

Billion-Dollar PLAN

Parker's rallies for the most aggressive growth in the company's 40-year history

By Danielle Romano

Greg Parker may have the title of president and CEO of The Parker Cos., operator of Parker's convenience stores, but you can also call him "the field marshal."

"My job is to serve as the field marshal, to marshal the troops and to ensure that we have the financial wherewithal to sustain growth," he told *Convenience Store News* in an exclusive interview timed around the company's 40th anniversary celebration.

Over the past four decades, Parker has led his troops from a one-store operation in Midway, Ga., to a highly regarded chain of 44 locations across Georgia and South Carolina.

"In our part of the world, you stop at Parker's," the executive explained.

As the company celebrates its 40th year in the convenience retailing industry, Parker is now rallying his troops for the most aggressive growth in the company's history, as it embarks on a five-year strategic plan that includes opening 17 new stores in just 13 months.

"I am the perfect person to be in the convenience store industry because I'm impatient. ... We're growing organically, and we're opening like crazy," Parker said.

Parker's five-year plan is centered on growing sales and profits by 20 percent annually. Over the next four years, the company is looking at a 20-percent to 24-percent growth rate, though it has been trending ahead of its goals consistently for the past 14 years. Ultimately, Parker's is poised to grow from a \$500-million company to a \$1-billion company.

To get there, Parker is arming his troops with the



right mindset and tools for success. “Our plan involves being extremely strategic and intentional about growth. We’ve worked hard to get our infrastructure in place in order to support this aggressive growth. We’ve scaled up in our real estate, human resources, operations and marketing departments,” he said.

Headquartered in Savannah, Ga., the small yet mighty Parker’s currently has 600-plus employees serving its 44 convenience stores across Georgia and coastal South Carolina. Part of Parker’s strategic plan is to continue to grow the brand in areas adjacent to its core market of Savannah, including in southern South Carolina, where Parker’s now operates 10 stores. Over the next 18 months, Parker’s plans to open six new stores in The Palmetto State.

If you ask Parker what it takes to be successful, he’ll tell you it takes a “whole village,” and that the key to Parker’s success is its team — from store cashiers to corporate executives.

“There’s a lot more to smart growth than just building new stores, remodeling existing stores and acquisitions. We have to continue to recruit, train and incent the most talented people in our industry,” he articulated.

Parker’s executive team distinguishes itself from others in the

convenience channel based on one core characteristic: longevity. Among its earliest members: Teresa Hannigan, chief information officer, who joined Parker’s in September 1977 — about a year after the first Parker’s store opened. Amy Lane, chief operating officer, followed by joining Parker’s in July 1983 at age 15. Then, there’s Terri Heidman, chief financial officer, who came onboard in March 1995, and Brandon Hofmann, chief marketing officer, who joined the team in February 1997 at age 19.

However, Parker knows combining longevity with fresh newcomers is what will give his business a competitive edge, so hiring new team members is an integral part of Parker’s growth strategy. Case in point: In recent months, Parker’s has welcomed an inventory control lead, construction project manager, director of finance and administration, and fuel administrator.

“All of our team members have to work in harmony to facilitate our growth. ... We’re focused on hiring the best and brightest people and training them to be successful. We want people who are hungry, nimble, wicked smart, curious and adaptable self-starters,” Parker told *CSNews*.

To accommodate the still-growing Parker’s team, the retailer moved its corporate headquarters in February 2015 to the historic Philbrick-Eastman House





Across Georgia and South Carolina, Parker's stores are known for their clean restrooms, fountain drink stations, gourmet coffee, and more.

overlooking Chippewa Square in downtown Savannah. The renovation of the historic mansion earned Parker's a Georgia Trust for Historic Preservation Award for Excellence in Rehabilitation earlier this year, as well as a Historic Savannah Foundation Preservation Award in May 2015.

"We want our team to feel excited about going to work every day," Parker said. "We want to give them the technological solutions and the best opportunities to create a culture of excellence."

THE EVOLUTION OF PARKER'S

The first career path choice for Parker wasn't the convenience store industry, but rather being a lawyer, he recalled. He attended the University of Georgia's

undergraduate law program where he graduated with honors. But with a LSAT score just shy of the 600 needed for acceptance into the University of Virginia's law school, Parker went back to the drawing board.

At the time, his father was working in gas distribution for Amoco and had started construction on a c-store in Midway, Ga. With construction running longer than anticipated, Parker immersed himself in the completion of the project. In 1976, the first Parker's store was born.

"[My father and I] understand retail in a profound way," commented Parker. "I knew instinctively at 21, I wanted something nicer than my competitors."

Forty years ago, gas was full-service, and there were no computers and no fountain drink machines available in the c-store industry, he reminisced. "Today, our stores are bigger, nicer, cleaner and brighter, with better architecture and landscaping."

Modern-day Parker's is known for clean restrooms; signature items like Chewy Ice and fried chicken; fountain drink stations that offer 24 flavors, as well as fresh-brewed iced tea and lemonade; and gourmet coffee customizable with an array of sweeteners and whiteners.

All of this is to "delight the consumer," according to Parker. "Today's customer is more demanding and more discriminating. We're focused on providing choices for the customer, to meet their changing needs."

FAST, FRESH & FRIENDLY

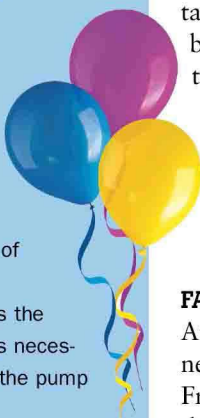
At the core of Parker's evolution to meet the changing needs of customers is the brand's promise of "Fast, Fresh & Friendly." One way Parker's is embodying this is with drive-thru locations. The company opened

How Parker's Is Celebrating 40 Years

In its continuing quest to delight the consumer, Parker's is commemorating the milestone of its 40th year in the only way it knows how: savings for its loyal customers.

From May through August, the celebration includes:

- In-store, customers can enjoy unlimited 40-cent refills on cold dispensed beverages, as well as pick up a special-edition insulated refill cup for \$1.99, while supplies last.
- The top 40 PumpPal customers will receive 40 cents off at the pump for one month. That's a total of 160 customers over the four months.
- One PumpPal member will be selected at random as the winner of a wrapped Jeep Renegade. No purchase is necessary, but every PumpPal transaction in-store and at the pump counts as another entry to win.





Parker's opened its first convenience store with a drive-thru in 2014. There are now four in the chain, with plans to add more.

the first of this concept in 2014 and there are now four in the chain. These locations offer drive-thru service for the majority of the products offered in-store.

Taking the drive-thru concept a step further, Parker's opened its first drive-thru with foodservice in Claxton, Ga., earlier this year. According to Parker, opening a site with drive-thru foodservice is a necessary part of its growth strategy in order to compete with quick-service restaurants (QSRs). Also, "Operation Foodservice" — one of the company's "Wildly Important Goals" — is integral to the company's profitability, outside of the usual commodities

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of gasoline and cigarettes.

"Everyone wants to get into our market segment, from Walmart to McDonald's. What's most impressive about QSRs is that a huge percentage of their sales go through drive-thrus," Parker explained. "The two biggest gross profit dollar generators have been gasoline and cigarettes. Over time, gas consumption and cigarette consumption are diminishing. We've had to look for other ways to generate profit and create con-

venience, so our focus has moved more into the area of foodservice. And drive-thru is a necessary step if we are going to compete with QSRs."

The Parker's drive-thru with foodservice has a hot deli that serves breakfast, lunch and dinner daily. Some menu highlights are a full breakfast bar with eggs, bacon, sausage, cheese grits, breakfast casseroles and biscuits; Southern fried chicken fingers; homemade mac 'n' cheese; fresh vegetables; and daily specials. Sit-down dining is also available on-site.

Parker's plans on opening many more drive-thrus in the future, though the chief executive declined to give an exact number.

Another way the retailer is embodying its "Fast, Fresh & Friendly" brand promise is the use of technology. Particularly in the "fast" department, technology enables the chain to do more in less time and has revolutionized the c-store industry, according to Parker.

The newest way Parker's is leveraging technology is a rollout of mobile payment, exclusive to Parker's PumpPal members via the brand's mobile app. PumpPal is Parker's proprietary loyalty program that gives members an everyday 10-cents-per-gallon discount on fuel.

The GPS-enabled mobile payment program saves customers up to 14 seconds on every transaction, compared to the current chip-and-PIN technology in credit cards. When using mobile pay at the fuel pump, PumpPal members pull up to a Parker's store, open the app, enter the gas pump number, type in a personal PIN number, fuel up and go. The pump can even be turned on before getting out of the car.

PumpPal members can also use Parker's mobile pay on in-store items. The GPS technology automatically

identifies the store where customers are. They simply scan their barcode at the cash register, enter a PIN number and press “enter.”

“This is the new frontier in mobile technology,” Parker said. “Our customers want to save time and money. At Parker’s, we’re helping them do both with our new mobile pay option. We complete more than 100,000 transactions every day, and this technology will help our customers pay faster than ever.”

To develop mobile pay, Parker’s strategically united five different vendors, including Parker’s mobile app developer Zingon. Its mobile app, which launched in 2015, offers real-time information on the chain’s daily deals, gas prices, store locations and more. Jeff Bush, Parker’s director of fuel management, spearheaded the



Parker’s launched a mobile payment platform in late June.

development of Parker’s mobile pay.

The company piloted mobile payment internally at all its store locations before making it available to PumpPal members in a full rollout to ensure that every Parker’s location could deliver on the brand’s “Fast, Fresh & Friendly” promise.

WHO IS Greg Parker?

Greg Parker, founder and CEO of The Parker Cos., is one of the convenience store industry’s most well-respected executives for his commitment to technology, innovation and giving back. He has been recognized as the *Savannah Morning News* Entrepreneur of the Year, Savannah Area Chamber of Commerce’s Entrepreneur of the Year, *Convenience Store News* Technology Executive of the Year, and recipient of the Distinguished Citizenship Award from the Grand Lodge Order of Elks in Savannah.

A father of three, Parker serves as chairman of the Mayor’s Business Roundtable and contributes to the Mayor’s Crime Task Force. Through the years, he has served on the board of directors for the Savannah Economic Development Authority, the Savannah Area Chamber of Commerce and the Savannah Development and Renewal Authority.

He’s also served as chairman of the Savannah Master Plan Task Force; on the Research and Development Committee for NACS, the

Association for Convenience & Fuel Retailing; the BP Amoco Marketers Association; the foundation board at Memorial University Health Center of Savannah; and as a Retail Advisory Council member for PepsiCo Inc. and The Coca-Cola Co.

Additionally, Parker is active in the Petroleum Marketers Study Group, contributes to the World President’s Organization, and serves on the Strategy Board for Amyris Biotech.



THE LEGACY OF PARKER’S

As merger and acquisition activity in the convenience channel continues to be red hot, Parker remains calm, cool and collected with how this may affect the future of Parker’s.

“M&A in the past two years doesn’t worry me,” he expressed. “It makes Parker’s more nimble.”

Still, the retailer constantly assesses its outlook because the past two years have proven that timing means everything, according to the CEO. Today, Parker’s is interested in buying smaller one- to three-store operators. At the same time, the c-store retailer has two stores on the sales block that do not fit the brand’s model anymore.

Looking ahead, Parker is certainly bullish about his business. In fact, “extraordinary” is the word he chooses to describe the future of Parker’s.

“We keep getting better and better at what we do,” he told *CSNews*. “We are in strong financial shape. Our growth will include new-to-industry sites, as well as remodels and acquisitions. We have an incredible team and are excited about the future.”

When people think of Parker’s convenience stores, the company’s leader wants the brand’s legacy to reflect its No. 1 priority: the customers.

“The Parker’s legacy is that we gave back to our customers, fought for consumer rights, helped lower the price of gas in every market where we do business, and reshaped the industry in terms of technology as well as a superior customer experience,” he said. *CSN*