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Breaking new ground

The Hub Convenience Stores — a new convenience store concept in southwest North Dakota — gives one retailer a chance to build his dream from the ground up.

BY JERRY SOVERINSKY

Photography By Kimberly Larson



Jared Scheeler has come home. The 34-year-old c-store veteran and current NACS board member, who spent more than 15 years working “every possible job” at Bobby & Steve’s Auto World in Minneapolis, Minnesota, has returned to his native North Dakota to fulfill a professional dream: developing his own convenience store brand.

His first of hopefully several Hub Convenience Stores is projected to open in the fall on ND Highway 22, just north of the city limits and within easy access to the area’s major oil companies. It’s been a long journey home for the father of three, and while his first store is still months from opening, having suffered several construction delays, “it’s great to be here.”

Growing Up, Moving Out

Scheeler grew up in Dickinson, a town of less than 20,000 residents on the western side of North Dakota. And like many of his Dickinson friends, he met

his wife (DeAnn) in high school, marrying her just a few years later.

He enrolled at the University of Minnesota in 1998, where he pursued an undergraduate business degree. While a freshman, he got his first taste of c-store life, working part-time at Bobby & Steve’s flagship store in downtown Minneapolis. “I started at an entry level job, and from the beginning, I thought the experience was a lot of fun,” he said. “You get to deal with different people every day and it’s busy. I really enjoyed the retail environment.”

Throughout college Scheeler worked at Bobby & Steve’s, eventually increas-



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ing his commitment to full-time hours while earning several promotions along the way. While many of his fellow business school friends were interviewing for high-profile corporate jobs, he recognized that he needed to follow a different path. "Seeing people wearing suits and ties ..." he said, his voice trailing off. "I decided that working in an entrepreneurial business was best for me. I enjoyed my role at Bobby & Steve's and thought I could make a career out of it."

At the time, Bobby & Steve's had just two stores (today they have eight), and Scheeler continued working his way up with the company, eventually becoming general manager in 2006. "From that point on, I became very interested in the c-store industry on a larger scale — a big picture standpoint," he said. "I had been to every NACS Show since 2001 but aside from attending the expo, I hadn't been too involved."

As his industry profile grew, so did his opportunities. He was invited to be a member of the NACS Member Services Committee in 2009 and the NACS Board of Directors soon after. In 2011, he became director of convenience store operations for Bobby & Steve's, overseeing every aspect of business operations for the chain. Yet despite his increased responsibility he was growing restless.

Home Is Where the Heart Is

While Scheeler's career was taking off, an important piece was missing from his life. "I knew deep down that my wife really wanted to be back in Dickinson, and we both believed that the school system had shaped who we are today ... we wanted our children to be a part of that," he said.

The momentum began swinging toward North Dakota in early 2012, when Scheeler became frustrated with Bobby & Steve's conservative growth plans. He believed the company was poised for a strong expansion but that its principals were holding the company back. "The vision I had for [the company] didn't re-

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ally align with those of the primary decision makers,” he concluded.

“That was a catalyst to going out on my own,” Scheeler said, adding he wanted to help a company achieve its maximum growth potential. “I knew I needed to make the move quickly. If you decide to go out on your own, there’s a small window of time to do that.”

Coming Home

Scheeler was just 32 years old at the time, and the prospect of returning to North Dakota was exciting for him and his wife. “The area is flourishing because of oil production,” he said. “There’s just a lot of economic development going on there.”

In October 2012, Scheeler told his real estate agent mother to “put some feelers” out for local opportunities in the convenience store industry. He waited — until the next morning — when he received a call from fuel distributor Chris Fitterer, who owned a piece of land that he felt was ideal for a convenience store location, and who was looking for a partner to run the business.

He met Fitterer the following month, and while hopeful for the career prospects that the opportunity presented, he was careful to make sure the fit was right for him. “I was still in a good spot with Bobby & Steve’s, so I wanted to make sure that every aspect [of a work arrangement] worked in my favor before I committed to relocating.”

Scheeler presented Fitterer with a list of requirements that needed to be met before moving forward with any new venture:

- The investment group had to be solid.
- He would need full freedom to run operations with only shareholder oversight of major decisions.
- He would need to have the opportunity for ownership equity.
- Everyone involved with the investment



IF YOU DECIDE TO GO OUT ON YOUR OWN, THERE'S A **SMALL WINDOW OF TIME TO DO THAT."**

They found an architect and contractor, and Scheeler began talking with industry suppliers. He told his bosses at Bobby & Steve’s about his plans, and they allowed him to continue with his role there until he was ready to make The Hub a full-time pursuit. He told them he would need just three months.



had to be committed to becoming a regional player.

- He would need to be fairly compensated.
- The investment group would need to provide sufficient capital to build a “New Age c-store that is on par or better with other operators.”

Fitterer was on board with all of Scheeler’s requirements, with the two “connecting in a way that I wasn’t expecting,” Scheeler said. “I quickly dropped my desire to go into business with anyone else.”

In January 2013, Scheeler and Fitterer finalized their plans with an initial timeline that included breaking ground in March 2013, followed by opening for business in the fall. “Once that move forward decision was made, the business plans started coming together,” Scheeler said.

H-2-Whoa!

The flexibility Bobby & Steve’s offered Scheeler was fortuitous. In April 2013, Scheeler discovered that The Hub’s building site didn’t have water or sewer service, putting a temporary halt to construction.

While in most regions, a lack of water would be a minor setback. But in southwest North Dakota, it’s a huge obstacle, owing to an oil industry boom that’s monopolized the workforce (see “Help Wanted” in the April 2013 issue of *NACS Magazine*). “Construction costs in North Dakota are now 60 to 70% higher than in the rest of the country,” Scheeler said. “It’s difficult to project ROI with those high costs.”

Scheeler went back to Bobby & Steve’s to extend his projected move date, and

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they accommodated him. But his family moved to Dickinson that summer, allowing the children to start school in North Dakota that fall. "So they were in Dickinson but I was still in Minnesota, visiting every other weekend. And it quickly became difficult to operate two lives."

He worked out a new arrangement with Bobby & Steve's, allowing him to fly in on Tuesdays and return home to be with his family on Thursdays (can we all agree that Bobby & Steve's is officially employer of the year?!), a role he

performed through the end of 2013.

Back in Dickinson, Scheeler's water troubles remained unresolved, and he was preparing to take matters into his own hands. "We were going to install it ourselves, a large expense that we would have recouped over time through other businesses that would develop in the area," he said.

Earlier this spring, the city agreed to install it for his new store, a huge relief for Scheeler. "The city came to our rescue, they agreed to full sewer and wa-

ter,," he said. Their start date was scheduled for the spring of 2014, with a finish date in the fall. "So we coordinated our construction timeline with that build."

When finished, the first Hub store will span 7,840 square feet and include a 2,300-square-foot QSR with two national franchises (Schlotzsky's Deli and Cinnabon Express), fuel islands and a car wash. "This will be a travel center model — a hybrid between a c-store and a truck stop," Scheeler said.

Looking Ahead

While The Hub has yet to open its first store, that's not stopping Scheeler from planning for its expansion. "Long term, we're looking to build a series of flexible business models to accommodate the sparse population here." Those models will include a standard c-store, a travel center and a full-blown truck stop.

"We have land for our first truck stop in the region and we're working with a developer in establishing our first c-store site, too," he said. "But none of those are set in stone. Everything is contingent on our first store."

Scheeler is confident he's on-track for success, leveraging his experience from Bobby & Steve's into building a concept that he says is long overdue for the Dickinson region. "Most c-stores here are small with aluminum siding, the old stereotypical store that the industry is getting away from. I look forward to helping this area get a business and building that they deserve." **NACS**

Jerry Soverinsky is a freelance writer and a NACS Magazine contributing writer.

Check future issues of NACS Magazine for an update on The Hub's progress.



Artist's rendition of exterior of The Hub



WE WANT [OUR STORES] TO BE HUBS OF ACTIVITY FOR RESIDENTS IN THE AREA."

Enter yet another snag. As of July, Scheeler confirmed sewer and water "will be put in by the time we open," but it's to be determined as to who will foot the bill. "We either have to install our own utilities on our own dime or the city will install city-serviced utilities and issue us a property tax assessment," he said. Either way, he's still planning for an October 20 grand opening.

And in the meantime, as The Hub's managing director, he's been focusing on the myriad backend details for his