





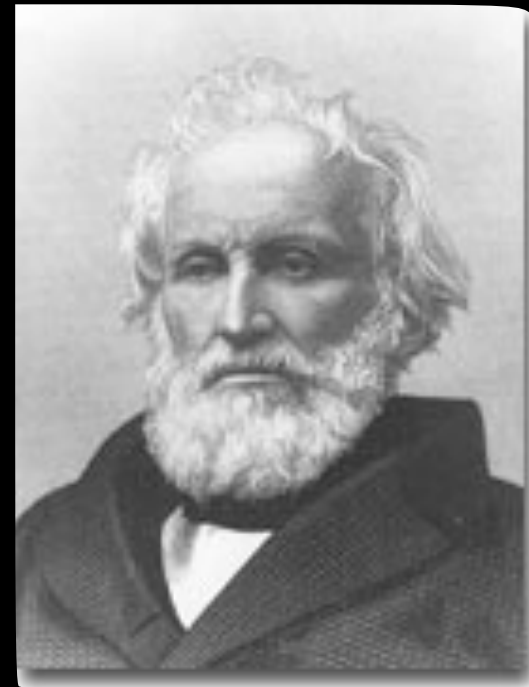
Thomas Moore

Patent #3,758 issued Sep 24, 1844
is the reason 7-Eleven is here
today

Patent # 3,758
changed the way we lived... but it
required one thing



Ice



Frederic Tudor





1927

Ice gave rise to a new business..
The convenience store



1928
Southland started selling gas

Fast forward 10 years..everything was about to change
Patent Number 2,133,959...issued October 25, 1938



The “electric” icebox...what’s an
ice business to do?

It took time
But eventually the Ice business
collapsed and pivoted
(bag ice)



the collapse of ice business did not stop this man..
he adapted..
he went on to *create* a **\$300 billion** industry



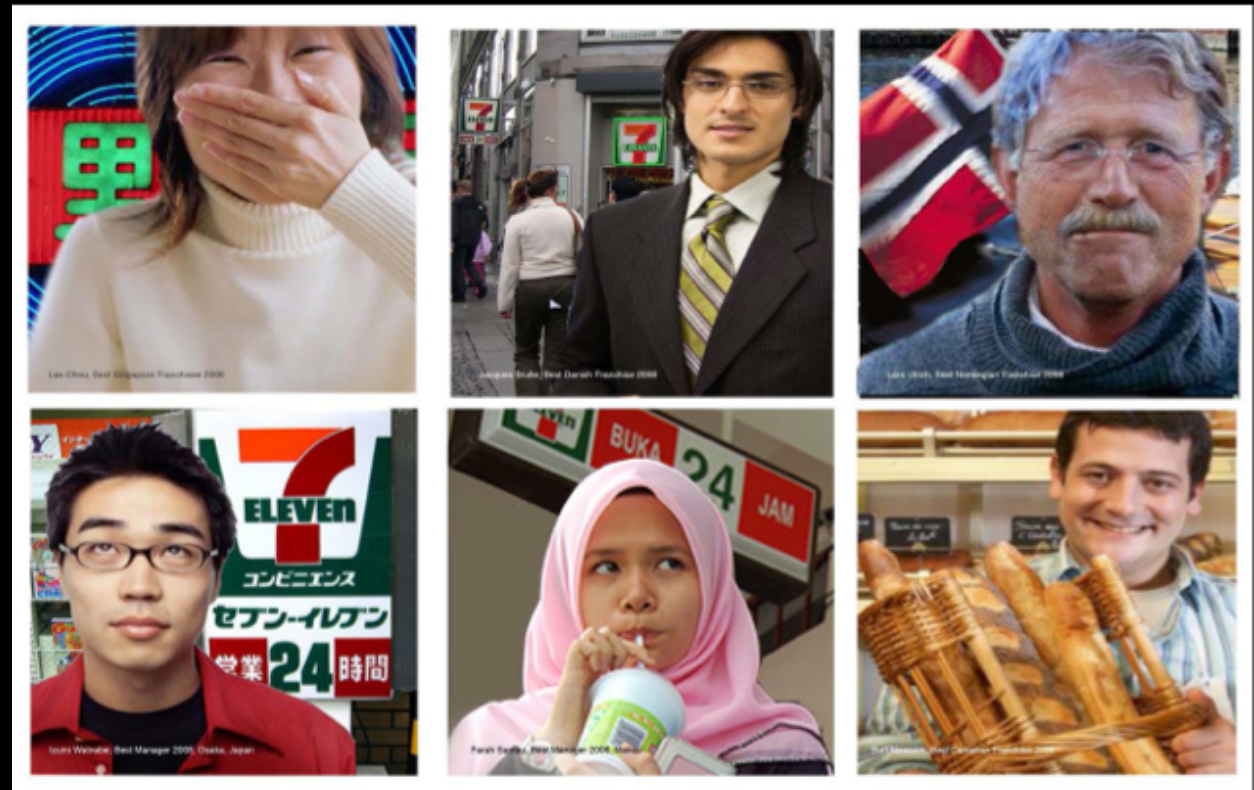


1927



ONE store

2014



16 countries
53,000 stores
\$67+ billion in sales

Lesson 1

Innovators are not always entrepreneurs

Lesson 2

Business model innovation is the most lucrative type of innovation

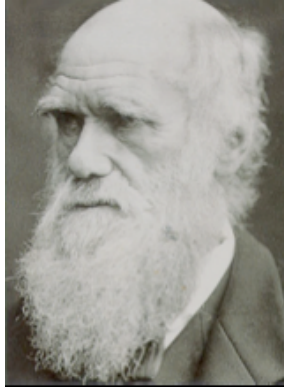
Lesson 3

Rarely can a business survive business model disruption

Lesson 4

The winds favor those that have their sails raised

Change is always coming



Natural Selection - survival to those that adapt to change the fastest.

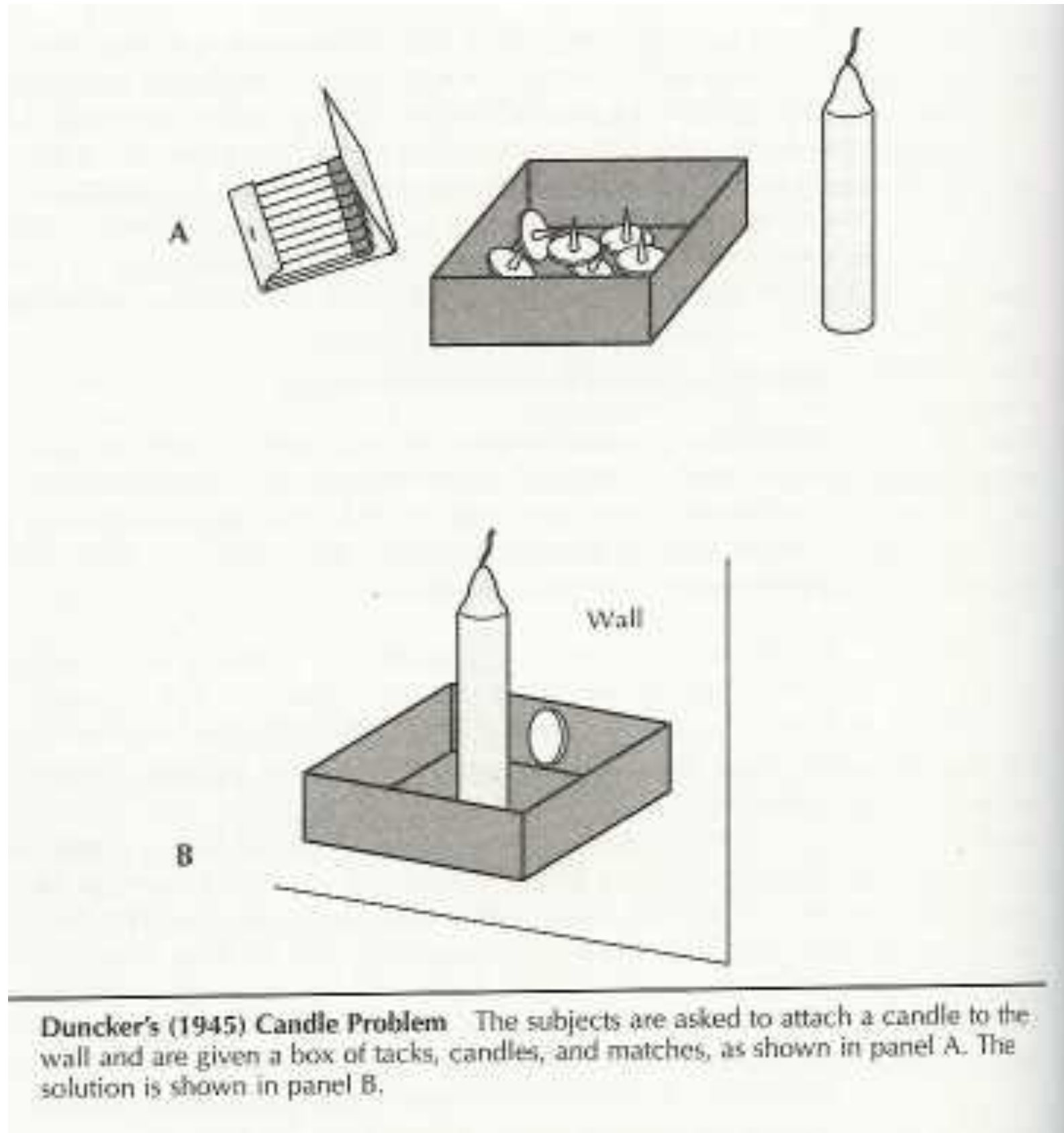


Creative Destruction - old ways replaced by new ways. The disruptive process of transformation that accompanies radical innovation.



Disruptive Innovation - creates a new market and value, and eventually goes on to disrupt an existing market (over a few years or decades), displacing an earlier technology Sustaining vs. Disruptive Innovation

So why is it so hard to Innovate?



"mental block against using an object in a new way that is required to solve a problem."



What's Next?

Convenience is changing

a massively
more connected world

3 billion people connected by 2020

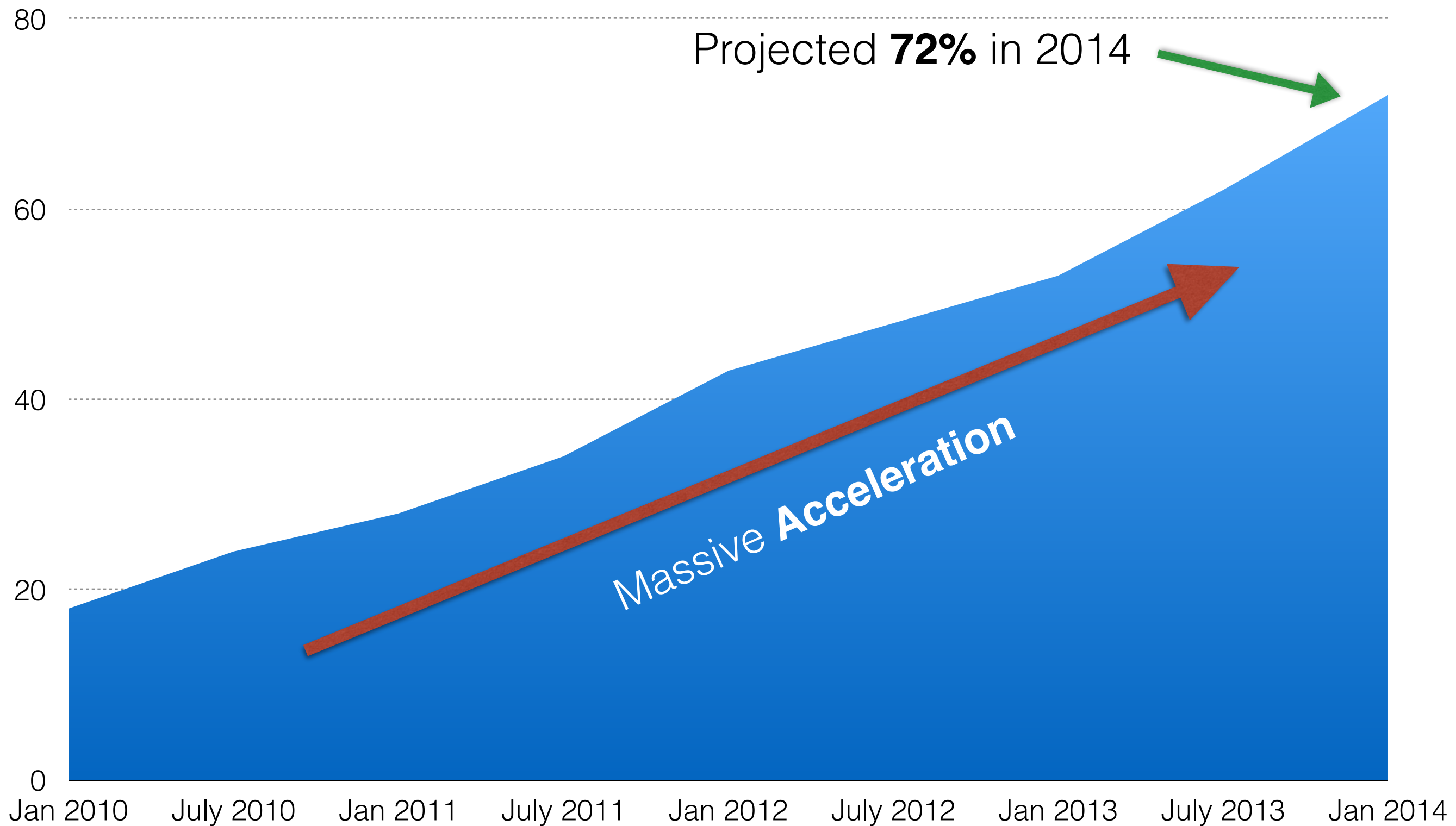
1 trillion devices connected by 2020



Massively more data Built on standards

US Smartphone Penetration

Accelerating year-over-year



It's a Mobile World

In 2014 **mobile internet** will surpass desktop internet

91% of US adults own a smartphone (271m)

3 out of every 5

internet searches

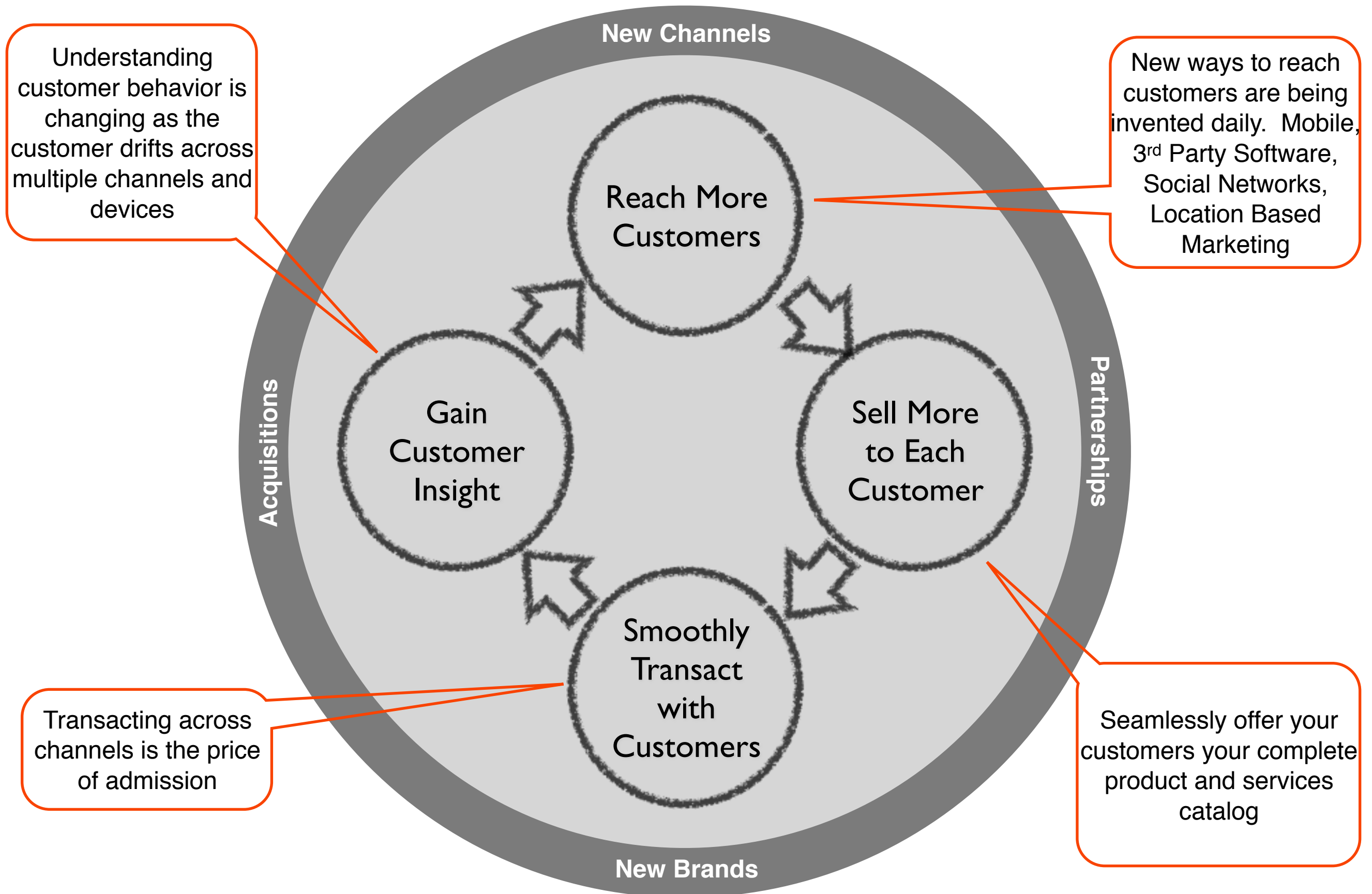
are on a mobile device.

25% of internet users are mobile only

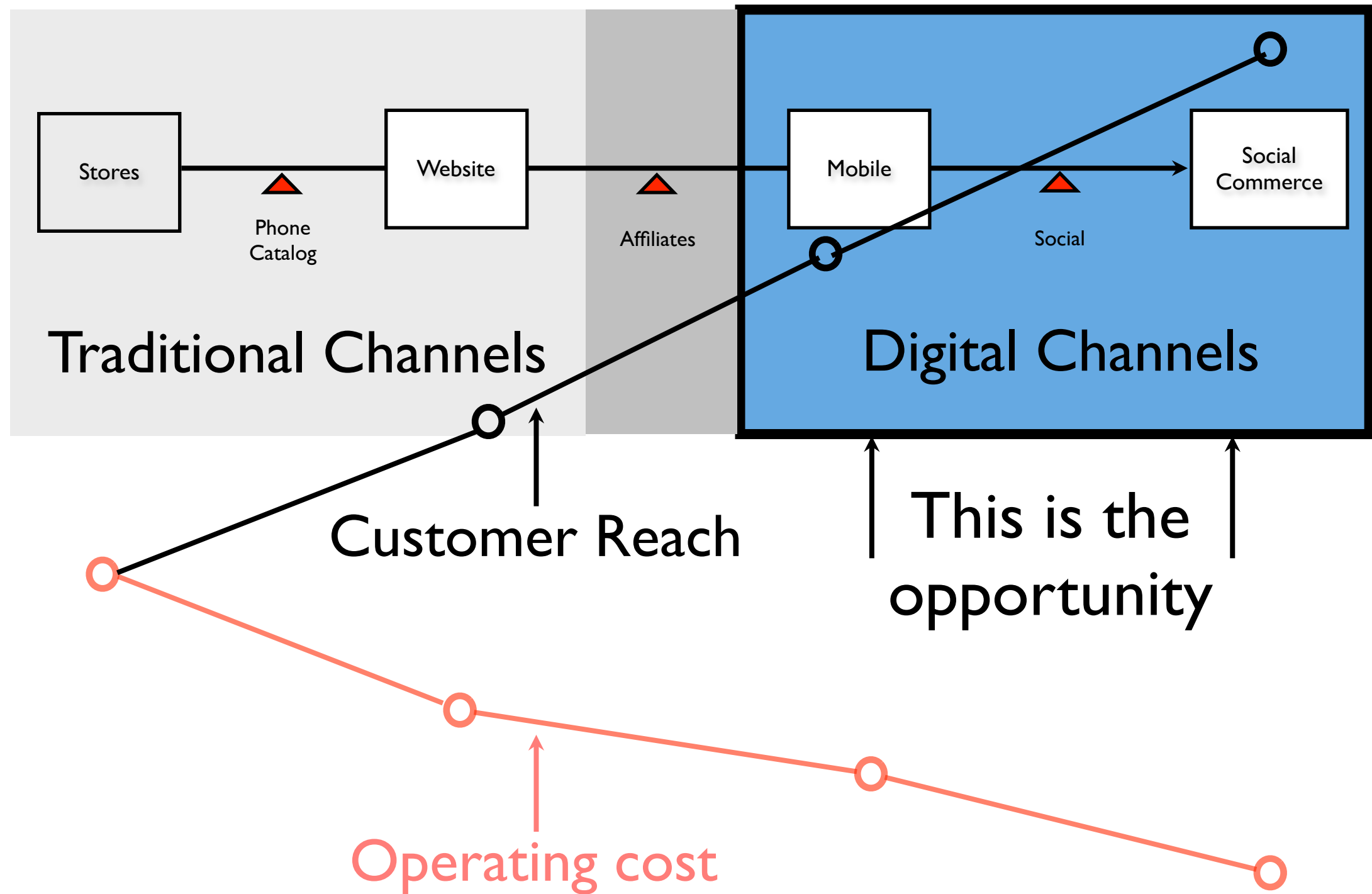
91% of US citizens have a mobile device within reach 24x7



GROW your business



Channel Evolution



7-Eleven Innovation Team

Dedicated to solving customer problems and making our business more convenient and personalized

Dedicated teams - not corner of the desk work

- We are curious

- We get out of the building

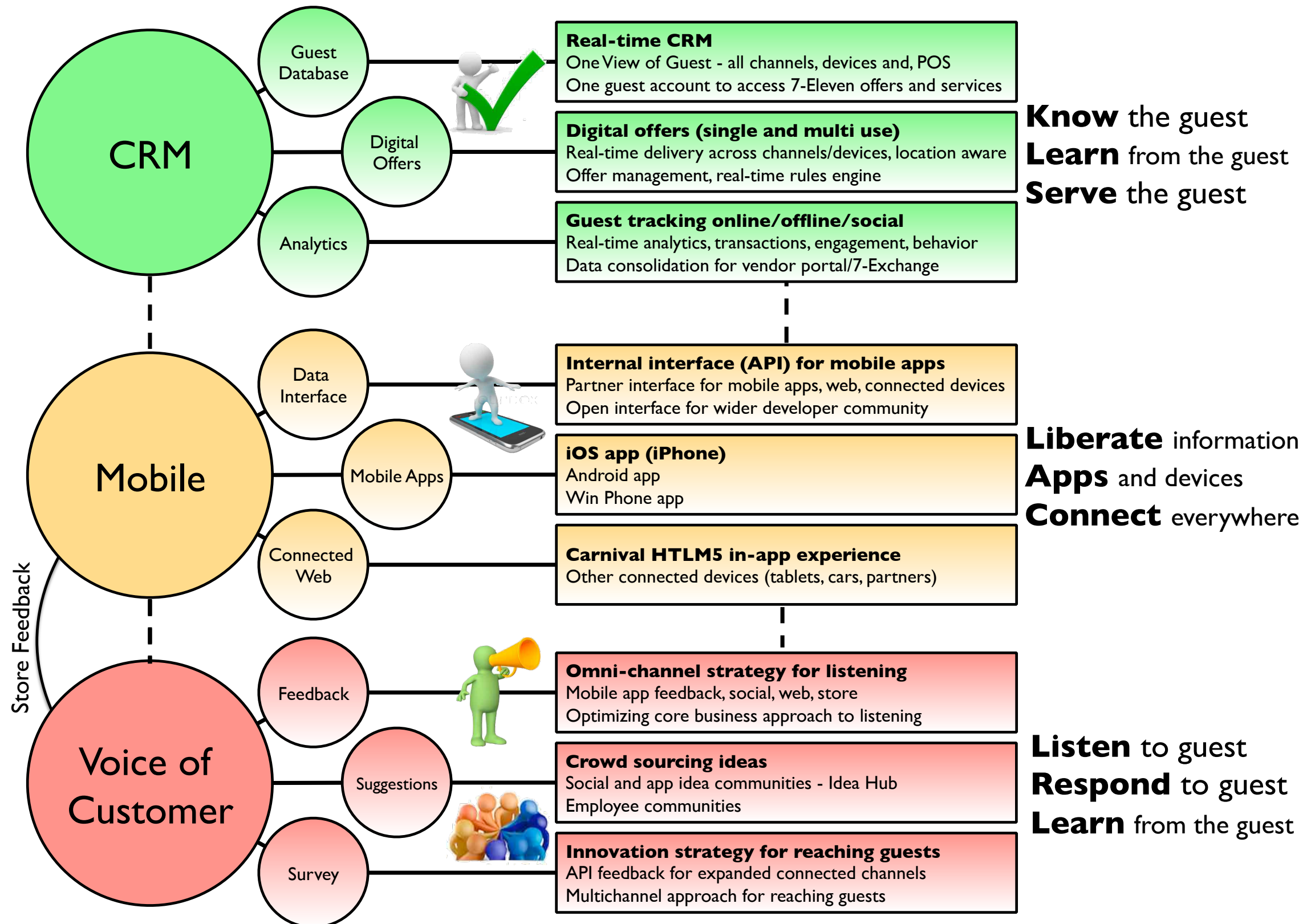
- We network - internally and externally

- We experiment - we're allowed to fail

Dedicated work space - open and collaborative

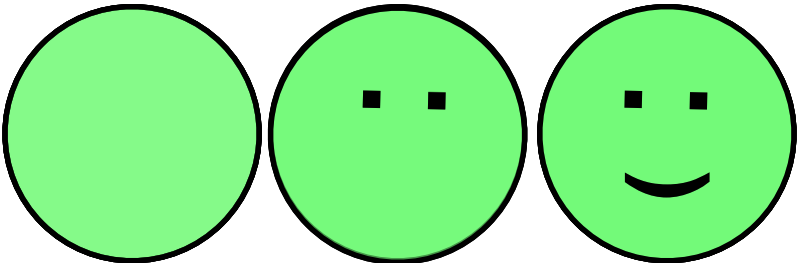
Executive support - strategic investments in the future

7-Eleven Digital Strategy Map



Personalized Offers in Realtime

Scan Guest
Card ID

Trop 20oz L \$1.99		AMOUNT OR FUNCTION		ALL CUPS	NEWS/ CIGARS	STOP ALL GAS	MANUAL GAS		
Trop Offer -\$1.99		Welcome Mike, A1		AM	NO WITH FEE	AUTH ALL GAS	ITEM VOID		
				COUPON	PLU INQUIRY	OTHER FUNCT			
					LOTTO SALE	LOST			
		1	2	3	Clear	OTHER DEPTS	SCRATCH WIN	LOTTO WIN	PLU ITEM
		00	0	Enter		SAFE	NO SALE	VOID TRANS	
Total \$0.00		Finalize and Pay						RECEIPT REPRINT	OPER MENU
SYSTEM OK		MEMORY OFF							

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App Creative new marketing

Pizza launch at SXSW



SXSW is the center of the *cool universe*

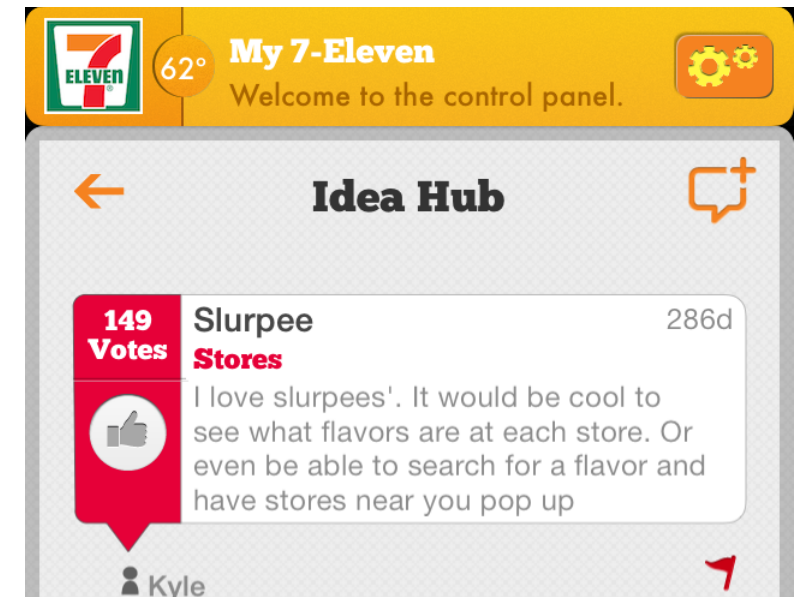


4000 pizzas delivered

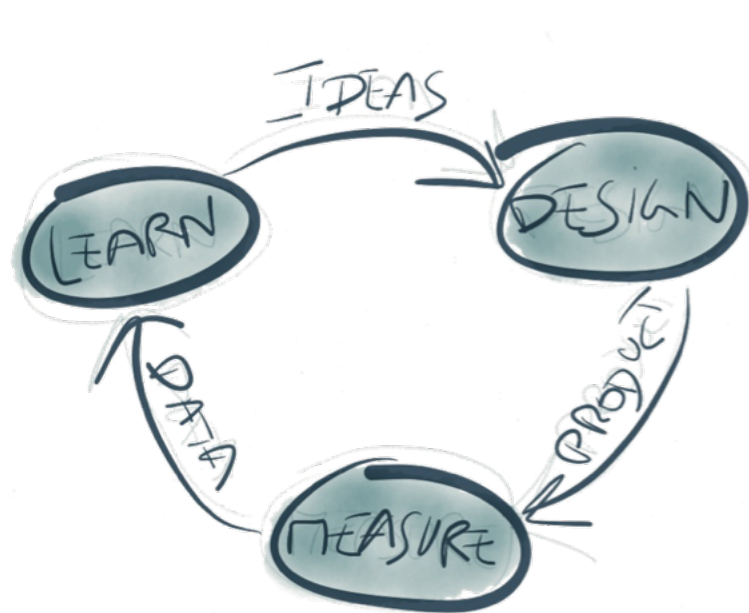
10X more app downloads

Attendees of the event are socially connected to over 33m people or **over 10% of the US population**

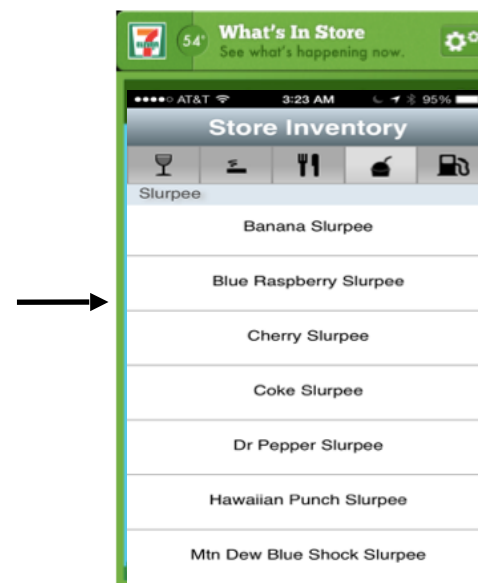
Idea Hub to reality



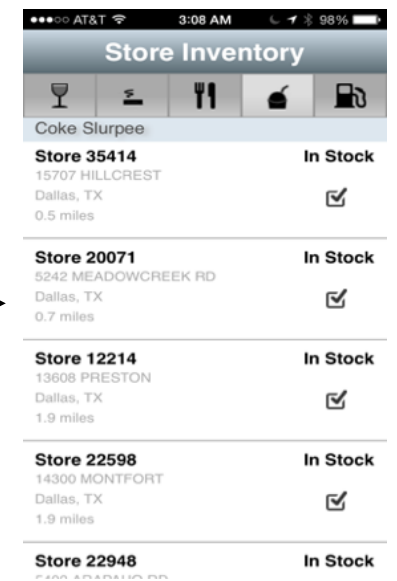
Customer Ideas – Slurpee Flavors by Store



Add **Slurpee Finder** to the events section of the app



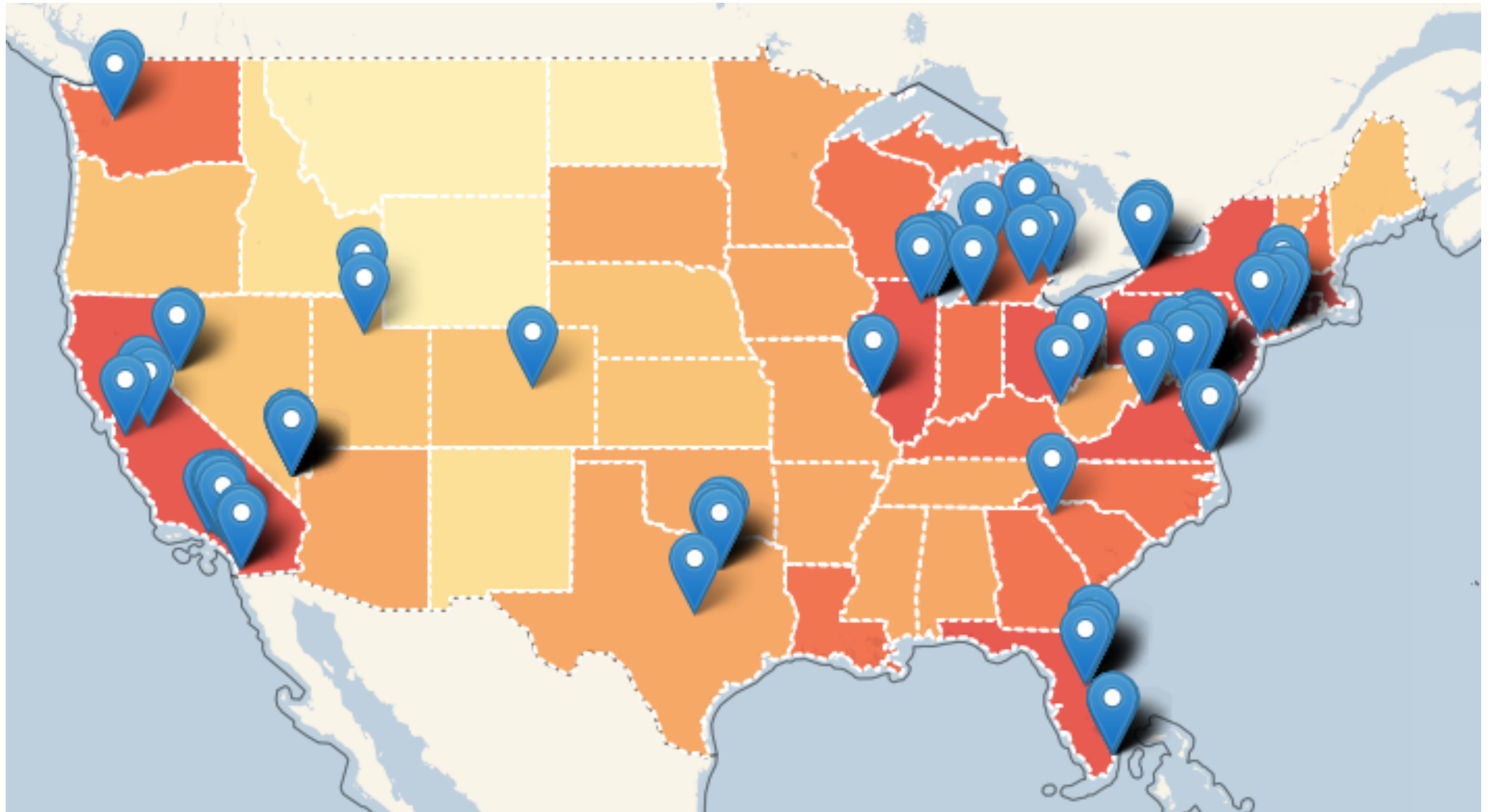
Brings up a list of Slurpee Flavors



Flavor availability by store

Slurpee Finder

Real-time searches by location

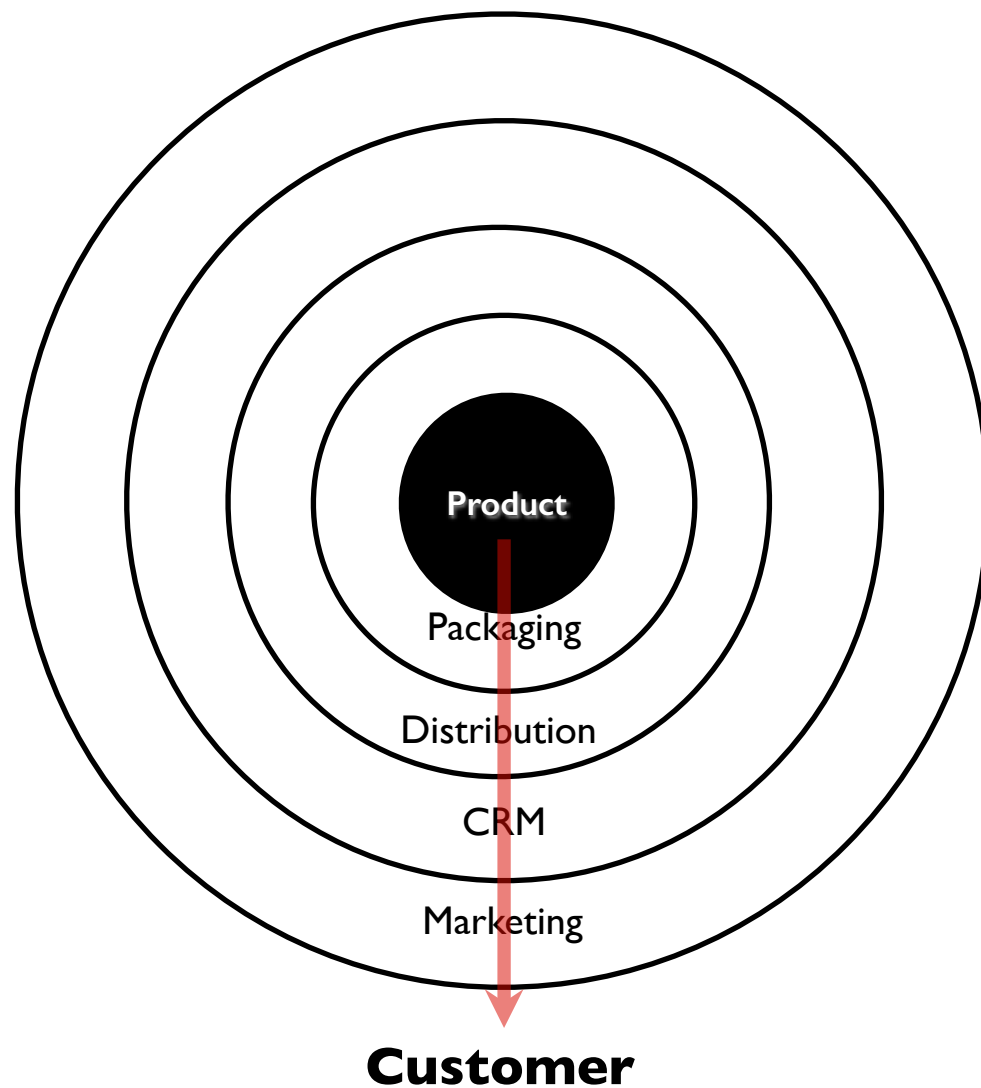


This is the new architecture

Let the guest continuously reinvent with you

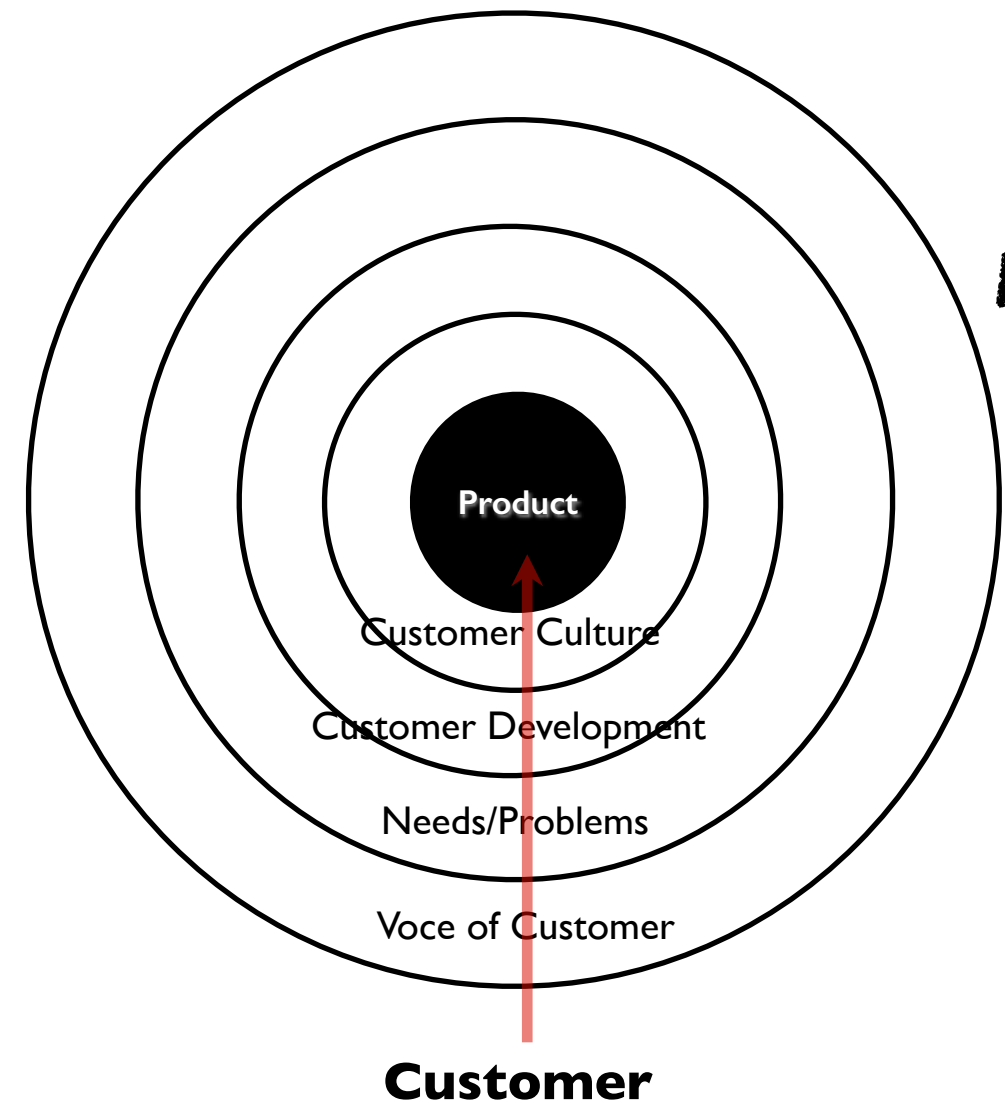
Old

Do something to the customer... Target the guest



New

For the customer... Make people's Lives Better





Put a man in a tree
He'll need your ladder

