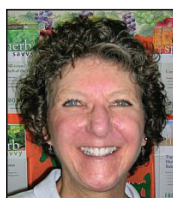


President's Letter

Why I Attend Expo East

By Denise de la Montaigne



As an independent retailer with a small staff, I need to be in my store managing my

business and interacting with my customers face-to-face on a daily basis. So when I do go to a show, I am very selective. I know it's going to mean time away from my shop and additional expenses.

So it really needs to be worth the investment.

Why I Choose Expo East

I attend Expo East virtually every year. My reasons are pretty straightforward: I get to see all of the new products, meet with my current vendors and talk to new ones, all in one place; I have the rare opportunity to talk to my colleagues and friends in the business, a luxury I rarely afford myself during the rest of the year. I find out what the competition is doing—and not doing! What's more, I get a

unique overview of the industry, from the big box stores to small independents to everything else in-between. I consider this an opportunity to take my local blinders off and absorb a "world view" of the industry that's absolutely essential to the success of my business.

Unique Educational Opportunities

Expo East's educational lineup is probably the best, most comprehensive offering available

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Save These Dates

Contact Us

Join NPA East at
www.npaeast.org

Send inquiries to:
NPA East
29 Pickwick Drive
Marlton, NJ 08053

or call
856-985-5446

or email
pkushner@comcast.net

Retailer Spotlight: Bob Kleszics

Owner, Harvest Market, Hockessin, Delaware

By Paul Kushner



Q What is your background and how did you get interested in natural products?

A I was first introduced to organic and natural foods in the 1960's by an aunt who made these amazing salads and passed along her copies

of *Prevention* magazine. By high school I was making my own whole grain bread, granola and yogurt and was called Mr. C by my friends for all the vitamins and supplements that I took.

Q How long have you been in the business and how long have you owned Harvest Market?

A I started working at a food co-op while still in college in 1979. I worked my way up to store manager and stayed a total of 16 years. I opened Harvest Market in 1995. We've been in our third location for the last five years.

Q Tell me about your store and your product mix: how much is supplements, how much is food. Which is your primary focus and why?

A Well, we're at 6,000 square feet total, with 4,200 of that as retail. We are a food driven store with only
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NPA East Increases Membership

Your membership counts – and we are counting every one! In 2009, membership in NPA East grew 20% and, the good news is, 2010 is even topping those numbers.

Current Members Are the Best Endorsement

While we continue to reach out to potential members throughout the year, the most effective way to recruit is through our existing members. We believe we have proven that we provide value to our members — strong advocacy — your personal endorsement sends an even stronger message to independent retailers about the benefits of joining and participating in the only regional organization dedicated exclusively to the growth and continued success of natural products retailers and the companies that support them. Our organization is there for YOU, and our members are there for EACH OTHER.

Advocate At Expo East

Expo East is the perfect venue to talk to your colleagues about the importance of supporting your Association. While in Boston, please take a few minutes to encourage fellow retailers, suppliers, manufacturers, and brokers who work in our region to join with you to protect our rights to do business. We are proud of the work we've done to advocate for you throughout the year. With the support of our members, we have been able to stop potentially damaging bills that would have severely hurt your ability to compete as independent retailers. We need more strong voices advocating for our industry. Please consider joining the fight by helping us keep track of the hundreds of bills that come up each year that have the potential to hurt us. It will take very little of your time but it can make an enormous difference in our effectiveness.

Attend the Annual Meeting

And make sure to attend our Annual Meeting at Expo East on Thursday, October 14th from 4:00 – 5:00 pm. See the back page of this newsletter for more details.

Every time a new member joins NPA East, our voice gets stronger and our ability to influence legislation both locally and nationally grows exponentially.

For more information on how you can help us protect your business, please contact NPA East Executive Director, Paul Kushner, at 856-985-5446. email: pkushner@comcast.net.

Take Action in Your State

NPA East keeps its fingers on the legislative pulse in your state. We are looking for conscientious, independent retailers, who are willing to stand up and take action when threatening legislation appears on the horizon. To lend your support to protect your livelihood, please contact the Executive Director at 856-985-5446.

Expo East 2010: What's in it for You, the Independent Retailer?

Here are four excellent examples:

#1 It's Affordable.

Expo East has pulled out all of the stops this year to ensure that the show is more than worth your money. In fact, attending Expo East may turn out to be the best investment you make in the future of your business this year. Remember: NPA East members save \$20 off the registration fee for Education Day.

#2 It's Green (and you save green!).

The Travel Green, Save Green program is back again! Qualified buyers attending the show can ride a regional bus or train to the show and Expo East will reimburse you up to \$50- just visit the Travel Green, Save Green Desk with your receipt and badge to claim your reimbursement. One roundtrip per attendee, no exhibitor reimbursements, valid for regional (originating outside of Boston city limits) transportation, limited quantities available per day. Visit expoeast.com/travel for details.

| SPEND | RECEIVE |
|--------------|-----------|
| \$0- \$14.99 | \$10 card |
| \$15-\$24.00 | \$25 card |
| \$25 or more | \$50 card |

#3 It's Communal.

Where else do you get as much done for your shop in just a few days? You'll view all the newest products and industry innovations, talk with exhibitors who represent every line you carry and then some, have perhaps the only opportunity all year to meet with colleagues and friends in the business who share your concerns as an independent retailer, and participate in educational programs that focus on day-to-day issues that have a direct effect on the success of your store. So get out from behind your cash register, take a well-deserved break, and commune with your colleagues. You've earned it!

#4 It's Educational.

This year the planners of Expo East have created a program that focuses directly on the needs of independent retailers. In cooperation with NPA East, Education Day is being held on Wednesday, October 13. The choice of seminars covers all topics and is specifically designed to address the real-life issues faced every day by independent retailers. (Read more about Education Day in the accompanying article on the back page of this issue.) Also, for the fourth consecutive year, we will hold the standing room only Retailer – to – Retailer Roundtable events on Thursday, Friday and Saturday at the Retail Resource Center on the show floor.

Remember: NPA members save \$20.00 off the Education Day registration fee.

To register for Expo East, go to www.npaeast.org and click on the Expo East Home button at the top of the page.

15% of sales coming from supplements and 8% coming from HBA. The first thing a customer sees when walking into the store is our beautiful and abundant produce display which is more than 95% certified organic. High product standards are important to us as well as a commitment to local growers and producers in all categories. We actively promote a nutrient dense diet as advocated by the Weston A. Price Foundation.

Q Do you have a formal business plan or an informal one, and can you share the key elements that have helped drive your success?

A We certainly had a formal business plan when we opened, but I have to admit that it has never been updated. I admit to a tendency of running the store somewhat by the seat of my pants. My responsibilities to our staff of 25, however, do require that we have systems in place. Our staff is outstanding in every way and is the primary reason we have won Delaware Today Magazine's Readers Choice Award for Best Natural and Organic Food Store for the last three years in a row.

Q We've recently gone through what some economists say is the worst downturn since the Great Depression. How did you weather it, and what steps did you take to ensure you'd get through?

A 2008 was heading for another double-digit sales increase, but the September crash ushered in 14 straight months of slight sales declines. We really focused on improving our pitifully small marketing program throughout 2009 and created the position of Marketing Coordinator. We've been up every month this year and July finished up an amazing 11.7%.

Q Competition from big box stores is a concern for all independent retailers. In fact, you told me that a Whole Foods is set to open up in the next year within your market area. How do you compete with a virtual monolith that can often

offer more selection and better prices?

A I just got back from a trip to New Orleans where I was able to visit two Whole Foods stores. My initial reaction was one of shock and awe. After I calmed down I realized that competing directly against them would be futile. Our best strategy is to maximize what we do best within our existing format and then improve areas where our weakness might tip our customers toward deciding to make the 30-minute trip to Whole Foods. We don't have the room in our store to have a production kitchen, but we are actively considering renting a remote kitchen facility to produce a complete selection of grab-and-go soups, salads, sandwiches, entrees and baked goods.

Q Many independent retailers say that the key to success is finding good employees and holding on to them once they've been trained. Do you agree? And, if so, what kind of environment do you foster at your store to keep employees once you've invested the time and money to train them?

A I couldn't agree more. 72% of our employees have been with us at least three years. We have a very cohesive and cooperative staff—despite the occasional soap opera moments. We pay competitive wages, pay for 100% of our employees' health, dental and disability plans, and offer a 35% employee discount. We also distribute semi-annual profit sharing bonuses that are generally equal to a week's pay each. We offer ongoing training—like Zing Train—to staff who are interested.

Q Do you sponsor community events at your store, and which ones have you found to be most successful?

A We have a registered nurse/medical herbalist who offers free in-store consultations three days a week. Our customers are very appreciative of this service—which we heavily promote. We have regular demos and seasonal fairs in the store, but

also sponsor two farmers markets, a film festival and have a presence at at least two other events per month.

Q What have you found to be the best media for marketing your store? Where do you get the best ROI?

A We spend very little on print advertising and nothing on T.V. or radio. We heavily promote our website and email newsletter. We're also on Facebook and Twitter. We think face to face marketing offers the best ROI.

Q Over the years, what's the best business decision you've made, intentionally or not, that turned into a major asset for your business?

A Having the courage to make the last move to our current location while taking on considerable debt. We were rewarded with a 40% sales increase the first year.

Q What's the worst business decision you've made over

the years, intentionally or not, and what did you learn from it?

A I've made dozens if not hundreds of bad business decisions over the years—from bad hires to dumb equipment purchases. Though some have cost tens of thousands of dollars, none has proved fatal. In that regard they all become learning opportunities.

Q Now get out your crystal ball? What will independent retailers need to do in the next five to ten years to continue to survive and prosper?

A That's easy. In this world of ever increasing homogenization and lowest cost at any cost decision making, we independents must dig in our heels and shout quality to the roof tops.

It's foolish for us to try to compete with the big boxes on price. We must set the highest product standards and then adhere to them.

President's Letter

continued from page 1

anywhere for independent retailers like us. The 2010 Retailer Workshop is being held on Wednesday, October 13th, at the Boston Convention and Exhibit Center and, as always, provides retailers with a full day of intensive education. This year, there are three tracks to choose from:

- Perishables
- Non - Perishables
- Operations

as well as opening and closing sessions.

Focus on one track or pick and choose to make your own customized day of education. For a complete listing of this year's education schedule, go to www.expoeast.com.

My #1 Reason for Making Time to Attend

Finally, there's a reason I go that might just outweigh all of the rest: the opportunity to talk to my peers in the business about what's worked for them and what hasn't. With competition growing and margins shrinking, I find their expertise incredibly valuable. From increasing my profit margins to a better deal on credit card processing to ways to bring along promising employees, I always come away with useful information that more than compensates for my expenses and my time away from my store.

Today, it's more important than ever to learn and absorb new ideas, take advantage of every educational opportunity available, and to get away from the store and have some fun! I urge you to register for this year's Expo East in Boston. I promise you it will be time and money well-spent.

SAVE THESE DATES – October 13 – 16, 2010

It Only Happens Once a Year EXPO EAST 2010

Welcome to the Best Educational Experience on the Planet Designed Specifically for Independent Retailers!

NPA East is again proud to co-sponsor Expo East at the Boston Convention and Exhibit Center, October 13 to 16, 2010. Building on last year's successful program, the NPA East Convention Committee collaborated with its counterparts at New Hope Natural Media to create what we believe is another excellent education program that **focuses exclusively on those issues most relevant to independent retailers.**

Education Day

Wednesday, October 13

NPA East's popular educational event will again be offered at Expo East.

This intensive all day educational program begins with a Keynote Address featuring **Rafael Mael**, renowned marketing strategist-brand launcher. The keynote address is followed by three tracks:

- Perishables
- Non-Perishables
- Operations

Retailer to Retailer Round Tables

Retail Resource Center

- Thursday, October 14
11:30 am – 1 pm
- Friday, October 15
11:30 am – 1 pm
- Saturday, October 16
11:30 am – 1 pm

Moderated by members of the NPA East Board of Directors, last year's sessions were standing room only, so plan to get there early.

NPA East Annual Meeting

**Thursday, October 14th
4:00 – 5:00pm**

Please plan to attend the Natural Products Association East Annual Meeting during Expo East in Boston. Meet your new

President and new Board Members, and take advantage of this important advocacy event to talk directly to your NPA East Board of Directors and hear from them on what your association is doing for you throughout the year. This is your opportunity to have meaningful input in your association. Get connected!

To register for Expo East 2010 and for the complete program, visit our website www.npaeast.org and click on any of the links to Expo East.



**Boston Convention and Exhibit Center
Wednesday through Saturday
October 13 to 16, 2010**

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