



COUNTRY'S BEST

**Recommendation
for Growth**

Pros and cons of replacing the majority of cashiers with automated checkout machines



Large upfront costs

1

1

Significant savings

Appears less friendly

2

2

Increased efficiency

System glitches and hacks

3

3

More floor space

Assumptions



Source Data

Store Tier breakdown, wages, and job positions are based off **Casey's General Store**

Purchasing and implementing automated registers costs are from national averages cited by **Toshiba Whitepaper**



Employee Functions

Part-time: cashiers, cooks, custodians, and stockers
Full-time: managers and supervisors

Supervisors manage cash register at certain times during the day



Employee Hours & Wages

Based on Federal definition:
Part-time = 30 hours per week for 50 weeks per year

Average pay for employees were based off Indeed, which averages wages for all positions from **Casey's General Store**

Tier 1

Tier 2

Tier 3

Labor costs per store before automation per yr.

\$507,219

\$404,607

\$272,785

Savings per year after automation per store

\$287,887

\$191,900

\$92,326

Total savings across all stores per yr.

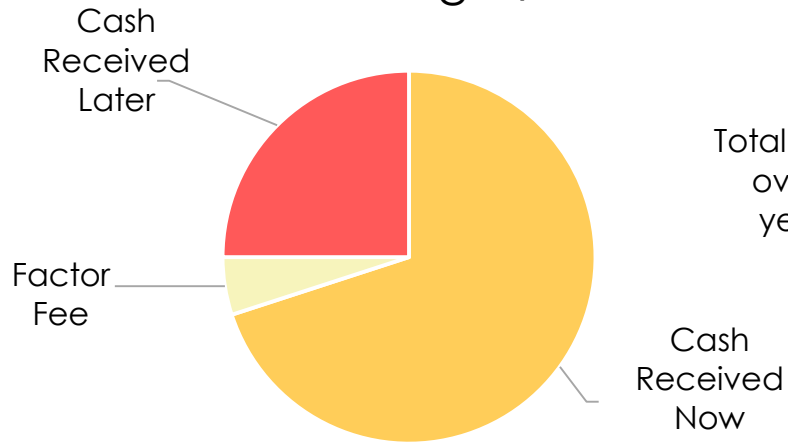
\$45,002,589

\$63,745,607

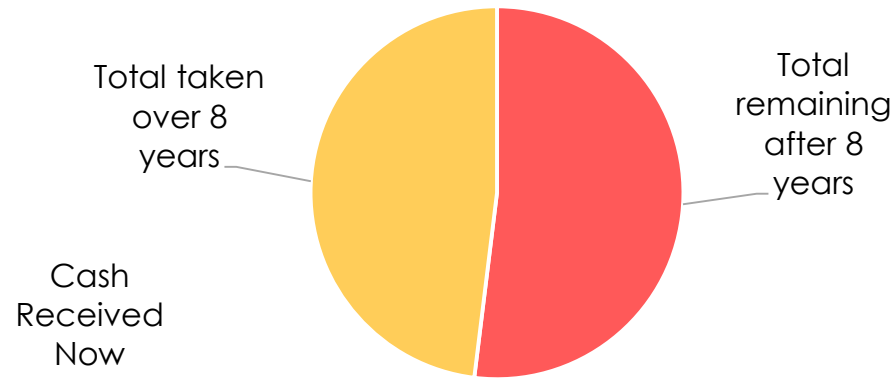
\$135,304,690

Short term funding strategies: factoring accounts receivable, funding by retained earnings, and using cash on hand

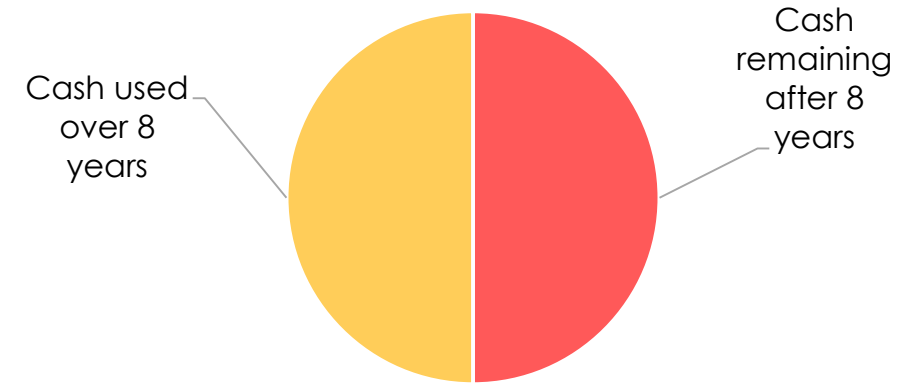
Factoring A/R



Funding by Retained Earnings



Funding by Cash on Hand



Total A/R → \$29,640,000
 Cash Received now → \$20,748,000
 Cash Received later → \$7,410,000
 Factor Fee → \$1,482,000

Total R/E → \$1,081,337,000
 Total Taken → \$519,584,500
 Total taken per Year → \$64,948,062

Total Cash on hand → \$81,079,000
 Total Cash Used → \$40,539,500
 Total Cash Remaining → \$40,539,500
 Cash Taken per Year → \$5,067,437

Total funding → \$588,282,000

Long term funding by consolidating cashiers and cooks into sales associates



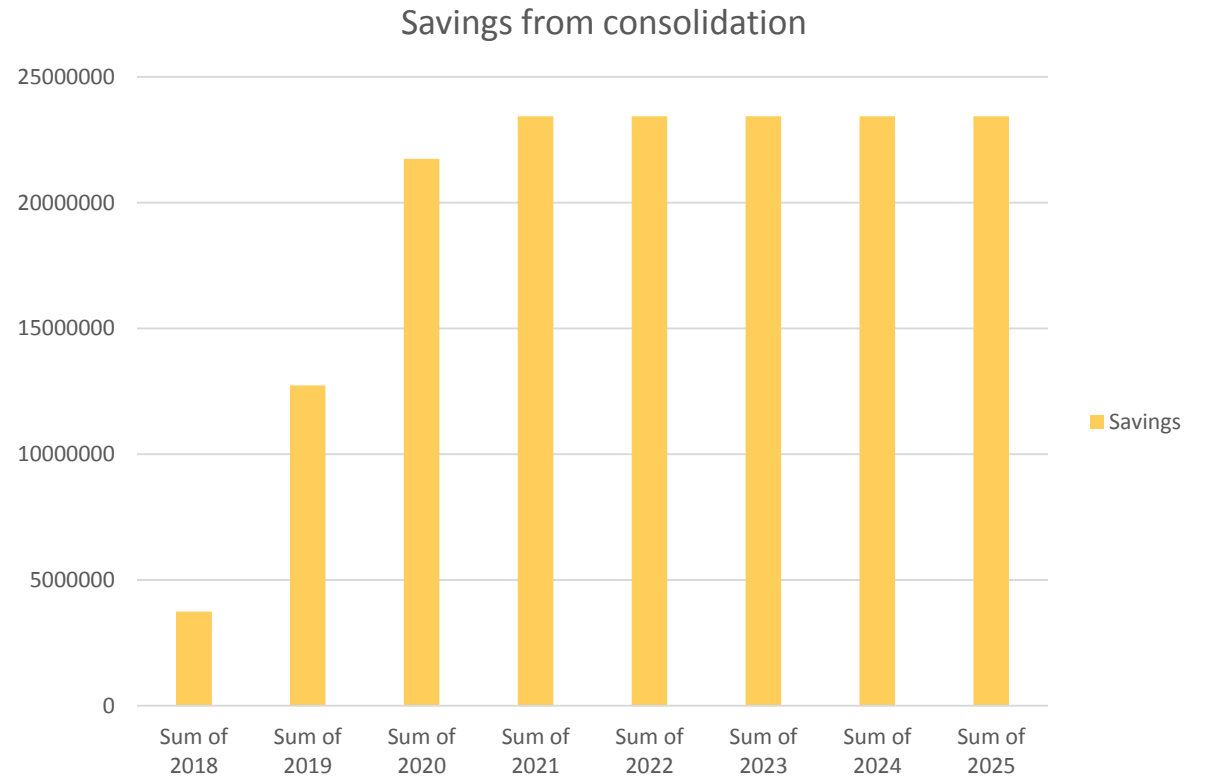
Pay increases from \$8.84/hr. to \$9.00/hr.



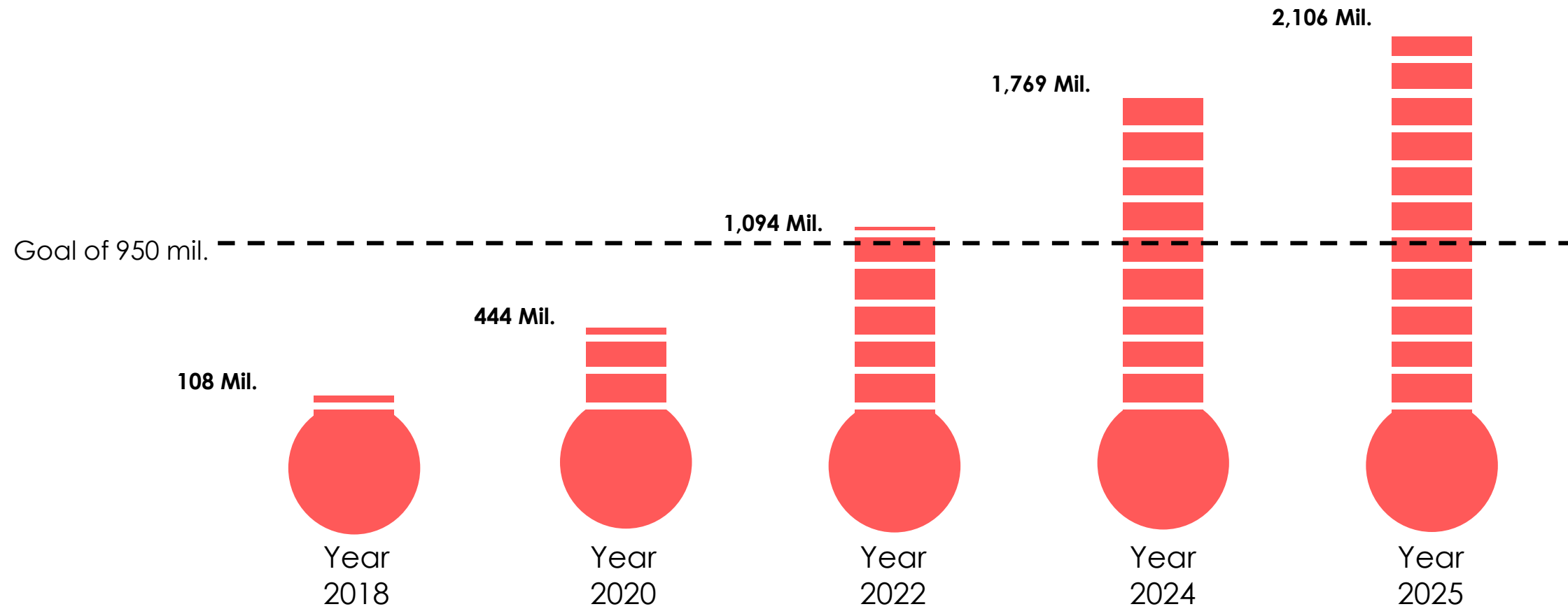
Reduce avg. store employee total by 1



Total additional savings across all stores/year, level off at \$23,430,140 after 2021



The \$950.16 million needed to fund 20% growth is reached by 2022



Questions



A-1

TIER 1 LC BEFORE AUTOMATION	Cook	Custodian	Stocker	Cashier	Manager	Supervisor	Total
# of	6	2	2	19	1	7	37
Pay/hr	\$8.84	\$10.50	\$9.00	\$8.84	\$14.77	\$7.80	
Hrs/shift	4 hrs	4 hrs/total (2-2hr shifts)	4/hrs (1-shift)	3 hrs/shift	8 hours/day	8 hrs/day	
Hrs./day (# of emps*hrs/shift)	24	8	8	57	8	56	
Pay per week	\$1,485.12	\$588.00	\$504.00	\$3,527.16	\$827.12	\$3,057.60	
Total wages/year	\$74,256.00	\$29,400.00	\$25,200.00	\$176,358.00	\$43,010.24	\$158,995.20	\$507,219.44

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TIER 2 LC BEFORE AUTOMATION	Cook	Custodian	Stocker	Cashier	Manager	Supervisor	Total LC/store
# of	4	1	1	12	1	6	25
Pay/hr	\$8.84	\$10.50	\$9.00	\$8.84	\$14.77	\$7.80	
Hrs/shift	4 hrs	4 hrs/total (2-2hr shifts)	4/hrs (1-shift)	4 hrs/shift	8 hours/day	8 hrs/day	
Hrs./day (# of emps*hrs/shift)	16	4	4	48	8	48	
Pay per week	\$990.08	\$294.00	\$252.00	\$2,970.24	\$827.12	\$2,620.80	
Total wages/year	\$49,504.00	\$14,700.00	\$12,600.00	\$148,512.00	\$43,010.24	\$136,281.60	\$404,607.84

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TIER 3 LC BEFORE AUTOMATION	Cook	Custodian	Stocker	Cashier	Manager	Supervisor	Total LC/store
# of	3	1	1	7	1	3	16
Pay/hr	\$8.84	\$10.50	\$9.00	\$8.84	\$14.77	\$7.80	
Hrs/shift	4.28 hrs	4.28 hrs/total (2.1-2.1hr shifts)	4.28/hrs (1-shift)	4.28 hrs/shift	8 hours/day	8 hrs/day	
Hrs./day (# of emps*hrs/shift)	12.84	4.28	4.28	29.96	8	24	
Pay per week	\$794.54	\$314.58	\$269.64	\$1,853.92	\$827.12	\$1,310.40	
Total wages/year	\$39,726.96	\$15,729.00	\$13,482.00	\$92,696.24	\$43,010.24	\$68,140.80	\$272,785.24



	After Auto LC/year							Before Auto LC/year	Savings/store	Savings/year	
A-4	T1 LC AFTER AUTO	Cook	Custodian	Stocker	Cashier	Manager	Supervisor	Total LC/Store			
	# of employees	6	2	2	2	1	4	17			
	Pay/hr	\$8.84	\$10.50	\$9.00	\$8.84	\$14.77	\$7.80				
	Hrs/shift	4 hrs	4 hrs/total (2-2hr shifts)		4/hrs (1-shift)	4 hrs/shift	8 hours/day	8 hrs/day			
	Hrs./day (# of emps*hrs/shift)	24	8	8	8	8	8				
	Pay per week	\$1,485.12	\$588.00	\$504.00	\$495.04	\$827.12	\$436.80				
	Total wages/year	\$74,256.00	\$29,400.00	\$25,200.00	\$24,752.00	\$43,010.24	\$22,713.60	\$219,331.84	\$507,219.44	\$287,887.60	\$45,002,589.63
	A-5	T2 LC After Auto	Cook	Custodian	Stocker	Cashier	Manager	Supervisor	Total LC/Store		
# of employees		4	1	1	2	1	3	12			
Pay/hr		\$8.84	\$10.50	\$9.00	\$8.84	\$14.77	\$7.80				
Hrs/shift		4 hrs	4 hrs/total (2-2hr shifts)		4/hrs (1-shift)	4 hrs/shift	8 hours/day	8 hrs/day			
Hrs./day (# of emps*hrs/shift)		16	4	4	8	8	24				
Pay per week		\$990.08	\$294.00	\$252.00	\$495.04	\$827.12	\$1,310.40				
Total wages/year		\$49,504.00	\$14,700.00	\$12,600.00	\$24,752.00	\$43,010.24	\$68,140.80	\$212,707.04	\$404,607.84	\$191,900.80	\$63,716,588.50
A-6		T3 LC AFTER AUTO	Cook	Custodian	Stocker	Cashier	Manager	Supervisor	Total LC/store		
	# of employees	3	1	1	2	1	2	10			
	Pay/hr	\$8.84	\$10.50	\$9.00	\$8.84	\$14.77	\$7.80				
	Hrs/shift	4.28 hrs	4.28 hrs/total (2-2hr shifts)		4/hrs (1-shift)	4.28 hrs/shift	8 hours/day	8 hrs/day			
	Hrs./day (# of emps*hrs/shift)	12.84	4.28	4.28	8.56	8	16				
	Pay per week	\$794.54	\$314.58	\$269.64	\$529.69	\$827.12	\$873.60				
	Total wages/year	\$39,726.96	\$15,729.00	\$13,482.00	\$26,484.64	\$41,356.00	\$43,680.00	\$180,458.60	\$272,785.24	\$92,326.64	\$135,258,527.60

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Y2018: T2 Stores Automated	
Yearly Savings T2 Auto	\$63,716,588.50
Total AC T2	(\$50,242,225.00)
Savings Y2018	\$13,474,363



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Y2019: T2 Done, Half T3 Automated	
Yearly Savings LC T3 Auto	\$67,652,345.46
Yearly Savings LC T2 Auto	\$63,716,588.50
Total AC Half-T3 Stores	(\$86,098,125.00)
Savings Y2019	\$45,270,809



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Y2020: Last Half T3 Automated	
Yearly Savings LC All-T3 Auto	\$135,258,527.60
Yearly Savings LC T2 Auto	\$63,716,588.50
Total AC Half-T3 Stores	(\$86,098,125.00)
Savings Y2020	\$112,923,154.42



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Y2021: T2/T3 Done, T1 Automated	
Yearly Savings LC T3 Auto	\$135,304,690.92
Yearly Savings LC T2 Auto	\$63,716,588.50
Yearly Savings LC T1 Auto	\$45,002,589.63
Total Cost Auto T1	(\$28,919,200.00)
Savings Y2021	\$215,104,669

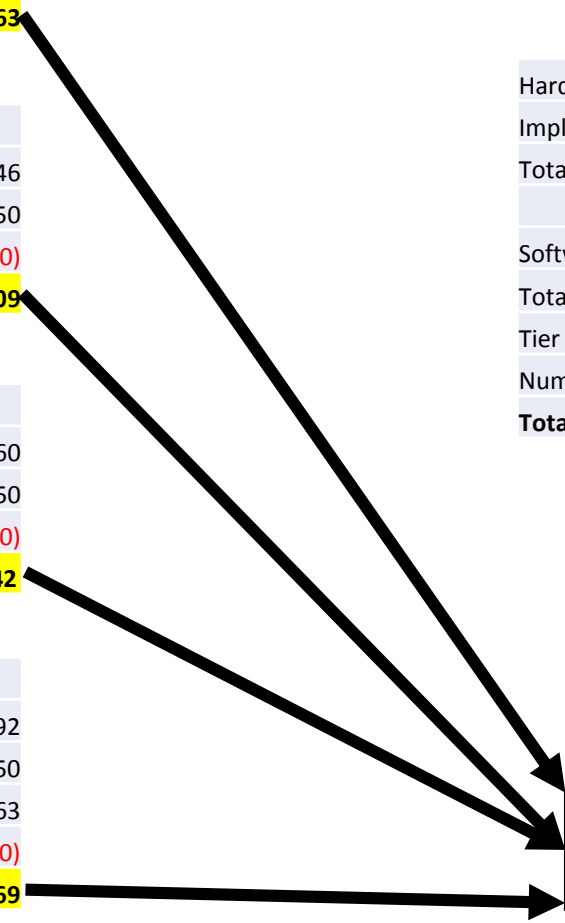
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Hardware		\$31,250	
Implementation		\$2,500	
Total VC/Unit		\$33,750	
	Avg FC/auto		
Software		\$50,000	
Total FC		\$50,000	
Tier	3	2	1
Number of Registers	2	3	4
Total Cost of Implementation	\$117,500	\$151,250	\$185,000

Auto. Cumulative Savings Y2021

\$386,772,995

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Before Consolidation, After Automation	Cashiers	Cooks	Cost per year
Tier 1		2	6 \$99,008.00
Tier 2		2	4 \$74,256.00
Tier 3		2	3 \$66,211.60

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After Consolidation	Sales Associates	Cost per year
	7	\$88,200.00
	5	\$63,000.00
	4	\$53,928.00

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Additional savings/store
\$10,808.00
\$11,256.00
\$12,283.60

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Additional savings: All stores/tier/year
T1: \$1,689,506.56
T2: \$3,739,018.08
T3: \$18,001,615.80

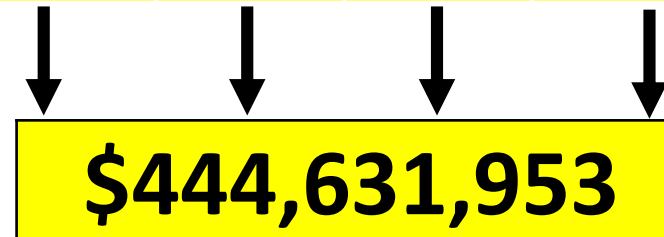
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Additional Savings from Consolidation	Y2018	Y2019	Y2020	Y2021
Tier 1 Savings		\$0	\$0	\$0 \$1,689,506.56
Tier 2 Savings	\$3,739,018.08	\$3,739,018.08	\$3,739,018.08	\$3,739,018.08
Tier 3 Savings		\$0	\$9,000,807.90	\$18,001,615.80
Total Savings Per Year	\$3,739,018	\$12,739,826	\$21,740,634	\$23,430,140.44

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Final Product Savings (AutoCons.)/Tier	Y2018	Y2019	Y2020	Y2021
Tier 1 Savings		0	0	\$17,772,896.19
Tier 2 Savings	\$17,242,401	\$67,484,625.82	\$67,484,625.82	\$67,484,625.82
Tier 3 Savings		0	(\$13,351,709.6)	\$153,306,306.72
Total Savings Per Year	\$17,242,401	\$54,132,916.22	\$134,692,808	\$238,563,828.73

AutoCons. Cumulative Savings Y2021



\$444,631,953

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Tier	3	2	1	
# New Stores		293	67	31 Average/store
Inventory Total	\$47,299,100	\$2,451,589	\$533,796	\$128,605.00
TPE Total	\$799,137,137	\$41,420,578	\$9,018,704	\$2,172,830.00
Automation Total	\$34,427,500	\$10,133,750	\$5,735,000	N/a
Total Cost	\$880,863,737	\$54,005,917	\$15,287,500	

\$950,157,154

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Cumulative Cost of 20% Growth

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Year	Yearly Dep.	Cumulative Dep.
Y2018	\$3,026,990.25	\$3,026,990.25
Y2019	\$4,451,456.25	\$7,478,446.50
Y2020	\$4,451,456.25	\$11,929,902.75
Y2022	\$1,899,288.00	\$13,829,190.75