

## 2011 Power 50: No. 16 JOSEPH S. COLALILLO

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Chairman and CEO/ **Wakefern Food Corp.** **KEY DEVELOPMENTS:** Strengthened hold on N.Y.-N.J. markets; expanded perishables warehouse. **WHAT'S NEXT:** Opening stores in Md. and N.Y.; building new grocery warehouse.

By **MICHAEL GARRY**

In the greater New York-New Jersey metro market, the split between the strong and the weak continues to widen.



The strong would be market leader Wakefern Food Corp., Keasbey, N.J., whose \$11.8 billion in annual retail sales in fiscal 2010 — including some stores averaging in excess of \$40 million per year — puts it at No. 16 on *SN*'s list of the top 75 food distributors; it also reported \$9.6 billion in warehouse sales last year. The weak would be A&P, which is closing stores as it struggles to emerge from Chapter 11.

Wakefern, with 47 members that operate 205 ShopRite stores, plus 27 corporate ShopRites and 45 corporate PriceRites, “is great at seizing opportunities,” said Matthew Casey, president of Matthew Casey & Associates, a real estate strategy firm in Clark, N.J. “They have a very solid offense and defense — not a weak link in the lineup.”

Leading this regional juggernaut since 2005 is Joe Colalillo, who generally spends half his time as chief executive of Wakefern and half as president of three ShopRite stores in Hunterdon County, N.J. He is also the incoming chair of the Food Marketing Institute's Food Safety Task Force, as well as an FMI board member since 1998, and serves on the board of the New Jersey Food Council.

One of the key strengths of Wakefern, noted Casey, is that it has members like Colalillo who can react quickly to competitive threats and opportunities in their particular marketplaces.

Last November, Wakefern announced that its members had opened 14 new ShopRite stores while the co-op added four new PriceRite stores. Since then, member Village Super Market said it would open two Maryland stores in the fall while Wakefern will launch a corporate ShopRite store this fall in Niskayuna, N.Y. Additional PriceRites have started in Maryland. “We are focusing on core markets, but also looking at outside markets,” said Colalillo, projecting Wakefern will have more than 300 stores by the end of the year.

While Wakefern's member and corporate stores continue to do well, the company prides itself on its prowess as a distributor. “Our strength is our logistics,” said Colalillo. To shore up that

strength, the co-op last year expanded its Keasbey perishables warehouse by 90,000 square feet, and it plans to acquire an additional 140,000 square feet of produce space. This year, it is tearing down its grocery warehouse in Elizabeth, N.J., and replacing it with a state-of-the-art facility by 2013.

To further differentiate itself from competitors, Wakefern has increasingly leveraged online and mobile applications. For example, 84 ShopRite stores offer online ordering and pick-up. Colalillo became a convert to technology by watching his four children, ages 9 through 23. His oldest “figures out where he wants to buy something on his phone,” he said. “It’s amazing. We want to be in front of that.”

Wakefern has also received recognition for its environmental efforts, and it has increased its commitment to health and wellness with 21 retail dietitians so far.

Colalillo was especially pleased by Wakefern’s selection as one of *NJBIZ* magazine’s best places to work in New Jersey. “We’re family businesses. It’s our mindset to care about our people.”

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