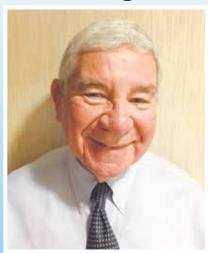




### Message from the Chairman



Lawrence Mandel Chairman











We are honored to have Food World and Food Trade news recognize Key Food's 80<sup>th</sup> anniversary. This accomplishment could not have been achieved without the efforts of very dedicated people over the years. I would like to personally thank the Key Food Board of Directors, our members, our associates, our suppliers, and our customers who we have served over the years with a special note of gratitude. I would also like to acknowledge our current Chief Executive Officer, Dean Janeway, who has for the past 8 years provided us with the most explosive period of growth in the history of Key Food Cooperative. His competence, his integrity challenges of the 21<sup>st</sup> Century.

Key Food's roots go back to 1937 when a small group of independent grocery operators bonded together to form a buying cooperative so that they can more effectively compete with larger chains. It became apparent that buying together, advertising together and developing a common identity made this group a more effective force in the New York

Key Food supports its member operators not only with superior buying power, but also with support services enabling them to provide their customers with the best quality and value. All of the above is provided in a pleasant environment and with the best possible service. We are also responsible citizens of the communities we serve and the Key Food Foundation donates thousands of dollars to various charities that serve the needs of various causes.

Today, Key Food is not only an effective economic force enabling our stores to compete in the marketplace, but on another level, we are proud of our diverse religions and ethnic composition that is a reflection of the New York experience. We are all partners working together to achieve common goals in pursuit of the American dream. In a small way, we hope that the success story of Key Food can demonstrate to society that there is strength in diversity and shared aspirations.

We are proud of our Key Food legacy and confidently look forward to our future success.

Sincerely,

Lawrence Mandel
Chairman of the Board of Directors
Key Food Cooperative, Inc.

| KEY FOOD Special Section | May 2017 | Food Trade News



#### Let Acosta make your sales and marketing vision a reality.

Why do top consumer packaged goods brands choose Acosta? Because we deliver integrated sales and marketing solutions that drive results. As the industry leader, we offer strategic insight, essential expertise, unparalleled coverage and the most innovative technology. Our ultimate goal? To act as an extension of our clients' teams; deploying our resources to help them a chieve superior results for their brands.

To learn more, visit www.acosta.com.

**ACOSTA** 



### Message from the President



Richard Grobman President











We are honored to have *Food World* and *Trade News* feature the 80th anniversary of Key Food in their May issue. From its start as a Co-Op in 1937, Key Food now has 238 member stores in Nassau and Suffolk Counties on Long Island, Westchester County, New Jersey, Connecticut and of course, the five boroughs of New York City where Key Food is now the number one retailer. That's quite an accomplishment from the 108 stores we had in 2008.

Led by Dean Janeway and George Knobloch, our Chief Executive and Chief Operating Officer, and the amazing team they have put together, Key Food continues to stress servicing our customers' shopping needs in the country's most varied demographic areas. Whether by improving technology at the Co-Op's headquarters and stores or partnering with our vendors, the team strives to lower costs so the savings can be passed on to our customers. We continue to make strides in online shopping and in social media. Our expanding customer base recognize the improvement in our stores' ability to "keep up with the big guys" while still enjoying the experience of shopping in family owned neighborhood stores.

I'm especially proud of Key Food's growing involvement in our communities. We place a strong emphasis on giving back and getting involved with local organizations, community outreach programs, holiday fundraisers, and many charities.

For 80 years, the focus has always been on the customers. We will continue to make sure they have the ever increasing variety of products they're looking for at reasonable prices.

Richard Grobman

President, Key Food Co-Op

| KEY FOOD Special Section | May 2017 | Food Trade News



# Our Family The Difference is Key.

Key Food FRESH

The words say it all. At Key Food, they're different. They are your neighborhood marketplace, where you can buy a few groceries on your way home, or you can shop for the whole week. They're just around the corner, and a few steps from your office. From fresh meat for the barbecue this weekend, to cold ice cream for that late night treat... it's all there. Everything you need, right where you need it to be. Key Food understands your needs because they're a family, just like you. They're here to help you grow with healthy choices and make grocery shopping easier with convenient online options. And, they always have a smile or two waiting for you. They've got it all... a wide assortment of quality products, convenient neighborhood locations, and friendly service-minded staff.

#### SIMPLY REFRESHING.

At the intersection of style and convenience you will find The Food Emporium. Customers will enjoy the up-tempo attitude of the environment and staff, who are always smiling and ready to stop whatever they are doing to assist. These stores are perfect for metro locations. Everything about this store is refreshing, especially the food and always the service.



Celebrating 80

## f Supermarkets



#### NOTHING SHORT OF STELLAR.

Food Universe is everywhere their neighbors need them to be, and they strive to be everything their customers need them to be. With convenient locations and inventory that reflects their customers' desires, Food Universe always goes the extra mile to ensure their customers know that their stores revolve around them. In fact, they work every day to go beyond their customers' expectations to make their savings and their experience nothing short of stellar.

#### Service that smiles.

Food Dynasty has a long and proud history of creating a superior shopping experience for their customers. Their supermarkets hire service-minded individuals from their communities to serve their customers with the warmth. responsiveness and hospitality they deserve. When their customers want the royal treatment with great products, great savings and service that smiles, they come to Food Dynasty.





#### BETTER STORE. BETTER LIVING.

SuperFresh is a neighborhood supermarket that is larger in size and typically found in suburban areas. SuperFresh's focus is on delivering a better shopping experience consisting of a variety of high quality grocery items and a superior value to it's customers.

great years!



### Key Food Stores' CEO Dean Janeway And COO George

As Key Food Stores Co-Operative, Inc. celebrates its 80th anniversary, *Food Trade News* is proud to salute the organization with this Special Section. We recently sat down with CEO Dean Janeway and COO George Knobloch to discuss Key Food's business and its recent strong growth.

#### **An Impressive Decade Of Growth**

The most recent decade has been an impressive one for the company, which recently had the best year since its founding in 1937. CEO Janeway sees three particular criteria being essential to this strong period: store count, sales, and net operating profit. Over the past nine years, Key Food has had 36 consecutive quarters of record growth in those three key areas.

In the area of store count, back in 2008, the co-op had 102 stores, a number that was actually in decline. However, the co-op has just finished its current

Dean Janeway joined Key Food in November 2005 as the Senior Director of Advertising and Retail Services. He had a high level of success in all assignments and special projects. In 2007, he assumed the additional responsibility for the IT Department and successfully led all information technology initiatives for the organization.

Prior to Key Food, Janeway held several positions with the Wm. Wrigley Jr. Company, one of the world's leading manufacturers and marketers of confectionery products. Janeway joined the Wm. Wrigley Jr. Company in 2001 as the Vice President of Sales for the Wal-Mart business globally. He successfully managed

fiscal year with 238 stores, a 133 percent increase over that time frame. In the very competitive Metro New York market where Key operates, that kind of growth is quite impressive.

On the sales front, the picture is just as impressive, both from the net sales and retail sales perspectives. Key measures its net sales as a combination of shipments from its wholesaler and deliveries from its 115 DSD partners, which are billed centrally through the co-operative. Retail sales are those rung at the 238 stores' registers. In 2008, Key Food reported net sales of \$480 million and retail sales of \$900 million. In the current fiscal year, the company projects finishing with \$1.3 billion in net sales and retail sales in excess of \$2.7 billion. In other words, the sales volume at the co-op has more than doubled in the past nine years.

Also key, explained Janeway, is operating profit, which is critical to Key Food's membership. Janeway said: "As a

the global P&L for the Wal-Mart business across 10 different countries. Before his departure, Dean was the Vice President of Sales for the Grocery channel. In this role, he led a multifunctional sales team of 25 with dedicated support for 35 national and regional grocery customers.

Prior to Wrigley, he spent 10 years with the Campbell Soup Company in Camden, NJ, where he had a successful and diversified career involving marketing, sales and customer relations.

Janeway earned his Bachelor's degree in Marketing from Bentley College in Waltham, MA. He currently resides in Morristown, NJ with his wife Annamarie and their three children. co-operative, we don't retain any earnings. In fact, all of our profit is rebated back to our members in the form of a patronage dividend." In 2008, Key Food's net operative profit was \$16 million. This year, Janeway and Knobloch said they expect to exceed \$48 million, which represents a 200 percent growth margin in the timeframe. Again, in the ultra-competitive Northeast Corridor, very few retailers have experienced that type of explosive growth and success. "It's something the entire company and our ownership are very proud of," Janeway told us.

How has this type of growth been possible? Janeway said: "Our focus is very simple - to maximize sales and profits for our owners."

#### The Successful A&P Acquisition And Future Growth

The co-operative continues to focus on growth, with no plans to slow down in the near future as it continues to build on its store count. "There are several ways to add stores," Janeway explained, "acquisitions, corporate stores, current members adding stores, and attracting new members."

Obviously, Key has been busy on the acquisition front, buying 24 A&P stores in 2016, which they successfully and quickly assimilated over a one-month period. They had to count inventory and close on one day and be ready to open all 24 stores the next day with systems converted, shelves fully stocked, and staff in place ready to serve the community. Janeway stressed the strength that Key Food has, which was illustrated in a strong way by the effec-



Dean Janeway CEO

See JANEWAY/KNOBLOCH on page 9



### Knobloch: Leading Metro New York's Strongest Co-op

tive conversion of the A&P stores: "The acquisition of the 24 A&P stores by the co-op and its members in the fall of 2016 has shown that Key Food can successfully acquire and quickly assimilate stores. We have proven to ourselves, the industry and the investment community that Key Food is ready and capable to take on more acquisitions." Janeway and Knobloch stress that they are constantly looking for new locations that will fit the Key Food model.

"Key Food will be very aggressive on the acquisition front and will look at any stores that become available in our market," said Knobloch. But, Key is also committed to continued growth through adding new relationships. Knobloch continued: "We are also growing the 'old fashioned' way: good old cold calling. Our team is on the phones and meeting with various store groups and distributors to discuss entering into a relationship with Key Food Co-Op that could be lucrative for all involved. We will of course continue to meet with individual store owners about joining Key Food. We know our value proposition is the best in the market. Key Food's objective is to leverage our value proposition and our point of different to accelerate the consolidation of the New York marketplace."

Another way the co-operative grows is when its current members add locations. Said Janeway: "These owners live and breathe in their stores and these communities are constantly looking for great store locations as opportunities present themselves."

Additionally, Key Food Co-Op is always on the lookout for new members. As the New York Metro market continues to evolve, with names like A&P dis-

appearing from the landscape and new operators looking to get in, a strong coop like Key Food can be a good option for a retailer looking for a new home. Knobloch said, "There is still significant turmoil in the marketplace, and the Key Food program offers a superior store proposition for store owners currently operating under competing banners. We have been extremely successful in converting operators to the co-operative."

Lastly, Key Food expects future same-store sales growth through helping its members improve operations in their stores. Says Knobloch: "Same store growth is important to both our members and our vendors. Over the past five years, we have grown same store sales by an average of 2.5 percent each year – unheard of for many other retailers."

#### The Four Ps of Merchandising And Ad Planning

The basis of the successful same store sales growth that Key Food's stores have enjoyed in recent years can be attributed to what they have identified as "The Four Ps of Merchandising and Ad Planning" - Product, Price, Placement and Promotion. To ensure these four Ps get executed successfully in each and every of the 238 stores in the co-op, Key has a team of more than 60 associates in its "retail army" who, together with vendor and broker help, are there to ensure the proper product mix in every store to be sure that the best-selling items are carried and merchandised properly in every store. As Knobloch told us: "From lending money to acquiring a location, to helping with equipment, systems and setting up a store, right through the grand opening advertising and celebration, Key Food provides all of the support and resources necessary to launch a new owner or new location."

#### **Entering The Corporate Store Arena**

During the A&P deal, Key Food acquired its first two corporate stores, both now operating under the Food Universe banner. These corporate stores will be put to good use as Key Food continues to develop and refine marketing and merchandising programs for its members. In effect, the corporate stores will give the the co-op an opportunity to incubate new ideas by providing a testing ground for marketing and operational efficiencies. The corporate stores are also providing increased revenue diversification, are helping to simplify future acquisitions and helping to create an infrastructure to secure the coop's existing loan portfolio. Additionally,

See JANEWAY/KNOBLOCH on page 12

George Knobloch has more than 25 years of experience in the consumer products industry including extensive roles in sales/marketing and general management. Throughout his career, Knobloch has contributed to the overall success of incredibly respected organizations including Warner-Lambert, Nielsen Marketing Research, Quaker Oats, Bayer Consumer Care, and the William Wrigley Jr. Company.

Knobloch earned his Bachelor's degree in Marketing from Florida State University in Tallahassee. He currently resides in Freehold, NJ with his wife Lynne and their two children Jack and Jessica.



George Knobloch

# Why perishables merchandising matters...

**FRESH** Reason #8: Best-in-Class supermarkets, like Key Food, build winning shopper experiences around superior perishables merchandising

Congratulations to our valued trading partners at Key Food, celebrating 80 years of industry leadership, merchandising innovation and customer service excellence!

## RDD Delivers: We're Passionate about Perishables and privileged to service Key Food

RDD is recognized as the premier independent sales and marketing agency exclusively merchandising perishable products. We foster a "hands-on" service culture, with RDD leadership actively engaged in all aspects of the business, and provide "perishables-exclusive" retail merchandising focus. Our client portfolio is exclusively "Full-Service Representation," meaning we partner with our valued clients every step of the way to build positive business momentum.



RDD Associates, LLC 930 Riverview Drive, Suite 400 Totowa, NJ 07512 973-812-8070 www.rddassociates.com





To learn more about how RDD can customize a winning perishables solution for your vital and valuable brand, please visit our website or contact Bob Cignarella, President/CEO at 973-812-8070.

| KEY FOOD Special Section May 2017 | Food Trade News

## RDD and these quality perishables brands salute the independent retailers of Key Food!















































Because perishables merchandising matters...



#### JANEWAY/KNOBLOCH From page 9

the corporate stores can help provide a generational "stop-gap" for Key Food's store owners. Based on these reasons, Janeway and Knobloch said that Key Food plans to continue to expand its corporate store division.

#### **Expanding Beyond The Five Boroughs**

For much of its history, Key Food concentrated primarily on the five boroughs of New York, but recently the co-operative has demonstrated it can successfully outside of New York City as well, adding locations in Long Island, Connecticut, Westchester, Pennsylvania and New Jersey. Explained Knobloch: "Our program offers the flexibility to compete in a dense, diverse, ethnic, urban market as well as enabling our operators to drive a point of difference in suburban markets." Now, Key Food members successfully operate alongside large, traditional food retailers outside the city. One of the primary advantages of being a co-operative of independent operators versus a chain store is that Key Food members are in their stores each day and therefore become vital parts of the communities, learning to cater to each customer, and Key Food is ready to support them wherever they operate.

Over the past year, Key Food has more than doubled its presence in New Jersey where they currently operate 23 stores. Explained Knobloch: "We've had to adapt to these larger format stores and treat each store differently. The key to competing in these more suburban areas is to find a point of difference and identify our competitive advantages. We've found that our SuperFresh banner works well for these stores. As a result of the A&P bankruptcy, we acquired this banner that was previously used in southern New Jersey and Phil-

adelphia, but works well for our larger format stores."

#### **A Broad Family of Banners**

Another strength the Key Food Co-Operative offers to current and potential future members is a variety of banners to meet their needs in the marketplaces where they operate. In the near future, Key Food will focus on five banners, each designed to meet a specific niche:

**Key Food Fresh** - A neighborhood market where customer can buy a few groceries on the way home from work, or do a full week's shopping in one trip. The stores feature fresh meat, healthy choices and conveniently online options, basically, a wide variety of quality products at convenient neighborhood locations.

**The Food Emporium** - The perfect banner for a metro neighborhood where good food and refreshing service are delivered with an up-tempo attitude.

Food Universe Marketplace - Convenient locations and inventory that reflects what customers are looking for. They look to go beyond customers' expectations to deliver savings and a stellar shopping experience.

**Food Dynasty** - With a long and proud history of creating superior shopping experiences, these stores have service minded associates who provide royal treatment.

**SuperFresh** - A neighborhood supermarket that is larger in size and well suited to suburban areas. The stores are focused on delivering a better shopping experience with a variety of high quality grocer items and superior value.

#### Key Food Co-Operative's Points Of Difference

Janeway says that the focus at Key Food is very simple - maximize sales and profits to its members. With that objective in mind, Janeway and his team identify five key areas where Key Food offers a point of difference that enables their continued growth.

The Key Food Team: The team at Key Food is focused on delivering results. Over the past nine years they have built their team from just 65 members to more than 120 people who support the stores so the owners can focus all of their resources on meeting the needs of their customers. The co-op offers retailers automation and centralized services such as scale management, central billing, ad creation and price management. Scale management allows Key to standardize PLUs for the perishable departments in more than 185 of its stores. They transmit weekly feature on/offs and allow stores to centrally manage perishable pricing. Central billing of 115 DSD vendors benefits both the stores and the vendors. Key's ad creation proce3ss produces more than 90 unique versions with distribution of more than 4 million circulars every week. The coop's price management systems enables it to host five standard price zones, along with customized pricing for each store by department. This allows Kev's members flexibility in achieving the margin targets they desire. The Key Food "retail army" is ready and able to meet the ever-changing needs of the co-op's membership.

The Key Food Board of Directors: The Key Food board, led by chairman Larry Mandel and president Richard Grobman, is entirely comprised of store owners and together has more than 500 years of retail experi-

See JANEWAY/KNOBLOCH on page 104

44

They (store owners) live and breathe in their stores, they watch every penny."

Dean Janeway, CEO

2 | KEY FOOD Special Section

## Congratulations to Key Food on 80 Years of Excellence!





### Staying Strong In A Changing Market

The New York Metro market has undergone significant change of the past few years, and the team at the Key Food Co-Operative strives to stay ahead of the curve in order to stay successful despite the turmoil in the region. As Janeway put it, "Significant change is an understatement; it's more like seismic change."

Two huge changes, each of which in any other era would have been once-in-a-lifetime, that occurred recently were the bankruptcies of AWI/White Rose and The Great Atlantic & Pacific Tea Company. "Those are the types events that happen once every 25 years, let alone within less than a year of each other," Janeway said.

After that period of turmoil, the business for wholesalers has been stable, whether you're talking about Bozzuto's, Supervalu, Wakefern, General Trading or Krasdale. Janeway says he doesn't expect too much change on the near horizon in that aspect of the business. Janeway says Key is watching two trends closely in the coming 18 months or so. First, although the wholesalers serving the market may not change too much, you can expect retailers to look at switching the wholesalers they are using. Janeway believes that this trend will accelerate over the next year. Secondly, the speed and magnitude of retailer consolidation may have an impact on the area's wholesalers and could lead to instability, but probably not over the next 12 months.

On the retailer side of the business, said Janeway, "We see further retailer consolidation and anticipate bankruptcies, mergers and acquisitions. While we don't think any of these market aggregators will be quite as large as the recent collapse of A&P and White Rose, many

external factors are affecting certain retailers more than others. Some of these well-known players have been all over the news as they struggle to survive. Deflation, particularly in eggs, meat, milk, cheese and produce, along with an

"Before, geographical measurement of the New York market includes most of New Jersey, some of southern Connecticut, the five boroughs of New York City, Long Island and Westchester, Putnam and Rockland Counties. This area

Population Ranking

IRI

Key Food

NEW YORK

Verithere Price Price

increase in minimum wage, and the rise (in quality and quantity) of competition are definitely weeding out the 'weak.' This marketplace is cutthroat and only the strong survive. We pride ourselves on seizing opportunities when they arise."

#### IRI Syndicated Data Agreement Goes Live In May

Key Food now has an exciting new tool to help it analyze the five boroughs of New York and Island through a partnership with IRI. Knobloch explains: has a total population of 18.5 million people. It is over four times larger than the next largest city in the U.S., which is Los Angeles at four million people. In fact, when the five boroughs are separated and ranked as independent cities based on the size of the population, four of the five boroughs are in the top 10 largest cities in the United States. Brooklyn and Queens are actually the third and fourth largest cities after Los Angeles and Chicago."

Despite the fact that this is a huge and diverse marketplace, manufacturers re-

main challenged in trying to understand it and dissect it. As a result, the New York marketplace is often left under-sourced, especially for the retailers inside the five boroughs. Knobloch says, "Consumer product goods (CPG) companies will default to only resourcing what is big and what they can measure. Currently, that is ShopRite and Stop & Shop, but previously it included A&P as well." To counter this problem, Key Food has signed a two-year preferred agreement with IRI to release their point-of-sale data. Says Knobloch, "This will be an 'all store' release into a five borough Retail Marketing Area (RMA). In essence, we are giving CPG companies the ability to measure their share, volume, trends and distribution inside the five NYC boroughs. CPG companies will now also be able to see the impact of investments made with retailers inside the five boroughs independent of the rest of the current New York market (Tri-State) measurement. IRI is expected to have this ready for broadscale release by the end of this month. But, while this is a giant step in the right directly, it still only solves part of the challenge for this market."

Another key strategy for Key is "collapsing the market." Explains Knobloch: "Shrinking the size of the market to provide a more accurate measurement is only addressing half of the problem. The other issue is how incredibly fragmented the market is currently. The grocery channel within the five boroughs accounts for over \$11 billion in sales. Independents make up 83 percent, or \$9.1 billion, of this segment, whereas grocery chains only represent 17 percent, or \$1.9 billion. So, you can see that

See CHANGING MARKET on page 16

#### **Acosta Sales & Marketing** & These Fine Brands Salute











on your

## Anniversar







Minute









WhiteWave























**Proudly Represented by** 





#### CHANGING MARKET From page 14

the second challenge for CPG companies is - who to resource? This information is eye-opening and really puts it in perspective that independent supermarkets dominate the five boroughs. So, again, because of this challenge, most CPG companies decide not to get too involved, but they want to and know they need to. This is part of the reasons that shoppers often pay a premium for consumer goods in the NYC market."

He continues, "So, our plan is twofold: First, by working with IRI, shrink the market into something that is more manageable, understandable, and measurable; second, but reducing the fragmentation in the market. Currently, Key Food is the share leader in the five boroughs with a 19 percent share of grocery channel and 23 percent of independent supermarkets. Our plans to double that share in the next three to five year, and to achieve retail sales exceeding \$3 billion are still on track, thus becoming the single point of resource for CPG companies inside the five boroughs.

#### Key Food Has The Flexibility To Serve Many Ethnic Populations

With such a broad group of members serving a multitude of ethnically diverse populations, Key Food works hard to ensure the correct mix of products are offered and merchandised effectively across that broad spectrum. Says Janeway: "Key Food is proud to be the most ethnically diverse co-operative in the country. We provide the unique products that the diverse marketplace

demands and continually authorize new vendors as needed. Currently, we have more than 15 international and specialty vendors authorized, ensuring the stores have the products necessary to meet their customers' needs."

Key doesn't rely solely on its own knowledge to be sure the product mix stays relevant as times and customers' tastes change and evolve. "We continually engage our members for feedback opinions and source new products as needed," says Janeway, "After all, our members are the ones who live and breathe in their stores and they truly know what the customers want."

#### **Vendor Partnerships Vital To Success**

Key Food works hard to maintain excellent relationships with the vendors it does business with. If the growth of their annual vendor meeting is any indication, they've been successful in this arena. Key has held vendor meeting annually for the past four years. The first meeting hosted 150 vendor attendees; by year two, the number was up to 400. The growth continued into year three as 650 retail industry members made their way to Staten Island for the annual confab. This past vendor meeting, 850 people were on hand to hear Key Food describe their plans, results, objectives and perspective on the marketplace. Knobloch believes the summit provides a great opportunity for all involved: "Key Food believes in being as transparent as possible in our plans as well as our results. We strive to eliminate any misunderstanding about what Key Food is doing and where we are going.'

In return, Knobloch said, "We would like our vendors to better understand

and increase their support of the business model/proposition at Key Food. The co-operative spends a lot of time meeting with vendors at all levels. Ideally, we get to the key decision makers and they understand what we are trying to accomplish. We always get great results when we get our proposition in from of the key decision makers. So, I would ask that they have more 'top to top' meetings with us. These are a great way to engage our vendors and it always helps the local team.'

He added, "You will see Key Food continue to add stores each and every year, but our primary objective is to drive same store sales growth. That is our objective year after year. We have been very successful at this for the last five years. We believe that the way to accomplish this is through the smart management of the four sales controllables (the four Ps). Being successful in this business is still about attention to detail. Planning, execution, and evaluation, and then adjustment if warranted."

Knobloch also calls on the vendor community to be better informed and prepared to make decisions and recommendations for growth. "Our team will continue to be aggressive and push hard for support. That said, you will never see Key Food take performance money if we didn't perform. You will never see the co-op take unauthorized deductions and you will never see the co-operative pay vendors late, but we want the same treatment. We need our vendors to put the highest quality and best talent on our account. We need vendors to increase resources to Key Food, the fastest growing retailer in the largest market in the country."

44

Being successful in this business is still about attention to detail. Planning, execution, and evaluation, then adjustment if needed."

George Knobloch, COO

I KEY FOOD Special Section May 2017 | Food Trade News



Your circular reaches the consumers that you want.
You can target your circular to one neighborhood or to 10 million homes every week covering Long Island, New York City, New Jersey and the greater Philadelphia market!

CBA Insert Distribution Network • 669 River Drive, Center 2, Elmwood Park, NJ 07407 • 201.414.5200



## Congratulations on your 80<sup>th</sup> Anniversary!







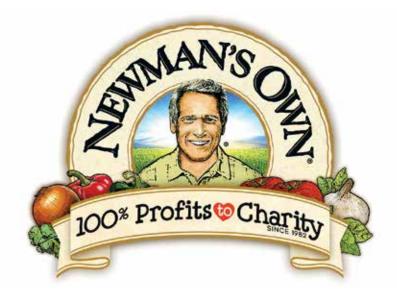




NY Metro Office 123 Tice Boulevard Woodcliff Lake, NJ

## Congratulations on your 80<sup>th</sup> Anniversary!











201.316.8862 www.advantagesolutions.net





## of Supermarkets









Bozzuto's is very proud to be a partner with Key Food since 2005 supplying their member's needs for Specialty Food products.

Our business is focused on servicing family owned and operated retailers in the Northeast and we are fortunate to be able to work with the fastest growing retailer in the five boroughs of New York City. Bozzuto's and Key Food share a very important key value – providing the best possible service to our customers every day, allowing them to grow profitably and take advantage of any opportunities that exist in the mar-

ketplace.

Our relationship with Dean Janeway, George Knobloch and the entire Key Food organization is built on trust and friendship, as it is with all of our customers. Dean and George understand our needs and challenges and do what they can to help us provide their membership with the service they require to compete in today's business environment.

We look forward to continuing and growing our relationship in the coming years and wish them the best as they continue their explosive growth."

> Steve Heggelke EVP of Merchandising Bozzuto's























Congratulations to Key Food Stores on 80 years of success!



| KEY FOOD Special Section | May 2017 | Food Trade News



## Here's to 80 years of opening doors to superior customer service.

Congratulations to Key Food on 80 years of service.

From your friends at



www.bozzutos.com • 1-800-243-9761



KEY FOOD HELD A RIBBON CUTTING FOR ITS SECOND CORPORATE STORE MAY 12, A FOOD UNIVERSE LOCATED AT 35-10 FRANCIS LEWIS BLVD. IN BAYSIDE, QUEENS.

Getting ready to cut the ribbon are (l-r): CEO Dean Janeway and Sharon Konzelman, Key Food; Larry Johnson and store manager K.C. Kilgannon, Food Universe; COO George Knobloch, Kathryn Berliner, John Durante and George Zadrima, Key Food.





Making sure all runs smoothly on opening day are Key Food's Rachel Geissler (I) and Michele Gissi.

RIGHT: Checking out the results of the massive renovation to turn a former Waldbaum's that was in horrendous condition to the sparkling new Food Universe are Key Food's Paul Schimmenti (I), Christian Rodriguez (c) and George Harris.





This Key Food trio features Wayne Kovacs (I), Dean Janeway (c) and George Knobloch.





Pat McCrossan (c) of Smithfield is flanked in this photo by Key Food's Frank Gambarella (l) and Bill Leo.

| KEY FOOD Special Section | May 2017 | Food Trade News





LEFT: Steve Cordone (I) of Porky Products takes a look around the new Food Universe with Bill Leo of Key Food.



LEFT: These folks from Nebraskaland on hand to support the grand opening are (l-r): Maurizio Ingrao, John Pagan, Eddie Korn and Daniel Romanoff.



Nebraskaland's Maurizio Ingrao (c) congratulates Key Food's Daisy Colon (l) and Patty Driscoll on the new store.



Kristen Johnson (c) of RDD Associates chats with Food Universe dairy managers Richard Trezza (l) and Robert Daughty.



All smiles for the *Food Trade News* photographer are Key Food's (l-r): Rachel Geissler, Michele Gissi, Kathryn Berliner and Andrew Guertin.





#### John Durante's Key Roles: Serve Our Current Members, Be Key Food's 'Brand Ambassador'



John Durante, Vice President of Business Development with Key Food, celebrated three years with the company this past April.

Before joining Key, John spent nearly 30 years as Vice President of Advertising and Marketing for CBA Industries. He managed all of the local grocers and major retail accounts for CBA, the leading distributor of pre-printed circulars in the Tri-State area. John was very passionate about his customers and accounts and formed excellent relationships. That position ultimately led John to become part of the Key Food team, he explained: "Key Food had a corporate contract with CBA where I began working closely with Dean and George. When the opportunity for

my current position opened up, I was excited to start a new chapter in my life. Many of the contacts I've developed previously, have proved helpful as I focus on expanding and serving our membership."

As Key Food's VP of Business Development, John says, "My primary responsibility is split between servicing our current members and selling our value proposition to prospective members in the independent marketplace." John greatly enjoys being "out in the streets" and in constant contact with members every day. "They know if they need me I am always there via call or text and we have formed great relationships because of this," John says. "I act as a brand ambassador for Key Food at many industry events and charitable functions and support our membership in any way I can. These owners live and breathe in their communities and their sense of family is tremendous. That feeling continues when they join the Key Food family."

The other part of John's role includes expansion – whether that means attracting new members or helping existing ones expand and open new stores John is always looking for ways to help grow the co-op. With "the best deal on the street" John feels confident attracting new members and has been successful at this, bringing in more than 60 stores.

As the "brand ambassador," we asked John what Key Food offers to its retail member-owners that helps ensure their continued success. He told us: "It's not just one thing; it's service to members ranging from resets, finance, scale management, analytics, and improving day to day operations." John is very passionate when he talks about the impressive full-service operations the Co-Op offers.

I act as a brand ambassador for Key Food at many industry events and charitable functions and support our membership in any way I can."

KEY FOOD Special Section May 2017 | Food Trade News

#### JOH Produce and These Fine Brands Salute

## KEY FOOD'S 80th Anniversary









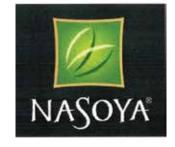




























#### CFO Sharon Konzelman Reconnects With New York Owners, Vendors With Key Food 'Homecoming'



In July, 2016 Key Food signed a new agreement with its major wholesaler. Couple that with more than 100 authorized DSD suppliers, and the ability to offer bridge financing for members wishing to add new locations or remodel existing locations and Key Food clearly offers

the best value proposition for

independent retailers."

Sharon Konzelman has been Key Food's Chief Financial Officer for the past two years. She joined the company in April 2015, less than one month before the Co-Op embarked on its game-changing acquisition of 24 former A&P stores.

Sharon has more than 20 years of experience in the New York grocery arena, having worked at White Rose Food for over 17 years, rising through the ranks of that organization's accounting and finance departments from Divisional Controller to Vice President of Finance/Chief Accounting Officer.

In her current position with Key Food, Sharon is responsible for all of the financial aspects of the coop, including accounting/audits, tax, banking, member financing, risk and insurance and also oversees Human Resources.

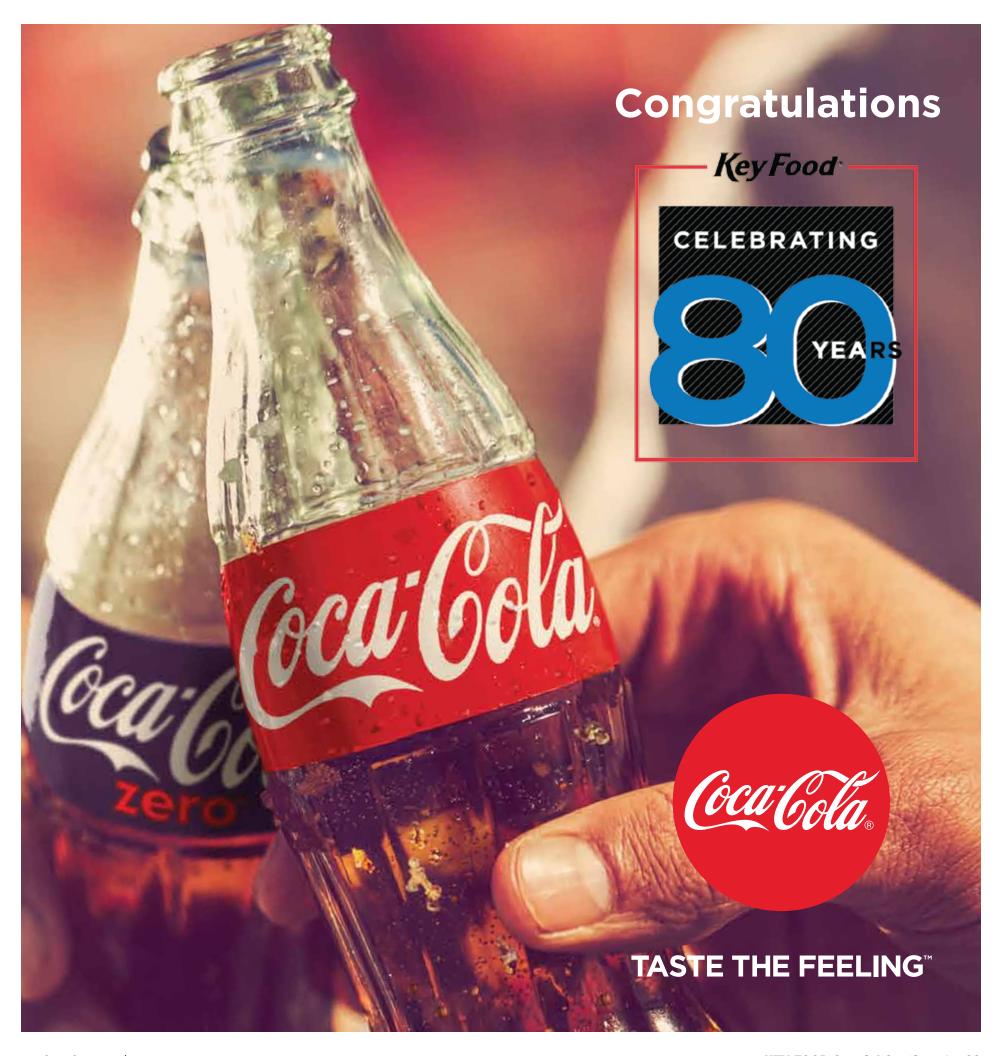
Working at Key Food has been a sort of home-coming for Sharon as she reconnects with the store owners and vendors that were formerly part of the White Rose team. "It made the transition to a new organization a lot easier," says Sharon, "seeing familiar faces made for a short learning curve, and allowed me to have an impact on co-op growth almost immediately."

In her short tenure, the co-op and its members have successfully acquired more than 35 former A&P locations; in part by using the expanded credit line Sharon negotiated with Key Food's banking partners.

Things move faster in New York than in any other marketplace, Sharon explained, so the co-op needs to be ready to provide its members with quick, complete and accurate information. And unlike a chain, each store/owner group does things a little differently, and therefore has slightly different needs. Just like the merchandising, marketing and advertising departments are tasked with accommodating each member's needs for product and services, the Finance Department is tasked with meeting each member's often unique need for details and data about billing, credits, pricing, and financing.

Sharon is bullish on the strength Key Food offers its member-owners, saying, "In July 2016 Key Food signed a new agreement with its major wholesaler. Couple that with more than 100 authorized DSD suppliers, and the ability to offer bridge financing for members wishing to add new locations or remodel existing locations and Key Food clearly offers the best value proposition for independent retailers."

**KEY FOOD Special Section**May 2017 | Food Trade News



## MPS and their clients Congratulate



Years of Excellence

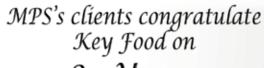




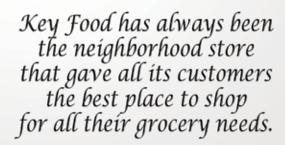




**BUTTERBALL** 



80 Years of providing quality service to the neighborhoods of Metro New York.



Happy 80th Anniversary and continued success in the years to come!















THE AMERICAN WAFFLE COMPANY







44

Kraft Heinz is proud of its long standing relationship with Key Food. As a notable retailer in the New York City area, Key Food has been instrumental in helping build an established presence for our many brands. Key Food has an aggressive strategy geared towards growth that has helped us drive performance across our portfolio to exceed our sales objectives.

Key Food's mission is to provide their communities with products, services and resources that, satisfy, nourish and delight their guests and those they care for which aligns with the vision and values of our Company.

Kraft Heinz congratulates Key Food on their 80th Anniversary and we look forward to seeing continued growth for both of our organizations in the future."

> Mike Ridenour Head of Industry Relations and Sales Operations Kraft Heinz

## Kraft Heinz



### Well done!

Congratulations to Key Food on 80 years of creating legendary customer experiences.

**Cheers to many more!** 



America's Most Convenient Bank®

1-888-751-9000 | tdbank.com

Member FDIC TD Bank, N.A.





#### Kathryn Berliner, A&P Veteran, Coordinated Smooth Transition Of 24 A&P Stores Into Key Co-Op



Kathryn Berliner Retail Operations Manager

Kathryn Berliner, Key Food Stores' Retail Operations Manager, joined the cooperative in September 2015, bringing with her 17 years of supermarket experience. Prior to joining Key Food, Kathryn held numerous store positions with The Great Atlantic & Pacific Tea Company, working her way from entry level - cashier, customer service bookkeeping and front end manager - up to co-manager at store level before moving over to the corporate team as Field Operations Manager. In that post, Kathryn was responsible for assisting the company chief operating officer, banner vice president and district managers in all aspects of operational controls, including - but not limited to - inventory control, labor management, customer relations, training, hiring, policy and procedure development, project and operation oversight, and strategic planning.

With such a wealth of experience, Kathryn was a welcome addition at Key Food where she initially lent her skills and experience to coordinating the transition of the stores the cooperative acquired from A&P in the fall of 2015 to Key Food Stores, overseeing tasks such as union negotiations, hiring, state licensing and vendor partnering for a variety of services. She was an essential player in getting these 24 stores up and running in a mere four weeks.

Kathryn now oversees the company's two Corporate Stores, which serve as the testing grounds for new cooperative initiatives and IT enhancements, making sure that these initiatives and enhancements are protected prior to rolling out to the entire membership.

Kathryn also provides support to the Key Food membership with overall primary responsibilities in sales growth and profit, project management, human resources, customer service, labor management, union/labor relations, loss prevention, fines and violations, as well as all areas of state licensing.



| KEY FOOD Special Section May 2017 | Food Trade News











#### Congratulations on your 80th Anniversary!

From your friends at

## **CROSSMARK®**

Smarter Way. Faster Growth.

**Proud Partners with** 





















Food Trade News | May 2017

**KEY FOOD Special Section** | 35



#### Theresa Camarda Values The 'Key Food Family'



Theresa Camarda Support Services Supervisor

Theresa Camarda, Key Food's Support Services Supervisor, began her career with Key Food Stores Co-operative 15 years ago as the Executive Assistant to the Senior Vice President. In that position, she said, "I learned so much about the history of this industry. In this role I was exposed to all the details on how a store integrates into the co-op. I helped compile data from store sales, accume programs and was even fortunate enough to become really involved in our annual Golf Outing. The outing at that time was to benefit the Leukemia and Lymphoma society. It felt good to do something that gave back to others."

Over the years, Theresa has become aware that, as with anything, this industry is always subject to change and evolution. She explained, "When I first started we only had about 100 stores. Since that time we had many internal changes. With the introduction of Dean Janeway as our Chief Executive we watched our company flourish. It was with his enthusiasm and willingness to implement change and growth that enabled me to break out of the administrative role and try something new."

Theresa later moved on to become an Advertising Specialist. "In this role I was able to interact more with the stores, vendors and buyers

and understand the ad process and stretch my creative legs and help design the circulars. It was deadline driven and very detail oriented. I was able to experience the industry on a different level." She was then given the opportunity to move to the Finance Department and deal with and entirely different aspect of our company, first as an Accounts Payable Clerk then to Accounts/ Store Receivable Clerk. The setting up of loans and tracking of finances and store billings was completely far removed from advertising. As Theresa tells it, "Again, this was another example of the ability of our employees to grow and evolve within our organization."

Currently, Theresa is the Supervisor to Support Services/Mailroom. Support Services handles all buyer, vendor and store support, from creating store confidentials, price and order books, coupons, coupon redemption, entering frequent shopper card information, item maintenance, updating costs, retails, among other things. She said, "This current role nicely rounds out my experience bringing me back to dealing with the business side of this industry."

Through her many years with Key, Theresa has seen the business from many angles. She said, "From Advertising, Support Services, IT, Finance, Marketing, Retail Services, Merchandisers and our Executive team, the support we can offer to our owners, store personnel, vendors and customers is all custom tailored and very personal. It's all hands on and the fact that many of us in the company have been here so long and have had experience in different aspects of the industry makes us better prepared and more knowledgeable."

Theresa knows that Key Food stands apart from many other companies in the food industry. "Key Food Stores Co-operative not only offers its employees the ability to grow and change, in its willingness to change at home we offer our customers and vendors the ability to grow and change with us as well. We have grown from 100 to 238 stores, in a time that saw the loss of big stores like A&P, Pathmark and Walbaums. The fact that we were able to obtain their lost stores and grow our business speaks volumes about our business model. We may be growing size-wise, but being with a company so long we all become like a family. I like to feel that that feeling translates to our store owners as well as the vendors. Hence the term the 'Key Food Family.' I love that every day brings a new challenge and I look forward to what lies ahead for us."

KEY FOOD Special Section May 2017 | Food Trade News

### RDD and these quality perishables brands salute the independent retailers of Key Food!

















































Because perishables merchandising matters...



#### Eduardo Casas: Making Sure Key Food's Help Desk Department Keeps Stores Running Smoothly



**Eduardo Casas** Help Desk Manager

Eduardo Casas, Key Food's Help Desk Manager and his quick response team, are in charge of trouble-shooting and quickly resolving related stores' issues, making sure their problems are understood, solved and explained.

Eduardo puts it this way: "Whenever there is a question or problem to be solved at any of our 238 stores, they call the Help Desk where my team and I will respond to their concerns, analyze the issue and solve them. If necessary or appropriate, we will also do needed follow-up."

Eduardo comes from an international background. He is bi-lingual (with a basic understanding of French, as well)

with experience working in and with countries such as Mexico, Finland and France, and now in the United States. While he has worked in the retail sales field, his true interest and skill has been in team-building: He has been managing teams for the past 12 years in multinational companies such as Cemex, BNP Paribas, GNC & Altice. His main job, in each case, was to build cooperative and positive teams with a goal-oriented vision and purpose.

He joined the Key Food family last year and has been working hard to help make the team understand his ideas, objectives, and his passion for being successful thereby fulfilling the company's vision, values and success. Eduardo is proud of the contributions that he and his team have been making every day to assist the co-op's member retailers as highly successful as possible.

"At Key Food," says Eduardo, "the Help Desk Department is available seven days a week, giving our stores and our end consumers a solution any day, being available for them when needed and engaging quickly for a fast resolution to their questions."



## Congratulations Key Food your 80th Anniversary!





**KEY FOOD Special Section**May 2017 | Food Trade News



Since 1918, It's Where Your Family's Milk Comes From.

Tel: 800-648-0135

Fax: 609-499-8083

www.TuscanDairy.com





#### Daisy Colon: Key Food Relationship With Members Very Important, Unique



**Daisy Colon** *Director of Dairy* 

Key Food's Director of Dairy, Daisy Colon, has been with the co-operative for 26 years. She started her industry career in the traffic department with Krasdale Foods, where she spent four years, then with Key Food, where she started as a traffic manager at the company's original Brooklyn facility. She later moved on to procurement in dairy, being named Director in 2000. Over time the post involved overseeing all procurement for dairy, deli, packaged meat, seafood, and bakery. However, as the co-op has continued to grow at a rapid pace, the other fresh categories beside dairy have been spun off to separate directors, and Daisy now focuses on dairy alone, with assistance from her Coordinator Stephanie Martinez.

Daisy is responsible for dairy sales in

all stores, promotional and advertising income, and gross profit margins, while meeting with vendors and brokers to get the best possible mix of products and prices at all times.

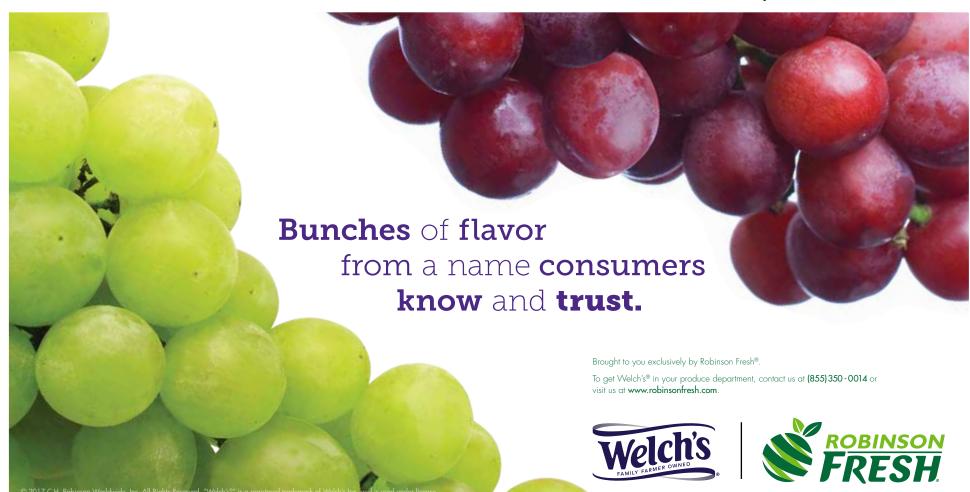
While spending a lot of her time meeting with these vendors, she reminds them to keep one thing in mind before they call on her: "I would like the vendor to be prepared to give me market trends. I want them to know everything about the product they are presenting before they meet with me," she stressed. "I want to know about innovations in their categories and product lines. Don't just bring me a line extension. Tell me why and how the item you're presenting will build sales for our members."

She also urges vendors to send field teams to visit the stores themselves.

"Spend some time in our stores making sure they have the tools to build sales."

Daisy oversees achieving quarterly goals, managing vendor aging reports, department P&L, sales, and income. Additionally, she is responsible for updating all packaging for the co-op's Key Food and Urban Meadow brand products. She also writes the weekly sales programs in dairy for both of the co-op's ad groups, and establishes corporate dairy programs (i.e., for milk and eggs), that give the stores the flexibility they need to succeed.

Most importantly, Daisy is "accessible to the stores, 24/7," she stressed. "They have all of our contact information and know they can call us any time, day or night. The relationships we have with our members are very important, and very unique."



| KEY FOOD Special Section | May 2017 | Food Trade News

#### We are proud to congratulate











#### Happy 80th Anniversary Best Wishes From































www.esm-web.com

Food Trade News | May 2017

**KEY FOOD Special Section** | 41





On behalf of the Pepsi-Cola and Canada Dry Companies of New York, I want to congratulate Key Food on its 80th Anniversary celebration. This milestone event is a testimony to the strength of the brand, its associates and the executive leadership team executing its strategic vision for sustainable growth.

We value our partnership with Key Food in a variety of ways. Your commitment to our brand portfolio is invaluable and we remain in solidarity with your mission to provide products that "satisfy, nourish and delight". By working together on innovation, we continue to offer healthier choices to your customers which are essential roles for both of us in our communities.

What we respect most about the

Key Food leadership team and its members is your pledge that "You can always count on us to be responsive..." This is a core competency that the Key Food culture fosters from the boardroom to the grocery aisle. You provide unparalleled access to key decision makers and business plans that enable us to work jointly towards achieving our mutual business goals.

We couldn't be more thankful and appreciative for your business and partnership. All of us at Pepsi-Cola and Canada Dry are proud of our association and look forward to many more anniversary celebrations with our friends from Key Food!"

William Wilson
CEO
Pepsi-Cola Bottling Co. of NY
Canada Dry Bottling Co. of NY

















In Celebrating Oyears
In the Grocery Business

FROM YOUR FRIENDS AT THE LEAVITT CORPORATION

| KEY FOOD Special Section May 2017 | Food Trade News

# We Salute Key Food on your 80th Anniversary!

## THE HONICKIAN





BOTTLING CO. OF NEW YORK



#### Aliceann Conoshenti: IT Essential Enabler Of Tools And Information For Stores, Corporate Office



Aliceann Conoshenti
Director of IT

Aliceann Conoshenti, Director of IT for Key Food, has more than 25 years of experience in retail store and warehouse distribution, application development and infrastructure planning, including extensive background in program/process management. She has been with Key Food for six years and was hired as a Senior Project Manager before being promoted to her current position.

Aliceann started her career in warehouse distribution working as the Manager of the IT department for White Rose meat division. After White Rose, she continued her career path in warehouse distribution working for Porky Products Inc. as the manager of the IT department. Aliceann continue to expand her career as she moved onto The A&P Tea Company where she began her role as a Senior Project manager implementing a warehouse management system across eight multiple warehouses. Within a year she was promoted to Director of Infrastructure overseeing a large scale ERP portfolio of projects that would span across three years. Then, as the Director of Program Management Office and IT Governance, she and her team built and deployed the mechanism of decision making structures aligning with business goals and communication approaches

Aliceann moved on from A&P and continued her career in retail joining Key Food Stores Co-op Inc. She told us her new position was an exciting opportunity filled with challenges in familiarizing herself the business process differences between a co-operative vs a corporate structure and growth potential available with this business model.

She was given the opportunity to build an internal IT team to implement an aggressive list of projects for both the corporate office and the store members. To ensure the proper support to the members she established an IT Field team and Help desk support. The Field team became the extension of the internal teams with the hands and feet

out in the street necessary for communicating back and ensuring full support across the board.

Aliceann and her team met the exhilarating challenges of implementing store applications from a decentralized environment to a centralized supported program hosted by Key food corporate office. Her background in infrastructure proved valuable in both the stores and data center build and installations. However, her background in project management has proven the most valuable in keeping up with the impressive growth of Key Food Co-Op not only by being challenged with the aggressive growth of Key Food but with the request for overnight conversions. An example of this was with the most recent transition of the former A&P stores Key Food members purchased. Every store was converted overnight and opened for business the next morning.

Aliceann explains, "IT is an essential part of the organization as the enabler of tools and information for both the stores and the corporate office so right decision can be made. IT's role for stores is to not only to provide the technical solutions but to allow the store the flexibility to support their own decisions."

Over the last six years, Aliceann managed requests from store members and, with her team, developed a full suite of store applications consisting of a pricing program maintaining store level retails. They also developed a label program used internally by stores, an instore sign application, multiple reporting tools, backdoor receiving and a shelf audit program along with an ordering and tracking application. A scale management program was also implemented, allowing members to maintain, either as a single store or at a chain level, fully integrated with the store price management program. An internal EDI central billing application for DSD vendors was created and managed at the corporate office validating store cost and eliminating the manual efforts at store level. All

store programs have been designed to be centrally hosted, fully integrated and supported by the internal IT staff.

At the Corporate level, IT enabled tools to support and provide critical data for the corporate office. This included such tools as a vendor portal to centralize vendor contracts and introducing new product submission. Creation of a data warehouse provided a single source for purchases and scanned data architected to provide corporate reporting. A planning and promotional tool utilized by merchandisers was developed to create weekly store promotions. All applications are supported and hosted by the internal IT team.

To address the aggressive growth of the cooperative, a standard process was created for onboarding new members starting with the installation of network infrastructure to POS replacements. Store networks are supported by both the internal IT team along with managed service provides. Stores are configured with automate failover to support any communication outages 24x7 by a network operations center (NOC).

Over the course of her career Aliceann has experienced the change in technology in the grocery industry from managing the store to the customers' shopping experience. She said, "Technology shapes the future of how customers will shop and the rewards programs they seek in return. Not to mention the need of flexibility in applications enabling our members to address competition in quick manner."

The message she would send to her vendors is to "focus on providing easier methods of software integration cost effectively with cutting edge technology that will reduce cost in our stores. Difficult integration leads to expensive implementation extending the time for any benefit return on the investment can be realized. Continue to support us throughout our partnership not just at the time of sign off."

14 | KEY FOOD Special Section May 2017 | Food Trade News











### Congratulations To Key Food As You Celebrate Your 80th Anniversary!





#### Vanessa DeViccaro: "We Strive To Meet The Needs Of Our Members"



Vanessa DeViccaro Director of Frozen, DSD, Int'l., Specialty, HBC/GM

Vanessa DeViccaro, Director of Frozen Food, DSD, International, Specialty, General Merchandise, Health & Beauty Care and Store Supplies, started at Key Food Stores Cooperative, Inc. with a decade of prior experience in the grocery wholesale business. "My five years with Key Food have been fulfilling and rewarding," she said.

Vanessa started at Key as Director of Frozen Food also responsible for General Merchandise, Health & Beauty Care and Store Supplies. In 2016, she was awarded the rapidly growing responsibilities of DSD, International and Specialty categories along with the development of a strong staff comprised of four merchandisers and an administrative assistant.

In the current state of the grocery industry, Vanessa demonstrates a unique approach to her categories, especially DSD, International and Specialty. She is well known for her fresh packaging designs of private label items in Frozen Food and feels it's extremely important to adapt and stay ahead of market trends in order to utilize her resources to the best of her abilities in what can be argued as the most competitive market in the industry. This allows her to gain leverage

Vanessa DeViccaro, Director of with the vendor community and ozen Food, DSD, Internation-increase Key Food's negotiation Specialty, General Merchandise, abilities.

Over nearly two decades, she has developed a wealth of experience spanning through the entire supply chain from manufacturing to warehousing and retail execution. Her previous experience with a wholesaler gave her insight to a rapidly changing market. She supervised Key Food's account as well as various other retailers, and she watched first hand as Key Food turned into the fastest growing retailer in the Northeast.

"The day to day focus is to drive sales and increase our members' patronage; after all, that is why Key Food has an incredible appeal to independent store owners. Building strong ads and TPR programs are a key part of the role but maintaining margin objectives are important to ensure Key Food remains competitive in the market. Strong bonds with members and their employees as well as vendors and brokers are a significant part of working for a cooperative. We strive to meet the needs of our members through listening and understanding. We have useful tools to track sales and funding and we stay on top of it," explains Vanessa.

"Demographics play a very large role for our stores. We need to be mindful of who shops with us and where our stores are located. We work hard to provide a diverse selection of products and distributors from which they buy their ethnic products as well as their specialty foods. As we see the ages and preferences of our shoppers change, we have also been able to focus on better products to feature as well as new brands and packing changes to our existing private label which resonates at the store."

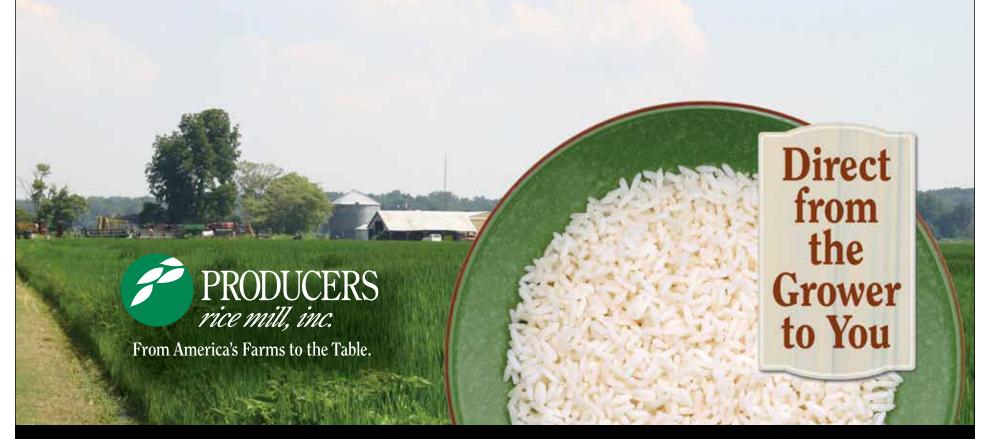
One of Vanessa's proudest achievements and responsibility thus far is "developing a team of enthusiastic, forward thinking, young professionals who bring a current view of the market while creating ideas outside of the box in order to find new and better ways of working with vendors and members."

Vanessa believes that that growth within a category is driven by innovative ideas, innovative design and bringing new customers into the store. She has a bold message to the vendor community, "If you're not spending your money with Key Food, you're not spending it wisely. Why not invest in a growing retailer who can prove performance and exceed your expectations?"

| KEY FOOD Special Section | May 2017 | Food Trade News



### Happy 80th Anniversary



Producers Rice Mill, Inc. | Stuttgart, Arkansas USA
Phone 501-374-9100 x 6 | FAX 501-374-8758 | trichmond@producersrice.com



#### Danielle DiAngelo-Christiano, Ad Dept. Are Customer Service Oriented



Danielle DiAngelo-Christiano Advertising Manager

Danielle DiAngelo-Christiano has been with Key Food Stores Co-Operative, Inc. for four years. She started her journey in the Advertising Department in May of 2013 when she was hired as an Advertising Specialist. Enthusiastically, she immediately jumped in to the department trying to learn all that she could. Along the way, Danielle found that some tasks may be completed more efficiently if done differently. She created a more organized system of proofreading and checking ads. Danielle's eagerness to grow led her to a promotion as Advertising Supervisor after about a year and a half at Key Food. Now in charge of the daily work flow of the team, Danielle continued to get involved with other aspects of the department. She became involved in the printing process and developed great relationships with the printing and distribution companies. Weekly, Danielle would send a complex spreadsheet called the print run to the printer and distribution companies detailing exactly what pages needed to be printed for each store's circular and how many. As Key Food began to grow, the print run spreadsheet became overwhelming and more complex. Danielle became instrumental in creating a new database for the daunting task that would also allow stores to version their ads from an online portal.

In October 2016, Danielle was promoted to Advertising Manager. Having grown into this role, Danielle is proud of knowing the ins and outs of the advertising department and the day-to-day tasks of the team.

Danielle received a Bachelor of Fine Arts degree in graphic design and art history from the College of Saint Rose in Albany, NY. Upon graduation, she headed to the New York Metro area to gain experience and develop her career. She began working for an advertising agency in New Jersey for well-known clients using her design skills. After working there for a few years and gaining experience in the industry, Danielle took what she learned to a new job. She began working as the Advertising and Marketing Coordinator at a commercial real estate company. Danielle was solely in charge of creating all advertising, marketing and promotional materials. These materials included print design of promotional flyers and brochures, outdoor signage, web and digital design and more. She began going to networking events to meet other designers and industry people to gain more knowledge to continue to advance in her career. After a couple years at the real estate company, Danielle left to pursue her career at Key Food.

The main goal of Key's Advertising department is ensuring the

weekly circulars and other advertising materials are done accurately and efficiently. Danielle oversees the advertising team which consists of eight team members. The team is responsible for creating circular pages, proofreading and editing case cards, promotional pieces such as postcards and flyers for in-store events, window signage and various other advertising materials. Danielle also works closely with the Key Food merchandising team and their brokers to incorporate promotions within the ad. The Advertising department has great partnerships with their vendors. Danielle works very closely with the printing and distribution vendors to ensure 4 million circulars are printed and distributed accurately. The vendors that work with advertising understand that Key Food strives to produce the best results for the members and are happy to be a part of that.

The advertising department offers design and advertising services to all the Key Food membership. Danielle and the advertising team pride themselves on being a customer service oriented department; keeping in contact with the store owners and managers to help them out with all their advertising needs. The Advertising Department is filled with very talented designers that are eager to put their creativity to use on a fun new project for the members.

B | **KEY FOOD Special Section** May 2017 | Food Trade News





#### Patsy Driscoll Brings 30 Years Of Bakery, Supermarket Experience To Key Food



Patsy Driscoll
Deli/Bakery Director

Patsy Driscoll, Key Food's Deli/Bakery Director, has been in the grocery industry for 30 years. Like other members of the Key Food team, she began her career in the stores, working through college. After college, she owned her own bakery, then began her supermarket career in the IGA Supermarket as a Deli Manager. From there she was joined A&P as a Deli Technician, Deli/Bakery Supervisor/ Merchandiser and Category manager. She later joined Gristede's, serving in the posts of Deli Supervisor and Deli Director before ultimately settling into Key Food's cooperative as a director of Deli and Bakery.

In her current position, she is responsible for the procurement of product for deli and bakery; coordinates warehouse item set-up and management with Key Food's wholesaler; and oversees forecast-

ing, promotions and sales programs. In addition, she and her team have enhanced the ordering of both cheese and bakery with the development of visual and scanable order guides. Published quarterly to the stores, the product mix is constantly changing, ensuring that they stay on top of trend and holiday needs.

Patsy is also responsible for the prepared food category. Since beginning with the Chef Program in the A&P Stores, she has seen the home meal replacement program that supermarkets have developed evolve. She explained: "We have made big improvements over the years. Maintaining some staples like Grab & Go Meals to Go, we have evolved from the comfort food offerings to include more healthy and ethically influenced selections. With the new FDA Labeling laws coming, we have reviewed our offerings closely and will be

improving them to stay competitive with the market."

Education is a priority for Key Food and Patsy and her team have planned and executed several seminars including for the cheese department and in-store bakery. She says that future educational workshops will include deli basics, sanitation, basic cake decorating and holiday cheese merchandising.

When asked what she might like the vendors who call on her to know, Patsy said, "We look to our vendor partners to keep us informed of the latest trends in the market through category management information. As well, innovation on merchandising and creative ideas to keep old staples in the department fresh and new. Vendor support for store events and new program launches are critical to drive sales for both sides."

### Acosta Sales & Marketing & These Fine Brands Salute Key Food on Your 80<sup>th</sup> Anniversary!















**Proudly Represented by** 





#### Frank Gambarella Brings Many Years Of In-Store Experience To Key Food's Perishable Program



Frank Gambarella
Perishable Director

As the Key Food Perishable Director, Frank Gambarella oversees and manages the team of perishable directors for the Meat/Seafood, Produce and Deli/Bakery Departments. Frank's role at the co-op is largely due to his career experiences in the supermarket industry that spanned more than 40 years. His early learnings at store level came from a collection of positions in just about every supermarket department (grocery, dairy, deli, meat, seafood departments). This experience has provided Frank a solid base of business experiences to manage these critical departments for the Key Food Co-Op.

Way back when, Frank left the sales floor to join the company's meat apprentice program and two years later became a meat department manager. This led Frank to many meat buying office positions and eventually to the Director of Meat and Seafood role that he held for many years. Today, Frank manages from a store level perspective, putting all of his past experiences into the day-to-day workings at the Key Food Co-Op.

At Key Food headquarters, Frank manages the talented Perishable Product Directors. He describes his team as a "supermarket-savvy, handson group with plenty of store level operational experiences." He adds, "There are many driving factors at the co-op that give Key Food the competitive advantages and it all starts with the employees. This is a hard working member focused group, getting better every day."

There are other distinct advantages for Key Food over their competition. Key Food recently entered into a new supply contract with their main supplier, which provides onestop shopping for the membership at very attractive costing. The co-op also offers additional supply from local DSD suppliers through their DSD network of centrally billed suppliers. This DSD network allows for all of the members special needs purchases count towards their very lucrative year end patronage.

"The co-op's perishable team provides a very robust and diverse assortment of weekly perishable ad programs for our members to drive their front pages, week-in and week-out," Frank explains. "Key Food ad programs are supported right down to store level through a wireless network system delivering the feature and price change support right to their scales and POS systems."

As owner members of the co-op, all of Key Food's retailers are invit-

ed to join the committee process that reviews, discusses and adjusts the weekly ad programs as well as make other the key decisions on pertinent business related to that product committee. The member or a representative of their merchandising management team attend these meetings and are involved in this process.

The co-op also provides a very talented in-store execution perishable team to help merchandise existing stores and complete new store set ups. There are two support merchandisers for each of the perishable departments as well as many vendor supported staff to assist our members.

Frank says that Key Food has a good thing going at the co-op and it shows in their growth over the last four years. The co-op has all the services necessary to assist a member to be successful in the supermarket business.

Frank also manages the Food Safety Audit program for Key Food, which provides store level inspections to insure the right conditions exist at store level providing a safe food environment. Anyone in the industry knows that fresh perishables at the right price from a clean/safe food environment will be the driving force for return customer visits.

**KEY FOOD Special Section**May 2017 | Food Trade News

### The Kellogg's Family of Brands Salutes the Retailers of Key Food!









































from your friends at

Kelloggis













#### Paul Gelardi: Key Food Constantly Striving To Have The Best Deal On The Street



**Paul Gelardi** *Manager of Contracts & Compliance* 

Paul Gelardi is Key Food's Manager of Contracts and Compliance. An 11-year Key Food veteran, he has held various roles spanning eight positions in six departments since he started in 2005.

Paul graduated from St. John's University and started his career in the Advertising Department of Key Food where he was responsible for designing and proofreading the weekly circulars. Paul's first solo project was the development of an internal audit file which would ensure the Advertising Department's expected billing matched that of the Finance Department.

After a few years in advertising, Paul accepted a role in the IT Department as an Analyst. He successfully revived and completed the implementation of EDI which allowed centrally billed DSD vendors to transmit invoices electronically instead of mailing physical copies.

A little over a year later, Paul was brought into analyze and negotiate the supply agreement with Key Food's wholesaler. It was during this time that Paul gained insight regarding the assorted products, wide array of services, and various rebates provided by Key Food through its suppliers.

Paul then moved into a newly

created position of Marketing Manager, where he established the foundation of the Marketing Department by launching Key Food on various social media platforms. He was also responsible for executing the first redesign of Key Food's customer facing website, establishing a relationship with the Brooklyn Nets, and planning/executing Key Food's 75th anniversary marketing campaign.

Shortly after, Paul also assumed control of the Advertising Department, where he first began with Key Food. Paul was able to streamline numerous files and processes (including automating circular creation) using his intimate knowledge of the requirements within the department. Paul was also responsible for the transition of multiple circular printers to a single company while also upgrading the paper and revitalizing the circular format to better match the needs of Key Food's consumers.

Next stop was the Category Management department where Paul would become responsible for fixing, maintaining, and enhancing several business analytical applications (via QlikView).

Over the past few years, Paul has been responsible for reviewing, analyzing, and negotiating the various contracts Key Food has with its suppliers, vendors, and service providers. Paul said he always looks to leverage the strength of the coop to maximize the benefits to the stores; whether it's for a new contract or one with an existing partner. He said, "As the co-operative continues to grow and evolve, so must the relationships between Key Food and its business partners. As such, Key Food is constantly striving to have the best 'deal on the street' with all of our suppliers."

We asked Paul what Key Food offers its retailers to help them be successful? He told us that, besides negotiating contracts that the stores simply could not attain as individuals, he is also responsible for managing Key Food's loan portfolio. Loaning stores money is yet another service the co-op provides to its members and Key Food's loan program allows its members to obtain money for new stores or remodels much quicker and easier than going to a bank.

What is on Paul's vendor 'wish list?' "I'd tell vendors to come with their best foot forward when responding to a RFP. While Key Food values the relationships with all its business partners, an incumbent is simply not guaranteed the business as we're always looking to do what's best for the stores — even if a transition to a new company would be painful for the co-op."

**KEY FOOD Special Section**May 2017 | Food Trade News





#### Michele Gissi: "The Difference Is Key"



Michele Gissi Integrated Marketing & PR Manager

Michele Gissi is Key Food's Integrated Marketing & PR Manager and has been with the Co-Op for more than four years. Michele was fortunate enough to join Key Food at an incredibly exciting time - in 2012 just as they were developing a Marketing Department. Michele was hired as the Social Media & Marketing Specialist and quickly worked with her Manager to outline a vision and plan. She began to focus on digital, social and grass-roots marketing tactics to really connect with customers and drive sales. In June 2013 Michele was promoted and really began the journey of bringing this vision to life while building a great team.

Michele does not shy away from challenges and thrives while multi-tasking. She completed a dual major in Marketing and Management at Wagner College and then obtained her MBA in just nine months. Shortly before graduating from Wagner for the second time, Michele joined Havas Media International as a Junior Integrated Media Planner. This was an incredibly fast-paced environment and managing seven very different brands equipped Michele for her future role of strategizing Key Food's various banners, understanding and targeting very different demographics, handling multi-million dollar budgets, as well as planning/buying print, digital, social, radio, TV, and OOH media.

While at Key Food, Michele and her work have been recognized within the industry, being named one of *Progressive Grocer's* Top Women in Grocery Rising Stars last year, as well as receiving recognition for her collaborative marketing programs. In 2015 her "Shop & Score" program won the official NBA nomination on behalf of the Brooklyn Nets for the NBA Team Sponsorship Activation of the Year Award, and in 2016 her "Making Buckets with Brook" program won Brooklyn Sports & Entertainment's

Retail Activation of the Year Award. These programs aim to increase brand awareness and exposure for Key Food and vendor partners, increase sales and basket size, and create excitement and engagement for the customers. Michele is happy to report that they have been wildly successful (some programs producing over 80 percent lift in sales YOY) in all three areas and continues to optimize and grow them each year. Of course, none of these amazing programs would be possible without the tireless efforts of her incredible team. "They honestly amaze me every day - they take my ridiculous ideas and always turn them into a reality," Michele says. "Whether it's taking my horrendous pencil sketches and turning them in to gorgeous POS materials, putting an aggressive online shopping program together, thoroughly analyzing data to present recaps, and brainstorming ways to improve - I am so proud of them."

At the Co-Op there is never a dull moment and Michele, like her colleagues, wears many hats. Her responsibilities have grown in size and scale over the last few years and that is a testament of how the Co-Op adapts in order to continually service the membership better. On any given day, Michele could be working on marketing, social media, online shopping, website and app development, PR, onsite activations, branding and art direction, conducting consumer focus groups, speech writing, grand opening celebrations and ribbon cuttings, store brand design, corporate communication, event planning, fundraising, and more.

"Learning and education are initiatives I've always been passionate about from an early age," Michele says. She takes each opportunity available to her to better herself and her team, which helps serve the membership in the long run. "When vendors share insights with me or invite me to their facilities I jump at the chance. The more knowledge we are armed with the

better. Some of my colleagues are industry veterans and I respect them tremendously. They take the time to explain their knowledge, objectives, and thought processes to me and that cross-departmental learning makes everyone better."

In addition to growing professionally and personally, Michele enjoys helping others and mentoring whenever she can. Particularly with the Co-Op's intern program, Michele is a resource for students, aiding them with resume writing, LinkedIn, and even mock interviews. She has also spoken to college and graduate students alongside COO George Knobloch at Fordham University and St. Joseph's University, as well as independently lectured various marketing classes at St. John's University and the College of Staten Island.

When asked what she believes is different about Key Food, Michele laughs and blurts out, "The Difference is Key." That tagline was created as part of the new branding strategy she rolled out in 2015 but "in all seriousness, that's just it. There's not one singular answer to this question because our team is just different. Different with our owners and vendors. I think a lot of that has to do with transparency and a partner approach. We are working towards the same goals, with our members and our vendors and I think the success that comes from that speaks volumes." A wish to vendors would be to get more involved! "Invite me to your HQ, come meet with me, invest in our programs, anything like that," Michele says. "The more I know and understand pain points or objectives of our vendor partners, the better we can create custom programs for them." As Michele gets ready to launch more stores with online shopping later this year, she is also asking vendors to step up to the plate and collaborate within the e-tail space.

KEY FOOD Special Section May 2017 | Food Trade News











## Happy 80th Anniversary!

## 











#### George Harris: Making Sure In-Store Execution Team Supports Key Food's 238 Stores



**George Harris** *Retail Sales Manager* 

George Harris, Key Food's Retail Sales Manager, joined the cooperative three months ago. He brings with him to his new post more than 30 years of industry experience in the consumer packaged goods industry. George started his career in the mid-80s as a store-door representative with Keebler Cookies. This started a long career which has spanned several decades and includes large and small CPG companies such as Campbell's, Heinz, HP Hood, J&J Snack Foods, Contessa Premium Foods and Choice Canning.

During his career George has built a solid, retail driven portfolio of positions. These positions include retail sales representative, retail district manager, senior account executive, area sales manager, regional sales manager and national sales manager. All of these positions have enabled George to have a solid understanding of how retail works from both the retailer and the manufacturer's perspective.

As Retail Sales Manager, George is primarily responsible for overseeing the cooperative's in-store execution teams, including center store, perishable and IT. These teams are crucial to the membership in that they provide responsive in store support coupled with defined areas of expertise. As the ISE teams evolve, George expects the teams to expand their roles to include fact based selling, consumer decision tree knowledge and the ability to assist in store personnel to make fact based decisions. George explains: "These teams are responsible for successfully executing all aspects of in-store performance

and providing support to the Key Food membership."

With 238 stores and growing, it is vital that Key Food continue to be a strong support organization for their retail members. George strives to ensure that the retail sales team keeps this support going strong, every day: "The ISE teams provide hands on support including everything from on shelf merchandising throughout the store, professional assistance on improving in store conditions and departments, category management initiatives and all aspects of IT. We absolutely feel that at the present time the teams provide solid value to the membership. In the near future the teams will deliver additional expertise, support and visibility to all our owners."



I KEY FOOD Special Section May 2017 | Food Trade News



### New York's Premier Ice Cream Distributor with the brands your customers love













#### Tara Johnson To Vendors: Obtaining Customer Satisfaction, Consumer Confidence Is #1



Tara Johnson
Director of Member Services

Tara Johnson is currently Key Food's Director of Member Services and has been employed with the co-operative for six years. She started her grocery career with A&P at its corporate headquarters in Montvale, NJ as a Category Clerk in the Grocery Department. She explained that this entry-level position introduced her to the contract, customer service and vendor facet of the business and the daily requirements needed to be an effective communicator to facilitate healthy partnerships. As her experience and knowledge expanded, she fulfilled the roles of HBC Category Analyst and subsequently Strategic Pricing Analyst; both of these positions afforded her a greater opportunity to bolster her grasp of the trade as Tara was analyzing more data and entrusted to focus on sale trends, market conditions and competition.

Tara's tenure at Key Food began as a Category Analyst and her experience led her through the ranks as she became the Advertising Manager and then Advertising

and Marketing Manager. Now, in her current position as Director of Member Services, she works closely with co-op's executives to ensure store owners and vendors are satisfied with the services Key Food provides.

Tara said her responsibilities focus mainly on prosperity of Key Food's store owners. Her daily objective is to expedite effective communication that encourages all participants to work jointly for the benefit of all parties with an interest in growth. Routine responsibilities encompass solving everything from individual store difficulties about pricing, equipment and competition to help desk and advertising/ marketing requests. More importantly, she tries to find the best way forward in resolving said issues efficiently with the foresight of preventing them in the future.

Asked about the strengths that Key Food offers its retailers, she said: "The Key Food team offers independent retailers a viable and competent avenue into the Tri-State area market. We strive daily for the combined success of everybody participating in the collective effort to make our growth and success probable. We continually look for ways to reduce costs, improve customer service, expand our footprint and self-analyze to ensure we are operating as efficiently as possible."

We asked Tara if she would like the vendors who call on Key to know anything that might help them both be more successful. She said, "Vendors and companies that call on Key Food are the vital link needed to create a direct pathway to products for our customers and the unique environment our stores exist in with ever shifting cultural demands and financial complexities requires cooperation between all entities. Ideally, vendors and companies willing and able to work with us in this unique environment make the goal of putting our stores best interest first attainable. The mindset of mutual cooperation to obtain customer satisfaction and consumer confidence is #1 on my wish list."

KEY FOOD Special Section May 2017 | Food Trade News



#### We congratulate Key Food on their 80th Anniversary!















Bringing commitment & passion to the Bakery & Deli Industry

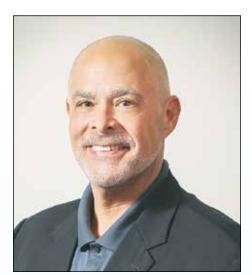
1800 Bloomsbury Ave. Unit 2 Ocean Township, NJ 07712

Phone: (732) 695-6151 • Fax: (732) 695-6153

Food Trade News | May 2017



#### Wayne Kovacs: "Our Strength Is In Our Options"



Wayne Kovacs
Produce Director

Wayne Kovacs, Produce Director, said spearheading the produce division for Key Food Co-Op has been his passion for the last 15 years. Being a lifelong produce / supermarket professional with more than 40 years of dealings in all aspects of retail, wholesale and organic business has made Wayne uniquely qualified to continually move the produce division in a forward progressive direction.

When asked about his career, Wayne will tell you about starting at the bottom as a part timer and then proceeding to work his way through very dynamic educational organizations with talented mentors that he feels are far and few between in today's produce industry. He expressed tremendous gratitude to be exposed to such industry greats while growing up.

His first career move 25 years ago was into the retail Health Food/Organic produce sector where he fell in love with the principles of organic farming and natural foods he states this experience was life changing, to be surrounded by people (co-workers/customers/vendors) who all believe in the same way of life made work incredibly rewarding, he then expanded these values by moving into

the wholesale end of the business where he helped build organic sales in independent operators supermarkets along with F.O.B. (freight on board) buying and other duties in the wholesale business

At Key Food, Wayne likes to say, "I am Director of Produce but no one works for me - being a co-op I work for the owners."That mindset has helped Wayne excel at his position where he proposes all ads, creates and manages deals along with being the liaison between the stores, distributors and all issues produce. Wayne says no two days are the same in Produce and things don't always go as planned but "GWWP (God Willing Weather Permitting), it just might." He says it's all about reacting to the issues, not complaining about them.

Wayne is also involved with the now famous bi-annual food show where he keeps all in suspense as to what entertainment he has booked for the current event. Wayne proudly states the food show is the most talked about event in the industry and he loves pushing it to the edge, adding that any vendors not participating are really missing a unique opportunity as this is a very successful selling show.

When asked what makes Key Food different, Wayne explains how he has created options for his owners: "Our stores cross all avenues in the Tri-State area, from big to small and high to low income neighborhoods. The needs of these stores are vastly different but Key Food's diverse network of produce suppliers can fill all needs from gourmet produce to Hunts Point Market buys along with programs such as the Premium, Ecuadorian, Conventional, and Organic bananas at the lowest costs. No other company supports the independent operator with such varied options and provides its owners the ability to maximize sales and profits, no matter what location or format is used."

Lastly, Wayne states he loves nothing more than selling new ideas and concepts to the membership. Being the first to market with a new idea is always on top of his priority list and he encourages all his vendors and contacts to propose new concepts.

Wayne likes to end every day with this statement as part of his daily motivation and would like to leave it for you also: "What did you make happen today?"

| KEY FOOD Special Section | May 2017 | Food Trade News



Salute Key Food on your 80th anniversary!





























#### Bill Leo Uses 'Outside Approach' To Make Things Work For Key Food And Its Vendors



**Bill Leo** *Director of Meat and Seafood* 

Bill Leo, Key Food's Director of Meat and Seafood, has been with the company for eight years. He began his career as a meat cutter and spent 28 years in total on the retail side, eventually becoming a meat manager and a meat specialist before moving over to Key Food Corporate in his current post.

Bill's primary responsibilities include writing the meat ads, procuring the products to be featured in promotions, meeting with vendors and brokers, and maintaining standardized PLU scale data for the co-op's 238 retail stores. The maintenance of the PLU scale data is an especially important function that Bill oversees. "We need to maintain the retails of more than 3,000 items and create files to deliver to the stores each week to update the new features. So, every Thursday, around midnight, we send two files to every store. One with the new PLU data for the coming week's sale items, and another changing the previous week's sales prices back to the regular pricing data." Those files are created by zone, of which Key Food has several, so they are customized to each store's pricing plan. Bill stresses the importance of this service that Key provides, "By us managing these scale files, we can ensure the correct prices are loaded on every scale that is currently utilizing standardized PLU's throughout the coop," Bill explained. "This helps our retailers in a couple of ways. First, they know they are always charging the correct price for everything they weigh, and second they are not wasting a lot of time manually changing their scale data every week with new sale prices. It is a very tedious process, quite laborious, and a retailer could waste several hours each week, not to mention to mistakes that could be made, costing them lost revenue." This type of service for the retailers is very important as they do business in one of the most competitive retail markets in the country, Metro New York. A very specific example of the value Key brings to its retailers that Bill described was when New York raised its minimum wage from \$9 to \$11 per hour, a 22 percent increase. The team at Kev was tasked with making sure two things didn't happen as a result. First, make sure stores' retails didn't need to be raised and, second, make sure that service levels did not need to be cut. "So, we worked very hard to pass along to our members all the tools they needed to help alleviate the increased labor costs at store level that were caused by the higher minimum wage."

Bill explains that one of the ways Key is able to keep costs as low as possible is through negotiating extremely good contracts with their outside suppliers. "We probably have some of the lowest upcharge rates with our supply partners than any of our competitors," Bill said. "We are very strong negotiators, and because of our size, we can procure items at a much lower cost than our competitors."

When asked what he wants to see from the vendor partners that call

on him, Bill stressed that innovation is key. "Bring me programs that will be the most successful to allow me to get the most return for the retailers," he stressed.

With the shift in focus over the past three to five years on more all natural, antibiotic-free, organic and grass fed items in the meat category, Bill is looking for innovation in those areas in particular. "I've seen more change in those areas in the past three years than in the 10 years prior. Take fresh poultry, for example. Check the meat cases at any local store and you'll find that at least 60 to 75 percent of all of their fresh poultry is all natural, antibiotic-free and/ or organic. And, that trend is coming now to beef and pork. This will be the go-to-market strategy for the future, as the influence of Millennials continues to increase."

Bill says that his expectations for the vendor and broker community are pretty basic. "I'd like the companies that call on us to keep in mind how we do business with them. We procure product, we advertise it and we sell it. We need them to get us the right products at the right time and at the best cost to make that happen. Then, we all win." Bill's past retail experience as a master butcher is called upon when designing a program for a new product line. "I call it my outside in approach. I design the program to work at store level first and foremost, and then find ways to make it work for Key Food, the broker, and the vendor."

**KEY FOOD Special Section**May 2017 | Food Trade News

## Campbell wants to congratulate Key Food on its 80th anniversary!





Thank you, Key Food, for your commitment to provide your loyal guests with only the best.





#### Thomas Michelotti: Key Diligently Monitors Pricing, Product Assortment In Competitive Metro NY



Thomas Michelotti
Director of Analytics and Planning

Thomas Michelotti is currently Key Food's Director of Analytics and Planning. A nearly eight-year veteran of the company, he previously held posts as Director of Advertising and Marketing and Director of DSD.

Prior to joining Key Food, he spent four years as a Director of Client Solutions at IRI, and two years as Marketing Research Manager at Catalina Marketing. He started his career in television with Katz Media, where he spent six years as a Research Manager. He holds both a Bachelor's and a Master's degree from Brooklyn College CUNY,

Describing his current duties at Key Food, Thomas said, "As Director of Analytics, I oversee the creation and presentation of CPG manufacturer business reviews, as well as store-level analytics. From an internal standpoint, I ensure that our Senior Management and Merchandising teams receive sales and gross profit analyses on an adhoc, weekly, monthly, quarterly

and year-to-date basis. Additionally, I provide analysis and insights into various market conditions, including demographics, life-stage, lifestyle, and commodity pricing trends. I also assist our Merchandisers in category management and SKU rationalization, utilizing both internal sales data and external resources to help increase store revenue. From a planning perspective, I oversee the annual category planning process, which involves evaluating manufacturers' performance, setting growth rate objectives, planning out promotional depth and frequency, and filling distribution gaps."

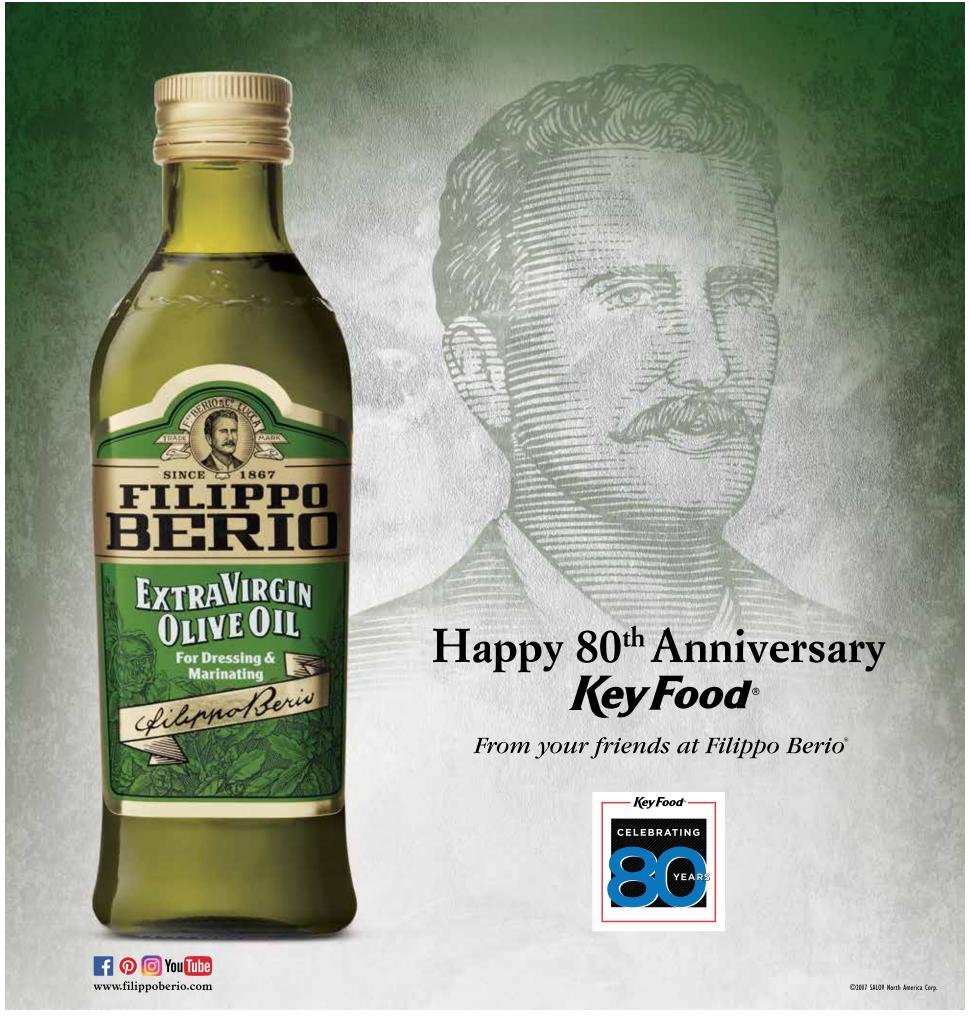
From his perch overseeing analytics and planning for the co-operative, Michelotti is well positioned to see the benefits that Key Food offers to its owner-members to help ensure their success. "Key Food caters to a very diverse population in Metro New York, so understanding the buying habits of varying consumer groups is essential. We help our stores identify the products that are relevant to

their specific consumers in order to create a shopping experience that national chains would be hard-pressed to replicate."

He added: "Pricing and selection are two of the main drivers of customer traffic. With that in mind, we diligently monitor every-day pricing and product assortment on a store-by-store basis to help our stores thrive in a highly competitive marketplace."

Thomas didn't hesitate when we asked him what he would like to see from the vendors that call on Key Food: "Come prepared. We expect our vendors to provide business solutions, not mere capabilities. Keep us informed about what new product innovations are coming down the pike that we can take advantage of. And, lastly, know your customer. No market in the U.S. has the size and diversity of Metro New York. Vendors must understand the complexity of the Metro New York consumer and possess the flexibility to cater to that customer base."

**KEY FOOD Special Section**May 2017 | Food Trade News





#### Abe Politan: It's All About Our Members' Success



**Abe Politan**Scale Management Manager

Abe Politan, Key Food's Scale Management Manager, has been with the company for 40 of their 80 years and over that time has held many roles and positions with the company. This has made him somewhat of a "go-to guy" at the office as he has arguably the most overall Key Food headquarters operations knowledge. To this day he credits being weaned on the ideal that "we are a service organization" and that "we are here to ensure that our member stores succeed" to his longevity and success with the company.

He began his career in Key's inhouse print shop where store signage was produced and newspaper ad layouts were created. After various promotions within the department he was asked to join the Advertising Department where he worked with store owners and operators customizing their weekly print circulars. He then assumed the position of Assistant Director of Advertising where he attended departmental ad committee meetings and he learned about the "supermarket business." He was responsible for circular and newspaper ad layout creation as well as coordinating circular distribution across the co-op.

The company underwent a major change in leadership which has led to a period of growth in both sales and store count, with no end in sight. He was given a new role and new responsibilities. This included building an administrative pool to support the merchandisers, reclamation and the mail room. One of his other duties was heading the Coupon Department, which was responsible for in-ad coupon creation and processing. In this role, he worked with the IT Department and automated cou-

pon processes, both the creation as well as redemption. In his next roles he became the DSD Specialty Buyer and responsible for store supplies.

As Key Food continues to grow in store count, the team remains focused on store services. It is an exciting time for Abe as today he is part of the Scale Management Team that is charged with converting the stores' perishable departments to Key Food standardized PLU's. This will enable the members to measure, track and analyze their perishable sales.

Abe summed it up this way: "Key Food's strength is in their diversity; our owners are as diverse as the demographics that make up our trading areas. We encourage our members to operate as independent retailers and we are there to provide them with the tools and services for them to succeed."

**KEY FOOD Special Section**May 2017 | Food Trade News

#### **Congratulations to the Independent Retailers of Key Food!**











## on your 80th Anniversary!







**Proudly Represented by** 







44

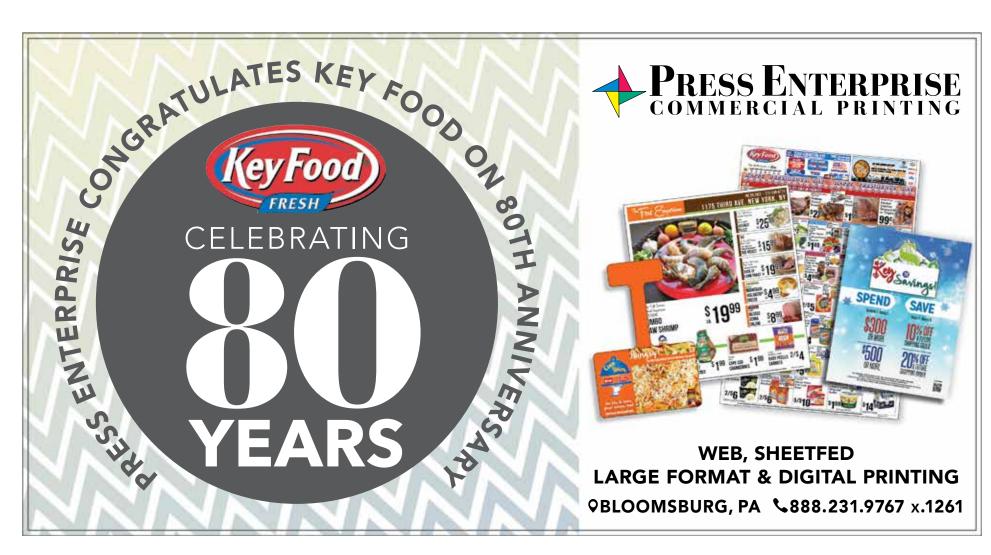
Exciting. Inspiring. Fun. These words are not commonly used when describing a mature industry such as the food-retail business, but they certainly apply to Key Food and its management team.

Dean and George have brought a whole new level of energy and enthusiasm to the company – the results of which can be seen in Key Food's impressive growth and overall performance metrics. The entire Key Food staff is a pleasure to work with. Our employees especially enjoy collaborating with the Advertising and Marketing Departments.

In short, Key Food is a well-run organization with a very bright future. We are grateful it has selected us as its print circular provider, and we look forward to our continuing partnership."

Paul Eyerly
President
Press Enterprise





| KEY FOOD Special Section | May 2017 | Food Trade News



# Dole Fresh Vegetables proudly supports Key Foods and wishes them another 80 years

of growth and success!



www.dole.com

©2017 Dole Fresh Vegetables, Inc. TM & ® Trademarks of Dole Food Company, Inc.





IRI was thrilled to join forces with Key Food Stores to become its first-ever market insights provider.

As one of the fastest growing grocery retailers in the Northeast, Key Food needs those all-important insights on urban shoppers in New York City's five boroughs. We're helping them better understand the very diverse consumers who live throughout New York, so that they can meet the specific needs and expectations of urban shoppers, who make small-

er, more frequent shopping trips than suburban shoppers.

We are proud to be associated with Key Food Stores and look forward to celebrating many years of success."

Piyush Chaudhari
President of the Americas







| KEY FOOD Special Section | May 2017 | Food Trade News

## **Congratulations to the Independent Retailers of Key Food!**











## on your 80th Anniversary!

## WhiteWave



























**Proudly Represented by** 

ACOSTA SALES & MARKETING



## Paul Sfraga: Key Food Enjoys Success In Nation's Most Competitive Market



Paul Sfraga Director of Grocery

Paul Sfraga, Key Food's Director of Grocery, has been with the company for 26 years. He joined Key Food in 1991 as a Grocery Buyer and served in that position until 2005, when he moved into his current post. Paul's entire career has been in the food industry and, like many others, he started in the stores. In 1971, he was a stock boy for King Kullen and later became an Assistant Store Manager. In 1986 he became the Private Label Buyer at Waldbaum's, before joining the Key Food team.

In his current positon, Paul coordinates, directs and monitors all aspects of the grocery department and has responsibility for sales, merchandising and income. He and his team work together to develop and manage the overall grocery budget, merchandising, fiscal vendor reviews handle the day to day needs and issues of the stores. They also focus on developing and strengthening the many Key Food programs, including the trip program, the golf outing, collaborative marketing and the retailer's charitable programs.

For Paul and his team, the stores are their number one priority. "They are the holy grail for us," he stresses. "Our members own stores in one of the most competitive markets in the country."

Paul explains that Key Food's is diverse in both the size of the stores and the ethnicity of their custom-

the five Burroughs, Long Island, New Jersey, Pennsylvania and Connecticut and our stores are located in wildly diverse demographics," he said. "So, we have to continue to offer our stores the traditional grocery items, but we also need to offer them, natural, organic and convenience items, in order to continue to meet all of the needs for the customers shopping in all of our stores."

Paul notes that Key Food is very focused on getting the right mix of products to all of its retailers, but they are equally focused on doing so at the very best competitive price possible. Additionally, they developed a direct shipment programs that goes directly to the stores, when possible, meaning even more savings.

Another opportunity for Key Food owners to get the best costs possible comes in the form of the two food shows the company holds each year. "We negotiate with the vendors to offer even better cost for quantity costs," he said. "That allows the retailers to meet faceto-face with the vendors, get better costs and learn about new products and innovations."

We asked Paul what he is looking for when a vendors and brokers call on him and his team. He didn't hesitate to answer: "We are always looking for true innovations and programs from them, not

ers. "We have stores throughout just additional line items, as well as market trends. Grocery center store is losing more and more space to the perishable departments and competition is all over". "We need the vendors to partner with us to continue to grow our business together. Through our many business reviews we have shown that we are now a force to be reckoned with and we want them to spend as much of their trade and marketing dollars here with Key Food.

> He is also bullish on Key Food's future, especially with CEO Dean Janeway at the helm. "When I started with Key, we had about 157 stores, and that went down to about 105 stores. Then, Dean came in and I'll never forget what he said - 'We'll never go below 100 stores on my watch.' Then, he brought in COO George Knobloch and VP of Business Development John Durante, and now we have 238 stores. I credit them and all of the departments here for the hard work they've put in, which has made us successful."

> This past year has been an especially busy one on the store-front as Key Food has added two corporate stores where they can test and stage resets and other ideas, as well as acquiring 34 stores from A&P."It was a very quick transition once the stores were acquired," Paul said, "but very rewarding and success-

**KEY FOOD Special Section** May 2017 | Food Trade News

## The Clorox Family Salutes Key Food on Your 80th Anniversary!

































## George Zadrima Is Key Food's 'Corporate Store Guy'



**George Zadrima** *Director of Corporate Stores* 

George Zadrima joined Key Food in May of 2016 as the Director of Corporate Stores. George brought with him nearly three decades of retail experience in the supermarket and wholesale food industries, beginning his career as a shopping cart retriever and working his way up to his current position.

Most of George's 27 years were spent in store operations, plus three years in the technology support field, two years in human resources and another seven years in merchandising. Just prior joining to Key Food, he was a Store Director at ShopRite Supermarket where he drove associate and customer engagement, prepared weekly sales and payroll budgets. George was responsible for maintaining proper inventories, reviewing sales plans and executing merchandising planograms.

At Key Food George is the "Corporate Store Guy." He is responsible for creating sales budgets, ads and merchandising plans for the two corporate stores in order to achieve positive sales growth and profits. He also oversees people development for the two corporate stores. George says his motto has always been, "Build your team and you will be successful."

Back in November 2015, Key Food Co-Operative purchased what are today its two corporate stores during the A&P bankruptcy, with a plan to start the corporate store division. George believes he came to Key Food at the right time of his career and he feels this is the beginning of something big. "We are taking these stores from the ground floor and beginning to build them up into something special. As the two stores continue to grow, the future looks very bright for the corporate store division. This started last year with the remodel of the store in Jackson Heights, NY and continues with the remodel of the store on Francis Lewis Boulevard in Bayside NY."

One of George's goals with the remodels is to create a pleasurable customer experience for Food Universe's customers. "We are not only here to provide fresh product, clean store and friendly and knowledgeable associates. We are here to create a positive lasting impression through community outreach programs, samplings and in store road shows; such as seafood road shows during the holidays, chocolate dipped strawberry events, and many more events which create a great customer experience," George said. George has also created and maintained what proves to be a valuable relationship with the vendor community ensuring that the stores have a diverse variety of products to fit the needs of each stores unique customer base. George explains, "Knowing the community you do business in and what types of products your customers are looking for is the most important piece to building a relationship in the community."

Another of George's goals is to provide the best variety of product which fulfills the needs of all ethnicities in the corporate stores. "You can't become complacent and think you serve the needs of all your customers because, once that happens, someone else will begin to fill those needs," he stressed. That is why Key's corporate stores have become a destination for all types of ethnic products, from Halal foods, Greek, Filipino, Italian and all types of Spanish foods to name a few. The numbers have shown this to be a very successful strategy. Yearto-date, corporate stores have seen sales, item counts and transactions."

George would like to thank the vendor community and ask them all for their continued support in growing the corporate store division: "Continue to partner with us on samplings, talk to us about what is new in the market place and what is coming to the market place in the future and continue to assist us with driving sales by bringing us your bests deals so we can pass on the saving to our customers. Together we will be successful and grow the corporate store division."

**KEY FOOD Special Section**May 2017 | Food Trade News





We applaud your outstanding work serving our communities!





## Pinnacle Reinvigorating Iconic Brands



Happy 80th Anniversary to the Independent Retailers of









Porky Products and Key Food have been doing business for over 40 years. It has been a special privilege to partner with them in recent years and to be part of their impressive growth. With their unwavering commitment to service, quality and consistency it is not a surprise the Key Food has experienced unprecedented success.

Key Food has an incredibly diverse group of owners who have created a melting pot of great ideas, promoting strength in unity and creating a unique force in the independent retail space.

I am proud to have such strong ties with this dynamic group of industry and community leaders."

Jon Ewig President Porky Products





| KEY FOOD Special Section May 2017 | Food Trade News



## **Congratulations to the Independent Retailers** of Key Food on your 80th Anniversary!







The ConAgra family of brands is proud to congratulate the Independent Retailers of Key Food on your 80th anniversary!





























## Key Food Stores' Online Shopping And Co-Marketing Programs Show Success

Michele Gissi, Integrated Marketing & PR Manager, updated us on Key Food's online marketing and co-marketing programs. She told us that, in today's rapidly changing world, Key Food constantly looks to expand and improve its online programs to benefit the coop's members and their customers. Key Food's website and mobile app both feature shopping list, store locator, and interactive circular options. If subscribed, customers can get their preferred store's circular emailed to them each week to make shopping and planning easier. Key also offers recipe-of-the-day emails and creates vendor-specific emails as well. These emails can feature new items, contests, and fun content put together with their vendor partners.

Digital has been a big focus for the last four years or so at Key Food. Each year additions and improvements are made based on member and customer feedback and industry trends. In 2015 the website was re-designed to be more user-friendly and an app was developed. Both contain each store's circulars with more than 90 customized versions as well as a recipe center with over 10,000 recipes. Gissi and her team handle the digital initiatives.

Again, aware of the need for convenience, another service Key Food provides is online shopping with the help of its partner, Instacart. Currently,

18 stores are live on the platform with about 60 in the pipeline to roll out this year. These stores span the New York and New Jersey markets and each of the co-op's banners. To date, Gissi explains that Key has done more than \$1.2 million in sales and successfully fulfilled more than 20,000 orders. Even though ordering groceries online is not a brand new concept, there is still a slower adoption rate as opposed to ordering other goods, for example, electronics online. The idea here is do it right the first time and exceed expectations, and that is working for Key's stores. Says Gissi, "I am proud to say that over 80 percent of the orders we receive are repeat customers."

One of Key's most successful stores represents a very healthy portion of its online shopping business. "The way we see it, online shopping is the way of the future! We are very happy with Instacart. We've seen sales increase tremendously and look forward to even more. Our customers are very, very satisfied with this added service and we are very satisfied as well," says Key Food store owner Jose Diaz Jr.

Key Food has been partners with Instacart since 2014 and the beauty of that, says Gissi, is that the companies have learned and grown together. After gathering feedback from Kev's membership and an aggressive RFP process, they have decided to continue this partnership and create something unique for the stores. In the next few months, Key will launch a new platform and create white-label sites for each major banner. This is something the membership had been asking for and the team at the co-op is excited to see this come to life. Instacart's flexibility in working with Key at the co-op level has allowed them to create and provide different

service-models to give options for each store in terms of labor, cost, and infrastructure. There is no downside or risk to giving the platform a try. It is what the stores make of it and the ones that are up are seeing incredibly success. This volume has only come from being on the Instacart marketplace – Key Food has not promoted it through any of its channels yet until the kinks are worked out – once that happens they believe the lift will be explosive.

Gissi said, "As we create our roadmap and rollout plan for these next 60 stores, my team and I are always available to answer any questions and offer assistance, including doing store visits to set up staging areas. Again, it is so important to get this right the first time - the customer experience needs to be perfect. The second they walk through your doors to pick up an online order, we want to make it fast and easy so they can get on with their day. We are always a phone call away to discuss these programs with our members and hold several formal informational and training sessions throughout the year. For those doing models that require the store's active participation we hold quarterly in-person training sessions but also provide remote training via phone calls, videos, a training manual, demo mode within the app, and place test orders before going live. We are available to troubleshoot as well as the Instacart Customer Happiness and Tech teams."

With the growing industry trends, Key understands their customers' changing needs and the importance of convenience and therefore are continually looking to improve in this area. They see their online shopping trends

range of products with delivery in as little as an hour."

Andrew Nodes, VP, Retail
Accounts of Instacart

Partnering with the best retailers across the nation is the key ingredient

to the success of Instacart. **Key Food** is a beloved brand, and we are

proud of this successful partnership that allows us to bring customers a



instacart

See ONLINE MARKETING on page 102

## **Acosta Sales & Marketing & These Fine Brands** Salute Key Food on Your 80th Anniversary!









**Proudly Represented by** 

Frito-Lay Inc. would like to congratulate Key Food in serving the New York grocery market for 80 years. Innovating the future of grocery together.

TOSTITOS

Smartfood





### **Key Food Launches Urban Meadow Store Brand**

Key Food's branding initiative is always moving forward, as is managing their family of banners. The team at Key realized a critical step improving the management of their banners is the creation of a non-banner specific store brand. The evolution of Key's store brand products has always been important and they constantly strive to upgrade the quality and packaging to create items that satisfy the two V's – *visual* – great to look at – *value* – quality and low price.

In developing the new Urban Meadow brand, Key Food conducted a series of focus groups to find out what customers need and want from this segment. The results were abundantly clear that while shoppers want to purchase a store brand to save money, they also want to feel good and confident about what they have in their pantry or serve to family and friends. This led Key down the path of a non-banner specific brand, but they wanted consumer perception for a name and concept. Fresh, natural, clean, pure, trendy, and unique are

all words that customers used to describe brands or products they love and thus "Urban Meadow" was born.

Designs and branding assets were created and a test was launched in a few categories. The product and value is the same top quality that consumers have grown to expect in Key Food's stores, but the name will change. Giv-

en the results, new items will now be created under the Urban Meadow label and existing items will be converted. Some packaging will be redesigned to fit this brand image as Key tries to fill the niche of quality products from a brand that people come to know and love – products that people are proud to have in their cupboards or on their table.

As new products roll out Key Food will incentivize consumers to try them with hot sales, in-store demos, and co-marketing programs. New item launches and information will be featured on www.urbanmeadow.com.

As anything, this transition remains a huge collaborative effort from the teams at Key Food and work is shared among Marketing, Advertising, Merchandising, Analytics, IT, and In-Store Execution departments to ensure the roll out plan progresses.

Michele Gissi, Integrated Marketing & PR Manager for Key Food, explains: "At the end of the day, we are doing everything we can to better service our members and allow them to better service their customers. For our membership, this change opens up any merchandising concerns previously felt with the 'Key Food' brand of items being sold in non-Key Food stores and for our customers, this gives them a great choice for quality items at a low cost and a new favorite brand to try."





**KEY FOOD Special Section**May 2017 | Food Trade News







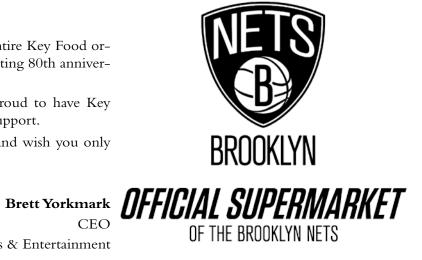


Congratulations Dean, George, Michele, the entire Key Food organization and family on your impressive and exciting 80th anniversary.

Brooklyn Sports & Entertainment (BSE) is proud to have Key Food as a partner and we thank you for all your support.

We look forward to many successes together and wish you only the best.

Happy Anniversary!"



CEO

Brooklyn Sports & Entertainment

## THE BROOKLYN NETS CONGRATULATE

## Key Food®

ON ITS 80<sup>TH</sup> ANNIVERSARY



May 2017 | Food Trade News





Congratulations on celebrating your 80 year anniversary.
Wishing you many more years of success.



## Community Outreach

## **Brooklyn Nets**

In an effort to leverage its partnership as the Official Supermarket of the NBA's Brooklyn Nets to help Key Food's local communities, they have executed several outreach initiatives. Over the past few seasons, Key Food has surprised shoppers by having Nets players visit some of the stores to help customers with their grocery shopping and give out Key Food gift cards, serving Thanksgiving meals to veterans and those in need, and carrying out the company's first Charity Stripe initiative, donating food and household products for every free throw scored by the Brooklyn Nets at home throughout the 2016–17 season.





Above: Brooklyn Nets players serve members of the military at Fort Hamilton Army Base in Brooklyn an early Thanksgiving

Left: Brooklyn Nets player Brook Lopez chats with members of the military at Fort Hamilton Army Base in Brooklyn over an early Thanksgiving meal.



#### 2017 Booker's **Breakfast Assist**

Brooklyn Nets player Trevor Booker hosted Booker's Breakfast Assist at the Key Food store on Fulton Street in Brooklyn. In addition to purchasing and donating a shopping cart full of cereal to kids in need, he also got other shoppers in on the fun by taking pictures with anyone who purchased and donated boxes of cereal.

#### **Random Acts of Kindness**

Above: Former Brooklyn Nets player Mason Plumlee helped customers shop and handed out gift cards.

Inset: Former Brooklyn Nets player Shaun Livingston helped customers shop, handed out gift cards, and picked up the bill on some or-



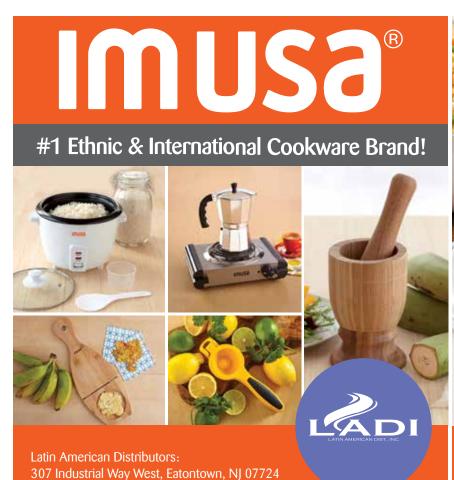


#### **2017 Charity Stripe Initiative**

Left: After helping Key Food donate more than 8,000 pounds of food to St. John's Bread & Life, Brooklyn Nets player Justin Hamilton helped bag groceries in the food pantry.

Above: In addition to the 8,000 pounds of food and household products donated to St. John's Bread & Lift, The Kraft Heinz Company donated \$1,000 to the program. At the check presentation was (I-r): St. John's Bread & Life Executive Director Tony Butler, Michael Perrone from Kraft Heinz, Key Food Integrated Marketing & PR Manager Michele Gissi, and Brooklyn Nets Player Justin Hamilton.

May 2017 | Food Trade News





Rey Foods 80th Anniversary!
Together we celebrate Family, Tradition & a Taste of Home.



## **Congratulations on your 80<sup>th</sup> Anniversary!**



tony@latinamericandist.com















123 Tice Boulevard, Woodcliff Lake, NJ • 201.316.8862 www.advantagesolutions.net

## Community Outreach

## Susan G. Komen Race For The Cure

For more than 30 years, Key Food has proudly sponsored the Susan G. Komen Race for the Cure. In addition to making a \$30,000 donation each year, Key Food raises money by selling ribbons in their stores, and has volunteers set up a booth in New York City's Central Park for sampling, games, giveaways, and more for all race attendees on race day.







I KEY FOOD Special Section May 2017 | Food Trade News

CELEBRATING

## Congratulations to Key Food











On Your 80th Anniversary!



Metro NY • New England • Mid-Atlantic • Pittsburgh • Upstate NY

75 W. Century Road Paramus, NJ 07652 • 201-845-8200

The Nestle Family of Brands

Salutes Key Food
as you celebrate 80 Years!









## Community Outreach

## The Learning Garden

Through a partnership with Dole and the Captain Planet Foundation, Key Food created the Learning Garden Grant in 2014. Each year, schools from the five boroughs of New York City can enter to win a Learning Garden for their school, complete with lesson plans and materials for maintaining the gardens. As a result of growing participation each year, the number of winners have increased from one overall to one from each borough.



**DOLE PACKAGED FOODS** 



At the 2016 Learning Garden unveiling for PS 354 The STEM Institute of Queens: (back row I-r) Marty Ordman and Bob Eidenshink, Dole Packaged Foods; Ellen Darensbourg, STEM Coordinator; Shanelle Cummings, Sheltering Arms After School Program Director; Michele Gissi, Key Food Integrated Marketing & PR Manager; Leesa Carter, Captain Planet Foundation Executive Director; Raevan Askew, PS 354 STEM Institute of Queens Principal; Alberitta Rodriquez, Sheltering Arms After School Program; Christine Rinaldi, STEM teacher; (front row I-r) students Teona Matthews, Kylie Spence, Kayla Spence, Chanay Perry, Derek Valez, and Jelani West.



| KEY FOOD Special Section May 2017 | Food Trade News











Congratulations on entering your 80th year Anniversary for the KEY FOOD CO-OP!

Your Teams hard work, unwavering commitment, and loyal dedication has resulted in tremendous growth to the Keyfood family.

Your direction has given the Metropolitan New York Marketplace some much needed stability.

Your continuous desire to upgrade services and programs has made for very satisfied co-operators.

Thank you for your continued growth!"

Richard Romanoff
President
Omni Food Sales and Nebraskaland







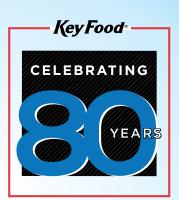
| KEY FOOD Special Section | May 2017 | Food Trade News















## KEY FOOD HAS BEEN PROUDLY SERVING COMMUNITIES AND NEIGHBORHOODS FOR 80 YEARS. HERE ARE A FEW OF OUR **Key** MILESTONES:

1937



Key Food Stores Co-operative, Inc. was formed in Brooklyn on April 20th by a few grocery store owners who came together to use their combined size and strength to provide their customers the products they wanted at the low prices they needed.

2002

Key Food keeps expanding! To better support their growing membership, their headquarters crossed the Verrazano to call Staten Island home.



1937 75 YEARS 2012

2012

Key Food begins to develop a singular brand image while empowering individual owners to maintain their unique community identities their loyal customers recognize for the past 75 years.











2014

Key Food brand equity enters a new era as it opens more locations than ever and introduces the new Food Universe banner. Grass-roots marketing is implemented and customer interaction increased. Key Food proudly becomes The Official Supermarket of the Brooklyn Nets.





OFFICIAL SUPERMARKET



2015

Key Food moves toward a fresh and engaging brand image for all banners, evident in all assets from a new website to social media. Mission, vision, and pledge are introduced to let customers know what Key Food stands for. Historic growth is reached. Successfully acquired 24 stores as a result of the A&P bankruptcy. Additionally, The Food Emporium & SuperFresh banners are welcomed into the Key Food family and the Co-Op began operating it's first-ever corporate stores under the Food Universe banner.

2016

Urban Meadow is born! This new store brand was created in response to extensive feedback from our members and customers. The first products were rolled out as part of a test and introduced into the market.

FROM THE MEADOWS TO YOUR URBAN LIFESTYLE.





The Co-Op has seen record growth in both store count, net sales, and retail sales. Key Food has received national recognition and continues to be the share leader in the 5 boroughs. Online sales have reached over \$1.5M and further expansion is set for later this year. Connecting with customers where they live, work, and play continues to be a main focus and charitable contributions reach an all-time high through various initiatives. The Difference is Key.















Congratulations to Key Food on this milestone achievement. Celebrating 80 years serving the Greater New York community is an incredible accomplishment.

Working with Key Food, we have observed an evolution in the supermarket industry. Key Food is at the forefront, leading the way with significant growth and a truly unique value proposition. Their dynamic management team, led by Dean Janeway and George Knobloch, has elevated the co-operative to unprecedented growth and operating performance levels. This success is directly connected to their tireless efforts, proactive leadership and cutting edge industry expertise.

Key Food has successfully remained the "neighborhood grocer of choice," while con-

tinuing to provide the highest quality products and services to the communities they serve. We are honored to be a business partner for the past ten years and take pride in working with Key Food in its continued pursuit of growth, expansion, quality and excellence."

> Mike Cirenza CPA, CGMA, Partner Anchin Accountants & Advisors





Here's to a delicious anniversary from your friends at Hormel Foods.



| KEY FOOD Special Section May 2017 | Food Trade News

## Northeast Food Marketing and Our Valued Principals Congratulates Key Food on their 80th Anniversary





















#### Congratulates











A valued partner for continued growth.



















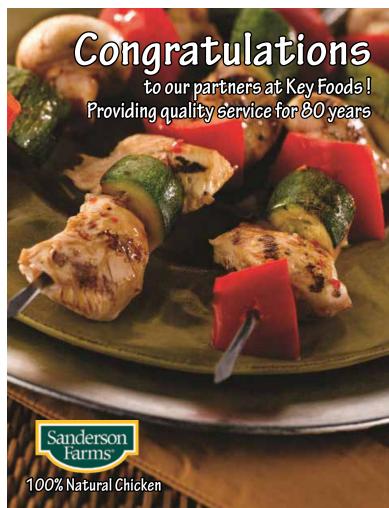








**KEY FOOD Special Section**May 2017 | Food Trade News



Fresh off the grill to your plate, our Grilled Chicken Kabobs will make a great addition to any summertime cookout.

#### Grilled Chicken Kabobs

#### Ingredients

- 1 package Sanderson Farms® Chicken Tenderloins\* cut tenderloins into chunks (1 to 2 inch chunks)
- 1 large red bell pepper, cut into pieces
- 12 fresh whole mushrooms
- 1 small zucchini, cut into pieces
- 11/2 cups Italian vinaigrette
- 12 10 inch wooden skewers

#### Preparation

- 1. Soak wooden skewers in water for 30 minutes. Drain water.
- Combine chicken chunks, red bell pepper, mushrooms, zucchini and Italian vinaigrette in a sealable plastic bag. Mix well and seal. Refrigerate for 30 minutes.
- Assemble skewers starting with chicken, red bell pepper, chicken, mushroom, chicken and ending with a zucchini piece.
- 4. Follow this process to make 12 chicken skewers.
- 5. Brush grill grate with oil.
- 6. Preheat grill for 10 minutes.
- Grill chicken kabobs for 10 to 15 minutes brushing once with marinade and turning occasionally. Chicken should reach a minimum internal temperature of 165°F.

Yield: 12 Servings

\*Can substitute tenderloins with our Sanderson Farms Boneless, Skinless Breast Fillets

Find recipes & more on our website - www.sandersonfarms.com. 🔢 🧑 🕡



## Congratulations to Key Food on serving the Northeast Food Trade for 80 prosperous years!

Gourmet Factory wishes Key Food continued success.



Capatriti. The honest olive oil



Proudly represented by JOH



Pureola: Pure Goodness



#### ONLINE MARKETING From page 82

as successful and look at this as an incremental revenue stream for the stores. It also allows them to provide another service for their customers and be more competitive. Some reports show grocers across the nation seeing an upwards of 5 percent of sales coming from online and in this diverse and busy marketplace we don't see why our stores can't reach that potential.

#### **Co-Marketing At Key Food**

On the co-marketing front, over the last few years, Key Food has really strived to carve out its point of difference in the communities where their members operate and connect with the customers. The reality is, people will travel a little extra for their favorite store and what makes it their favorite can be a variety of reasons which usually don't include price. Perishables, specialty assortment, customer service, and a human factor all play a significant role here. Key has focused a lot on that human factor with grass-roots marketing

initiatives and getting involved with local causes. This community outreach has been incredibly rewarding for Key Food and allows their customers to form

another connection to the stores and brands. Key has also significantly increased its collaborative marketing programs. Gissi tells us, "This is a no-brainer when it comes to vendors investing in our stores since it allows our dollars to go the distance but the ultimate benefit is that these programs allow us to be more than just a grocery store. We are able to change someone's life for the better whether it's helping put educational gardens in inner city schools or sending a family out for a night in the city. Our members love these programs because, in addition to beautiful POS, it gives them another point of difference and always results in increased sales from whichever vendor(s) are featured."

The co-marketing programs that Key Food offers grow and increase each year. They take a look back on each program after it runs to measure success and discuss ways to optimize and improve. With the given success of these programs, all of Key Food's partners opt to anniversary their programs and thus the need arises for them to create additional programs. Planning meetings and the Vendor Summit are platforms

that help educate vendors on available opportunities. Key also showcases their highlights in the lobby of their Staten Island office to get more vendors involved or address new initiatives (new item launches, etc.) with current partners. Some programs, like the award-winning "Shop & Score" that Key does each year with the Brooklyn Nets sell out instantly to participating vendors (which is capped at five), once that happens they look to create new ones. The perfect example of this is last year's "Making Buckets with Brook" program that Key Food did with SC Johnson for a spring cleaning initiative. Customers were entered into the contest each time they spent more than \$11 (Brook Lopez's number) on participating items. SCJ sales were up almost 12 person and qualifying purchases rose a whopping 76 percent. This means looking at the customers who purchased SCI products during the same time frame last year and typically spent \$8-9 now increased their purchase to qualify. The prize? Brook Lopez actually visited a customer's house with tons of gifts as a professional cleaning service got their home ready for spring.

While all of these programs have been successful, they have different metrics that determine success. Some programs just aim to create/drive brand awareness and that Key Food can measure in impressions, conversions, clicks, entries, etc., depending on the call to action. However, Gissi says, they realize that most funding only gets allocated based on how many cases the stores can move and directly tie to a program so, just from that standpoint, purchase-incentive programs would win. Whether they do a "buy, get" or "enter to win" where they track "entries" by purchases made through the registers with a loyalty card. Those results are outstanding.

Key will look at same store sales, purchases of participating items, purchases of other items in the category for comparison, and customer count.

What's fun and unique about these programs is that they are incredibly collaborative, explains Gissi. That is, if the vendors want it to be."We don't have a strict protocol of the way things need to happen which allows us to scale up or down depending on budgets. We utilize a combination of media - both ours and our partners - including POS materials, social, digital (website and display ads), social, radio, OOH, broadcast, and print. Some vendors approach us and outline their pain points, objectives, budget, etc and want to be in the brainstorming session to come up with something engaging and some literally just hand over X amount of dollars and trust my team to do it all. They don't want to hear about anything until the results! We are able and enjoy doing both ends of that because it allows us to problem solve (or as I prefer the term, solution-generate) creatively. Sometimes vendors bring us an existing program that is for the marketplace and we like to customize it so it's unique for our members."

While these programs are labeled "co-marketing" the whole process (from planning to execution and then optimizing) is really a team effort from each department at headquarters: Marketing, Advertising, Merchandisers, IT, Analytics, Finance, and In-Store Execution. Working together, Key then presents the co-marketing plans to their members (either at committees, the Food Show, or the shareholder meeting) and send out communication with POS. The owners often ask us for extra materials, engage with the website and/ or social posts, and have really shown enthusiasm for the program.

| KEY FOOD Special Section May 2017 | Food Trade News







#### JANEWAY/KNOBLOCH From page 12

ence. The board represents the diversity of the entire co-operative. Together they help establish Key Food's strategic direction and set aggressive goals for the leadership team. Throughout the year, the board provides guidance that enables the Key Food team to run the day-to-day business of the co-operative.

The Key Food Ownership: Janeway says of the owners in the Key Food Co-Operative: "They live and breathe in their stores and have a vested interest in the success of their stores, they watch every penny."The Key Food store owners are very ethnically diverse, which Janeway believes offers Key a competitive edge. "The co-op was originally founded in 1937 and was originally comprised of Jewish and Italian store owners. That mix has changed drastically over many generations. Today we are proud to have more than 120 owners, with Caucasians representing 12 percent of our ownership and the remaining 88 percent comprised of Asian, Hispanic and Middle Eastern owners."That kind of mix of backgrounds lends itself well to a diversity of thought, perspective and ideas that creates an incredibly powerful advantage and is something that truly separates Key Food from its competition.

**Key Food's Professional Services Affiliations:** Janeway said that Key Food feels fortunate to have surrounded themselves with some of the "smartest people I have ever worked with. Our lawyers, accountants, bankers and investment bankers are best-in-class."



Knobloch (I) and Janeway in the Key Food Stores Staten Island, NY offices.

Key Food's Value Proposition:

One of the main benefits of being a Key Food member is that the co-operative can leverage its size and scale to maximize its buying power with Key Food Stores. The 100 percent member owned and privately held firm is the most dominant in the five boroughs of New York City. That means that Key Food can provide its members maximum flexibility in purchasing from many suppliers to meet their customers' needs. This has enabled the co-op to offer the best overall financial proposition in the marketplace. It spans across all areas and departments, including: supply agreement, the co-op's egg and milk programs; banana pricing; credit card processing fees; and printing and distribution costs. Additionally, central billing enables vendors to afford better

pricing and discounts to Key's members because the co-op handles billing and collection, guaranteeing payment to the vendor more efficiently since they don't have to collect from each and every store separately. Another key component to Key's value proposition is the fact that the co-operative will lend its members money, which has become quite a competitive advantage as well as another source of income generation. It can often take too long for a member to secure financing in the typical banking arena. Because deals can happen quick, retailers need the reaction time for financing plan to happen just as quickly. That's where Key can give the retailer the flexibility when it comes to a project such as a new store, a remodel or an acquisition - or even a banner switch from another supplier.

The co-op can offer the bridge financing that might be needed with minimal risk since loans are highly collateralized and all interest earns gets rebated back to all members in the co-operative's patronage dividend. Other services the Key offers is members include, among others, advertising, marketing, analytics, IT, merchandising, buying and an in-store execution team. Janeway stresses that the services Key Food provides are focused solely on the member and helping them reduce costs, and are part of the Key Food value proposition. "We have been continually investing in services for the last nine years, and will continue to do so for the foreseeable future." This commitment has enabled the co-operative to be on the forefront of change and really differentiate them from their competitors. The last component of Key Food's value proposition is its rebate. The co-operative does not retain earnings, and all of the profit the co-op makes is rebated back to the membership in the form of a patronage dividend, which is in addition to what the members earn from the operation of their stores. Janeway explained: "The primary difference between Key Food and our competition is that we fight for every penny for our members. Many of the wholesalers in the marketplace are either individually owned or owned by private equity, which creates an inherent conflict. Their objective is completely different - it's to maximize their own profit not the profit of the independent operators that they service and supply. We have a unified membership that believes together we can achieve more, apart we achieve less."

.04 | KEY FOOD Special Section May 2017 | Food Trade News





## **Growing Together in New York**

## **CONGRATULATIONS ON 80 YEARS!**









www.sugardalefoods.com



#### Take a fresh look at our technology solutions for the food industry

Put our experience to work for you. We can show you how to track inventory more accurately, reduce waste and streamline your processes for greater productivity. From barcode scanning to food processing software integration, Supply Chain Services has a solution.



For more information, visit supplychainservices.com or call us at 866 205-4310.

The team behind your technology



# Congratulations to Key Food



**106** | **KEY FOOD Special Section** May 2017 | Food Trade News



## Here's to 80 more! From your friends at Best- Met Publishing



Best-Met Publishing Co., Inc. Publishers of Food World and Food Trade News

Jeffrey W. Metzger, President/Publisher

**Terri Maloney** 

VP/Editorial Director

**Maria Maggio** 

VP/GM-Food Trade News

**Kevin Gallagher** 

Vice President

**Karen Fernandez** 

Director of Marketing & Digital Strategist

**Beth Pripstein** 

Circulation Manager

**Richard J. Bestany** 

Chairman Emeritus



| KEY FOOD Special Section | May 2017 | Food Trade News