midwest, my role is an interesting mix of everything that supports the store. I have the pleasure of leading our IT group, our loyalty software group, HR, construction, petroleum construction, maintenance and fuel hauling. Everything that makes the stores run report up to me. So I get a bird's eye view at how technology really needs to intersect and how it needs to communicate appropriately to the end user, no matter who that end user is. Whether it's ops or it's a truck driver, they have to understand what it is that they're using and how they're using it and what the purpose is or else they're just going to disengage from it, which we've seen certainly over the years as well.

My most interesting technology story actually is when I first joined Midwest. I came here as the HR manager seven years ago and we were still using paper for everything like paper onboarding, like chasing a person down to find their social security card to fill out an I-9. That's a baby nightmare. So I moved the company to a digital onboarding system and this is what happened: You have to have an email address in order to log on and set up a platform and all of that to get your profile. Well, what I did not know is that most of our new hires did not have email addresses.

So then we had to train the managers to set up email addresses and we had to whitelist these various sites, and it turned into a whole project of just teaching people how to get other people to use technology. It took us about three months, but we got there. And now we're doing a variety of different things with technology. So that is my tech story.

We've got smash burgers for sale over here, and we'd love it if you came to St. Louis.

Next time I'm there, I'm all in. Ray Huff, you're next.



James Maxey

Ray Huff

I'm Ray Huff. I've been around the industry since probably 1988 when we purchased a chain of stores called Trans Pacific Stores. They were actually gift shops, and I had been hired away from Marriott to build out a chain of restaurants, multiple chains of restaurants, Au Bon Pains, Bojangles Chickens and Biscuits. There was another one; I can't remember the other one. And we built about 40 of them. And we also did card shops before I did the Trans Pacific piece. And we had the opportunity to buy Trans Pacific from Hallmark Cards. Going through all that, I looked at the P&L and it basically said, card sales are 20% and food sales are 80% of the business. And I'm like, we need to flip that. We need to flip from card shops to food shops, convenience or whatever it might be. That took about two years.

We had to put in scanning and all the other stuff that you had to do to really move customers through. We had the highest volume store in the World Trade Center for Hallmark Cards. When we purchased the store, it was doing about \$600,000. When we sold the store back to Hallmark, it was doing \$6.2 million, and that's just the one location there. The technology

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is what got us there. So I became a technology guy that could execute that and turn it into sales. When we picked up Trans Pacific Stores – someone mentioned IBM 400 – this company had an IBM 36. Everybody thought that was going to be the greatest thing since sliced bread. And I'm like, "No, no, we need to move to PCs," because we had to wait a whole day to get a report out of the IBM 36, which made no sense to me.

The chairperson of the company said, "Okay, we're going to go down Ray's path on that." And we ended up creating all this stuff. And our own Tenderfoot Software, Ltd. came out of that. The chairman one time said, "Geez, how much is this whole thing going to cost? Ray's been doing all this and I know we're buying the equipment, but if we had somebody on the outside, how much would that cost us?" And the controller went and found out it was about \$625,000 and an ongoing cost of about \$125,000 a year. And the chairman was like, "Start paying Ray that." The result: Tenderfoot Software, Ltd. was created. It wasn't "Ray's software" anymore, it was Tenderfoot Software, and we grew from there.

My best tech story is we had to figure out a way to stay in high-rise office buildings when the office building lost tenants. So we had to figure out door access and all these other things. It's all card-driven. You have to have a card, you slide it to unlock the door to a store. But that's not going to work because nobody's going to carry 15 cards around. I had to come up with a way to do it, and none of the companies would adopt a phone-number entry system. So Tenderfoot ended up creating that. We interfaced it to our own doors to be able to open it. We created our own loyalty system, and today we're still in business doing self-serve stores in high-rise office buildings. That's my story. I've been at it for a long, long time. Now I travel and I'm on the high seas probably four months out of the year.

James Maxey

Got to love that.

Gray Taylor

Ray's sitting in his state room right now. (laughter)

James Maxey

Listening to these introductions, the number of years of industry tech experience on this call is just fantastic, almost overwhelming. Thanks everybody for joining this great group.

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Presentation: Conexxus IRC

James Maxey

At this point, I'm going to turn it over to Gray. The big question for Gray is: What differentiates CxVG (Conexxus Vision Group) from other Conexxus initiatives? If you could walk us through that, I would appreciate it. And potentially, what are your thoughts about deeper dives in conversations?

Gray Taylor



Some quick background on Conexxus, if you're not familiar with us. Conexxus started out as a NACS technology initiative and really was focused on, the first thing was: How do we connect back office to a point of sale? James [Maxey] is being very quiet about this, but I can tell you that Valero is the one that tipped that whole scale in talking to Verifone, who then said, "Yes, we'll do back office."

As a result, we came out with the POS back-office interface standard, which was based off of XML eventually, which James is familiar with in his Excel worksheet work. In 2009, the original charter was: How do we get basic systems within the store to communicate with each other on a standardized basis? We had a lot of silos of technology.

One of my biggest frustrations when I was in the gas business in 1986 was, I was still using binoculars to read the self-service pumps out there because there was no inside communication that was relatively affordable. We basically had been working on that. How does the POS control a dispenser? How does the POS talk to the back office? A lot about payments, price signs and so forth.

In 2009, we did a bit of a pivot and we moved into a new name from PCATS (Petroleum Convenience Alliance for Technology Standards) to Conexxus, and we started focusing on technology because it was a big topic out there. We were looking for things that we needed to do within our nonprofit that would benefit the industry. And we have done that. We're working on some of our second and third iterations on integration with things that are within the store. And what's become evident in the last five years, especially during COVID, is that more and more of the things that happen in a store are really happening outside of the store and are happening on an app-based basis. We needed to expand our purview from just in-store systems to what's happening on the outside. So some of the stuff I'll be talking about later is really that kind of focus.

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Where we see the juncture between CxVG and Conexxus is really what we call the IRC, the Innovation Research Committee. The IRC is a group of mid-level leaders and executives in c-stores. We've had Kevin Smart from TXB, we've had Varish Goyal of Loop Neighborhood in attendance at our meetings, and we've had mid-level guys from Exxon, from Shell. It's a broad range of folks ranging from single-store operators all the way up to the big major oil companies.

They all share the same thing, which is we want people to come in with a problem, and we have myriad problems. Some we can solve; some would take an act of God, especially when it comes to payment. But we want people to bring in their stories. And we focus on non-technical. When we start talking about innovations and so forth, it doesn't necessarily have to mean technology. It could be very analog.

If you ever take the NACS MIT program, which I highly recommend, on innovation, that's the first thing that they say. It's not about tech; it's about innovation. Analog is just as good as tech in doing innovation. Conexxus emphasizes the user stories. We look for pain points, and then we as a group will dive down into those pain points to determine what really is the pain. So when somebody says, I have a bad relationship with DoorDash, well, what does that mean? Define that bad relationship. In that regard, we're kind of like a group therapy session in that we're really trying to dig down to what is the root trauma of each one of these cases. What we do is we focus on the what, not on the how, because we have a lot of really smart people in the organization that can take detailed, compelling user stories and actually turn them into work items for us to do standards on.

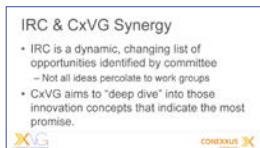
Then we come down with a list. We used to work with a thing called the Dirty Dozen; we've tried to get it down to the Terrible Three. When we get one of those, what we'll do is we'll culturalize it within the Retail Innovation Work Group (RIWG), which is where the smart people start contributing, and then we'll try to make some sense out of it. Not everything we talk about goes into the RIWG.

The last thing I want to leave you with on the IRC is that we don't require people to be members of Conexxus for the first year. We want people to come in; we want them to see how we operate. We want them to see who their peers are in this group. And then we really want industry stories because we work for the industry. We're looking for a nice broad, diverse group there.

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The way I see the intersection between our two organizations is the IRC is very dynamic, and we move fairly quickly. We identify these opportunities, and we don't really have a deep dive in them yet because we just have the use case and we have the sad story, as I like to call it. Also, not all the ideas are going to percolate, either. As I said, we've identified some payment issues that would literally take an act of God or an act of Congress to resolve.

Now, this group—CxVG—work smarter, and that's how we've constructed it with Roy, Eva and Myra. It's really about: Here's a problem statement. Here's what we think is a solution. Now, what do you guys think? CxVG is about earning validation of a solution, but also an information gathering platform for us to take back into Conexxus.

We're in this to hear more and more color as it comes to the issues that are facing our industry. There's a really good dovetail here. It allows us to create better products for the industry with the input of a broader set of retailers, not just folks who are in the IRC, but people who can sit down for an hour or two and actually consider a singular use case and what we can do about that.

Anybody have any comments on that before we turn it back over to Roy? By the way, we talked about this beforehand, this is intended to be highly interactive, so don't be afraid to stop and say, "Hey, what does this mean?"

Chris Bambury

As a strategy, just to chime in, I think that sounds good.

Discussion

Roy Strasburger

I'm going to pick up where Gray left off and talk about what we're hoping to accomplish with the CxVG Group. As Gray was saying, CxVG is about doing a deep dive into issues, problems and opportunities that we see with convenience technology. The mission of the Vision Group Network is to educate people and help to spread knowledge. We do that with the Vision Report that we create after this meeting that is published and is free of charge to anybody who wants to read it. What we're hoping to do with the report is to fulfill our mission, which is educating retailers to be better retailers. How do we provide small and medium-sized retailers, who don't have the resources that your companies have or have access to such resources? How do we get information to them so that they know what's going on and how can they use that information to help run their businesses better?

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Under the philosophy of “a rising tide lifts all boats”, we want to help other people do better. So we try to provide information about technology and how to be more efficient. The other thing that we really want to try to do is to educate people about Conexus and what Conexus is doing so that we can make the work that they are doing on behalf of the industry available to a broader audience. Right now, it goes through the people who participate and a little bit larger group of people associated with NACS. But we’re trying to get to other folks who may not be NACS members, who may not know what Conexus is, and try to get the word out to them maybe to get them more involved.

What we really hope to have you, as members, do is to contribute to that process. This is all about having the opportunity to discuss, debate ideas, thoughts, trends and what your perspectives are. We’re not looking for any type of proprietary information, but we are looking for your insights into issues that we’re talking about so that we can share them.

Myra, Eva and I are really excited to work with Gray, Casey, Linda Toth and everybody at Conexus to promote Conexus to help the industry as a whole, but more importantly, just to hear your voices and to find out what you’re thinking about and what you think is important. And James has been very gracious to help lead the charge on this. And as he is going to be the chief cat herder, I will turn it back over to him. If anybody has any questions, please let me know. We’re really excited about CxVG and the opportunities we have to help the industry. That’s my bit. Thanks, James.

James Maxey

Perfect. A comment from Babir ...

Babir Sultan

When you mentioned retailer problems, compliance is a real issue for smaller retailers. We as a company start off with the high-level ticket items and slowly work our way down. One thing that I could tell you as a smaller retailer is the constant problem is monthly changes in pricing and buydowns. Does anybody have a solution for that? I have a full-time employee managing pricing, and even she’s getting to the point where just buy-downs could be a full-time job. Then the price [changes] used to be once a year, then once a quarter. Now it’s almost changing every month, and whoever doesn’t keep up, you’re talking about a buy-down that goes \$18 to \$9 any given month. It’s a growing challenge. I strongly believe technology could solve this problem for sure.

Roy Strasburger

Babir, you bring up a really good point and what you’re asking is exactly one of the things we want to get out of this group. So, toward the end of today’s meeting, James is going to ask what are the issues and the topics that everybody wants to discuss. We will create the agendas for future sessions on a two-fold basis. One is what Conexus is doing and trying to get feedback on that. The other is what you as members and participants want to talk about and how that may or may

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not interrelate with what Conexxus is doing. Then we'll look at whether there's an opportunity for us to work on those items.

What we typically do is when we have an agenda topic, we will bring in a subject matter expert to talk about that topic and they make a presentation. Then we open it up for discussion of what that topic's about, how we can approach it, who has a solution and who has an idea. So what we will have is an ever-evolving agenda of topics based upon what people are looking for. The only thing that holds us back is that we only meet once a quarter. That's a slower timeline of doing things, but we want to get everybody's input so that we can work on what you're struggling with, and then also what Conexxus is trying to put forward.

Kristina, do you have a question?

Kristina Anderson

I do. As far as ideas or pain points that we've experienced here, and something that I'd love to get all of your information or feedback on, we have a couple of different pain points.

One, the end user doesn't necessarily understand all of the data that we're collecting, all of the data that we present in the easiest sort of way so that they can actually make a business decision on site to improve profitability.

So I'm looking for the easiest way for us to **boil down all of this data** that we get on a regular and consistent basis so that the manager that's at a retail location can explain what they should do and why to that new hire so that they can understand if I just offer an extra pack of gum to every customer that comes in the door, then we've raised our gross profit per labor dollar. It needs to be done in a way that makes sense for a brand new 18-year-old part-time employee so that they can care and want to participate in what we're selling here as a business. I honestly believe that we can do wonderful things, but if they don't understand it at the retail level, then they're not going to execute the things that we are spending all of this time in our offices creating for them.

And I would like to second the idea to work on compliance. Petroleum has its own set of compliance nightmares. And for the store itself, there are compliance issues around business licenses, tobacco license, alcohol, all of those various different licenses. But licensing in general, compliance in general is something that I believe technology can help us manage better.

Roy Strasburger

Kristina, those are great ideas, great points. Let's make sure we get that on our list of things to talk about in the future.

Data Analysis

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Data Analysis

James Maxey

Yes, I absolutely captured that, and I appreciate the feedback.

Babir Sultan

Kristina, if we have time or you could get a hold of me, I have some tips for you on the data side of things that we've implemented that might be helpful.

Eva Strasburger

Babir, could you give them now? And remember, it's not just this group you'll be giving tips to, it's everybody that's reading the report. This is great.

Babir Sultan

Okay. Absolutely. I was lucky enough to be at the NACS Innovation Leadership Program at MIT earlier this month. One of the things we talked about was making technology and marketing efforts relatable to everyone in the company. I look at data and dashboards. It's interesting to me, and I see how it all interrelates. But trying to get the team involved is a challenge. A cashier, like you said, an 18- or 21-year-old that's just trying to run the register, they're not going to care as much. So for me, it's important to bring the connection to their level.

For example, recently one of the managers said, "Hey, if you have different SKUs of Monster of different flavors, don't just do three quantity; scan each can separately," and that's all she said. So I said, "How can we improve on that? Can you tell them why they should be scanned individually?" She literally said, "Because we want to **improve the scan data**, which will make sure it's being properly ordered. Then the store is not out of stock, and it is a whole 360-degree customer experience." As soon as she said that, the employees were like, "Oh, okay, we get it."

It all relates back to the data dashboards. I use Tableau or sometimes Power BI. But even things like ChatGPT now really home in on the data to **make it understandable** to them instead of a bunch of gibberish in the dashboards. It puts it at their level.

It also matters how you share data. For somebody who is just responsible for the tobacco section, just give them the tobacco data. Don't give them a 40-page document that shows the entire story because most of it won't relate to them. After we changed our communication and storytelling around data, a lot of our staff have been very open to understanding it.

And the last thing I'll say, we encourage employees to work smarter, not harder. And we're going to do that through data. So we're communicating that throughout the company. And for the sake of this meeting, technology absolutely makes us smarter if used properly.

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James Maxey

I love that. Work smarter, not harder. I also love Kristina's focus on the store employees and implementation. I always had to keep rounding up the cats within Valero and CST and say, "Hey guys, we need to focus this direction."

Chris, I saw you raised your hand. Do you have a quick comment?

Chris Bambury

Yes. I think we have such an opportunity with AI. I think we all could benefit from an AI assistant. Our cashiers up to executives could use that assistant to **speak plain language**. And I think that's probably one of the most revolutionary differences I could see for us because I'm loving Gemini on Google and getting more into ChatGPT, but I'd welcome something that is more flavored for convenience.

Also, what's the most stable version of my POS system to run card processing? Payment technology is a mess right now. We're always trying to figure out what's the best thing to upgrade to. What are the options and opportunities? Cashiers again, are asking, "I need to do this compliance thing. How do I do this?" So I think there's a big, big need for that right now.

James Maxey

Perfect. I'm going to mix up the agenda a little bit because I feel like we have some energy going around this topic and then we'll come back to the Connexus road map. Lonnie, I saw you raise your hand.

Lonnie McQuirter

Yes. To piggyback on Chris' point about AI, I think it's good it's being talked about at a number of conferences, whether it be the NACS or Connexus annual conference. I think the thing that's really missing right now is bringing it a little bit further to the ground with practical applications for c-stores. I keep hearing this is going to be a game changer, and I see where it could help improve operations in your store, help HR processes, help with writing. The opportunity now is to see real-world examples. Is there an AI developer that we could bounce ideas off of to see the various applications it has?

I think there's an opportunity to look at some of the companies outside of our industry in the tech space, whether it be Nvidia or Super Micro Computing. Some of what's led their growth is understanding that these benefits of AI, the LLMs (Large Language Models), transcend other industries, particularly ours. We can simplify things, and we can leverage some of these technologies that are available now for us, whether we're thousands of stores or even a smaller operator. We're seeing some people dabble in in this area, but we really need to get deep in the weeds on AI and understand the full power that it has there.

I equate it to this example I was sharing with Babir and some other folks last week [at the NACS Innovation Leadership Program at MIT]. When the automobile first debuted, it was said each vehicle took the job of 36 men. When we talk about horsepower and just the amount of pull that a tractor can have versus oxen or a horse, AI, it's like a semi-truck versus a

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Pinto in computing capacity. Sorry if anyone on the chat who drives a Pinto, but that's really the power that lies here, and with great power comes great responsibility. But again, this is a space where we really need to look at it deeper, in my opinion.

James Maxey

I couldn't agree more. When you start listening to the AI companies saying, "Hey, the size and quality and the amount of electricity to run the data center for these things," it's really overwhelming what they're talking about.

Nick, give us some thoughts from Louisiana. Tell us what you think. What type of topics would you like for the next meeting?

Nick St. Romain

I'm more of a nuts-and-bolts kind of guy, the system functionality, uptime, consumer experience type. My forte is not as much into the training and/or accounting side of it, but just making sure it all works like it's supposed to, seamlessly. So any thoughts or topics around that is probably where I'd have most interest.

James Maxey

Is there one part of the consumer experience that you're concerned with that catches your attention, that keeps you up at night?

Nick St. Romain

Something we've been fighting for a while, and it's not going to come as a surprise to James Hervey because we had this conversation, is integration from app to register for food ordering or at the pump. There always seems to be a little hitch in the giddy up where it doesn't quite work seamlessly and trying to get all of that fully integrated, whether it's through the oil company rails or Verifone or Gilbarco or some other third party and the app provider. There's several different ways to maybe get to the endpoint, but nobody seems to be able to fully get us everything we want. You've got to pick what 70%, 80% of the aspects you want, depending on which rails you ride on.

James Maxey

Interesting. Sounds like a great place for standards, doesn't it?

Nick St. Romain

Yes. Absolutely.

James Maxey

Kristina has her hand up.

Kristina Anderson

Thank you. Actually, to piggyback on the AI portion of the conversation, something that we would love is a more seamless self-checkout experience for age-verified products. And there's an opportunity there with a camera that looks at a person's face to see if it matches that ID, can they scan the ID? Is it real? To see if that transaction can go through and be processed without having to babysit, for lack of a better phrase, our self-checkout kiosks. We need a real-world application of the AI technology to help us solve a problem.

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The problem is staffing. The problem is the cost of staff is rising faster than just about anything on the planet. So how can we use technology to solve that and not lose the customer experience?

James Maxey

Yes. Ray, talk to us about California needs, and I love the fact that you're in Hawaii too. Makes me extremely jealous.

Raymond Huff

California presents itself as an enigma. Things that happen in California, and by the time we hear about them, we are racing to implement those new standards. Today, it's what they are planning to do with EBT cards. It's next to crazy some of the stuff that happens in California, getting rid of flavored menthol cigarettes, creating all these undercurrents or black markets for products that we've sold for years and years and years. But from a tech standpoint, I'm sort of specialized. James, I don't know if you know, I'm only in high-rise office buildings. I don't have the forecourt. I don't really have a theft problem because I'm behind the security line in high-rise office buildings. My buildings are 1 million square feet and there's security all over the place, etc. So we know the people who get in there. They're very high traffic and we're on the first floor.

My biggest pain point that I would be interested in relates to employee retention and how to make that seamless. I think some of the things that have come up on the call about making sure the employee understands why we want them to suggestive sell makes a lot of sense, but we first got to get the employee and it's become harder and harder. In California as an example, the average we pay is \$20 an hour, and those employees can't count. We have to teach them to count. We had to teach them to use the register, and so forth and so on. In Hawaii, it's about \$22 an hour, but the minimum wage there is \$14.50. You tell a potential employee you pay \$14.50, people will laugh at you in Hawaii, as an example.

In any case, those are the things that we are facing as an industry. Denver's right behind Hawaii and California for their problems on how they're treating retail, just the industry in general. I think these decisions, this is my personal opinion, are being made by people who are sitting behind a desk that really don't understand the business and how the business works. There has to be a steppingstone to help train employees. I heard someone say that they did their training at McDonald's, that taught them a lot about how to make things work. Well, so did I. I was at Roy Rogers, if you ever heard of Roy Rogers restaurants. I worked with Roy Rogers at Marriott. That's where I learned how to do it.

I think it's really important that the employees understand retention of employees using technologies to retain them, making their job easier. I think it's really, really important for everybody in the industry, and I think that this is a global problem, not just my problem. I think it's everywhere.

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James Maxey

James Hervey

POS

Outstanding. Thank you so much. Hey, James, what are your thoughts?

There are lots of interesting things I've already heard. I think the fundamental use cases for AI is something that's still very unclear to me. I think a lot of things today are sold as AI that are just well-built algorithms. They're not actually AI. Someone took an algorithm and called it AI. They're not really machine-learning. They're not the things that we think of as artificial intelligence. All that to say that I've seen some cool stuff.

I did see at NACS, someone who had used a large language model to essentially **translate cashier questions** into instructions that a POS or a back office could implement. I think that's very interesting. I think it's one area that Connexus could potentially play in is building some sort of convenience store-specific LLM that technology providers could license and use, without having to necessarily go try to build their own.

I think what Nick said is really, really prescient and something that's been on my mind for a long time. That is this idea that we keep having this proliferation of systems that all want to try to draw from the same pricebook, the same transaction engine, etc., and there's no common way for them all to talk to each other. And so integration becomes a nightmarish thing because everybody has a set of different APIs and, particularly for delivery, it creates this layer of middleware companies that say, "We'll aggregate all the seven or nine delivery APIs and give you one," but that ends up creating its own tech debt because now that middleman's got to stay in sync.

[In the Microsoft Teams chat, it was noted that Connexus is currently testing its own LLM to eventually be made available to retailers.]

Oh, there is a Connexus LLM. I didn't even know that. See, that's what happens when you turn your Connexus position over to someone else. Yeah, I think there's something there. In the sense of: "What is the easier way to integrate all of these systems, and in particular systems from outside of the industry that maybe haven't adopted some of the legacy standards?"

And then I think there's work to be done with our friends in the EV world who have not built a functional way to integrate their chargers into the convenience store technology infrastructure. That's going to be problematic at some point because I don't think that merchants who want to put EV chargers on their forecourt want them to basically be like providing a vacuum. I don't mean "in a vacuum." I mean legit like a vacuum cleaner or an air machine, which is this completely unintegrated thing sitting off on the side that has no way of communicating with the rest of the store, no way to cross

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market with the rest of the store, etc. That's been on my mind for a while and I don't think the EV industry has anything to address that. I don't think they have any contemplation of trying to do true point of sale or store integration.

James Maxey

James, are the fuel brands working on that at all?

James Hervey

They're not.

James Maxey

I would think the major brands would be very interested in that.

James Hervey

They're not. There's a few of them that own EV companies and those EV companies are like a sideshow. They're just not integrated into the branded wholesale side of the business. I would say the smaller refiner marketers, so think of the smaller brands like the one you used to work for, James, in general. Their attitude is very, very, "Wait and see, I'm not going to get in the middle of EV." It's really the big multinationals that have anything to do with it. And all of them, it seems to just be a sideshow. It's just something off on the side that they're not even really ... The people that worry about how gasoline gets distributed to consumers are not paying attention to it.

James Maxey

I don't think we've heard from Don.

Don Rhoads

A couple of takeaways. Kristina made a great point about making life easier for our associates. How do we do that? My personal feeling, the job is too complicated; can technology solve for this? And I think it can. The question is how? If your team is not engaged, then you really lost much of your theater inside the store. And we're all about that.

It's no longer about growing our business. I'm looking at trip retention right now. We hit a soft spot in this industry, and we have to solve for trip retention. Ray nailed it when he talked about training. It's critical. We need to digitize training in a way where we have a three-month capture rate with our people, our new hires, and we need to make sure they're engaged and you're working on a culture. It needs to be fun so people want to get up and go to work in the morning. Those are the two takeaways that I just heard.

I'm heading to a Harbor Wholesale Summit meeting as I speak now where I'll be talking to about 500 folks. These are smaller independent store operators, but this is the exact topic: How do we solve for a time when there's a lot of blurring going on and where does technology play? So I'll get back to everyone during our next meeting on how that works.

James Maxey

Perfect. Before we jump to Rob, I think Roy and Babir both had their hands up. Roy, why don't you go first?

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Electric Vehicles

Roy Strasburger

The other thing I was going to mention is related to James Hervey's point about EVs, I'm really pleased to announce that next Tuesday, we are having our first **EV Vision Group**, where we are bringing people in from across the EV infrastructure, retailers, energy providers, charging companies, grid providers, legislative, federal people and associations and coalitions, airports, ports, to get in to talk about the EV challenges from a holistic point of view, as opposed from just a retail point of view or from a manufacturer point of view. It ought to be really interesting, and I think some of the things that you were talking about, James, we're going to be trying to bring up in those conversations, as well. So stay tuned for those Vision Reports as they come out.

Babir, over to you.

Babir Sultan

Thank you. One of the things Ray mentioned was the employee retention side of things. You might have read it already, but ***The Good Jobs Strategy*** book was a great help to us. We actually applied a lot of their teaching onto our program. And again, since this is a technology focus, some of the technology apps that we use for scheduling and for communicating shout-outs are very helpful.

One of the apps that we use is called **Homebase**. I think it was centered originally around mostly coffee shops, providing access to a work schedule, allowing for swapping shifts and things like that. It's not unique to them, but it would be nice to have a convenience store-focused app that does scheduling and everything.

We've been using Homebase to **solve a lot of scheduling problems**. And it allows for recognizing folks on a weekly basis and whoever stands out, shout-outs and things like that.

I'm not saying it'll solve all your problems, but we need to go beyond paying \$20 an hour. I'm a YouTuber; I'm big on storytelling. Giving people a reason to want to work for you versus another retailer or retail channel is important. I was talking to some guys from Love's Travel Center. They have amazingly clean restrooms. I asked them, "How do you get people excited to clean restrooms because you guys are doing a great job there?" They talk a lot about their emphasis and the reasoning behind that. I think utilizing technology for scheduling and staff upkeep is important, as well. One of the tools we use is called Homebase. Check that out.

James Maxey

Very nice. Thank you. And I think the only person we haven't heard from is Rob.

Workforce

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Robert Razowsky

Well, thanks, James. This is all terribly interesting stuff. There's a bunch of stuff I'd like to touch on.

We've got 12 stores in the Chicago market. What we've realized is that we make money when we have fuel margin and we don't make money in-store despite growing store volumes. We're still highly dependent on tobacco and fuel, and the challenge for us has been to transform and get customers coming in to buy food. And we're in a pretty built-out market from a standpoint of foodservice. Everybody's got their favorite hot dog stand, pizza place, various different things. So we've got to compete in that world.

Speaking of AI-type applications, one example that stood out to me at the NACS Show is InStore.ai, where they're recording consumers' interactions with cashiers. And then you can segregate and figure out what the commonality is that allowed you to suggestively sell more. The question that we have to ask ourselves is how do we rationalize spending money on some of these things? Is there a return on investment and how do we measure that?

We also looked at self-scanning equipment from Radiant that's very interesting. The way they're looking at self-checkout is you focus a camera on your roller grills, for example, and find out if a customer is taking product from the grill. By the time he gets to the register, it's in your system that it's taken away. But again, how do you justify paying for that stuff? With 12 stores, we're cost-conscious. We're competing against an industry that is very diverse, multinational companies, integrated oil companies. Those are real challenges.

Also, we've done some stuff with training. We are using a **third party** to put some **modules** together to do some of the training. I think our biggest challenge is training new managers. Our turnover has been actually pretty good.

We met with some folks from Shell about a week or so ago, talking about EV. And it seems to me, the only way it's going to get implemented at c-stores is if somebody else pays for it. If somebody's willing to put it in, we're willing to do it. The question is who's going to pay for it? Because there has not been a path to profit for the retailers on most of this.

I think those are the challenges, and I'm looking forward to hearing more about the struggles and challenges, and solutions that are offered from the group.

James Maxey

Fantastic. What great feedback. I appreciate you guys letting me mix up the agenda a little bit and switching to that topic. The AI software that was just referenced was in InStore.ai. That was communicated in the chat. So we can get that into the transcript.

Training

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Chris Bambury

ROI

Before you move on, Chris has his hand up.

I wanted to chime in about EV. We're in a mature market and we've been operating an EV working group for a couple of years at the state association level, and it's absolutely true. Like Rob has said, it's a shitshow, to be blunt. Sorry. We have people who have put out so much money for [the now defunct] FreeWire EV service, and then that bankruptcy has just made a disaster where they're trying to get service.

We're happy with ChargePoint, but we did another large four-charger project, half a million dollars we estimated, 90% subsidized. We still **can't figure out the ROI** on the 10% we paid.

That's where a lot of retailers are. Even when it's 90% paid for, there's just no money in it. And I think that's where it's really stalling. So most people are saying, "We'd rather have a company put in chargers and maintain them and run them. It's just not worth our energy and our effort."

Just today, I was dealing with another repair. They're unreliable, overpriced, complex systems. And so we're not a fan, and we're hearing from most of our other California operators. They're wanting to just hand off the burden. If they need to have one by mandate, that's where they'll just use a third-party company to put those in.

Also, we did launch the InStore.ai service about a week ago, but I'm still getting data. I think Babir might be further along with them if I heard correctly.

Babir Sultan

Training

Yes, I've been an InStore.ai user for a while now, so I can give feedback on that. It's been really good for us on the training side of things.

Something as simple as **uploading unlisted videos** of training for your staff has come a long way for us. We post a lot of videos about shoplifting to YouTube, but we also use it for employee training. We used to have a 30-page training manual. Then we tried to get efficient. We went to 10 pages, then even a three-pager for training, but nothing speaks to a Gen Z or somebody with a low retention rate better than a quick video on training. Our training has drastically improved, and we're not doing anything fancy. It's just video taken on your phone explaining the training process for a cashier, how to run things. It has come a long way for us and it's an ongoing thing.

I would encourage retailers that are here to utilize the unlisting feature on YouTube. That means only people who have received a specific link, that being your staff, can watch the video. It's been very helpful for us.

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James Maxey

Outstanding. Again, great feedback. I can't believe the number of topics that we have. I think we have the next two years covered in terms of ideas, but we'll work through it and find some great priorities.

Gray, let me throw it back over to you. Can you talk for a couple of minutes about the Conexxus road map?

Gray Taylor

Presentation: Conexxus Road Map

Before I move over to the road map, just a couple of comments on what we've been hearing here. First thing is, I'm really glad to hear people in the first go round saying store operations and backdoor stuff because everybody who thinks about technology immediately wants to throw it against the customer. I would submit that the majority of your profit opportunity is sitting within your pricebook and your backdoor. It's about keeping track of those things, the buy downs and so forth. And if you think pricing changes are happening quickly right now, get ready for weekly changes because the supply chain wants to maximize what their profit levels are. So just like we do in gasoline, you're going to start seeing more frequency of price changes and there's some technology that's bringing that to us.

We had high turnover back in 1988. It cost us \$1,350 to bring a new cashier on board, and we didn't have any of the tools that you guys have basically been talking about. I'm a big fan of "Stop bitching about the lack of labor out there" and start realizing that if you've got 20 employees at a store at any given time, there's five or seven people that you would love to hang on to. And so focus on how you **hang onto the good employees**, cycle out the other folks and hang on to those people as they get better and better. Read "The Good Jobs Strategy," as Babir mentioned. If you follow that, you end up with a core group of people that you retain by treating them with respect and making a career out of what they're doing.

QT (QuikTrip) has done this really, really well. I can tell you that KT (Kwik Trip) has got three AI projects underway right now that expressly deal with employee retention. So this is a big thing from my perspective. It's the number one issue every year at the NACS Show: "How do I keep my stores staffed with good people?" First thing is keep the ones that are good to begin with and that involves some gamification.

Babir brought up scheduling. I have two kids who cashier at Texas Born. When they don't have scheduled hours, they go off and they deliver for Door Dash. It's a gig. In the meantime, Texas Born has people calling out all the time, and there's no way for them to communicate that I've got an open shift. Airlines have been communicating open shifts for years, since

Retention

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the 1980s. And why don't we open up our stores to giggers and post it out to your staff? In California, it's a little tough to do that. Chris, I know this one. But post it out to your staff saying, "I got a shift open tonight. Somebody called out. Can you come on in?"

AI is incredibly complex, and it's incredibly dangerous. And I think somebody said NACS should have a role in this. I absolutely agree that there's a best practices that we should be developing just for the industry.

Just because we can do stuff with AI doesn't mean we should. There's privacy issues, and there's data sovereignty issues that we have to put out there. So I think this is something that we've done in LLM. We're using it in Connexus, and we work very closely with a guy who's a University of Texas PhD in AI. He's a guy who lives around the corner from me and he's really dedicated to the industry. So that's another conversation.

So with that, I'm going to do a presentation that doesn't address any of the things that people brought up today. How about that for a selling feature?

This is interactive. James is playing referee here. So anybody have their hands up, make sure that you stop me. Connexus has been doing a roadmap since 2016, and what it basically is we take the best thinking within our membership retailers as well as vendors to come up with, "Okay, what do we see out there on the 2- to 10-year horizon?" I'm proud that in 2018, we predicted that AI was going to make it mainstream. We actually predicted it further out than it really happened, but there's a whole mess of what we call industrial revolution 4.0 stuff that is now finally coming to marketplace. And this year what we said is, "Okay, in the past we've had 20 different technologies and we've handicapped the growth of those technologies." And what we want to do is try to put it together.

So what you see on the next slide, we're going to be talking about digital media and marketing. And if we have time, because James is the referee and he's going to flag me if I go over, is getting into the next iteration beyond digital media and marketing, which is mobility commerce, connecting the on-the-go customer. We're not going to cover mandates. I would love to get into identity, security, and privacy, but that's a deeper topic as we go along as well. So this is the first slide, and it's basically digital media.

Digital media is one of those things where it's like AI, you hear a lot about how cool it is, who's doing it. And in fact, when you look at digital media, Amazon is one of the largest advertisers in America, and it's not a TV station. One of the other





AI

largest ones is Walmart. Last year they reported 3.2 billion in profits off of their media channel. So it's pretty juicy stuff, especially since Walmart doesn't have a great degree of interoperability. There are some technologies that are coming out that actually will make us scale to what a Walmart can do, and a lot of it has to do with reach.

We've always shied away from doing mass media advertising. It doesn't tend to be very successful. Most of us don't have the time, patience or money to do an online type of promotion. Buc-ee's, by the way, has been very successful with their billboards, but that's a scale capability that Buc-ee's has. And Buc-ee's will tell you that 97% of their customers only come to the store twice in a year. So it's more like south of the border. But the whole idea is how do you get and partner with your CPGs to put a promotion out there and a promotion that's meaningful?

When we look at the octopus on this slide, you'll notice there's a barcode in every one of those tentacles except for the radio. There's a new technology out called AI 8112. AI is industry standard.

But the 8112 is basically what we call a serialized **single-use individual token coupon**. And what that is, for example, if I'm Gray Taylor and I am looking at my favorite website, AI can feed me a personalized coupon that says, "Here's a coupon for you to go get a 2-liter Coca-Cola." When I pull that down, that is issued just to me and it's issued by a distributor. But the manufacturer now knows that this guy (me) downloaded this tokenized coupon and now can use it reasonably expected in any store that's out here.

Now it sounds kind of far-fetched because it is a coupon without fraud, without all the friction of doing the redemptions. It's a pretty tight market. CVS is doing this and Walgreens will quickly be doing this, and they're already talking to CPGs that do package sizes that are appropriate for convenience because they're an adjacent competitor. They have a convenience set in their stores. So this is coming and the opportunity for us is we can ignore it and let them take a lot of center store and a lot of our candy, salty snacks, pack bev business, or we can get in the river and start swimming.

What we're trying to do here is say, "Look, 8112s are coming, the CPGs are issuing them straight to the consumer." And the other great thing about this is it's different ad promotion dollars. Right now our industry is already getting the dollar bill, which is the same dollar and it just gets cut up in different ways, but it's a finite amount. In fact, it's flexible year in and year out, called channel dollars. There's a half billion dollars worth of promotional consumer dollars that are out there that we have not tapped. Yes, we take coupons for tobacco, but do we take coupons for Coca-Cola and other things that are coming from the consumer not through our channel dollars or through our loyalty program? And so this has increased

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the discretionary spend that we have out there.

The other cool thing is a system has been designed around the Connexus' Loyalty Standard 1.2. We have an advantage over all the other verticals in that this loyalty standard will allow 8112s to flow through our existing POS. Right now we're in the process of doing a test over at Lonnie's store in Minnesota. It's on a Verifone platform. Verifone fully supports 1.2, and this will allow a customer to come in, present any coupon. It'll go above the store. We're not making POS changes. It'll go above the store and those coupons will be processed with a confirmation back to the store and digital payment coming back to the store within weeks or even days, not within months. We're shooting for trying to get a daily settlement on those coupons. So those coupons become very important as that token that the customer carries around with them.

Now, we also have other distribution points. So if you've got a **graphic dispenser**, you can distribute those coupons out there. In fact, you can also do in-store coupons because the holy grail of our dispensers is how do we take that 60% of the customers who never come into the store and how can we convert them with a hot offer? So we've had a couple of our testers say, "Look, I do in-store production. I got a 70% margin on some fast-food item, let's say it's chicken tenders. What if I were to take my chicken tenders down to cost and present this promotion? I don't care about my loyalty customers because I can present that to them anytime. But the casual customer comes up and says, "I've got five chicken tenders for \$1.99." That's a great deal from anywhere. The whole idea is to build habits, which is to say, if I can get a customer to repeat the same action three times, they will become habitual users.

So if I could keep doing this and any customer could load this to their device, come in, use the coupon, they actually get to walk into my store and see what I really have. We're more than gasoline. Rob was talking about how do I get away from the gasoline issue that we have. This is one of those tools that will drive consumers into your store and you can work with Coca-Cola or you can just stack the coupon that came from Coca-Cola, which buys down the margin loss you have. It's a really good mix-and-match type of approach.

The other thing that's coming along with this, I had said that price changes are going to be fast and furious and we need to be able to handle them. We need to be able to account for them from buy downs and so forth, and that will lend itself to digital shelf edge labels. And what I mean by that, there are the old traditional white-paper types of shelf tags that you can change. They're driven by ambient store light and fairly inexpensive. The cost is being driven down by volume.

Shelf Tags

But what we're talking about is **shelf promotion**. And you might've seen a couple of things at the NACS Show where they're showing these very bright digital shelf edge labels that will show the Coca-Cola colors and logo going by in a very narrow strip. And then they go back to what the price is and all the information you're required to show on price labeling. You're also going to start seeing more and more little five-by-five camera displays. One of the use cases is that the store owns them and charges the CPG, then moves them to where they're going to want to promote it. That display can do a lot of things at that point. It can issue a coupon. There are some companies coming out now with visual recognition that can happen at the dispenser or any consumer interaction point that basically will tell you, "This guy standing in front of me is 65 years old and he's a male. He seems happy, but I'm not going to try and sell them diapers. I'm not going to try and sell them something that wouldn't be appropriate."

Computer Vision

So we're going to start seeing more and more presentation of offers **segmented on what people look like**. Now the caveat here is that's all you can do. You can't capture that person's face. You can't keep that person's face in its baseline format without their permission. And this is one of the things that InStore.ai is dealing with as well. Without explicit permission, there are certain things you cannot capture.

This technology is saying, "I'm going to take 15 data points off of your face. I don't know who you are. I just retain the 15 data points and that makes you a pseudonymous persona that I can track." And that's a very important thing to remember here. Pseudonymity is basically saying, "No, you're not anonymous because nothing is anonymous. But I don't know who you are. I don't know where you live, but I can track you as to what you buy when you come into the store, all of the habits about you." And if you think about it, knowing who you are, where you live is really a secondary type of thing. What we really want to know is what are your consumer habits? And so through this whole thing, I get a tokenized coupon. I'm a tokenized individual. Again, I don't know who you are. I haven't violated your privacy. I haven't put this toxic waste of your privacy into my system.

And at the end of the day, you go back to where the purchase happens. And here we have a cashier who has got InStore.ai running. And this is where the CPG gets to have their closure of the transaction. And if you're familiar at all with how digital media happens on the web all the way down, the most valuable thing is when you can prove that a customer actually bought that product. And this is where we outshine Walmart and all of the big box stores because Walmart is getting eyeballs, and we actually can get eyeballs, proof of interest and proof of sale because we have touch points. Walmart has big screens. Now, they'll be going to touch points as well.

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The other cool thing is on InStore.ai as an example, beyond just making sure that a cashier is comfortable working with customers and is doing a great job on greeting, is that that cashier can also cross-sell. **(AI) makes the cashier an influencer**, and you can gauge whether that cashier is an influencer. Somebody comes up with a single Coke, the cashier says, "Hey, we got a BOGO going on right now. Buy one, get one free." That's the person who's converting that customer to a bigger purchase. Now, that whole thing, if you talk to a P&G brand manager, depending on the product, that conversion, taking somebody from a Pepsi customer to a Coke customer can be worth as much as \$20 a person per transaction. Because what they're trying to do is build habituality into that practice, become a loyal customer.

This whole food chain that you have here is based off of tracking the consumer on behalf of your store and the CPG. And it's not a negotiated thing. It's not one of those things that you as a merchant have to sit down with the CPG to do. It's just happening. You just need to support it and put in the correct technologies and you can start converting customers. You could even become a place where CPGs will test products for consumer-facing tests. So it makes your in-store more relevant at this point.

Oh, by the way, that little wizard up in the top of the slide, that is our data wizard. And I'd be remiss to say that at every step of the way, we're **capturing data** into a data lake house with consistent data formats so that we can make sense of it down the road. Even if you can't make sense of it today, make sense of it down the road, you need to have that data. Walmart started retaining petabytes of data back in the '90s and nobody could figure out why, and now they're using it to dominate the world. Any questions at this point? Babir has got a hand up.

Data Analysis

Babir Sultan

As a small retailer, finding ways to monetize our data and digital media is a challenge. We're slowly starting to get some online sponsorship, and that has been a great challenge to say the least. We have GSTV video at the pump, and we pretty much give away our space. I think we could do better as smaller retailers if we get creative. So I would love to be involved in any way, shape or form. Having some marketing background, a little bit of tech, and combining that I'd say is my happy place. But it's definitely challenging and it's good to see that you guys are leaning in to do some things around that.

Similarly, there's a lot of case studies about Dollar General and some of these guys that have been sitting on data and they're finally utilizing it. And by utilizing it in their P&L, they're bringing in additional millions of dollars. And there's a lot of examples, like Walmart and Casey's right now have launched a vendor-focused data program. As a small operator, we have internal dashboards, but we're trying to find a way to work with vendors to give them data and monetize it.

I'm glad you guys are focusing in this area because I think there's a lack of understanding for smaller retailers of the value that we could potentially monetize with our pumptoppers alone. We started doing a monthly pumptopper program. We're very new to it; it's challenging. We've seen a local insurance guy get excited about advertising in that space, but because we're still learning, it takes two months to get his sign up on the pump. I know there's always a better way to do it.

Gray Taylor

Yes, we'll learn a lot from our test at Lonnie's store. He doesn't have graphic dispensers, but we're looking at pump toppers, door clings, shelf edge labels. And the one I'm really excited about is influencers. Babir, if you happen to know somebody with a high-traffic YouTube channel, that might be a really cool place for you to stick an 8112 on and actually get a manufacturer to coupons there. The whole idea is we can track which place the consumer got it. And so that's an important learning.

As far as data goes, that's a scale opportunity. And what anybody in the stats world would say, "Once I have 30% of the stores evenly distributed across the country, I'm statistically within 95% accuracy, unless I'm doing political polls." So the idea would be, is there a way for us to consolidate data, especially from the smaller players, and then sell the rights to train on that data? I can tell you that CPGs would drool at the ability to go in on a broad swath from America and be able to learn some of the things and insights you can get off of T log data. It's a good opportunity.

James Maxey

Fanstastic.

Closing Thoughts

James Maxey

We only have 10 minutes left. Is there any expectation that you haven't heard today that made you say, "Hey, I want to join this group because of X"? Is there anything that you'd quickly like to communicate that says, "Hey, this is my expectation from Conexxus and the Vision Group"?

Kristina Anderson

I think it's pretty much meeting my expectation and probably maybe going beyond my expectation. I've got a couple of great ideas already from the call that intersect with some of the things that we're doing with data here at MPC and that we're doing with signage in the store and digital ad boards. So I love it. I just hope that I can provide something beneficial because this is great thus far. Thank you for the opportunity.

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James Maxey

Well, you already have to be perfectly honest from my perspective. So thank you for joining. I think we're down to just final comments. Again, thank you guys so much for joining the group. I look forward to re-engaging with some of you guys I've known for years and meeting some new friends that I'm going to work with for the undefined future. Myra, Roy, do y'all have any comments?

Myra Kressner

If I may, James, just as a closing comment for myself. This has been fantastic. I think it has exceeded perhaps or at least met people's expectations, so thank you for that.

But I'll also share that some of this conversation, particularly the recent conversation about **retail media networks** and co-op opportunity for smaller operators, that we talked about that at one of the recent CTVG (Convenience Technology Vision Group) meetings. Ray, you probably remember that, talking about retail media networks. So folks should certainly review that report, but we'll make sure that we do send you the link to that [Vision Report](#). I think the folks here on this Connexus Vision Group as well as others would get a lot of excellent thinking that came from that whole discussion on retail media networks.

Eva Strasburger

Myra, to build on what you just said, the challenges like employee retention have come up in many of our other groups with some great solutions discussed. If you go and look at the transcripts in the other Vision Reports, you'll see that we tag them. So there is a tag that is "employees," and if you follow that tag, you'll find all the times that it is discussed with some ideas of what people like Joe Sheetz or Rutter's are doing. There was also a podcast which Roy did with Joe Sheetz talking about how they retain employees with some great pointers there too.

James Maxey

Perfect. Roy, do you have any closing comments?

Roy Strasburger

Thank you everyone. I think it was a really great inaugural session. I'm excited to see where we go with this. Thank you very much.

James Maxey

Absolutely. Gray?

Gray Taylor

Great feedback, great information for us. Look, I'd love to get more. We do flash rounds at the IRC. If you're not involved in the IRC, come in. We'd like to capture all of these. There are a lot of solutions that we've been working on at NACS from a delivery standpoint, as well as a standards standpoint that address this stuff. We didn't have time for me to respond to all of that, but there is stuff that's out there and we always take a look at scale. How do we get this down to the smaller

midsize operator? So if you have any questions, reach out to me, but this is a great forum for me to pick up some more intel to take back for our workflows.

James Maxey

Perfect. And Myra, I think you had another comment.

Myra Kressner

Yes, James Hervey, thank you for participating and committing Verifone as an Ally Supporter.

James Hervey

Myra, it's our pleasure. And this has been tremendously interesting and valuable. I'm really, really excited about it. We try to be good industry citizens and I think this is a tremendous forum for the industry. So I appreciate the opportunity, and I'm looking forward to where it goes.

James Maxey

Well, everyone, thank you so much for investing your time and your energy and communicating today. What a great group to work with. I look forward to seeing you guys in January.

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Conexxus Innovation Research Committee (IRC)

Identifying and fostering industry innovation



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What is the IRC?



* Membership not required for first year



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Mid-level industry executives with significant insight to their company's strategies

- Barriers to remove, opportunities to grow

Non-technical – we identify the industry opportunities for meaningful growth & returns

- Innovation does not mean technology; could be analog

Emphasis on “user stories”; critical to definition of opportunity scope

- What, not how

Move most promising and obtainable topics to Retail Innovation Work Group

- Where the user stories get detail and technical baseline



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IRC & CxVG Synergy

- IRC is a dynamic, changing list of opportunities identified by committee
 - Not all ideas percolate to work groups
- CxVG aims to “deep dive” into those innovation concepts that indicate the most promise.



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Conexxus 2024 Road Map



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Key Topics

- **Focused Technologies**

- Digital Media & Marketing

- Mobility Commerce – Connecting the 'On-the-Go' Consumer

- 'The Perfect Storm' - Mandates
- Identity, Security, Privacy



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DIGITAL MEDIA

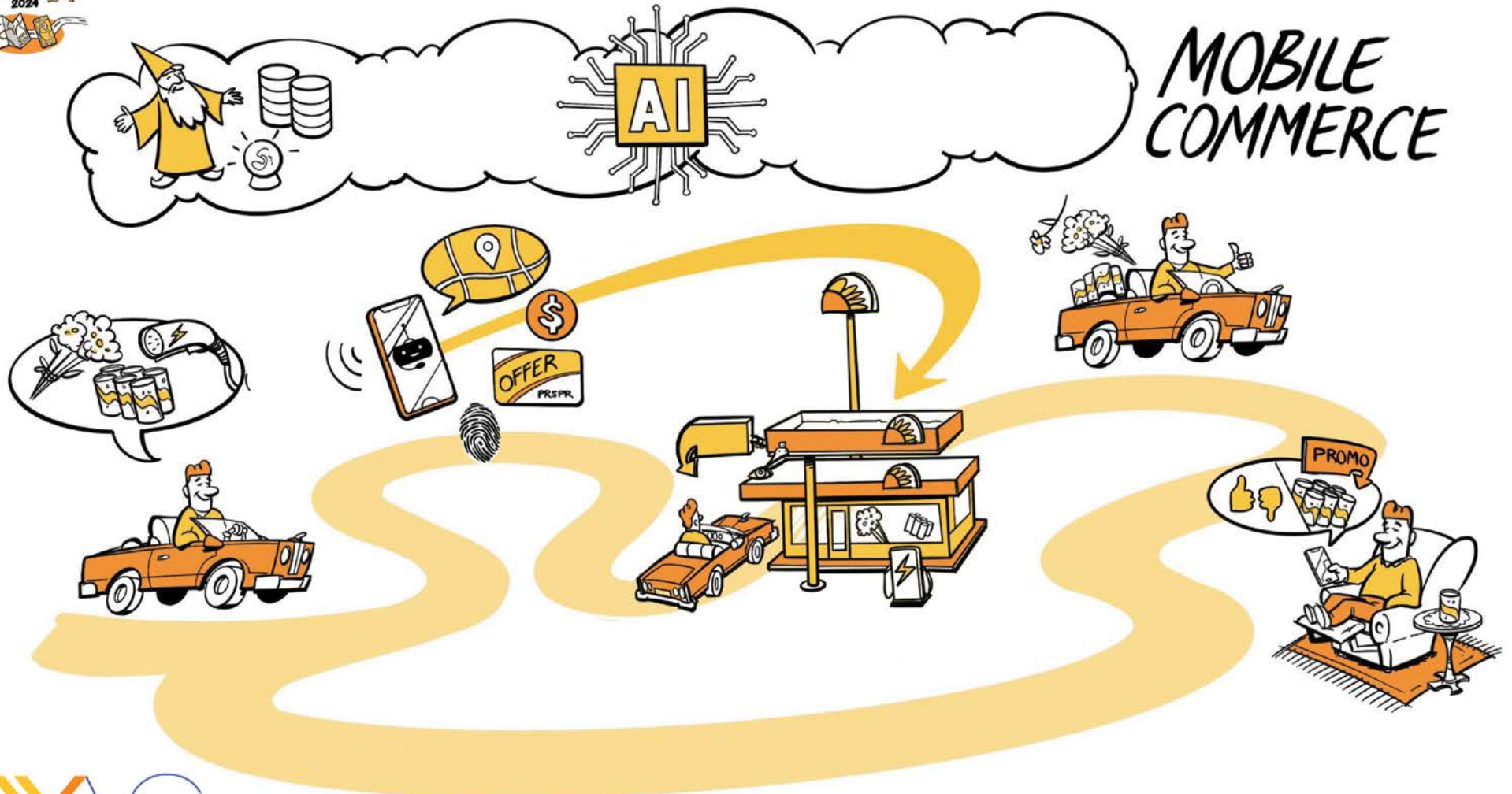


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The Conexus Vision Group (CxVG) brings together convenience leaders for quarterly virtual meetings. CxVG has been created to expand Conexus' retailer and supplier engagement and amplify Conexus' goals and achievements and will identify strategic technology innovations regarding convenience/mobility industry issues, technologies, and practices. The group is committed to sharing its views and perspectives to advance the convenience retailing and mobility industry. CxVG operates under the Vision Group Network, which gathers the collective knowledge and ideas of its members to create a legacy of sharing within the retail community. For more information and to sign up for future Vision Reports, visit our website: vgnsharing.com/vision-report-library



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November 2024

Challenges facing the convenience retailing industry including emergency preparedness, cybersecurity, preparing for unrest, supply chain disruption and the next pandemic, appetite-suppressive drugs

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Envisioning Sustainability in Convenience Store Design

May 2024

A Balancing Act for Sustainability vs. ROI, the 80/20 Rule and Customer Opinion, telling the Sustainability Story and Greenwashing

Making the Convenience Industry an Employer of Choice

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Expanding the persuadable applicant pool; onboarding, engagement, and training; cleaning up industry image; recruitment and retention; strategies; mental health support and kindness campaigns

AI: Predictive Fuel and Dynamic In-Store Pricing

December 2023

Examining AI fuel and product pricing potential.

AI: Dawning of a New Era in Retail Analytics

June 2023

The dawning of a new era in analytics as generative AI evolves, generative AI in simple terms; how AI is quickening the pace of business today; A micro perspective of AI at TXB stores; personalization through AI

The Business Case for EV Charging: Is It for You?

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The pace of EV adoption; c-store operators' views of the EV-charging customer; three pathways of EV retailing; a micro case study

Currents of Change

January 2023

Changing work schedules and the gig economy; foodservice tipping in the convenience segment; alternative fuels and the timeframe for electric vehicles



Retail Media Networks: More Than Meets the Eye

July 2024

Customer experience matters, small operators considerations, resource complexities

Fighting for Tomorrow's Customers

April 2024

What it means to fight for customers, reflecting on winning the "fuel" customer, reliance on 3rd party technology, data analytics, loyalty, and payments

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January 2024

AI and data integrity, how retailers are currently using AI and what's next for AI in convenience retail?

In Focus: A CTVG Conversation with POS Solution Providers

November 2023

POS decoupling; major oil companies; foodservice as the future; the unique needs of independent operators; integration challenges

To the Point: The Evolving State of POS in Convenience Retail

September 2023

EV Infrastructure and Strategy Updates and POS Systems Challenges and Opportunities.

Unraveling the Road to EV Charging Infrastructure

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Explosive EV growth; the role of utility companies; government funding programs; operators moving forward

Tech Trailblazing

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