



A Message from the ALA President

May 2018

Dear Resale Executives,

I want to personally thank each and every company that has chosen to belong to the American Logistics Association for their continued support and involvement. And, I re-dedicate the Association to making sure that our precious resources are channeled to areas that best serve our members.

It seems that each year brings new challenges. And, we've weathered some big storms in recent years. But after each storm, your Association and the resale business has emerged with renewed strength and commitment to the great military people that we serve.

Reflecting on your Association's purpose: Simply, we are stronger together. The Association can and must do for its members collectively what individually you can't do yourselves; and, this means engagement. It means engagement across the board with decision-makers in the Pentagon, in the Congress, and in the resale agencies that serve our military people.

And, we are engaged to protect your interests and the benefits of the resale system that military folks have come to support and count on.

We've come a long way together:

- Privatization, once a great threat, is off the table for now.
- Drastic cuts to appropriations that underpin the system, once actively considered by the Pentagon, are not taking place.
- Cuts in the number of military forces are being replaced by increases.
- All the major rounds of base closures are over...and bases are relocating and expanding in overseas areas including Europe.
- We've added nearly 17 million Veterans to the online shopping benefit, including their families for a total of nearly 40 million new patrons.
- The Pentagon and Congress are considering the addition of other new categories of patrons to the system to include the nearly 800,000 civilian employees of the DoD and their families for a total of some 5 million patrons and expanding the numbers of eligible disabled Veterans who can shop in the stores.

There have been some tough times indeed and we are not out of the woods when it comes to challenges. Member companies have had to go through tough Category Performance Improvement and other transformation efforts of the Defense Commissary Agency. These changes have placed considerable stress on companies which have had to divert trade and other spending to meet price targets of the Agency. I pledge that we will continue to engage on this

issue to mitigate the impact on member companies and ensure that DeCA decision makers including buyers are aware of the impact of pressing these negotiations to the breaking point. A rising tide raises all boats. Increased sales volume is key to your business and also is the best barometer of resale system vibrancy and patron responsiveness and acceptance. In 2018 and 2019, we will be ramping up efforts to work with member companies and our resale partners to stem the declining commissary sales and increase and maintain an upward sales trajectory for both exchanges and commissaries. ALA resources will be channeled into doing all we can to assist our resale partners in having quality and state-of-the-art products and services available to the millions of eligible military patrons and their families.

We'll be ramping up our engagement with our military resale partners with energized exchange and commissary council meetings, Chapter interaction, and relevant and meaningful analysis and content.

We also are shifting resources to help members understand and deal with resale agency changes to their business processes including reforms to shelf-stocking, supply chain systems, product selection, promotions, and pricing.

We will be upping our game on communications, with more frequent and relevant content and outreach to existing and potential members, resale partners, and key decision-makers in the Pentagon and on Capitol Hill, and patron advocacy groups.

Each and every one of you, face tough management in the conduct of your day-to-day business. The marketplace both in the commercial grocery and retail sector is highly competitive. And the marketplace in the military is becoming more and more competitive as well. Every company is having to tighten their belts and sharpen their pencils. Your Association is ensuring that each dollar of dues and sponsorship are well spent. We have drastically cut Association overhead expenditures and are channeling these savings to focus on issues that matter to the membership. And, for the second year running, we have not instituted any dues increases. You have my pledge that your ALA will be a lean, mean, fighting machine for our members in 2018 and 2019. Each expense will be viewed in the context of creation of member value, member equity, and member support.

I want to extend the ALA's appreciation to all of the members who volunteer their time to serve the membership at large and support our resale system partners. This includes the Board of Directors, Chapter Officers, Conference Sponsors, and our Exchange and Commissary Council members. This represents the best of the best in Association involvement and members helping other members. Thank you!

I thank you for your continued support and I pledge that we will do our best to represent your interests in the coming year, increase the mileage of every dollar of your support, and make each minute of your time count in supporting the Association and the entire military resale system.

Very Respectfully,



Maurice Branch
President