

Jay Socol: Okay, so question number one.

Diane Besosa: Sure.

Jay Socol: Diane Besosa?

Diane Besosa: Yes.

Jay Socol: I ask that because on your email signature in parentheses is ...

Diane Besosa: Penkunis. Yes. Yes, that's my maiden name. I took this role at H-E-B under my maiden name and got married once I already had the role. I wanted to make sure that the contacts I had in the community knew who they were talking to once I got married and changed the name.

Jay Socol: Gotcha. Okay.

Diane Besosa: It is not hyphenated or anything by any means, but I wanted to make sure they knew that yes, that's still me.

Jay Socol: Okay. Your title with H-E-B is what?

Diane Besosa: Is Area Community Coordinator.

Jay Socol: What does that mean? What does that entail?

Diane Besosa: I handle donations, sponsorships, community and in store events for all five stores.

Jay Socol: There are five stores now on this date?

Diane Besosa: There is not.

Jay Socol: Okay.

Diane Besosa: That's actually what we're here to talk about today is the upcoming opening of the fifth store.

Jay Socol: Okay. Before we get into the opening of the fifth store, tell me about you.

Diane Besosa: Sure.

Jay Socol: Where are you from and how did you end up in this position?

Diane Besosa: Gotcha. Kind of a round about way, actually. I grew up dealing with nonprofits and charities. I was in Girl Scouts all the way through my Gold Award. My mom actually was a Special Education teacher. I kind of always had that in my heart,

the service attitude. I am originally from Cibolo which is near San Antonio and grew up there, came up to A&M and graduated in 2004, actually in Architecture.

Jay Socol: Really? What happened there?

Diane Besosa: I just wasn't happy with that at the time. I wanted to kind of get back into a corporate atmosphere where it wasn't just one person kind of making all decisions. I found out about this role. Obviously, I knew H-E-B was a great company growing up near San Antonio. I said let me check it out and it kind of brought me back to my service heart side of things. I still get to use some of the design when it comes to designing events and some of the signage for the stores. It still works.

Jay Socol: Okay. That's good.

Diane Besosa: Yeah.

Jay Socol: Walk me through what a typical day might be as Area Community Coordinator. I know it has to be a little bit different when you're trying to get a store open.

Diane Besosa: Correct.

Jay Socol: But, what's a typical day for you?

Diane Besosa: I don't really have a typical day.

Jay Socol: Okay. Neither do I.

Diane Besosa: Yes. It really just depends on the time of year and a lot of the requests that are coming in. Of course, right now we're dealing with a lot of requests for back to school, for Teacher's Appreciation. We just supported Bryan High and Consult Bands for their Marchathon this past weekend. It's a lot of reviewing applications, making sure they have the right paperwork, checking our budget, assessing if we can support them. Then, executing the kind of donations portion of that is the majority of my day to day.

Jay Socol: Okay. That sounds like a pretty good gig.

Diane Besosa: Yes, absolutely. I love it.

Jay Socol: Let's talk a little bit about the store that's about to open in Jones Crossing, which is near the intersection of 2818 and Wellborn Road.

Diane Besosa: Yes, yes.

Jay Socol: Tell me about this store, because it is situated somewhat between the store on Holleman and the store down in Tower Point.

Diane Besosa: Right.

Jay Socol: What is the strategy? What is, I guess yeah, what is the strategy of this particular store and this location?

Diane Besosa: It's kind of a multilevel strategy in the sense that we understand that a lot of our customer base now is either shopping at Tower Point or Holleman, but we also know that there's a lot of growth on the Wellborn side of things. All the apartments that maybe don't want to shoot all the way down Holleman and they want to shop on their side of town, 'cause in this town, it doesn't matter how far. It's the other side of town.

Jay Socol: Right. You're right.

Diane Besosa: Then, we have a lot of the housing areas down Wellborn on the other side, a lot of the retired families or the families with children. It's really an amalgamation of both demographics, of the family atmosphere as well as the college students. In a sense, it's kind of a combination of the two existing stores.

Jay Socol: I'm a fan of H-E-B's.

Diane Besosa: Appreciate it.

Jay Socol: Just as somebody who needs to do some grocery shopping and so that ends up being the store most convenient to me. But, I've always been impressed with the precision in understanding the environment of where stores go and how they're customized to that environment.

Diane Besosa: Yes. Absolutely.

Jay Socol: The store in North Bryan, I'm sure, is stocked in one way that's different from the store on Villa Maria, which is where I shop which is different from Holleman and different from Tower Point.

Diane Besosa: Absolutely. That's how we are able to have so many stores, because if they were all the same, why add another one essentially?

Jay Socol: Right.

Diane Besosa: We want to offer something unique or different to both those that show with us or possibly those that don't and want to try us out.

Jay Socol: With that in mind, what is unique and different or what will be at Jones Crossing compared to the stores that are close to it?

Diane Besosa: Gotcha. Yeah, there's actually a lot. One of the cool features is it's actually going to be run by an Aggie. In this town, that's always big news. Frank Hidalgo is the General Manager of that store.

Jay Socol: Okay.

Diane Besosa: He graduated from A&M, was working in Houston as a Unit Director for a while. He's back home in Aggieland now.

Jay Socol: That's great.

Diane Besosa: That's a really cool deal to get him back. One of the other programs that we're going to launch shortly after the store opens, and it will actually be at all three College Station stores, is H-E-B Go. What that is is an app that you have on your phone to scan as you go and then you actually don't have to go through the checkout line. We're still working out some of the technical logistics of that. The rollout may be a little after the store opening, but just know that that is coming to all three College Station stores shortly in the Fall.

Jay Socol: Wait, let's stop right there.

Diane Besosa: Yeah.

Jay Socol: Talk to me more about that technology. How will that actually work? I walk in and what happens?

Diane Besosa: Essentially, you'll want to have the app already downloaded. To be honest, we haven't had it in our hands to walk you completely through the process. But, it's my understanding that with a smartphone you will be able to scan those items as you put them in your basket.

Jay Socol: Okay.

Diane Besosa: It just kind of saves you time throughout the checkout process.

Jay Socol: I don't stop at the checkout, whether it's a self-checkout or a cashier.

Diane Besosa: That's my understanding. Yes. Now, they will have our new self-checkouts and all of that at the new store as well. If you want that full service bagging experience that we kind of are known for at H-E-B, then you're welcome to still that with our service end. But, it will be the ability to kind of just grab and go those items and get through a little more quickly.

Jay Socol: That's great.

Diane Besosa: Yes.

Jay Socol: What else?

Diane Besosa: Yeah. They're also going to have one of the largest selections of Meal Simple. If you haven't had those, those are our pre-made meals. They're great for small families or those cooking for one or two people, even college students if they so can afford. But, they're everything from meals that support certain diets, so healthier meals all the way up to lobster mac and cheese. There's also kids, so some of the programs that people have that you get sent a box to your home and stuff like that. We actually are carrying kits as part of our Meal Simple program now to support I want to make that food at home.

Jay Socol: Right.

Diane Besosa: The rest of the Meal Simple products are pretty much heated up and it's good to go. It's already existing in a lot of our stores, but they're going to have a huge selection of them there as well.

Jay Socol: Okay.

Diane Besosa: One other thing that's really cool is they are actually going to have a restaurant.

Jay Socol: Like a sit down restaurant?

Diane Besosa: Yes. A full service sit down restaurant within the store.

Jay Socol: Okay.

Diane Besosa: It's called So FLO Pizza.

Jay Socol: So FLO?

Diane Besosa: So FLO not so so. The pizza's actually really, really good.

Jay Socol: Spell So FLO.

Diane Besosa: So FLO is S-o F-L-O.

Jay Socol: Okay.

Diane Besosa: What it actually comes down to is our arsenal corporate office is in San Antonio or off of South Flores. That's kind of where they got that from, but the pizza itself, I haven't gotten to try it yet unfortunately, but I've heard it's amazing. They actually bring in the crust from different places and import the tomatoes and every part of it is just really thoroughly thought about and how the flavors go together. They also will have some really great specials from 4-10PM. They'll have pizza and two beers for 10 dollars. It's a great hangout for people of all ages from college students all the way up for deals like that.

Jay Socol: The idea is you can either come in and dine there, or I guess there's take out? You can do that?

Diane Besosa: Correct. Yes. Actually, with our curbside and home delivery, you can actually get pizza delivered, too.

Jay Socol: No kidding.

Diane Besosa: That's pretty cool. We became our own pizza place.

Jay Socol: Just like that.

Diane Besosa: Yeah. But, and speaking of curbside, they will have the full build out. Our two College Station stores currently have curbside, but it was one of those that they had to work within the space that they currently had. We had a lease space that kind of came open about the same time for both stores. They decided let's utilize that for the curbside space. But, this will have full walk in coolers, full walk in freezer, so that will expand the capacity of what we can do as far as orders for our customers on a daily basis.

Jay Socol: This is a store that's actually designed from the beginning to accommodate that?

Diane Besosa: Absolutely. Yes. They'll have dedicated spaces. When you're facing the building, they're actually going to be on the right side with covered, so it's not something that they have to work in their existing parking.

Jay Socol: Right.

Diane Besosa: With that, not only can you do curbside but you can do the delivery, like I said. H-E-B2U in partnership with Favor will run our home delivery service and like I said, you can get pizza and all of your groceries delivered if you wanted to.

Jay Socol: These are some difference makers you're talking about, which is exactly what I wanted to know about.

Diane Besosa: Yes. Right, right, right.

Jay Socol: It seems like I also heard that this will also have a different level floral presence. Is that right?

Diane Besosa: Yes, absolutely. They will have a full service Blooms floral department. Blooms is kind of our designation saying it's more quality, more selection, that sort of thing. But, they will also have a delivery service as part of that, so while we currently can do weddings and events, that will probably elevate our ability to deliver and bring some of those services elsewhere as well. They'll also have over 63 doors of beer selections and wines from all over the world, largest

selection of healthy living, and we're also going to have a dedicated Aggie shop, which is Gingham Gear. They've already started the branding on that. It will look like a lease space, but it's actually run by us. Part of our grand opening celebrations will have Gingham Gear out by our gas station before the store even opens for people to kind of check that out.

Jay Socol: Oh okay. I see. You being an Aggie and the store manager being an Aggie, how important is that for the integration of this store in the community and making sure that everything goes smoothly with A&M and so forth? How important is that for the community?

Diane Besosa: It's very important to us. That was one of the things when we started talking about the grand opening and what we wanted to do with that, we knew that a lot of people in this town know H-E-B and we love and appreciate that. But, it wasn't going to be an introduction to our company as a while or our services. We wanted it to be more of this is what we want to do for the community. Part of that, while we have done tailgating competitions at A&M in the past, we're actually going to do one with a Corps of Cadets, because of course, they are quite literally the heartbeat of A&M with the band and everything else.

Jay Socol: Sure.

Diane Besosa: They will have a barbecue competition the weekend of the Clemson game and we'll bring in guest celebrity judges, which we're still working on. I don't want to spill the beans on any of that.

Jay Socol: Okay.

Diane Besosa: But, they will be awarded with a gift card from us to support the rest of the season's tailgates. The reason for that is the Corps of Cadets all year long raise money for March to the Brazos, which of course supports March of Dimes. What a lot of people don't realize is their tailgates that they do for home games is kind of a donation basis. What they make this week then they have to spend next week on food for that tailgate. We're hoping that they can make a bigger contribution towards the March of Dimes for that. That was one of our big features as well as focus on our local heroes. While A&M has a big presence here, especially with the timing of our opening being September 12th, we understand and respect the fact that that's right after September 11th and want to focus on our local police and fire heroes. We've always done the Helping Hero program since 2001, where we reach out and either bring food or do some sort of a service activity before our stations. It was certainly something in our forefront when we were thinking about the grand opening.

Jay Socol: I see. September 12th is the grand opening.

Diane Besosa: Yes.

Jay Socol: Then, is it September 7th that some of these other events are going on?

Diane Besosa: Our gas station will actually open September 5th.

Jay Socol: September 5th?

Diane Besosa: Yes.

Jay Socol: Okay.

Diane Besosa: That's my understanding at this point, which will make it great because it'll be right off of Wellborn Road right before the Clemson game.

Jay Socol: Yes.

Diane Besosa: Actually, September 8th for the Clemson weekend, we are going to have gas station promotions. Like I said, we'll have the Gingham Gear, so they'll get to kind of get a preview of what that will look like inside.

Jay Socol: In your time as Area Community Coordinator, how many stores have opened in this market?

Diane Besosa: Actually, I have remained with the four this whole time. They redid the North Bryan store while I was Community Coordinator.

Jay Socol: Right.

Diane Besosa: But, I was actually in store Community Coordinator for Tower Point at that point.

Jay Socol: Okay.

Diane Besosa: But, as long as I have had the area, it's been all four stores.

Jay Socol: Because I don't know. I know there's a formula for it. There's a strategy for it. There's a team. But, how anxious does the team get in these final days and weeks leading up to the big opening?

Diane Besosa: We've had some practice at opening stores at this point.

Jay Socol: Yeah.

Diane Besosa: As a company, we're really good about knowing our tasks and what remains and how to get that done. In fact, I know you did the interview with our building company that understands that once we set that deadline, we will open on September 12th sort of thing.

Jay Socol: Right.

Diane Besosa: Really, it's just a matter of last minute deals. Setting up the store, making sure that product is good to go, making sure our partners are good to go. The partners are currently training at the other four store locations, so once that week comes up, they'll hit the ground running. It shouldn't be something that they have to learn as they go. We want them prepared to handle customers day one.

Jay Socol: You and I are doing this interview in mid-Augustish.

Diane Besosa: Mm-hmm (affirmative).

Jay Socol: As we speak, what is the state of the store inside? Shelving is in? Where are you?

Diane Besosa: Yes, absolutely. Shelving is in. They are still doing some of the last minute electrical sort of thing. We draw a lot of electricity for a lot of the different things that we do. But, probably the last thing that's done is stock with products, because we want to make sure we have the most fresh products available. Our grocery and nonperishable departments will be stocked first, because those are shelf stable items. There's not really a concern there. But, as far as the perishable side, so our market, our deli, our bakery, produce, etc., those actually don't get stocked until the day before we open. The morning of September 11th, that is what is done. That's simply because when we open, we want the customers to have the best possible product and have the longest dates. We don't want there to be any questions of how long that product's been sitting there.

Jay Socol: That's an enormous amount of product coming in.

Diane Besosa: It absolutely is. Yes. Actually, that's the biggest store. I think we have mixed numbers but either 105-109,000 square feet will be that store.

Jay Socol: This one could be the biggest in the market?

Diane Besosa: Oh, it absolutely is in this market. Yes.

Jay Socol: Wow.

Diane Besosa: Yeah.

Jay Socol: That's exciting.

Diane Besosa: It is. It is.

Jay Socol: What else about this store should we know or would you like us to know? Or, something that's a favorite little fact of yours? Because we tend to focus on oh, this is coming. Here's the opening date.

Diane Besosa: Right.

Jay Socol: But, there's some of the minutia that I find fascinating if somebody talks about.

Diane Besosa: I gotcha.

Jay Socol: What are some things that maybe we don't know?

Diane Besosa: Yeah. That's actually one I'm stumped on, because there's so many really neat features that are coming with this store. As much as I love the four stores that are here, there's so many exciting pieces of technology or things that we just haven't had in this area to start. It's my understanding that it'll be the first store in the Houston region to be opening with some of these features. That's a really cool statistic, to me, because they've certainly looked at Bryan College Station over the years for some of our roll outs and testing phases. When we were looking at doing digital coupons way back several years ago, we were the test market for that. Partly because we had a four store area that was kind of contained with all different demographic and that we also have a large population that is technology driven.

Jay Socol: Right.

Diane Besosa: The coupon rollout started here. Then, it went so well that now it's company wide. Things like that are really exciting to me that hey, Bryan and College Station got that first. We're thought of as that little town, but really we have some big things coming for us.

Jay Socol: This may be a ridiculous question, because I know we have between 60-70,000 students in the market.

Diane Besosa: Right.

Jay Socol: But, do we in the Bryan-College Station market, do we behave any differently? Do we consume things differently than other places within the Houston market?

Diane Besosa: Yes and no. There are some similarities between some of our stores. We kind of categorize our stores based on level of business as far as do they get some of the higher end products or what their dollars look like in sales per week. We match if not beat a lot of the Houston region and some of the company in a lot of those things that are tracked. I know the gas station at Tower Point tends to be top two in the company. That's simply because it's on Highway 6.

Jay Socol: Right. Right.

Diane Besosa: People coming in from Houston or people coming out, they have a tendency of stopping in there. In fact, last year with the hurricane, we were the last stop and last grocery store before the major damage. We ended up being a launching point for some of the rescue missions and retrievals and everything that went down with that. In a lot of ways, we're very similar as far as how people shop. But, even from store to store like you said, we shop differently. It depends on where they came from I feel like. A lot of our population has come from other areas of Texas or all across the world. That's the nature of having a major university here. We have to have a very diverse list of products that we carry. That's an amazing thing because of the demographic that we have. But, like I said, we tend to be top 10 of the whole Houston region. That's something to say from being "small town".

Jay Socol: Yeah, yeah. Also, getting back to you being an Aggie, do you have the ability, are you given the ability to say to the manager or somebody in corporate hey, I understand this market? I think we're a little bit off. I would really strongly recommend we do this or we not do this. Are you given the ability as somebody who really understands the culture of this market?

Diane Besosa: For certain things yes and certain things no. There are some situations, like when they came up and looked at property. They met with the current unit directors and kind of took some recommendations on where they felt would be some good options, where the growth was happening. They do use some of that input when it comes to where they're going to put the new stores. On my side of things, it's less about the actual location of the store or the products that we're going to carry. It's more about how we promote the store. Again, that kind of comes down to when we do grand opening, we don't have a sit down meal to introduce ourselves to the public. We want it to be more of a fun, let's get everybody that we want to go be appreciated and that sort of thing. Yeah. I got to say hey, I think we're off the mark on this. Let's reel it back in and really focus on community, Texas A&M, families, education, etc.

Jay Socol: That sounds perfect.

Diane Besosa: Yeah.

Jay Socol: What did I not ask you that maybe you want to make sure that people know? Or, did we cover it?

Diane Besosa: We may have covered it all. Let me scroll through my notes.

Jay Socol: Scroll, scan your notes because I want to make sure you get to talk about everything.

Diane Besosa: I'll double check.

Jay Socol: And, we'll end on you giving the critical dates and the events again.

Diane Besosa: Okay. Absolutely. Yeah. As far as the grand opening portion, like I said the gas station is supposed to be open September 5th. September 8th, which is the Saturday of the Clemson weekend, and then that following Wednesday, September 12th, we are go for opening. It's going to be similar to the Holleman store in that it's going to be open 24 hours.

Jay Socol: Oh okay.

Diane Besosa: Sorry I missed that earlier. But, it's something people on that side of town will probably be really excited about.

Jay Socol: Sure.

Diane Besosa: If they want to shop at two o'clock in the morning, they can.

Jay Socol: Yeah. No, that makes perfect sense. I didn't even think to ask that so thanks for mentioning that.

Diane Besosa: Yes, no problem.

Jay Socol: This is great. I'm excited for you. I'm excited for us.

Diane Besosa: Thank you.

Jay Socol: Thank you and H-E-B for locating another store in this market. It sounds like it's going to be an amazing place so can't wait.

Diane Besosa: Yes, yes. Please come check it out.

Jay Socol: Diane, thanks so much.

Diane Besosa: Thank you.