



## JOSEPH S. COLALILLO

Chairman and CEO  
Wakefern Food Corp.

**KEY DEVELOPMENTS:**  
Maintenance of market edge; growth of wholesale division

**WHAT'S NEXT:**  
Technology upgrades; food safety program

One of the biggest events in food retailing in the Northeast over the past year was A&P's \$1.4 billion takeover of rival Pathmark stores, which created a 450-store, \$9.4 billion chain with market share leadership in metro New York.

The new entity should pose a stronger competitive threat to perennial Northeast power Wakefern Food Corp., Elizabeth, N.J., the nation's largest grocery cooperative, with estimated sales of \$9.9 billion in 2007. Wakefern supplies ShopRite member stores while operating 28 ShopRite corporate stores and 31 Price-Rite stores.

Has the merger of A&P and Pathmark had any impact

on Wakefern?

"To date, none whatsoever," said Matt Casey, founder of site selection firm Matthew P. Casey & Associates, Clark, N.J. "The gap between ShopRite and A&P-Pathmark is still so wide. A&P has a lot of strong initiatives planned, but that's not going to overcome ShopRite's low-price reputation and perception in the customer's mind."

Making sure that Wakefern maintains its competitive edge is Joseph S. Colalillo, who became chairman and chief executive officer in May 2005, taking over from longtime CEO Thomas Infusino. Colalillo is also president of three ShopRite stores in Hunterdon County, N.J.

Since Colalillo became CEO, Wakefern "has not missed a beat," said Casey. "Infusino handed the ball to Colalillo, and not much has changed; if anything, they are stronger now, having moved more into wholesaling [to non-member retailers]."

In its wholesale operation, Wakefern is known to be supplying Heinen's, a chain of 17 stores based in Cleveland, with ShopRite private-label products, and last fall it began shipping those goods as well as branded nonfood and health and beauty items to Gristedes in New York. "We're very pleased with the growth that we've had in our wholesale division and believe this continues to represent a

growth opportunity for us," Colalillo told SN.

As for the growth of its store base, Wakefern's membership and subsidiaries have opened seven new stores since October, when its 2008 fiscal year began. In its quest for acquisitions, Wakefern is now "open to opportunities beyond the geographic boundaries that have defined our trading area," Colalillo said.

Last year Wakefern launched a program to get the next generation of its membership involved in its committees. Since then, more than two dozen of these individuals have assumed such roles — some in leadership positions, said Colalillo.

Wakefern has also invested

in technology improvements in recent months, including a new enterprise communications network and an electronic payment bank switch. "We'll have a new POS system going into pilot this August, with rollout scheduled for 2009, and a check authorization system is planned for the third quarter of this year."

Wakefern plans to emphasize food safety and sustainability in the coming months. For example, it is adopting the Safe Quality Food (SQF) certification program, "to help ensure that we are working with suppliers who are maintaining and adhering to the highest standards for food safety," Colalillo said.

— MICHAEL GARRY