

Five Years and Counting

WHEN RON FONG TOOK OVER AS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CALIFORNIA GROCERS ASSOCIATION FIVE YEARS AGO, THE STATE AND THE NATION WERE IN THE THROES OF THE DEEPEST ECONOMIC DOWNTURN SINCE THE GREAT DEPRESSION.

This month, *California Grocer* sat down with Ron Fong to talk about where the Association is now and some of the initiatives that are taking shape to serve CGA's diverse membership now and in the future.

California Grocer: Looking back, how did it feel dealing with an environment that was more 1929 than 2008? What went through your mind?

"I was thinking about that recently. When I arrived in March 2008, the Executive Committee envisioned a change of leadership that would expand the Association's role in government relations. We talked a lot about that."

CG: That was your background, wasn't it?

"Yes, I had been a registered lobbyist for 15 years at another statewide association. They were looking for someone with that experience to update and expand the government relations programs that were already in place."

CG: Sounds like a perfect match.

"Well, I came into the job thinking I'd be able to give the Board exactly what they wanted."

CG: What did they want at the time?

"We had a good foundation of a program. But, we engaged heavily on coalition lobbying with other business associations. I knew it would be in CGA's best interest to establish an independent identity in the eyes of legislators."

CG: What happened then?

"The economy caught up with us.

"I hit the road to meet as many members as possible to get their support for a new government relations program and focus. But it became immediately apparent to me that they were focused on their core business and adjusting to the recession. Getting customers in the store was a bigger issue at the time than government relations and I couldn't blame them."

CG: What did you do?

"We listened to their priorities and dual focused. They were worried about center store sales, adjusting to the right product mix and value pricing that would help them through the economic downturn. They needed backup and CGA was there to support them."

CG: So you had to quickly change the game plan?

"In part. For one thing, we needed to provide our membership with as much relevant information as possible. We utilized our key publications – *California Grocer* and *Checkout* along with our website – to provide articles that could help them navigate day-to-day business issues.

"I come from a grocery background so I understood the core of the business. I strongly believed that CGA's role was to provide as much industry-related information as possible. It was also essential to better connect our retail and vendor/supplier

Continued on p. 20 ▶



CGA President Ron Fong has developed strong relationships with legislative leaders including Assembly Speaker John Pérez.

Continued from p. 19 ▼



Ron Fong discusses grocery related issues with Gov. Jerry Brown during a CGA Board meeting.

members so they could adjust their business plans through communications, information and meetings. This meant changing the structure of our annual convention.”

CG: How so?

“We re-branded our Strategic Conference to include a significant educational focus. We started with simple roundtable share groups focused on topics including technology, center store, ethnic merchandising and evolving demographics. They quickly became one of the most popular conference features.”

CG: When did you start shifting back to government relations?

“I don’t think we left our government relations plans, we just had to simultaneously focus on multiple programs. We made significant changes to CGA’s advocacy program, including bringing in a new group of veteran lobbyists who knew their way around the Capitol and had experience in moving legislation.

“In the midst of an economic upheaval, the California Legislature went from a simple majority to a super



One of Ron Fong’s major goals has been to strengthen the Association’s government relations program.

majority of Democrats which dramatically changed the state’s political landscape.”

CG: How was that impacting the membership?

“A couple of challenges there: Primarily, CGA has Republican business owners operating in a super majority democratic state. Second, keeping costs down was a major challenge for retailers and we started seeing more bills that would increase costs.”

CG: What were some of the most problematic bills?



Ron Fong testified against Proposition 37.

“One was an increase in the minimum wage that came up three years in a row starting in 2009. Obviously it would have been highly inappropriate for CGA to support it. Prop 37, the GMO initiative, was a huge issue for our members as well. Thankfully, we were successful in turning these issues back.”

“CGA’s government relations program revolves around a ‘three legged stool’ model. We must have strong programming in lobbying, grassroots and PAC.”

CG: Here we are five years later. Are you on track with what you wanted to initially do – beef up government relations?

“For the most part, yes. CGA’s government relations program revolves around a “three legged stool” model. We must have strong programming in lobbying, grassroots and PAC. All three legs must be equally strong. We have made significant headway, but there is still so much to be done. We are not completely there just yet, but I feel we have the blueprint.”

CG: Since you mentioned the impact on employees, what are the plans for the Educational Foundation?

“Well, this also goes back to what happened during the recession. As the state’s budget declined, the cost to attend California colleges and universities

Continued on p. 22 ▶

Continued from p. 20 ▼



CGA staff recently toured a Bristol Farms store in San Francisco with CGA Chairman Kevin Davis.

rose sharply. The average student simply couldn't afford to write those tuition checks. It kept a lot of young people out of school, and forced others to skip semesters. The Foundation's Board of Trustees focused on changing its criteria to increase annual scholarships and reimbursements. It may sound counter-intuitive, but the Board also decided this was an excellent time to expand the Foundation and hire its first Executive Director.

CG: How would you rate CGA's performance in this area?

"I'm very proud of what we've done over the past several years and look forward to new and exciting programs in the future. The Foundation just hit its 20th anniversary and it just surpassed the \$3 million mark in funding college scholarships. Contrary to some popular opinions, we don't see the recession ending just yet. Deserving students still need help. The Foundation is committed to helping those seeking educational opportunities."

CG: I guess the next question is where do we go from here and what's on CGA's agenda for the next five years?

I wish I had that crystal ball. We're not out of the woods yet, but we are seeing a slow emergence from the economic slump which is giving our members some breathing room. Day-to-day business is always a concern, but their mindset has changed and they want more industry-related information in order to improve their forward planning.

CG: What are they looking for?

"This brings us to our convention again. Our educational programming is focusing on issues like marketplace technology, better understanding the shopping patterns of emerging consumer groups like Millennials and key legislative issues. We are working as hard as we can to properly influence over 2,400 bills introduced in the Legislature and local government. We want to give our members as much information as possible to accomplish those forward planning goals. In fact, that's what this year's convention theme is all about – 'GAMECHANGERS.'

"At this point, we're seeing slow, steady growth. Companies are starting to take advantage of business opportunities. California is going through a lot of changes; stores are changing ownership and new players are entering the marketplace. Communications and attention to legislation will help them accomplish their growth plans over the next five years."



Ron with his wife of 14 years, Carol, and their son, Jaden.

CG: Finally, how are you enjoying your job?

"The Speaker just asked me the same thing during a recent visit and people ask me this all the time. Truly, I don't see being the Association's CEO as a job, it is more a privilege.

"During my tenure, I plan to leave CGA in a better place than whence I came. I feel there is so much more to accomplish. To thrive, CGA needs to constantly update and re-invent itself. I plan on doing this with as much energy and zest as possible." ■