



GEORGIA Amusement JOURNAL

Dedicated to serving the Georgia COAM industry
Endorsed by the Georgia Amusement and Music Operators Association
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GACS gathers

Convention highlights convenience

By Paul Tash

Georgia Amusement Journal

The Georgia Association of Convenience Stores' 2021 Annual Convention successfully integrated education, networking and a lot of fun June 13-15 at the Omni Amelia Island resort in Florida.

The convention carried the theme "Convenience Never Stops," which reflected all that was accomplished by the association and its members during the pandemic. The convention committee, chaired by Lynn Watson of Aden's Minit Markets, should be proud of its efforts.

The education segment of the convention expanded to include more speakers and new, interactive workshops. The speakers included Spencer Cavalier and Vance Saunders, of Matrix Capital Markets, who discussed the current environment of mergers and acquisitions in the convenience store industry (see story on Page 10). In addition,

See C-STORES Page 8



Paul Tash photo

SEN. MIKE DUGAN, Senate majority leader, makes a point as part of a legislative panel at the GACS convention earlier this month. To his left is

Gary Black, Department of Agriculture commissioner, and to his right are Rep. James Beverly, Rep. Alan Powell, and Rep. Shaw Blackmon.



Paul Tash photo

WORKFORCE EXPERT Terry McKenna offers advice on how to retain employees during a seminar at the GACS convention June 14 at the Omni Amelia Island resort in Florida.

Speaker urges retention over recruiting

By Paul Tash

Georgia Amusement Journal

Convenience store operators need a "mind-shift" from a recruiting focus to a retention focus to better manage employee turnover, a workforce expert told an audience at the annual convention of the Georgia Association of Convenience Stores (GACS) June 14.

"The best recruiting strategy is a good retention strategy," Terry McKenna said.

McKenna, founder of Employee Performance Strategies, is a

See McKENNA Page 9



Registration open for GAMOA show

By Paul Tash, Georgia Amusement Journal

Registration is now open for the Southern Amusement and Entertainment Expo, sponsored by the Georgia Amusement and Music Operators Association, set for Aug. 25-26 in Duluth, GA.

Participants and vendors can register on GAMOA's website, www.gamoa.org. The Expo will return to the same facility where it was held last year, which now is

called the Gas South Convention Center (formerly the Infinite Energy Center).

"This year's SAAE is shaping up to be the best yet," said Christina Kaiser, GAMOA's executive director. "We have a record number of exhibitors and a larger space than ever before."

She said six new exhibitors have committed to this year's show. Exhibitors can still register, she said, adding that opportunities for sponsor-

See EXPO Page 5



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Renew by June 30 to avoid late fee

The licensing application process for Coin-Operated Amusement Machines (COAMs) is still open for the 2022 licensing period (July 1, 2021, to June 30, 2022) through the Georgia Lottery Corp.'s COAM website, www.gacoam.com.

After June 30, a \$1,000 late fee will be assessed to licensees who have not renewed for the 2022 period.

The GLC's COAM Division last year extended some renewal deadlines to help businesses manage the uncertainty surrounding the COVID-19 pandemic, but the Division is reverting to more traditional deadlines this year.

"We're going back to the deadlines and dates pre-COVID," said COAM Division Vice President Mike Parham at a recent COAM Advisory Board meeting.

The licensing application covers the following licenses:

- Master Class A – New and renewal
- Master Class B – Renewal only
- Location Class A – New and renewal
- Location Class B – New and renewal
- Manufacturer – New and renewal
- Distributor – New and re-

newal

The Lottery is not accepting any new Class B Master License applications. New Class B Master licenses are only available through an auction process for prequalified participants. The last auction was held April 28.

Following are important dates for licensees:

06/30/2021 (Wednesday)

Deadline for master licensees to purchase additional Class A and Class B decals or location licensees to add Class A and Class B machines for the 2020 licensing period (07/01/2020 - 06/30/2021). This deadline only applies to 2021 COAM licenses

07/01/2021 (Thursday)

Date a \$1,000 late fee will be assessed to location Class A and Class B licenses, master Class A and Class B licensees, and manufacturer and distributor licensees who have not renewed for the 2022 licensing period (07/01/2021 – 06/30/2022). An existing COAM licensee will not be allowed to apply for a new license to avoid payment of a late fee.

9/28/2021 (Tuesday)

Last day to submit a renewal location Class A and Class B li-

license, master Class A and Class B license and manufacturer and distributor license for the 2022 licensing period (07/01/2021 – 06/30/2022). If a holder of a 2021 COAM license fails to renew its license, or its license application is

not approved on or before this date, the person or entity will no longer be allowed to operate COAMs.

Deadlines and more information are available on the COAM website, www.gacoam.com.

COAM calendar

— REPORTING DATES —

- Now:** The COAM licensing application (www.gacoam.com) is open for the 2022 licensing period (07/01/2021 - 06/30/2022) for the following:
- Master Class A - NEW and RENEWAL
 - Master Class B - RENEWAL
 - Location Class A - NEW and RENEWAL
 - Location Class B - NEW and RENEWAL
 - Manufacturers, Distributors - NEW and RENEWAL
- June 20:** Each monthly report should be submitted by Location License Holders in electronic format via the www.gacoam.com website as required by the GLC by the 20th of each following month.
- July 1:** Date a \$1,000 late fee will be assessed to location Class A and Class B licenses, master Class A and Class B licensees, and manufacturer and distributor licensees that have not renewed for the 2022 licensing period (07/01/2021 – 06/30/2022).

— MEETINGS/OTHER —

- June 13-15:** GACS annual convention, Omni Amelia Island, FL
June 29: Amusement Expo International, Las Vegas
Aug. 25-26: Southern Amusement & Entertainment Expo, Infinite Energy Center, Duluth, GA

Connect, power up machines

To ensure accurate reporting of financial data to the Central Accounting System, the Georgia Lottery Corporation (GLC) says it is imperative the Location License Holders (LLHs) ensure all equipment remains connected to the site controller and powered up at all times.

The GLC maintains a record of those LLHs that are repeat offenders of

failing to ensure the continuous connectivity and

operation of Class B COAMs.

Failure to comply with these procedures may result in fines up to \$50,000, suspension and/or revocation of the license.



| COIN OPERATED AMUSEMENT MACHINE LOCATION SWEEP AND MASTER PUSH CALENDAR 2021 | | | | | | | |
|---|---------------------|---------------------|------------------|-----------------------|---------------------|---------------------|------------------|
| ACCOUNTING WEEK START | ACCOUNTING WEEK END | LOCATION SWEEP DATE | MASTER PUSH DATE | ACCOUNTING WEEK START | ACCOUNTING WEEK END | LOCATION SWEEP DATE | MASTER PUSH DATE |
| 27-Dec-20 | 02-Jan-21 | 06-Jan-21 | 12-Jan-21 | 27-Jun-21 | 03-Jul-21 | 07-Jul-21 | 13-Jul-21 |
| 03-Jan-21 | 09-Jan-21 | 13-Jan-21 | 20-Jan-21* | 04-Jul-21 | 10-Jul-21 | 14-Jul-21 | 20-Jul-21 |
| 10-Jan-21 | 16-Jan-21 | 20-Jan-21 | 26-Jan-21 | 11-Jul-21 | 17-Jul-21 | 21-Jul-21 | 27-Jul-21 |
| 17-Jan-21 | 23-Jan-21 | 27-Jan-21 | 02-Feb-21 | 18-Jul-21 | 24-Jul-21 | 28-Jul-21 | 03-Aug-21 |
| 24-Jan-21 | 30-Jan-21 | 03-Feb-21 | 09-Feb-21 | 25-Jul-21 | 31-Jul-21 | 04-Aug-21 | 10-Aug-21 |
| 31-Jan-21 | 06-Feb-21 | 10-Feb-21 | 17-Feb-21* | 01-Aug-21 | 07-Aug-21 | 11-Aug-21 | 17-Aug-21 |
| 07-Feb-21 | 13-Feb-21 | 17-Feb-21 | 23-Feb-21 | 08-Aug-21 | 14-Aug-21 | 18-Aug-21 | 24-Aug-21 |
| 14-Feb-21 | 20-Feb-21 | 24-Feb-21 | 02-Mar-21 | 15-Aug-21 | 21-Aug-21 | 25-Aug-21 | 31-Aug-21 |
| 21-Feb-21 | 27-Feb-21 | 03-Mar-21 | 09-Mar-21 | 22-Aug-21 | 28-Aug-21 | 01-Sep-21 | 08-Sep-21* |
| 28-Feb-21 | 06-Mar-21 | 10-Mar-21 | 16-Mar-21 | 29-Aug-21 | 04-Sep-21 | 08-Sep-21 | 14-Sep-21 |
| 07-Mar-21 | 13-Mar-21 | 17-Mar-21 | 23-Mar-21 | 05-Sep-21 | 11-Sep-21 | 15-Sep-21 | 21-Sep-21 |
| 14-Mar-21 | 20-Mar-21 | 24-Mar-21 | 30-Mar-21 | 12-Sep-21 | 18-Sep-21 | 22-Sep-21 | 28-Sep-21 |
| 21-Mar-21 | 27-Mar-21 | 31-Mar-21 | 06-Apr-21 | 19-Sep-21 | 25-Sep-21 | 29-Sep-21 | 05-Oct-21 |
| 28-Mar-21 | 03-Apr-21 | 07-Apr-21 | 13-Apr-21 | 26-Sep-21 | 02-Oct-21 | 06-Oct-21 | 13-Oct-21* |
| 04-Apr-21 | 10-Apr-21 | 14-Apr-21 | 20-Apr-21 | 03-Oct-21 | 09-Oct-21 | 13-Oct-21 | 19-Oct-21 |
| 11-Apr-21 | 17-Apr-21 | 21-Apr-21 | 27-Apr-21 | 10-Oct-21 | 16-Oct-21 | 20-Oct-21 | 26-Oct-21 |
| 18-Apr-21 | 24-Apr-21 | 28-Apr-21 | 04-May-21 | 17-Oct-21 | 23-Oct-21 | 27-Oct-21 | 02-Nov-21 |
| 25-Apr-21 | 01-May-21 | 05-May-21 | 11-May-21 | 24-Oct-21 | 30-Oct-21 | 03-Nov-21 | 09-Nov-21 |
| 02-May-21 | 08-May-21 | 12-May-21 | 18-May-21 | 31-Oct-21 | 06-Nov-21 | 10-Nov-21 | 16-Nov-21 |
| 09-May-21 | 15-May-21 | 19-May-21 | 25-May-21 | 07-Nov-21 | 13-Nov-21 | 17-Nov-21 | 23-Nov-21 |
| 16-May-21 | 22-May-21 | 26-May-21 | 02-Jun-21* | 14-Nov-21 | 20-Nov-21 | 24-Nov-21 | 01-Dec-21* |
| 23-May-21 | 29-May-21 | 02-Jun-21 | 08-Jun-21 | 21-Nov-21 | 27-Nov-21 | 01-Dec-21 | 07-Dec-21 |
| 30-May-21 | 05-Jun-21 | 09-Jun-21 | 15-Jun-21 | 28-Nov-21 | 04-Dec-21 | 08-Dec-21 | 14-Dec-21 |
| 06-Jun-21 | 12-Jun-21 | 16-Jun-21 | 22-Jun-21 | 05-Dec-21 | 11-Dec-21 | 15-Dec-21 | 21-Dec-21 |
| 13-Jun-21 | 19-Jun-21 | 23-Jun-21 | 29-Jun-21 | 12-Dec-21 | 18-Dec-21 | 22-Dec-21 | 29-Dec-21* |
| 20-Jun-21 | 26-Jun-21 | 30-Jun-21 | 07-Jul-21* | 19-Dec-21 | 25-Dec-21 | 29-Dec-21 | 05-Jan-22* |

*Indicates sweep or push date has been changed to accommodate holiday
 Note: Holidays on a Thursday and Friday may delay the availability of the Location Period Accounting Report on the following Monday

Journal Opinion

AMOA holds virtual ‘Day on the Hill’

By Lori Schneider
AMOA Executive VP

AMOA conducted its virtual Day on the Hill, orchestrated by AMOA legislative firm Dentons, on Thursday, June 10. The day consisted of multiple visits, via Zoom, to U.S. Senate offices. Topics covered during the visits included:

1. Expanded restaurant funding – Any funding proposal needs to include ancillary industries like amusements.

2. Operation
Chokepoint/bank account issues – our industry needs access to banking services and cash, or we will be out of business.

3. Inflation and labor – Rising prices, material shortages and shipping costs are making it increasingly more difficult for our industry to recover from the impact of COVID. Finding employees continues to be difficult.

AMOA will conduct its next visit to Capitol Hill this fall.

• **AMOA Treasurer** – Luke Adams, Pioneer Vending, Cincinnati, OH

• **AMOA Secretary** – Michael Martinez, N2 Industries, Anaheim, CA

In addition, the following individuals elected last September will begin serving three-year terms as AMOA vice presidents. They are:

• Jordan Barberio, Barberio Music Com-

ing, July 1, in Las Vegas. AMOA is now accepting applications for directors whose term would begin in March 2022. AMOA board applications can be found at amoa.com.

‘On the Road’ Education

Oct. 20-21, 2021 – The Westin Chicago Northwest, Itasca, IL

The AMOA on the Road Program is a member-exclusive continuing education program for leaders in the amusement industry who want to invest in themselves and their businesses by participating in a cost-effective educational event at an easily accessible venue.

On the Road is back this Fall and returns to the Chicago suburbs with the 2021 edition taking place at the Westin Chicago Northwest in Itasca, IL, just 10 miles from O’Hare International Airport. This year’s program features a facility tour on Wednesday afternoon, Oct. 20, a full day

of education on Thursday, Oct. 21, and a product showcase event for AMOA associate members that evening to close out the program.

For more details, visit our website at www.amoa.com or contact info@amoa.com.

AEI in March next year

It’s not too early to save the date for the 2022 Amusement Expo International! Next year’s event will return to Las Vegas and will be conducted March 15-17. Stay tuned for details in future updates.



Lori Schneider

AMOA is now accepting applications for directors whose term would begin March 2022.

Officers to be installed

AMOA officers elected at its mid-year board meeting last September will be installed at the conclusion of Amusement Expo International Thursday, July 1, in Las Vegas. The following officers will serve in their respective positions until the conclusion of the 2022 trade show. They are:

• **AMOA President** – Sam Westgate, J & J Ventures, Effingham, IL

• **AMOA First Vice President** – Tim Zahn, American Amusement Arcade, Bloomington, MN



pany, San Antonio, TX

• Bob Burnham, Paradise Pinball, Loveland, CO

• Tommy Hendley, B & H Amusements, Charlotte, NC

The 2024 class of AMOA directors will be voted on and installed at the AMOA membership breakfast meeting Thursday morn-

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Photo courtesy of AMOA

AMOA’S NEW OFFICERS are, left to right, First Vice President Tim Zahn, President Sam Westgate, and Treasurer Luke Adams. Missing is Secretary Michael Martinez. They will be installed July 1 at the Amusement Expo International in Las Vegas.

Write us

The *Georgia Amusement Journal* welcomes letters to the editor. Letters must include the writer’s name and address. The word limit is 300. Mail to Georgia Amusement Journal, P.O. Box 4307, Butte MT 59702, or you can email us at paul@tashcommunications.com. The *Journal* reserves the right not to print letters it finds objectionable.

Class B license auction yields record bids

By Paul Tash

Georgia Amusement Journal

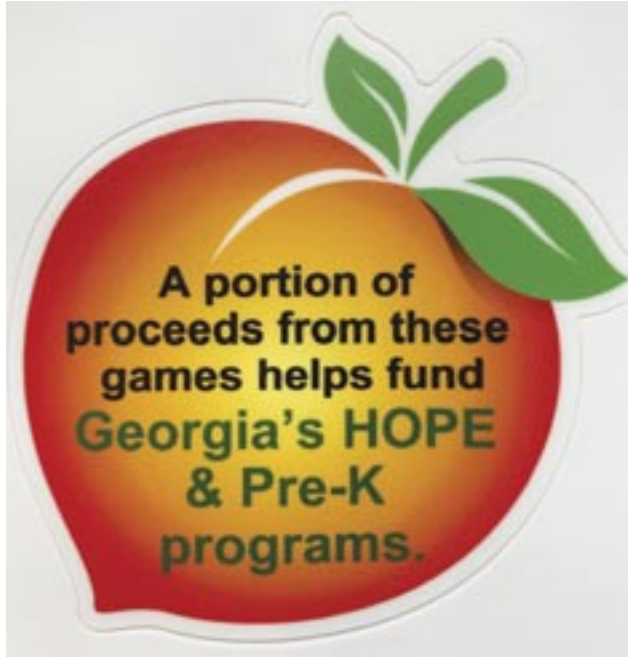
Two record-high winning bids, one for \$3.1 million and the other for \$3 million, were made during an auction for Class B master licenses April 28.

The winning bidders are Solomon Tesfay, who bid \$3 million, and Fayaz Bardai, who bid \$3.1 million. Their applications are currently under review by the Georgia Lottery Corp.’s COAM Division.

A Class B master license allows the holder to supply Class B coin-operated amusement machines (COAMs) to licensed locations in Georgia. About 190 Class B master licenses are currently operating in the state.

Pre-qualification is required to participate in the auction. To be considered for qualification as a bidder at the auction, a person or entity must submit a:

- COAM pre-qualification auction participa-



tion form;

- COAM Class B Master License auction de-

posit letter;

- And a \$100,000 deposit.

A winning bid is not transferable to any other bidder or party other than the person or entity.

Legislation in 2015 required the GLC to conduct periodic auctions, at least once every three years, for the Class B master licenses. This is the third auction to be held – the first was held in May 2017 and the second in May 2018. The winning bid in the 2018 auction was \$900,000. Proceeds go the Georgia’s HOPE Scholarship and Pre-K educational programs.

The master licenses available for bid at the auction has no COAMs, locations, or equipment associated with the license. The winning bid will be subject to verification. The winner of the license will have their \$100,000 deposit go toward the purchase price. The other bidders had their deposits returned.

For more information about the COAM industry, visit www.gacoam.com.

Expo

from Page 1

ships are also available.

GAMOA representatives are excited about Casino Night Wednesday, Aug. 25, a new charity event that will benefit Burt’s Big Adventure, a non-profit organization that sends terminally ill children and their families to Disney World for a five-day magical vacation.

“Everyone is welcome for Casino Night,” Kaiser said. “There’s going to be a DJ and other fun games that will benefit Burt’s Big Adventure. It’s going to be a fun night.”

Attendees can purchase “fun money” for Casino Night during online registration.

The Expo agenda is chock-full.

Exhibitors can set up beginning at 10 a.m. Tuesday, Aug. 24. At 5 p.m. GAMOA will host a reception in appreciation of the Expo’s exhibitors and sponsors.

Following a quick membership meeting at 9 a.m. on Wednesday, Aug. 25, GAMOA host a panel discussion on industry issues beginning at 9:15. The Expo floor will open from 10 a.m. to 5:00 p.m. with a silent auction running from 10 a.m. to 4:30 p.m. A reception begins at 5:00, when auc-

tion winners can pick up their items, and the popular awards banquet and live auction follows at 6:00. Then Casino Night takes center stage at 9.

The Expo opens again Thursday, Aug. 26, from 10:30 a.m. to 2 p.m. A seminar featuring an update from the Georgia Lottery Corp.’s COAM

Division has been tentatively set for 1 p.m. Thursday.

The Southern Amusement and Entertainment Expo is working to become a regional show with atten-

dees and exhibitors from all over the Southeast encouraged to attend. GAMOA is again hosting the event with two other organizations, the North Carolina Coin Operators Association and the North Carolina Citizens for Free Enterprise, a group of business owners and supporters working to create a fair skill-based game environment in North Carolina.

Register before Aug. 22 and receive a discount. Registration at full price will be available at the door. Nearby hotels Embassy Suites, Residence Inn and Courtyard are offering special rates for Expo attendees. They can be accessed on the GAMOA website, as well.



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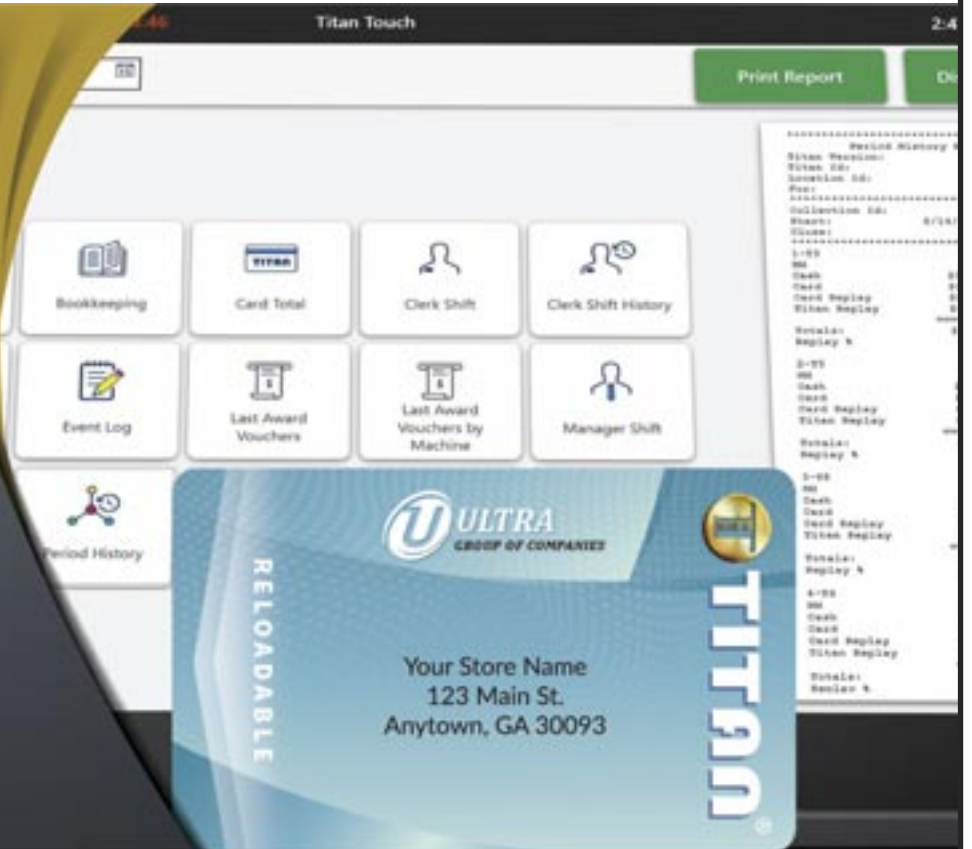
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|----------------------------------|------------------------|
| Available Award Credit: \$140.00 | |
| | Summary |
| Merchandise | Merchandise \$50.00 |
| Lottery | Lottery \$25.00 |
| Gas | Gas \$32.75 |
| | Total: \$107.75 |
| | Redeem |

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C-stores

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Terry McKenna, founder of Employee Performance Strategies, discussed the importance of employee retention (see story on Page 1).

Also, Fiona Harris of ROC Associates discussed a variety of emerging “touchless” technologies, while Tuesday morning keynote speaker John Nelson, of Vroom Delivery, updated convention-goers on delivery options.

Workshops were led by Daylen Stoutin, of Clearwater Data Solutions, on business analytics, and Ben Scellick, of Study Groups, on sharing experiences, issues and ideas to keep businesses moving forward.

The popular legislative panel was well attended, reflecting the importance of the happenings at the Capitol. Those on the panel were Sen. Mike Dugan, Senate majority leader; Gary Black, Department of Agriculture commissioner; John King, Insurance and Fire Safety Commissioner; Rep. Shaw Blackmon, House Ways and Means Committee chairman, Rep. Mike Cheokas, House Small Business Development Committee chairman; Rep. Alan Powell, House Regulated Industries Committee chairman; Rep. James Beverly, House minority leader; and Rep. Billy Mitchell.

One of the unique events this year was the “draw down” for the traditional \$5,000 raffle prize. All tickets purchased were drawn down – some for prizes, and the last ticket won the \$5,000 top prize. Proceeds support the GACS Education Foundation scholarship programs.

Convention-goers took advantage of several options to relax and have fun, including playing golf at the beautiful Oak Marsh Golf Course, going fishing in the Atlantic Ocean, or just enjoying the sun and surf and maybe a few adult beverages at a beach party.

SHAWN FELLOWS of Diamond Amusements, sponsor of the GACS convention’s golf tournament June 14, speaks to players prior to them teeing it up at the Oak Marsh Golf Course. At right is Diamond Amusement’s Terri Spivey.



Paul Tash photos

PARTICIPANTS and organizers for a legislative panel discussion that took place during the GACS convention earlier this month are, from left, moderator Sheila Humberstone, Rep. Mike Cheokas, Rep. Billy Mitchell, Rep. Shaw Blackmon, Rep. Alan Powell, Rep. James Beverly, Sen. Mike Dugan, GACS President Angela Holland, Department of Agriculture commissioner Gary Black, Insurance Commissioner John King, and Grant Schmeelk of Bagwell and Spears.



RANDALL LEX, right, of the Ultra Group of Companies, talks with Grant Schmeelk, left, of Bagwell and Spears convenience stores during the trade show portion of the GACS convention. Listening is Ultra’s Vincent Moss.



BRADEN SVOBODA, of RaceTrak Petroleum, discusses some issues c-stores are having during a workshop geared toward sharing experiences and ideas to improve business as part of the GACS convention June 14. At right is Kevin Brown of Point to Point.



McKenna

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regular speaker at GACS conventions. He’s never been more animated than he was discussing the turnover topic, however.

“We’ve been talking about turnover forever,” he said.

Since the very first convenience store, a 7-Eleven in Dallas, opened 94 years ago, turnover “is the one constant that’s never changed.”

He told c-store operators that they can cut their turnover rate to 60 percent or less, from an average of 120 percent, if they make some changes.

“The madness stops here,” he said.

It has to, he added, because turnover cost is enormous. The continual effort to recruit employees to replace others who don’t pan out, including advertising on recruiting sites, developing marketing materials, and offering referral and sign-up bonuses, is “real money,” he said, and so is the time spent by store managers, district managers and human resource staff in the recruiting process.

“This recruiting issue is one of the biggest fires we’re trying to put out,” he said. “It’s like a brush fire. We’re too reactive.”

Studies have shown that when one employee quits, it costs a company at least \$2,500 (though McKenna said it could be as high as \$5,000).

Putting it in a budget perspective, a c-store would have to sell 8,333 gallons of milk (with a gross profit margin on milk of 30 percent) to cover the \$2,500 cost when an employee quits.

“If 50 employees leave, I’d have to sell 417,000 gallons of milk to break even,” he said.

“You may not see it on the P and L, but I guarantee you’re paying for this stuff,” he said.

McKenna said stores have to have a different mind-set from recruiting to retention.

“When we change the mind-set, we get a new result,” he said.

He urged operators not to buy in to the “dogma” that high turnover is the cost of doing business.

“We just kind of blow it off,” he said. “We don’t take it seriously.”

C-store operators have to “look inward” and identify the “root causes” of the turnover problem, McKenna said, by reviewing the business’s culture, processes, and cause and effect of the recruitment process.

Identify the reasons for employees leaving, he said, adding, “those are the causes.”

“If I can fix or alter the causes, then I am going to change the effect,” he said.

He cautioned that “a better paying job” is usually not an overriding reason for employee leaving, even though it’s often given as a reason. Most operators are in the competitive range regarding wages, so it’s likely another reason that they aren’t comfortable revealing, he said.

“Saying ‘I got a better-paying job elsewhere’ is easier than to look a manager in the eye and saying, ‘you know what, this is why I’m leaving. You lied to me, you’re disrespectful, you treat us like dogs in this store, you play favorites, you got your own little clique. You told me you would give me my schedule in advance so I could plan my daughter’s fifth birthday party, and that didn’t happen.’ That’s hard to say to a store manager.”

Get to the root causes by asking at least five questions of the departing employee, McKenna said.

“It’s like peeling an onion,” he said. “If you want to get to the core of the onion, you have to keep peeling. Typically by the fifth question, you’ll get to the root cause.”

McKenna suggested reviewing business processes to develop a system that is retention-based, and not recruitment-based. Take the effort, time and resources geared toward recruiting new employees and devote more of them to retention, he said.

Also, he said, operators have to develop specific business processes to guide the way toward their specific retention goal, such as a 60 percent or lower turnover rate.

“And the processes have to be black and white,” he said. “They can’t be grey.”

He said “de-stressing stores” is one business process to feature.

“Go into your store,” he said. “What does it feel like?”

Store managers don’t need “to take five calls from headquarters” every morning, he said. They need to be actively running the store because the store is what makes the company money, he said. Be aware of the stress points in the store, he said, because both managers and cashiers can feel it, which can lead to both leaving.

Also, develop an “employee value proposition” that answers, “why should I work for you?”

The proposition includes such items as compensation, benefits, training, career advancement, reward and recognition, store environment, work/life balance and hour flexibility.

McKenna said the store manager is accountable for employee retention, and they should be held accountable in district meetings.

“Turnover should be the first thing on the monthly meeting agenda,” he said.

He said lower-performing store managers should be called out in front of their peers and have consequences if they don’t improve.

“Make it personal,” he said. “Put a spotlight on it.”

Finally, McKenna said operators have to “commit to the process and have the discipline to stay the course.”

C-store acquisition potential ‘robust’

By Paul Tash

Georgia Amusement Journal

Continued low interest rates and a financially healthy and resilient industry will result in a “robust” acquisition period in the next year, despite uncertain changes in tax policy, two industry financial experts said at the Georgia Association of Convenience Stores’ 2021 Annual Convention this month.

Vance Saunders and Spencer Cavalier of Downstream Energy and Convenience Retail Group for Matrix Capital Markets provided an update on mergers and acquisitions in the convenience store industry June 14 as part of the convention’s seminar lineup.

Several factors are driving consolidation in the c-store industry, Saunders said, including industry maturity, falling demand for fuels, penetration of electric vehicles and the corresponding pressure to end the use of ICE (internal combustion engines) vehicles.

Also, he said continued expansion of larger chains into the market is “really making it harder for the smaller companies to compete.” In addition, the rising operating costs, especially increasing wages, are also adding pressure on smaller operators.

“Right now it’s pretty tough to find workers with all the unemployment benefits and enhanced unemployment benefits,” he said.

Larger companies are looking to take advantage. Many private companies are looking for a potential public exit, and they have to achieve a certain size to do that, Saunders said, “so these companies are on the hunt for acquisitions as a means to grow.”

In addition, the capital cost and product cost differences between the large and small operators continue to grow, he said. Larger companies have more access to lower-cost capital, he said, and with their greater scale are able to get better prices from their suppliers.

“A lot of companies are interested in continuing to build their scale to lower their costs and remain competitive with some of the larger players in the industry,” he said.

Another issue for smaller operators that is leading to acquisitions is the “lack of a transition plan.”



Paul Tash photo

VANCE SAUNDERS, left, of Downstream Energy and Convenience Retail Group, makes a point during a seminar on convenience store mergers and

acquisitions during the GACS convention June 14. At right is Spencer Cavalier, also of Downstream Energy, who took part in the seminar.

Forty percent of small businesses in the country were started by baby boomers who are ready to retire, he said, adding that a recent study showed that about 60 percent of those folks had no transition plan. They don’t have an exit plan or a “solid management team” to turn the business over to.

“That’s something that ... isn’t going away,” he said.

Changing consumer preferences are forcing operators to retool operations, change strategy, change product mix, and “there are a lot of folks out there who don’t want to reinvest in their facilities and develop different core competencies that are maybe outside their existing management strengths,” Saunders said.

Some factors that are likely to change in the industry, he added, include “historically low tax rates.” Industry experts are looking at President Biden’s tax proposal and wondering if the capital gains rate will actually increase to 39.6 percent or if corporate income tax rates “are going to increase significantly.”

“There’s a lot up in the air right

now,” he said. “It’s very likely there will be changes, but it’s to what extent.”

In addition, he said, the potential for rising inflation could push upward pressure on interest rates that are currently at historical lows.

Saunders also said that the historical resiliency of the convenience store industry has drawn the interest of private equity firms.

“Time and time again the industry has proven it is resistant to economic downturns,” he said.

During the pandemic, he said, c-stores “were deemed an essential part of our economy” and many operators “had their best year ever.”

“The impacts of COVID have also left companies with healthy balance sheets,” he added. “There’s a lot of really healthy companies out there that have the capital to do acquisitions.”

“There’s a lot of reasons sellers will be going to market and a lot of buyers that are hungry for growth.”

Spencer Cavalier agreed.

“This industry is very resilient,” he said.

Currently, Cavalier said lending to the industry “has been much more responsible” than at other times in the last 20 years. Buyers “are putting more equity” into the deals and they “are being more responsible,” he said.

“That’s good for the industry.”

Cavalier also offered some advice for sellers, too: shop around.

“Don’t go to one buyer,” he said, adding that some companies might have some “dynamics” that will cause them to be more aggressive.

He said several different types of buyers exist – from public companies to private equity-backed companies, even international companies – that have a financial interest in the convenience store market.

He agreed the political landscape – especially changes in tax law – will play a role in the number of mergers for the rest of the year, which have been a bit slow so far. However, he expects “some clarity by September” and said he believes mergers will take off in the second half of the year.

“The industry isn’t going anywhere,” Cavalier said. “It’s just changing.”

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Primero invests in products, people

Manufacturer launches TITO system

By Alexandra McCray
Primero Games

A ticket-in, ticket-out (TITO) system is now being offered by Primero Games.

“After careful examination of the market and player habits regarding card systems, Primero is excited to bring a system to Georgia that players are familiar with,” said Barry Rutherford, who oversees business development for the COAM manufacturer.

“Primero’s Ticket-2-Play system is easy to install and benefits operators, location owners and their staff as well as players,” Rutherford says. “Ticket-2-Play will certainly increase play resulting in higher profits for locations, operators and the Georgia Lottery.”



TITO is the gold standard in traditional gaming markets when it comes to allowing players to move from one machine to another and to come back and play when they desire. Ticket-2-Play will provide players with a sense of privacy that they may not get with present player card systems.

The user-friendliness of Primero Games’ system may also extend to location owners and their staff.

“Because the ticket is actually going in the bill acceptor, the location can physically count the re-played credits just as they would a

dollar bill,” Rutherford said.

The goal is to eliminate the financial confusion that may occur when a player card system is used due to the discrepancy between a digital transaction coming from a card and a tangible transaction that is stacked in the bill acceptor.

Those who buy new machines from Primero Games can expect them to come with the company’s TITO technology. However, the system has also been designed to be compatible with the games and cabinets customers already have from Primero Games and nearly all other notable manufacturers. It is

available for purchase on its own beginning this month.

Installation, training

Primero Games will provide installation as a service, which includes technician training. Rutherford described this training as “a comprehensive walk through of the system accompanied by easy-to-follow work instructions to make retrofitting cabinets simple.” He also said a series of technician lunch-and-learns will be held. Plus, customers will have access to phone and technical support, as well.

“We have put in a large amount of time, energy and capital to make this a game-changing system for Georgia,” Rutherford said.

He noted that card systems in the market are falling short of expectations in player adoption, and that the introduction of the ticketing system “is one that we hope to be in every single machine within two years.”

Etienne brings vast experience to art manager position

By Alexandra McCray
Primero Games

A new owner is not all that has changed at Primero Games. As part of the company’s continued effort to upgrade its offerings and access more markets, it has welcomed Enock Etienne as art manager.

An alumnus of The Art Institute of Atlanta, Etienne has worked in graphic design and animation for 15 years. The accomplished artist began his career in the gaming industry in 2006, when he was recruited to be a senior 3D artist for Cadillac Jack. While there, Etienne became the leader of the game-design team.

As Cadillac Jack entered the Class II and Class III space and went through multiple acquisitions, becoming Amaya and then AGS, Etienne’s talent and commitment to producing cutting-edge games earned him several management positions.

His ability to uncover and incorporate features that appeal to and hold the attention of players has led to the creation of top-performing games.

“I always seek to understand the player and what the customer wants,” Etienne said. “Doing that gives me a better idea of what to create, what kind of art they’re attracted to, what kind of graphics and animation gets them excited, and what they like to play.

“There is a lot of psychology behind designing for games. You want to use that to make the player remember what they played and develop a visual identity for each



game. It is very important. Most people do not think about it that deeply, but I do.”

He also enjoys the challenge of tackling a saturated market and making games stand out without alienating players. The driving question behind his work is always: How can we give them an even better experience? And modernizing Primero’s products is one way Etienne will do that in his new role. He will work closely with Chief Technology Officer Jared Torres as the game-design team introduces premium art and animation along with advanced technology that will enhance game stability and speed.

The two have joined forces in the past, and Torres had a major role in bringing Etienne on in the fall of 2020.

“Enock brings a ton of experience to the table,” Torres said. “He has a great eye for art and really understands how to achieve the look and feel that players are after.”

Etienne will lead Primero’s art team in Canada and also will establish a studio at the Duluth headquarters, for which he is actively hiring fresh creative talent.

When it comes to guiding his staff and collaborating with Torres, Etienne feels that his familiarity with building, managing, and being

a part of successful art teams, as an enterprise increases in size, gives him a distinct advantage.

“I already have the knowledge of working on larger-scale games and new platforms that we don’t have here yet, but we’re moving into,” he said.

Finally, he recognizes the importance of having the right resources and assistance and will make both a priority for his fellow game design team members.

“As a business grows, adds more people, and embraces new leadership, the support has to be there from the top and the bottom,” Etienne said.

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Retail Matters

Amusement Expo back in Vegas this month

By Paul Tash

Georgia Amusement Journal

Last year's Amusement Expo International (AEI) in New Orleans was for many the last convention, or gathering of any size, they've attended in over a year. Just a few days after it concluded in March 2020, the world went into pandemic lockdown.

Now, the Amusement Expo International (AEI) returns to recovering Las Vegas and its Convention Center June 29-July 1 with a theme of "Game On: Reimagine Your Future."

"In a town that thrives on action and interaction, Las Vegas was particularly hard hit during the pandemic," an AEI news release said. "However, Vegas is mounting a steady comeback. With the recovery underway, the excitement, energy and intensity that one can only find in Las Vegas is coming back strong and will serve as the perfect backdrop for AEI showgoers."

Expo Education Day kicks things off Tues-

day, June 29, followed by two days of exhibits. A strong lineup of presenters and panelists have been assembled to share their experience and expertise for the one-day Expo Education Day at Westgate Las Vegas Resort & Casino, the headquarters hotel for the 2021 AEI.

A series of four concurrent breakout sessions for attendees has been planned throughout the day, with topics/issues to be covered including:

- Maximizing your ATM Route;
- Creating Success with Pinball 2.0;
- Business Resilience Built for the Future;
- Security Preparedness;
- Analyze This: Using Metrics to Improve Efficiency;
- Exploring Various Payment Options;
- Tips for Maintaining a Positive Reputation in the Digital World;
- And an Operator Roundtable...covering subjects such as Keeping It Clean: Machine Safety in the Current Environment; Taking Ad-

vantage of Equipment Rentals and Mobile Events; and League Management Trends.

Between the informational education sessions and the valuable one-on-one interactions on the show floor, a party for all attendees and exhibitors is planned. This year's All-Industry Gala, set for 5:15 on June 29, promises to be more festive than ever.

"After sitting on the sidelines during the shutdown, it's time to party and get back into the game," the release said.

AEI will also feature a special keynote address Tuesday morning at the Westgate by former soldier John Kriesel. In 2006 Kriesel clung to life after his body was shredded by a 200-lb. roadside bomb in the Iraqi desert. His message about overcoming obstacles and perseverance is uplifting and memorable.

As usual, the co-sponsoring organizations of the Amusement Expo International are the American Amusement Machine Association (AAMA) and the Amusement and Music Operators Association (AMOA).

"AEI is anxious to welcome you back," the release said.



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Master License Holders (MLHs) must prominently display the "Play Responsibly" decals on each Class B machine. There is a new phone number for the Georgia Crisis and Access Hotline displayed on the "Play Responsibly" decals, which is 1-866-922-7369, and the decals are light blue in color (see image inset).

The new "Play Responsibly" decals were included in the renewal packets sent to approved Class B MLHs that renewed for 2019 licensing

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