

# THE SHELBY REPORT *of the West*

DECEMBER 2025



2025 WEST **RETAILER OF THE YEAR**

# ABOUT THE GONZALEZ FAMILY FOUNDATION

Empowering futures through education, the Gonzalez Family Foundation creates opportunities, strengthens communities and invests in tomorrow's leaders.

## 2014: A LEGACY BEGINS

The Gonzalez Family Foundation was founded, laying the groundwork for significant, sustainable community impact.

## 2018: TEEING OFF FOR A CAUSE

Our biannual golf tournament raised an impressive \$450,000 - fueling educational dreams and expanding scholarship opportunities.

## 2020: 100+ SCHOLARSHIPS STRONG

By 2020, we proudly surpassed 100 scholarships awarded, contributing an additional total of \$394,000 to student success and higher education.

## 2024: 400+ SCHOLARSHIPS & \$1,000,000 AWARDED

By 2024, we awarded over 400 scholarships, with a total impact of \$1.3 million in educational funding.

**BELOW:** Since its founding in 2014, The Gonzalez Family Foundation has raised funds each year through the biannual Vallarta Supermarkets Golf Tournament



# THE SHELBY REPORT

SALUTES



## 2025 WEST RETAILER OF THE YEAR

### About this section

In 1985, the Gonzalez family opened a small market in Van Nuys, California, called Carnicería Vallarta. The family focused on selling traditional cuts of meats popular in their native Mexico. They worked hard to build a name for themselves by offering high-quality authentic products, providing a high level of customer service and treating employees as an extension of the family.

Those priorities remain at the core of today's Vallarta Supermarkets, though there are major changes afoot as the grocer completes its 40th year in business with nearly 65 stores in California.

Among the changes:

- ▶ Vallarta will enter a market outside its home state for the first time with a store opening in Arizona early in 2026, and more markets are being examined.
- ▶ Focus will remain on robust fresh food departments while turning attention to growing center store sales; larger stores to accommodate greater center store product selections are planned.
- ▶ Concerted efforts to reach shoppers outside the company's Latin core are under way.
- ▶ The implementation of technology to make sure Vallarta is a full omnichannel grocery retailer, to include its own app.

What won't change is the company's appreciation for its team members and customers.

"This milestone is a tribute to our loyal customers, dedicated team members and the values instilled by the Gonzalez family, who built Vallarta with heart, hard work and a deep respect for culture and community," said Lizette Gomez, director of marketing.

The *Shelby Report of the West* joins in celebrating Vallarta Supermarkets for both its 40th anniversary and being named West Retailer of the Year for 2025.

### SoCal-based grocer charts path of growth, change

Chief Operating Officer David Hinojosa is a relative newcomer to Vallarta Supermarkets, having joined the 40-year-old company two-and-a-half years ago, in June 2023. But he brought with him more than three decades of industry experience across a wide range of retailers, both in the U.S. and abroad, and he is using that background to help lead the company into its next 40 years.

With nearly three decades of global retail experience, Hinojosa brings a people-first, data-driven leadership style to Vallarta. As the COO, he oversees enterprise-wide operations, including merchandising, loss prevention, marketing, omnichannel, supply chain, logistics, human resources, compliance, risk management, private label and continuous improvement.

With the invaluable support of his highly talented executive team, affectionately known as the COO team, and the Gonzalez family, he guides a multi-billion-dollar organization. His leadership philosophy harmonizes operational rigor with servant leadership, ensuring sustainable growth while preserving Vallarta's unique culture and values.

Speaking with *The Shelby Report of the West* EVP Bob Reeves at Vallarta headquarters in Santa Clarita, California, Hinojosa recounted a grocery career that began as a 17-year-old part-time night stocker at Walmart in Edinburg, Texas. He continued working for Walmart after enrolling at Whittier College in California, which at the time was a relatively new market for the mass retailer.

Hinojosa played college football, which limited his availability. However, Walmart steadily increased his hours until he was managing stores. During his senior year of college, H-E-B began recruiting him. Just days after graduating with honors, he was recruited into the retailer's School of Retail Leadership (SORL), a program designed to develop future store directors.

He commenced the SORL program in Edinburg, the starting point of his retail journey. He emphasized that the program provided rigorous training in every department. Over an eight-year span, he managed 10 different H-E-B stores, relocating approximately every 10 months. Later, he transitioned into corporate and regional leadership roles.

"It's an incredible company to work for," he said. "I owe my career to H-E-B and thoroughly enjoyed every moment there." However, after 17 years and 13 moves with his wife, he felt it was time to move on. "It was time for me to spread my wings."

That subsequent chapter took the family on an overseas adventure to Sydney, Australia, where Hinojosa ascended to the position of EVP at Metcash, a prominent retailer operating IGA stores across the nation. He expressed his profound enjoyment and satisfaction with the experience, describing it as "wonderful."

Following his stint in Australia, Hinojosa embarked on another relocation, this time



David Hinojosa

to Bangkok, where he served as the chief operating officer (COO) of Makro. After three years of living abroad, the family reluctantly returned to the United States due to the prolonged COVID-19 pandemic.

Hinojosa's career trajectory continued with executive roles at ShopRite in the Northeast for nearly three years. His journey culminated in an exciting opportunity when he was approached by Vallarta Supermarkets. After visiting various Vallarta locations and meeting with the Gonzalez family, he officially joined the company in 2023.

### Small beginnings, big plans

Hinojosa now oversees a company that began 40 years ago in 1985 by the Gonzalez family. It started as a modest meat market, perhaps spanning only 1,000 square feet, symbolizing the Gonzalez family's pursuit of the American dream.

Hinojosa recalled the company's founding, emphasizing the humble values, hard work and tradition that guided its growth. The Gonzalez family dedicated themselves tirelessly, working long hours, even longer weeks, to establish the company. Their commitment was unwavering, as they essentially labored for eight days a week.

Over its first four decades of Gonzalez family ownership, Vallarta has expanded to 63 stores in California. In early 2026, the company will introduce a new state format for the first time in its history. The 49,000-square-foot Vallarta in Glendale, Arizona, will open its doors in January at 5836 W. Camelback Road. Hinojosa anticipates the potential for further expansion in Arizona and other states, suggesting that this format could be implemented nationwide.

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# 2025 WEST RETAILER OF THE YEAR



## So-Cal based grocer From page 19

The store boasts an extensive selection of fresh food items, including daily-made corn and flour tortillas, hand-decorated cakes, pan dulce from the Panadería and fresh ceviche prepared in small batches throughout the day in the Cevichería. The Carnicería offers Vallarta's Original Carne Asada and premium cuts of meat marinated in signature spices.

The Cremería sells traditional cheeses like queso fresco and cotija, while the Pescadería provides fresh seafood. La Cocina, the kitchen, offers ready-to-eat meals with Mexican and Central American flavors.

The Juice Bar serves vitroleros and fresh-pressed juices. Additionally, made-to-order guacamole, hand-rolled sushi, fresh-pressed juices, fruit bowls topped with Tajín and chamoy and a selection of organic produce sourced locally and worldwide are highlighted.

The store also features a Florería with flower arrangements and potted plants and all the center store items needed to complete meals.

Arizona won't be the last new territory for Vallarta. Other possibilities include neighboring states and more in California, he said. However, until that's determined, growth will continue to accelerate.

"We definitely want to open up quite a few stores in the next few years," Hinojosa said. "The exact number will be continuously revised, but it's probably anywhere from eight to 10 stores."



## Foundation steady but evolving

The Gonzalez family's work ethic and traditions continue to play a vital role in Vallarta's success. However, in today's grocery business, technology is a necessary addition. Data scientists, engineers and others have been brought on to integrate the right technology into the business. Hinojosa explained that the company's core values revolve around tradition, family and now, technology.

In the coming years, they aim to establish a fully integrated omnichannel business, incorporating all the latest technological advancements. However, he emphasized that technology enhances, rather than replaces, the fundamental business model.

Hinojosa reminisced about a past prediction that brick-and-mortar stores would become obsolete and that everyone would shift to digital platforms. However, he clarified that this prediction is not entirely accurate. Instead, a combination of both brick-and-mortar and omnichannel stores will drive future sales.

Hinojosa also announced the upcoming launch of an innovative Vallarta app that will revolutionize the shopping experience. This app will allow customers to pick, pack and receive their orders directly from the store.

The app soon will be available to consumers across the state and, hopefully, the entire country. Furthermore, retail media will become an integral part of the Vallarta portfolio in the near future.

While most people still visit stores occasionally, Vallarta has recognized that not everyone does, making digital connectivity more crucial. This could be due to younger generations who are comfortable with e-commerce, older generations who are less mobile or those who simply lack time for in-store shopping.

A customer at one of the stores shared an amusing anecdote about how she once mistook Vallarta for a restaurant because she was ordering their prepared meals through DoorDash.

Hinojosa explained that while they sell a significant portion of their food in their restaurants and taquerías (which are excellent, by the way), some customers may not be aware of the large grocery store attached to them.

**Vallarta's Leaders are ALWAYS Relentlessly Dissatisfied to be the BEST**



To address this, the team is actively working to change the perception of Vallarta as a grocery store. They emphasize the importance of getting people into their stores, highlighting the visually appealing exterior while promising a transformative experience upon entry. The goal is to attract a diverse range of customers from different generations.

## Widening the appeal

To broaden its appeal, Vallarta also is making efforts to cater to a wider demographic in its stores. While some stores



are located in predominantly Hispanic areas, where the store will continue to focus on catering to Hispanic shoppers, there is also a commitment to reaching other groups.

Hinojosa said the company's stores are becoming increasingly diverse, reflected in their sets, customer approach and the variety of food options they offer. Stores in areas where grab-and-go items are popular will have a dedicated department placed at the front of the store. Conversely, stores in areas where customers prefer take-and-heat or ingredient-driven meals will have their layouts adjusted accordingly.

"We have a highly skilled team that designs layouts specifically for that area," he explained. "We prioritize driving our stores with the 'belt of freshness,' but we've also made some adjustments to simultaneously boost center store sales."

While Vallarta has collaborated with local suppliers since its inception and this remains a crucial aspect of its product offerings, the stores now carry more national brand products that have the potential to sell well across the country, he added.

"Our objective is to expand our store format by strategically growing specific areas within the store to enhance our basket size. This focus includes center store, along with maintaining the emphasis on the basics in our fresh areas."

Hinojosa emphasized that Vallarta will not only expand its size but also enhance the overall store experience.

"This company stands in contrast to most retailers," he said. "Vallarta understands how to build small stores that are profitable. Our current goal is to build larger stores that can accommodate higher traffic and larger baskets."

The store size could potentially increase to approximately 80,000 square feet, up from the current average of 40,000-50,000 square feet. Consistent quality is also a key focus, day in and day out.

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Acosta and their Client Partners  
would like to congratulate  
**Vallarta Supermarkets** on their  
**40<sup>th</sup> Anniversary**, and for being  
recognized as *The Shelby Report's*  
**2025 West Retailer of the Year.**



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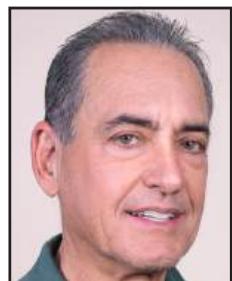
## 2025 WEST RETAILER OF THE YEAR



# Bringing public company discipline to longtime family-owned business

When Howard Kaminsky joined Vallarta Supermarkets as CFO in 2014, he brought something the growing Hispanic grocer had never had – the disciplined financial rigor of a public company veteran.

After nearly 30 years at Sport Chalet – where he helped grow the sporting goods retailer from six stores to 55 and navigated an IPO in 1992 – Kaminsky thought he was headed for what he calls “a cakewalk kind of job” at Vallarta. The reality proved far different and far more exciting.



“The one thing I can tell you about grocery is everything moves really fast, and it’s pretty much the complete opposite of sporting goods. In sporting goods you’re committing to buy product a year in advance, because everything is made to order and imported. Here, it’s gone in two weeks,” Kaminsky said. “Everything is go, go, go.”

That pace – combined with the company’s multi-corporation structure reflecting how the

Gonzalez family grew the business – meant Kaminsky had to adjust quickly. But 11 years later, he’s found the rapid-fire environment suits him.

“There are different priorities and, in the end, it’s a lot more fun,” he said. “Everything keeps moving; challenges are non-stop.”

While Kaminsky visited stores frequently in his early years at Vallarta, he now relies on his extensive retail experience and regular shopping trips to stay connected to store operations. When the company does something new, however, he makes sure to see it firsthand.

Kaminsky replaced Vallarta’s retiring CFO through a fortuitous connection: both Sport Chalet and Vallarta shared the same auditor, Moss Adams. When the company buying Sport Chalet didn’t ask Kaminsky to come along, a partner at the accounting firm suggested he talk to Vallarta.

The timing couldn’t have been better. Sport Chalet had survived six difficult years following the recession and the rise of Amazon, ultimately going bankrupt in 2016, two years after Kaminsky left.

Meanwhile, Vallarta offered something Sport Chalet

couldn’t: a 15-mile commute from his longtime home in Santa Clarita instead of the 30-mile drive to La Cañada. The company has since moved its headquarters to Santa Clarita, putting Kaminsky just 10 minutes from the office.

More importantly, Vallarta needed what Kaminsky could provide. From his public company experience, he knew about “quarterly reporting, board of directors, lawyers, all of those fun things,” he said. “I brought a lot of discipline, starting with the accounting department.”

Before earning his CPA at Ernst & Young (then Ernst & Whinney), where he worked for seven years after graduating from Cal State Northridge, Kaminsky learned the fundamentals of public company financial management. Those skills became critical at Vallarta, where he immediately tackled what he saw as the most pressing issue – outdated technology.

That was “impacting way too many things for me to feel comfortable,” Kaminsky said. “One of the things about being a CFO is you think all the time about what can go wrong, and with the state of our technology, everything could have gone wrong.”

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### SoCal-based grocer From page 20

“We want our customers to experience the same level of quality across all aspects of the store, from produce to the meat department and beyond,” he explained. “Our commitment to maintaining consistency in quality, operational excellence and customer service is what sets us apart and helps us build strong relationships with our customers.”

Vallarta, a company that values its customers, has implemented several initiatives to support its team and enhance customer service. One of these is the “Nuestra Casa” program, which translates to “our house” in Spanish and reflects the company’s commitment to providing exceptional customer service.



**Supporting the team, which supports customers**

In addition, Vallarta also has created various programs to recognize and appreciate its team members. These programs aim to communicate the importance of team members to the company’s success and foster a sense of belonging among employees.

One such program is a meal deal that was recently rolled out for team members. The meal deal includes a full meal and a drink for just \$3.99. Hinojosa explained that the decision to implement this was made in response to the current challenging economic times. He emphasized that the team members are also struggling during these times, and the meal deal is a

way to provide them with some relief and support.

Vallarta also has taken other steps to support its team, such as changing up the name tags, creating recognition awards and honoring team members with pins commemorating their years of service. In 2026, the company plans to present its first Store of the Year award, which will further recognize the outstanding contributions of its team members and stores.

To gauge the satisfaction of its team members, Vallarta conducts yearly surveys. The response to these surveys has been overwhelmingly positive, and the company takes the feedback seriously.

As a result, team member retention rates have increased, and turnover has reached an historic low. However, Hinojosa acknowledged that there is still room for improvement and that the company will continue to work hard to ensure the success of its team.

### Introducing Vallarta Academy

Vallarta Academy, a potent retention tool already in place at Vallarta, offers educational opportunities. Through the Gonzalez Family Foundation, team members and their children have access to the hundreds of scholarships presented annually. Hinojosa highlighted the impact of these scholarships, stating that many team members, including lawyers and doctors, have achieved their careers due to them.

To formalize these educational opportunities, the company established Vallarta Academy. Hinojosa, who serves on the board of the Western Association of Food Chains (WAFC), which offers various educational programs, explained that the academy includes the WAFC’s English as a Second Language training and its Retail Management Certificate (RMC). Additionally, options like LinkedIn Learning and in-house training videos are available.

The first cohort from Vallarta to complete the RMC program was 30 people, and this year, Vallarta will send more than 60 through the program.

Hinojosa expressed his admiration for the team’s enthusiasm and willingness to learn. LinkedIn Learning is also available as part of the academy’s offerings.

Hinojosa highlighted the unwavering generosity of the Gonzalez family in supporting the education of their team members. Despite the attention and exposure they receive, the Gonzalez family remains humble and down to earth. They continue to make significant contributions to many people, including the team members who work in Vallarta.

Hinojosa’s words were filled with emotion as he spoke about the profound impact of the Gonzalez family’s generosity and their hard work on the company’s 40 years of success and the team members’ ability to achieve the American dream because of the Gonzalez family.





Congratulations to

## VALLARTA SUPERMARKETS

Pepsico extends our sincere congratulations to Vallarta Supermarkets on 40 incredible years of excellence, as well as their official recognition as *The Shelby Report of the West's Retailer of the Year Award*.

We look forward to supporting your continued success, and appreciate our valued partnership.



## 2025 WEST RETAILER OF THE YEAR



**Bringing** From page 22

### Making security a priority

Kaminsky's concerns about IT vulnerability weren't theoretical; a fellow Southern California grocer literally had been shut down by a ransomware attack one holiday season.

"We took it seriously," Kaminsky said. "From that moment on, we brought in consultants to talk about what we needed to do."

Today, Vallarta employs a full-time IT security specialist and has invested heavily in monitoring software that watches the system 24/7. The security officer receives alerts about any unusual activity. The company also runs continuous phishing training for all employees.

"I'll get an email every two or three weeks that looks funny," Kaminsky explained.

"If I click the little phishing button, I get a little thing that pops up and says, 'Hey, you pass the test.' We try to train everybody on that; it's a big deal, for sure."

The investment reflects a broader philosophy Kaminsky has brought to Vallarta: anticipating problems before they occur and building the infrastructure to prevent them.

### Preparing for growth

That forward-thinking approach has become even more critical as Vallarta enters an aggressive expansion phase. The company is planning to open eight to 10 stores in 2026, including its first location outside California – a Glendale, Arizona, store opening in January.

The growth will necessitate some outside funding, which

Kaminsky has dealt with in his past roles.

"We are not borrowing in any significant way yet, but we certainly will be, so we have to think about how covenants are calculated and make good decisions that don't cause us any problems. We'll be doing more planning, more forecasting."

### Working with the founding family

What makes the challenges manageable, Kaminsky said, is working for the Gonzalez family.

"They're very caring and conscientious about how we do things, why we do things. They have amazing knowledge, having literally all grown up in this business," he said.

"They really understand Hispanic culture, and they understand the need to evolve, which is very important. I just have to be the watchdog and make sure they're staying in the lane."

The family's business acumen runs deep, though, he pointed out.

"They're successful for a reason," Kaminsky said. "They can tell you all about tomatoes, and they can tell you all about borrowing money and paying down loans and buying property. Highly intelligent people, and it runs in their DNA – all of them."

Kaminsky meets weekly with the executive team, including COO David Hinojosa and members of the Gonzalez family. But his influence extends well beyond those formal meetings.

"My door is open. I answer questions all the time, and probably the toughest part for me is to have enough time for everybody that wants to come and talk," he said.

Those questions cover everything from marketing contracts to revenue opportunities from customer data.

As Vallarta becomes more sophisticated in its operations, Kaminsky increasingly finds himself reviewing contracts and advising on legal obligations – serving as de facto in-house counsel in addition to his CFO duties, since the company doesn't have a legal department.

### Balancing tradition with visibility

One of the more interesting dynamics Kaminsky has observed is the company's emergence from decades of operating below the radar.

Under Hinojosa's leadership, Vallarta has become more visible in the industry.

"You can only stay under the radar so long when you're growing," he said. "David is a great person. His timing coming to this company was right on ... I call it just the Gonzalezes, the way they work. They know when they need something, and they get it."

As for Vallarta's future, Kaminsky sees nothing but opportunity.

"It is very bright," he said. "We've got a great team here, a great knowledge base. California is not an easy place to do business, so we don't have to try to cross that bridge [in new markets]. We're going to go from harder to easier, hopefully. I think it all looks great."

Kaminsky will continue his focus on ensuring Vallarta has the financial discipline and infrastructure to support its ambitious growth plans while maintaining the family values and culture that have made the company successful for 40 years.

**Congratulations on your remarkable 40th anniversary and the prestigious 'Retailer of the Year' honor!**

Reaching a 40-year milestone is a testament to your enduring vision, resilience, and unwavering commitment to excellence in the retail industry. This outstanding award further highlights the innovation and leadership that sets your company apart.

We are proud to partner with such a dynamic and successful organization and wish you many more years of growth and prosperity.

Sincerely,  
Flowerlink Team

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## 2025 WEST RETAILER OF THE YEAR



# Solid investment in continuous improvement paying off year after year

When Steve Netherton joined Vallarta Supermarkets in January 2018, he brought something the rapidly growing family-owned grocer needed – experience in the operational sophistication of corporate retail giants.

Netherton came on board as chief information officer and VP of continuous improvement. The latter role's meaning depends on the company, he said, but to him, "it's really a team that's focused on identifying and implementing good change, needed change, within an organization at its simplest level. How do we need to evolve the company? What's our strategy? And then how do we put in the tactics to get to that strategy?"

Vallarta had employed consultants in 2017 to identify best practices and quick wins to improve its operating model. The results were promising enough that leadership decided to bring the capability in-house permanently, with Netherton leading the charge.

"The owners of this company were extremely successful," Netherton said of the Gonzalez family. "They brought into fruition a wonderful company. But as they grew and evolved, they realized that they only knew what they knew. A lot of it was internal growth; there weren't a lot of people that were externally brought into the company at this point in time."

What started as a small team focused on labor management has evolved into something far more substantial at Vallarta.

"That investment in continuous improvement every year has continued to grow because we've been very successful in evolving the business," Netherton said.



Steve Netherton

Today, he works with all the different functional leaders at company headquarters in Santa Clarita, California, as well as store teams.

"We touch the stores on almost every aspect of what they do," he adds.

### From bag boy to black belt

Netherton's journey in grocery retail started at age 16, bagging groceries. His career arc spans three distinct phases – pure operations, continuous improvement expertise and innovation through technology. The middle phase proved crucial for his current role.

At Albertsons Companies, Netherton was selected as a Six Sigma Lean Black Belt, a designation that requires mastery of process improvement methodologies. Within 18 months, he'd advanced to Master Black Belt and became a corporate trainer, teaching other leaders these disciplines from the Boise, Idaho, office under the leadership of Larry Johnson, who'd imported the Six Sigma approach from his Home Depot days.

"I was trained as a black belt and worked several projects in Southern California," Netherton said.

The expertise he gained at Albertsons, followed by years building operational excellence teams at Ahold Delhaize supporting four divisions, prepared him perfectly for what Vallarta needed.

### Culture shock (the good kind)

Netherton had never worked for a family-owned business prior to Vallarta. The transition brought pleasant surprises.

"I loved the camaraderie, the teamwork, the passion, just the culture of everybody working, rolling up your sleeves together," he said, adding that a former COO used the word "scrappy."

"It was a scrappy bunch of folks getting stuff done."

But perhaps the biggest difference was the speed of decision-making. In large corporations, they must assess ROI and other metrics when deciding on a course of action, which often takes a lot of time; in a family-owned business, if they see something is not correct, they can work on fixing it right away.

"The speed to action was beautiful. It was just so refreshing ... 'let's do what's right for the customer, for the store, for the team,'" he said.

After spending four months in stores understanding operations firsthand, Netherton presented his recommendations to ownership alongside the former COO and now-CFO Howard Kaminsky. There were 20 slides outlining staffing models, priorities and resource needs.

The response? "Let's go."

### Strategic vision meets entrepreneurial grit

Under current leadership, Netherton's role has expanded beyond continuous improvement to include company strategy. He works with business areas to define five-year roadmaps and develop annual tactical plans.

Vallarta is in year three of a "five-year sprint" focusing on digital transformation, operational excellence, team member support and customer care, Netherton said.

The grocer plans to use digital tools to pursue operational excellence within stores.

"How do we support our team members and prepare them to deal with customers, and then obviously our customers themselves – how do we take care of [them] in the stores? Those are the key planks in our in our strategy," Netherton said.

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### Moving From page 25

"When a young man is ready to move on and he wants to spend time with you, you take advantage of those things," he said.

Today, Sharrock maintains an apartment in Santa Clarita while his wife remains in Texas where her oldest child is a high school junior. "We found a way to make it work," he said. "She's my biggest supporter."

### Impactful family business

At Vallarta, Sharrock found something he'd been searching for – a family business with the scale to make a real impact. His first 90 days were a whirlwind of store visits and employee meetings.

"It gave me a true reflection of who the company really is. A lot of companies talk about people, a lot of people talk about core values. It gave me the opportunity to see how much people really live it and believe it, every single day."

What he discovered matched what he'd sensed during that store walk years earlier: "What I saw in the store is exactly what they are."

The welcoming culture has enabled rapid progress.

"We've made so much progress on just little things. And I always tell people we're not broken, but we're not fixed," Sharrock said. "There's always things you can do better."

Perhaps most impressive is Vallarta's commitment to giving back. "A lot of people call them customers; I call them neighbors, and Vallarta treats everyone, whether they shop the store or not, as neighbors," he said.

The company's foundation focuses on feeding families and supporting children and schools. "Our job is to make sure we feed people. That's what we do for a living, but we've got to make sure those who are less fortunate also have an opportunity to eat."

Several Vallarta stores have opened in food deserts, bringing fresh groceries to underserved communities, which have responded very favorably, he said.

Looking ahead five years, Sharrock sees a company that could open stores just about anywhere and embrace demographic evolution.

"I believe our forte is that Latin flair, and we can still deliver that, but we can deliver that to everybody – doesn't matter what age group, what demographic. None of that matters. It doesn't have to just be in California," he added.

This statement already is true; Vallarta will open a store in January in Arizona.

"As we continue to add that technology and build that mindset of being a little bit more open and understanding how demographics are changing, I think we could open stores just about anywhere in any type of climate," Sharrock said.

Stay tuned.



*Congratulations*  
TO  
**VALLARTA SUPERMARKETS**  
ON THEIR  
**40TH ANNIVERSARY**  
AND ON BEING NAMED

*The* **SHELBY REPORT**  
RETAILER OF THE YEAR

FOR FOUR DECADES, VALLARTA HAS OFFERED AUTHENTIC FLAVORS, TRADITION, AND QUALITY TO FAMILIES ACROSS CALIFORNIA — HONORING HERITAGE WHILE SHAPING THE FUTURE OF FOOD RETAIL.

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## 2025 WEST RETAILER OF THE YEAR

### Solid From page 26

A yearly planning meeting in 2024, held off-site, yielded a market analysis that informed this year's plans. In 2026, Vallarta plans to build on 2025 – growing omnichannel while making sure to understand what customers want in terms of how to buy, and receive, products from the grocer.

To the benefit of its store teams, Vallarta has implemented perpetual inventory and computer-assisted ordering.

"We're building out digital dashboards, reporting for key metrics," Netherton said. "All that's in play right now."

But he was careful to point out that Vallarta doesn't rush deployment of new technology.

"We actually have one store identified as a lab. We call it our digital store. That's where things either make it or fail. From there we go to pilot, which is typically four to five stores," Netherton noted. "And then, from there, we go fast rollout to all stores."

### People first, always

Perhaps the most significant strategic decision Vallarta made came after "a very healthy debate on who comes first – is it the team member or the customer?"

The answer: "They're both important, but your primary is that team member, because if you're not taking care of them, they're not taking care of that customer."

Team members also are vital to a company that is planning significant growth.

"Identifying talent and fast-tracking that talent is a key strategy of ours, especially with our growth," Netherton said. "How are we going to staff all these stores? And as you grow and you focus on this growth, what's happening to your core

business? Is it staying stable?"

"You have to find that balance as a leadership group and ensure that our core businesses are functioning properly and executing on all eight cylinders while we're focusing on these new stores, so we've done a lot of work around that."

To strengthen its teams, Vallarta has implemented formal customer service training programs as well as talent identification and fast-tracking.

These programs can be detected (or not) at store level.

"I can walk into any store and within three minutes understand the culture of that store," Netherton said.

It's visible in how team members make eye contact, engage with customers and carry themselves.

A couple of years ago, the formal customer service program was rolled out by the company's HR team. Version 2.0 rolled out this year. In addition, training is ongoing at store level. And then there is the follow-up, to make sure teams are executing. "Are we living the program?" is the question to be answered, Netherton said.

### The growth challenge

Vallarta's expansion has accelerated. After several years of opening maybe one store annually – and none during the COVID-19 pandemic – the company is now managing multiple openings per year with plans to double that pace.

"How do you make sure you don't take your eye off the ball?" when growing, Netherton asked. "We have to find that balance and make sure people are able to do everything."

Each opening remains a celebration, with music, dancers, product samplings and team member appreciation barbecues, where leadership serves employees and their families.

He said Vallarta has been astute in picking the right

locations, not relying on sophisticated data but driving around neighborhoods and observing trends and patterns.

### Looking ahead: AI and innovation

When asked about artificial intelligence, Netherton sees practical applications rather than flashy implementations.

Training is one. Another could be team members being able to speak into a headset and have an AI agent tell them exactly where an item is on the shelf so they can escort the shopper to it. Or maybe they're trying to complete a task and there's a standard operating procedure for it. They can ask AI to remind them of the steps to the procedure.

The key, he believes, is solving meaningful problems.

"The mistake people make – and what we won't make – is not understanding what's important to solve. I think a lot of companies spend a lot of money on things and technology to bring things to light, but they aren't the things that are meaningful," Netherton said.

### Entrepreneurial spirit endures

What impresses Netherton most about Vallarta's founding family isn't just hard work, it's entrepreneurship. They now have their own warehouses (and possibly more in the future), brought loss prevention in-house ... the list is long.

"That is not an easy undertaking," he pointed out. "They are so highly insightful, intuitive and understanding 'what do the big companies do, and how do we migrate to becoming bigger?'"

Seven years in, Netherton wouldn't trade his job for anything. "Every day you walk in, there's some new challenge. And I love that."



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## 2025 WEST RETAILER OF THE YEAR



# Providing an environment people want to be part of for the long haul

Jose Aguayo commutes from Orange County to Burbank every Monday morning and doesn't go home until Friday afternoon. He stays in Burbank during the week, away from his family, because he believes that much in what Vallarta Supermarkets is building.

"I wouldn't do what I do if it didn't feel like this is the right organization for me," said Aguayo, chief people officer at Vallarta Supermarkets.

It's a title he takes seriously. When he thinks about what "chief people officer" means, Aguayo is clear about his mission. His team members – all 6,000 of them – "are who I need to make sure are provided the resources, the environment, the culture that make them feel they're where they want to be."

For Vallarta, that philosophy isn't just corporate speak. When times get tough, the 40-year-old company shows up for its people.

Take this past fall. With federal benefit programs in flux and the EBT system experiencing delays, Vallarta recognized something important – if their customers were struggling, their team members probably were, too.

"As much as things are difficult from a business perspective, because our customer base is dealing with maybe not getting their EBT monies, we recognize that's an issue and we'll work through that," Aguayo said. "In the meantime, we also know that we probably have team members that are being impacted. So we've worked at [creating] programs to see how we can help them."



One of them is a lunch deal for team members – a full meal with a drink for \$3.99. In just two weeks, 10,000 of the meals were purchased. The program runs through the end of the year.

But Vallarta didn't stop there. The Gonzalez family, which founded the company, traditionally passes out gift cards to every team member in mid-December for the holidays. This year, they moved the date up.

"We decided we needed to do something in November, because they need the money now," said Aguayo, adding that the gift card is accompanied by a letter thanking them for all they do for the company.

Vallarta also partnered with Certified Federal Credit Union to develop a special low-interest loan program for team members who need immediate financial help. Workers can borrow \$500, \$1,000 or \$1,500 and repay it through weekly payroll deductions.

For Aguayo, these programs represent "walking the talk."

"We could say all we want about our culture and about our values, but it's when things are tight that what are we doing internally for our teams show that we care."

That culture of caring traces back to the founding Gonzalez family.

"There's a trust and a comfort level where our team members just feel like they can be considered part of the family, because a lot of them have grown within the organization," Aguayo said.

The family-built loyalty goes both ways. When Aguayo worked for competitors and tried to recruit Vallarta employees, "people wouldn't want to move," he recalled.

Now, as Vallarta's chief people officer, Aguayo oversees a team that includes a director of human resources handling compliance and investigations; a director of culture and engagement; and a director of training who manages development programs.

## Training innovations

Perhaps the most innovative initiative under his leadership is what the company calls the Vallarta Academy.



*Jose Aguayo*

The online training platform allows team members to take courses on their computers or tablets whenever it's convenient, rather than pulling them away from stores for traditional classroom training.

"People want things fast and convenient," Aguayo explained.

The academy uses subject matter experts – like the company's innovation chefs – to create training videos with consistent messaging across all locations. When Vallarta needed to standardize its signature bolillo production, they created a detailed video showing exactly how the Mexican bread rolls should be made.

The training worked. The innovation chefs reported the fewest ever calls this summer related to bolillo inconsistencies, Aguayo said. Next up is a training video for the stores' guacamole stations to ensure consistency.

The flexibility of online training solves a common retail problem.

"When you build stores, you're using maximum space for selling; usually you don't have the training facilities available," Aguayo noted.

## Formal education emphasized, too

Vallarta is also investing in formal education for its team members. The company partnered with the Western Association of Food Chains' retail management certificate program. In the first year, 24 Vallarta employees enrolled in the program, which takes about 18 months to two years to complete and consists of eight courses covering all aspects of grocery retail management.

"A lot of it is remote, so they're getting it after hours, and they're working together through it," according to Aguayo.

This year, the company is adding nearly 60 new participants to the program.

For Aguayo, programs like this offer something beyond skills training.

"If what they've done here they've done for 20 or 25 years, I think that's great, but you really can open up their ability to see what else is going on in the retail industry" with these courses, he said.

Employees hear from peers at other companies and return with fresh ideas.

Vallarta also has begun sending higher-level team members through the Food Industry Management program at USC's Marshall School of Business.

Education has been important to Aguayo personally as well. He has an undergraduate degree in business administration with an emphasis in human resources from Cal State Long Beach, then got an MBA from Pepperdine.

He's worked in the service industry for decades – seven years in hospitality with Doubletree and Hilton Hotels, a stint with Disney in Anaheim and then 12 years with El Super, starting when it had just opened its third and fourth stores.

After El Super, he moved to Northern California to help rebuild Mi Pueblo after bankruptcy, then worked at Cardenas Markets when KKR merged it with Mi Pueblo. He joined Vallarta about two and a half years ago.

COO David Hinojosa championed the title of chief people officer rather than chief human resources officer.

"I did appreciate the fact that was the title, because it reflects what I feel is important for my job – to be the protector of culture and making sure that what we provide is an environment that people want to be a part of long term," Aguayo said.

That weekly commute from Orange County? His college-age kids are understanding, and Friday dinners are sacred time to catch up. But it's worth it because he is right where he belongs.

For Aguayo, building a culture where team members feel valued is vital. It's about making sure that when they show up for customers, the company shows up for them.

"I think Vallarta has always had a great culture and, I think, a great reputation," he said. "Over the last couple of years, what we've done is not for show, but just to let people know this is a great company."



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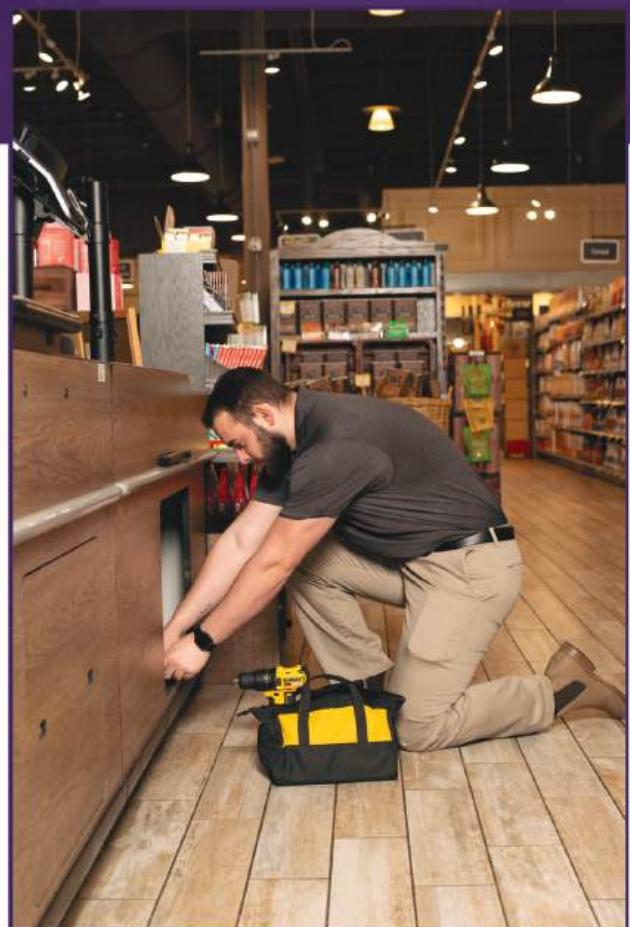
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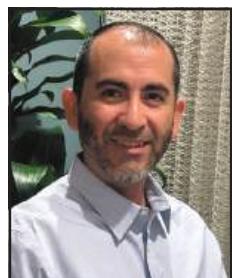
Software Support

## 2025 WEST RETAILER OF THE YEAR



### In-house security protecting people, preventing loss

Asset protection is a vital component of successful supermarket operations, contributing directly to the bottom line.



Javier Leal

Javier Leal, VP of asset protection and security for Vallarta Supermarkets, realized early on in his supermarket career – which began at Vallarta in 1998 when he was 16 – that he had an eye for spotting thieves.

He started out as a courtesy clerk, bagging groceries and retrieving carts from the parking lot. He then worked in a lot of different departments, including dairy, deli, grocery and produce.

"But there was one thing that caught my attention a lot, and it wasn't groceries; it was shoplifters," he said. "For some reason, as I stocked the shelves, I always had an eye for suspicious people. I always kept looking around, and I caught a ton of them."

He would tell his store director and the store security guard, who worked for a third-party company, who had stolen, or, looking at behavioral clues, who was planning to steal. Sure

enough, his predictions usually came true. So the third-party company approached him about coming to work for them.

"I said, 'No, my heart and my love is with Vallarta. I would never do that.' They said, 'well, you would still work here.' I found that I love the grocery business, but I also could contribute by working in security."

He went to work for that company, Alpha Sierra Enforcement Corp., in 1999, continuing to serve Vallarta Supermarkets as a detective. He then became loss prevention manager and then security manager for the Vallarta account.

Vallarta, which had been founded in 1985, grew slowly at first, but by 2002, the grocer was set to begin expanding more rapidly. The CEO at the time, Enrique Gonzalez, approached Leal about bringing the loss prevention function in-house.

Leal was just 20 years old at the time, "and I had zero clue on how I was going to do that, but the Vallarta leadership saw something in me that I myself at that time and age didn't even know," he said.

He told them that he would do it, although he knew he would be flying solo.

"I was told very clearly ... this is their words, 'Javier, there is nothing we can help you with; you are on your own, you're going to have to figure this out. We sell groceries; we're not in the

Please see page 36

#### Servant leaders

VP of Asset Protection and Security Javier Leal was a skinny 16-year-old when he first started working for Vallarta Supermarkets, handling bagging and cart retrieval duties. Because he was a skinny kid, he couldn't gather more than five or 10 shopping carts at a time, which was not great on crowded shopping days.

An older gentleman would come out to the parking lot to help Leal bring in 20 carts at a time and pick up trash. He wondered why the man was at the store so often. Eventually he learned that the man was one of Vallarta's founders, Enrique Gonzalez Sr.

Leal said Enrique Gonzalez Jr. is the same way, as are the rest of the members of the family.

"They really make themselves part of the people, rather than a title or an owner," he said.



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## 2025 WEST RETAILER OF THE YEAR



### Gonzalez Family Foundation offers help in variety of forms

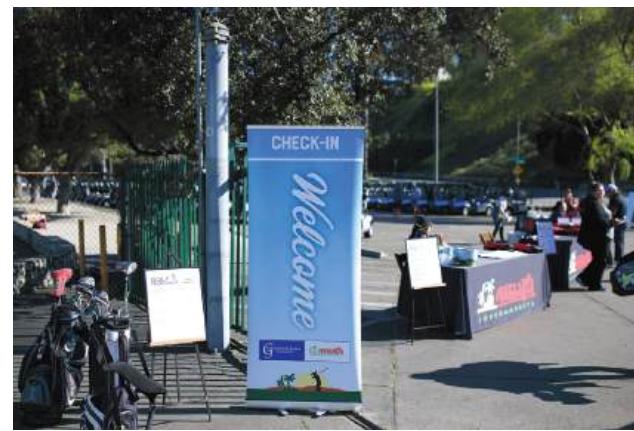
The annual Gonzalez Family Foundation Golf Tournament serves as the primary fundraiser for the nonprofit. The donations go to provide scholarships, financial relief and local community support to those within the Vallarta Supermarkets' footprint, which currently includes California but soon will include Arizona, with other states under consideration.

The 2025 golf tournament was held Oct. 3 at the Brookside Golf Course & Country Club in Pasadena. Community leaders, business partners and supporters together raised more than \$535,000 to benefit underserved communities across the state, according to Vallarta Supermarkets.

The festivities featured on-course contests, raffle prizes and a silent auction. In addition, Vallarta thanked the tournament's sponsors and philanthropic partners and held a celebratory banquet following the tournament.

"Our team at Vallarta is eternally grateful to everyone who came out to support the Gonzalez Family Foundation and our shared mission to uplift local communities," said Lizette Gomez, director of marketing.

"The heartfelt support and generosity shown today will make a meaningful difference for families across California."



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## 2025 WEST RETAILER OF THE YEAR



**In-house** From page 32

security business."

He didn't even know where to start, and for the first three months, he said he went home every day and told his wife he was going to quit.

But Vallarta executives kept trusting him to figure it out. "Never once was I put on the spot by the leadership. All they did is ask, 'is there anything we could help you with? How are you doing?'"

He eventually decided a logical first step would be to approach other security professionals for help and consult with security academies to figure out how to train people and start building a team. He began to obtain the needed licenses and insurance and get a payroll system in place for the department.

In the first year, Leal's team became responsible for the loss prevention operations at the 11 stores Vallarta operated at the time. Each month, a 30-day cancellation notice was sent to the third-party security company, and another store would come under the in-house loss prevention department. However, Vallarta did continue to employ third-party security guards.

Leal had always had a vision of having security guards be employed by Vallarta, and in 2019 it became a reality.

"My dream was to bring the security services in house as well, so that we could treat [the security guards] as the rest of our team members, and they could get the benefits ... and be treated with respect," he said.

He also envisioned Vallarta having its own in-house security training academy "where we could train our security officers with a strategy of exceptional customer service and deter crime with customer service and de-escalation of violence – a different approach," he said.

It took four years for Leal to get all the licensing in place to be able to hire security guards that work directly for Vallarta. He also became a certified security training instructor, with credentials from the Department of Justice.

He says it's very unusual for a grocery company to have their own security guards because they usually lack training programs and have liability concerns. But because of the way Vallarta has committed to its asset protection and security department, it is seeing success in defending its stores against legal issues related to theft.

Leal has to have his security training materials approved by California in order to obtain the necessary license, and he has been told the program he developed – from the ground up – is stellar.

"The feedback I got from them is this is by far the best, robust and detailed training they have seen," he said. "A security guard company is very standard, but we customized it to be focused on customer service and prevention – not confrontational – and de-escalation of violence. That's how we are able to provide safety and security for team members."

While Vallarta is devoted to peaceful resolution of these situations, it also is devoted to protecting its merchandise. If someone steals and security is able to recover the merchandise and the person leaves of their own accord, he or she is allowed to go. But "if you don't give us back the merchandise, we are going to capture your picture and we're going to file police report."

Face-matching technology will alert the store's security team if the person comes into the store again. If they steal again, it's a felony. And Vallarta has no qualms about going to court to defend itself.

"We are hands-on, we are very aggressive when it comes down to protecting our team members," he said. "If you let shoplifters do what they want in your store, it reflects on customer service, the cleanliness in the environment. And one of the reasons why we're being very successful, along with many other operational things, is we take security very seriously, and we invest a lot."

Vallarta operates an around-the-clock Security Operations Center, with three operators monitoring store cameras.

"I have had the opportunity to work very closely with the leadership from this company, and that allowed me to think outside the box," said Leal, who is a 2025 graduate of the USC Food Industry Management Program.

"I don't think just security or asset protection; I think about people, I think about business, I develop teams. And it's supporting the growth of our company."

He said that at the end of the day, Vallarta Supermarkets is not a grocery business but a people business, and that truth is kept at the forefront.

"Every decision that is made in this company, we always think about people," Leal said. "How is it going to affect our people, our customers, our communities, our vendors and our partners?"

"In every decision we make, we are conscious of that, and that allows us to make good decisions for our business."



# CONGRATULATIONS VALLARTA! 40 YEARS!

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## 2025 WEST RETAILER OF THE YEAR



# Vallarta Supermarkets 'not just a grocery store - a cultural experience'

Jose Cordero has worked at Vallarta Supermarkets for most of its 40-year history - coming up on 34 years. He currently serves as VP of operations, a long way from his beginnings as a chicharronero in the back room of one of Vallarta's early stores, No. 4 in Palmdale, California. He worked part-time there, making foods like chicharrones and carnitas.

He eventually moved to the meat department and worked there for several years, which provided him with "great memories and excellent mentors, including the owner [Alfredo Gonzalez], who taught me excellent customer service skills and how to have fun on the job."

Having crossed the border from Mexico with his mother and four siblings in 1992, Cordero had an open case with immigration for a work permit for several years. He obtained his dual citizenship in 2002, a process that was expedited after he married his wife, Jessica.

After the meat department, he worked in every other store department at one time or another, which has given him a good foundation for his role as VP of operations.

"I keep learning new things on a daily basis, but I do have a clear understanding of what the expectations are and what the store should look like, and that helps make my job easier," said Cordero, who is up at 2 a.m. every morning to look at sales from the day before and think about how to meet and exceed expectations.

Cordero offers the following insights about how Vallarta is blending heritage and progress to build a successful, growing grocery enterprise that could grow from 64 stores to 100 within the next three to five years.



Jose Cordero

Please see page 40



## People-first programs shaping culture, engagement among employees

Vallarta Supermarkets, the Santa Clarita, California-based grocer known for its deep community roots, has been undergoing a cultural transformation powered by an intentional investment in people.

Leading much of that work is Lucia Sanders, recently promoted to director of culture and engagement, who has helped build the company's first formal employee-engagement department.

Sanders joined Vallarta in October 2020, in the middle of COVID-19 - "a very weird time, for sure, for any company," she recalled. Having been laid off from her role at Four Seasons Westlake Village after the pandemic devastated the hospitality sector, she stepped into a new industry with few expectations.

"Before I came into the grocery industry, I didn't think of it as a fun place," she said. "Coming from luxury hotels, that's an attractive industry. But once I got here, I realized Vallarta is a really fun place to work."

She's also realized the wide world of opportunity the industry can provide. "There's such great opportunities for anyone," she said.



Lucia Sanders

### Dedicated department

Just a year into her tenure at Vallarta, Sanders' then-VP of human resources pitched the idea of creating a dedicated engagement sub-department within HR - a proposal she asked Sanders to help build. The team presented the plan to the Gonzalez family, Vallarta's owners.

"It was nerve-wracking... are they going to approve it or not?" Sanders said. "But they loved the proposals we put together, even though at the time they were just very foundational."

Those foundational programs became the basis for Vallarta's new culture strategy, which involves celebrating team member birthdays and years of service. Many longstanding employees had never been formally recognized. Today, however, birthdays come with personalized cards and a coupon for a free aguas fresca.

The change may seem small, but its impact surprised the HR team. One employee, Sanders recalled, was "almost in tears because they had never gotten anything for their birthday from anyone."

Years-of-service recognition also has been significantly expanded.

"Now, for every milestone year, team members get a pin, and at 20, 25, 30 years, they get a big trophy, gift card and extra vacation time," Sanders said. "Going from not having anything like that to now really focusing on it has played a big part in the cultural shift."

### Communicating in ways that matter

Internal communication has become another central pillar of Vallarta's engagement efforts.

The company recently partnered with workforce-management platform Logile, which created a digital news-posting feature within its team-member app.

"All of our store team members have the app ... it's like a newsletter," Sanders said. "We've seen a lot of engagement from that alone."

In addition, Vallarta uses physical "celebration boards" in break rooms to ensure visibility of new programs and milestones.

But Sanders emphasized that messaging is not just about frequency, it's about tone.

"There could be a program going on and you could give the details, or you could really hype it up," she said. "Same program, different approach."

This shift has become especially important for scholarship and educational programs that employees historically underutilized simply because they weren't fully aware of them.

When the company's Gonzalez Family Foundation noticed a decline in scholarship applications, Sanders' team partnered with the marketing department to promote it more effectively.

"We figured people weren't hearing about it enough, so we publicized it as much as possible," she noted.

Language access and cultural relevance remain top of mind as the company seeks to reach a diverse workforce.

### Leadership changes fuel momentum

While program-building has been important, Sanders attributed much of Vallarta's cultural evolution to leadership shifts.

"One of the biggest factors was hiring our COO David [Hinojosa] and our Chief People Officer Jose Aguayo," she said. "They brought a lot of positive change with a very people-first approach."

Their arrival coincided with the launch of the engagement department, amplifying its impact and driving a companywide shift toward recognizing, developing and supporting employees.

The results have been significant.

In 2023, Vallarta conducted its first enterprise-wide engagement survey, achieving 70 percent participation. This year, that rate climbed to 75 percent, representing responses from more than 4,000 employees.

One question that Sanders monitors closely is "would you recommend Vallarta as a great place to work?"

The question yielded strikingly positive results: "Forty percent put 'strongly agree,' and 37 put 'agree.' That's almost 80 percent in agreement" that Vallarta is a great place to work.

Customer experience metrics also have shifted.

In 2021, Vallarta logged 339 complaints and "very scarce" compliments. Year-to-date in 2025, the company has received 94 complaints - and 115 compliments.

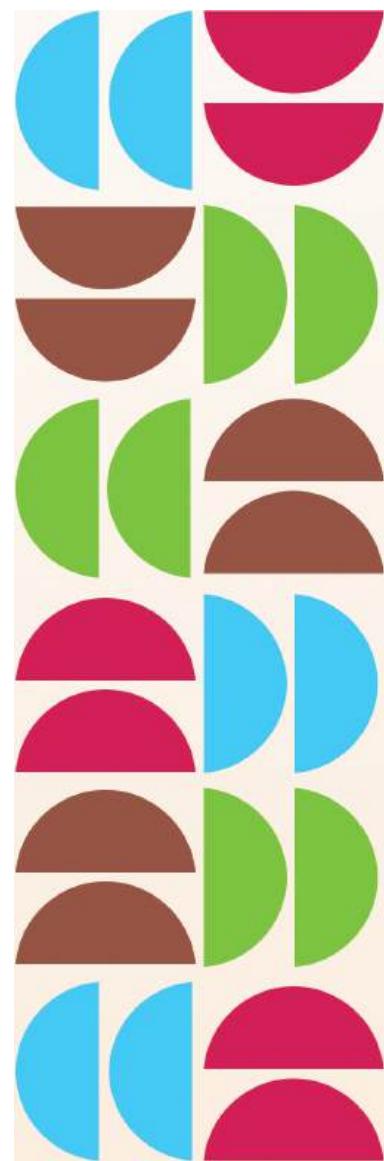
"There's been a big shift," Sanders said. "Turnover has gone down, too."

### Prepping for future

With significant growth ahead - including eight to 10 planned new stores next year - Sanders is thinking about long-term talent development. The company is exploring ways to identify store employees interested in specialized fields like IT and then provide tuition support and build internal pathways toward those roles.

"What can we start doing now to better prepare ourselves?" she said. "If there are team members who want to do IT but don't have a path forward, giving them that option could be very beneficial."

A more robust HRIS system launching next year will support even more touchpoints with employees, further strengthening engagement.



**Congratulations to Vallarta Supermarkets** for earning the prestigious *Shelby Report of the West* Retailer of the Year Award! Your commitment to creating vibrant, welcoming stores across California—and soon Arizona—has made a lasting impact on the communities you serve. **Reaching 40 years in business** is an extraordinary milestone. Keurig Dr Pepper is proud to stand alongside you as a trusted partner and vendor.

**Here's to your award and to another 40 years of growth and success!**



**Celebrating 40 Years A Tu Lado**



# 2025 WEST RETAILER OF THE YEAR



**Vallarta** From page 38

## What do you believe makes Vallarta Supermarkets uniquely positioned in the market compared with other Hispanic-focused and mainstream grocers?

Vallarta is more than just a grocery store; it's a cultural experience. We are authenticity at scale, which is difficult for competitors to replicate. We are heritage driven by modern retail standards.

With great people and operational excellence, we make sure to evolve with the times but with intentionality, making sure to never lose our identity and the heritage that made Vallarta famous in the first place. You can't fake authenticity and culture.

## Which core values drive daily store operations, and how are those values communicated to store teams and customers?

Our six core values have remained the same from the beginning. They are customer service, commitment, integrity, respect, humility and teamwork.

These core values are not just something to put up on the wall; we have been living these consistently before they were written down on paper. We communicate these values through daily interactions, training and recognition programs but, most importantly, through how we lead.

## Who is your primary target customer and how has that profile changed in recent years?

Our core customer has traditionally been the Latino family - multigenerational, family centered and proud of their heritage and food traditions. But that profile has evolved and continues to evolve every day.

Today's Vallarta shopper is increasingly bilingual, bicultural and cross-generational. We are seeing younger U.S.-born shoppers who crave authenticity but also convenience and innovation.

They are not only looking for carne asada tacos but for unexpected items such as sushi, which has become an important part of every new store that we open. We're bridging generations - traditional flavors, modern lifestyles.

## How do you engage local communities around each store (events, sponsorships, partnerships), and which efforts have driven the strongest loyalty?

We do plenty of local community engagement. Our marketing teams are out in all our communities where we operate, supporting various local events with donations and giveaways.

The most impactful loyalty builder has been showing up authentically. When customers see Vallarta supporting their neighborhoods, they feel seen and this builds trust.

## Walk us through a typical day in-store. What operational priorities ensure a great customer experience from opening to close?

Unlike many other retailers, we are a high-production store. Our stores start early every day, baking bread, making tortillas and cutting meat to get ready to serve the customers for that day.

Throughout the day, the team members focus on freshness, quality, cleanliness and service. This continues through the evening, making sure that the stores look just as fresh at night as they did in the morning.

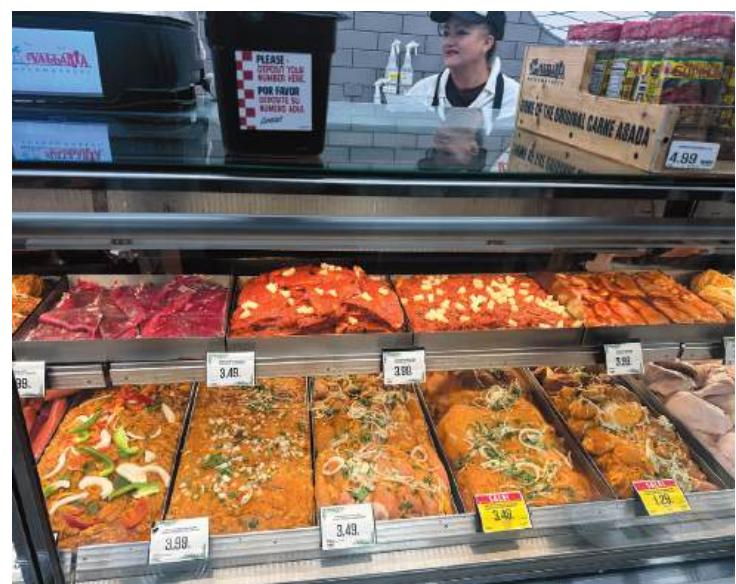
## How do you balance localized product assortment with category-standard items to meet both customer expectations and operational efficiency?

It's both art and science. We use a significant amount of data to tailor assortments, but we also rely on local feedback from the teams at store level.

We use technology mixed with experience and adjust by district and by store if necessary. Being able to adjust quickly and tailor each store to the community is one of our biggest strengths.

## What is one of your most successful store design decisions - what was it, why did you make it and how did you measure its success?

Remaining true to our authentic roots with our Carniceria - our meat department - as the key full-service destination. While many retailers move to pre-packaged meats and seafood, we continue to build stores around our full-service meat departments and encourage our customers to visit the meat department and engage with our team members.



The meat department has been and continues to be our signature department, and our customers love us for this. Seventy percent of our meat department sales come from the full-service department.

## How do you use store layout, signage and visual merchandising to drive discovery of specialty items and impulse purchases?

We design the stores to tell a "fresh" story and an authentic food story. We use fresh merchandising, color, bilingual signage and cultural cues throughout the store to tell the story. We want to make products approachable for all customers. We want customers to discover something new every time.

## How would you characterize the changes that you've seen in the company in recent years?

It's a combination of culture and people - including myself - being willing to change, adapt to the new trends, the new generations, innovations, which is huge. There's not a lot of people who are willing ... to make the change.

Old-school people, I'm one of those, but if I'm not willing to make a change and try to adapt to these new trends, it makes it very challenging. The company has done a phenomenal job promoting people within the organization but at the same time bringing in people from the outside - experts on new trends - has been a tremendous support.

## What role does technology - POS, inventory systems, analytics, mobile apps - play in store operations today, and where are you investing next?

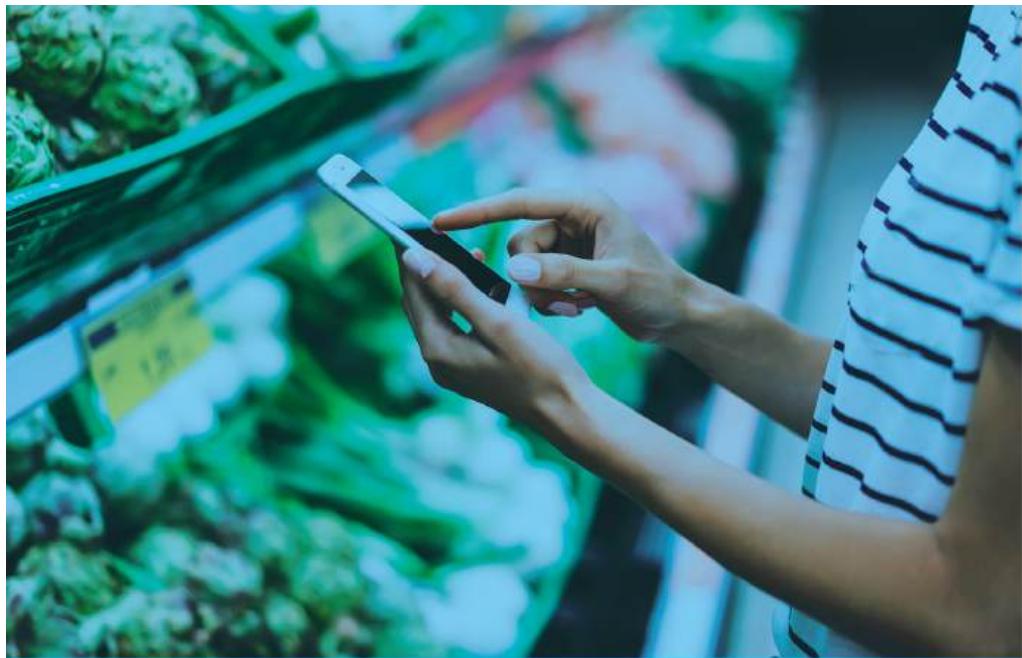
Technology is what lets us scale our authenticity. We use modern tools while keeping the heritage alive. We use technology for production planning, inventory, digital ordering and delivery.

All throughout the store, we are constantly evolving along with technology but always keeping the customers, team members and our heritage in mind.



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VALLARTA FAMILIA!!**

**2025 WEST  
RETAILER OF THE YEAR** | **40<sup>TH</sup>  
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# Happy 40<sup>th</sup> Anniversary Vallarta Supermarkets

*Cheers to the next 40, as well as your recognition  
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*Best Wishes to everyone at Vallarta Supermarkets,  
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## 2025 WEST RETAILER OF THE YEAR



# Leading with differentiation but also offering value to all customers

Vallarta's VP of merchandising, John Sellers, has been with the company for 17 years and he's seen a lot of changes – in store size, in store number and increasingly in product variety.

While the stores' perimeter departments largely showcase authentic fresh Mexican foods, Sellers and his team have been, in the center store, testing a robust Asian section encompassing Korean, Chinese, Vietnamese and Filipino products.

"We've put some offerings in that are not only for the Asian community, but they cross over into our traditional customers' flavor profile – the spicy profile, the zesty profile that our customers really like," Sellers said.



John Sellers

But it's not just Asian customers Vallarta is looking to please in its aisles.

"We expect anyone who comes into our stores to have a delightful experience in our stores and be able to get, for the most part, what they need to feed their families," he said. "We're working very hard on increasing our assortment to target the mainstream customer."

### Career launched at 10

Sellers, at age 10, would work Sundays at a store owned by his best friend's family, Liborio Market, an 8,000-square-foot store in Los Angeles.

That early experience proved invaluable. Working through grammar school, high school and college at the 13-store Hispanic independent grocer, Sellers learned far more than the mechanics of retail. He learned the Spanish language; he learned Latin culture. And perhaps most importantly, he learned that grocery stores serve as gathering places for their communities.

"A lot of people come to the store and it's their social center," Sellers said. "It's fun to work with people. If you treat them well, give them what they need and maybe a little extra attention, you have a customer for life. And not only a customer, but a friend."

Unfortunately, Liborio Market collapsed during the 2008 economic downturn. But that's also what led him to being recruited to Vallarta that same year.

Sellers brought not just his marketing degree from Cal State Dominguez Hills with him to Vallarta but hard-won lessons about resilience and the importance of knowing your identity honed over his 40-plus-year career in the industry.

His first role at Vallarta was as a buyer responsible for deli, dairy, frozen, beer, bread, tortillas and other direct store delivery categories. Under the mentorship of Ray Jones, the company's then-VP of procurement and marketing, Sellers steadily advanced through the ranks.

Today, he oversees merchandising strategy for a growing family-owned grocery company that's become known for something increasingly rare in modern retail: authenticity.

When asked about competing in an increasingly crowded Southern California market, Sellers doesn't talk about price wars or promotional gimmicks. Instead, he focuses on fundamentals.

"I think first of all, it's [key] to know our identity and know who we are and keep delivering what makes Vallarta special to the community – and that's our service, our cleanliness and our quality," he said. "We lead with differentiation but also offer value to our customers."



### Challenge of changing basket

Sellers faces the same challenge confronting every conventional grocer today – basket erosion. Costco and Walmart have captured entire categories – paper products, detergents, household staples – that once formed the backbone of grocery sales.

Even worse, Amazon has normalized home delivery of these items, training consumers to never think about them.

"When you poll most people and ask them where they buy their bathroom tissue and their paper towels, they buy them at Costco or Walmart," Sellers acknowledged. "Those are items that we need back in our basket."

It's a tall order, but Sellers isn't conceding defeat. Instead, he's focused on strengthening where Vallarta already excels: prepared foods and restaurant operations that rival standalone concepts. The grocer's kitchens – La Cocina – produce authentic products that have led some customers to mistake Vallarta locations for restaurants rather than grocery stores.

"Our restaurant can stand alone and be very happy by itself," Sellers said.

The success stems from careful attention to authenticity and quality, with chefs who "stay true to our identity and who we are."

As tamale season approaches each November and December, that commitment translates into serious sales of masa and traditional holiday items.

### Digital age merchandising

Modern merchandising requires more than understanding products and pricing. It demands fluency in social media and influencer culture. Vallarta has embraced this reality with creativity and cultural awareness.

During the 2025 World Series this fall, when a baseball famously got stuck under the outfield wall at Dodger Stadium in a crucial moment for the home team, Vallarta's social team created a viral moment by substituting a concha – a traditional Mexican sweet bread – for the baseball in their version of the image.

A Hispanic social media influencer recently came into a Vallarta store to pick up an ube tres leches cake that bridges Filipino and Mexican culinary traditions. She filmed herself eating the treat in her car and was very complimentary, he said.

Effective merchandising now happens as much on smartphones as on store shelves, Sellers acknowledged.

### Values-driven leadership

Sellers pointed to Vallarta's six core values – customer service, commitment, integrity, respect, humility and teamwork – as not just words printed on business cards but principles that guide daily operations and long-term strategy at the company.

"When we say something, we mean it. If we tell them we're going to do something, we're going to do it," Sellers emphasized.

That integrity, he believes, creates the foundation for everything else: respect among team members, humility in success and genuine teamwork across departments.

The values are family-driven, emanating from ownership down through every level of the organization.

"That's driven from the family; that's the way the family runs the business," Sellers said. "Their word is their bond."

Looking ahead, Sellers envisions Vallarta becoming "one of the most high-tech retailers out there," embracing innovations that may not exist yet.

The company is building proprietary e-commerce platforms for 2026 while expanding beyond California into Arizona. But technology and growth won't change the fundamentals that Sellers learned during those Sunday shifts as a 10-year-old at Liborio Market.

"We're like an orchestra. We all have an instrument to play, and if we all play our instruments, it's one beautiful song."



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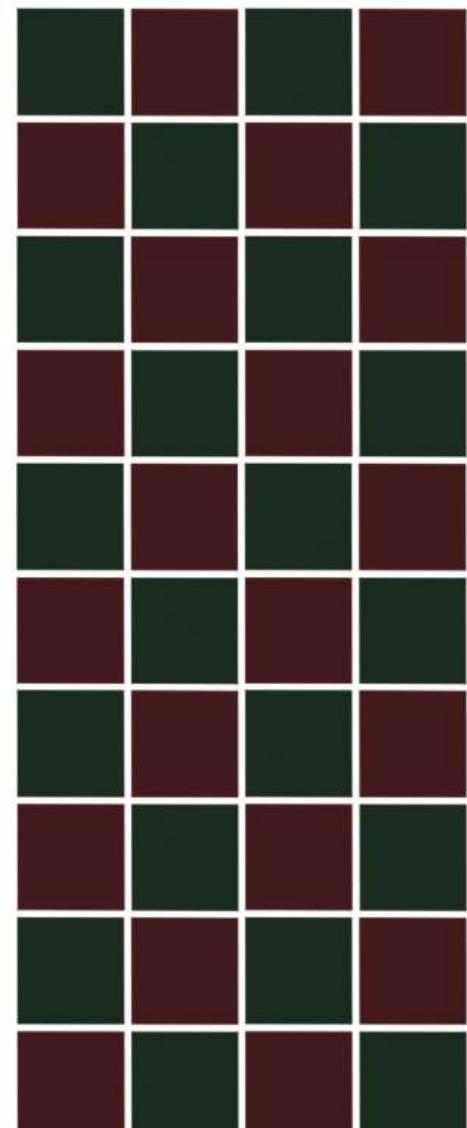
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## 2025 WEST RETAILER OF THE YEAR



### Reimagined store design among highlights of accelerated expansion

When Justin Pratt joined Vallarta Supermarkets as VP of construction in 2022, the Southern California grocer was preparing for an unprecedented expansion. After spending 23 years with Save Mart in Northern California, Pratt was drawn to Vallarta's ambitious growth plans at a time when his previous employer was slowing down under private equity ownership.

Vallarta's growth plans have materialized dramatically. In the past year alone, Vallarta opened four new stores – a significant acceleration from its previous pace of about one store per year. With three additional locations under construction, the company shows no signs of slowing down.



Justin Pratt

#### Design evolution

The expansion coincides with a comprehensive reimagining of Vallarta's store design, creating what Pratt describes as a "transformative" shopping experience. The company's newest store in Modesto on Orangeburg Avenue showcases this evolution, featuring a completely revamped aesthetic that sets it apart from stores built just a few years ago.

"It's a new decor package where we've added departments. We've added a guacamole department; we're getting ready to add a marisqueria department," Pratt noted. A marisqueria is a seafood shop that specializes in selling and serving shellfish and other seafood, such as shrimp, lobster, clams and oysters.

He added that "the whole decor scheme has changed. We've implemented a new lighting package. Refrigeration systems are now CO2."

The changes extend throughout the entire store environment. Vallarta has partnered with DL English, a design firm led by owner and principal designer Deborah English, for about a decade. The relationship involves close collaboration, from initial floor plans through final decor installation, with weekly meetings to refine each store's design.

"They designed the decor and the look and feel of the store, and then they, most of the time, also produce the decor," Pratt explained.

The partnership has helped Vallarta develop a consistent yet evolving brand identity across its expanding footprint.

#### Lighting way forward

One of the most significant changes in the new store design involves a complete overhaul of the lighting package. While Vallarta had already transitioned to LED fixtures, the newest stores feature entirely new fixture styles and lighting strategies.

The produce department exemplifies this shift in approach. Previously, Vallarta relied heavily on spotlighting with track lights, which required adjustment whenever merchandise



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to Vallarta Supermarkets  
on your 40<sup>th</sup> Anniversary  
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displays were repositioned. The new design employs pendant lights that provide even illumination throughout the department.

"If we move tables around or things like that, we don't have to move lights. It's general lighting that is pretty consistent," Pratt said.

This practical innovation enhances operational flexibility while maintaining the visual appeal that draws customers into the fresh departments.

The improved lighting extends down every aisle with new fixture styles that contribute to what Pratt describes as a "clean, light, well-lit" environment that has a "higher-end vibe and feel to it."

## Functionality meets safety

Beyond aesthetics, Vallarta has made strategic choices in materials that prioritize customer safety. Throughout the stores, the company uses an LVT, or luxury vinyl tile, forgoing polished concrete floors that have been ubiquitous in certain retail environments.

The decision to move away from concrete stems from practical experience. When Vallarta noticed a concerning number of slip-and-fall incidents, the company tested the LVT product in a couple of stores. The new flooring practically eliminated slip-and-falls, Pratt said.

The grayish-colored flooring mimics the appearance of concrete but offers much better traction.

## Breaking stereotypes, expanding appeal

The elevated store environment serves a strategic purpose beyond aesthetics. Vallarta aims to transcend traditional market segmentation, appealing not only to Hispanic customers but also to Asian and Anglo consumers seeking quality and value.

"I've heard the 'you guys are like the Mexican Whole Foods' kind of thing," Pratt said, acknowledging the upscale comparison. "I think, unfairly, a lot of times when people think of the Hispanic customer, they think cheap. And I think that's unfair, and I think the Hispanic customer wants to be respected."

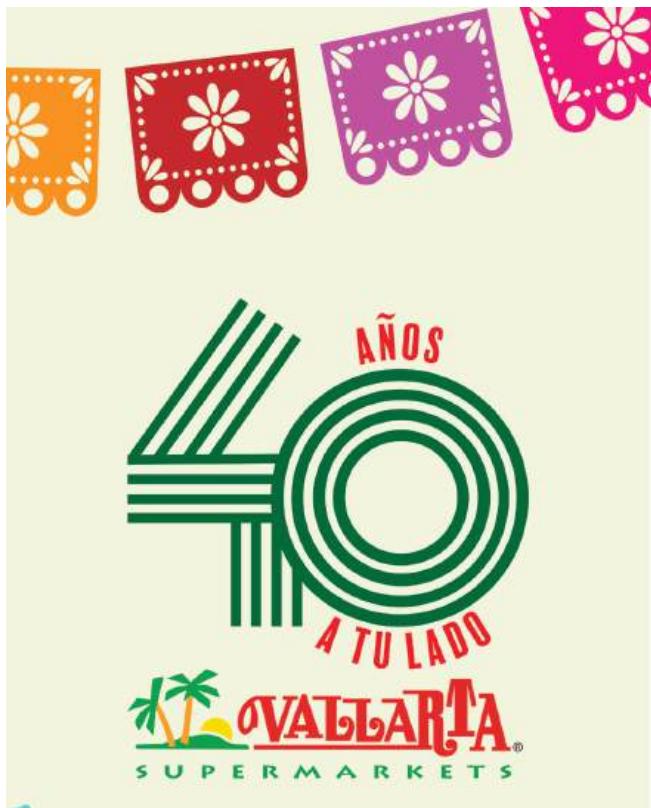
The design philosophy reflects this respect through thoughtful attention to detail. Security measures, such as keeping spirits behind locked doors in the front of the store, are implemented consistently across locations - a practice customers have come to expect without complaint.

Meanwhile, current remodel projects focus on refreshing existing stores with the new decor package, updated lighting and minor case changes to maintain consistency across the chain.

Pratt emphasized the universal appeal of the store environment: "The look and feel of our store can play anywhere in this country, for any ethnicity."

The design creates a premium shopping experience across the board, while each store can still fine-tune product offerings to match local demographics.

Please see page 46



## A remarkable 40 years!

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## 2025 WEST RETAILER OF THE YEAR

# Three-pronged approach is helping distribution keep pace with growth

Tim Cipiti has worked for some well-known grocers over his four decades in the business, including Safeway, Vons and Penn Traffic. But when he walked into Vallarta Supermarkets in December 2014, he knew something was different.

"When I came here, I said to myself, 'this is where I'm going to retire from,'" said Cipiti, who serves as VP of distribution and logistics.

Eleven years later, it remains his plan to stay on until retirement with Vallarta, which is celebrating its 40th anniversary and has been named *The Shelby Report of the West's* Retailer of the Year – the latter a recognition of the family-owned grocer's commitment to its people, its customers and its communities as well as its strong growth trajectory, in both number of stores and geographies.

For Cipiti, what sets Vallarta apart isn't just the business acumen of the Gonzalez family that founded the company; it's something deeper.

"It's the integrity of the ownership. They really know the business, but they also know what they don't know," Cipiti said. It's that self-awareness, combined with a willingness to trust the right people, that makes all the difference.

When Cipiti joined Vallarta, the company was getting ready to open a produce distribution center – something it had never done. But Cipiti had. He'd spent 13 years on the distribution side at Penn Traffic in upstate New York, managing 13 distribution centers across five states, competing against the likes of Wegmans and Walmart.

Given his strong background, the Gonzalez family gave him the freedom to build what needed to be built.

"Once they realize they can trust you, it is just so refreshing to work for people that I can say, 'we need \$500,000 worth of material handling equipment' and spend five minutes telling them why and they write a check," Cipiti said.

That trust goes both ways. When Cipiti's son was hit by a drunk driver about a year and a half ago and suffered a traumatic brain injury, the family stood by him.

"They've just been incredible throughout the whole thing," Cipiti said. "To have that kind of support, it's just absolutely fantastic."

His son is still recovering, not walking yet but getting close. Through it all, Vallarta never wavered.

"They have the biggest hearts in the world," Cipiti said. "I could give you example after example of where they've shown compassion."

It's stories like these that illustrate what Cipiti describes as Vallarta's greatest strength: living its core values from the top down.

"The first thing I always think of when people ask me about how it's like to work for Vallarta, it's the first company I've worked at in my long career that lives every core value from the top down through all the management ranks," he said.



Tim Cipiti



Vallarta's six core values are: customer service, integrity, respect, humility, commitment and teamwork.

### Courtesy clerk to VP

Cipiti's grocery career started in 1977 as a courtesy clerk at Safeway in Southern California. He worked his way up from produce stocker to assistant manager to store manager.

When Vons bought Safeway's Southern California division in 1989, Cipiti became a Vons employee and eventually moved into a corporate role as maintenance and energy manager.

In 1997, when one of Vons' SVPs left to become CEO of Penn Traffic on the East Coast, Cipiti took a leap. He moved his family to Syracuse, New York, not even sure what he'd be doing.

He ended up on the distribution side of the business. Those 13 years prepared Cipiti for his role at Vallarta.

Today, Cipiti oversees two distribution centers: one for grocery and the other for produce. They're not on the same campus because they were purchased at different times.

As Vallarta continues its aggressive expansion – opening stores throughout California and its first store in Arizona come January – Cipiti is planning for the future.

"At the pace we're growing, we're taking kind of a three-pronged approach," he said.

First, they're looking at improving efficiency at existing distribution centers. Cipiti planned to visit DCs in Texas and in Mexico to see rack systems similar to what Vallarta plans to install this coming year.

Second, Vallarta plans to use third-party logistics services for longer-distance stores in the short run. Companies like UNFI can handle locations that are harder to reach from Vallarta's current DCs, ensuring stores never feel the difference.

Third, and most significantly, the company expects to open another DC within three to five years to keep transportation costs from getting out of hand.

"The biggest expense we have on the distribution side is transportation," Cipiti pointed out.

Deliveries in the Sylmar area cost almost nothing, but going from Sylmar to Modesto, San Jose, Phoenix or potentially Las Vegas is a different story, he said.

"Until you get a lot of mass in an area, it's extremely expensive," he said.

Location matters for another reason, too. Vallarta built its reputation on freshness, and long transportation times work against that promise. A strategically placed distribution center solves both problems – cutting costs while maintaining the quality customers expect.

Cipiti also is keeping an eye on automation and robotics. The distribution center he's visiting in Texas has robotics, and he's studying what's possible. It's unlikely that the company's two existing DCs will be retrofitted with robotics, but the next distribution center may have it from the get-go.

"We'll heavily consider that. How much, I'm not sure, but we're certainly looking at that," he said. "That's the future."

### Reimagined From page 45

### Family difference

For Pratt, returning to a family-owned operation after experiencing the other side has been professionally rewarding. The accessibility of Vallarta's ownership mirrors what he valued at Save Mart when it was privately owned.

"Anything I ever need, you can walk into their office ... You can call them anytime, and they genuinely care about you," Pratt said. "They know about your family ... it's just kind of that family environment where they truly care about their employees."

This accessibility enables rapid decision-making crucial for managing an aggressive expansion schedule.

"If you need something done quickly and a quick decision made, you can always just walk over there and get that decision right away," he added, noting that the Gonzalez family's humility particularly stands out in his experience.

"You would never know that they owned a grocery chain. They're down to earth and humble and just a great company to work for."

### Looking ahead

With five remodel projects currently under way and an aggressive new store pipeline, Vallarta's construction team faces an increasingly busy schedule. Pratt anticipates that once the remodels are complete, focus will shift predominantly to new construction.

The return to his hometown territory adds a personal dimension to the work. Born and raised in Modesto, Pratt finds himself regularly traveling to Northern California for projects in Modesto, Turlock, Merced and Atwater – full circle from his Save Mart days, where he actually started his career as a financial analyst before moving through positions in engineering, purchasing and then construction.

As Vallarta continues its expansion throughout California, the company's investment in thoughtful design, customer safety and operational excellence positions it for sustained growth. The combination of family ownership, strategic planning and respect for customers

across all demographics creates a foundation that Pratt believes can succeed anywhere.

"It makes you want to come to work every day and really succeed," he said. "And it makes a huge difference."





**CONGRATULATIONS**  
on your achievement. Cheers to your  
40th anniversary and here's to the  
next 40 years!



Congratulations to Vallarta Supermarkets on being named *The Shelby Report of the West's 2025 Retailer of the Year* and on celebrating **40 incredible years** of serving California families!

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**Cheers to 40 years and to the future ahead!**

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## 2025 WEST RETAILER OF THE YEAR

# Popular perimeter departments of supermarket receive the chef's kiss

Fresh departments can be key differentiators for supermarkets. Signature sandwiches, cookies, salads, cuts of meat or other specialties can cause shoppers to patronize a store when another one might be more convenient or less expensive.

Vallarta Supermarkets drives its fresh department differentiation with the guidance of professional chefs.

"One of the things that really makes Vallarta different and unique is we're chef driven," said Mark Montelongo, VP of meat, seafood and prepared foods and 22-year company veteran.

Herman Gonzalez serves as head chef, directing the group of chefs, also known as the Culinary Group or "the palate of the company," as Montelongo described them. "They help us with R&D and innovation and to make sure that something tastes the same across all the stores."

Vallarta's fresh perimeter departments include meat (carniceria), seafood (pescaderia), bakery (panaderia), dairy (lecheria), tortilleria, taqueria and La Cocina (the kitchen), the latter an in-store restaurant offering dishes for dine-in as well as for pickup or delivery.

Montelongo oversees the teams that run these perimeter departments, but in true servant leader fashion, he said they are the team's responsibility, "and I work for them." The departments' buyers report to him.

Montelongo was raised in the San Fernando Valley, starting his grocery career 35 years ago as a box boy at Alpha Beta, later purchased by Ralphs. He worked in the produce department in Ralphs stores before moving into grocery buying for Ralphs and sister banner Food 4 Less.

He joined Vallarta in 2003 as a buyer for grocery and general merchandise; "everything other than fresh," he said.

A few years later he became a meat buyer, handling meat, seafood and dairy products.

### Fresh in season

The seasons play a role in what sells in the fresh departments.

"Everything we do has ebbs and flows; there is seasonality involved," Montelongo said. "Things perform differently when it's warmer outside than when it's cold."

In the meat department, cuts that are used for soups trend upward when it's cooler or when big rains come in, he added.

"The bakery responds really well to cold weather, so the bakery spikes as it gets cooler; during summer, we sell less bakery, less pan dulces," he said.



Mark Montelongo

"We're more than just a grocery store. We're kind of a cultural experience, and that's what makes us different," he said. "The taqueria, panaderia and the tortilleria are part of who we are, what made us special, and I think it's kind of the heartbeat of who we are."

"We're authenticity, but authenticity at scale."

Vallarta was founded 40 years ago as a small meat market, and that is one of the departments the company continues to hang its hat on through all the growth and change happening.

"From when we started as a carniceria, we've been really authentic in how we operate. As we evolve, as we grow with technology, we stay true to our identity and who we are and really what made Vallarta famous," Montelongo said. "We try to stay with the times and modernize but not lose that heritage."



Speaking of heritage, Montelongo noted that coming from a corporate environment he has noticed that the Gonzalez family stays very hands-on.

"The family has always been great to me," he said. "I love working with them, and they're very involved. They're working in the store just like everybody else. They're very in tune to what's going on."

"Everything from writing ads to what we're going to put on the flyer, what we're going to promote, how we're going to build stores, it's more of a collaboration. But with a lot of input from ownership."

### Eight generations of customers

Montelongo said Vallarta has identified eight customer groups that shop its stores: first-, second-, third-, fourth- and fifth-generation Latin immigrants, U.S.-born shoppers and newly arrived customers from Mexico and other Latin American countries.

No matter which group it is, there seems to be an interest in cleaner ingredients and "getting a little healthier," he said.

Because an increasing number of its shoppers would be considered mainstream, Vallarta has diversified its offerings. One big change in the fresh departments is the addition of sushi in all of Vallarta's new stores.

Montelongo said sushi has done surprisingly well in those stores.

Vallarta was the first Hispanic retailer to add the Fuji-San sushi kiosks, but a number of competitors have now followed suit.

As a result, Vallarta is looking at moving to a Latin-fusion sushi concept, "a little more on-brand with Vallarta."

"What started off as a point of differentiation is no longer differentiating us, so we're trying to take it to the next level."

Fusion dishes are sometimes spicier and saucier, "a little more flavor pop associated with the culture," Montelongo said.

To start its own-brand sushi program, Vallarta will need to train its own team members to make sushi, which requires great precision and consistency.

Vallarta also instituted a smoothie program across its store base this year, taking a cue from the popularity of high-priced smoothies in boutique grocery stores.

"We developed our own line of functional smoothies, and they're doing well," he said. "They really hit a nerve."

The culinary group came up with 20 different smoothies; store tastings helped narrow down the choices to six. They include Café de Sol, featuring coffee and bananas; TropiKale, with kale and citrus; and Encanto de Fresa, starring strawberries.

Vallarta promotes the smoothies via social media, sales flyers and "any way we can," Montelongo said.



A recent seasonal item in the panaderia was Pan de Muerto, or Day of the Dead bread, a sweet and savory bread flavored with anise.

But there is an exception to the seasonal rule: "Tortillas are pretty consistent all year-round."

Tortillas are made fresh in-store, with simple ingredients. That's good and bad, he said. "You have tortillas that are made as naturally as possible, but that also means that they're shorter shelf life."

The fresh perimeter departments at Vallarta are just one of the things that distinguish it from other grocers, Montelongo said.



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## 2025 WEST RETAILER OF THE YEAR

# In produce department, 'quality combined with value supersedes price'

Vallarta Supermarkets is taking a fresh approach to its fresh departments, according to Robert Veilleux, VP of produce and floral.

In produce, the grocer formerly focused on price above all else. That was what it believed was going to drive sales and "got us to where we are today," said Veilleux, who has been with Vallarta for nearly two years. "But the model for the future is all about quality and value – what the consumer sees has to be quality to their family."



One of the fastest-growing produce categories for Vallarta today is berries. To ensure a steady, high-quality supply, the grocer contracted with a major producer.

"We are the first Latin company that Driscoll signed on with," he noted. "The consumer truly deserves to have the best quality, and we're going to give you value. We have proven that quality combined with value supersedes price."

In the floral department, Vallarta is putting more emphasis on potted plants and flowers rather than bouquets and stemmed flowers. Veilleux said consumers are realizing that if they buy a bouquet, it will last maybe 10 days, but a potted plant – if well taken care of – can last months or even years.

"We are pivoting more to the longevity of the product with floral, and that's really driving us to better value," he said.

A couple of the top sellers are daylilies and antheriums.

### Branching out

Veilleux has a rich history in the produce business, starting in his home state of Connecticut. He was 16 when he started packaging strawberries at a Pathmark store. That was when the paper containers were wrapped with cellophane secured by a rubber band.



Robert Veilleux

His 39-year history in the industry has taken him to several markets across the U.S., with different kinds of grocers, in positions ranging from category manager to store director to store operations to various produce and floral roles. He obtained a Class D horticultural license in Connecticut, meaning he knows the botanical and common names of a range of plants and flowers.

Veilleux, who has French-Canadian and German heritage, left Connecticut at age 40 to join Phoenix, Arizona-based Sprouts Farmers Market, working in Texas. He then helped develop the fledgling Tennessee market as a project manager, opening two stores outside Memphis and two outside Nashville.

He then went farther west, joining La Montañita Co-op in New Mexico, then back to Texas to work for Hispanic retailer El Rio Grande Latin Market. After that, he did contract work dealing with turnarounds and succession planning. He says he has "bounced around 11 states in the past 13 years," and deeply appreciates having "an extremely understanding and supportive spouse." She is from Brazil and visits home a few times a year, so they mutually sacrifice for the other's benefit.

Now that Veilleux has landed in California, he is adding to his produce knowledge. One lesson has been that Mexican residents of California are different from the ones in Texas.

In Texas, cut cactus and cactus juice are used in many recipes, so cacti was a focal point in the produce department. It had dedicated space on the selling floor, and team members would shave the needles off the cactus pads right there for everyone to see, creating a bit of theater around it. In California, cactus is sold but in much smaller quantities.

"I'm asking a lot of questions; why is that the case?" he said, adding that he learned that in California, Mexican Americans typically come from southern Mexico and in Texas they're largely from the northern part.

While Vallarta will continue to take care of its Hispanic consumers as well as it always has, the grocer is looking to expand its appeal, Veilleux said.

"Our core customer is that first-gen Mexican customer; we have to make sure we protect and preserve that," he said. "That's the customer that buys the limes, the white onions, Roma tomatoes, the chili peppers, papayas ... Our growth, however, is going to be with additional cultures – Caucasian, Asian, South American, European. They're out there, and we want to draw those customers into our stores. How we do that is through strategic merchandising, through adding assortments and how we allocate those new assortments."

Veilleux said that COO David Hinojosa is leading the evolution of Vallarta to a more widely appealing supermarket.

"He makes sure that we understand that we are not a Hispanic supermarket, we are a supermarket. And that's the direction we're going."



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Paige Venable

## Underdeveloped no more, floral is now where the family wants it

When grocery executives talk about high-margin departments with untapped potential, floral often makes the list. But few leaders have reshaped a floral program as dramatically as Paige Venable, director of floral for Vallarta Supermarkets.

Her journey – from a difficult early life to leadership roles at Ralphs, Whole Foods Market and eventually Vallarta – illustrates both the power of career reinvention and the strategic sophistication now required to compete in the modern perishables landscape.

Venable oversees floral within Roxford Produce International, or RPI, which is the perishable distribution arm of Vallarta.

Floral, produce and other perishable categories that require refrigeration operate out of RPI. It's a separate business entity but under the Vallarta umbrella.

### Inspirational turnaround

Venable's leadership record, sharp operational instincts and category expertise make it hard to imagine her difficult beginnings.

She took her first grocery job at Ralphs, in the floral department. She didn't know anything about flowers, so the work that is now second nature to her felt overwhelming: "It could have been rocket science. It was so hard for me in the beginning. I was a really broken being back then."

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## 2025 WEST RETAILER OF THE YEAR



# 'It's the evolution that Vallarta has taken without forgetting its culture'

Erika Gonzalez describing how she came to work for Vallarta Supermarkets and the family atmosphere that remains there despite the exponential growth is quite remarkable.

Today, Gonzalez (no relation to the founding family) serves as executive administrative assistant to COO David Hinojosa. But if you'd asked her as a 15-year-old if she wanted to work for Vallarta Supermarkets, you would have gotten a strong "no."

She grew up in Acton, California. It was so small that there was no high school, so students were bused over to Palmdale High School. Vallarta store No. 4 was in Palmdale, and Erika and her family started shopping there when she was 15.

Sunday was when people typically would shop for food. "Everybody met at that market ... everybody knew each other at this little, tiny Vallarta market," she said. "The owners knew them, their employees - we call them now team members - knew them by name."

A Vallarta owner, Alfredo Gonzalez, oversaw the store at the time and would tell her father that Erika and her sisters would one day work there.

"I would say, 'No way.' But life dictated otherwise."

Erika graduated from high school and moved away to attend Cerritos College. She attended for a couple of years before moving back to the Antelope Valley and seeking a job.

She went to the new Vallarta No. 4 - which had moved into a much larger space that had once been an Alpha Beta - the weekend before Mother's Day when she was 22.



Erika Gonzalez

"I was hired right then and there," she said.

She worked as a cashier first, then in the customer service booth at No. 4. When Vallarta opened its store in Lancaster, she shifted there.

After a brief time in another job, she rejoined Vallarta, working as a scan coordinator. Her next step, a few years later, was scan department supervisor, which she did for about 18 years.

Though Vallarta had always stayed away from self-checkout, preferring face-to-face interaction, eventually it became clear that self-checkout was preferred by some. Erika was asked by a top executive to oversee the front end with the new equipment although she had always been behind the scenes. She took on that job and succeeded.

"We're looking for ways where we still cater to our customer, provide the best customer service, but now in more of an advanced technology sort of way," she said.

When COO David Hinojosa came on board, he needed an administrative assistant, and Erika was handpicked for the role. She calls it "the biggest blessing in the world."

A 28-year company veteran who also serves as an operations project manager, she noted that her co-workers have become like family.

### Grounded yet flexible

While the family atmosphere and customer service focus remain from its origins, other things have changed at Vallarta during her tenure.

Dozens of new stores have opened, and the company pays close attention to the demographics around them to make

sure they appeal to nearby residents, not just its core Hispanic shoppers.

The Delano store, for example, has a strong Filipino population, so it features aisles dedicated to Filipino products.

Smoothies and sushi also are featured in some stores. Part of the diversification comes from the executives Vallarta has hired from outside the family.

"All these people that they've also brought on board with us have opened their eyes and have opened their mentality to say, 'let's cater beyond just the Hispanic community,'" Gonzalez said.

"It's not enough having rice, beans, carnitas and so forth. Now we have the exquisite smoothies ... a cut fruit program, the sushi program inside a Hispanic market."

The sushi station is next to the taqueria.

"It's the evolution that Vallarta has taken without forgetting its culture," she said.

Gonzalez also has seen the company's headquarters grow from an office above the selling floor at Vallarta No. 7 in Sylmar to a beautiful three-story corporate office in Santa Clarita.

"I never thought in my wildest dreams that Vallarta, being that three-liquor-store size with the owner opening and closing it, would be one day become what is has become. It's just incredible, gives me chills. Incredible," Gonzalez said.

"At the age of 15, never did I dream that Vallarta would become the empire that it has become and will continue to become. Vallarta, all in all, encapsulates culture, family," she said.

She called Vallarta a "tight" family, with leadership making sure "our team members come first."

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But the combination of structure, training and the inherent creativity of floral sparked something in her.

"They had such an excellent training program ... I just developed a passion for the category," Venable said.

Her seven years at Ralphs included both growth and challenges.

Following the 2007 strike that affected multiple grocery companies in Southern California, she said, "I just couldn't bring back my passion for my job."

A colleague suggested she try Whole Foods Market, known for its fresh departments, and went a step further by recommending her for a position.

Venable joined Whole Foods' Southern Pacific Region at a time when floral was evolving from afterthought to signature department. "When I started at Whole Foods, they knew nothing about floral. Whole Foods was designed to be a grocery store, that was it."

But customers wanted the option of adding flowers to meals or buying a plant for themselves or as a gift.

Venable found herself taking on the role of floral buyer at a Whole Foods Market in Santa Monica, California, without anyone to train her, as the previous buyer had already left when she started.

"I had never even really used a computer, except to chat online. And I had to teach myself how to buy," she said, adding that the store staff didn't even realize that the water in the vases had to be changed out periodically.

Vendor partners filled in some of Venable's early knowledge gaps, telling her that if she needed a delivery by Thursday, she needed to place the order Monday.

She spent just one year in the store before she was promoted to the regional office. Over her 12 years there, she got an education in logistics, category management and financial modeling. She was responsible for rolling out floral programs across a region that grew from 23 to 56 stores spanning California, Arizona, Nevada and Hawaii. Whole Foods' culture of autonomy meant that every operational standard - from ordering discipline to those basic care practices - had to be built from scratch.

By the time a headhunter approached her about a role at Vallarta, she was running major holidays "without even breaking a sweat, going home on time."

At first, she resisted leaving. But a vendor encouraged her to at least listen. When she



learned the opportunity was with Vallarta, a chain she initially hadn't heard of, her curiosity grew. Vallarta reminded her of Whole Foods in its earlier days, prior to it being acquired by Amazon.

"I was talking to [Vallarta] about where their floral program was, and I just could feel it building up ... 'I could do so much here.'"

The parallels were clear: Vallarta's floral program was underdeveloped, third-party managed and lacked consistent standards.

"I was back at the beginning," she said of the way it felt. "If I took the job, I knew how to get them from where they were to where they wanted to be."

Cultural alignment wasn't an obstacle. "I am very enmeshed in the Latin culture anyway," having grown up in Ventura County with a lot of friends whose parents were farm workers. "I knew a lot of what the Latin culture was like."

She took the job, and one of the most satisfying aspects of working for the Gonzalez family has been the trust they have displayed in her.

"Once they saw what I could do ... they've always said, 'You know what's best.' They put their trust in me, and they've always been behind every decision."

### Mixing it up

One of Venable's most immediate changes was rebalancing Vallarta's overwhelmingly red-rose-dominant assortment.

"When I got here, the color mix was almost 100 percent red," she said.

She began shipping boxes with mixed colors: five red roses and one each of other colors. Store-level resistance was strong at first: "The first couple years, it was pushback, pushback, pushback."

But she knew from experience that customer preferences were wider, and more profitable, than the existing mix reflected.

Today, roses remain Vallarta's No. 1 floral item, but the department now reflects a richer palette, improved presentation and stronger financial performance.

There's also a move toward longer-lasting options in the floral department at Vallarta, such as potted plants and flowers. They may cost a little more in the beginning, but they last much longer.

Venable plans to continue to guide floral at Vallarta with excitement and wisdom: "When I get passionate about something, I'm going to figure it out."