



LEADER

A publication designed to promote visionary and forward-thinking discussions between and among NCGA's Western Corridor co-op leadership

A Study Guide for Co-op Leaders

Co-op Identity:
What It Means and Why It's Important

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Study Guide

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Why Co-op, After All?

This issue focuses on our core identity—our co-op structure. We've chosen this topic for two reasons. First, many of our co-ops are more than 30 years old; some are approaching 40. If they are to remain relevant and a vital force for positive change in our world, as businesses and as important community institutions focused on economic and social justice, we all need to understand our co-op structure and to build the strategic direction for our co-ops around this key element.

Secondly, we're encouraged by the United Nations' declaration of 2012 as the International Year of Cooperatives (IYC). This opportunity gives us a chance to celebrate the many great things that co-ops bring to millions of citizens around the world. What better time to stop, reflect, and initiate a conversation among co-op leaders about the legacy, promise, and potential of cooperatives.

We hope these articles will provoke discussions, further study, and important strategic thinking among co-op leaders and management: Why is your co-op structured as a co-op? What is most important to your co-op in terms of core values? Does your co-op have unrealized potential in meeting community needs? How will your co-op structure remain relevant and significant to your ongoing success over the coming 30 or 40 years?

Let's make sure that foundation begun by the co-op pioneers serves us well and helps us realize the full potential offered by this amazing, dynamic, and extraordinary business model. Go co-op!

2012
International
Year of
Cooperatives



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More about the LEADer

A publication designed to promote visionary and forward-thinking discussions between and among NCGA's Western Corridor co-op leadership

- The LEADer is published quarterly and is distributed to directors and leaders of Western Corridor co-ops.
- The LEADer is available to all interested co-op leaders at no charge, thanks to the generosity of NCGA's Western Corridor members. You can find information about the LEAD program and all back issues at <http://www.cgin.coop/leader>.
- We welcome your reactions, suggestions, and contributions, as well as questions for us to answer in future issues. Send comments or questions to askthebest@ncga.coop.
- The next issue will be available in summer 2012.
- For more information about NCGA, the Western Corridor, upcoming western regional board training events, the LEADer, or the BEST, contact:

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The LEADer Is Online and Available to ANYONE!

The LEADer is available to all interested co-op leaders. This issue and all back issues are available online at <http://www.cgin.coop/leader>. Western Corridor co-ops can have new issues sent directly by e-mail; contact Karen Zimbelman at kz@ncga.coop.



Board Effectiveness Support Team



Co-op Business

Principled Food and Goods

by Cindy Owings

“I think this is what the International Year of Cooperatives is all about: showing that successful businesses can have strong principles that mean more than just making money.”

—Dana Huschle, CFO
Bozeman Community Food Co-op

We all have to eat. Does it matter where you spend your hard-earned food dollars? The choices are many—from conventional grocers to CSAs to health food stores to discount grocers. Choosing to shop at a food co-op, however, offers a world of difference. Recently, I spoke with a coworker about the food at our local co-op. My coworker declared, “I could never eat that kind of food! I only eat food from the Kroger brand.” What perceived differences in quality of food or the buying experience was my coworker referencing? Her remark started me thinking about what it means to belong to a co-op and what the cooperative form of business has to do with good healthy food anyway.

Food co-ops provide healthy, often local, *principled* food and goods. Characteristic ingredients of member-based co-ops are the cooperative principles (*see page 5*), guidelines by which co-ops put their values into practice. The seven cooperative principles are the rudder by which a member-elected board guides its decision making. While the underlying principles delineate how the cooperative form of business differs from other forms of business, how can a co-op board revitalize the seven principles to bring their importance front and center in governance as well as member and public perception?

Start by viewing the cooperative principles as falling into three general categories: 1) voting structure (voluntary and open membership; democratic member control); 2) ownership (member economic participation; autonomy and independence); and 3) relation to the larger world (education; cooperation among cooperatives; concern for community). A board can examine and evaluate its goals, policies, and strategic planning against the three categories in a general sense and then drill down for more detail.

Kris Thomas, a Bozeman Community Food Co-op board member, suggests, “When we do strategic planning and/or revisit the old

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Co-op Business Principled Food and Goods

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strategic plan, I feel like the cooperative principles are the place to start. You reread those. They are your launching place. You wrap your head around them for a few minutes. Then you start to think about how to proceed for your annual goals and long-term goals, and how that all fits into the strategic plan.”

Johnston Birchall, in his 1995 presentation “Co-operative Principles Ten Years On,” points out that boards can do more to revitalize the seven principles. He suggests:

- Find ways to make the principles more coherent philosophically. Don’t view them as just a list.
- Rank the principles in order of importance.
- More clearly connect the principles with cooperative business practices.
- Demonstrate the “cooperative business advantage.”
- Redefine how co-op values—liberty, equality, and solidarity—are aligned with the principles.

Birchall offers more salient ideas in his article “Rediscovering the Co-operative Advantage” (www.caledonia.org.uk/birchall.htm).

Dana Huschle, Bozeman Community Food Co-op CFO, sums it up: “The mission and principles probably don’t matter to most customers, matter somewhat more to the staff, and are essential to the board. For me, working for a ‘principled’ business with a mission has made this job so much more fulfilling and is really my reason for being here. I could use my skills at any number of alternate businesses, probably for more pay, but as the research shows, having meaning in one’s work strongly correlates with happiness. I think this is what the International Year of Cooperatives is all about: showing that successful businesses can have strong principles that mean more than just making money.”

Food co-op boards must find a way to distill these foundational words and concepts—the co-op principles—into meaningful actions to realize a common purpose for members, customers, and the community. Now is the time, during this seminal International Year of Cooperatives, to share the good in cooperative business practices. It’s the “co-op advantage” after all.



Statement on the Cooperative Identity

The International Co-operative Alliance went through a multiyear process of revising its core statements on the cooperative identity, culminating in the following statements, as ratified by the ICA membership in 1995.

Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of co-op founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

The cooperative principles are guidelines by which cooperatives put their values into practice. They are:

Voluntary and open membership. *Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.*

Democratic member control. *Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote). Cooperatives at other levels are also organized in a democratic manner.*

Member economic participation. *Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least are indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.*

Autonomy and independence. *Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by members and maintain the cooperative's autonomy.*

Education, training, and information. *Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of the cooperative. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.*

Cooperation among cooperatives. *Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.*

Concern for community. *Cooperatives work for the sustainable development of their communities through policies approved by their members.*

For more information, see <http://www.ica.coop/coop/principles.html>



Co-op Values, Co-op Difference

“It is in our statement of values that we engage the hearts, conscience, and loyalty of cooperative members.”

—Ann Hoyt, University of Wisconsin Center for Cooperatives, 1996

by Paige Lettington

For most of us, the “co-op experience” involves the food co-op we joined at some point in the past 30 or 40 years. Our co-ops arose at a time when a critical mass of people were looking for something they couldn’t get elsewhere—healthy foods, including organic, bulk, vegetarian, free-range, sustainable, free-trade, and other products that regular grocery stores were not even aware of.

Now many mainstream grocery stores have bulk sections, organic produce, grass-fed beef,

sustainable seafood, and so on. Many offer recycling options and give shoppers a discount for using cloth shopping bags. Some contribute to health-related causes and sponsor community events. On the surface, some privately owned natural foods stores are indistinguishable from co-ops.

Food co-ops have certainly played a role in this expansion of choices, and we should be proud. But if people can get the products we offer elsewhere, we need to look realistically at what our role is now. Our co-ops came about due to a need for food, not as strong advocates for the cooperative ownership model. We have loyal member-owners, but if we want to thrive into the future, we need to figure out how to attract and keep new members who have other options for purchasing the same products we offer.

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Co-op Values, Co-op Difference

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Why is it important to shop at a co-op (your co-op) as opposed to another natural foods store? As a board, how do you differentiate your co-op from the other grocery options in your community? It's the co-op difference, and, as Ann Hoyt so eloquently writes, it's our values that set us apart.

You're probably familiar with the cooperative principles (see page 5), guidelines by which cooperatives put their values into practice. But what are the cooperative values? The cooperative statement of values says: "Co-ops are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. . . . Cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others."

If you ask a friend or colleague who shops at a mainstream grocery store about the values of that store, you'll likely be met with a blank stare or a chuckle. The idea of values in the food-buying experience is foreign to most Americans. But for those of us involved in co-ops—especially those of us

who have committed ourselves as board members—values are very important. Our food choices reflect our feelings about human rights, animal rights, health, and self-determination. We cherish the right to vote with our food dollars.

In talking to friends or neighbors, you might discover that they have "cooperative values" but have never connected them with grocery shopping. Once they've thought about it, they might relish the opportunity to put their money where their mouths are via their weekly food purchases. And you, as a board member, are an emissary to the community regarding how your co-op embodies co-op values. You need to be aware of how these values translate into the activities of your co-op and how you can help keep them alive and vital.

As a board, look at the ICA's stated values (along with the guiding principles), evaluate how you are doing, and look at where you could make greater strides. At the same time, look at how you can reach a broader group of potential customers who share your values. And make sure all board members are easily able to talk up the programs and activities at your co-op that reflect your values.

The future of locally owned food co-ops (and the businesses that are connected to them, such as small organic farms) may depend on conveying the co-op difference to our friends and neighbors for whom it's a foreign concept. Any grocery store can sell organic and bulk products and give to food- or health-related charities. If we are to distinguish ourselves from mainstream stores selling organic products, we must look more deeply at the co-op values—how they make a difference in the world and how to bring that difference to life.





Food Co-op or Food Co-op?

by Marcia Shaw

*What are the
real benefits
of co-op
membership
these days?
How do we
regain our
cutting edge?*

Is your co-op a natural foods store that happens to be a cooperative, or a cooperative that happens to be a natural foods store? Perhaps you can remember debating that in long-ago board meetings. Those early conversations involved mapping the trade-offs between good food, reasonable prices, environmental awareness, and paying staff a livable wage with good benefits. We had to incorporate a variety of priorities and learn the skills of cooperative behavior, in which no one faction gets everything it wants.

Along the way we've shared information at conferences and workshops, hired marketers, supported local farmers, and made friends with suppliers. As our co-ops have evolved, we've made hard choices, offered alternatives, and gotten good at being retail natural foods stores. Many of our co-ops now have delis or have supplied restaurants with natural foods. Keeping in touch with our members has often meant cooking classes and booths at community celebrations. But it hasn't always included education about how the cooperative model is implemented.

Although we still have a long way to go, the national conversation about eating well has changed. What was once new and innovative then has become standard practice. Congratulate yourselves on that success! When our co-ops started—perhaps as bulk buying clubs operating out of someone's garage—we were often the only place to get organic foods and whole grains. We've made huge strides in reshaping

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Food Co-op or Food Co-op?

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the national conversation about “good food” and sustainable farming practices. It’s ironic that our success as a movement has resulted in competition from chain grocery stores, which now have aisles of bulk food bins and organic veggies.

We used to be a cutting-edge alternative—“that little hippie store close to campus.” Many of the products our customers tasted at our sampling tables and learned to use in our cooking classes are now available in conventional food stores. How do we compete in a market where we may offer few “alternatives” that you can’t find elsewhere? What are the real benefits of co-op membership these days? How do we regain our cutting edge?

Perhaps the next “alternative” is as close as the end of your store’s name. Does your board talk regularly about what it means to be a co-op? Do you keep the membership well informed on the advantages of the cooperative business model? Are you thinking about ways to expand your influence to provide your community with other goods and services in a cooperative way?

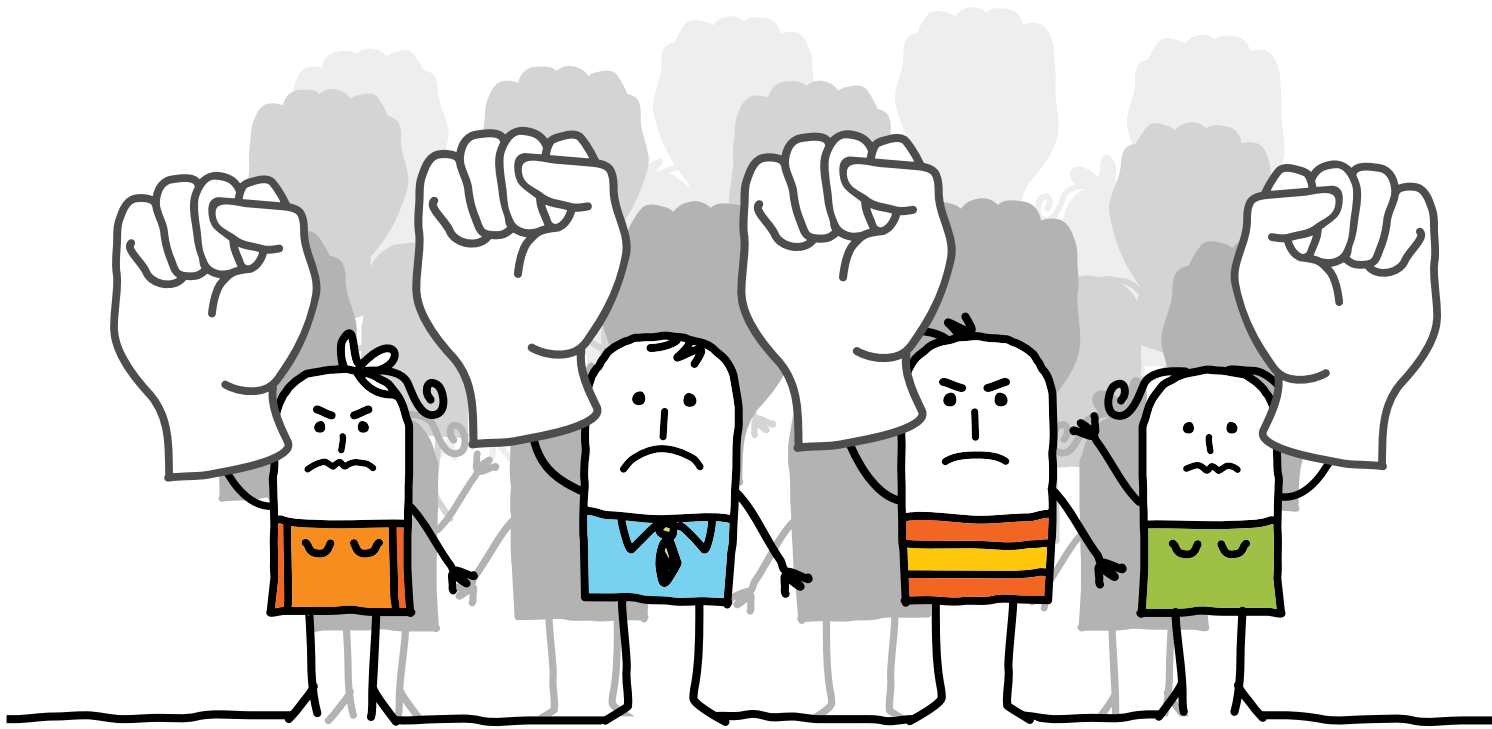
The board should be well informed on the history of co-ops and what has contributed to success as well as to stumbles. It’s the board’s job to consider the future of the co-op. Be sure your thinking goes beyond food to consider new directions in which you might grow.

Co-op boards are typically conservative and tend to move slowly. That comes out of respect for the members we serve and wanting to stay connected to their needs and desires. It can be scary to think about moving into a new business, and lots of partners will advise you to “stick to your knitting.” However, like every other business, co-ops need to evolve with the times. Standing still—whether with customers, members, or products—is not a recipe for success. Our business environment is changing; we have to change too. Involve your management in a conversation about what core competencies you have as a business that might be utilized beyond retail food. Core competencies of the organization include managing member involvement and the ability to guide a business based

on principles and values, as well as paying the bills. Strategic planning processes might include pushing the boundaries about what opportunities you will consider and how they might be included in the store.

Your member base undoubtedly includes some entrepreneurial types who would love to engage in speculation about the market in your corner of the world and what opportunities lie unrecognized. Membership meetings are a great place where the board and members can legitimately talk about the advantages of working cooperatively and what the future might include. Perhaps you could create a forum where ideas are nurtured and skills are collected. Those with a history in the co-op movement might help get a new business off and running.

Most of us stay in touch with our members, but often the content of that communication is food. Make sure your members understand how their dollars are used and how co-ops differ from other business models. Many people are interested in supporting small, local, and more personal businesses. They’re not so enamored of the corporate culture. All your member linkages are places where you should include a strong emphasis on the “co-op” part of your name and the co-op difference.



Occupy the Co-op?

by Dean Williamson

Dean Williamson is a board member and vice president at the Community Food Co-op in Bozeman, Montana, as well as a farmer with Three Hearts Farm. He first published this article on the co-op's blog in October 2011 (www.bozo.coop/co-op-food-blog/occupy-co-op). (You can contact Dean at dwilliamsonmt@gmail.com.)

The Occupy Wall Street demonstration and all the smaller demonstrations derived from it have been fascinating from many perspectives, but let's consider one in some depth.

The consensus emotion of those protesting on Wall Street—if we can generalize that there are consensus emotions—is outrage at being disempowered. The American democracy seems no longer democratic in that most decisions about our lives seem to be made by corporate teams, hidden away from public scrutiny, supported by one another, and working to maintain their own positions of authority and power—not to improve the nation.

It does not help that the Supreme Court recently ruled that corporations may contribute unlimited amounts of money to political campaigns. (A compelling story about the ramifications of this ruling is in the October 10 issue of *The New Yorker*: <http://s.coop/7z1u>.) It does not help that subsidies continue for corporations in nearly every sector of our economy (automobiles, natural resources, and agriculture, to name prominent ones) while politicians rail against big government. It does not help that no one has gone to jail for the “investment” practices that sped us into economic depression. (I point to the film *Inside Job* as a terrific overview of what makes Occupy Wall Street seem like a reasonable reaction to Wall Street and those who work there.) It does not help that bankers earn record profits and that CEOs earn huge compensation when their companies often run in debt. None of this helps ease the outrage.

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Occupy the Co-op?

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I'll tell you what does: the cooperative business model.

Businesses structured as cooperatives are cool and revolutionary things. Cooperatives are, simply, businesses owned by the people who use their services (and in many cases by the people who produce the goods co-ops sell).

Take the Bozeman Community Food Co-op (CFC), for example. For \$35 you can own the company. You and tens of thousands like you—but you own it nonetheless. That \$35 buys you stock in the co-op. Members, whether they know it or not, own the very place where they buy their produce, smoothies, and lunches.

We would never see a movement to “occupy the co-op”—unless those protesting had been terribly misinformed. To protest against a co-op is to protest against yourself—we own the business, and in true democratic form, we control the business.

Members who do not like the business practices of the CFC can change them. They can run

for the board of directors and change what the CFC does. We board members often remind ourselves that if the members voted to sell guns and ammo, we would sell guns and ammo. Period.

Which is totally cool. Outrage at corporate crime, secret deals, and profit-over-all-else ought to be directed elsewhere—like Wall Street. Outrage at the CFC's practices can be directed to the board, the management, and the member-owners. And policies can (and do) change.

In addition, when there are annual profits, they are distributed to member-owners; the money the store makes stays right in the community. It does not go to Wall Street or to other outside investors whose only concern might be the quarterly bottom line. We have no huge CEO compensation packages; we do not pay our directors a salary.

And it's even cooler than that! Shares of ownership at the CFC are all equal in value and restricted to one per member. No single member has any more authority than any other.

Compare that to News Corporation, Rupert Murdoch's media conglomerate. I have not followed all the details of this corporate meltdown, but I do know that his companies tapped private phone lines looking for gossipy stories; changed circulation numbers to make themselves look better; and offered favorable coverage in exchange for ad dollars. All illegal. All unethical.

Turns out, the News Corp annual shareholder meeting was in late October, and plenty of people are mad. Plenty of shareholders are mad.

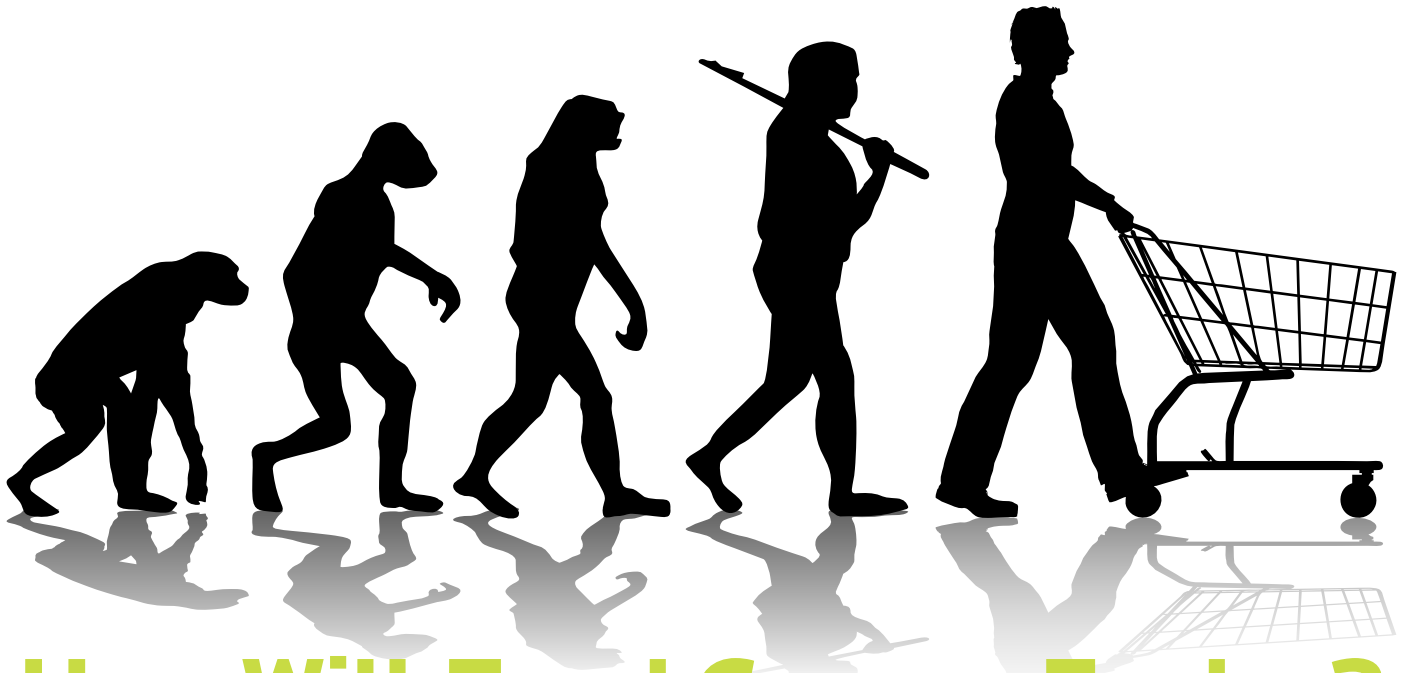
But nothing changed at News Corp because Rupert Murdoch owns just under 50 percent of the company, and he was not daft enough to fire himself. Or slap his own wrist. Or demote himself. Or give himself a pay cut.

If News Corp were a co-op, what a world it would be! The annual membership meeting would surely throw him to the curb—in a cooperative manner I'm sure—and install new leadership with a simple majority vote. You know, the way a democracy might work.

Most co-ops, including the CFC, exist as part of the community. The CFC wants to serve the very community that owns it—and provide the best food and best services to members. People over profits.

It's this commitment to people that also helps keep the co-op on the leading edge of business. It is proof that a business can prosper by doing good work and by doing democratic work. What a radical idea.

Don't forget that every time you walk through the doors of the Co-op West Main or step into the new Co-op Downtown (café and store), you're occupying a different and a revolutionary type of business. Power away from the corporations, and power back to the people.



How Will Food Co-ops Evolve?

by Philip Buri

Food cooperatives have come to the end of their first developmental stage. Like many start-ups from the 1970s, food co-ops emerged and thrived on a key innovation: natural and organic food. We once had the market to ourselves. But our innovation is now commonplace. We successfully changed the marketplace for retail groceries, but we remain a small portion of the overall market. Private, for-profit corporations such as Whole Foods and New Seasons have taken the co-op's business model, perfected it, and expanded exponentially. So what is next?

When the unconventional becomes conventional, our first instinct is to look for the next great innovation that will put us back on the cutting edge. In the 1990s, that innovation was local. But conventional stores learned from the 1970s, and it took much less time for private

grocery stores to feature local products, complete with glossy photographs of farmers in their fields. Perhaps there will be another innovation, but how long will it be ours? Again we ask, What is next?

I have a very unscientific, impressionistic, and (I am sure) flawed answer to that question. Food co-ops can go one of two ways. Either they will suffer the same fate as their counterparts in the United Kingdom and become big businesses, or they will remain small, independent incubators for new food products and producers. If they follow the UK route, interest in food co-ops will dwindle as the founding generation dies, leaving a string of failing stores. We already saw this happen in Hyde Park and Berkeley. As in the UK, natural foods co-ops might consolidate with co-ops in other sectors to create a true cooperative conglomerate.

The alternative looks similar to what we have now. As the

founding generation dies, a new generation takes over as the buyer of first resort for new products and producers. The role of the co-op is to become not the primary grocery store in each town but rather the place that has interesting products first. We are currently riding the wave of artisanal producers, which fits nicely with our local emphasis. But there is no predicting what American consumers will want next, and our survival depends on taking chances with new products and producers—even if they do not fit our current view of what a co-op sells.

Co-ops evolve because the market changes. We can no longer count on organic and local to make us unique. Five producers now dominate the market for organic produce. What was once a decentralized collection of organic farms is now big business. It has to be to satisfy the demands of Walmart and the other

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How Will Food Co-ops Evolve

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big-box retailers that carry organic products. Co-ops still win the trust of customers for knowing about the quality of conventional and organic food. But we have long since lost our unique position. Local is also now conventional. We know a trend is over when McDonald's features it. Now McDonald's has glossy commercials with local potato farmers celebrating french fries. This is not to say that local producers do not matter. They do, and co-ops should always build markets for local producers. But once again, we are not unique. And perhaps worse, others can do more than we can—and faster and better.

Why has Whole Foods grown so quickly—with \$10.1 billion in sales in fiscal 2011—while co-ops grow so slowly? We are not organized to grow. New co-ops flourish during times of economic adversity. The three major waves in co-op growth—the 1900 progressive era, the 1930s Great Depression, and the 1970s counterculture—were all times of market failure. Conventional businesses could not or would not help farmers in the 1900s, small-town residents in the 1930s, or natural foods customers in

the 1970s. But co-ops reacted to economic events and did help those groups.

Co-ops are inherently conservative. An owner's share in a consumer co-op is not an economic investment; it is a social one. Unlike a stockholder, a co-op member makes a capital contribution to make sure the co-op provides particular products and services. The structure of co-ops promotes intense dedication to the founders' vision. For a co-op to move away from that vision, the owners must agree. A private corporation like Microsoft can change products and direction at will; a co-op must convince its owners. This creates an inherent conservatism that makes co-ops resilient during hard times. Few shed tears when a private corporation declares bankruptcy, but co-op members will fight to keep their beloved store alive.

So the deck seems stacked against us. The innovations that led to our success are now commonplace. Furthermore, we have a business model that ensures survival during hard times but does not foster taking big risks or moving in new directions. Are we stuck in our present configurations, or will food co-ops evolve into something else?

Modern co-ops began in England, and the United Kingdom is a model for what could happen. During the progressive era, co-ops thrived in England. But after World War II, co-ops in nearly all sectors became outdated and moribund. They were relics of an earlier age

and had no relevance to postwar English shoppers. Over time, individual co-ops failed, and two large cooperatives absorbed what remained. Then the two co-ops merged into one, creating a huge market force in the UK.

This is a simplified story but one that has relevance for the United States. We do not have one big co-op here, in part because our stores can survive independently. This might not always be the case, however. If co-ops fall out of favor, consolidation could be the key to survival.

In contrast to consolidation, co-ops can survive as incubators. In Bellingham, Washington, new producers follow a typical pattern. First, producers show up every Saturday at our farmers' market. They either learn how to produce the right product at the right time, or they fail. Once producers learn how to succeed, the Community Food Co-op of Bellingham is usually their first major account. We provide the next step, buying their produce or products in sufficient quantities to keep them busy. If they succeed at the co-op, then they expand to conventional grocery stores. I can think of two regional brands that followed this path.

Co-ops are good at organizing grassroots innovation. We also have a natural affinity for local producers. That important aspect of self-help—providing a store or market where conventional stores fail—is our hallmark. It may also be the key innovation that no one but us can replicate.



CO-OP IDENTITY

A LEADER STUDY GUIDE

WHY CO-OP?

WHY NOW? WHERE NEXT?

We hope the articles in this issue inspire further discussion and thinking among your co-op's leaders. Consider the following questions and scenarios as a starting point for those discussions.

Discussion Questions

1. Which co-op principles and values are most distinctive for your co-op? Which principles and values are most meaningful for your co-op's member-owners? For the staff? For management and the board?
2. Which co-op principles and values have been most key to your co-op's success thus far? Which will be most influential in the co-op's long-term survival and future?
3. Which co-op principles has your co-op done the least to put into practice in a meaningful way in your local community?
4. What current economic, demographic, and market trends do you think will favor the future growth and development of your co-op and our system of retail food co-ops? What trends will we need to contend with as cooperatives?
5. How do you see your co-op's identity and ownership structure reflected in its strategic direction and daily operations? How do the co-op principles and values come to life in your co-op's operations and get experienced by co-op shoppers every day?
6. In the world of business, "grow or die" is the operative paradigm. Assuming this is true, what is your co-op's growth strategy? What areas will your co-op pursue to grow and how will your co-op grow in a way that supports its values, principles, and purpose?

CO-OP IDENTITY

A LEADer STUDY GUIDE

Scenarios

New store. Your co-op serves both a city and the rural area surrounding it. A dedicated group of farmers and members in the rural area wants the co-op to build a satellite facility near them to serve as a distribution warehouse and store. Because of the remote location, the costs would be high, but there is a great need for a warehouse and a retail store there. Do you build a new warehouse and store, or do you help the group start a new co-op?

New competitor. Your co-op is in a suburban area and is the only natural foods store around. You learn that a private, for-profit supermarket chain is rehabbing a beautiful building near your store, to open in six months. This chain pays a livable wage, has an excellent history of charitable giving, promotes local and organic food production, and has been the source of some of your best employees. People who know the inside information about this chain tell you it is truly a model triple-bottom-line business that is making a difference. But it is not a co-op. How will you deal with this new competitor?

New customers. In a recent survey, your members overwhelmingly supported making the co-op accessible to, and the leading store for, lower-income shoppers. The key to attracting this group is to provide required foods under the Women, Infants, and Children (WIC) program. To qualify, the store must provide conventional products that are not organic, are not local, and contain GMOs. Furthermore, the store must devote a set percentage of shelf space to these products. Your GM says this is possible, but the store would be out of compliance with its policies on local, organic, and non-GMO products. What is more important?