

February 16, 1975  
St. Cloud Daily Times  
Coborn's 54th  
Anniversary Advertisement

Below Left: June 4, 1977  
St. Cloud Daily Times

Right: March 11, 1980  
West Central Tribune  
Cash Wise Advertisement

IT'S  
OUR  
GALA



2nd BIG WEEK... REGISTER AT ANY OR ALL COBORN STORES FOR VALUABLE FREE PRIZES

ANNIVERSARY SALE

TOP QUALITY  
**COBORN'S**  
EVERY DAY LOW, LOW PRICES  
FOODS

St. Cloud & Sauk Rapids Stores  
COTTAGE BREAD..... 3 1/2 lbs \$1.00  
TOFFEE COOKIES..... 59¢

Wilderness Cherry  
PIE FILLER..... 59¢  
HOT DRINKS..... 39¢  
SNACK CHIPS..... 59¢  
LICORICE..... 2 99¢  
PEANUT BUTTER..... 59¢  
Hormel Chili..... 45¢  
CHOW MEIN..... 25¢  
SAUCE..... 69¢

STOP IN AND REGISTER FOR  
**Free** PRIZES  
NOTHING TO BUY... JUST STOP IN AND REGISTER EACH TIME YOU SHOP!

You'll find fun, prizes and surprises in store for you when you shop at Coborn's during their 54th Anniversary Sale. Register for multiple prizes... shop for some of the best food specials anywhere around. This special celebration starts today, so don't miss it. Bring the whole family in and get in on this well-packed celebration.



GRAND PRIZES... "Marquette" 16 Cubic Foot  
**5-UPRIGHT FREEZERS**  
PLUS ALL THESE GREAT PRIZES LISTED BELOW

- 5—Panasonic B/W Portable TV's
- 5—Highway Emergency Kits
- 5—Deluxe Insulated Metal Coolers
- 5—Electric Racing Car Sets
- 5—Electric Can Opener Knife Sharpeners
- 5—3 1/2 Qt. Electric Crock Pots
- 5—Hamilton Beach Corn Poppers
- 5—\$10.00 Coborn's Gift Certificates
- 5—RCA Portable Radios
- 20—Mirro Deen C...

If You Liked Penny's Warehouse Prices...  
You're Going To Love  
The Lower  
Cash Wise Prices

CASH WISE GREEN SHEET MARCH 10 THRU MARCH 16 1980  
WELCH'S PURE GRAPE JELLY 3 LB 99¢  
DEL MONTE QUALITY VEGETABLES 3 3/4 99¢  
SUN FANCY 16 OZ 49¢  
FRUIT COCKTAIL TIN

CASH WISE GREEN SHEET MARCH 10 THRU MARCH 16 1980  
GROUND BEEF 100% PURE ALL BEEF 5 LBS 1.29  
PORK LOINS 1/2 89¢  
CENTER CUT PORK CHOPS \$1.29  
RUSSETTS 20 LB 99¢  
KRAFT CHEEZ WHIZ 16 OZ 1.49  
COTTAGE CHEESE 2% 1.09



Times photo by David Zunker  
Four Coborn brothers, from left: William, Robert, Ronald and Daniel, are the primary forces behind the growth of the Coborn group of food stores to six in the region.

# Coborns plans Little Falls expansion

By DAVE ZUNKER  
Times Staff Writer  
It started in Sauk Rapids 56 years ago when Chester Coborn opened a produce store on Broadway Avenue.  
From that simple beginning there has been growth and expansion in 56 years.  
Now there are five Coborn food stores, to be six and there are two Coborn liquor stores, soon to be three, in central Minnesota.  
In November or December, depending on construction schedules, four Coborn brothers who run the growing Coborn group of food stores, will officially open the sixth store in the group in Little Falls.

"We look at it from the customer's point of view. I think the customer feels comfortable knowing that the management and ownership is engaged in the business. It gives the customer a better feel for the stores' concern for the customer."  
The Coborns chain itself is rising to the top of the competition in the St. Cloud area. And Dan Coborn attributes that favorable position to the corporation's growth in the last 10 years.  
"We are of a size now that we can buy as well as anybody in the past few years," Coborn said. "In the added in 1972, we have reached a volume level where we can compete strongly with most of the large chains, at least in Central Minnesota."  
The family-owned image is one which Coborn tries to cultivate, its advertising is the

"We try to run it like a regular business," Dan Coborn said, "and not like an inner family affair."  
The method appears to have worked well.  
From food stores alone, the Coborn operation has expanded the services to include liquor stores at the Fifth Avenue store, a liquor and one is under construction in Little Falls.  
Coborns also operates a bakery at the Sauk Rapids store which serves the two St. Cloud stores, Foley and of course Sauk Rapids.  
Dan Coborn calls...

We're going to save you money. Period.  
CASH WISE FOOD MART  
Sundays: 10am-6pm • South Highway

## Taking on the Big Box

The Coborn brothers began to develop a philosophy of being fast-thinking and making light-footed decisions. It would later allow them to thrive and become one of the most progressive independent grocery chains in the nation. But in the 1970s, it meant taking on varying tasks and making decisions before they had all the answers or knew where the path would lead. They were becoming leaders in the industry, testing markets and taking chances that were rare with independent grocers.

Each brother had an area of responsibility and they voted on every decision – and had an understanding that any major decision for the company required a unanimous vote.

“We’re family, but we tried to run it like a regular business,” Dan said, “and not like an inner family affair.”

### *A Bigger Footprint*

Within the next three years, the Coborns opened three more stores. The first again took the company outside of its St. Cloud core with a store 30 minutes away in the small town of Little Falls. The store, in the new Eastgate Mall, included neighboring Thrifty White Drug and a Coborn’s Liquor store that was becoming a company flagship.

Located on the eastern edge of town, the store also featured modern amenities introduced just three years earlier in Sauk Rapids: a scratch bakery, deli and sausage kitchen. The Little Falls community eagerly awaited the store’s arrival and welcomed it on opening day with a surge of business.

1970

1980

1990



*“to give the community a selection and experience they previously had to drive far outside their community for”*

“We were able to give the community a selection and experience they previously had to drive far outside their community for,” Dan Coborn said.

Grand Opening Day brought forth so many customers that the Little Falls Fire Marshall closed the mall doors in an effort to control the number of customers in the building at one time.

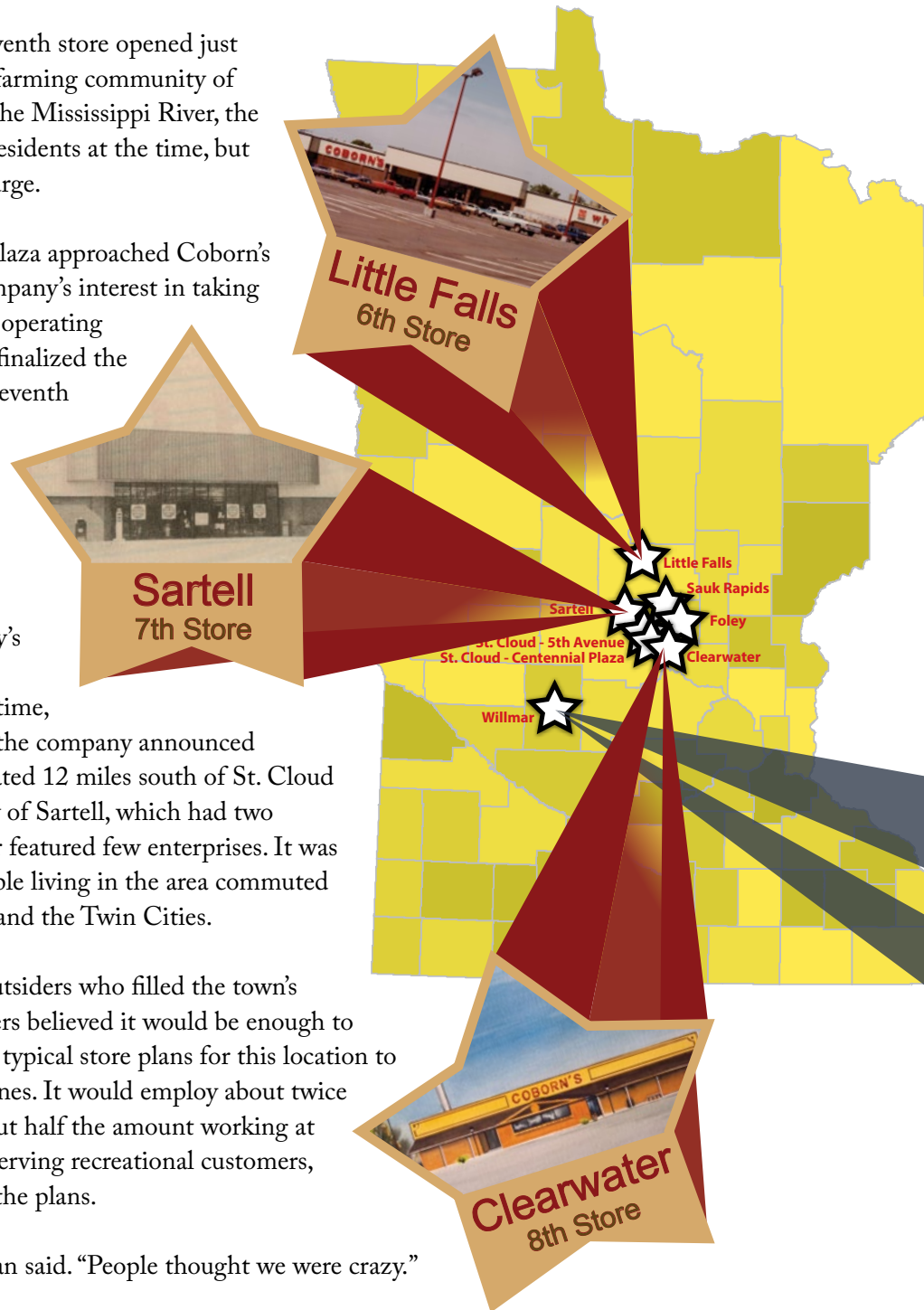
Less than a year later, the company’s seventh store opened just outside of St. Cloud’s city limits in the farming community of Sartell. Located north of St. Cloud on the Mississippi River, the community had a population of 2,800 residents at the time, but was on the cusp of a large population surge.

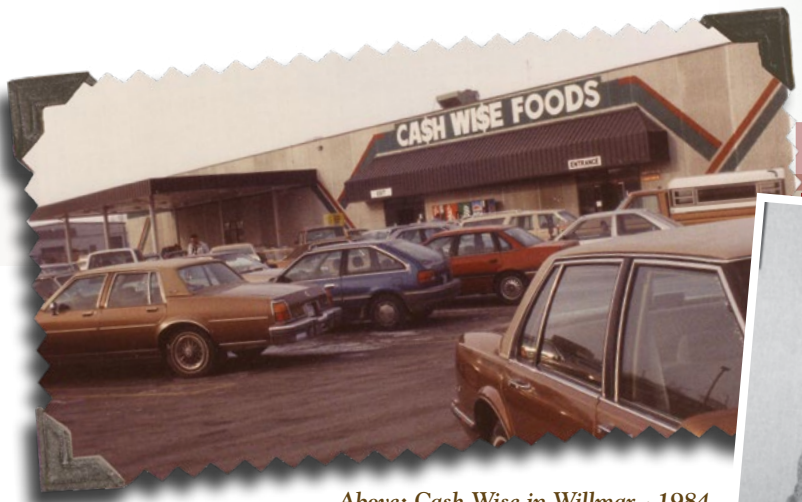
The owner of the Riverside Shopping Plaza approached Coborn’s in August of 1978 to determine the company’s interest in taking over a small supermarket that had been operating there. In less than two weeks, Coborn’s finalized the contract and reopened the store as the seventh store in the company’s chain. At only 6,400 square feet, the Sartell location represented the company’s smallest store. It was a quarter of the size of the company’s average store at the time.

The eighth store opened in the company’s smallest community to date. With a population of only 450 residents at the time, many called the Coborns foolish when the company announced plans to open a store in Clearwater, located 12 miles south of St. Cloud on Interstate 94. Unlike the community of Sartell, which had two major manufacturing plants, Clearwater featured few enterprises. It was highly agricultural and most of the people living in the area commuted between St. Cloud, Becker, Monticello and the Twin Cities.

But the summer brought an influx of outsiders who filled the town’s KOA Campground. The Coborn brothers believed it would be enough to sustain the store. They scaled back their typical store plans for this location to 14,400 square feet and four checkout lanes. It would employ about twice the number as the Sartell store, but about half the amount working at the typical Coborn’s store. Focused on serving recreational customers, the company included a liquor store in the plans.

“It was not a likely place for a store,” Dan said. “People thought we were crazy.”





Above: Cash Wise in Willmar - 1984  
Right: Tom Machula, Cash Wise Foods  
lead buyer and merchandiser



# WELCOME TO CASH WISE FOODS

## 1980

1979  
Tests discount  
warehouse format with a  
30,000-square-foot store  
under the Cash Wise Foods  
name in Willmar

### *Tom Machula, Retired Employee*

When the corporate office was above the Sauk Rapids store, every Friday morning we had a staff meeting in a large, smoke-filled room because all the Coborn boys smoked back then. We were faced with figuring out what to do with our struggling Willmar store – Chet's Town and Country. We determined that we needed to take our first stab at creating a discount store. Dan Coborn challenged each of us to submit a name – something that would be separate from Coborn's to reflect deep discounting without discounting the Coborn's brand. The next week came, we gathered in the office and Dan asked for the names. Everyone seemed to have forgotten their homework. I had a silver dollar in my pocket so I laid it on the table, traced it, moved it a bit to give it a shadow, then wrote down 'Cash Wise' inside the drawing, using dollar signs through the S's. That's how we came up with the Cash Wise Foods name and logo.

### *The Birth of Cash Wise Foods*

While opening new stores, Coborn's continued to be challenged by the small supermarket the company had purchased and expanded in Willmar. It was failing miserably due to strong competition by the rising number of large retailers.

Instead of feeling defeated, the Coborn brothers saw an opportunity to try a new business model and go big. They began plans to change the Willmar store's format from a conventional supermarket layout to a discount warehouse format under the name Cash Wise Foods, which was proposed by Coborn's employee Tom Machula as part of a challenge that encouraged employees to name the new store brand. Machula served as Cash Wise Foods lead buyer and merchandiser for the Cash Wise Foods division until his retirement.

### *Cash Wise Foods*

Founded: 1979  
Square Footage: 30,000

First Location: Willmar, Minnesota  
Brand Promise: Low prices

Description: Cash Wise Foods is a larger, warehouse grocery retail format. The initial store was nearly twice the size of the typical supermarket at the time and priced well below conventional grocery stores, making it very attractive to a large number of consumers.

**Willmar**  
4th Store



The Coborn brothers leased a 30,000-square-foot space to try out the new concept and opened the new store in 1979.

“We saw low prices as a key to attracting customers,” Dan said.

The moment customers walked in the front door, they could feel the difference. While the meat, dairy and frozen food departments resembled a conventional supermarket, the Cash Wise Foods store featured a series of mass product displays, warehouse shelves and much larger center aisles. The accompanying liquor store became the company’s first Cash Wise Liquor location.

## *Cash Wise Merchandising Manual*

### MERCHANDISING AND INVENTORY CONTROL

this section establishes the broad corporate policies relative to merchandising techniques and inventory management.

#### Green Tag Wall Merchandising

All Cash Wise stores will have a display wall located in the first aisle. The wall will be stocked in mass displays with GREEN TAG merchandise only. The purpose of this wall is as follows:

- A. To give a warehouse image to the customer immediately upon entering the store.
- B. To give a low price image to the customer immediately upon entering the store.
- C. Mass merchandising reduces labor costs on high turnover merchandise.
- D. Eliminates out of stock on fast selling high turnover merchandise.
- E. Only high turnover, green tag merchandise with attractive prices shall be displayed on the Green Tag Wall. Special emphasis should be placed on National Brand items and regional products that are easily recognized by the customer as values.
- F. The Green Tag Wall must be checked daily for neatness and out of stocks on the shelf. Shelf stock of Green Tag Wall merchandise items shall be replenished from the wall and never ordered from the warehouse until the stock on the Green Tag Wall has been depleted.
- G. If possible, Green Tag Wall merchandise shall be purchased at or near deal end period. This procedure will insure maintaining the green tag price after competition is paying the non-deal price. Also, most advertising competition usually has these items in their respective ads early in the deal period.

#### Tagging for Inventory Control

On all merchandise that is in excess of normal shelf stock (for example, Green Tag wall merchandise, excess backstock, or any other display stock), class

The larger scale and cost-saving techniques, such as having customers bag their own groceries at remote bagging stations and carry them to their own vehicles, allowed the Coborn brothers to price the goods well below the conventional grocery store.

“The emphasis is on minimizing overhead expenses so that the customer can be offered low prices every day,” Dan explained at the opening. “With the economic predictions calling for a recession, the low price concept will have great appeal.”

The grocery industry became increasingly competitive and consumer tastes became increasingly discriminating. Grocers throughout the nation responded with extensive remodels and new store formats.

“We knew we needed to diversify,” said Don Wetter, Coborn’s corporate controller. “We saw what retailers like Cub Foods were doing in the Twin Cities and knew we could become vulnerable to the larger chains.”

*Merchandising and Inventory standards document, courtesy of Chief Operating Officer Bob Thueringer*



Like many retailers at the time, Coborn's elected to move to a hybrid business model. It continued to operate traditional Coborn's stores while opening discounted formats under the Cash Wise Foods name.

The company saw immediate results. Cash Wise Foods became number one in the Willmar market within two years. "The history of Coborn's, Inc. is like one of those American success stories you read about," said Anthony Latta, a former receiving clerk for Coborn's, in a 1977 newsletter. "Betterment, hard work and pride have transformed Coborn's, Inc. from a \$100 business into a \$100 million-plus establishment, very capable of competing with the big boys."

Despite the larger scale, the Coborn brothers expected the stores to retain the company's friendly, personal and small-town atmosphere. They encouraged employees to take time for conversation with customers and smile at every encounter because they knew it made the difference. Customers wanted to feel recognized and valued. As chief executive officer, Dan made every effort to set an example as he visited each store. The brothers recognized that the employees would define their brand experience.

"The name of this business is people," said Bill Coborn, who was responsible for the company's meat departments and oversaw facilities maintenance. "People make the impression first and last. People reflect the whole store personality."

*"The history of Coborn's, Inc. is like one of those American success stories you read about."*



Rick Haakonson(left) & Brad Michelson at Cash Wise Foods in Willmar, 20 years after the implementation of scanners - 1992



*Rick Haakonson, Employee since 1978*

Prior to 1979, we hand-marked all items with pricing guns, rotators and ink stampers to put a price on them. In 1979, Bob T. called the whole staff at Coborn's in Sauk Rapids together and said, "We're trying something new. We are going to have a computer in each checklane and every item is going to have a barcode on it. The cashiers will scan the barcode across the 'computer' and it will read the price. We won't have to mark items with a wax pencil or a marking gun or rotator or anything anymore." Everybody just kind of looked at each other like it was Star Wars or something. And now, here we are today.

### ***Technology Transformation***

The format and feel certainly were different, but the most significant change at the Cash Wise Foods store was that products no longer had individual prices. A bar code now adorned each product's packaging and the store displayed the price under the product on the shelves.

Technology began to be a driving force in grocery retailing in the 1970s and consumers received their first glimpse at the Universal Product Code (UPC) at supermarkets. Coborn's became the second grocery retailer in Minnesota to use scanning technology at its front-end checkouts.

The UPC represented the first retailing innovation and gave way to the modern cash register scanning system. For the first time, clerks did not need to punch keys to register an item. Using low-energy laser beams, the store's checkout scanner read a product's UPC and connected with the in-store computer system to identify the item price.

The change led Coborn's to add a new position, a UPC Coordinator. Diane Banks was the first to serve in this role and took on the tall order of ensuring every item in the store registered accurately.

The implementation of the UPC drastically reduced checkout time by as much as 25 percent, increased accuracy and produced better sales receipts with a detailed record of the purchases.

While understanding the UPC took time, it allowed Cash Wise Foods to become more efficient. The company could make estimates as to when and how much of a specific product was needed and time deliveries accordingly.

"Each store now could tailor its product mix to the customers it served," Dan said. "That meant we would be able to serve our customers even better and give them the personalized attention we wanted to provide."

The company led the industry with its rollout of new optical scanning technology across all of its stores. Implementing the technology

## *The Beginning of the UPC*

required a significant investment, but it accelerated checkout time and made it easier for working parents to get home to their families.

“Coborn’s was a very early adopter nationally and among the first in the state to use optical scanning,” said Bob Thueringer, Coborn’s chief operating officer, who joined the company in 1967 as a bagger at Coborn’s in Sauk Rapids. “Now, we could track what was selling and at what price at each store. It made us think differently about the business.”

### ***One to Watch***

It was evident that the Coborn’s operation was focused on continued growth and would make a significant imprint in the grocery industry beyond Central Minnesota. The addition of Cash Wise Foods in Willmar was a game changer. The scale of the operations pushed Coborn’s to a new buying level.

“We were at a size that we could buy as well as anybody in the business,” Dan said. “We reached a volume level where we could compete strongly with most of the chains.”

Coborn’s became the second grocery retailer in Minnesota to use scanning technology at its front-end checkouts in the 1970s. Here’s a look at what led to this retailing innovation:

- Wallace Flint first proposed an automated checkout system in 1932, using punched cards.
- Bernard Silver and Norman Joseph Woodland developed a bullseye style code and patented it in 1950.
- Railroads experimented with a multi-color barcode for tracking railcars in the 1960s.
- A group of grocery industry trade associations formed the Uniform Grocery Product Code Council and received alternative symbol representations from leading firms, ranging from IBM and RCA to Pitney Bowe and Singer.
- The first retail clerk scanned a UPC at a checkout in 1974 at a supermarket in Troy, Ohio. It was for a 10-pack of Wrigley’s Juicy Fruit chewing gum. This item went on display at the Smithsonian Institution’s National Museum of American History in Washington, D.C.

