



Bargain Grocery

Compassion Coalition

COMMUNITY IMPACT STUDY

A consulting firm based out of the Samuel Curtis Johnson School of Management at **Cornell University**



Compassion Coalition

INNOVATE

Compassion Coalition is a sustainable nonprofit where 96 cents of every dollar donated goes to creating change in our community. This is possible due to our innovative model with our grocery store, Bargain Grocery.

ASSESS

We are self-sustaining, with no ongoing government or private funding for operational costs. This allows us the ability to focus on the immediate needs of the community and serve non-profit agencies to help meet those needs.

PROCURE

Our goal is to partner with local and national distributors to buy and obtain large product donations to distribute to those who need them most.

DISTRIBUTE

The creation of innovative, community-based programming allows our products to go directly to those in need in our community.

Our Mission:

At Compassion Coalition, it is our mission to serve the underprivileged, the needy, the poor, the afflicted and those lacking opportunity and basic life necessities such as affordable food, clothing, housing, transportation, employment and finances. We will work locally, regionally, nationally and globally as needed to accomplish our mission with partners in the public, private, and faith-based organizational communities.

Our Vision:

We envision a world without poverty, without need, and without injustice. We will strive to promote and create a world of abundance, prosperity, full-life, opportunity, equality, justice and safety for all that we have the privilege of serving.

Compassion Coalition is a unique, innovative non-profit supported by Bargain Grocery, which is a social enterprise, benefitting the Central New York region.

Our focus is on community-based giving, meeting needs as they arise, which varies each year as the needs of the community change.

Compassion Coalition has grown consistently and exponentially over the last **20+ years, giving over \$20,000,000** in fair market value of product donations yearly to our communities, non-profit agencies, schools and emergency food workers.

We partner with our area's non-profit agencies to help them succeed in meeting the needs of our community. Compassion Coalition has given more than \$20 million in donated goods per year to over **350,000 individuals** through our various programs, such as ***mattress giveaways, furniture, school supplies and snacks, and weekly food donations*** to various food pantries within our community and much more.

Equipped 2 Teach: CNY's 1st Teacher Resource Store

Our goal was simple: who knows the needs of students more than the teachers who teach them daily? Through our innovative and self-sustaining funding, we are able to purchase much-needed basic school supplies and products. By joining forces with national corporate donors, Compassion Coalition's: Equipped 2 Teach ensures that educational tools are enhancing the classroom and educational experience locally in CNY.

The national average that teachers spend on their own classroom supplies is \$498 per year, but when speaking with local teachers, we learned that the cost far exceeded that.

In December 2017, Compassion Coalition launched Equipped 2 Teach: Teacher Resource Center, and has been **servicing 60 schools**, and counting! This stylized store began at our original warehouse location at 506 Columbia Street, where it served our local teachers that are currently teaching in schools where 70% or higher of the student population receives free or reduced lunch. **Teachers obtain much needed educational and classroom essentials with a value between \$700-\$1,000 in educational support to pass on to their students.**

As of June 2023, our Teacher Resource Center : Equipped 2 Teach is now embedded in each of the schools within the Utica City School District, Oneida City School District and Camden City School District and counting! This enables teachers to shop for their classroom needs, **free of charge**, right in each of their schools!





Community Giving Initiatives:

Community based, Community driven and Community sustained

Community needs change from year to year and Compassion Coalition's goal is fluid giving. This is accomplished through our collaborative efforts with community leaders, agencies, schools and resource experts. *Together, we strive to meet needs that would otherwise not be met.* We believe that every community can care for itself. We have initiated our annual giving programs such as: **Mattress giveaways, feeding programs, cold weather apparel, furniture and household items for apartments and access to hygiene products and cleaning supplies.**

Bargain Grocery Shopping with a purpose for a purpose.

We believe everyone should have access to healthy, affordable food for themselves and their families.

Bargain Grocery's innovative purpose was to serve those within a community's food desert, while partnering with national and local vendors to purchase food that was overproduced and to receive donated products from companies. With those purchases and donations, Bargain Grocery is able to provide these products at a low cost. This idea — what Mike Servello, CEO & Founder, calls a "God-given idea," — has changed the way West Utica has been able to access affordable, healthy food, as well as allowing Compassion Coalition to remain self-sustaining.

In the mid 2000's when Compassion Coalition was launched, Bargain Grocery was an innovative way to allow Compassion Coalition to be self-sustaining, while providing food accessibility and food equality in a food desert. The proceeds of the store are re-invested into our local communities.

Bargain Grocery also strives to eliminate food waste and discovered that **40% of all food in America is wasted each year.** Perfectly good, edible food is thrown out due to aesthetic appeal, packaging issues, and mis-ordering. Compassion Coalition has partnered with growers, distributors, and large corporate donors to bring food access to West Utica and beyond. ***By shopping at Bargain Grocery, you are working to not only combat food waste but also shopping for a cause, allowing Compassion Coalition to utilize the proceeds in donating more than \$20 million in goods each year, serving more than 350,000 individuals yearly.***

Compassion Coalition believes no one agency can do the work for the community alone. **Our goal is to extend the buying power of non-profit partners throughout our communities.** By partnering with us, we can reach more people, impact more communities and help corporate donors get their products where they need to go.

Bargain Grocery / Compassion Coalition

Important Articles



Fox News Interview with Pastor Mike Servello



MSNBC Compassion Coalition Helping Displaced Ukrainian Refugees



Overview of Compassion Coalition



Bargain Grocery Overview



Spectrum NY1 Spanish - Reports on Giveaway with Congresswoman Nydia Velazquez



Times Union Reporter Chris Churchill reports on Compassion Coalition's expansion in Troy NY



Hunter College Food Policy Center



Charity Navigator Awards Compassion Coalition 4 out of 4 Stars Rating.



Progressive Grocer: Bargain Grocery Sustains Communities in Empire State



Produce Business: Bargain Grocery - Feeding the Underserved with Compassion



WKTV Compassion Coalition sending relief to Kentucky Storm victims



RIT - Selling Rescued Food at Discount Prices



Oshwa - Awards Compassion Coalition "Oshwa 2019 Recycling Champion Award"



WUTR Compassion Coalition Providing Assistance To Ukrainian Refugees



WUTR The Compassion Coalition & Slavic Pentecostal Church donate to Ukraine



WKTV - Utica 'store' offers free school supplies for teachers



WKTV - Reopening of Innovative Resource Center allows teachers to shop for free



Big Frog - Here's How Utica Teachers Can Get Free Supplies For The Classroom



Lite 98 - UTICA ORGANIZATION DISTRIBUTES FREE CLASSROOM SUPPLIES

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Agenda

Executive summary

Current situation

Business Model

Community impact

Next steps



Bargain Grocery has developed a business to address food insecurity; this model can be scaled to achieve maximum community impact

Current Situation

- Food insecurity issue was not addressed by Utica's food donation and supply system
- Bargain Grocery launched in 2002, selling discounted groceries in food desert regions and using profits to fund Compassion Coalition, a non-profit that distributes charitable donations across Central New York

Our Recommendation

Bargain Grocery should build upon its points of differentiation and continue to address food insecurity and related issues

Approach

- Compare business model to food banks and pantries via online research and expert interviews
- Quantify community impact via customer survey and interviews
- Build case to help expand partnerships with large-scale grocers

Bargain Grocery Analysis

Business Model

- Provides healthy, stigma-free food at affordable prices
- Generates sufficient profit to support its own operations

Community Impact

- Customers spend less for more & enjoy the service and variety offered
- 526 survey responses

Compassion Coalition Analysis

Business Model

- Uses profits generated by Bargain Grocery to reinvest in the local community

Community Impact

- Supports 600+ non-profits nationally:
 - General donations
 - School supplies, reintegration resources, and refugee support

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How can Bargain Grocery build the case that its business model generates greater social impact than the alternatives in order to create future partnerships that will allow it to address food insecurity on a greater scale?

Food insecurity issues are left unaddressed with the current standard donation and supply model



21% Consumption Gap experienced by average food insecure person;
40% Consumption Gap for severely food insecure people



Food banks provide 14% of the food their average participant requires;
Free food will not solve food insecurity



People in low-income neighborhoods have no choice but to shop at bodegas, mini-marts, and Family Dollar due to price & transportation barriers

Executive summary

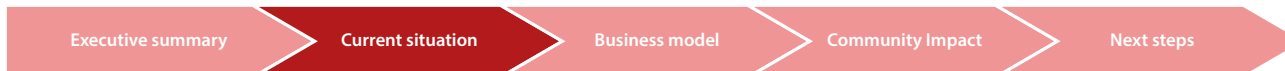
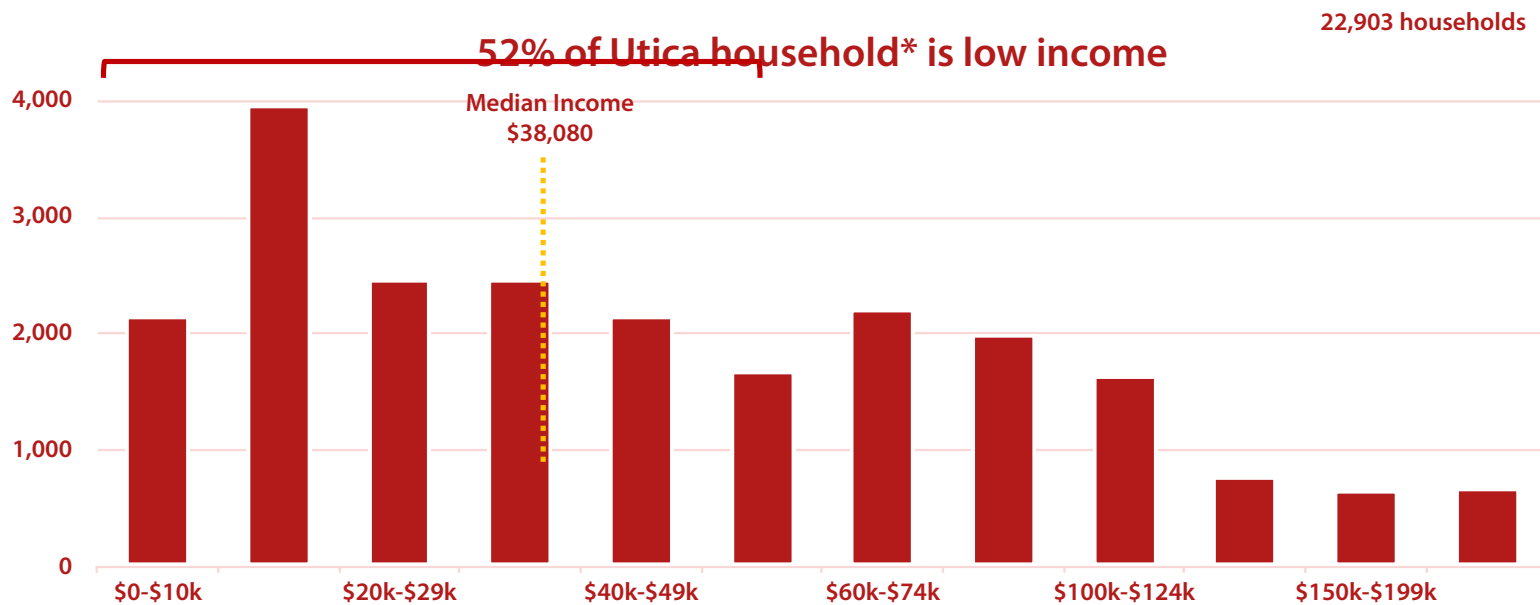
Current situation

Business model

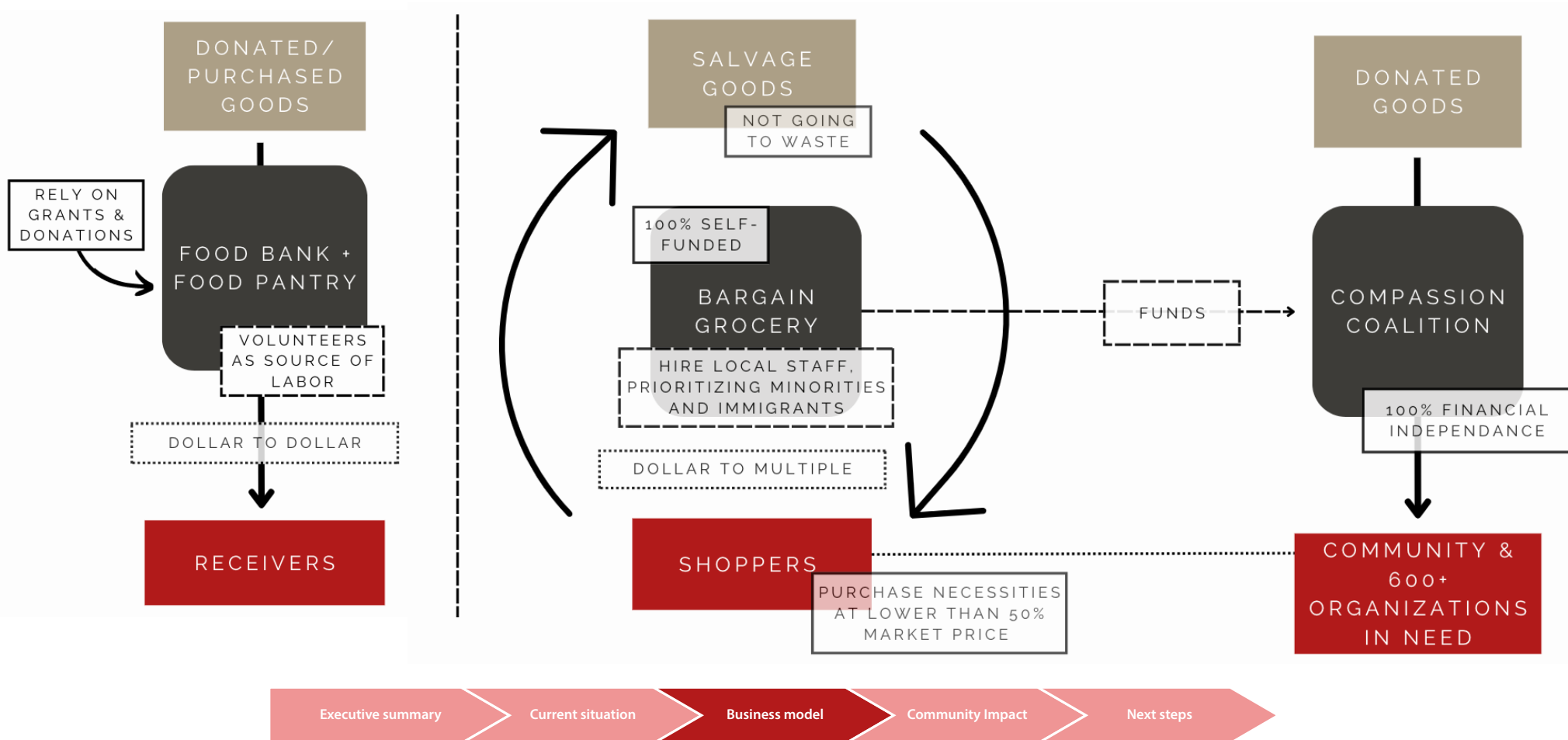
Community Impact

Next steps

The Utica population struggles with poverty and needs more support to access healthier and affordable essentials



Non-profit grocery stores upcycle food waste and use funds to address challenges related to food insecurity



Source: Bargain Grocery & Compassion Coalition

Bargain Grocery / Compassion Coalition

Bargain Grocery has been able to create significant impact within a food desert region for over 20 years

Low cost expands purchasing power

\$100 monthly basket price (vs. \$438 national average)

Scalable community impact

**\$2.75M annual sales from 110K transactions
~1,330 households/week, ~5,800 households/month
5.8%-25.7% Utica households impacted**

Refugee support

Refugees make up 25% of the customer base

Dollar to multiple impact

\$20M annual donation: 8x more impact per dollar with CC alone

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Community grocery stores provide better solutions to address the concerns of low-income customers

Food Bank / Food Pantry

Community Grocery Stores



Stigma

Elevates stigma of being low-income and may generate feelings of embarrassment; could discourage those in need from seeking help

Creates a more welcoming and inclusive environment for all customers, regardless of their income level



Personnel

Relies heavily on volunteers, making it vulnerable to staffing shortages or disruptions which can impact the ability to provide food assistance

Provides jobs within the local community while enabling self-sufficient operations



Health & Wellbeing

Offers limited variety and nutritional value; does not promote a healthy diet

Prioritizes nutritious food options to promote healthy eating habits and improve public health outcomes

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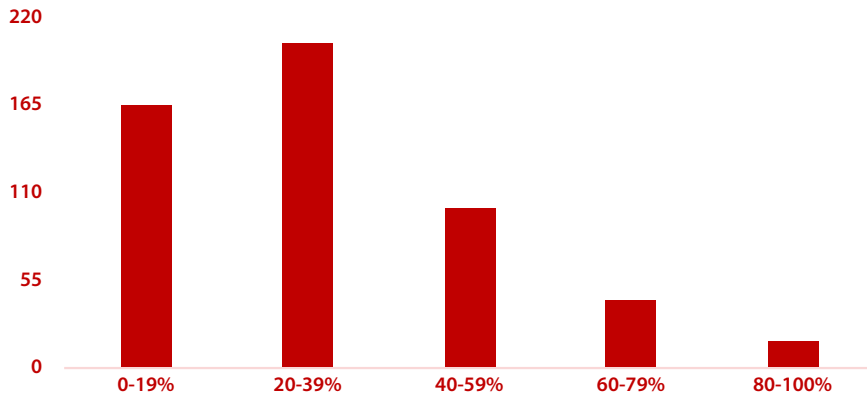
Next steps

Source: Professor Wessels expert interview; Food Bank News

Bargain Grocery / Compassion Coalition

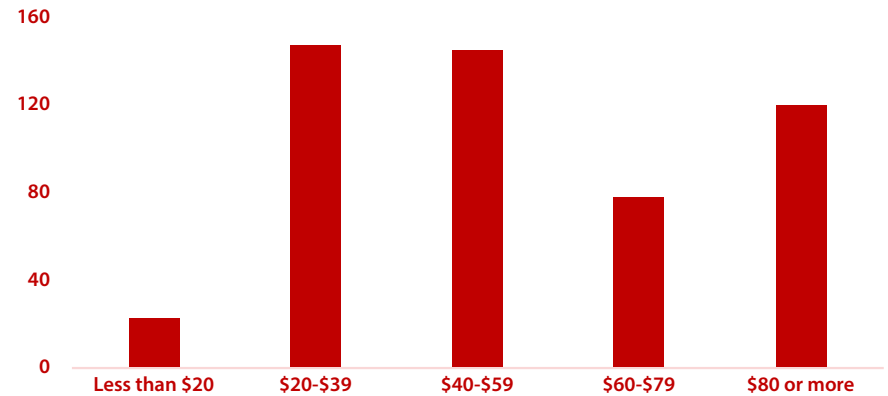
Customers view Bargain Grocery as an alternative option in line with Aldi and Walmart instead of a food bank or pantry

What percentage of your groceries do you buy from Bargain Grocery?



Bargain Grocery provides a higher percentage of food per customer than the average food bank

How much do you typically spend on groceries per visit?



Customers spend less per visit for an equivalent amount of food than at a typical grocery store

Top items Bargain Grocery customers look for...



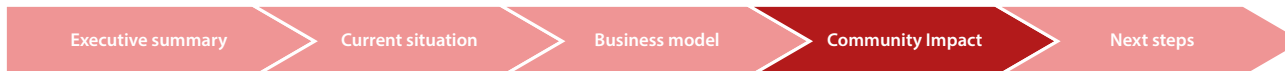
Produce



Dairy



Flowers



Bargain Grocery serves three segments; customers shop at the store for service and variety that is not offered elsewhere



Service Sally
(67%)

- Feels welcomed and respected at Bargain Grocery
- Believes employees are friendly and sensitive to their unique needs



Variety Victor
(18%)

- Shops solely at Bargain Grocery for food items
- Enjoys the variety of options offered and can always find what they want in stock



Bargain Beth
(15%)

- Satisfied with Bargain Grocery's affordable prices
- Looks for fresh, healthy food that tastes good

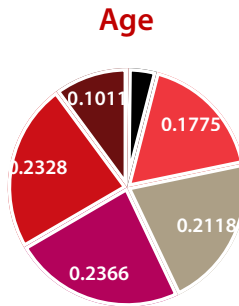


Source: Customer Survey - 526 Survey Responses

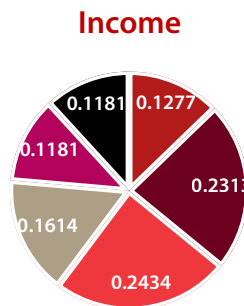
Bargain Grocery has built a loyal and diverse customer base which allows for a sustainable and scalable business model

Customer Demographics

- Under 20
- 20-29
- 30-39
- 40-49
- 50-59
- 60-69
- 70 and older



- Under \$20K
- \$20K-\$39K
- \$40K-\$59K
- \$60K-\$79K
- \$80K-\$99K
- \$100K and over



Customer Loyalty



91% of respondents have been a customer for over 1 year; 55% more than 4 years



48% of respondents travel more than 10 miles to visit the store



62% of respondents were referred by a friend or family member



84% of respondents are familiar with Compassion Coalition initiatives

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Client testimonials highlight the ripple effects created through Compassion Coalition initiatives



Partnership donations

Partners with over 600 nonprofits across New York State

“Hundreds of groups say they do the right thing but only CC reaches it. Their model works!”

*Linda Laviolette,
Former Employee of NYS Ag & Markets*



Local schools

Supports more than 10,000 kids as a one-stop shop onsite at school

“If CC is not doing this, I cannot imagine what it would look like, CC is the only one with this scale.”

*Mike Ferraro,
COO Utica City School District*



Reintegration and refugee support

Provides furniture, bedding, personal hygiene products, clothing, food and jobs to refugees

1,000+ ppl lined up on 3 blocks when CC drove trailers of food and supplies for distribution

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Source: Linda Laviolette & Mike Ferraro expert interviews

Bargain Grocery / Compassion Coalition

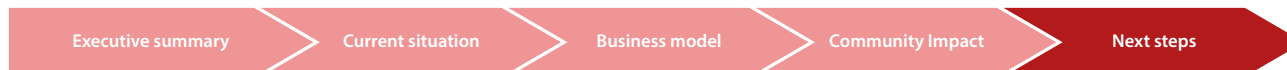
Next Steps

1. Data Collection

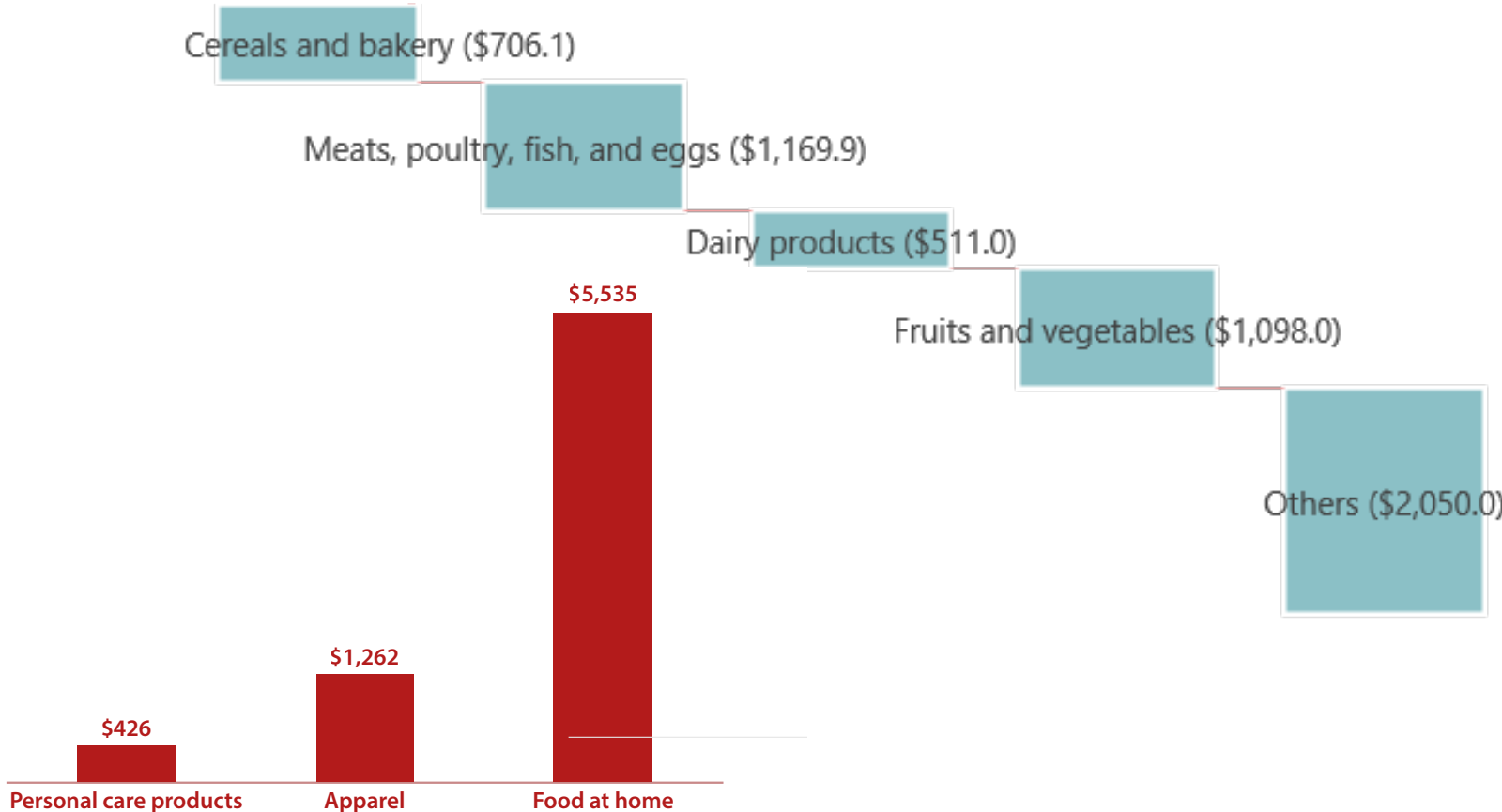
- Distribute survey in store to better reflect customer demographics and reduce bias from online population
- Use survey results and testimonials to deep-dive into service quality and product variety offered by Bargain Grocery in order to maintain customer satisfaction levels (e.g., employee training program, add ethnic food aisle, etc.)

2. Expansion Plan

- Use findings to support formation of crucial partnerships with nationwide suppliers
- Assess other food desert regions for the opportunity to scale

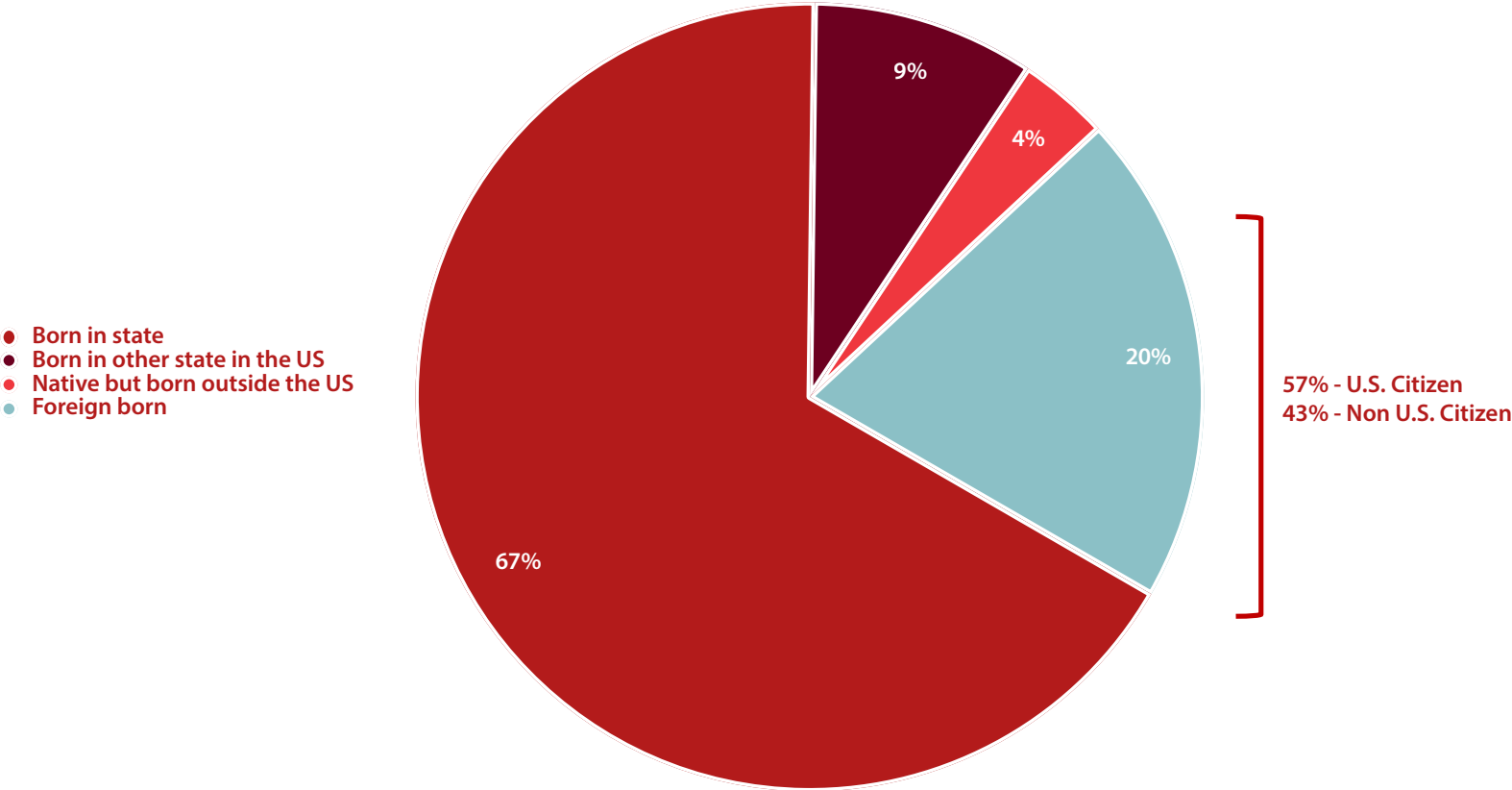


Utica residents need support for food, apparel, personal care products

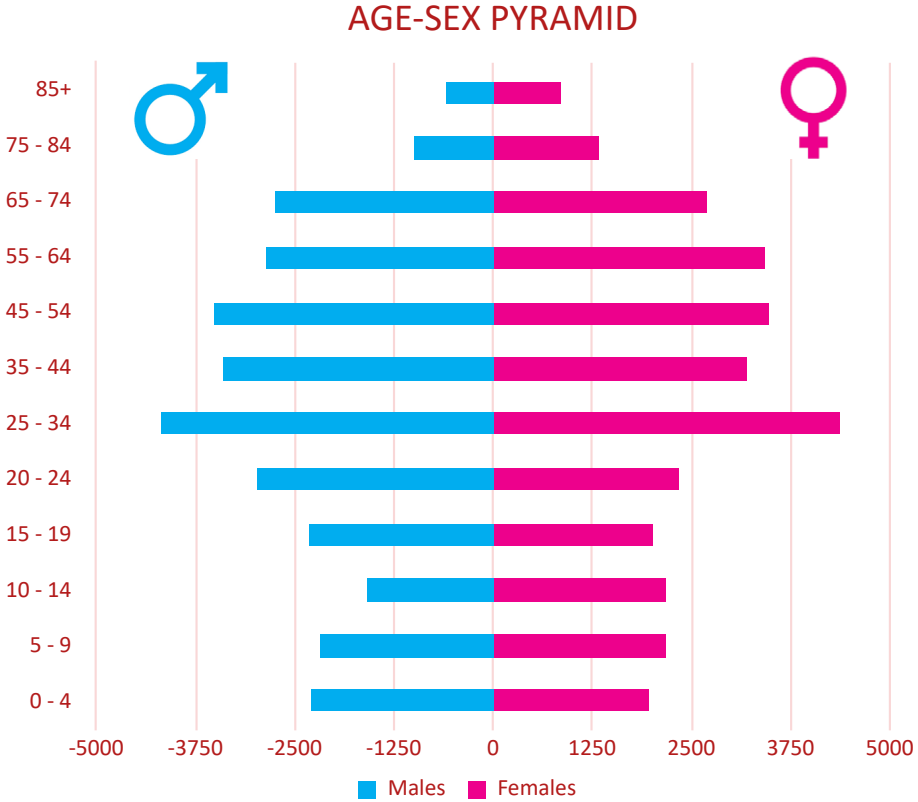
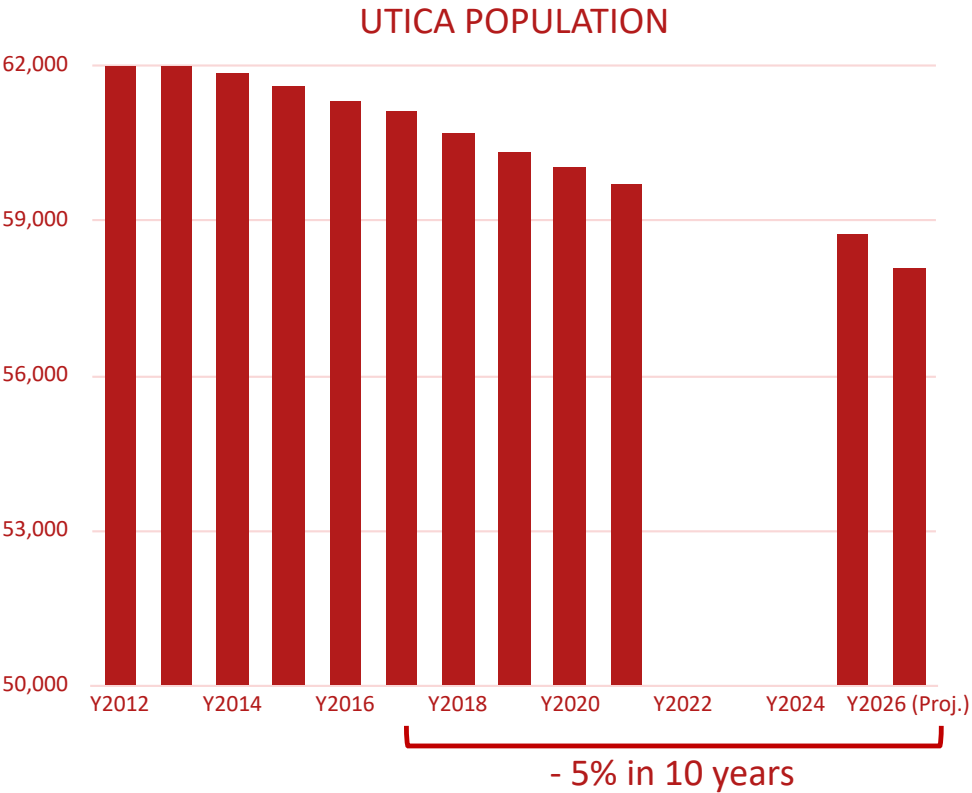


Source: EASI/MRI Consumer Expenditure Data (SimplyAnalytics)

Utica has the highest refugee population



Utica's population by year, age & sex pyramid

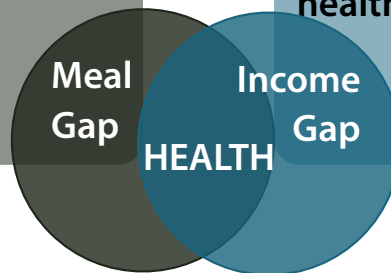


Food Bank

Surplus food, sometime unhealthy food
Solve hunger: Help to end hunger immediately

Low-cost Grocery

Nutritionally balanced food
Solve food insecurity: provide consistent access to enough nutritious food to stay healthy



ACCESSIBILITY

SNAP (Supplemental Nutrition Assistant Program) provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency

COALITIONS FOR LONG-TERM CHANGE

Use food to directly support programming designed to change outcomes for the target population, using the resources to support initiatives that will stabilize lives, leading to long-term reductions in food insecurity.

For example: The food scholarship is an example. A food scholarship is an attempt to provide enough food assistance to enable students to complete certificate or degree programs.

Team



Jake Shields
MBA/MHA '23



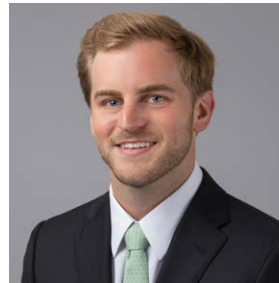
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