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Canadian Publication Mail Products Sales Agreement #40063389

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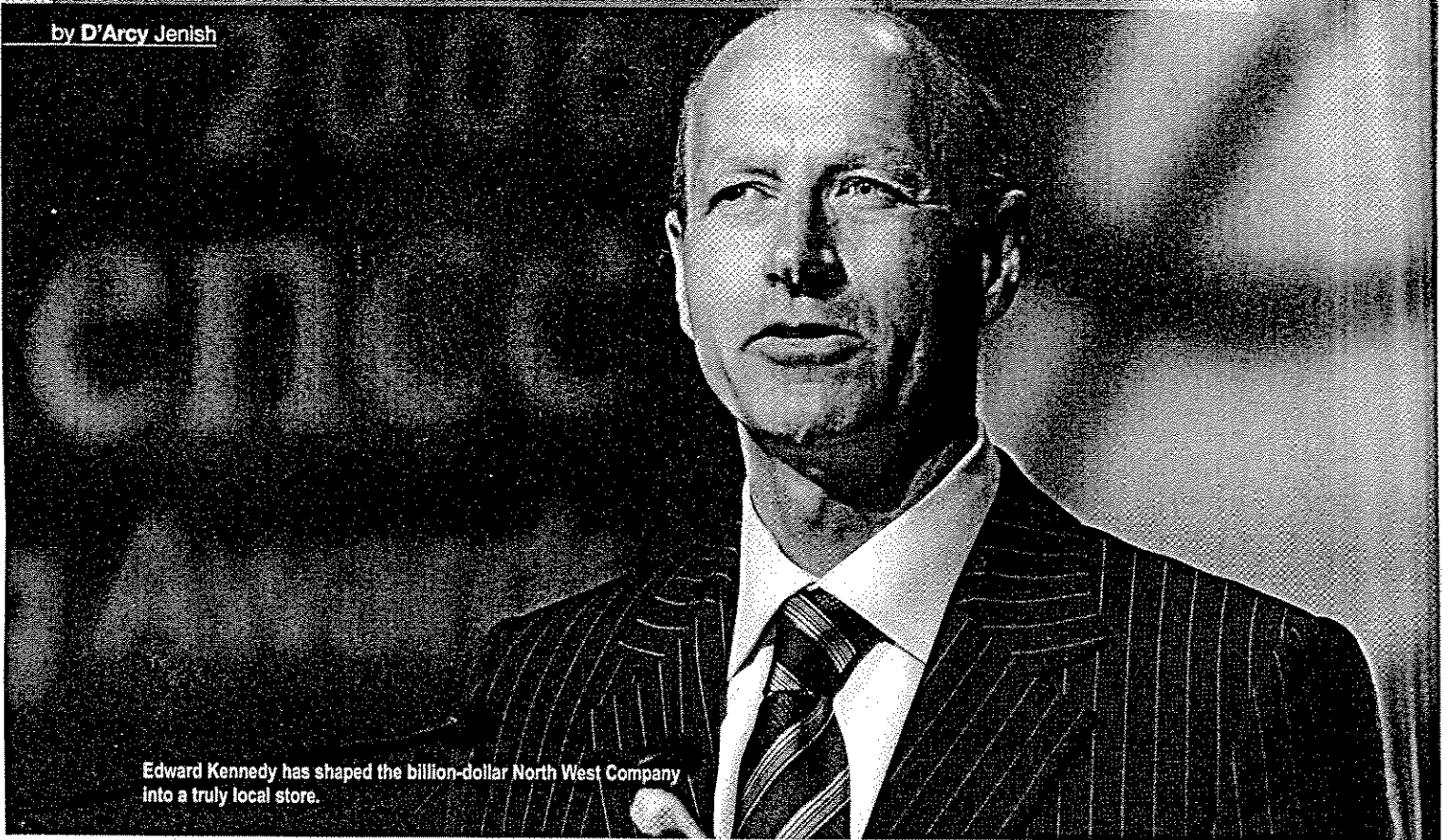
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DISTINGUISHED CANADIAN RETAILER OF THE YEAR

by D'Arcy Jenish



Edward Kennedy has shaped the billion-dollar North West Company into a truly local store.

Citizen of the North

Edward Kennedy may have the most unusual job in Canadian retailing. He is President and CEO of Winnipeg-based North West Company, which operates almost 150 stores across Canada's vast northern regions where, as he puts it, less than one per cent of the population lives. His customers speak Dogrib, Dene, Inuit, Cree, Chipewyan and several other native languages, not to mention English and French. His company transports goods to communities in airplanes, barges, ships, trains and trucks. Yet, he says somewhat modestly, "We're a retailer like everyone else."

The organization's success is based on revenues, market share and profits, and by any of those measures, the North West Company has done very well under Kennedy's leadership. He joined as a senior executive in 1990 and took on the top job seven years later. During his time with the company, sales have jumped to nearly \$1 billion from \$350 million. In June, Retail Council of Canada (RCC) recognized Kennedy's achievements by conferring its highest honour: Distinguished Canadian Retailer of the Year.

"Edward Kennedy is an exceptional leader," says RCC President and CEO Diane J. Brisebois. "Mr. Kennedy has led the North West Company to new heights ... shepherd-

ing the company to one of the most consistent growth records in Canadian retail."

Not only that, but the company is the largest, private sector employer of Aboriginal people in Canada. Out of a total workforce of 5,236, almost 53 per cent are Aboriginal. As well, about 200 of 600 supervisory and management personnel are Aboriginal. "This fits with who we are as a retailer," says Kennedy. "We want to be a local store."

The company is more than just a commercial venture in the communities it serves. "They support a lot of educational and cultural initiatives in the North," says Ron Evan, Grand Chief of the Assembly of Manitoba Chiefs. "They donate food to elder's feasts and support our student achievement awards."

Kennedy understands the importance of the stores in remote and isolated communities because he grew up in The Pas, Man., 550 kilometres north of Winnipeg, and as a boy shopped at one of the company's stores, though it was owned by the Hudson's Bay Co. (Hbc) at the time. He went on to earn a business degree at the University of Western Ontario and a law degree at Osgoode Hall in Toronto. Kennedy practiced law for two years before joining Pemberton Securities' Winnipeg office as an investment banker.

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The North West Company has become a much different enterprise with Kennedy’s experience and leadership. It was created in 1987 when the Hudson’s Bay Company sold its northern stores division to a group of investors that included 415 employees. Under Hbc, the northern stores focused on selling general merchandise first and food second.

Kennedy has reversed that. About 60 to 65 per cent of the selling space in a typical store is now devoted to food, whereas it used to be 25 to 30 per cent. Food sales account for over 65 per cent of revenue, compared with 50 per cent or less under Hbc. The company has hired food buyers and made a substantial investment in shelving and refrigeration units.

Kennedy says emphasizing general merchandise would limit the company’s growth potential. Shoppers want selection when purchasing clothing, home furnishings and other goods that reflect personal tastes and the company did not have the selling space required. Instead, it now carries basic, non-food items like T-shirts, underwear, stationery, towels and other housewares.

He says the shift to food has allowed the stores to become convenience outlets and to meet everyday needs. As well, they have added complementary services such as video rentals, post offices, gas bars and pharmacies. In the process, the company has captured a larger share of consumer spending in the communities it serves. At the same time, it has been able to generate higher revenues on a store-by-store basis.

As he looks to the future, Kennedy sees plenty of potential for further growth. “We have very favourable demographics,” he says. “The population in our communities is eight or nine years younger than the overall Canadian average. They have larger families and incomes are growing.”

His business plan will maximize the opportunities available, but most importantly, Kennedy is determined the North West Company will remain a good corporate citizen in Northern Canada. ■

Congratulations

Mr. Edward Kennedy and
The North West Company
on your recent accomplishment as
Canadian Retailer of the Year

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