



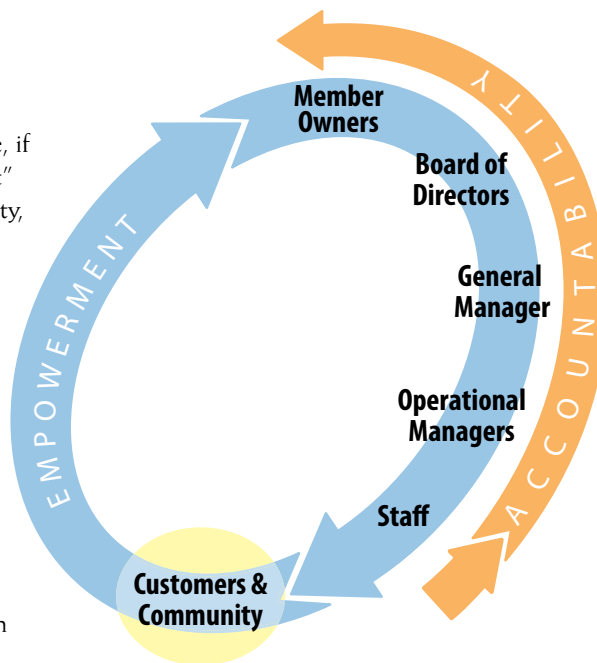
Our Legacy to the Next Generation of Cooperators

BY PATRICIA CUMBIE

Embodiment equals expression. What we embody tends to be created. For example, if we want peace in the world, we can “fight” to get it, which isn’t necessarily a peaceful activity, or we can demonstrate what peace looks like by showing respect for others in interactions large and small. Likewise, the realization of a vision occurs when it is carried out consistently on a day-to-day basis—not just when it’s easy, convenient or trendy. Many of our food cooperatives are motivated by the vision of a just economic system that is based on fairness to all stakeholders. One of the tools we use for embodying it in our organizations is through the accountability and empowerment stream.

During this past year we have examined in depth how a culture of empowerment and accountability improves communication, provides a decision-making structure that helps people do their best work, and moves the organization toward alignment and meeting its goals. We have explored how empowerment flows from the members to the board, then on the general manager, department managers and staff. And at each step we’ve noted how accountability flows along the same path in the opposite direction.

As we get better at the empowerment/accountability process, and as co-ops realize parts of the vision of a just economic system, it gets stronger over time. Its increasing power is an important legacy to the next generation. When we look at the empowerment and accountability stream graphic, we can see that the final group of stakeholders is the customers and the community. As we have seen time and again through grassroots groups nationwide who are in the process of start-



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ing a food co-op, people understand that a co-op can contribute greatly to a community’s long term economic and social vitality. Many of the established food co-ops have celebrated milestone birthdays of 30–40 years—a whole generation of people who have experienced the benefit of cooperation in their communities. That’s when we can really see how the cycle moves full circle.

But can a community as a whole really hold a business accountable? Can a community be empowered by what the business is doing? The answer is an emphatic yes if we are talking about cooperatives. We are businesses with demonstrable benefits because of our business structure: We

Get More Than Just Lunch

When you buy a sandwich you expect it to be good, but depending on where you bought it, your expectations may vary. A vending machine? Ugh. One of the sandwich-making juggernauts? Should be palatable. A sandwich from the co-op? Now we’re talking. It should be good. And not only that, it should be good for a lot of reasons—because the person who made it cares about quality food, the bread came from a local bakery, the cashier who rang you up it smiled and thanked you for your patronage. When you eat that sandwich you satisfy more than your hunger. You know all of those people throughout the value chain of creating the co-op’s sandwich are benefiting by their part in making it, including you.

But what if you buy a co-op sandwich and don’t know any of that behind-the-scenes stuff, only that it tastes good? That’s fine, too. But for the cooperators I know, that’s not good enough. It matters that people know what all goes into a fine sandwich. A co-op sandwich is made with relationships that bind people together over common aspirations for a better way of doing business.

For so many years food co-ops had to fight off an enduring negative image of cramped, dirty and insular enterprises. Today our co-ops are recognized for their retail excellence, and communities appreciate the quality and care that goes into their operations. Everyone wants a food co-op in their town nowadays. Our hard work has paid off: everybody loves the sandwiches. Now we just need to tell them more about everything they get when they buy one. —Patricia Cumbie

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Our Mission

CDS Consulting Co-op is dedicated to building and strengthening cooperative businesses by providing consulting, training and development services.

CDS Consulting is a network of independent professionals experienced in developing cooperatives. Our consultants have worked on over 500 projects and will tailor our services to fit your needs and provide solutions.

Board Leadership Development

- CBLD—Cooperative Board Leadership Development
- Board training and facilitation
- Hire, evaluate and compensate your GM
- Policy Governance® and Accountability
- Member owner linkage

Expansion and Relocation

- Expansion planning
- Financial pro forma
- Capitalization and member loans
- Business strategy
- Market, location and site analysis
- Trade area and market penetration analysis
- Project management
- Store planning and design
- Consumer research

Improving Operational Performance

- Business planning, goal setting and monitoring
- Audit and strengthen operational systems
- CoCoFiSt workshops
- Margin enhancement
- Labor controls
- Merchandising
- Management training, coaching, and support
- Customer service training
- Employee surveys
- Human resource systems—assessment, planning and training
- Supervisory skills and training
- Produce merchandising and management

Fostering staff accountability continued

are owned by the people who use the co-op, the business model is founded on transparency and fairness, and owners have a direct impact on its activities through their voting and patronage. In a lot of ways, seeing how they hold the co-op accountable is easy—they tell us what they think or quit shopping. But how do we know if they are “empowered” by the co-op?

Nina Johnson, board leadership development consultant, said that the differences between shopping a business you own and one you don’t is palpable. Number one is that the participation engendered by ownership naturally allows people to take a stakeholder role. The co-op is not just another store. “It’s unlike other experiences,” Johnson said. “People shopping at the store they own benefit when the store does well. It’s a unique situation in our culture and capitalist system.” And there’s no one way to participate, as owners find themselves on a continuum of patronizing the co-op, sharing their views, voting and going to meetings. The co-op will be available to and welcoming of people at whatever level participation they are comfortable with, while always encouraging involvement in both small and sizeable ways.

Johnson also thinks that the opportunity for customers to play a part in the co-op’s success is exactly what keeps local economies vibrant. “The effect of their participation is really apparent,” she said, as she cited ways co-ops contribute to food drives, partner with community organizations, sponsor local events as well as community involvement through its in-store activities dedicated to education, high-quality goods and excellent customer service. Johnson recently attended her food co-op’s annual meeting and said that it was standing room only. “All of these people were interested in being a part of the community. That is hugely empowering.”

“Insofar as there are ways for people to be empowered and participate, there are also ways the co-op is accountable to them,” Johnson said. As democratic organizations, cooperatives are tasked with demonstrating transparency, and do this throughout the accountability and empower-

ment stream in the co-op with board policies, management reports to the board, and information passed on to the owners in the store experience, the newsletter, annual reports and meetings.

But from Johnson’s perspective, it doesn’t just stop there. Being accountable to the owners includes having a strong understanding of what the owners and customers value and sharing the cooperative difference with everyone. “At all levels of the co-op, its job is to tell the story and show how these values are working,” she said.

Board leadership development consultant Mark Goehring thinks the Co-op Principles and Values really drive the idea that “telling the co-op story” is about being accountable. It’s not just a nice

thing to do, it’s an imperative. “We have principles and values and a whole movement to base our story on,” he said. He noted that in the last decade, food co-ops have really focused on improving operations, and are getting recognition in their local communities for their retail excellence. Additionally, improved board process and policies, and management reporting, have made strides in revealing to owners that the work the board and staff does is accomplishing good things. “Demonstrating value to owners should show up in our annual reports, but also in what we say to the community about

our co-op.”

It’s important to be equally as good at telling the owners and community at large why the co-op business model matters. The benefits of doing this are not just altruistic, as many communities have learned how a successful co-op can be an important part of community economic development. The 2012 International Year of Cooperatives provides an excellent opportunity to build on that storytelling momentum.

“Running a great grocery is a change agent. But beyond that, holding ourselves accountable by standing on what it means to be a co-op shows that we take the co-op values seriously in how we should be in the world. We can always hold ourselves accountable to the message that ‘co-ops are good for people,’” Goehring said.

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CASE STUDY

Telling the Co-op Story

Seward Co-op Grocery & Deli general manager Sean Doyle describes his co-op's location in the Seward neighborhood of Minneapolis as a "small town in a big city." The neighborhood is tucked into a place close to downtown Minneapolis that gives it access to the Mississippi River, the University of Minnesota, hospitals and many neighborhood educational and arts centers. The neighborhood's residents are a mix of immigrants, students, and long-term residents with a range of incomes. "It's not just one demographic," he said.

The co-op is the anchor of the neighborhood within a mile-long stretch of independent, locally owned businesses on Franklin Avenue, and most of them belong to the Seward Civic & Commerce Association. "The co-op ownership model creates a civic-mindedness that moves the dialogue beyond other city business associations. The co-op is not there for an individual person's benefit, so it opens up the topic of what purpose are we doing this for. It builds a sense of service to the community."

The co-op has been very active in telling its story, not only to co-op owners, but city business leaders, and the community at large. One of the things that motivates their efforts is continual attention to answering the question: Why would people choose to associate with the co-op? "This is an important question because our members' needs could be met by the free market, especially in Minneapolis," said Doyle.

Throughout the organization, being able to address the reasons people choose to associate with the co-op is an important part of their accountability and empowerment stream process. From the articulation of the board's Ends through how staff carry those out on daily basis are all part of telling the story. "It can be a tool for inspiring people," Doyle said, "It's essential to have a compelling narrative that people can see themselves in."

Inclusive language is key to telling a story people can relate to. "We use 'we, our and us' in all our communications," he said. "It's our collec-



**Seward Co-op
Grocery & Deli**
Minneapolis, Minnesota
Founded: 1972
Number of members: 8,700
Equity investment: \$75
Number of staff: 215
Retail square feet: 18,000

tive aspiration to foster relationships between consumers and growers, and we have strong links as part of that relationship."

Although consumers "vote with their dollars" and hold retailers accountable in that way, they are also empowering their food co-ops by giving them latitude to create programs that allow

them to support those things they value. At Seward Co-op, they launched a pilot of the P6 program (based on the Co-op Principle number six, Cooperation Among Co-ops) in 2010 that gives shoppers the tools to easily identify goods produced by cooperatives and small, local producers. P6 now accounts for 38 percent of total sales at the co-op. Voting with their dollars, indeed! "Part of that empowerment is that we assume our customers are intelligent, and that there are fundamental benefits to distribution of goods through the economic system of cooperation," Doyle said.

He added that part of that is letting people know that the co-op has a code of conduct around how it operates with intentionality regarding staff, members, the Ends, and Scorecard improvement. "That's how empowerment and accountability come to life at Seward," Doyle said.

"There are a lot easier ways to run a grocery store without an ownership and governance structure like a co-op," he admitted. "But having a clear and compelling narrative about what the co-op does, this is what I'm all about too. My modest resources are being used toward this world I want. I shop at the co-op like a lot of people do because of the co-op's implicit and explicit visions for the shape of the future."

NEW! Webinars for Startup Food Co-ops

Don't miss these new webinars sponsored by the Food Co-op Initiative. All sessions will run from 2:00-3:00 pm EST (1:00 to 2:00 Central; 12:00-1:00 Mountain; and 11:00-12:00 Pacific).

For registration and full workshop descriptions, go to www.cdsconsulting.coop/startup-webinar.

JANUARY 10, 2012

Creating a Vision

Bill Gessner, CDS Consulting Co-op (CDS CC), and Stuart Reid, Food Co-op Initiative

How to build a shared vision for your emerging cooperative.

JANUARY 17, 2012

Create Priorities and Build Alignment for Each Stage

Bill Gessner and Jeanie Wells, CDS CC

How to set priorities through the 4 Cornerstones in 3 Stages model for start-up food co-ops.

JANUARY 24, 2012

Co-op Technology Toolkit

Jake Schlachter, FCI

A round-up of the systems new startups typically need and the best free tools for getting the job done.

JANUARY 31, 2012

Starting a New Buying Club

Stuart Reid or Jake Schlachter, FCI

Get your questions answered about organizing a buying club.

FEBRUARY 7, 2012

Effective Boards and Teams: Structure and Accountability

Ben Sandel and Michael Healy, CDS CC

How to achieve balance in planning and task follow-through with an effective Board/Team structure and a strong accountability system.

FEBRUARY 14, 2012

Effective Boards and Teams: Teamwork, Process and Decision Making

Ben Sandel and Michael Healy, with Art Sherwood, CDS CC

Constructive skills and processes to help teams work together and make decisions effectively.

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