



## Acme: Doubling down on turnaround bet

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Acme took over 73 former A&P sites looking to build sales behind improved service and promotions and reintroduce itself to communities it had once departed.

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It was only a few years ago that the Acme brand was so down that observers worried it might not survive.

Today, thanks in part to opportunistic acquisitions of liquidating A&P stores on top of a sales-

focused turnaround at its core units, the Acme banner is flying higher than it has in years.

A division of [Albertsons](#) acquired in the Supervalu acquisition of 2013, the one-time stalwart of the Philadelphia region was ailing from years of disinvestment, poor employee morale and a reputation for high prices and dirty stores, and all but gone from regional frontiers in metro New York and Baltimore.

New leadership attacked the issues behind a speedy and resourceful program of boosting store standards, customer service and community involvement; returning buying and merchandising decisions to local buyers; and adding an aggressive muscle to price and promotions — an effort known formally as the parent company's "operating playbook."

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The program was effective almost immediately, as same-store sales at acquired Supervalu stores — including the Shaw's and Jewel banners — jumped from negative to positive within six months of the acquisition and totaled 1.7% in 2013, 4.7% in 2014 and 4.6% in 2015, according to Albertsons. At Acme, with headquarters in Malvern, Pa., same-store sales were negative in 27 of the 28 quarters leading up to the takeover.

"The most recent ownership group has made a huge improvement over the previous 15 years," said Wendell Young IV, president of United Food and Commercial Workers Local 1776, an outspoken former critic of Acme who has since become a fan. "A large part of that was their committing to invest significantly in cleaning stores up and devoting more attention to customer service, which was badly lacking."

Today, Acme is doubling-down on that bet.

When A&P filed for bankruptcy last summer and sold its stores at auction, Acme emerged as the largest single buyer of properties, scooping up 73 one-time A&P, SuperFresh and Pathmark stores for around \$293 million. And much like Acme itself a few years prior, the stores came with a poor pricing image, sliding sales, unhappy workers and dirty floors. The acquisition also returned the Acme brand to locations like Northern New Jersey, New York and into Connecticut for the first time.

Acme brought its Playbook with it. While some A&P buyers opted for lengthy store rehabs, Acme took its sites as is and converted them on the fly, and on a budget. And though it created a backlog of future projects, observers say converted stores appear to already be on the mend.

"My local Acme kept all of the employees from the Pathmark but it's like they brought in all new people," one Acme shopper told SN. "Customer service is now a major priority, and the store has become the cleanest grocery store I've ever shopped in."

"I think there's a sense that morale is better, and that it's a healthier company than it used to be," added Bob Gorland, VP of supermarket site selection specialist Matthew P. Casey & Associates, Clark, N.J. "They're doing more remodels, adding things like beer cafes. That's the kind of thing they weren't doing a few years ago."

Acme officials declined to comment for this article or specify its plans for additional store

openings and remodels this year. The company at press time was expected to open stores shortly in Boonton, N.J., and Patterson, N.Y. — both former A&P sites — while working on a flurry of remodels on the New Jersey Shore in time for summer tourist season.

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Young, whose union represents workers at Acme stores around Philadelphia — including nine former SuperFresh and Pathmark stores that joined the group in November — said the next step for Acme is to take on new sites, and new shapes.

“Along with major renovations, I think Acme has to look again at greenfield sites and invest in more modern stores — that’s the next step,” Young maintained. “I think they need to think about whether they can build big stores like Wegmans, and also about a smaller format store that would work in some communities. It’s not about one kind of store anymore.”