

Can Food Front survive New Seasons competition with proper planning?

By Janet Goetze
The Southwest Portland Post

Food Front has a new water heater, employees are gaining new work guidelines and owners of the cooperative grocery are getting monthly updates of the changes a national organization is bringing to the Hillsdale and Thurman Street stores.

Food Front’s board called in the National Co-op Grocers, an organization formed 15 years ago by cooperatives, to help the two stores survive the arrival of a New Seasons Market in Northwest Portland in late summer.

Rumors have circulated that the Hillsdale store would close, but C.E. Pugh, the chief operating officer of the national group, called those “a Portlandia myth.”

Instead, an assessment team is working with Food Front to strengthen the Hillsdale Town Center store to increase sales while the flagship store at 2375 NW Thurman Street prepares for a potential 20 percent sales drop later this year.

New Seasons Market’s new store will be at Northwest 21st Avenue and Raleigh Street, only a few blocks from the Food Front flagship.

The locally owned New Seasons is potentially stiff competition because it specializes in the local and organic foods that are the mainstays of cooperative groceries.

Competition also comes from national grocers that have captured about 40 percent of the local, organic market across the country in recent years, said Pugh.

Food Front can survive with careful planning, Pugh said. “Our plan is dependent on leveraging the financial contributions of that (Hillsdale) store,” said Pugh.

The national organization has sent an assessment team to Portland along with development advisor Peg Nolan,

who said she expects to work with Food Front through the New Seasons opening.

Nolan is working with Holly Jarvis, Food Front’s general manager, and other staff members to make lists of equipment to replace and items to help build sales.

They are drawing a new staff organizational chart for clear expectations and accountability, Nolan said. If staff members leave, they may not be immediately replaced but, she said, “We are making sure that our labor matches the need.”

Weekly sales programs are being developed to be “top-notch and attractive” for owners, Nolan said.

The staff is receiving a newsletter every other week in an effort to keep communication clear within the organization. Owners, as co-op members are called, receive a monthly e-mail newsletter.

Pugh said previous employment policies were “mushy” but improvements, along with better communication, should reduce employee turnover, which has been a drain on the Hillsdale store.

In addition, Nolan is working with Food Front managers to develop a tight, three-year budget to submit to the board before its fiscal year begins April 1, Pugh said.

Many co-op owners have said they weren’t aware of employee complaints until they read about them in local newspapers, which also speculated on the Hillsdale store’s survival.

“The people working there have always been pretty darn friendly,” said Michael Reunert.

Caroline Skinner, a co-op member since 1978, said she was surprised to read about dissatisfaction among staff members.

“This came out of left field,” she said. “I never heard any complaints.”

Mike Roach, co-owner of Paloma Clothing in the Hillsdale Town Center, said he has confidence that the national



In a publicity photo, a chocolate tasting takes place at Food Front in Hillsdale.

organization will help Food Front make needed improvements.

Roach, who also is president of the Hillsdale Business & Professional Association, said he supports the coop model because of the impact it can have on the local economy.

“Up to three times more of your money stays in the local economy when you shop at a food co-op that deals only locally,” he said.

One reason is because all the co-op’s business and support services are

acquired locally, he said.

In addition, Roach said, “Food Front is in a unique position of supporting small and emerging farms. . . A farmer of almost any size can supply a store like Food Front but not a New Seasons.”

With a large percentage of farmers reaching retirement age and beyond, Roach said, “Food Front is an incubator, in a way, for this next generation of small farmers that are going to feed us. I think that’s a pretty compelling reason to support it.”

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