

Upcoming Events

FMS will be attending the following:

August 25	AWG Memphis
August 27	AWG Kansas
September 10	AWG Oklahoma
Sept 15 - 16	AWG Springfield

Tell Us What You Think

We look forward to receiving your feedback about the articles featured in this issue. If you have any questions or comments regarding any information within this issue, please email Bob Graybill at BobG@fmssolutions.com.

To learn how FMS can enable you to improve the profitability of your operation, please contact us at (877) 435-9400 today. Or, visit our website at fmssolutions.com.



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Smart Decisions

A bi-monthly newsletter for independent retail grocers - July 2009

fmssolutions.com

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Economic Indicators:

Prime Rate

07/23/09	3.25%
05/04/09	3.25%
12/29/08	3.25%
01/25/08	6.50%
01/25/07	8.25%

Unemployment Rate

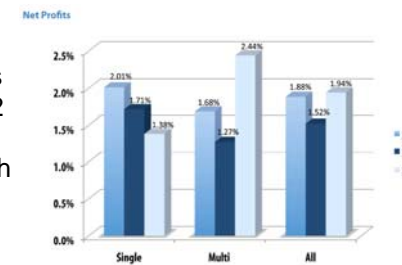
June 2009	9.5%
March 2009	8.5%
Feb 2009	8.1%
Nov 2008	6.7%
2008 Annualized	5.8%
2007 Annualized	4.6%
2006 Annualized	4.6%

10 Year Treasury Note

07/23/09	3.72%
05/04/09	3.19%
12/29/08	2.13%
01/25/07	4.87%

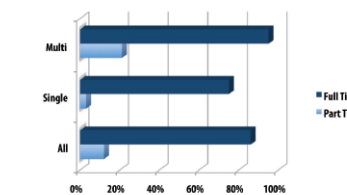
Independent Grocery Operators improve their bottom line according to the 2009 Independent Grocers Survey

The 2009 Independent Grocers Survey shows retailers have improved their gross margins and their bottom lines. Net Profits before taxes improved to 1.88% for all respondents vs. 1.52 percent last year with stronger gross margins contributing to the improved bottom lines. Both single and multi store operators improved bottom line results through increased gross margins.



With the ailing economy and last year's Food at Home CPI inflation, retailers may have benefited from inflation and consumers shopping private label, which often returns higher gross margins. (inflation most likely will not be the case in 2009) In addition, some aspects of the economy may help retailers on a human resources front. Many individuals are looking for stability in the job place. With more dollars moving away from restaurants and back to the grocery store, a career in grocery may be appealing to those seeking employment with some stability in the turbulent economy.

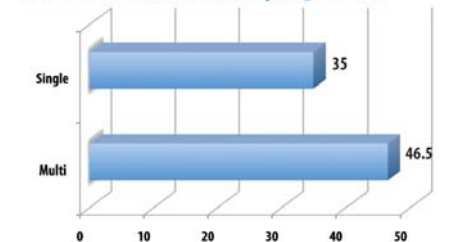
Health Care Coverage Percent of Companies Offering Coverage to FT & PT Employees



In addition to the ailing economy, health care costs continued their climb by increasing an overall 7.98 percent and are expected to increase 11.18 percent in the 2009 year. Grocers in the survey offer health care to 86 percent of their full time workforce almost matching the national averages for all industry groups.

From a worker productivity stand point, night crew workers at multi store operators outpaced their single store counterparts 46.5 cases per hour to 35 case per hour respectively. The survey looks at other key metrics such as scans per productive minute, turns, and sales per customer transaction.

Cases Per Hour Stocked by Night Crew



The 2009 Independent Operators Survey is available to retailers at www.fmssolutions.com and click on the benchmarking tab. This survey covers important industry benchmarking information in the following categories: 1) All Respondents 2) Single Store Operators 3) Multi Store Operators 4) By sales volume. This comprehensive look at the economy, benchmarking of financial figures, and key industry indicators and political issues makes the publication a must read.

Sales Tax Holiday

Several states have enacted a **sales tax holiday!** The sales tax holidays for many states started several years ago and a lot of people are taking advantage of the savings. It's the perfect opportunity for consumers to save money.

The following chart lists states that are holding sales tax holidays and the dates. The web page listed will provide you to the state's Department of Revenue or some other resource that will fully explain details of the tax holiday in that state, such as exceptions to the tax holiday.

State	Dates	Web site for more information
Alabama	August 7 – 9	http://www.ador.state.al.us/salestax/SalesTaxHol.htm
Connecticut	August 16 - 22	http://www.ct.gov/drs/cwp/view.asp?a=1514&q=318566
District of Columbia	No official date set. Previously a week in August and a week in November	
Georgia	July 30 – August 2 (pending)	http://www.legis.state.ga.us/legis/2009_10/sum/hb120.htm
Iowa	August 7 – 8	http://www.iowa.gov/tax/educate/holiday1.html
Massachusetts	Dates pending	
Mississippi	July 31 – August 1	http://billstatus.ls.state.ms.us/2009/PDF/history/HB/HB0348.xml
Missouri	August 7 – 9	http://dor.mo.gov/tax/business/sales/taxholiday/school/
New Mexico	August 7 – 9	http://www.tax.state.nm.us/
North Carolina	August 7 - 9	http://www.dor.state.nc.us/taxes/sales/salestax_holiday.html
Oklahoma	August 7 – 9	http://okc.biz/article/03-09-2009/Oklahoma_senators_pass_sales-tax_holiday_measure.aspx
South Carolina	August 7 – 9	http://www.sctax.org/NR/rdonlyres/E0D5F255-3887-481B-B9B6-DB68460D9574/0/Chapter23FrequentlyAskedQuestions.pdf
Tennessee	August 7 – 9	http://tn.gov/revenue/salestaxholiday/
Texas	August 21 - 23	http://www.window.state.tx.us/taxinfo/taxpubs/tx98_490/tx98_490.html
Virginia	August 7 - 9	http://www.tax.virginia.gov/site.cfm?alias=STHoliday
West Virginia	Sept 1 – Nov 30	http://www.state.wv.us/taxrev/taxdoc/TSDPublications/tsd426.pdf

Charitable Contributions - Making Your Investment Count

In today's economy, every one seems to need donations due to cutbacks by major companies on the charitable giving. In times like these, charitable contributions can be an effective tool in public relations in the communities in which you do business and a major help to those struggling groups. When properly run and managed, you can maximize the goodwill and generate additional sales dollars in your store.

Budget

During your day-to-day operations, you are constantly barraged with requests for donations from local schools, churches, and other charitable organizations. These donations can easily get out of hand. Develop a budget as to how much you are looking to donate. Determine how much of that donation will be in product and how much will be in cash or cash equivalents such as gift certificates.

Once you determine the amount that you are looking to spend, you will need to determine where to best spend those contributions. Rather than setting a monthly budget and donating until you are out of funds, look to see where the best return on your dollar will be.

Planning

Create a list of organizations that are directly in your community or are best represented by marketing data such as your card marketing programs. Card marketing programs can give you data as to primary zip codes that shop your store. For example, you can use this to determine which school donations will have the greatest impact.

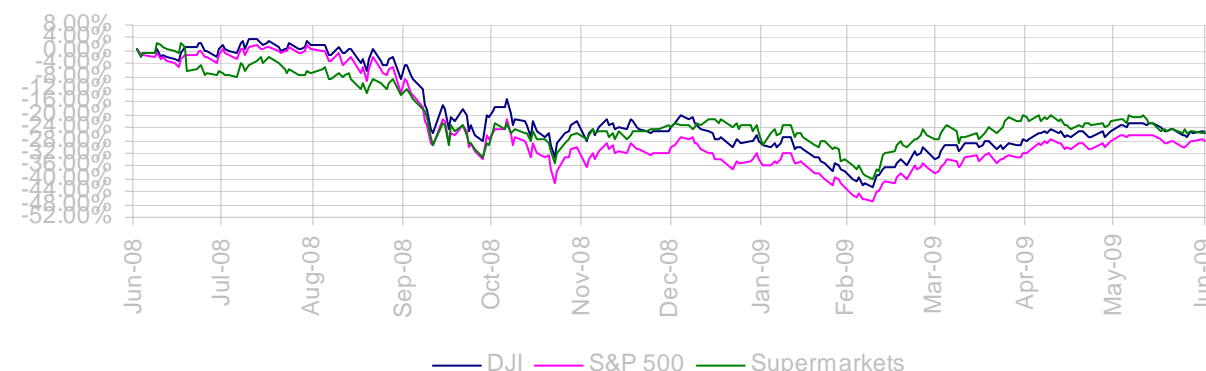
Best Methods

Try to find opportunities that drive traffic to your store. Donate gift certificates or offer, "Receipts for Cash Programs". If you cannot drive traffic, at a minimum, try to get recognition in the direct community you do business.

A strong public relations plan can pay off for your organization. As everyone is well aware, some large big box retailers are suffering greatly from poor public relations. By boosting your company image as a partner in your community, you can make your organization the right place to shop! Obviously, there will be times you will just donate for the sake of the cause and not the business as all good corporate citizens do.

Statistics

FMS Supermarket Index



Supermarkets include the following ticker symbols: DEC, MKTA, SWY, SPTN, GAP, KR, WMK, WFMI, SVU

CPI-Food at Home

Change versus Same Month Last Year

