

Harry Blazer – Message for Small Chains & Independents

Every big guy started out as a small guy. Whether your goal is to stay small or become a big guy someday, grow organically, be acquired or go public, you still need to create compelling value and be good at what you do.

Once the big guys have their eyes set on a goal, they can put a lot of resources in play and move pretty quickly. They can also afford to make mistakes that would otherwise put you out of business. Big NFL linemen today are both flexible and fast. Big business can be also. Having access to and using data intelligently also helps the big boys figure out their next moves - faster. And often, their cost of capital is less than yours – often much less.

To thrive, you must be the best in your market in all aspects of Fresh - period. It also helps if you are the best in meal solutions and provide things that are unique that folks will go out of their way for. An advantage – intimacy with your customers, employees and your operations. You are imbedded in the neighborhood and often times you and your managers live in those communities. And it is easier to “go local” with your product selection. One other key advantage – decisiveness. Whether it is a vendor calling with a deal or figuring out what you want to put on ad this week, you can make a decision, now. No involved process. No committees. No long lead times. No layers of sign off.

A key: many small chains and independents use wholesalers and distributors for supply. While this simplifies logistics and often eliminates the need for your own distribution infrastructure, this puts you at a huge cost disadvantage relative to the big chains. True cooperatives are a way around this. But the bottom line is, you need to figure out how to disintermediate – get layers out of your supply chain. This might even play into your decision about what you will and won't carry. Big chains have this same disintermediation problem when it comes to specialty foods (and therein is a large opportunity for them as well) – but not for the main categories in fresh, frozen, dairy and center store where you compete. You just won't buy P&G's stuff cheaper than Wal-Mart or Kroger.

At Harry's Farmers Market and Dekalb Farmers Market, we were committed to and figured out how to buy direct on basically everything we sold. We sold no commercial groceries because we knew that we could not buy them at a price where we could be competitive. But for the things we did decide to carry, we often bought better than the big boys because we cultivated relationships and understood the system. We weren't interested in milking our vendors for everything we could and using brute size and force to impose our will. We looked at the vendor relationship as collaborative – not adversarial. We were decisive and flexible. We helped our vendors out when they needed help, took accountability when we made a mistake, paid fast, treated them with respect and always transacted with the highest integrity. And they took care of us.

Finally, people are craving for authentic, fun and healthful experiences of great value. They appreciate imaginative merchants that come from an intention of service to others and doing the right thing with integrity. You need to be one of them.

We stand ready to help you create meaningful differentiation among the giants in this industry.

