

Upcoming Events

FMS will be attending the following:

AWI York, PA	March 25
C&S Technology Show Sacramento, CA	April 8 - 9
AWG Kansas City	April 15
AWG Texas	April 16
AWG Memphis	April 21
AWG Nashville	April 28
AWG Springfield	April 29 - 30
FMI Markettechnics Dallas, TX	May 6 - 8

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 — Spring 2009

fmssolutions.com

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Economic Indicators:

Prime Rate

03/05/09	3.25%
12/29/08	3.25%
12/17/08	4.50%
01/25/08	6.50%
01/25/07	8.25%

Unemployment Rate

Feb 2009	8.1%
Nov 2008	6.7%
Sept 2008	6.1%
2008 Annualized	5.8%
2007 Annualized	4.6%
2006 Annualized	4.6%

10 Year Treasury Note

03/05/09	2.85%
12/29/08	2.13%
10/17/08	3.98%
01/25/08	3.61%

Important Dates:

April 12	Easter
May 10	Mother's Day
May 25	Memorial Day
June 14	Flag Day
June 21	Father's Day

Counter Party Risk

Counter Party Risk is a term that we are all beginning to hear in today's economic environment. So what does it mean? The definition of counter party risk is "The risk to each party of a contract that the counterparty will not live up to its contractual obligations."

In today's struggling economy, you may be looking at your own financial position with a sigh of relief that your company looks strong or at least is able to survive the downturn. Whether that's the case or not, the real questions you need to be asking is whether or not all of your mission critical vendors are in the same position. If anything happens to those vendors, how will you prevent your business from being interrupted? A few simple exercises can help you establish your level of risk and need for contingency planning:

- Take a moment to list those services or products provided by outside vendors that if interrupted could either cause a business stoppage or enough of a financial impact to seriously impede the future of your organization.
- Next, based on your knowledge of those organizations and any available public information, rank those products and service companies from riskiest to least risky.
- Finally, start with each of those services or products that ranked as riskiest and list what your alternatives are. For example, if your primary wholesaler goes under, do you already have a secondary that could pick up the additional business. If your front end system service provider goes out of business, what do you do?

If your provider of mission critical services or products is at risk, now is the time to know and begin to establish back up plans or alternative vendors. By establishing contact today and credit with new vendors, if one falls victim to the economy, the time to begin to seek alternatives and establish credit with a vendor may not be after failure. Now that you have established your back up plan, insure you have the necessary communication within your organization to execute in the event of a failure.

In today's uncertain times, it is critical that we do not assume organizations are immune to the credit crunch, no matter how large or small.

FMS' new weekly Industry Update is here. To receive this update email please visit our website at fmssolutions.com and register.



Financial Management Solutions (FMS, Inc.) and The National Grocers Association (N.G.A.) announce call for participation in the 2009 Independent Operator Survey

FMS, Inc. and the N.G.A. announce the launch of the 2009 Independent Operators Survey this week. Survey questions have been sent to hundreds of participating independent operators in the grocery and supermarket industry across the United States to be compiled and analyzed by FMS, Inc. The survey results will be released in June, 2009.

The ground-breaking survey, in existence since 2002, is designed to help independent retail grocers and independent supermarkets better understand how their store operations compare with national averages and other retailers of similar size. In addition to financial and accounting benchmarking, the survey also focuses on economic factors and key political issues impacting the independent retail grocery and supermarket industry.

Interested participants can sign up for the 2009 Independent Operator Survey by going directly to the FMS Solutions website: http://www.fmssolutions.com/forms/survey_part.php. All participants receive a complimentary copy of the results' analysis.

Cobra Continuation Coverage Assistance Under the American Recovery and Reinvestment Act

There has been some confusion about the COBRA continuation Coverage Assistance. Below is current information obtained from the department of labor.

1. Notifying Employees

***Notice:** Plan administrators must provide notice about the premium reduction to individuals who have a COBRA qualifying event during the period from September 1, 2008 through December 31, 2009. Plan administrators may provide notices separately or along with notices they provide following a COBRA qualifying event. This notice must go to all individuals, whether they have COBRA coverage or not, who had a qualifying event from September 1, 2008 through December 31, 2009.

Individuals eligible for the special COBRA election period described above also must receive a notice informing them of this opportunity. This notice must be provided within 60 days following February 17, 2009."



2. Who is Eligible

"An "assistance eligible individual" is the employee or a member of his/her family who:

- is eligible for COBRA continuation coverage at any time between September 1, 2008 and December 31, 2009;
- elects COBRA coverage; and
- is eligible for COBRA as a result of the employee's involuntary termination between September 1, 2008 and December 31, 2009.

Those who are eligible for other group health coverage (such as a spouse's plan) or Medicare are not eligible for the premium reduction. There is no premium reduction for premiums paid for periods of coverage prior to February 17, 2009."

3. What is the financial impact to my business:

You will be required to compensate for the difference in COBRA premiums, but you will have the opportunity to recover that expense with your quarterly employment tax payments. If your quarterly tax payments are less than what you have paid in premium reductions, you will receive a refund from the Secretary of Labor.

4. What if someone wants to elect COBRA today?

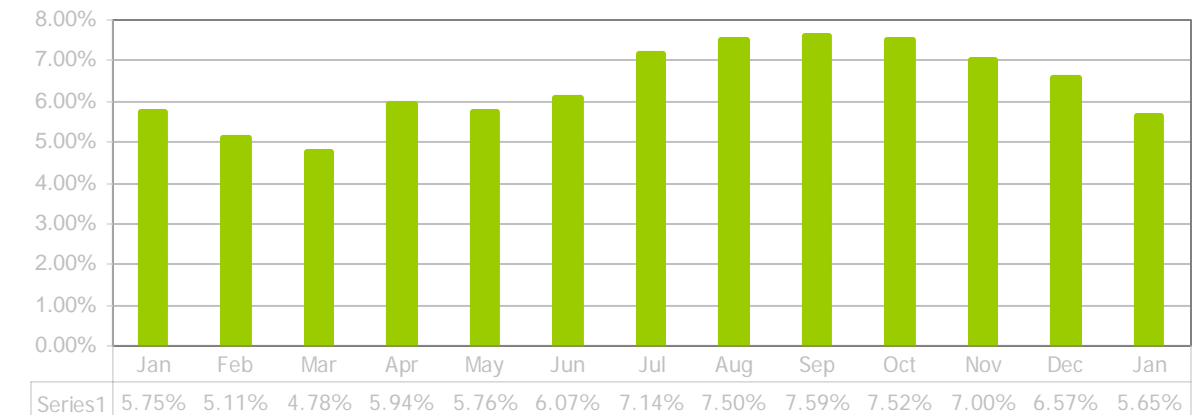
***Special COBRA Election Opportunity:** Individuals involuntarily terminated from September 1, 2008 through February 16, 2009 who did not elect COBRA when it was first offered OR who did elect COBRA, but are no longer enrolled (for example because they were

unable to continue paying the premium) have a new election opportunity. This election period begins on February 17, 2009 and ends 60 days after the plan provides the required notice. This special election period does not extend the period of COBRA continuation coverage beyond the original maximum period (generally 18 months from the employee's involuntary termination). COBRA coverage elected in this special election period begins with the first period of coverage beginning on or after February 17, 2009. This special election period opportunity does not apply to coverage sponsored by employers with less than 20 employees that is subject to State law."

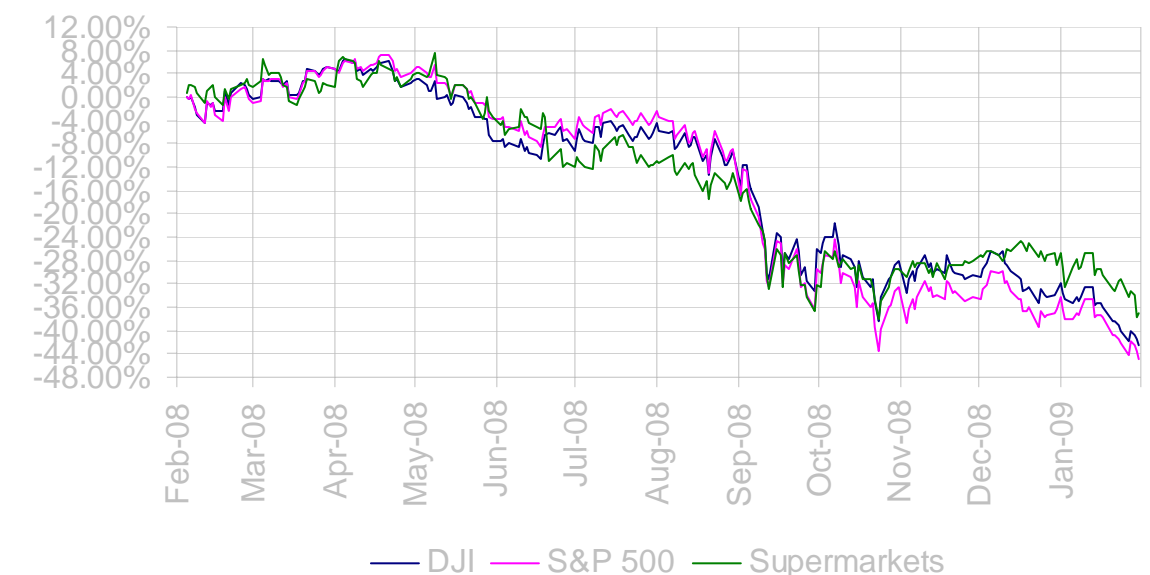
For more information, you may go to the following link at the Department of Labor's Web site: <http://www.dol.gov/ebsa/newsroom/fsCOBRAPremiumreduction.html>



Statistics



FMS Supermarket Index



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