



Andy Knoblauch, Employee since 1990

As a leader of our sales and merchandising organization for the past 23 years, I have helped lead the evolution of our ads. When I began in 1990, my job was to write the ads for the seven Coborn's stores. Tom Machula wrote the ads for the seven Cash Wise stores. We also had seven Little Dukes, and seven liquor stores at the time. Back then, things were very simple. We ran a one-page ad that had about 15 items in the ad, and the ad "broke" in the St. Cloud Times on a Tuesday. We would place our order for those 15 or so items the week before the ad hit the street. Boy, how things have changed! Seeing an opportunity, Sue Wendt (who retired as vice president of advertising) and I pushed to go to a "Double Truck" (2-page ad). That grew sales, so we next pushed for a 4-page "Tab."

We were then the very first in the market to run a "Coupon Book" and the first retailer in the state to run the then famous BOGO ads. Since that time, we have evolved into an extremely "promotionally exciting" machine, with weekly 12- to 20-page ads, coupon

books, Penny Pinchers, fridge magnets, Facebook promotions, website specials, and more. We pre-book our ad items with SUPERVALU six weeks ahead of when the ads run.

And lastly, besides working with great, dedicated people at Coborn's, I am really proud of the fact that we have received numerous (80+ in my tenure) "Creative Choice Awards" through the National Grocers Association, to include many runner up awards, even more 1st place awards, and several "Best Of Show" awards. These awards have recognized Coborn's as having the very best ads in the entire country! Great COMPANY, Great EMPLOYEES and Great CUSTOMERS!

1980



Outpacing the Competition

In the midst of growing stores and soaring sales, Coborn's initiated a thorough self-evaluation. Leaders wanted to better understand how customers, and non-customers, viewed the stores. Why did they choose to shop at Coborn's – or somewhere else? What role did products featured in the weekly ads play in them deciding to visit a store? How much did they spend each week? What was most important to them? The long list of questions mounting in the minds of management led Coborn's to conduct its first comprehensive market analysis.

The company used a number of industry experts and market research providers to evaluate how well its stores served their communities. The system gave Coborn's a grade on 21 different areas, from displays, courtesy and parking to each product category, variety and advertised specials. But leaders also wanted to better understand their competitors' strengths and how Coborn's stacked up against them so the market analysis also gave competitors a grade.

The results affirmed Coborn's had a loyal customer base. The average customer shopped at Coborn's for 14 years and showed interest in more than deals. Although they read the ads, customers did not just come in seeking a special advertised product. Customers pointed to clean stores, friendly service and the variety and freshness of the goods for reasons why they chose to shop at Coborn's week after week. Coborn's learned that the average customer spent \$66 each week on groceries.

As the survey results came in, Coborn's leaders looked for new ways to improve store operations. The 1980s brought constant product changes and new category introductions to grocers nationwide. Coborn's leaders focused on improving and taking their stores to a new level.

"In order to thrive in the grocery business, we have to provide the best service available," said Bob Thueringer, who handled everything from scheduling and scanning to customer complaints at the time. "In order to grow, we must select opportunities that are meaningful to our customers because without our customers, there would be no stores at all."

1990

The voice of the customer has always been top priority. Consumer representative panelists were chosen from applications from real customers from all Coborn's stores. Monthly meetings recapped their observations from all areas of the stores, which led to changes, improvements and implementation of new ideas.

2000

Hometown People... Homegrown Ideas

For the past six months the Coborn's Consumer Representatives consisting of: Dianne Johnsons, Kay Strommen, Gerte Binstedt, Glenn Carlson, Bobbi Murphy, Bernadette Stangl and Mary Agnes Schimota have been providing us with their opinions and suggestions. We would like to take this opportunity to extend our thanks for their valued ideas. We have truly enjoyed working with these people and appreciate their time and commitment to the Coborn's stores.

To keep the fresh ideas flowing we have selected ten new consumer representatives who will serve on the panel for the next six months.

We welcome their opinions and hope that their efforts combined with Coborn's will make our stores a more pleasant place to shop.



Not pictured: Cindy Meyer

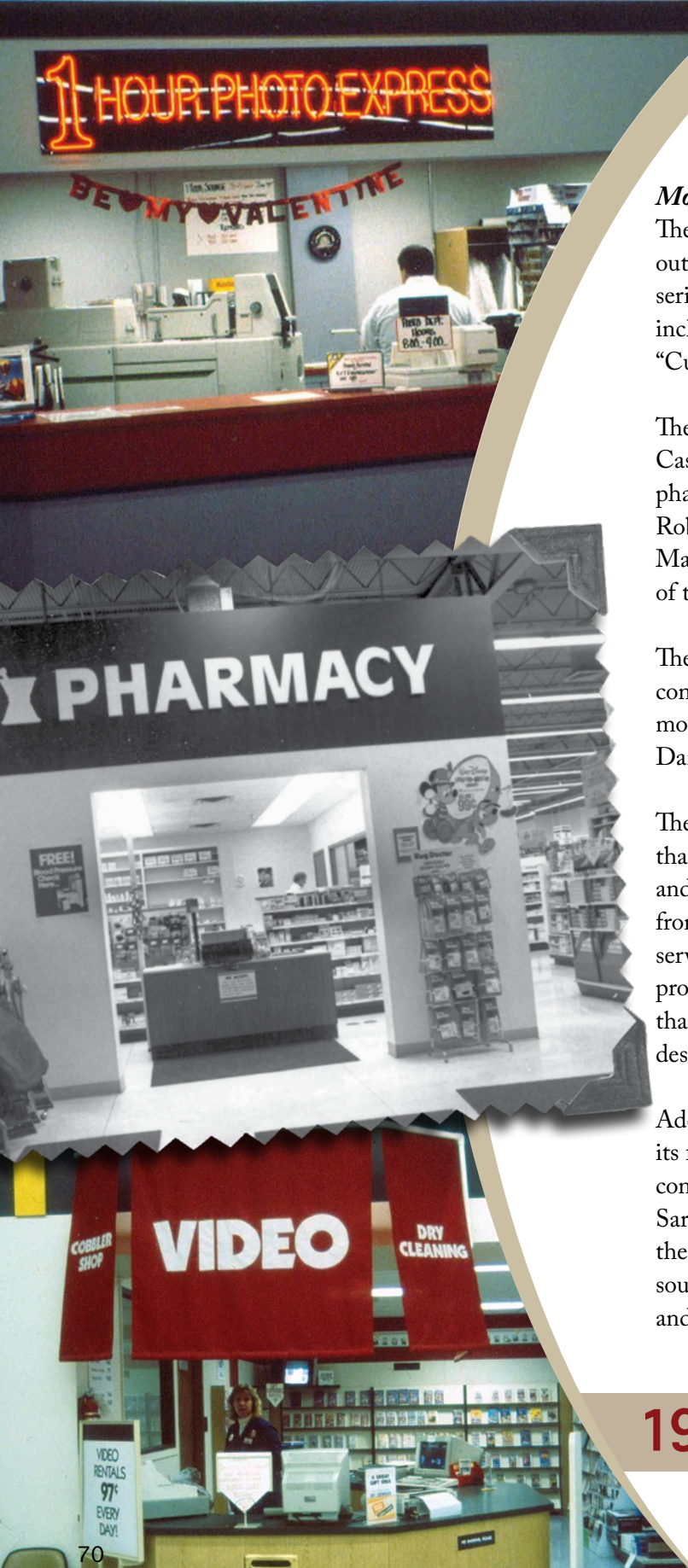
We want to be your kind of food store.

Satisfaction Guaranteed
COBORN'S

Coborn's Customer Loyalty

The average Coborn's customer:

- Has shopped at Coborn's for 14 years
- Spends \$66 each week
- Shows interest in more than deals
- Has interest in clean stores, friendly service, variety and freshness



More Firsts

The customer feedback continued to challenge Coborn's to think outside the box. Following the survey results, the company initiated a series of firsts and further expanded its selection of food and non-foods, including video rentals, pharmacy and health and wellness services. "Customers enjoy the convenience of one-stop shopping," Dan said.

The company opened its first in-store pharmacy at its expansive Cash Wise Foods store in Waite Park. Coborn's hired two seasoned pharmacists to run the operation, Mark Ehlert and Robert Sahli. Robert previously owned a drug store in Sauk Centre for 26 years. Mark had been in the business for a decade, and had been the manager of the nearby Country Manor Pharmacy.

The pharmacy offered a full line of drugs and opened with a completely computerized system in 1986. "We had done a lot to make shopping more convenient for our customers and this was a natural next step," Dan said.

The addition of the pharmacy called for a 6,000-square-foot expansion that also included the addition of a sit-down eating area near the deli and a full line of new services. The company now provided everything from dry cleaning and shoe repair to photos, money orders and postal services. Diversifying and providing one-stop services for customers prompted Coborn's to continue to expand. Families had become busier than ever with often two parents working outside of the home and they desired convenience above all.

Adding an element of fun to the store, the company also opened its first Cash Wise Video department in the Waite Park store. The company had first introduced the concept at its Coborn's store in Sartell five years earlier with great success. The interest in video at the Waite Park Cash Wise Foods soon led the company to bring the sought-after service to its other Cash Wise Foods stores in Willmar and Mason City and to include it in plans for future stores.

1975

1980

“The only way we will survive in our business is to keep growing, and meeting or exceeding our customers’ expectations,” Dan said. “Exceeding a customer’s expectations is a matter of meeting their needs before they ask. We have to continue to invest in our operations to be relevant to today’s customer.”

“It’s important to give the Coborn family credit for continually adding stores and reinvesting in existing stores,” said Bob Thueringer. “The investment philosophy has served the company well. It’s impressive to see the list of stores that have been added, replaced or expanded over the years.”

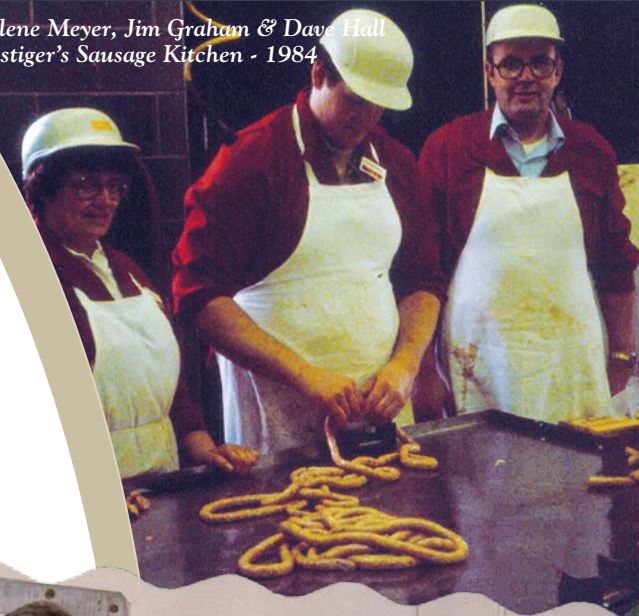
Home Grown

Knowing customers sought more than deals, Coborn’s developed a new “home grown” campaign to feature its focus on providing customers with the best local produce and meat. The decision came as consumers became more health conscious in the 1980s and followed the company’s purchase of Hunstiger’s Sausage Kitchen. The federally inspected sausage kitchen sat just across the street from the Coborn’s Fifth Avenue store and had gained a reputation for its family recipes.

Following the acquisition, Coborn’s introduced double tender beef to Central Minnesota. The new product offered customers a flavorful beef with less fat, cholesterol and calories. Coborn’s also began selling homemade sausage and hired three people the first year to keep up with demand.

The leaner beef offerings marked just one of the steps Coborn’s took to help customers improve their health. The company also started a nutrition program that provided extensive labeling on products at the store. The labeling appealed to customers interested in nutrition and those on special diets. New shelf tags allowed customers to easily identify products low in sodium, calories and fat. The company hired its first nutritionist to develop the program and soon began creating a file of healthy recipes to share with customers in the stores.

*Marlene Meyer, Jim Graham & Dave Hall
Hunstiger’s Sausage Kitchen - 1984*



*Dave Hall & Bill Coborn at
Hunstiger’s Sausage Kitchen - 1984*



1985

1990

1984

1986

Purchases
Hunstiger’s Sausage Kitchen

Cash Wise Foods in Waite Park
opens first in-store pharmacy

Hunstiger’s Sausage Kitchen - 1984



Coborn's corporate office headquarters purchased from the Elks Lodge in St. Cloud, Minnesota - 1984

Far right:
The Elk head mount that adorned the corporate office stairway for many years.



Lynell Russell, Employee since 1987

I started working for the Coborn's advertising department in 1987, when Janet Ramler hired me to work for my then supervisor, Patty Edmond. I worked on a machine called a compugraphic. We hand wrote copy, drew or cut out art (sometimes from coloring books), waxed the art to put on layouts. Back then, every color you used had a sheet of rubylith. An exacto knife would cut away the area where you did not want color. The more colors, the more layers. Often each page had over 20 layers. We would work way past 2:00 a.m. cutting color. Every Tuesday, Bill Coborn, who supervised the company's meat departments, called me with the meat items that were to be in the ad. Now, I had never worked for a grocery store before. So it was no surprise that Bill came down and talked to me when these two things ran in the paper: "chicken with hearts missing", which was supposed to be chicken with parts missing, and "serve a lot of sausage", which was supposed to be cervelat sausage. I also had the privilege of working with Joyce Coborn on the Coborn's Ink newsletter.

My husband, Tim, also works for Coborn's as a truck driver. We have so many memories and have made so many friends. But most of all, it is the best place to work because I love my job!

First Corporate Office

As Coborn's expanded its offerings and store count, it grew out of the corporate office space it had created on the mezzanine level of the Sauk Rapids store a decade earlier. In 1983, Coborn's initiated construction on its first real estate parcel exclusively for corporate operations. The company bought the St. Cloud Elk's Building located on the east side of St. Cloud off of Highway 23 and renovated the space into its corporate office.

The move sparked enthusiasm among staff who had worked without complaint in cramped quarters above the Sauk Rapids store. Donna Repulski remembers when she first joined the company two decades earlier and the office spanned 6 feet by 11 feet and included three desks, a coffee pot and a copy machine.

She came in that first day after Dan and Mabel Coborn asked if she would do payroll so they could go on vacation. She stayed 21 years.



She eventually got her own office in the Sauk Rapids store, but retired the summer before her fellow employees moved into the new space on the east side of St. Cloud.

A look around the new corporate office confirmed that the Coborn's operation was not only growing, but also becoming more sophisticated. The new office included expanded office space, a large conference room and training center as well as a new computer system and in-house printing press.

At the time of the move, Coborn's had grown to 800 employees serving 10 grocery stores and 3 liquor stores.

The growth would continue and the number of products the company would need to buy would multiply. Looking to increase its buying power, the company decided to build a warehouse in 1987 next to the new corporate office.

The 40,000-square-foot warehouse had six docks and could hold 50 truckloads of merchandise. Coborn's looked to the warehouse to store mostly paper goods, diapers, personal items and fast-moving canned vegetables that the company procured directly from manufacturers to eliminate the middle man and pass on savings to customers.



Coborn's Warehouse prior to 1987 in the lot next to Fifth Avenue Coborn's



Coborn's Warehouse - 1987



Best Wishes for the Holidays and A Happy New Year from Coborn's
 Front Row: (L To R) Robert Bushaw, Trish Bruce, Martha Kaehler, Sue Wendt, Dan Coborn, Bill Coborn, Mike Bott, Tim Thueringer, Bruce Miller, Bill Landowski, Bob Warner, Mark Coborn, Don Wetter, Chris Coborn, Andy Knoblauch, Bob Thueringer, Tom Machula, Al Hubers. Not Pictured: Mike Czeck

Coborn's Corporate Christmas cards sent to employees



COBORN'S INC.
 Tom Machula, Dan Coborn, Sue Wendt, Trish Bruce, Martha Heying, Bill Landowski, Chris Coborn, Bob Thueringer, Tim Thueringer, Don Wetter, Bill Coborn, Mike Czeck, Al Hubers, Mike Bott, Bruce Miller, Mark Coborn

ons Greetings

- Seated
 Don Wetter
 Bill Coborn
 Dan Coborn
 Bob Thueringer
 Rear Left to Right
 Martha Heying
 Chris Coborn
 Bill Landowski
 Bruce Miller
 Tom Machula
 Al Hubers
 Mike Czeck
 Mark Coborn
 Tim Thueringer
 Patty Edmond
 Trish Bruce

Coborn's — Cash Wise

New President Named

New Leadership

The 1980s brought extensive growth for the Coborn's operation. The company purchased and built seven grocery stores, introduced a new grocery chain, led the industry in technology advancements and quadrupled its staff. "I grew up on a farm and knew the meaning of hard work and not sitting around. I lived that at Coborn's in my first 10 years," said Don Wetter, executive vice president at the time who was among the first members of the leadership team from outside the Coborn family.

Dan Coborn had made good on the debt he incurred to fund the company's aggressive growth – all the while grooming the next generation of family leadership in his son Chris Coborn, who would eventually lead the company through its most aggressive growth.

Chris began working in the stores as a young child, often unloading and stocking product. On Sundays, when the store was closed, Chris and his younger brother Duke would be responsible for dry mopping the aisles while their father Dan was upstairs doing payroll. Afterward, Chris and Duke would push each other around the store in grocery carts to pass the time.

It was not uncommon that the cart would run into the candy section where a bag would drop onto the floor and break open for the young boys to enjoy.

Chris started driving truck at a young age and continued that role through college. He'd recruit his college sweetheart and now wife, Becky, to join him on the truck routes to Willmar, Minnesota to pick up a load of dog food at Degraf and then deliver it to the company's stores on weekends.

Chris accepted his first full-time corporate management role in 1981 after graduating from Saint John's University with a bachelor's degree in business. While he had an interest in pursuing business law, he accepted a position with Coborn's to lead a computer project. He later became a buyer and vice president of operations before becoming president and chief executive officer.

But with less than a decade of professional experience, Chris was not quite ready for a senior leadership role.





Don Wetter became president of Coborn's in 1987 and chief executive officer in 1999 upon Dan Coborn's retirement. Don became the first executive leader outside of the Coborn's family when he was hired in 1974. He is the only non-family member to serve as president. He would groom the next generation of family ownership and his expected successor, Dan's son, Chris.

Hometown: Grew up on a farm in southern Minnesota

Roles at Coborn's: Controller, executive vice president, president, and eventually CEO

Previous Experience: Auditor at the Minneapolis office of the well-known Arthur Andersen accounting firm based in Chicago. He worked on a number of audits for retailers, including Piggly Wiggly, Country Club and the wholesaler May Brothers.

First Office at Coborn's: The supply room at the old Sauk Rapids store

Coborn's found its next senior leader in Don Wetter, who understood the business, had experienced the growth, and shared the family's values and vision for the future. He had started with Coborn's as the controller just before the company moved into its first corporate offices above the Sauk Rapids store in 1974 and remained by Dan's side through the tough decisions, rapid growth and risky moves. He already had led the company in many ways.

In January 1987, the company made it official and the board of directors named Don president. Dan became chairman of the board and chief executive officer.

Diversifying the Business

In 1986, Chris developed plans to diversify the business and open the company's first convenience store in St. Cloud to deliver customers gas and groceries on the go. It was named Little Dukes – harkening back to the days of his grandfather, Duke Coborn. The store opened amidst a rapid onslaught of other convenience stores and fast-food formats nationwide. The opening went off without a hitch for customers, who could now fill up their car with a tank of gas and get life's essentials in one quick stop. However, Chris recalls the opening this much smaller format differently.

“All I had known until that point was how to open a grocery store so I ordered a whole truckload of product for that tiny c-store,” he laughs.

“The vendor wasn't very happy when I told his driver to bring the rest of the product back to the warehouse after we'd filled the shelves with the little we needed. We've learned a lot since then.”

Little Dukes Store Manager Jeff Malikowski (center) is greeted by the St. Cloud Chamber Top Hatters at Coborn's in Waite Park - 1991



Bruce Miller, Employee since 1976

A few years ago we had an extremely creative store manager at our Little Dukes store on the east side of St. Cloud. The Little Dukes division has Dukaroo, a huge kangaroo, as its mascot. One day, this store manager decided he was going to stand on the boulevard in front of his store, wearing the mascot uniform, to try to draw traffic in. He wasn't out there long when a car rear-ended another car that had slowed to check out Dukaroo. Once our store manager realized no one was hurt, he bolted inside and got out of the costume. Dukaroo was never spotted at that location again.



Fargo

Tim Rhode, Ed Reynolds & Rick Parker



New Ulm

Dave Meyer, Denny Geisonhof, Ed Reynolds & Brad Johannes



Owatonna

Store Manager Wayne Starman (5th from right) & his great working team



Moorhead

Rick Parker, Greg Jaroszewski, Ed Reynolds & Mark Coborn

1990

1988

1989

1993

Expands to North Dakota with Cash Wise store in Fargo

Opens Cash Wise in New Ulm

Opens Cash Wise in Owatonna

Opens Cash Wise in Moorhead

A Shared Vision

Don took the helm as president in the midst of increased competitive pressures. Walmart had announced plans to open a supercenter offering general merchandise connected to a supermarket under one roof and did so in 1988 in Washington, Missouri.

Don shared Dan's vision for growth, opening another Cash Wise Foods store a year after his appointment. The fifth Cash Wise Foods again took the company outside of Minnesota and expanded the chain into its third state. Coborn's opened a Cash Wise Foods store in August 1988, in Fargo, North Dakota. The store included all of the Cash Wise Foods departments from a sit-down deli and video center to a pharmacy and floral department.

The company added three more Cash Wise Foods stores in the next five years to bring the chain's total to seven stores. The first came in New Ulm, more than 90 miles directly south of the Coborn's headquarters in St. Cloud. Red Owl Country Store previously operated in the space. Coborn's hired and trained 90 employees and transformed the space in two weeks. The store covered only 35,000 square-feet, about one-third smaller than its previous Cash Wise Foods stores.

The next Cash Wise Foods store opened about 90 miles east of there in the small town of Owatonna in southern Minnesota. The Owatonna Cash Wise Foods sat just about 75 miles from the Cash Wise Foods in Mason City, Iowa.

The final store in the Cash Wise Foods expansion plans came in 1993 in Fargo's sister city of Moorhead. The two towns shared a border with Fargo on one side serving North Dakota State University and a booming residential community and Moorhead

1995

Bonnie Kupperion, Employee since 1992

When I first heard that Cash Wise was going to take over our store, I was very upset. I'd started working at Festival Foods in 1990 and loved it. Who were these Coborn's people who were about to make my life miserable? When I heard we were going to get a whole new scanning system, I was not very happy, and their IT person was this really strange "computer geek." I had caught on to the new system pretty well, and soon got settled in. We went through a few store managers and finally got one to stay! Greg has been our team leader now for quite a while. It wasn't long before I started getting to know the "computer geek" pretty well. I started going to help new stores implement our new system and have enjoyed working with Mary and Julie in the IT dept., and of course that "computer geek" at every store, installing the new equipment. Soon, along with other store supporters in the scanning departments and Ingen program, Julie formed what is now known as the "Posse." We have a great time working hard with these new friends. Sorry, we have not yet let the computer geek join the posse, but he really wouldn't look very good in pink. I guess it's time to reveal who the "computer geek" is: Bob Warner. He's a class act and after 20 years now, I'm glad to still call on Bob!

on the other serving students at Moorhead State University and Concordia College, as well as surrounding residential communities.

Dan's leadership in the grocery business and commitment to both his customers and community made him among the first to be recognized as Grocer of the Year by the Minnesota Grocers Association. He earned the award in 1987. Well-known upscale grocers Don Byerly and Jim Kowalski followed Dan in receiving the recognition.

By the time Dan completely handed the reigns over to Don and retired in 1999, Coborn's had grown to more than 4,000 employees with 13 Coborn's grocery and superstores, 10 Cash Wise warehouse stores, 14 liquor stores, 18 pharmacies, 15 Little Dukes convenience stores, six stand-alone video rental stores and centralized operations for bakery, floral, dry cleaning and food production.

Grocer of the Year in 1987

Dan Coborn was named Grocer of the Year in 1987 by the Minnesota Grocers Association for his commitment to his customers, community and the grocery industry. Dan could be seen throughout the community in a number of roles including:

- Board member for National Grocers Association
- Chairman of the Sauk Rapids School Board
- Member of the St. Cloud Downtown Development Corp.
- Chairman of the Friends of the College of Saint Benedict

MEMBER PROFILE

DAN COBORN
GROCER OF THE YEAR
by Christy Fischer

Summary: MGA Board Member Dan Coborn has built an 11-store operation with the aid of his community and the information afforded by his association with other grocers.

Dan Coborn, 1987 Grocer of the Year, Chairman of the NGA Convention and Exposition, NGA Board Member, MGA Board Member Coborn has won the respect of his peers as well as the respect and admiration of his own community.

A successful grocer, according to Coborn, is someone who can serve his customers and marketplace by providing quality product at a good price AND do it at a profit enabling him/her to continue serving customers well and provide employment for themselves and their employees.

Coborn is a living example of his definition. The 11-store operation he runs with his brother Bill began as a one-store family operation in Sauk Rapids, Minnesota, in 1963. Today their company has three divisions: Coborn's supermarkets, Cash Wise discount warehouse stores and Little Dukes convenience stores.

"What is he most proud of?"

"Our company has grown to the point where we are the dominant food retailer in every community where we have a store. [That includes] the best share of the market in St. Cloud [where we are based]."

"We are able to serve our customers quite well," he added. "And we have provided employment for over 1200 people."

Coborn feels about being

"I'm very grateful," Coborn added. "I expressed my gratitude through a note in our employees pay envelope."

The Business

The national spotlight is a long way from the one-store family operation Coborn worked in until his graduation from St. John's College in 1952.

Upon returning from the army in 1954, Coborn and his brothers went into business in their father's (and formerly grandfather's) store in Sauk Rapids.

"We soon came to the conclusion that one store would not support all of us," he said. So in 1963, they built a third on Fifth Ave. S. in St. Cloud.

"We were pretty much hands-on-type of operators," said Coborn. However, as the number of stores increased, a more formal organization was needed. Once formed, Dan was elected president of the operating company.

The '70's brought continued growth to the Coborn operation. The first Coborn's Liquor store was added next to the Fifth Ave. store in 1970, and a fourth supermarket and accompanying Coborn's Liquor was established in 1972. In 1974, a fifth supermarket was added in Centennial Plaza, St. Cloud, and a third liquor store was added in Waite Park. The original store in Sauk Rapids was remodeled to include a scratch bakery,

cial help," Coborn said. "That's when we brought Don Wetter on board as Controller." (Wetter later became Executive Vice President and then President Jan. 1, 1987.)

In 1977 a sixth supermarket and fourth liquor store opened in Little Falls.

1978 brought a seventh supermarket in Sartell, and 1979 added an eighth supermarket and fifth liquor store in Clearwater.

It was during this time that the warehouse store appeared on the horizon.

In an effort to capitalize on the new concept, the Willmar supermarket and liquor store was moved into a larger building in 1979. Merchandised as a warehouse type operation, the name was changed to Cash Wise.

"We saw the success of the supermarket warehouse store with Cub getting into them," Coborn said, "so we decided to do something like that in our own major market in St. Cloud (with the thought that someone else would if we didn't).

With the ideas already developed in Willmar, an expanded Cash Wise Foods and Liquor was opened in Waite Park in 1982.

Coborn's continued to expand in that direction. In 1984 a new and large Cash Wise Foods and Cash Wise Liquor Store was built in Willmar, and the Cash Wise in Waite Park was enlarged. In 1985 a third Cash Wise Foods was opened in Mason City, Minn. Hutch-