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Market Development Reports

IGA Realigns Global Structure

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Report Highlights:

IGA has realigned their corporate structure corporate to better serve the needs of its global retailers, licensed distribution centers and manufacturer partners. Based in the United States and operating in 40 other countries, IGA is the world's largest licensed network and posts aggregate worldwide retail sales of more than \$21 billion per year. Three separate operating entities will now manage global supermarketer's operations: Their press release follows.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Miami [C11], C1

The report below is a press release from IGA:

Chicago, May 18, 2001 - IGA today announced that it has realigned its corporate structure to better serve the needs of its global retailers, licensed distribution centers and manufacturer partners. Based in the United States, IGA is the world's largest licensed supermarket network. Three separate operating entities will now manage the global supermarket's operations: IGA Southern Hemisphere/Europe/Caribbean, IGA Asia and IGA North America.

Paulo G. Goelzer has been promoted to President of IGA Southern Hemisphere /Europe/Caribbean; Vincent Kong has been promoted to President of IGA Asia and Duane N. Martin has been promoted to President of IGA North America; Each position will continue reporting to Dr. Thomas Haggai, IGA chairman and CEO.

"As IGA passes its 75th Anniversary we have a fond respect for the past. However, our focus is on facing the future with an aggressive commitment to our retailers around the globe," Haggai said. It is a privilege to work with these three leaders who have so many years ahead of them - thus assuring the leadership of IGA for future generations. Flattening the organization will best utilize the talent of IGA's team and provide closer connections with our retailers around the world. Even more important is our goal of easing the process for the manufacturing community to do business with the IGA System."

IGA, the only global supermarket based in the United States, posts aggregate worldwide retail sales of more than \$21 billion per year. The Alliance includes more than 4,000 Hometown Proud Supermarkets worldwide, supported by 37 distribution companies and master franchisors and more than 55 major manufacturers, vendors and suppliers encompassing everything from grocery to equipment items. Through its alliance, IGA ranks in the top 10 in world food supermarketing. IGA has operations in 48 of the United States and 40 other countries, commonwealths and territories around the globe and on every inhabited continent.

Executive Profiles

Paulo G. Goelzer

As President, Goelzer is responsible for IGA's operations in the Southern Hemisphere, Europe and the Caribbean. He will continue developing the infrastructure of retail systems within the countries under his responsibility.

Previously, Goelzer served as Senior Vice President of IGA, International. Since joining IGA he has developed IGA Brazil and IGA Poland. He joined IGA as a consultant in 1995 with more than 15 years of professional experience in marketing, consulting, food logistics and retailing in South America, where he is recognized as one of the country's foremost advisors on the industry.

Before joining IGA, Goelzer served as the Senior Strategy Consultant for the Food and Packaged

Goods Industry Practice for Wurttemberg (a German consulting group in Brazil), where he helped established the country's first voluntary drug store system. Before that, Goelzer served as a Marketing Director for Azaleia, one of the world's largest women's shoe manufacturers, and he was responsible for that company's successful entry into the American market. He then served as Marketing Director for five years for Polinco Polidras, a Brazilian distribution company, which is now an IGA Master Licensor.

Goelzer has also served as the International Counselor for ABAD (the Brazilian Wholesaler Association), where he coordinated various annual industry analyses. He is the former international editor for the Brazilian trade journal, *Distribuição*, contributing numerous articles on marketing and logistics and he is the co-author of the text book "*Distribuição de Classe Mundial*," which translates to "World-Class Distribution." Goelzer was also an Assistant Professor of Business Strategy and Marketing for one of the best Universities in Brazil, Pontifical University Catholic. For his work as an educator, he received the University's "Honored Professor" Award in both 1989 and 1990.

Goelzer holds a master's of science degree in marketing, a master's of arts degree in economics, and a bachelor's of science degree in business administration and foreign trade. He has also completed an executive business-training program at Northwestern University in Chicago and is currently writing his dissertation on "business performance culture link" as he prepares for his Ph.D. in organization development at Benedictine University in Illinois.

Vincent Kong

As President of IGA Asia, Kong will be responsible for day-to-day operations as well as new business development. He will continue to serve as Dean of Singapore-based IGA University - Asia, which is a joint venture between IGA and the Coca-Cola Company. IGA University is a comprehensive program that offers skill training with predictable results, and it has trained more than 140,000 Asians since inception.

Presently, Kong is establishing the Human Resource policies for a "twining" project in which IGA has agreed to co-manage the stores of Jakarta-based retailer Matahari.

Previously, Kong served as President of IGA University and Senior Vice President of IGA for Asia. He joined IGA in 1993 as Director of Education. In 1998 he was promoted to Vice

President of IGA International and President of IGA University. Kong was instrumental in doubling IGA's presence in Asia with the April 2001 addition of three new distribution partners and more than 168 new IGA supermarkets.

Before joining IGA, Kong served as Director of the Singapore Retailers Association and Institute for Retailing. He appears throughout Asia as a popular conference presenter. Kong earned his bachelor's degree, with honors, and a master's degree in science from two reputable institutions in the United Kingdom.

Duane N. Martin

As President of IGA North America, Martin will focus on increasing unity and cooperation among IGA's North American retailers, wholesalers and manufacturers. He will be responsible for developing strategies with these partners that will better leverage IGA's size and brand equity. IGA sees great opportunity in the North American market and believes the entire IGA System will benefit from a greater focus on interdependent cooperation.

Martin joined IGA in January 1997 as vice president of retail. In late 1998 he accepted the position of Vice President of IGA, Inc. Since then, Martin has been promoted to Senior Vice President and more recently Executive Vice President, IGA, Inc.

Under his leadership, IGA has launched an aggressive standards program for its U.S. stores, which places an emphasis on food safety and sanitation. The program includes the establishment of a five-star quality assurance rating system for IGA supermarkets and annual assessments by a third-party partner. This assessment is continuously being upgraded, and a similar process soon will be applied to IGA distribution partners as well.

A third-generation IGA retailer, Martin has extensive experience in the food industry. He held a variety of positions in the family business before joining Cub Foods in 1985. In 1989, Martin became a sales representative for the J.M. Jones division of SUPERVALU.

In 1989, Martin joined Wetterau and worked in the company's management-training program for Shop-N-Save, now a division of SUPERVALU in St. Louis. In 1994, he was transferred back to the J.M. Jones Division to assume the post of store manager for two SUPERVALU-owned IGA supermarkets in Southern Illinois before joining IGA.

Martin earned his bachelor's degree in business administration from Illinois Wesleyan University in Bloomington, IL.