



MAJOR GENERAL KEITH L. THURGOOD assumed duties as AAFES Commander on August 15, 2007. Prior to AAFES, he was the Assistant Division Commander (Operations), 95th Division (Institutional Training), beginning in April, 2004.

General Thurgood is a native of Ogden, Utah. He was commissioned a Second Lieutenant in the Transportation Corps, after earning a baccalaureates degree from Brigham Young University, in August 1981, where he was a ROTC scholarship award winner, Distinguished Military Graduate, and the recipient of the George C. Marshall Leadership Award.

During his over 24 years of service, he has been assigned to a variety of command and staff positions, including command at company, battalion, and brigade levels. His overseas assignments include a long tour in Germany and multiple training assignments in Japan and Korea.

General Thurgood is a graduate of the Transportation Officer Basic and Advance Courses, NATO NBC Course, the U.S. Army Command and General Staff College, the Supply Management Officer Course, the Military Policy Orientation Course, the Observer Controller Certification Course and the U.S. Army War College. He holds an MBA from Boston University, a Masters in Strategic Studies, a PhD, a.b.d., in Organizational Management and Leadership from Capella University and professional certificates from the University of Tennessee and Northwestern University.

General Thurgood has been awarded the Meritorious Service Medal, Army Commendation Medal, Army Achievement Medal, National Defense Service Medal (with Bronze Star), German Army Proficiency Fitness Badge and the Parachute Badge.

In his civilian occupation, General Thurgood serves as the Director of Strategy and Integration for PepsiCo, Inc. in financial, logistics and systems development roles. He is responsible for the development of supply chain and logistics strategies across a 25 billion dollar enterprise.

General Thurgood currently resides in Plano, Texas with his wife Carol and their five children; Heather, Aaron, Ryan, Lindsey and Trever.

Creating a Sense of Place and Connection

The Army and Air Force Exchange Service (AAFES) has made it a priority to reach out to those serving in the Guard and Reserve. To demonstrate that commitment, the Army commissioned reservist Keith L. Thurgood to serve as the Commanding General and CEO of AAFES. We asked MG Thurgood what it meant to serve as the AAFES commander and what the exchange benefit means to the individual reservist and guardsmen.

By Sara Graves

Can you briefly discuss your military and civilian background and how you became to be the first reservist holding the job as the Commanding General and CEO of AAFES?

My first call to duty came in 2006, when I was mobilized to Iraq. I spent a year there leading the theater logistics team, which was very challenging, but also very fulfilling. When I returned, I had every intention of returning back to PepsiCo. However, the Army had other plans for me and I received orders to assume command of AAFES, and PepsiCo was gracious enough to let me return to a mobilized status. How I actually got this job is a mystery to me, but I can say that at the end of the day for both PepsiCo and AAFES, it's about leadership and people delivering results that are founded on principles and purpose; everybody has the opportunity to make a difference in the organization.

As a reservist yourself, you clearly understand the needs of the individual reservist and their family. What has AAFES done differently under your command to reach this growing segment of the military?

AAFES has made it a top priority to reach out to Guard and Reserve troops to educate them on their exchange benefit. The Guard and Reserve represent roughly 25 percent of our authorized Army and Air Force sponsors. With 60 percent living more than 21 miles from the nearest BX/PX and with the unsteady cost of fuel, even the most loyal AAFES customers are reducing their frequency of trips. Some Guard and Reserve members live even farther, which makes them geographically separated from our operations on installations. This is where aafes.com is quickly becoming a military household shopping option. Today, Guard and Reserve online spending at aafes.com amounts to 25 percent of the total and we see that percentage growing through continued marketing efforts.

AAFES will continue to focus on reaching out to the Guard and

Reserve through a variety of programs designed to increase awareness of their multi-channel AAFES benefits. These activities include case lot events, in which we partner with DeCA to bring merchandise directly to Guard and Reserve Service Members; four direct mail benefits packages specifically for the Guard and Reserve; and ads for aafes.com in National Guard and Reserve publications to remind them that they, and their families, are always able to use their AAFES benefits.

What is AAFES doing to support the individual shopper in this down economy?

At AAFES, we realize that in every disaster there are seeds of opportunity. There is no question that the economy has made retailing a bit tougher. Commodity prices are rising, unemployment is reaching new heights, retail business bankruptcies are exploding and the military is “on the move.” That said, I believe that spells opportunity for our team. In this winter of despair, we can find the summer of hope. We will find those seeds of opportunity, plant them and nurture them. We have the chance to welcome our customers back home to AAFES by creating a better “in-store” experience that makes an emotional connection with them in ways that we haven’t done in decades. I see the “in-store” experience as a stool with four legs that captures the essence of our message with the acronym C.A.R.E. When we take CARE of our customers,

they win. The legs of the stool are:

- Care for our customers by providing great service. Every associate is an owner and must be proactive in providing solutions to customers.
- Ensure we have the right Assortment. This means having the right products, at the right price, and at the right time.
- Rehearse the value story, to include price and promotions.
- Get the shopping Environment right.

How does AAFES set itself above off-post retailers who are currently offering deep discounts?

AAFES was actually one of the first retailers with a global reach. Initially that provided AAFES with leverage in the marketplace, but as the global marketplace emerged, AAFES became one of many offering great value propositions. In a real sense, other retailers caught up to AAFES in terms of purchasing power and assortment. Global competition has eroded the traditional value equation for our customers. While still a great deal at about 20 percent below the market (and no tax) on the basket of goods, it is harder for our loyal customers to see the value their dollar buys at AAFES. Our great challenge is to communicate points of difference to our customers. This, coupled with radically different demographics and rising customer expectations over the past decade, has challenged us to think and act differently. I believe we must completely re-conceptualize what our stores look like on the outside, and how customers shop on the inside. The Fort Bliss Lifestyle Center is an example of this as it will create a sense of place for military shoppers. Creating a sense of place, and a sense of connection, moves us toward achieving one of our strategic goals: develop a lifelong emotional connection with our customers.

What improvements can reservists expect to see in 2009 compared to years past?

I think our improvements could be summarized by a phrase that I use often: this isn’t your parents’ PX or BX. We are taking action on several initiatives to develop that sense of place and connection. For example, we just welcomed the Martha Stewart brand, which ranks #20 in the top 150 Home Product Brands and #12 for Home cookware/bakeware category for Home

World Top Brands. This joint venture launched in 59 stores, and included bed and bath linens and crafts, barware, food prep, tabletop, kitchen towels and glassware, starting at an affordable \$7.99. We’re also excited about partnerships with key vendors, to include Sony, Samsung, Panasonic, JVC, and HP in the development of “Integrated Solutions” endcap displays. These displays are interactive, informative and solutions-based and are designed to create a “WOW” factor by pushing the idea of solution marketing and communicating that we have branded values. These new displays allow us to execute our three E’s: Educate, Engage and Entertain military shoppers. Softlines is thrilled to be partnering with Macy’s by introducing two new apparel brands: STYLE & CO tarts missy, petite and women’s customers, while INC targets the missy customer. The price points perfectly fit the budget of the military shopper, starting at only \$9.99 for everyday value items, and beginning with a \$14.99 price point for fashion items. These actions, coupled with improvements on our e-commerce site and on-site kiosks at select battle assembly locations, are all available to reservists and National Guard shoppers.

Is there anything else you would you like to communicate with our readers that has not already been discussed?

In closing, I’m reminded of a quote from Washington Irving: “Great minds have purposes, others have wishes.” AAFES is an organization with a purpose and we have tied all of our initiatives to our singular purpose and mission. Our five-year strategic plan is the glue that binds our initiatives together and keeps us focused on our purpose. The strength of the initiative set lies in how they are mutually supportive of each other and how we have integrated them and synchronized with tactical execution. Whether it’s the complete redesign of our human resources systems and processes or deploying enabling technology, we must understand our customer and consumers and then leverage our people to make a difference. Reserve and National Guard Soldiers are our shoppers and it is our goal to provide them a sense of place, as well as a sense of connection.

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