

Keeping Up TRADITIONS

Sunset Foods stays modern by staying true to its roots.

By Katie Martin



MANAGEMENT TEAM

Sunset Foods is known for customer service, which begins with its management team, including (from left) Alan Perin, VP consumer affairs; John E. Cortesi, president/CEO; Thaddeus Tazioli, VP marketing; and Frank Lomoro, VP/GM.

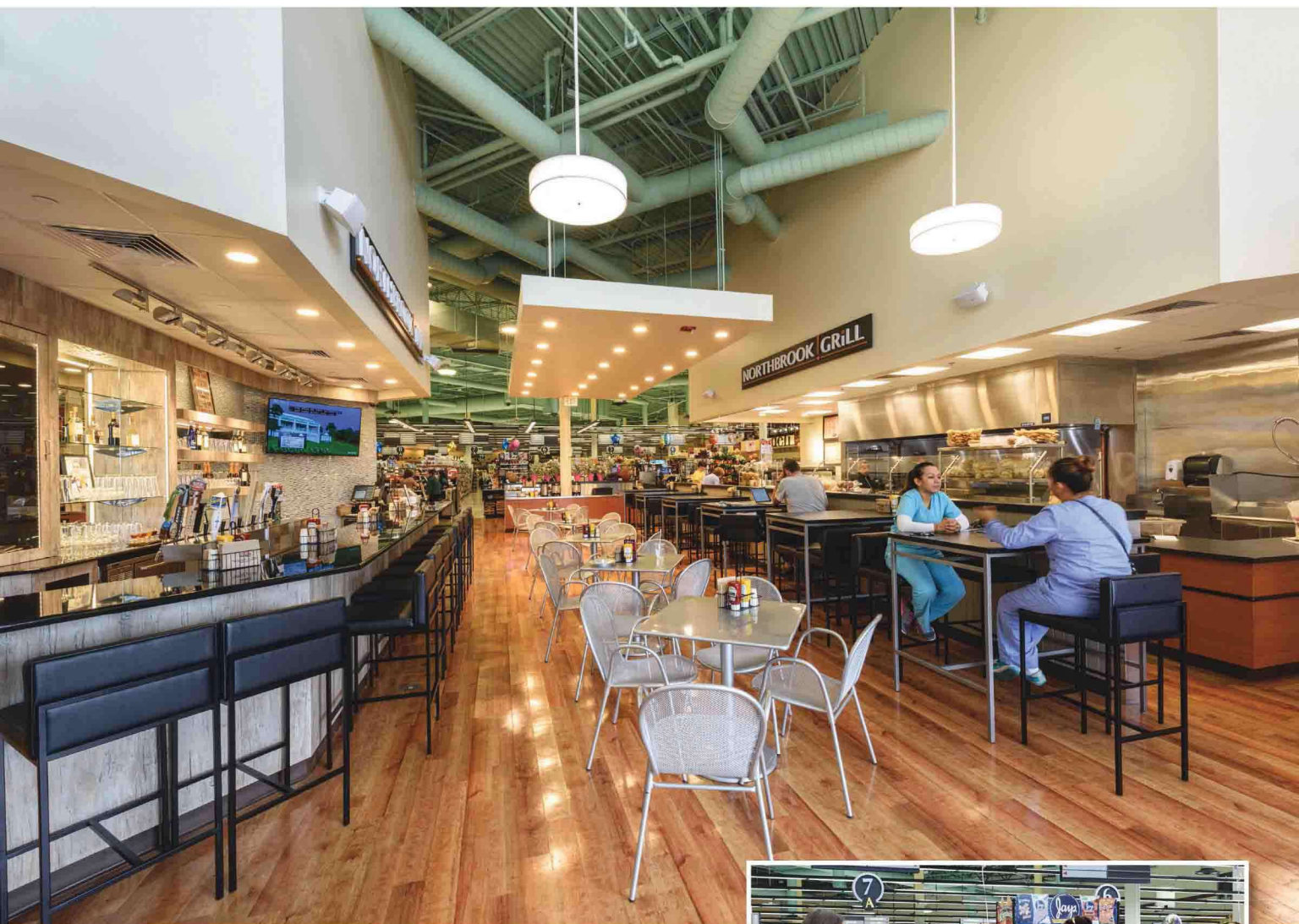


To run a successful business, you have to keep up with the times. But hanging onto founding values also is beneficial. Sunset Foods, founded in 1937 in Chicago's north suburbs, has found the right balance between maintaining what has always worked and meeting the needs of today's shoppers.

The management team, headed by John E. Cortesi, president and CEO, integrates into every aspect of the company its mission of being the neighborhood grocery store that

is small enough to know its customers but large enough for great product selection at good prices in clean, fun-to-shop stores that are staffed by friendly, knowledgeable staff.

This mission statement is the true driving force of the company; it's even read at every company meeting. Sunset Foods presents the mission statement to every manager, breaking it down sentence by sentence and going through every word to define exactly what it means and how it applies to what they do every day.



Local At All Levels

To provide its excellent product selection, the company focuses in large part on local producers and manufacturers. Local is often touted in today's supermarket industry, but for Sunset Foods, that commitment to supporting the community goes back to its founding 78 years ago. The company has relationships going back decades with area farmers. "You're going to see a pattern throughout the stores with connecting with locally sourced products, family farms — it's part of who we are, and it's been a part of who we are long before it got to be a trendy buzzword," says Thaddeus Tazioli, VP of marketing.

That commitment affects almost all departments. Sun-

STORE OF THE FUTURE

The Northbrook, Ill., location of Sunset Foods was recently renovated to include a grill and tap, a concept first introduced in its Libertyville store. While restaurant-type service may be the future of grocery retailing, the company hasn't lost sight of its roots in customer service.



set sources some of its grass-fed beef from Kenosha, Wis., about 30 miles away. The turkeys are sourced from a farm in downstate Illinois (a relationship that is 70 years old). The organic, antibiotic-free chicken comes from northern Indiana. The chocolate for the chocolate chip cookies made at the in-house bakeries is from a Chicago manufacturer, and other bak-

"Not only is the food good, the prices are right."

—John E. Cortesi,
President and CEO

ery products like bagels are delivered from area retail bakeries. Much of the produce comes from a suburban-based farm that Sunset Foods has worked with for 60 years, as well as an organic farm that's less than five minutes from one of the stores, while the berries are often sourced from Michigan. Even center store gets in on the action with spaghetti sauces from area restaurants.

Several of the wines and liquors also are made or sourced locally.

Sunset Foods works with a local whiskey distiller to create its own proprietary blend that's available only in the grocer's five locations. Customers love it: The company ordered about 300 bottles of its signature whiskey and sold them all, according to Cortesi.

Sunset Foods is focused on providing an avenue for local manufacturers to get into the market. With all of the governmental regulations, the manufacturer has to be serious about making the product, but once all of the requirements, including nutritional facts and UPC codes, have been met, Sunset Foods will most likely give it a shot. The company brings in 5,000 products per year, according to Tazioli. "That idea of

being integrated into the community really is a part of the fabric of our culture and our company," he says. "If you're a local person and you come to us with a product, we'll probably put it on our shelf."

In addition to the focus on local, the company stresses a large variety of quality products at affordable prices, another tenet of its mission.

Fresh Meat, Seafood

The meat department, which features a 60-foot case in the Northbrook store, cuts the product fresh daily on-site. Customers can request any cut they want — down to the thickness — of pork, lamb, veal, grass-fed beef and chicken. The ground beef is ground on-site several times throughout the day and is often only hours old when customers purchase it. All meat products have

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—Thaddeus Tazioli,
VP of Marketing

only one code date — it's sold the day it's cut. Leftovers are often donated to a local food pantry.

Cutting meat on-site also opened up an opportunity for Sunset Foods to introduce one of its most popular products: dog bones. "We had the bones and we decided to sell them," Tazioli says.

"We do a killing on the bones." In fact, the product has become so popular that the department has to order in bones to keep up with demand.

In the seafood department, Sunset Foods works with a Florida fisherman who supplies the stores with in-season fish year-round. In the fall, he catches stone crabs at night,



DELICIOUS DELI

The Northbrook location's deli department is staffed by 18 chefs who create restaurant-quality products made in-house daily from all-natural ingredients. Among the best-selling products is the tuna salad.





MEAT FOR MILES

The meat counter in the Northbrook Sunset Foods store spans 60 feet and is filled with selections that were cut that day on-site.

steams them and packages them for the flight to Chicago that day. For Memorial Day, the department celebrates Alaskan king salmon by setting up tents in the stores' parking lots and selling the whole fish off ice. Around Labor Day, Sunset Foods flies in lobsters from Maine and sells them for \$10 each. This year, the company also flew in the fishermen who caught the lobsters.

Tazioli stresses that all seafood is responsibly caught and sourced from eco-friendly suppliers — a fact that's marketed on signage on the department's cases.

Prepared at the Heart

The fresh prepared food departments are the heart of the company. The deli department in the Northbrook location features 18 chefs who prepare a variety of products



SUSTAINABLE SEAFOOD

The seafood at Sunset Foods is flown in fresh daily and is sustainably sourced from suppliers with eco-friendly practices.

from scratch using all-natural ingredients. “You can put our kitchen up against any restaurant anywhere in terms of its size,” Tazioli says. “In fact, most restaurants would love to do the volume we do out of our kitchen.”

The deli provides a lot of customers’ favorite products, such as the tuna salad. “We sell the heck out of our salads,” Tazioli adds. “Everything is made right here in the store.”

The department also offers a What’s For Dinner program Monday through Friday, in which a chef’s station is set up to sample the various components of the meal from 4 p.m. to 6 p.m. The

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to 9 p.m., while quantities last. A recent menu included spiral-cut ham, fresh grilled pineapple and garden

meal elements — a main course, two to three sides, and sometimes a dessert — are packaged and available for customers to grab what components they want from 2 p.m.

salad. The packages are portioned for both couples and families.

Renovating for the Future

The deli department was part of a recent remodel at the Northbrook location that included a revamp of all fresh departments, as well as a reset and review of center store products. “The areas we wanted to focus on were our perishables departments,” Cortesi says. “We took a ‘best in class’ approach of what we already do, but gave it a better presentation.”



On the center store side, Sunset Foods used the remodel to establish a disciplined category set throughout the store. “Over time, [center store] was like one of those sand sculptures where things mix together,” Tazioli says. “This was a chance for us to start fresh again.”

It also allowed the store to reallocate space due to the changing nature of center store. Some categories aren’t selling like they used to — dog food, for example — but others, like HBC, with its focus on natural products, is growing for Sunset Foods.

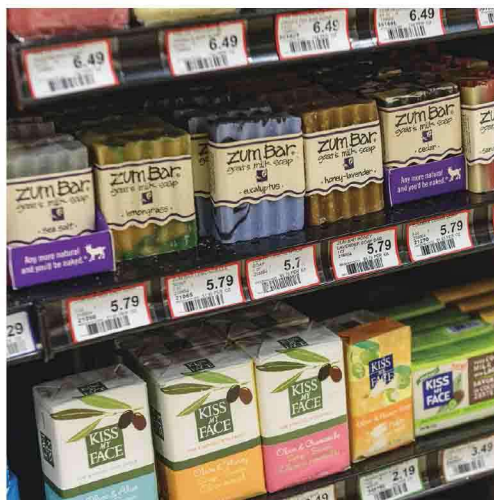
The remodel, which didn’t expand square footage, but rather reallocated how the store’s 45,000 square feet were used, was part of the regularly scheduled refreshes that Sunset Foods likes to do every seven to eight years. The Northbrook location is relatively new — it was built in 2001 — but the stores see a lot of traffic and need to be updated periodically.

Restaurant Addition

This most recent refresh of the Northbrook location included a grill and tap, a concept Sunset Foods first introduced in its Libertyville location a few years ago. “We wanted to bring the social atmosphere into the breakfast, lunch and dinner dayparts,” Cortesi says. The company was already almost running a restaurant-type operation, thanks to the level of expertise in its deli departments.

“This idea of the fast-casual concept, this was the way our consumer was going in terms of their food consumption,” Tazioli says. “It just made sense. We were positioned there already.”

Northbrook’s 1,500-square-foot restaurant includes a streamlined menu that pulls ingredients from throughout the store without adding any labor, because staff came from other areas of the store. The menu offers build-your-own sandwiches, paninis and burgers, with an extensive selection of options. “They are



really chef-driven menu selections,” Tazioli says. “That’s really our big difference. When you try to appeal to a large demographic, you’re not going to have that freshness and the chef-driven element.”

The bar offers several varieties of

UPDATED HBC

Sunset Foods has revitalized the HBC department by sourcing high-end soaps and vitamins.

craft beer on tap, as well as boutique wine. Everything you can buy at the bar also is available in the store in bottles or cans. The tap also features tastings, and Sunset Foods is exploring opportunities to rent the grill/tap space to customers for their special events.

“It’s become a really popular place to go and dine,” Cortesi adds. “Not only is the

food good, the prices are right. We want to be able to bring the social aspect [of dining] into our stores. Because we have so many perishable departments we can make this happen. We have high-quality foods that can be presented in a restaurant-type

setting, and it's fun. I know from a public perspective, our customers really enjoy it."

In fact, while *Progressive Grocer Independent* chatted with Cortesi and Tazioli in the new grill area, a customer stopped to say that the addition of the restaurant was the best idea introduced in a long time.

Management is looking at opportunities to add the grill-and-tap concept to the three remaining stores.

Social at Store Level

The fresh prepared departments help make the stores fun to shop, in keeping with the company's mission, but so do the events that are regularly held at the five locations. The stores host pumpkin carvings around Halloween, and they may host 30 vendors for a specialty food show, or a catering event that showcases all of the products that Sunset Foods' catering department can provide for customer celebrations.

Every six months, the company hosts a gluten-free event where a 5,000-square-foot tent is put up in a store's parking lot and about 75



PRODUCE PARADE

Many of the products in the produce department are sourced from local suppliers that the company has used for decades.

vendors sample their wares.

For private customer events, Sunset Foods is known for the mezzanines in its stores. Customers can rent out the whole space or use the community rooms for meetings.

Sunset Foods' five locations serve a fairly consistent market segment, with some overlap of customers shop-

ping multiple stores, but since knowing customers is a key tenet of the company's mission, store managers are given autonomy to make changes to meet unique shopper needs. "They're on the front lines talking to, and getting feedback from, customers every day," Tazioli says, adding, "It's a balance — we don't want them going into left field, but we don't want them saying no, either."

Part of the reason that store associates know the customers so well is because many of them live within the community themselves and often have several years of experience working for Sunset Foods. Of 850 employees, 360 have 10 years or more tenure. "That's a lot of product knowledge, knowing customers and the things they might need or want," Tazioli says. "I think customer service and employee service are woven together. It's part of the culture and the value set that this company was founded on. Good people attract good people."

"From a business standpoint, when you know your customer, they want to see you succeed," Cortesi agrees. "They want to see you do well; they don't want to see you do poorly because they like you, you like them." **PGI**



WIDE VARIETY OF WINE, LIQUOR

Frank Lomoro (right) talks with Northbrook Store Manager Bruce Gonzalez in the newly expanded wine and liquor department.