

Grocery chain leader retires

It's checkout time

FARM FRESH PRESIDENT RON DENNIS

took over a struggling chain 12 years ago. When he retired Friday, he was running "one of the most successful banners in the company." What's next? His own garden, for one thing.

By **CAROLYN SHAPIRO** | **The Virginian-Pilot**

WVIRGINIA BEACH

HEN THE FORMER owners

of Farm Fresh recruited Ron

Dennis to manage the chain,

they gave him a tour of the operation.

They "took me to one of the worst

stores I've ever seen in my life," Dennis recalled earlier this week of a nowclosed supermarket in the Lynnhaven

area of Virginia Beach. He figured he

could only help the chain improve. "I

thought to myself, 'I can't screw this up.'"

Dennis agreed to take the job in late 1997. As president and chief operating officer of Farm Fresh, he oversaw a remarkable retail turnaround, bringing the business back from the brink of collapse.

Dennis retired Friday. At age 65 and after 52 years in the grocery business, it was the right time, he said. "This is something I've been contemplating for a long time."

Dennis said he chose to leave at the close of the 2009 fiscal year for Supervalu Inc., which owns Farm Fresh. The time between the announcement Monday and his departure was short, he explained, because he only met with Supervalu executives to finalize the details last week.

Those who know Dennis describe him as driven, demanding and eager to teach. One word surfaces in every conversation about him: "passionate." Until his retirement, he worked six days a week.

"Ron's a grocer. He eats and sleeps and breathes the grocery business," said John Stokely, who hired Dennis to run Farm Fresh. "He was able to put his own personal imprint on an entire marketplace."

Dennis took a company "in the outhouse. It was bereft," said Jeff Metzger, publisher of Food World, a supermarket trade publication. "And he really built it into one of the finest regional chains in the country."

Dennis grew up in a modest Miami household. His father owned an ice cream vending business, and his mother worked nights as a hotel telephone operator.

"My family didn't have a lot of money, and everybody had to work," he said.

At 14, Dennis took a part-time job as an apprentice meat-cutter at an A&P supermarket – "which meant I got to sweep up the sawdust and clean the place up at night." He also learned how to cut meat and "break the beef down."

While in junior college, he worked from 4 to 10 a.m. on a stock crew at a Publix supermarket, so he could attend classes during the day. He then joined the Air Force, which ultimately paid for a computer-programming course, and earned a bachelor's degree.

After a short time as a computer programmer for a savings-and-loan in Miami, Dennis took a better-paying job with Allied Supermarkets and became a store manager within four months.

He moved up to merchandiser, grocery sales manager and zone manager before Allied shut down his division in 1974. Dennis became a store director trainee for a chain within the Albertsons supermarket empire, starting with a night crew stint to “throw freight,” he said.

He climbed the ladder to become an executive there. Food Lion hired him away in 1996 to run its Kash n’ Karry chain, based in Tampa, Fla.

By then, he had “done everything in the store,” he said – from stocking cereal to slicing deli meat, from ordering produce to ringing up customers.

“I learned what’s right,” Dennis said, “and I learned what people try to do that’s not right.”

In Hampton Roads, Farm Fresh had fallen on tough times. A leveraged buyout in 1988 left the chain saddled with debt.

Richfood Holdings, a grocery distributor based in Richmond that supplied Farm Fresh, bought the retailer’s assets out of bankruptcy in March 1998 and put Dennis in charge.

Stokely, Richfood’s CEO, said Hampton Roads had plenty of supermarkets but none that qualified as “upscale.” He wanted Farm Fresh to fill that niche and needed a president to execute that vision.

“He’s one of those guys that’s just in tune to what customers want,” Stokely said. “That’s a gift. That’s a talent. And he’s got it.”

Dennis started by giving his 5,000 or so employees a raise. Then he focused on cleaning up the disheveled stores, including one where a broken freezer case was covered with plywood and stacked with groceries.

He embarked on a program to renovate stores. Dennis designed all new stores and remodels himself – an unusual role for a retail executive. In his office, he kept an architect’s desk, which still held blueprints last week for five or six store renovations.

He taught meat-cutters how to trim properly, required baggers to carry groceries to shoppers’ cars, and set up a customer-feedback program.

His biggest challenge, Dennis said, was “getting the people to believe in themselves and what it was we could do.”

He introduced the five Farm Fresh principles: operate the cleanest stores; sell top-quality products; carry the widest variety of merchandise; offer the lowest prices possible for the quality; and, most important, provide the best customer service.

“Our intent was to grow the business,” Dennis said. “And you can’t grow the business until you get the customer to understand and believe that they’re going to get a quality product.”

He credits the management team he built for the chain’s accomplishments. Those workers credit him with setting the bar high.

“He’s probably the hardest-working president that I’ve worked for,” said Scott Bayne, Farm Fresh’s senior vice president of operations, who has worked for five grocery chains over 31 years. “I’ve learned more here in the last 10 and a half years.”

Dennis taught him, for example, to be proactive, Bayne said. If a competitor such as Harris Teeter planned to open a new store, Dennis would start sprucing up the nearby Farm Fresh and making changes well before the rival’s grand opening.

“A lot of retailers wait to see how much business they lose before they react,” Bayne said.

A year after Richfood bought Farm Fresh, Supervalu bought Richfood for \$1.5 billion. The chain had 38 stores at the time and has grown to 45 now.

“What makes Ron different is he spent time out in the stores,” said Brian Huff, Supervalu’s senior vice president of specialty retail, who will take over Farm Fresh as interim president. “There’s nothing that goes on in that store that Ron doesn’t have an understanding of.”

Supervalu, based in Eden Prairie, Minn., doesn’t disclose financial details for its individual chains, but Huff acknowledged Farm Fresh’s performance. “He’s running one of the most successful banners in the company right now,” Huff said.

Others who know the grocery business said Farm Fresh grew financially strong under Dennis.

“Nobody produced the 10-year average or median performance that Ron did,” said Metzger, Food World’s publisher, “and that’s in terms of earnings and sales.”

When it comes to running supermarkets, Metzger said, Dennis has strengths that those with financial backgrounds or degrees in business lack.

“I’ll take a guy who has got a street sense for how to get it done and a strong work ethic and passion,” he said. “It’s all about being in the stores, understanding the culture.”

When a Navy battle group returns to Hampton Roads, Farm Fresh provides more than 5,000 bouquets for those waiting for loved ones and hundreds of “goodie bags” for sailors who must stay on the ships.

It’s one of many contributions to the community that Dennis has initiated at Farm Fresh. The company provides funding and products for a long list of charitable organizations and local events. He sees it as an integral part of doing business.

In September 2003, Hurricane Isabel pummeled Hampton Roads, taking out power for most of the region. Dennis opened all of Farm Fresh’s stores at 6 a.m. the next day, even though none had electricity, he said, and distributed more than 15 truckloads of water, ice, charcoal and paper products.

The retailer has donated more than \$6.5 million to Children’s Hospital of The King’s Daughters for its childhood cancer program. Dennis also sat on the CHKD board, where he always pushed for the hospital to improve, said Jim Dahling, CHKD’s president and CEO.

“He has been the consummate community advocate,” Dahling said. “I don’t see Ron as anyone who sits at home and says, ‘Good; the job’s done.’”

Dennis, a master gardener, will spend time in his yard at home in Virginia Beach, sprucing it up the way he has his stores. He also plans to rent a recreational vehicle for his wife and three “boys” – two Labrador retrievers and a golden retriever – to travel.

Norfolk Mayor Paul Fraim described himself as “heartsick” over losing Dennis as one of the city’s most dedicated business leaders.

Dennis built a store in the Berkley neighborhood when no else would, turning around plans just a few weeks after Fraim talked to him about it, the mayor said.

Recently, Dennis arranged for Farm Fresh to donate the \$200,000 that the Virginia Zoo, in Norfolk, needed to finish its new Asian exhibition. “He’s got a big heart, and he’s very well-grounded in what the community deserves,” Fraim said.

Dennis said community leaders should not worry about losing Farm Fresh’s support after he leaves.

“We’re in good hands,” he said. “I’m still a stockholder.”

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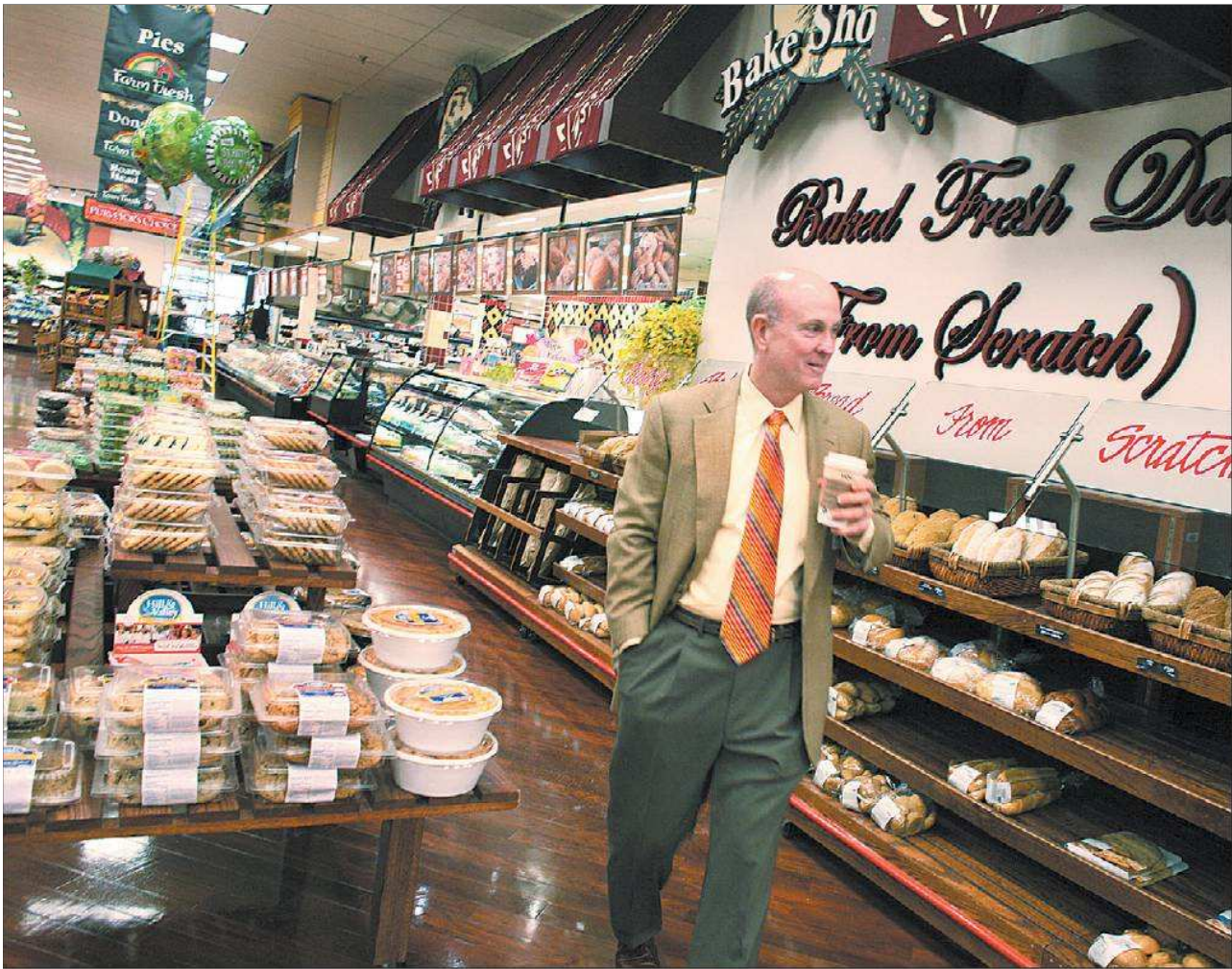
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During his farewell rounds last week, Ron Dennis presented the Golden Cart Award to meat manager Jim Fuel at the Haygood store in Virginia Beach. The award, which Dennis created, is given to employees who demonstrate exemplary customer service.



DAVID B. HOLLINGSWORTH | THE VIRGINIAN-PILOT

Ron Dennis visits the Farm Fresh store at Haygood Shopping Center in Virginia Beach during his final week.