

history



“We treat people like family,  
because that’s how we see them.”

stories



*Brenda Wright, Employee since 1986*

I first started working with Coborn's as a senior in high school thanks to a referral by my neighbor, Cindy Schefers. It was one of those “help-me-through-college-jobs” at the Fifth Avenue location. This store had a large turnover of college students working there and Store Manager Don Lenzen was fantastic about working around school schedules. He seemed intimidating to me at first (I still find myself having dreams about what he may do if I didn't show up to work on time!) but had a very good heart and instilled a work ethic that created responsible employees. He trusted us working the overnight shifts even with all the college antics around (from both employees and customers)! I have so many wonderful, crazy memories from working at this store. I did graduate from SCSU with a degree in graphic design and, eventually, was hired at the corporate office in the Advertising department. Coborn's has been a pillar in my life. I met my husband, Tim, through Coborn's and created so many friends who I can pick up a conversation like it was yesterday after not seeing them for years. I never dreamed I'd still be working for Coborn's 27 years later. I continue to love my job and the people I work with are just as close as family!

(Photo directly above is taken in 2012: a 20-year reunion of Fifth Avenue friends who worked together back in the 1990s)



friends

# Ownership Culture



*Bill Coborn with wife, Joyce  
- 3rd Generation*



*Duke Coborn  
- 2nd Generation*

As much as the Coborns focus on the communities they serve, they focus on the people who help them get the job done.

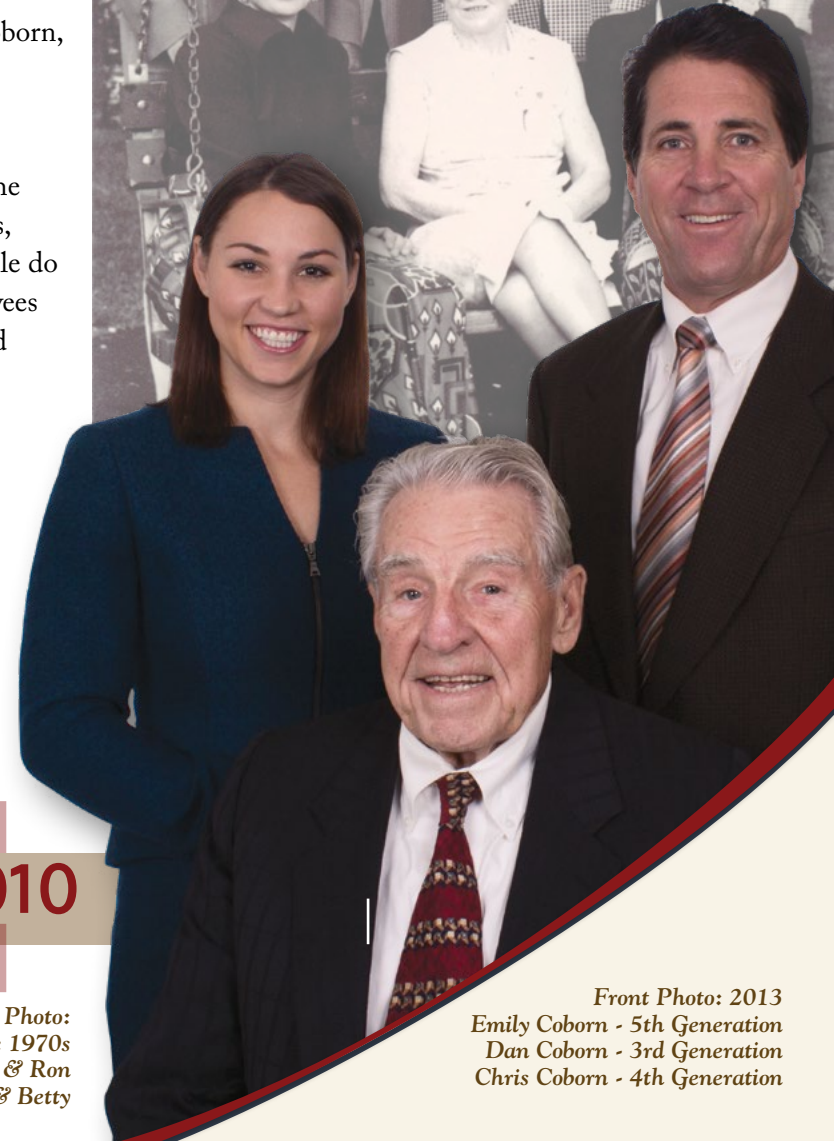
But it's not about the amount of time spent working at Coborn's that makes so many Coborn's employees feel like a part of the family, it's how they have been treated by generations of Coborns.

"We treat people like family, because that's how we see them," said Mark Coborn, who worked in human resources for many years and retired as executive vice president in 2012.

For Chris and so many Coborns, family means so much more than having the same last name. Like his father, Chris grew up in the family grocery business, spending more personal time with the company's employees than most people do with their own family members. He can recite the family histories of employees in detail – when they got married, had kids, fell on hard times and celebrated milestones.

Even as the company widened its store footprint and its payroll grew to hundreds of employees, Dan Coborn made an effort to know his employees by name and stop them in the stores to ask about their child's soccer game, spouse's new job or mother's health. It was not small talk. He asked because he cared about them personally.

"A family feel resonates across the entire workforce. You can feel it when you walk in the door," said Greg Kurr, president and chief executive officer of Kemps.



1980

2010

1965

1995

*support*

*Back Photo:  
3rd Generation circa late 1970s  
Back left to right: Dan, Bill, Bob & Ron  
Front left to right: Nancy, Florence (mother) & Betty*

*Front Photo: 2013  
Emily Coborn - 5th Generation  
Dan Coborn - 3rd Generation  
Chris Coborn - 4th Generation*

*“Employees knew they could go to Danny with anything”*

*Bill Coborn working in the Meat Department*

Dan and Mabel's daughter, Shelly Coborn, is the current hostess with the mostess and cook at Shannon's Camp, the Canadian cabin Coborn's, Inc. bought in the early 1990s to offer to managers as an up-north getaway. The cabin's island is six miles from the mainland near the end of the Trout River and is accessible only by boat. The cabin runs on solar power, so transportation, food preparation, refrigeration and solar maintenance present unique challenges that Shelly thrives on. "This job is just wonderful!" she exclaims. "I get to spend time with the coolest people for five days at a time. I've known a lot of them since I was a teenager ringing up groceries, right next to Bob Thueringer as the bag boy. I've worked as a deli cook, bread truck driver, food safety inspector, shelf stocker, and dry cleaning manager, but my very favorite job is being up at Shannon's Camp. There's nothing more fun

than getting to work with Kelly Baumann, Brad Michelson and Neil Fandel in the most beautiful place on earth. It doesn't even feel like work because it's so beautiful up there and the people are always happy when they are there. It's just awesome!"

*Shelly Coborn*

*1980s - Sauk Rapids employee Chuck Muehlbauer & Dan Coborn*

A true servant leader, Dan always focused on how he could help and support his employees. He created an environment where employees could take risks and mistakes could be made. But more than anything, he epitomized the open door policy as president and chief executive officer, welcoming employees into his office or home at any time to share a challenge and ask for help.

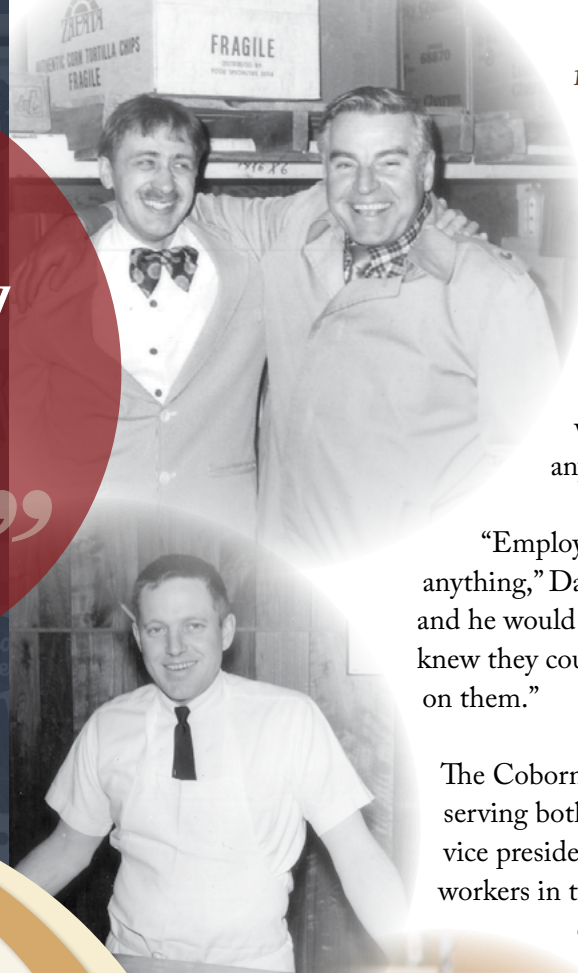
"Employees knew they could go to Danny with anything," Dan's wife, Mabel, said. "He would keep it private and he would do whatever he could to help them out. They knew they could count on us and we knew we could count on them."

The Coborn brothers shared an untiring commitment to serving both customers and employees. Even as executive vice president, Bill Coborn was known to fill in for missing workers in the store's meat and deli departments. That commitment transcends to the company's modern-day leaders.

"Many members of our corporate management team work in the stores over Thanksgiving and Christmas, bagging groceries, stocking shelves or running product between stores," said Emily Coborn, district manager,

*Above:  
Mabel & Dan Coborn - 2010*

*Shannon's Camp in Canada*



who was the first fifth-generation family member to join the company.

The Coborn brothers built a coveted culture around trust and family values that employees didn't want to leave and they wanted to share with their own family members. "I literally grew up with the company," said Mike Gaetz, a long-time employee who now serves as lead category manager for center store buying and merchandising. "I met my wife, Michele, through Coborn's and we have six children, all of whom have worked for the company at some time."

In the early years, the Coborn's culture naturally developed through the example set by Dan and his brothers. But as the workforce grew, the company made it its mission to not only be the best place to shop, but also the best place to work – in every market it serves.

"From Chester A. Coborn's first store in Sauk Rapids with a handful of employees, to our present-day company with nearly 8,000 employees, we consider them all part of the Coborn family and legacy," Chris said.

### *Gerry Braegelmann, Employee since 1997*

I've had great experiences during my time at Coborn's. On the annual Executive Planning trip to Shannon's Camp in 2009, I was supposed to return on the Thursday afternoon flight. A person scheduled to return on Friday wanted to return on Thursday, so I was asked if I would switch. I saw it as an opportunity to do some extra fishing in Canada. So on Thursday afternoon, I was able to go fishing with Dan and Mabel Coborn and Bill Drake. We went to Cliff Narrows. I was able to catch a 40-inch muskie, which is the biggest fish I have ever landed. What surprised me even more was when Dan said that it was the biggest fish that was ever caught while he was in the boat. Then on Thursday evening, Bill and I went walleye fishing in Indian Bay. We had a lot of success that evening and Bill said it was the best walleye fishing he has ever had while at Shannon's Camp. So by staying an extra day, I was able to fish with Dan and Mabel, which I have always enjoyed, and caught a sizable muskie. And then on a beautiful evening, Bill and I were very successful in walleye fishing.

## *Pillars of Success at Coborn's*



### Service

Proactively offering the most helpful, friendly and knowledgeable customer service available

### Convenience

Simplifying customers' lives by creating a quick, easy and comfortable shopping experience through store layout and design, product and service availability, cross merchandising, and more to create the ultimate one-stop shopping experience

### Quality

Offering superior quality products in every department

### Promotional Excitement

Creating a fun and exciting shopping destination through events and specials

## *Pillars of Success at Cash Wise*



### Low Prices

Providing low and competitive pricing to customers to help them stretch their grocery budget via truckload buys; lowest pricing in the market on top-selling items; and an expansive Exclusive Brands program

### Ad Value

Delivering unbeatable value to customers via weekly ads, including lowest pricing in the market on the front cover and free items

### Variety

Offering a vast array of products in every department to meet customers' shopping needs and preferences

Coborn's has a history of loyal employees who remain with the company for decades. Nearly 1,300 employees have been with Coborn's for at least 10 years, as of May 2013. Here's a look at the company's employee loyalty and longevity:



Source: Human Resource Report, May 2013

## Loyalty & Longevity

### Loyalty

It is rare for employees to remain with a single employer for more than a decade. National statistics put the average at less than half that. But both loyalty and longevity have defined Coborn's. Even with rapid store and employee growth, nearly 1,300 of the Coborn's employees have been with the company for longer than 10 years and the list of those celebrating 20, 30 and 40 years with the company continues to grow.

Thirty employees have been with the company since the Coborn's name adorned fewer than seven stores and nearly a dozen employees started shortly after Dan and his brothers took over the family's single store in 1960.

For many, it started with a part-time job as a bagger or cashier. "When I first started working for Coborn's at the age of 16, little did I know that I would still be here 40 years later," Gaetz said. "My original intent was to work a part-time job to help me get through high school and later college. I chose to stay with Coborn's because of their plans to grow and their philosophy to promote from within. I could tell back then that they valued their employees."

Among the family's favorite successes are those employees like Mike Gaetz or Bob Thueringer, who started young and grew with the company. Bob joined Coborn's in 1967 as a bagger to work his way through college at St. Cloud State University. Upon graduation, he took on responsibilities in human resources, serving as the company's first personnel/operations director and later became one of the company's most highly regarded employees. He served as executive vice president before becoming chief operating officer in 1999.



Mike Gaetz



Bob Thueringer

“...to keep people,  
you have to keep  
growing...”

## Loyalty

noun \ˈlɔɪ(-ə)-l-tē\

: the quality or state of being loyal

: a loyal feeling

: a feeling of strong support for someone or something

Sue Wendt



There's also Sue Wendt, who retired as vice president of advertising in 2012 after 23 years of service. Wendt began her career with Coborn's as manager of advertising. She quickly distinguished herself and was recognized as Coborn's Employee of the Year in 1990. She was later promoted to vice president of advertising. In June 2011, Wendt was one of 63 senior-level executives from across the nation to be named to Progressive Grocer magazine's fifth annual Top Women in Grocery listing for her outstanding vision, leadership, accomplishments and success in the supermarket industry.

Providing those advancement opportunities and grooming leaders are what drive Coborn's leadership to continue to focus on expanding the business. "If you want to keep people, you have to keep growing," Chris Coborn said. "You have to create new opportunities."

The list of employees who have had family members and generations of their family working at Coborn's is long and growing. Alongside Chris Coborn as a fourth generation family member were his cousins Executive Vice President Mark Coborn, Coborn's Pharmacist Julie Coborn and Director of Supply Chain and Logistics Neil Fandel.

Bob Thueringer and his brother Tim worked alongside each other until Tim's retirement as director of produce in 2010.



Mark Coborn



Julie Coborn



Neil Fandel



Bob Thueringer



Tim Thueringer

2005

2006

Becomes an ESOP company with the adoption of the Employee Stock Ownership Plan that makes employees co-owners of the company



Gene Ziehl



Scott Ziehl



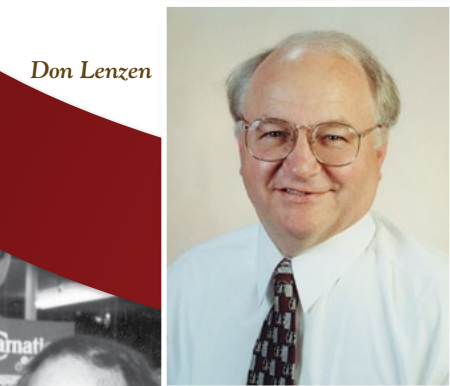
Bruce Miller



Mary Weeres



Paul Miller



Don Lenzen



Mary Kay Heaton

Gene Ziehl served as manager of the flagship Coborn's in Sauk Rapids for many, many years. His son, Scott, is now manager of Coborn's in Clearwater. One of the company's vice presidents, Bruce Miller, followed his father, Paul, who managed the Centennial Coborn's for many years. His sister, Mary Weeres, worked as a product demonstrator and later at the corporate office in advertising. There have been a number of Midas family members who have worked for Coborn's, including Amanda, Breanna, Chevy, Delores, Dennis, Dick, Gordy, Jeff, Kari, Kevin, Mel, Rick, Tammy, Trent and Troy Midas.

Don Lenzen retired as store manager of the Fifth Avenue Coborn's and worked side-by-side with his sister Mary Kay, who recently retired. Their service to Coborn's spans three decades.

As you can see, it's not uncommon for two, three or even four generations of a family to work at Coborn's. Their longevity further illustrates their love for the company.

Proudly ●●●  
**Employee  
Owned**

# EMPLOYEE STOCK **ESOP** OWNERSHIP PLAN

Coborn's, Inc. • Employee Owned Since 2006

## *Becoming Employee-Owned*

With growth came the challenges of retaining a family feel and leadership's personal connection with employees. By the time Chris Coborn officially took the helm as chief executive officer in 2007, the company had grown to about 6,000 employees with 33 Coborn's and Cash Wise Foods grocery stores in Minnesota, South Dakota, North Dakota and Iowa, along with pharmacies, convenience, liquor and video stores.

"We need to be more deliberate and concerted with our focus on people today because of our size," Chris said.

As the company expanded, Chris saw a need to change the company's structure to maintain its family feel, ensure an ownership culture, and to continue to treat employees with the utmost regard. In 2006, the Coborn family adopted an employee stock ownership plan, known as an ESOP, to allow eligible employees to become co-owners of the company.



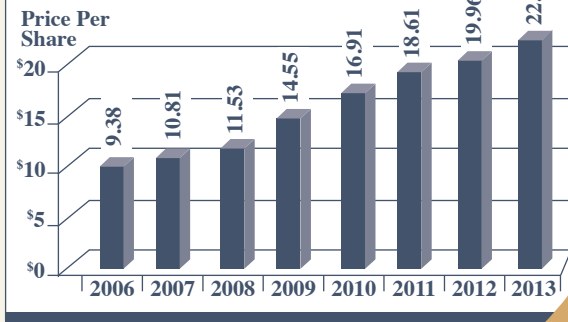
### *Paul Wannigman, Employee since 1993*

In September 2004, an incident took place in Big Lake, the day prior to the Grand Opening of the Coborn's store conversion from Stevens SuperValu. The building was not in the best shape when we took over. Floor tiles were missing, coolers were in need of repair, and the store needed a coat of paint. With the opening planned for the next day, the store was filled with corporate employees, new Coborn's employees and employees from other locations, fixing it up for this opening. To say the least, it was hectic. After a long day of getting everything inside the building ship shape, our executive team traveled to the store to welcome the new employees to the Coborn's family of stores. Dan, Don, Bob T. and Chris came in wearing their suits, made their speeches, and did a great job of welcoming everyone. This was the first time I had seen this and was impressed. The most memorable part was yet to come. After their speeches, the execs left and we all went on about our business of preparing the interior of the store. At the end of that long, hot day, I started walking out to my vehicle to head home. I glanced up to see someone cleaning and sweeping out in front of the building. Holy smokes, there was a cloud of dust from this person working in the dark, doing what must be one of the dirtiest jobs that day! As I walked to my vehicle, I stopped to see who drew the short straw to clean the parking lot and the face of the store. To my amazement, it was Bob Thueringer, our current chief operating officer. He'd taken off his suit coat and rolled up his sleeves and then did what needed to be done. I never would have thought in a million years that an exec would do that. I am sure someone else could have been assigned, but Bob did that task himself. Impressive!



## Annual Share Value

### Past Performance



### Charles Domeier, Employee since 2011

My favorite memory is still going on. This is because the person my memory is about is my manager, Mike Paulsrud. When he joined our Elk River store in 2012, I never knew what an influence he would have on me. Before meeting him, I had no real plan for the future. I was only going into my junior year of high school. But after meeting with him, I realized I had already found my passion: Coborn's. He has told me his story, and how much he loves where he is at in his life. Whenever I get to sit down and talk to him, I always leave happier than when I came in. He has a lot of confidence in getting me to reach my goals one day, and the kind of interest he has taken in me makes every day at Coborn's the best ever. I look to the future now ready for a new opportunity to grow at the store that helped me find what I really enjoy in life - being the best I can be at the best place to work.

"The ESOP program was one way of enhancing the family environment and carrying on our legacy," Chris said.

The move provided employees an opportunity to gain a formal stake in Coborn's and directly benefit from the company's success. "We want employees to take pride in the work they do here and know they are what makes us successful," Chris said.

Although ESOPs have become more prevalent in the business world today, they remain rare in the grocery industry. "The transition of Coborn's to an ESOP company is certainly one of Chris's great accomplishments," said Bill Drake, director of executive education for the Food Industry Management Program at Cornell University and a member of the Coborn's board of directors. "Giving employees an ownership stake has been absolutely key in the company's success."

The new ownership structure brings heightened financial transparency and corporate accountability. Leaders recognize the importance of stock value and focus on making decisions that deliver results to their shareholders every year. In the first five years as an ESOP, they've increased the share value every year despite a national recession. Since 2006, the share value has more than doubled.

"We've grown against all odds," Bob Thueringer said. "It's a testament to the people who work here."

The sense of ownership remains strong for a company that has grown to nearly 8,000 employees across the Upper Midwest. "Our employees make decisions like their last name is on the building," Emily Coborn said. "They care and they want Coborn's to be successful."



celebrating  
**success!**  
Coborn's, Inc. ESOP  
Success. Progress. Growth.

# celebrating SUCCESS!

Coborn's, Inc.  
ESOP

Since 2012, Coborn's, Inc. has invited its nearly 3,000 employee owners to celebrate the company's success at its annual Employee Stock Ownership Celebration. The day includes leadership addresses, the unveiling of the company's share value, entertainment, a vendor show, great food, a cake decorating competition, photo booths, employee recognition, the esteemed Store of the Year awards, prizes, and more.



celebrating  
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Vision. Progress. Growth.  
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ESOP