



One of the semi trucks in the company's trucking fleet, wrapped in the 100 year anniversary advertisement.

Neil Fandel, Director/Supply Chain, Logistics and Dry Cleaning

One Remarkable Team

We take a team approach at Coborn's, Inc., and believe it takes remarkable people to make a remarkable organization. So much of what makes the company so successful are the dedicated employees who work behind the scenes. From our distribution center, centralized bake shoppe, trucking and logistics, I.T. department and customer relations call center, central pharmacy and more, these departments play a critical role in serving our guests and our stores. These behind-the-scenes employees are exemplary examples of "One Team" with a commitment and dedication to serve our customers 365 days a year.

Safety First, Service Always

Trucking and Warehouse Logistics: Covering vast areas in Minnesota, Wisconsin, North Dakota and South Dakota, the trucking and logistics departments at Coborn's, Inc. consists of 80 OTR drivers, 34 warehouse professionals and a maintenance team of five. Transportation operations consist of collecting product from wholesalers to couriating products from store to store, logging thousands of miles every week.

The company's distribution center was first established when Duke Coborn transported livestock to the Sauk Rapids store. Dan Coborn spent countless hours behind the wheel as did his son, Chris Coborn, who now serves as the company's chairman, president and CEO. The first long hauler outside of the Coborn family was Al Foss who began his career with the company in 1977.

Coborn's, Inc., has a diverse trucking workforce, including first, second and even third generation employees, and proudly recognizes four women on the team, statistically a higher ratio than other fleets. Coborn's, Inc., owns its fleet of 37 semi-tractors and 90 trailers. In 2020, drivers traveled over 3.8 million miles delivering products daily. The fleet operates 24/7 with the exception of major holidays.

“We operate a private fleet so we can set our own urgency and priorities,” said Neil Fandel, director/supply chain, logistics, and dry cleaning. “Keeping shelves stocked and customers happy is our priority. Our focus is to keep selling groceries.”

The company’s warehouse team has an equally important role in overseeing product at its distribution center in St. Cloud, MN. Semi-trucks are dispatched from this location where it serves as a central hub for many products. The distribution center also houses its own maintenance department with mechanic support. The team maintains the entire trucking fleet, services industrial-powered warehouse equipment and repairs store material handling equipment, such as forklifts and other equipment used primarily in store backrooms. The trucking fleet will transport faulty equipment to the distribution center for repairs.

Sustainability is imperative with a focus on meeting store needs while being cognizant to waste and protecting natural resources. Coborn’s, Inc. recycled over 16 million lbs. of cardboard and over 375,000 lbs. of plastics in 2020. Recycling and disposing of store electronics and other waste are facilitated at the distribution center.

“We have very hard-working individuals who work in our trucking fleet and at our distribution center,” said Fandel. “We have had one employee who has worked on our team for over 40 years with an exemplary work record. Stores can expect his arrival within a 10-minute time frame, even during inclement weather. When you have a team with this kind of experience, history and adaptability to the industry changes, you have a recipe for success!”

Every Flavor Has A Story

The Central Bake Shoppe: The company’s central bakery facility, called the “Bake Shoppe” has provided baked goods for all of the company’s retail locations since 1991. The bakery program was established in 1975 at the Sauk Rapids flagship store with an additional bakery added at the Little Falls location in 1977. The largest store bakery was added at the Waite Park Cash Wise in 1982. To meet the demands for product production, a centralized location was established in 1989 which improved quality, consistency and more efficient production of baked goods. Many employees from in-store bakeries have transferred to the central Bake Shoppe, many continuing a life-long career with the company, with one employee having now served for over 38 years.

The full line bakery provides 60% of products sold at retail locations. Experienced bakers

create assortments of buns, breads, cookies, donuts, specialty cakes and cupcakes and adapt to seasonal decorating. Delicious products are delivered fresh to 51 Coborn's, Cash Wise and Marketplace locations, most of them same day, across Minnesota, North and South Dakota and western Wisconsin.

The Bake Shoppe operates 24 hours a day, Monday through Friday with limited scheduling on weekends. Product volume has grown from \$50,000 per week in the 1990's to \$210,000 per week with 150 employees during peak operation today. In the ever-changing grocery industry, baked goods have evolved over time in the product lineup based on shoppers' desires.

Bake Shoppe operations work in tandem with the trucking and distribution team, filling orders for most locations. The bakery logistics team would be unable to supply guests with quality products daily without the support of trucking and distribution.

"We operate as a team in all areas," said John Stenger, plant manager, "The central bakery has a very diverse workforce. We do a truly amazing job of working together, every day to produce a quality product and complete jobs so that transportation can dispatch on time."

Specialized bakers are hard at work bringing customers the highest quality baked items. Endless amounts of sweet treats or savory artisan breads are made local and fresh, aiming to provide customers with the highest quality products.



Working together, the central bake shoppe team produces endless amounts of sweet treats and artisan breads to serve our stores and guests.

Laser Focus On Guest Service

The Call Center: Buying groceries has evolved since the first Coborn's store opened. Customer service is just one of the many progressive areas of growth at Coborn's, Inc.

In Chapter 10 of the initial printing of this book, "Behind the Store Shelves," you read about the company's investment in acquiring Twin Cities' based Simon Delivers in 2008, which was the starting point of the company's foray into digital e-commerce grocery shopping.

Fast forward to 2018, and, as customer demands for more immediate delivery increased and infrastructure investments in the New Hope facility made it far more challenging to be profitable, the company transitioned to expanding curbside pick-up in all grocery store locations, maintain home delivery service in a select few locations and made the decision to close the New Hope facility, selling its customer list to Cub Foods.

What didn't end with that closure, however, was the ongoing need to provide world-class service to our online customers who were now shopping online at all of our locations. And, the company also saw increasing customer engagement about the company's MORE Rewards program which launched in late 2016, so additional customer support for that initiative was also a critical need. As a result, the former Customer Relations team which serviced only the Twin Cities Coborn's Delivers operation, evolved into serving guests from locations at all 59 grocery store locations in the company.

The call center team still operates out of the New Hope location and supports both online and in-store guest experiences across our Coborn's, CashWise, Marketplace Foods, and Hornbacher's locations. Guest phone calls, primarily about e-commerce orders, as well as email responses to guests, social media monitoring and responses and online reviews are fielded by trained call center support specialists. The call center is the centralized hub for most customer outreach, assisting with online account activation, e-commerce orders, curbside and delivery order fulfillment, just to name a few. This call center operation is staffed every Monday through Friday from 8:00 a.m. to 8:00 p.m. and from 10:00 a.m. to 6:00 p.m. on weekends.

The call center is instrumental in supporting the company and our guests as more and more households adopt grocery shopping online as a way of life. The team's commitment to solving service-related questions, one guest at a time, is what makes them remarkable.

Keeping It All Running

Information Technology Department: Our grocery stores have come a long way. What started as a small general store stocked with produce has grown into a large supermarket, fuel, liquor and convenience operation and a highly-respected leader in the industry. Today, our locations are practically warehouses that require significant technology infrastructure to operate in the 21st century. Here's a look at how technology has evolved from that humble one-room store to the regional chain that operates today:

The last century has seen its share of innovation in supermarkets. In 1921, a mechanical cash register was the first form of technology that Coborn's had at that time. Over the last 100 years, our employees' work has evolved from hand-writing prices on product with grease pens, affixing stickers to scanning product barcodes to complex computer systems that help weigh, sort and price items, auto-order inventory and track customer purchases through a sophisticated cash register system that produces an efficient shopping experience for our guests. Coborn's was one of the first grocery stores to install bar-code

scanning in their checkout lanes back in 1977 at their Cash Wise, Willmar location.

Bob Warner, I.T. Support Specialist, has been with Coborn's, Inc. since 1966. He started bagging groceries and began his work in I.T. as a scanning coordinator at the Willmar location. In 1978, the Sauk Rapids store installed checkout scanners and Bob became the I.T. team at Coborn's, Inc.

"I worked between the two stores to coordinate the scanning of each and every product," said Bob. "It was a very laborious project."

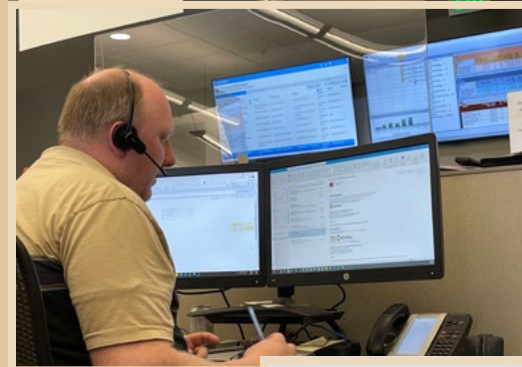
All stores would soon have this technology, but the big advancement came when Coborn's purchased their first IBM PC AT. Once Coborn's started deploying personal computers, receiving and item file management software for tracking product receipts, costs and retails made product management much more efficient. Before this PC, Coborn's was dependent on what suppliers recommended for pricing. With this new technology, managers had more control of pricing. In the mid-1980's, accounting wanted programming that would aid in their management on the company's financial reporting. Robb Wintheiser, a computer science graduate, was hired to write software, the first of which was an accounts receivable package called ProCharge. Robb traveled to all our stores at that time to install and train bookkeepers. He would eventually move into telecom and networking where centralized networks that served all retail locations were then deployed.

Information technology plays a critical role in how Coborn's, Inc., operates across a four-state region. The I.T. department has transformed from a one-employee operation to a department of 52 professionals that handle issues every day, from computer glitches to a sophisticated 24/7 Help Desk that assists store associates, distribution, call center and corporate employees through a multitude of technology issues at any given moment.

"Coborn's has grown immensely in size and technology since I started my career as a bagger at the old Sauk Rapids store in 1985," Senior IT Manager, Robb Wintheiser said. "I then transitioned to become the second I.T. employee in 1992. Back then PC's were few and far between and they were bulky, slow and expensive. Networks were non-existent here."

Today, between servers, PC's, POS systems and scales, Coborn's has thousands of computers. Additionally, there are numerous mission-critical core business application and redundant networks and datacenters that ensure operations stay running, function efficiently and allow us to be as competitive as possible. "I'm happy to have contributed to the growth and success of Coborn's and grateful that Coborn's has provided me the opportunity to do so over all these years," Wintheiser said.

Mark Becker, Data Center Helpdesk Technician assists a store associate with a technology issue. The Coborn's Help Desk supports retail locations 24/7.



*Bob Warner,
IT Support Specialist
Employee since 1966*

Our I.T. Department provides significant support to all our stores. The cash register in every check-out lane, scales in our fresh departments, transferring data to various locations, warehouse inventory and coupon management are just a few of the many technical infrastructures the I.T. department supports each day. In more recent years, expansion of electronic payments, rollout of our MORE Rewards loyalty program, the explosion of e-commerce sales and inventory management have all necessitated growth in our I.T. department to support these critical elements in our operations. Protecting guest information is top priority which requires security, monitoring, anti-malware and firewall management to prevent hacking or data breaches.

Bob Warner affectionately refers to himself as the man with the blue shirt, gray pants and thick glasses. After 55 years of dedicated service to one employer, he has watched the I.T. department evolve and grow into a high-tech department with many specialties.

“I’ve been working here a long time. I enjoy fixing equipment at the store level, but my main goal is to always have it figured out in the lab” said Bob. “Management asks me what my goals are and while I may be a computer nerd, I love what I do and have enjoyed working at Coborn’s.”

Technology and digital transformation are fundamental elements in the expansion of Coborn’s, as we look to meet the growing expectations from guests that demand more innovation, digital tools to simplify their shopping experience with us and efficiency. With sophisticated product management software in place to increase quality and reduce waste, simply put our stores could not operate without the support of information technology.

The I.T. department is instrumental to both the daily operations and in staying abreast of future opportunities that streamline efficiencies and improve how we support retail and our guests. We are always looking for ways to use technology to ensure the best experience for our shoppers through modern automation and proactively seeking and developing talent to support the transformation in a digital world.

Pharmacy Modern-Day Marvel

Coborn’s Central Support Pharmacy: Our Support Pharmacy has become a vital support platform for our Minnesota pharmacy locations. Located at the Sauk Rapids flagship store, modifications to support this facility, which houses a robust automated prescription dispensing system, began in 2018 with the store’s next-generation remodel when space was created to house this modern-day marvel of medical technology.

Currently, 35 percent of all of the company's prescription dispensing is done through the Central Support Pharmacy. In providing this efficient support service, which dispenses prescriptions four-times faster than traditional means, in-store pharmacy staff are afforded more time to focus on the guest experience. "As its name implies, the core function of the Central Support Pharmacy is to provide support to our retail pharmacy partners," said Pharmacy Operations & Compliance Manager Matt Winans. "Everything that we do here serves a singular purpose: to make life easier and more efficient for our retail pharmacies so that they can provide the best quality care to our guests."

To remain competitive in the industry, Coborn's, Inc., invested in a centralized dispensing system to reduce the overall cost to serve and provide the best possible guest experience to every customer filling a prescription at one of our pharmacies. Additionally, the facility provides a framework upon which we can expand central services to fill more prescriptions with proven efficiencies.

The centralized dispensing process is primarily supported through adherence programs such as ReadyMed®, Coborn's automatic refill platform that places prescriptions into workflow just ahead of their due date. This both makes the process more efficient and alleviates the need for guests to call in their refills each month. Leveraging the synergy of two McKesson products, the retail software system, EnterpriseRx, interfaces directly with the ExpressRx Track system at the CSP. ExpressRx Track processes prescriptions based on several eligibility factors to ensure that prescriptions are filled and delivered to the pharmacy in time to meet guest expectations; in most cases, this means next-day delivery. If the CSP is unable to satisfy all requirements of the guest, the prescription is filled at the originating pharmacy.

Our pharmacy systems use barcode verification to ensure accuracy at each stage of the prescription life cycle (eight touch points per prescription). This high-tech procedure not only enhances patient safety through accuracy, but also creates accountable steps that can be tracked, retraced, measured and even used to detect calibration inefficiencies in the robotics. Additionally, overhead cameras and software using artificial intelligence can detect accurate volumes and quantities before allowing the prescription to move on in the process. This technology allows Coborn's Pharmacies to assure guests that prescriptions processed through this system are filled accurately.

Currently running at 98 percent efficiency, the CSP is almost at maximum capacity for daily volume but designed for expansion. Additional equipment can be added to increase capacity which ensures labor and inventory cost savings now and in the future. Since the opening of the CSP in June, 2019, the operation has grown to fill roughly 17,000 prescriptions every week.

