



ZEYNEP TON

QuikTrip

In November 2010, Chet Cadieux (Chet), CEO of the Tulsa, Oklahoma-based QuikTrip (QT) convenience stores and son of one of QT's founders, Chester Cadieux (Cadieux), stood up to deliver his annual address to more than 1,000 employees from the chain's Atlanta-area stores. "I want to thank you and let you know what a great job you are doing," Chet began.

Once again, we outperformed our competition this year. In 2010, we posted a by-store profit which was almost double that of the top quartile of competitors in our business. Also, the vast majority of you are shareholders in QuikTrip so you should be happy to hear that your average annual return on investment was 18% during the last decade. And our customers keep raving about our service. But I don't want you to take this for granted. We need to understand and adapt to the present and future wants of our customers.

Since its founding in 1958, QT had opened over 500 stores, but Chet had future growth in mind as he continued addressing his Atlanta employees. "And for all that we have accomplished, we are only in 11 cities," he said. "The next four years will provide exciting opportunities for growth. By 2014, we plan to have 732 stores. We have saturated some markets and are beginning to saturate others, so most growth will come in new markets."

For 2011, QT planned to open 33 new stores in existing markets and enter a new market—North Carolina. Traditionally, when QT entered a new market, it opened 10 to 12 stores per year until the market was saturated. But Chet thought it was time to be more aggressive. He was considering opening stores in North Carolina at twice the usual speed, with as many as 20 stores opened by September 2012.

The U.S. Convenience Store Industry

By December 2010, there were 146,341 convenience stores in the United States, over 60% of which were single-store operations.¹ Sales in 2009 had been \$511 billion.² Over 80% of convenience stores also sold gasoline and diesel fuel, accounting for approximately 80% (\$328.7 billion) of all fuel sales in the U.S. market.³ The average convenience store with fueling stations served 1,100 customers a day, or approximately 400,000 a year.⁴ The average cost to build and open a new store, including all real

Professor Zeynep Ton prepared this case with the assistance of Research Associate Matthew Preble of the Global Research Group. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Copyright © 2011 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to www.hbsp.harvard.edu/educators. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of Harvard Business School.

estate, construction, and inventory costs, was roughly \$2.8 million dollars in urban markets and slightly under \$2 million in rural areas.⁵

Convenience stores differed from grocery and drug stores in that they were smaller, carried fewer products, and stayed open longer. Stores averaged about 2,700 square feet of selling space⁶ and offered a range of items including hot and prepackaged foods, fountain and bottled drinks, grocery items, coffee, snacks, beer, tobacco products, and lottery tickets; some of the larger chains also offered private-label foods and drinks. Convenience stores offered customers a quick shopping experience; the average customer spent only three to four minutes from arrival to departure.⁷

There was a great variety in the scope of operations and range of products. U.S.-based 7-Eleven operated 32,000 stores in North America, Asia, Europe, Australia, and Mexico⁸ while Sheetz operated 365 stores across six states in the eastern U.S. and specialized in made-to-order fresh food items.⁹ Some convenience stores offered dining areas; some shared retail space with fast-food restaurants, banks, and other retailers.¹⁰

QuikTrip's Evolution

QT was founded in 1958 in Tulsa, Oklahoma by childhood friends Chester Cadieux—Chet's father—and Burt Holmes. After graduating college and serving three years in the U.S. Air Force, Cadieux wanted to start his own retail business and found a partner in Burt Holmes. The two decided to open a convenience store. Their first location was in their hometown of Tulsa and sold only groceries. In the early years, Cadieux worked the night shift alone, which, he later joked, earned him the right to be president and CEO. He held both positions for over 40 years until succeeded by his son Chet in 2002. (See **Exhibit 1** for QuikTrip's major milestones.)

Under Cadieux's leadership, QT expanded into large Midwestern metropolitan areas in the late 1960s and then into other large U.S. cities. Initially, QT's growth strategy was to open stores piecemeal in small towns around its major Midwestern markets.¹¹ Cadieux observed that, while this offered employees rapid promotions, it placed inexperienced employees in critical jobs.¹² Cadieux scrapped this strategy when he realized that small markets would not generate enough profit for future large-scale growth.¹³ QT ultimately closed stores in 37 small markets to focus on what Cadieux called the "3Ms—Million Metropolitan Markets—those markets that have populations exceeding a million."¹⁴

In 1971, QT started selling gasoline and closed stores that could not support pumping stations. It required a large upfront investment to enter this highly competitive business and it was more than two decades before QT had established a reputation for selling high-quality gas at low prices. In the mid-1990s, the company invested millions of dollars in improving the quality of its gas and began a new advertising campaign which involved handing out coupons for free gas, giving away floor mats through car dealers and mechanics, and offering to fix any car problems caused by QT's gasoline.¹⁵ Chet explained:

My father worked mercilessly to get better supply-chain advantage, quality, branding, and prices to become the best at selling gasoline. Our branded gasoline is now recognized as top-tier by companies like BMW and Audi. Our customers perceive us having both great quality and the lowest price. And we're confident about the future of our business because our breakeven on gas is lower than any of our competitors. That means that, if, someday, people quit buying gasoline, all of our competitors will go out of business before we do.

In the 2000s, food industry experts stated that close to one-fifth of all meals in the U.S. were eaten in the car¹⁶. QT, observing this trend and hearing from its own customers that they wanted to buy fresh food on the go, decided in 2007 to sell fresh food. Ron Jeffers, vice president of operating systems, explained: “Our customers used to take our products home to cook. But now they are very active, constantly going from activity to activity. And they want food they can eat while driving to the next activity. Mealtime is not a time they want to spend.”

Instead of preparing fresh food in the stores, QT decided to invest in developing centralized QuikTrip Kitchens (QTKs), which prepared and delivered fresh foods—never-frozen baked goods, sandwiches, salads, and fruit—to each store daily. On entering the fresh-food market, QT set out to become the best gasoline, convenience, and food retailer in the eyes of its customers, competitors, and employees. Chet knew, however, that it would be a while before customers could equate convenience stores with good food.

“Our challenge is to be recognized as a gasoline retailer that also sells good food. Our QTKs were intentionally built for much higher volume than we run today. That means that we are operating well below capacity and, as a result, right now they lose millions of dollars a year. I know that and I don’t mind because I am confident that it will pay off in the long term. Like my father did with gasoline, we are going to work on food until we perfect it and reach that high volume. “

QuikTrip in 2011

By January 2011, QT had over 10,000 employees, owned and operated 549 stores in 11 U.S. metropolitan areas (see **Exhibit 2** for QT’s markets and dates of entry), and generated more than \$8 billion in yearly revenues. Gasoline accounted for two-thirds of revenues but only one-third of profits; two-thirds of profits came from store merchandise.

Store merchandise included fresh prepared foods, snacks, tobacco products, beer, grocery items, and bottled, fountain, frozen, and hot beverages. QT also sold private-label food and drink items, including its QT-branded coffee, energy drinks, sports drink, and frozen shakes as well as its Hotzi brand breakfast items and the fresh-food items sent daily from its QT Kitchens. QT kept prices competitive by only offering the core products its customers wanted and selling them in high volumes. “In all categories we sell, we are a price leader in the convenience channel,” Chet explained. “In high-volume categories like soda, beer, and gasoline, our prices are as cheap as Wal-Mart’s.”

QT stores were highly productive. In 2010, merchandise sales per labor hour was \$94.67 for the top quartile of convenience and gas stores, \$85.50 for the average convenience and gas stores, and \$142.30 for QT. QT stores had much higher sales volume than competitor stores. Merchandise sales per square foot for the top quartile of the industry was \$13.83 per week, with an average store size of 2454 square feet. Merchandise sales per square foot for the average in the industry was \$10.04, with an average store size of 2000 square feet. For QT, merchandise sales per square foot was \$15.48 per week, with an average store size of 4343 square feet. Motor fuel sales for the top quartile of the industry was 43,889 gallons per store-week and for the average 29,044 gallons per store-week. The same metric for QT was 91,995.

Many in the company attributed QT’s success to the systematic practice of five core values by all employees, from part-time store clerks to the CEO. These were: (1) Be the best, (2) never be satisfied, (3) focus long-term, (4) do what’s right for QT, and (5) do the right thing. Focusing on the long term, even when it came at the expense of short-term financial losses, drove big investment decisions as well as small operational decisions. For example, recognizing that clean bathrooms would bring more traffic into the stores, QT invested \$12 million over three years to renovate its bathrooms. Determined

to maintain a “family environment,” QT did not sell drug paraphernalia, rolling papers, or pornographic magazines, although some of these were popular and profitable items. Chet provided an example of QT’s willingness to take on even a long-term loss for the long-term good of its employees:

When I became the CEO, I realized that there were hundreds of employees who had been working for us for many years and who were working until midnight many days of the week. That made it very difficult to have a normal life with a family. The only way to change that was to add a full-time person in every store. It cost us \$10 million a year for the rest of the company’s history. I believe that it reduced turnover. It probably would have been difficult to do this if we were a public company.

QuikTrip remained privately held and ranked 37th on the 2010 *Forbes* list of America’s largest private companies.¹⁷ The Cadieux family owned 65% of QT, upper management owned 13%, outside investors owned 10% and the remaining 12% of stock was owned by employees through QT’s stock-ownership and profit-sharing/401K plans.

Culture

QuikTrip’s purpose is to provide an opportunity for employees to grow and succeed.

– QuikTrip’s Purpose Statement

Since its beginnings, QT had focused on finding the best people, paying them well, and promoting from within. However, company culture had changed significantly over time. During its first decades, QT was highly results-oriented and store operations were militaristic. As Jeffers explained, “Until the draft ended in 1973, most employees had served in the military and were used to an autocratic system. In the years after, new employees without military experience clashed with our ‘Yes sir, no sir’ type of mentality. We had two cultures clashing.”

By the mid-1980s, Cadieux appreciated that QT’s culture needed to change when he saw that some store managers and supervisors focused more on results than on how they achieved those results. After some employees complained to Cadieux that they felt disrespected and mistreated by their managers, he sent a memo to all managers expressing his anger at how some employees were treated. (See **Exhibit 3** for Cadieux’s memo.) At this point, Cadieux determined that QT needed to standardize store policies and procedures. As he put it, the company “had become large enough to act more responsibly.”¹⁸ QT began recording and standardizing policies regarding disciplinary procedures, sales, performance evaluations, and much else.¹⁹

QuikTrip’s 1995 Reengineering Initiative

But in 1995, QT’s senior management still sensed that the chain was not delivering consistent levels of operational excellence across all its regions. (See **Exhibit 4** for QT’s purpose and core values statements.) Jeffers elaborated: “Before the mid-1990s, our standards were vague. Basically, who you worked for was the rule book and managers had a lot of subjective judgment. For example, one standard was to look professional—such as no facial hair or visible tattoos—but we never specified what that meant and each store manager interpreted it differently. So in 1995, we launched a major reengineering effort.”

Jeffers, QT’s director of operations at the time, worked with 13 store managers from across the company for a year and a half to analyze and reevaluate QT’s processes and policies.²⁰ They mapped

store operations, then timed and standardized them. They each spoke with thousands of customers to understand what QT's clientele valued or wanted changed in their QT experiences. They also created standards for how employees and stores should appear in an effort to create a consistent shopping experience. "It was important to involve store managers in this process because that generated huge buy-in," Jeffers explained. "The managers were the ones mapping the processes, timing them, and talking to customers. And once we were finished, it was the managers who explained what we did and why to everyone." From this effort, QT established new policies and procedures regarding customer service, store appearance and layout, training, employee dress and appearance, the daily activities worksheet (DAW), and the first standardized mystery shopper questionnaire.

As part of this reengineering effort, QT also created processes to involve employees in process improvement. The company created resource groups for every position in the store, from part-time clerk to store manager. Members of a resource group within a division^a got together and discussed problems and improvement opportunities related to store processes or products. Based on these meetings, managers from each division recommended process or product improvement opportunities to corporate. Store managers in the resource group were chosen by division managers and the other group members were voted on by store managers once a year.

QuikTrip Store Network

QT stores were open 24 hours a day, 365 days a year. All stores had a standard layout and merchandise selection determined by the corporate office to provide a consistent shopping experience across all regions. All stores had unlocked multi-person restrooms. In 2010, QT began experimenting with a new Generation 3 (Gen3) store format. (See **Exhibit 5** for store images.) Gen3 stores were 20% larger than standard QT stores and featured coffee bars with premium beverages as well as a broader range of fresh products. Both customers and employees were enthusiastic. On average, these stores sold twice as much as a regular QT store and the coffee, ice cream, and smoothie sales actually exceeded cigarette sales. It was expected that most new stores would be Gen3.

Because most customers drove to QT, the stores were in stand-alone locations with ample parking and enough fueling terminals to ensure quick service. Chet explained: "There are many things we are great at, but there are two things we are the best at—choosing the best people and choosing the best locations." Store locations were chosen using an internally designed statistical model that took into account the demographics, crime rates, and vehicle traffic of any given location and estimated total market sales volume and how much revenue the new store could expect to draw from nearby competitors.

About 70% of store merchandise came directly from QT distribution centers (in Atlanta, Kansas City, and Phoenix) or QT Kitchens (in Atlanta, Kansas City, Phoenix, and Tulsa), while 30% came directly from vendors such as Coca-Cola and Frito-Lay. QT Kitchens delivered to each store daily, while QT distribution centers delivered three times a week. Typically, a truck from a QT distribution center served 12 stores and one from QT Kitchens served nine stores. Stores did their own ordering from QT distribution centers, but ordering from QTKs was decided centrally by each division.

^a QT stores were divided into nine divisions based on geography.

Customer Service at QuikTrip

QT found it hard to describe its typical customer. Many customers shopped daily for their morning coffee, paper, or doughnut. Others visited several times a day. About half of transactions came from customers who shopped at QT at least once a day. For some, QT was the neighborhood convenience and gasoline retailer, while others stopped in on the way to work—or during work—for lunch or coffee. Many customers shopped at multiple QuikTrip stores—close to work, close to home, on the way to the gym—and would drive past other retailers to find a QT (see **Exhibit 6** for customer loyalty in gasoline and QT's market share in gasoline in different markets).

QT differed from other convenience stores by offering fast and friendly customer service and meticulously clean stores and facilities. Kevin Thornton, QT's Atlanta division manager, explained the QT difference: "Every convenience store sells Coke and Pepsi. But we serve the customer faster, in a friendly and clean environment, and have the best prices. We take a lot of pride in this; it's ingrained in our culture."

Fast service was essential to QT's success and differentiation in the convenience store market. Customers came to QT to get in and out as quickly as possible and would not come in if the parking lot or store were full. Store layout was designed to help customers find products as quickly as possible. All stores had the same layout and the same merchandise, so no matter what QT store customers visited, they could find the same products in the same places.

Employees shared cash registers; any employee could use any cash register at any time. Rather than scan high-volume items, employees used speed keys to speed up the checkout. Chet elaborated: "If a customer buys a fountain drink, it is faster to use speed keys and mentally calculate change than to go through the trouble of taking the drink, scanning it, and having the register calculate how much change to give back." Speed of service increased with experience. Patty Donovan, a store manager with over 15 years of experience, found that she had memorized some of her customers' shopping patterns and would begin ringing up their purchases before they finished shopping. The company had strict customer-service policies, such as the "Three to One Standard": There should never be more than three customers per employee waiting at a cash register and customers should never have to stand in line for more than one minute. Available employees were expected to drop everything and help at the registers if more than three customers were in line.

Consistency in speed, friendliness, product offerings, and cleanliness was another source of differentiation. "You can go in to any QT and get the same service," said Atlanta-area store manager Corey Alverson. "Competitors try. They can copy our layouts and products but they can't copy our consistency." QT had developed a number of protocols and safeguards to ensure consistency; two of the most effective were its daily activities worksheet (DAW) and its mystery shopper program.

Daily Activity Worksheet

The DAW was a tool that helped managers in each shift ensure that everything got done. The DAW was divided into three sections: register time, tasks (such as stocking merchandise), and upkeeps (such as cleaning bathrooms and emptying trash). For each shift, the manager would print and post the DAW, which told all employees what needed to be done and when. When an employee completed a task or upkeep, he or she initialed the worksheet, allowing everyone to see which tasks had been completed. Managers could assign jobs to specific employees or simply post the DAW and trust that employees would complete all jobs at their own pace. "We are very careful about what we put in the DAW," Jeffers explained. "Our belief is that, if you are not going to have a way to inspect

what you want people to do, then don't bother asking them to do it. If something shows up in the DAW, it's either on a supervisor's checklist or part of a customer-service evaluation."

The DAW also helped with staffing. QT tracked how long each type of register transaction (cash, credit card, or check), upkeep, and task took and combined these data with forecasted traffic and sales data to determine staffing requirements in hourly increments. For example, QT knew that each cup of coffee sold took five seconds of labor to ring up when paid for with cash and ten seconds of labor to keep the coffee area stocked and clean. Based on these estimates, store managers knew how much labor was needed on each shift and constructed schedules for part-time and full-time clerks accordingly.

Mystery Shopper Visits

QT invested in developing its own mystery shopper program to evaluate each store's customer service. The mystery shoppers were hired by QT's corporate office, with their identities kept secret from all store employees; they visited each QT store once a week. QT mystery shoppers were paid twice the industry average and could be terminated if discovered. Periodically, a second mystery shopper would visit a store to make sure the first mystery shopper had evaluated it accurately. Mystery shoppers evaluated every element of customer service—employee appearance, store cleanliness, and merchandise—based on standards developed from customer feedback. An employee's bonus—amounting to approximately 10% of his or her pay—was based on the store team's performance for the mystery shop. If a store received a 100% score, the employee at the register when the mystery shopper visited was awarded an additional \$50 above and beyond his or her regular mystery shop bonus. Every week, about 20% of the stores received a full score.

Jeffers explained how important it was that the mystery-shopper questionnaire had been based on customer feedback: "Up to 1995, the customer-service standards were really set in the boardroom by a board of directors. But now, the standards are based on what thousands of our customers tell us. I think this is still one of the things our competitors miss out on. They want to tell people how to do it from up here. But nobody goes and talks to the real consumer. They want to set a standard based on their beliefs from their day and time and, in many cases, I think they miss the boat because they're not listening to the people who really bring the money in."

The questionnaire changed every two to five years or when the stores went through a major change, such as altering the layout. (See **Exhibit 7** for criteria used in the questionnaire.) The questionnaire update process was intensive; two store managers from each division interviewed 1,000 customers (500 from urban and 500 from suburban settings) in their division. Interviews lasted 15 to 20 minutes and the customers received five-dollar gas cards for their help. QT also conducted Web surveys that netted an average of 50,000 customer responses each time the questionnaire was updated.

In 2010, the average mystery shopper score for QT stores was 94%, with a very small standard deviation. If the score for a store fell below 85%—a rare occurrence—disciplinary action was taken. QT's mystery shoppers routinely "shopped" a competitive set across many channels. The competitive set included Chick-fil-A and MacDonald's fast-food restaurants, HyVee and Kroger grocery stores, Walgreens and CVS pharmacies, Wal-Mart, and several convenience and gas stores including Shell, Chevron, Exxon, RaceTrac, Casey's, Kum and Go, and 7-Eleven. In 2010, the composite average score for the competitive set was 76.1%. The best score in the competitive set was 85% (Exxon) and the worst was 61% (7-Eleven). Wal-Mart and MacDonald's scored close to average.

Managing the Store Network

Each store was led by a store manager who was assisted by four other managers: first assistant, second assistant, night assistant, and relief assistant. Each of the three shifts was covered by at least one manager. (See **Exhibit 8** for QT's management and shift schedule.) A single manager often covered much of the night shift, when traffic was low. Managers were assisted by both part- and full-time clerks, the number of which varied from store to store and within each store according to customer traffic. An average store employed 7.2 full-time employees and 8 part-time clerks. The security systems at QuikTrip stores were state-of-the-art and generally considered on par with those of most banks.

Store managers reported to area supervisors, each responsible for 13 to 16 stores. Area supervisors visited stores weekly to walk the sales floor and to meet with the manager to review financials, inventory, employee management, and sales information such as gallons of gas sold and cash imbalances. Area supervisors in turn reported to their division manager, the highest regional executive. In evaluating store performance, QT paid close attention to customer service and controllable expenses—wages, inventory shrink, and spoilage. Sales were certainly measured but were considered less important in employee evaluations because corporate decided what products to sell and how to promote, arrange, and sell them and therefore did not want to hold store employees accountable on these points.

QT measured inventory shrink and cash imbalance frequently. Auditors took a full inventory at each store every 90 days and an inventory of major items every 45 days. In 2010, inventory shrink in convenience stores and natural and specialty food stores in the U.S. was 1.52%,²¹ while at QT it was 0.6%. A manager beginning a shift performed a cash audit before taking over. If there was an unexplained difference of more than 0.3% of sales or more than \$100—whichever was smaller—the previous shift's manager was documented. For discrepancies greater than \$100, the manager would be reprimanded; for \$300, he or she would receive a written warning; \$500 would trigger automatic termination. Three cameras were trained on the registers; store and division managers could compare the video with register transactions.

However, even inventory took a secondary role to customer service. "I don't want a manager more worried about spoilage than taking care of the child who spilled their drink," said Jeffers. "I'd rather they take care of that child, give them a free drink, and make a positive impression on our customer. We drive people to take care of the customer first, not inventory or spoilage."

Managing Store Employees

Working at a QT store was not for everyone. Employees were expected to perform their tasks accurately and in the allotted time. Jeffers explained: "The pace of work is too hard for some people and they exit quick. And the morale of the team really runs them off. I mean the peer pressure. If you don't do your part in the store team on that shift, it's putting a burden on everybody else and they're going to be patient with you during the learning process. But when you get to the disillusioned learner stage, they're the ones that typically, before we even get involved from the management level to have to terminate someone, this person's already feeling the pressure from the fellow teammates, and they're pushing them out. Turnover for employees with over a year of service is virtually nonexistent."

Employees who stayed with QT saw it as a career. Atlanta-area store manager Jay Fuston, for example, came to QT thinking it would be a temporary job. "I've been here for nine years now," he

says, “and they’ve turned it into a career because of how well the company treats us and because of the opportunities within the company. QT is devoted to its employees.” Others felt the same way. Alverson said, “QuikTrip takes care of its people. This is my career.” Paterson, another Atlanta store manager, declared, “I’ll never work for anyone else, ever.”

The average tenure was fourteen years for store managers, nine years for first assistants, six years for second assistants, four years for relief assistants, three years for night assistants, and two years for part-timers. Full-time employee turnover at QT was 13%, compared to 59% in the top quartile of the industry and 109% in the industry overall. Part-time employee turnover for QT was 36%, compared to 84% in the top quartile of the industry and 157% in the industry overall^b.

QT had been named one of *Fortune’s* “100 Best Companies to Work For” each year since 2003.²² QT was unusual among retailers in that it invested in developing its employees because it expected them to lead QT.

Hiring

The entry-level positions at QT were part-time and full-time clerk, night assistant, and relief assistant. All other store positions were filled by people who had moved up through the ranks from an entry-level position. QT invested in a rigorous hiring and training process to ensure that the firm brought on only those who would deliver the high-quality customer service it expected. Hiring was done centrally by the division office; store managers had no role in interviewing and selecting entry-level candidates.

In the Atlanta region alone, QT received 1,200 applications a week for part-time work and 500 to 600 for full-time positions. Applications spiked in the summer; the Atlanta division received a record high of 2,200 part-time applications per week in the summer of 2010. Mark Milburn, QT’s personnel manager for the Atlanta division, noted that 90% of all applicants were eliminated before reaching an interview; QT ended up interviewing five people for each position.

To make it more likely that the right type of person applied in the first place, QT studied predictors of high performance among its employees, such as level of education, retail experience, and military service. Finding that 40% of its best employees were referrals from other employees, QT increased its referral bonus; an employee received a \$100 bonus each time a referral reached a milestone—finishing training and making it through three months, six months, and one year of employment—for a potential bonus of \$400.

When a candidate was invited for an interview, he or she first had to pass a 15- to 20-question math test, ranging from mentally calculating a customer’s change to determining how much of a certain product to order from the distribution center for the following week based on the previous week’s sales. A candidate who passed would then read some literature and watch a video about the work that would be expected of him or her—including the most demanding and unsavory elements of the job, such as cleaning the toilets and fueling stations. This was an opportunity for some candidates to take themselves out of the running.

Then came the actual interview, which lasted 20 to 30 minutes. “We’re looking for energy and enthusiasm,” said Milburn. “I’ll increase my pace while walking to see if you keep up. Are you talking? Are you making eye contact and smiling? Are you giving sincere answers?” Interviewers asked about previous retail experience and also posed hypothetical questions about hypothetical

^b These turnover statistics do not include departure of employees during training.

work situations. Milburn offered an example: “Say you are working the night shift alone. What would you do if a customer came in and said that he had spilled gas while pumping?”

For part-time candidates, QT asked if they would be able to live on reduced hours during slow seasons. QT had a natural advantage, given that many of its part-timers were students looking for 40-hour weeks in the summer and reduced hours in the winter. However, part-timers were often able to pick up as many extra hours as they wanted in other local QTs when employees went on vacation or called in sick.

Training

Once hired, part-timers received 40 hours of training and full-timers approximately two full weeks. For part-timers, the 40 hours consisted of a six-hour training session at the division office and 34 hours of in-store training from training clerks—full-time employees specifically selected for their knowledge, experience, enthusiasm, and promotion potential. (See **Exhibit 9** for a quiz a training clerk prepared for her trainees.) Full-time clerks and entry-level managers were trained by initial trainers—employees whose sole job was to train new employees and who received bonuses based on the retention of their trainees. For full-time employees, the first week focused on upkeeps and register training, the second week on their assigned tasks.

QT practiced just-in-time training, giving only enough information for an employee to do his or her immediate job. “We don’t train an employee to do or know something if they are not going to apply the knowledge,” Jeffers explained. Training was difficult, with graduation rates of 72% for part-timers and 82% for full-timers and assistants. Many quit once they realized what would be expected of them.

When a night or relief assistant was promoted to second or first assistant, the store manager trained and worked with him or her over two to five shifts. When a first assistant was promoted to store manager, QT flew him or her to Tulsa to spend one week at the corporate office for intensive training. A new manager also received six weeks of additional training from a training manager (a promoted store manager whose only job was to train new managers), who spent two to three weeks full time in-store with the new manager and then a few days a week afterwards. Ten percent of new store managers did not make it through training and returned to assistant manager positions—but often with increased pay.

Compensation and Benefits

Assistant and store managers were salaried, while clerks—whether full-time or part-time—were paid hourly. Store employees were paid almost double the industry average. Within the company, store managers were among the top 10% in terms of salary, making between \$60,000 and \$80,000 a year with bonuses. Half of the typical bonus—about 10% of wages on average—came from mystery shopper reviews of customer service. The other half came from operating profit; most store employees, except part-timers, received a percentage of the store’s and division’s operating profit—excluding profit on gas—and a percentage of the companywide operating profit from gas sales. The operating profit bonus averaged approximately 10% of total employee salary.

QT offered other tangible benefits (see **Exhibit 10** for employee benefits) as well as such intangible benefits as job stability and a deep commitment to employee appreciation, development, and well-being. Employees who reached important milestones were rewarded with bonuses and personal recognition. After five years of service, an employee was taken out to dinner with the senior-level division staff. At ten years, Chet would come to town to have dinner with the employee and his or

her spouse or guest. Chet also spent roughly 50 days per year on the road visiting approximately 275 stores, where he would hold employee meetings. Employees were encouraged to speak to Chet or e-mail him with suggestions or questions and a good part of the CEO's workday was spent responding to these communications. Chet saw his relationship with employees as essential: "My family has done well because of their hard work. I want to make sure they're taken care of and know they are appreciated. I don't know how I'd do that sitting in an office in Tulsa." He continued, "They wouldn't follow me if they didn't know that I respect them. It would be disrespectful to not come and be in front of them at least once a year."

Job stability was another frequently cited benefit; QT had never laid off an employee. "One of the reasons our employees come to us and plan to stay with us is because they or their family have lived through the layoff process elsewhere and they want to go somewhere where they feel secure," Jeffers noted.

Job Design and Support

Each store manager and assistant had his or her own responsibilities (such as ordering products and scheduling employees), but all employees were trained to perform all upkeeps and some tasks. (See **Exhibit 11** for a sample of tasks a part-time clerk might be expected to do in a typical day.) Store managers and assistants spent approximately 70% of their time at the register, but also helped with upkeeps and other tasks. Jeffers noted, "The number-one reason people stay with QuikTrip is not the money. It's because their managers will do the same jobs they do. They have never worked anywhere else where the management will do the worst parts of the job such as clean the bathroom, empty the trash, work in the freezers, and clean the gas islands." Employee surveys found that employees (a) were primarily motivated by pride in a job well done and (b) saw the continuous feedback they received as evidence that the company cared about their personal development.

To ensure that employees had sufficient time and resources to do all their jobs and do them well, QT made sure that stores were staffed properly and that all equipment functioned well. When regular employees were sick, had emergencies, or took vacations, relief employees filled in. In 2010, QT had over 150 relief employees just in the Atlanta market. In addition, part-time employees who wanted more hours could fill in when a store needed help. To ensure that all equipment was in working order, QuikTrip had its own facility support for machines and gas pumps. If there was a problem—for example, if the coffee machine was not brewing properly—store employees submitted an electronic request and a deadline for when they needed the equipment to be fixed. A technician assigned to that store (each technician served about five stores) would fix the problem.

Employees were expected to help manage themselves and to work without substantial micromanagement. "We have to trust people to do the right thing at the right time because we can't afford to have immediate supervision on each employee on every shift," Chet explained, "We can't do that and functionally work. Our people feel empowered by that. They like that accountability."

Internal Promotion

Internal advancement was a major driver of employee performance and QT worked hard to develop its employees. Store managers worked with their area supervisors to develop a promotion list of qualified workers. When a store position became available, the store manager would travel to the division office to interview candidates from the promotion list and decide whom to hire. Promotion could be within a store with more responsibility (for example, from second assistant to first assistant) or to a new store that had higher customer traffic and sales and therefore the opportunity for a larger operating-profit bonus.

In established markets, it was not uncommon to find stores whose managers had been in that position for 15 or 20 years and whose first assistants had been in that position close to 10 years. QT found that these were some of their best-performing stores because they were run by proven managers who personally knew most of their customers. Turnover for these positions was low because store managers and first assistants received high pay, weekends off, and longevity-based bonuses and perks. However, such stability also created a pool of experienced employees who could become frustrated by the lack of advancement opportunities. Frustration could be especially high for relief and night assistants, who spent several nights a week in the store alone. One solution was to transfer qualified employees from saturated markets to growing ones.

Once an employee became a store manager, promotions became more difficult. The specialist positions in each division—training manager, division personnel manager, area supervisors, and division manager—were limited and rarely became available. Although QT filled almost all senior executive positions (including the president/CEO, the chief operations officer, the chief financial officer, the vice presidents of sales, marketing, operations, and store development, the director of construction, and the senior network analyst) with former entry-level store employees, the firm kept its top corporate management lean, so advancement opportunities were rare.

Performance Reviews

Employees received frequent feedback, most commonly through anonymous electronic evaluations by their coworkers. QT did “360-degree” evaluations in which employees were evaluated by those directly above and below them to ensure fair and accurate evaluations. Store managers were evaluated semi-annually while assistants were evaluated quarterly or twice yearly, depending on their length of service. Full-time clerks were evaluated monthly and part-time clerks bimonthly. Store managers met monthly with each employee separately and with the entire team to go over individual and store performance, team morale, and how to help each other succeed.

Evaluations filtered up through each management level in the division and were centrally evaluated at the corporate office to rank store and division performance. Employees could log on to the store’s internal network to see how well their stores were performing against others stores, both in the division and companywide, in terms of financials, store evaluations, and customer service feedback and reviews. They could see whether their own individual ranking—based on evaluations, store performance, and supervisor comments—was in the highest-performing 20%, the middle 60%, or the bottom 20%. Apart from formal reviews, employees consistently gave one another feedback.

“If someone’s performance slips, the first thing we do is to have a conversation to see how we can help. We help through our employee assistance program and if they need time off, that’s fine,” Thornton explained. “But if the employee is not having problems and their performance continues to slip, then we get serious.” QT did terminate employees, but the cause was more often the employee’s behavior than his or her lack of skill. Employees could be helped or trained to hone skills, but poor behavior and customer service were easy ways to be let go from QT. Thornton summed it up: “One thing about QuikTrip is, if you don’t do right by people, you get weeded out pretty quickly.”

Growth

For a number of years, QT had been devoting its resources to developing its Dallas/Fort Worth-area and Phoenix-area markets. But the Phoenix market had now been profitable for a number of years and the Dallas market had reached profitability in 2009. Dallas then had an unprofitable year in 2010, due to exceptionally low gas margins, but Chet was not worried, as merchandise sales volume

had increased dramatically since 2010 and the average store there was now making only slightly less than stores in established markets. Reaching such a healthy sales volume in Dallas in ten years was particularly pleasing, given that Dallas was the corporate headquarters of the world's largest convenience store chain—7 Eleven. With both of these markets reaching maturity, QT was looking to new growth markets.

QT had been eyeing a move into North Carolina for several reasons. North Carolina had a fast-growing economy and an expanding population. Construction and real estate costs had fallen in the several years prior to 2011 and QT saw this as an optimal time to establish a foothold in the region. QT's established Atlanta division, with a QT distribution center and QT Kitchen facilities, was only three hours to the south. In addition, Atlanta was a saturated market with a slow pace of roll-outs and many of its more than 1,000 employees were experienced and eager for development opportunities, which Chet was anxious to provide. There had been previous rounds of expansion in Dallas, Phoenix, and Tucson, but while QT employees were generally willing to relocate for career advancement, these cities had been too far away to expect Atlanta employees to relocate. "These people need a chance," Chet believed. "They came to work for us because they trusted that my family and QT would take care of them. If we don't, they'll go somewhere else."

Upon entering a new market, QT filled at least 50% of the new positions with employees from other regions, allowing it to import its culture and values while providing a venue for talented employees to advance. In these markets, it was possible for assistant managers to become store managers in only three to four years. But as a market matured and the pace of store openings declined, so did the percentage of employees brought in from other regions, particularly as local employees hired in the first years of operation gained experience and looked for promotions.

Traditionally, QT opened approximately one store a month when entering a new market. Experience and market research had shown that it took up to five years or about 50 stores to establish a brand presence in a new market and stand out in consumers' minds. "Until customers come into our stores a number of times and we're everywhere in the market, they won't view us as more than the average convenience store," Chet explained.

Turning a profit took even longer. New stores in existing markets broke even 1.5 years after opening and reached peak performance in 8 to 12 years. Stores in new markets often took seven years to break even. In every new market QT entered, it lost millions of dollars per month for the first several years. And QT stores cost more to build—an average of \$4.2 million—than those of its competitors. Since all new stores in North Carolina would be Gen3, they were expected to cost even more. Also, Chet estimated it cost about \$40,000 to move an employee to a new market. "Let's face it, our model is a high-investment and high-volume one," Chet explained. "So in North Carolina, just like the rest of our markets, we're going to have really high costs relative to our competitors. Unfortunately, it takes a while in new markets for our volumes to rise to the level that it takes to justify those costs. As a result, you have to be patient. The question is always: How much patience is too much patience?"

2011 North Carolina Roll-Out

As Chet left the meeting in Atlanta and boarded his return flight to Tulsa, his mind was racing. QT would definitely move into North Carolina, but how quickly should he roll out the new stores there? QT invested heavily in developing its people, but if he was unable to keep offering them chances for promotion, his company might begin losing its key asset. At the same time, if the roll-out

went too quickly, QT might not be able to find the talent it needed quickly enough to keep up with store construction.

Opening 10 stores per year in a new market was the proven formula that had helped QT develop a loyal customer base while maintaining sustainable growth. But with so few promotion opportunities for QT employees, would it make sense to open stores in North Carolina more quickly? Opening 20 stores would relieve some of that pressure, but was this the best way to develop his people and the QT brand? Would speeding up the old model decrease the time it took for new stores to break even by getting to market saturation sooner?

Exhibit 1 QuikTrip's Major Milestones

Date	Event
1958	QuikTrip's first store opened in Tulsa, Oklahoma.
1968	10th anniversary. QuikTrip operated 43 stores and employed 168 people (125 full- and 43 part-time).
1971	QuikTrip began selling gasoline.
1977	20th anniversary. QuikTrip operated 184 stores and employed 966 people (690 full- and 276 part-time).
1984	Chester Cadieux's infamous human relations memo.
1987	30th anniversary. QuikTrip operated 248 stores and employed 1,798 people (1,054 full- and 744 part-time).
1995	QuikTrip began its companywide policy and procedure reengineering effort.
1997	40th anniversary. QuikTrip operated 331 stores and employed 3,749 people (2,353 full- and 1,396 part-time).
2002	Chester Cadieux retired as president and CEO, succeeded by his son Chet Cadieux.
2003	QuikTrip first listed on <i>Forbes's</i> "100 Best Companies to Work For."
2004	QuikTrip opened its 400th store.
2007	On the eve of its 50th anniversary, QuikTrip operated 475 stores and employed 7610 people (4,004 of them were part-time). Also in 2007, QuikTrip opened its first QuikTrip Kitchen.
2008	QuikTrip celebrated opening its 500th store.
2011	QuikTrip entered North Carolina.

Sources: Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p. 65; casewriter research.

Exhibit 2 QuikTrip Markets as of January 2011, Dates of Entry, and New Store Openings in 2011

Source: QuikTrip, "QuikTrip Store Locator," <http://www.quiktrip.com/storelocator/Default.aspx>, accessed January 2011.

Market	Date of Entry (Listed Chronologically)	Number of Stores (As of January 2011)	New Store Openings in 2011
Tulsa, Oklahoma	September 25, 1958	59 (plus two stores in Bartlesville, OK)	2
Kansas City, Missouri	October 1, 1968	73	3
Wichita, Kansas	July 30, 1971	38	1
Des Moines, Iowa	September 22, 1974	22	1
Omaha, Nebraska	June 6, 1986	11	0
St. Louis, Missouri	September 20, 1986	74 (plus one store in Columbia, MO)	2
Springfield, Missouri	September 20, 1986	5	0
Atlanta, Georgia	September 21, 1986	118	5
Dallas-Fort Worth, Texas	December 3, 1999	76	8
Phoenix, Arizona	April 20, 2000	79 (including Tucson)	6
Tucson, Arizona	January 14, 2010	(see above)	5

Sources: Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p. 49; QuikTrip, "Store Wages, Tucson Division," http://www.quiktrip.com/IS/wages_detail.asp?Loc=Tucson, accessed January 2011 and field interviews.

Exhibit 3 Chester Cadieux's 1984 Human Relations Memo

TO: All Management Personnel
 DATE: February 27, 1984
 RE: Practicing the Golden Rule

QuikTrip customers expect and deserve well-groomed employees who give them fast, friendly service. They also expect and deserve attractive, clean and well-merchandised stores. Just as there are minimum standards for customer service, appearance and store operation, there are minimum acceptable standards in the management of our employees. QuikTrip employees expect and deserve intelligent, positive, factual supervision. They do not deserve to work for an asshole. I am more tolerant of poor operation than I am of poor treatment of employees.

I am writing this memo not as a threat or because I perceive we have a problem, but as the result of a discussion held in one of our Management Committee meetings. Everybody seemed to understand what the minimum standards of customer service, employee appearance, and operation were, but there was no clear definition of minimum acceptable human relations skills. Some failed to realize that the way we get good results is just as important as the results.

Because of different personalities and experiences, we handle employees differently and I would not try to teach one set method. I would just say we cannot tolerate obnoxious, oppressive, abusive, tyrannical despots (assholes).*

Please be sure that you always treat your employees the way you want to be treated. That is the minimum expected standard of management at QuikTrip.

CC:db

* Obnoxious – highly offensive

Oppressive – unreasonably severe; depressing to the spirit

Abusive – characterized by verbal abuse

Tyrant – a ruler who exercises absolute power oppressively or brutally

Despot – a person exercising power abusively, oppressively, or tyrannically

Asshole – an easily understood American vulgarity for all the above

Source: Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p.87.

Exhibit 4a QuikTrip's Purpose

Provide an opportunity for employees to grow and succeed.

Companywide: Expand into new markets, promote from within, encourage upward mobility of division personnel, fund education opportunities

Division Staff: Provide training and performance feedback, promise only what can be delivered

Store Managers: Provide training and performance feedback, encourage promotion to higher volume stores, create a teamwork environment, promise only what can be delivered

Store Team and Individuals: Provide training and regular, honest feedback, develop skills, provide promotion opportunities, facilitate learning new tasks

Source: Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p.149.

Exhibit 4b QuikTrip's Core Values**Be the Best:**

- Strive for excellence in customer service
- Hire only the best we see
- Promote the best based on proven performance
- Insist on high operating and management standards
- Stay aware of our competition
- Be the employer of choice in our industry
- Achieve quality in performance
- Work with team to constantly improve

Never Be Satisfied:

- Facilitate resource groups and annual meetings
- Constantly improve process
- Remodel stores to meet the needs of customers and store team
- Close or relocate stores that don't meet criteria
- Don't let success go to our heads
- Identify areas for improvement and work to correct them
- Benchmark against the best in our industry and business in general
- Encourage continuous self-improvement

Focus Long-Term:

- Invest in the training and development of people
- Focus on operating stores as the primary thing we do
- Develop today's leaders and future leaders
- Maintain quality while growing the number of stores
- Drive sales at expense of margin
- Invest in new markets
- Set and accomplish challenging strategic goals

Do What's Right for QuikTrip:

- Support critical QT strategies with resources
- Terminate those who won't or can't perform to standards
- Remain privately owned
- Insist on right person-right job
- Conserve resources

Do the Right Thing

- Consider how our actions will affect customers, the store, and the community
- Ensure we have the best store security systems
- Consider stores first, then corporate plans
- Sell all products responsibly
- Support our communities through contributions and partnerships
- Guarantee everything we sell
- Manage people well – be fair, firm and consistent

Source: Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p.150-153.

Exhibit 5 QuikTrip Store Images

QuikTrip Gen2 (Existing Stores) Interior



QuikTrip Gen2 (Existing Stores) Exterior



Exhibit 5 (continued)

QuikTrip Gen3 Store Interior



Source: QuikTrip.

Exhibit 6 QuikTrip’s Gasoline Market Penetration

Customer Gasoline Market Penetration in 2006*						
	QuikTrip			Best Competitor		
	Most Used	Also Used	Total	Most Used	Also Used	Total
Tulsa	74.3%	12.3%	86.6%	6.7%	8.3%	15.0%
Kansas City	46.7%	21.3%	68.0%	13.0%	13.3%	26.3%
Wichita	42.7%	29.7%	72.4%	28.7%	18.7%	47.4%
Des Moines	37.0%	19.0%	56.0%	15.0%	21.0%	36.0%
Phoenix	21.2%	16.9%	38.1%	13.2%	13.2%	26.4%
St. Louis	40.5%	25.2%	65.7%	15.9%	13.3%	29.2%
Atlanta	34.4%	25.5%	59.9%	16.2%	25.2%	41.4%
Dallas-Fort Worth	16.3%	15.0%	31.3%	11.3%	20.0%	31.3%

* 2006 was the last time that QT tracked this information because it was highly correlated with market share data. In 2006, QT had been in Dallas-Fort Worth and Phoenix for six years.

Gasoline Market Share 2011**		
	QT	Best Competitor
Tulsa	56.2%	11.9%
Kansas City	36.2%	18.6%
Wichita	38.0%	18.9%
Des Moines	21.7%	25.5%
Phoenix	19.0%	24.6%
St. Louis	21.0%	23.7%
Atlanta	26.3%	12.1%
Dallas-Fort Worth	12.3%	14.8%

** On average, the best competitor had four times as many locations as QT.

Source: QuikTrip.

Exhibit 7 Mystery Shopper Store Evaluation Criteria

Customer Service—friendly greeting, eye contact, correct prices charged, efficient/courteous/professional behavior, 3 to 1 standard applied, proper thank you and/or request to return.

Employee Appearance—visible name tag, proper uniform, neat appearance, no use of cell phones.

Cleanliness—restroom, floors, trash containers, front doors, checkstand, pastry case, parking lot, gasoline island, sidewalk, fountain drink/coffee/hot food modules, coolers.

Merchandise—outside displays, candy rack, coolers, hot food products, fountain drink/coffee/hot food modules, general merchandise.

Source: Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p.107.

Exhibit 8 Management Schedule for QuikTrip's Stores

SHIFT	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Morning	MGR/1A	MGR/1A	MGR	MGR/2A	MGR/2A	RA	RA
Evening	2A	RA	1A	1A	1A	2A	2A
Night	NA	RA	RA	NA	NA	NA	NA

Management Key:

MGR - Store Manager

1A - First Assistant

2A - Second Assistant

RA - Relief Assistant

NA - Night Assistant

Shift Key:

Morning - 6 a.m. to 3:30 p.m.

Evening - 2 p.m. to 12:00 a.m.

Night - 11 p.m. to 8 a.m. (Friday and Saturday 10:30 p.m. to 8 a.m.)

Sources: Casewriter research; QuikTrip, "Work Schedules," <http://www.quiktrip.com/jobs/schedules.asp>, accessed January 2011.

Exhibit 9 "Part-Time Clerk Trainee Quiz" prepared and used by a trainer clerk in the Atlanta division

- 1- After clocking in, one should always do _____ unless told otherwise.
- 2- What comes first: tasks, customers, or upkeeps?
- 3- What is the maximum time given for an upkeep?
- 4- How often should an upkeep be done?
- 5- True or false: When doing an upkeep, we sweep and mop the entire sales floor.
- 6- True or false: When touching food, we do not use gloves.
- 7- True or false: Work schedules change weekly.
- 8- True or false: We chase and throw soda cans at gas drive-offs.
- 9- What kind of coupons does QT accept?
- 10- Does QT allow second-hand sale?
- 11- What is the minimum age to buy alcohol?
- 12- What is the minimum age to buy tobacco/cigarettes?
- 13- QT requires its employees to ID anyone who looks under what age?
- 14- What key on the lottery machine is not to be used?
- 15- Does QT allow its employees to text/talk on a cell phone while on duty?
- 16- Does QT accept travelers checks over \$100?
- 17- Is alcohol allowed to be bought with an EBT card?
- 18- Are smiles part of your uniform?
- 19- How much money do you get if you hit all of your customer contacts during a mystery shop?
- 20- Where do you see yourself with QT in the next year?
- 21- Money orders come in increments of _____.
- 22- _____ is the maximum amount allowed to be purchased by a customer daily.
- 23- How much does one 300 dollar money order cost?
- 24- A money order can be purchased with what form of payment?
- 25- True or false: Lottery tickets must be paid in cash.

If you score 100%, you will receive a free regular size candy bar or a free donut from your awesome clerk trainer ☺

Source: Casewriter interview with a QuikTrip training clerk.

Exhibit 10 Summary of QuikTrip Employee Benefits**Insurance Benefits (Full-Time Employees)**

- Health: Choose from the QuikTrip self administered plan with a Preferred Provider Organization (PPO) or an HMO (except in Iowa). QuikTrip contributes approximately 80% of the total cost of the plan.
- Dental: Two free cleanings per year. Annual deductible and \$1,250 annual calendar year maximum per covered individual.
- Life: Coverage at twice the previous year's earnings. Supplemental term and whole life plans also available.
- Vision: Covers eye examinations and glasses or contact lenses.
- Part-Time Employees are eligible for insurance coverage through StarBridge after 30 days of employment. At their second anniversary, they may enroll in the standard QuikTrip Benefits Plan.

Financial Benefits

- 401(k): Annual maximum amount of \$16,500 from each employee's compensation can be invested in QuikTrip's 401(k) plan. QuikTrip matches the employee's contribution at a 50% rate for up to 6% of their annual pay.
- Profit Sharing: QuikTrip annually contributes a percentage of pretax profit.
- Employee Stock Option Plan (ESOP): QuikTrip annually contributes company stock equivalent to a percentage of pretax profit.

Vacation Benefits

- 2 weeks after 1 year of full-time employment
- 3 weeks after 5 years of full-time employment
- 4 weeks after 10 years of full-time employment
- 5 weeks after 15 years (store employees only) of employment
- Part-time employees accrue vacation after 2 years of employment
- 1 month paid sabbatical at 25 years and every 5 years thereafter

Other Job Benefits For Both Full and Part Time

- Free fountain drinks/coffee while on duty
- Weekly pay through direct deposit or payroll card and free checking with minimum balance
- Christmas bonus
- Credit union
- Seniority awards
- Tuition reimbursement
- Employee assistance program
- Free stylish shirts for store employees

Additional Benefits For Full Time

- Disability, Sick pay
- Medical reimbursement accounts, child care reimbursement accounts
- Scholarship program

Source: QuikTrip, "Benefits," <http://www.quiktrip.com/jobs/benefits.asp>, accessed on February 12, 2011.

Exhibit 11 Employee Duties

- Give fast, friendly customer service
- Brew coffee, clean fountain area
- Write orders
- Read daily store email
- Sweep the parking lot
- Give fast, friendly customer service
- Wipe down gas pumps
- Check in vendors
- Restock cooler and freezer
- Sweep and mop floor
- Stock hot dog and taquito roller grills
- Put up warehouse order
- Give fast, friendly customer service
- Clean and stock fountain drink module
- Clean restrooms
- Attend store team and 1-on-1 meetings
- Bag ice
- Cook Hotzi breakfast/lunch sandwiches
- Empty trash containers
- Move and build pop display
- Give fast, friendly customer service
- Check in gas delivery
- Pick up outside trash
- Give fast, friendly customer service
- Clean sidewalk and parking lot

Source: QuikTrip, "Duties," <http://www.quiktrip.com/jobs/duties.asp>, accessed January 2011.

Endnotes

¹ NACS, The Association for Convenience and Fuel Retailing, "U.S. Convenience Store Count," January 24, 2011, <http://www.nacsonline.com/NACS/NEWS/FACTSHEETS/SCOPEOFINDUSTRY/Pages/IndustryStoreCount.aspx>, accessed June 2011.

² Ibid.

³ NACS, The Association for Convenience and Fuel Retailing, "Motor Fuel Sales," January 24, 2011, <http://www.nacsonline.com/NACS/News/FactSheets/Motor%20Fuels/Pages/MotorFuelSales.aspx>, accessed January 2011.

⁴ NACS, The Association for Convenience and Fuel Retailing, "Convenience Stores Offer More Convenience," May 7, 2009, <http://www.nacsonline.com/NACS/News/FactSheets/ScopeofIndustry/Pages/Convenience.aspx>, accessed January 2011.

⁵ NACS, The Association for Convenience and Fuel Retailing, "Technology," July 1, 2006, <http://www.nacsonline.com/NACS/News/FactSheets/MerchandiseandServices/Pages/Technology.aspx>, accessed June 2011.

⁶ NACS, The Association for Convenience and Fuel Retailing, "Convenience Stores Offer More Convenience," May 7, 2009, <http://www.nacsonline.com/NACS/News/FactSheets/ScopeofIndustry/Pages/Convenience.aspx>, accessed June 2011.

⁷ Ibid.

⁸ 7 Eleven, "Real Estate," <http://corp.7-eleven.com/RealEstate/tabid/180/Default.aspx>, accessed January 2011.

⁹ Sheetz, "The History of Sheetz," <http://www.sheetz.com/main/about/history.cfm>, accessed January 2011.

¹⁰ NACS, The Association for Convenience and Fuel Retailing, "Convenience Stores Offer More Convenience," May 7, 2009, <http://www.nacsonline.com/NACS/News/FactSheets/ScopeofIndustry/Pages/Convenience.aspx>, accessed January 2011.

¹¹ Chester Cadieux, *From Lucky to Smart: Leadership Lessons from QuikTrip* (Tulsa, OK: Mullerhaus, 2008), p.46-58.

¹² Ibid., p.49.

¹³ Ibid., p.53.

¹⁴ Ibid., p.50.

¹⁵ Ibid., p.94-103.

¹⁶ Michael Pollan, *The Omnivore's Dilemma* (New York, NY: Penguin Books, 2006), p. 110.

¹⁷ Forbes.com, LLC, "America's Largest Private Companies of 2010," November 3, 2010, http://www.forbes.com/lists/2010/21/private-companies-10_land.html, accessed January 2011.

¹⁸ Cadieux, *From Lucky to Smart*, p.86.

¹⁹ Ibid., p.75.

²⁰ Ibid., p.105.

²¹ Checkpoint "The Global Retail Theft Barometer 2010. The Worldwide Shrinkage Survey.

²² QuikTrip, "We Have a Lot of Quality in Store for You," <http://www.quiktrip.com/aboutqt/aboutqt.asp>, accessed January 2011.