

THE EVER EVOLVING NISKAYUNA CO-OP

The Cooperative movement in Schenectady began in the late 1930's by a group of engineers and scientists who were involved in the General Electric Company research and development program. The Schenectady Co-op operated until about 1949 in various locations in the city.

With the growing suburb of Niskayuna in the early 1940's, and gas rationing caused by WWII, folks were finding it a hardship to travel to the city to buy their groceries and supplies. Seeing the success of the Schenectady Co-op, Niskayuna neighbors got together to form their own co-operative. March of 1943, over 70 years ago, the Niskayuna Consumers Co-operative incorporated and opened its first store at 2211 Nott Street, the location of the present Niskayuna Wine and Liquor Store. As time went on, the war ended, the town grew, and the Co-op looked to expand to a larger store. In 1947, we purchased the present lot, which we thought had plenty of room for future expansion. The "new store" is still present and living inside the present store. You can see the picture of it on the backside of our ad each Monday. The store doubled in size again in 1953 when the east side addition was added. Then a large back addition, to house storage, facilitate deliveries, and add a fancy new Produce Department, was completed in 1956.

The General Manager at that time was Stanley Lee. He along with his wife Pat made the Co-op one of the most successful ones in the country. They were innovative and in tune with a growing communities needs. When car tires were hard to get after the war, the store provided them to our members on a special order basis. We were the number three store in the Mid-Eastern Co-operative Group, after Hanover, in New Hampshire, and Stafford Springs, in Connecticut. We paid one of the highest patronage dividends to our members, based on the sales slips they saved and turned in at the end of the year. The business was strong with a large reserve of assets.

As we headed towards the 1960's the Co-operative movement was really catching on across the country. An opportunity came up to purchase the building next store. Delicatessens were becoming very popular at the time, so the building converted from the existing card store and dry cleaners to an upscale German Deli with table space for a small luncheonette. I know this history since I worked here as a stock boy from my senior year in high school, 1959, until I left the area for college in 1962.

Around 1964 Stan Lee retired. The Board and incoming General Manager continued the growth of the store by adding the new meat department behind the new deli. This remodel, completed in 1968, made the footprint of the store essentially the same as it is today.

Unfortunately, the new manager, and the one who followed him, were not honest and trust worthy. Several inside burglaries took place as well as the outright stealing of assets, went on unchecked. The store had lost its direction and the community was turning to the new wave of supermarkets developing in our area. By the early 1970's the store was deep in debt. The Co-op could not be competitive and had not paid patronage dividends for at least four years. The Board of Directors considered closing the store and selling the building. A group of dedicated community activists headed by Betty Mathis, the Board Secretary at the time, stepped up to save the Co-op. They sold merchandise certificates to get money to put stock on the shelves. They held community dinners as fund-raisers for the store. They volunteered their time to unload trucks, stock shelves, and maintain the building. The Vendors, that had supplied the store during the good old days, stuck by it and allowed an unprecedented line of credit, which helped to keep stock on the shelves. This was enough to keep it going for a couple of more years.

In 1975, I was managing a Flah's Clothing Store in Albany, after coming back to the area from seven years with the J.C. Penney Company. Flah's was one of Betty's favorite stores, besides the Co-op. One day we were talking about the Co-op and the former Manager I replaced at Flah's, and out of the blue I said "Why don't you make me an offer?" Thirty eight years later I am here to tell you about it.

I started with 18 employees. Five had to be replaced immediately. My Produce Manager quit my second day. Not knowing a thing about Produce, since "I hate vegetables", I hired a young man named Bob Dugan, who at 22 had a little Produce experience. I said "good! You're the Produce Manager". With the twelve other strong loyal employees I had left, we started to rebuild the business as I had remembered it as a stock boy, in the late 1950's. With the Board's help we held more fund raising dinners, established the annual Anniversary/Open House in November, developed Community events like the Frog Jump that we held for 20 years. Together, we eliminated the restaurant and replaced it with a snack bar. This was a great town gathering place for many years. We added full size non-foods, Health and Beauty Aids Department that even sold sneakers and underwear. That was the growing trend for supermarkets in that day. We were evolving, and The Board has always been active in our growth. Even to picking up a hammer and saw to help build the new departments. Little by little the store began to grow again.

Soon, as our reputation grew, others across the city wanted to know about how they could establish their own Co-op, patterned after ours. The Mont Pleasant Co-op brought us an opportunity that helped us grow, since we could combine and share our advertising costs to promote both stores. With the power of two stores, we were able to land a very favorable contract with C&S Wholesale Grocers, "the little guys in Vermont". This gave us buying power to compete with the big chain stores. Soon we tied in a program with the two Gabriel brothers to share advertising with them. Mont Pleasant Co-op failed after a few years, the Gabriel's went to another Wholesaler, but we kept the contract. Today we are one of C&S's oldest and most loyal customers, and they are one of the largest grocery wholesalers in the world.

The late eighties saw steady growth throughout the store. We had about 40 employees and our reserves were building. We loved the town and the town loved us. It was the place “Where People Get Together”. And they did.

All that came to an abrupt halt in 1990, when a shiny new Grand Union Supermarket opened across the street in the new St. James Square. We used the next couple of years to reinvent ourselves once again. We added new meat cases that doubled our display space. We moved the Produce Department to the first aisle of the store and outfitted it with new cases. We looked to new innovative ways to cut costs and make the store more productive and efficient. Within a few years we were putting reserves back into the bank and building our assets again.

We were nice and comfortable for a while when suddenly in 2001 the Grand Union went out of business. That left us, once again as in 1943, as the only grocery store in town. Sales immediately increased by over 40 percent. We were scrambling just to keep up with the added business. Seeing that no one was going to reopen the Grand Union, the Board made the decision to completely remodel the store. We spent a whole year under construction and by 2003 we had replaced every display refrigerator case, the machinery that runs them, every shelf, every table, the computer-driven register system and virtually every piece of equipment in the store. We repaired everything in the building, added a new façade and a complete new décor throughout. We spent over \$1,250,000 on the renovation, \$500,000 was from our reserves and \$750,000 from five and ten year loans.

Once again, we evolved, this time to place our focus on upscale foods. We discontinued most non-foods, added a higher quality private label program, and integrated gourmet high quality “Tree Of Life” brand products throughout the grocery department. We created a new larger Delicatessen and expanded the Bakery display area. We replaced open frozen food cases with state of the art door cases. The Produce Department was once again in the back of the store. The Meat Department reputation continued to grow and we became a destination store for folks looking for better quality foods at a fair price. Membership grew by leaps and bounds.

In 2004, using the old Grand Union building, a new store called Fresh Market opened. It lasted six or seven weeks until it was gone and all the fixtures and equipment were gutted from it. This never affected our sales and we continued to grow for several more years.

By 2011, with tarps draped all around the ceiling of the store, we needed an entire new roof system and insulation for the store. This was at the same time Shop Rite announced that they would be opening a fully equipped new supermarket in the old Grand Union building. With reserves built up once again we invested over \$200,000 to put a thirty year roof on the building and replace a 25 year old furnace and other mechanical equipment.

The fall of 2011, Shop Rite opened. We saw an immediate drop in sales of about 15 percent. As we did in the past we tightened our belt held our breath and moved forward. Now we had 60 employees and did not want to cut services to the loyal customers who said they would never set foot in the Shop Rite.

We decided once again to evolve to fill a new emerging need in the food business. There was rising demand for locally produced, natural, gluten-free, vegan, and Greenmarket products. This we felt would attract and replace the fifteen percent of customers who changed their shopping habits over to Shop Rite. A progressive Board was formed, and we moved forward with another renovation of the store. This time we gave it a new upscale look with new floors and décor. We opened up the congested front end with new register stands and built a new service counter with a dedicated express register. Instead of retreating, we brought the store up to a standard that could attract an emerging upscale customer looking for healthy foods. Since the re-model, the store has once again shown a steady growth pattern, with its focus being on providing more locally sourced, healthy living foods.

As you can see, the Co-op has gone through the normal cycles of growth, set backs, and re-growth, as it has evolved over the past seventy years. Each time it has stepped back, assessed its customers wants and needs. It has always moved forward and adjusted to meet them. This is why we are still the Community Store of Niskayuna.

As I near my retirement in a couple of months, I want to assure everyone that the Co-op is NOT going to decline. Rather, it will go on evolving and growing into the future. We have a dedicated core of managers and supervisors who have built the Co-op to what it is today. A strong Manager heads every department with another strong Supervisor backing them up and a third person that can back them up. Our Team is extremely strong. We have a strong Board also. They are dedicated to setting the vision for our future and making policies to back that vision.

The Co-op is a very unique and fragile business model in today’s world. Many have been formed and many have disappeared over the years. Niskayuna Co-op is strong because of the hard working, talented, dedicated employees, Board of Directors, and Town residents that believe in it and support it. I will certainly miss the day-to-day operation of being General Manager. But, I believe I am leaving at a time when things are once again growing and evolving to meet our customers’ wants and needs. I feel it is the right time.

Thank you all for all you have done for me in the past and for all you will do for your Co-op in the future.

Don Bisgrove
March 24, 2014 Annual Meeting