

# StarTribune

Larry Oakes, *Minneapolis Star Tribune*, November 23, 2012

## **A thankful Bemidji grocer shares his success with his employees**

As on most days, Joe Lueken, 70, was at his north Bemidji store by 4 a.m. Wednesday, tidying up the aisles. He's retiring next year.

David Joles, *Star Tribune*

BEMIDJI, MINN. - Joe Lueken spent 46 years becoming a successful grocer and community benefactor here. Finally, at 70, he's ready to sell the business, travel the world with his wife, Janice, and reap some of what they've sown.

So when he strides into his south Bemidji supermarket and 2 1/2-year employee Maria Svare smiles broadly and asks him, "How do you like my store today?" it might sound like a joke. But it's not. And that's part of why hundreds of Bemidji residents are thankful this holiday season for Joe Lueken.

On Jan. 1, Lueken's Village Foods, with two supermarkets in Bemidji and another in Wahpeton, N.D., will begin transferring ownership to its approximately 400 employees through an Employee Stock Ownership Program (ESOP).

Lueken said he had multiple offers to sell to large independent chains and might have gotten more money that way. But he and his family believe that selling to workers will be better for them, the business and this north-central Minnesota city of 13,000 people.

"My employees are largely responsible for any success I've had, and they deserve to get some of the benefits of that," Lueken said earlier this week. "You can't always take. You also have to give back."

Employees say Lueken's decision, which won't require them to pay anything for their shares in the business, multiplied the high esteem they already held for their boss.

"He's rockin' awesome," said Svare, 41, who started at Lueken's in 2009 and worked up to front-end manager.

"He chose to protect his people," she said. "Being owners will make us care more about our work. It gives you something to call your own and gives you a more comfortable retirement to look forward to."

## **Son of a baker**

Lueken grew up in South Dakota, the son of a small-town baker and his wife, who imbued their children with a work ethic forged in the Great Depression.

In 1966, he came to Bemidji to manage his brother's grocery store and soon bought it. Lueken's thrived and expanded.

"I remember my dad opening the mall store in 1978 and sleeping only about two hours at a time," said Jeff Lueken, one of Joe and Janice's four sons.

Joe loved every minute of it.

"The grocery business gets in your blood," he said. "You have to think fast and move fast. You try your best to please every customer. Being around them and the employees, it does something special for you."

He operated by a simple philosophy, which he traces to his parents: "Do the right thing."

### **Led by example**

Lueken inspires respect and loyalty from workers and customers, said Brent Sicard, who joined Lueken's in 1998 as a 25-year-old overnight janitor.

"Joe would arrive at 3:30 every morning," Sicard said. "No one could outstock Joe. No one could outwalk Joe. No one can outthink Joe. He can walk through a \$2 million warehouse and tell you within a few thousand dollars how much is in there."

Even as he grew wealthy, Lueken continued to drive minivans and read the newspaper in the break room alongside stockers and checkers. And he honed a knack for spotting promise in employees and teaching them the business, said Sicard, who calls himself Exhibit A.

Lueken eventually promoted Sicard through every manager's job, and last week he was named president and CEO, to lead the chain through its ownership transition.

Lueken just sits and smiles as Sicard rapidly spouts plans he has percolating, including growing vegetables on roof space and implementing a smartphone app he and IT consultants are developing. Customers will be able to shop by phone, pay for their order and pick it up by car, having never spoken to a store employee.

### **The benefactor**

Lueken is a staunch supporter of several local charities and causes, including the Bemidji State University Foundation.

In the 1990s, around the same time Lueken's Parkinson's disease was diagnosed, he made a generous donation that helped that foundation give full scholarships to needy students.

An early recipient went on to become a brain surgeon, and in 2007 he repaid Lueken by assisting in an operation to implant electrodes in his brain, slowing the tremors that were making life difficult. He still shakes some, but the former baker jokes that it helps him dispense sugar onto his store's doughnuts.

Earlier this week, Penny Echternach, executive director of the local Sanford Health Foundation, showed up at the store and had Lueken paged.

"I just wanted to give you this and a hug," she said, presenting a gift basket, a thank-you for helping the local hospital buy a robotic surgery device.

"He's the most generous man and such a neat guy. He gives back to the community in so many ways," Echternach said, though, in keeping with his wishes, she wouldn't say how much he'd given.

### **A lasting legacy**

The ESOP idea grew out of discussions between Joe and his sons, who have their own lives on the coasts and weren't interested in taking over the stores.

"We could have hired a gunslinger from Minneapolis, but that didn't sit well because the reward wouldn't go to the proper people," said son Jeff, an IT expert who will assist Sicard from California with the ownership transfer.

Lueken said the ESOP fits with his desire to direct profits back into the community through salaries and causes important to workers rather than to some absentee corporation.

The program will pay off the Lueken family in three to five years and leave employees with shares based on length of service and salary, at no cost to them. If the company keeps growing, the shares' value will too, and the group is obligated to repurchase shares of any employee who leaves or retires.

"The whole move revolves around people, not things or money," Jeff Lueken said. "It's about allowing people to grow with the business and send their kids to college and have a great retirement, and even to express themselves at work."

The employees say it's a wonderful gift, but Joe Lueken said he's gotten more than he gave.

Holding out two palms, one above the other, he said: "To see somebody go from here [up] to here is the best feeling in the world."

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