

A Tool That Works: Revisiting 4 in 3

BY STUART REID

Food co-ops in the U.S. have a long history of growth and decline. When you look at a graph of their numbers in the 20th century, it resembles a series of waves.¹

The first wave occurred in response to the Great Depression, with the rise of hundreds of conventional grocery stores, distribution networks, and our own “CO-OP” branded products. Over time, all but a few of those stores succumbed to competition from supermarkets and corporate chains.

Almost all of the food co-ops operating today were part of the tsunami of natural food co-ops that formed in the 1970s. After that “new wave” crested at somewhere between 600 and 1,000 food co-ops, the numbers declined to fewer than 300 in the aftermath of the 1980s recession. Very few new food co-ops opened over the next two decades, but with the new millennium came another wave of food co-ops.

The “Third Wave” started to build in the early 2000s and quickly grew into a movement that could not be ignored. Visionaries in the co-op community realized that these new startups were all trying to find their own path through the long and complicated process of organizing a new food co-op. If they had access to guidance and support, it would be easier to open new co-ops, and they would be more likely to succeed. We needed a coherent system to help communities efficiently and successfully move through this process. It was imperative that our sector adopt best practices integrating cooperative values and a systematic approach that would help promote efficient opening and operating systems.

In 2004, Cooperative Development Services² began a research and development project based upon a vision of such a support system. The 4 in 3 Development Model (see illustration) was crafted after reviewing multiple case studies and existing resources, taking into account experience accumulated over two

comprise a framework for developing a cooperative retail food business, a framework that includes recognition of necessary support systems and decision points. Each individual and organization involved plays an important role and contributes to the likelihood of success.

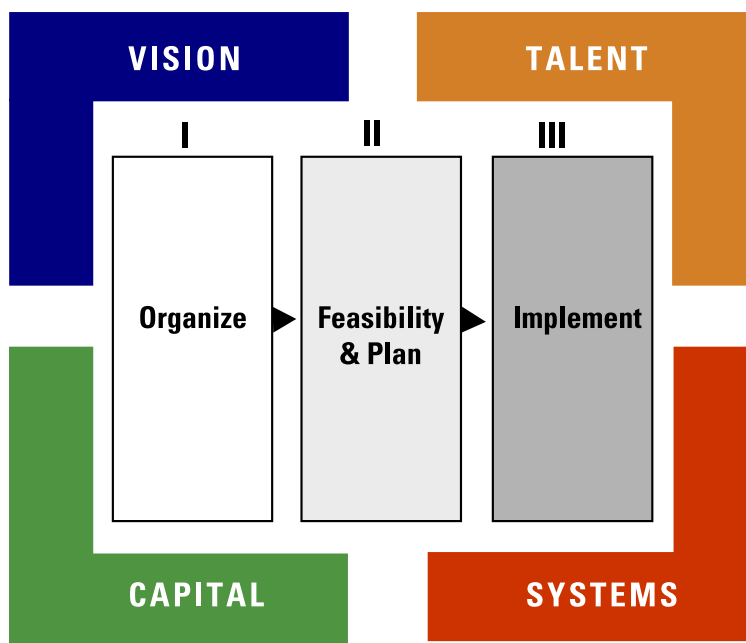
Cornerstones, as the name implies, are the foundations of a strong business development process. Every startup, regardless of size or mission, needs clarity of **vision**, strong **talent**, sufficient **capital**, and well-designed **systems**. Likewise, every startup will move through an initial **organizing** stage before researching **feasibility and planning** their business needs in preparation for the **implementation** of plans and goals. As a co-op moves through the development stages, keeping all the cornerstones solid will ensure strength throughout the project. This simple and straightforward development model can bring clarity and greater effectiveness to a broad range of planning activities.

Ten years after its formulation, the original 4 in 3 Development Model is going strong. Food Co-op 500 found that the model was effective for a wide variety of startups. Since then, its successor organization, Food Co-op Initiative, has promoted the

model to hundreds of startup groups who have benefited from the structure and insights it provides. CDS Consulting Co-op incorporates this model throughout its work, and cooperative development centers across the country are adding it to their resources.

The model itself has needed no ►

Food Co-op Development Model



Four Cornerstones in Three Stages

decades within the food co-op sector. Soon after, the Food Co-op 500 pilot project was created, in part to implement and study the development model in real-life startup situations.

The meaning of the model

The four cornerstones and their three stages

◀ modifications—although it is true that we often break down implementation into 3 substages (pre-construction, construction/renovation, and preparation for opening) and refer to post-opening as an additional stage. “4 Cornerstones in 3 (or 4) Stages and 3 substages” just doesn’t have a good ring to it. The continuing validity of 4 Cornerstones in 3 Stages is a testament to the wisdom of the model and its simplicity.

Dissenting from the model

In spite of its proven success, the 4 in 3 model is not universally accepted or understood. Organizers of nontypical food co-ops, co-ops in inner city environments, and low-resource communities have argued that the model does not work for them. However, it is not the development model that is at fault. There is no type of food co-op, whether large, small, urban, rural, wealthy or poor that would not benefit by having a clear vision of its goals, talented members, volunteers, and professionals to bring it about, the capital for startup costs, and strong systems to keep everything running smoothly.

Every co-op has to start with organizing and end with implementation—if feasibility and planning are ignored or downplayed, success is endangered. So, why do some co-ops insist that the 4 in 3 model is not working for them? Chances are, it is not the 4 Cornerstones in 3

To support the next wave of co-ops, it was imperative that our sector adopt best practices integrating cooperative values and a systematic approach that would help promote efficient opening and operating systems.

Stages that is the problem.

There has been some confusion between the 4 in 3 Model and the best practices recommended by advisers and consultants. Decisions such as store size, sources of capital, extent of member investment, product mix, and staffing can and should be considered in light of each co-op’s situation and potential for success. Even the most experienced food co-op consultants and advisers do not have the expertise to support every kind of food co-op.

For example, Food Co-op Initiative has built its expertise around consumer-owned, brick-and-mortar co-ops and cannot offer much help around issues specific to worker ownership or mobile markets. The CDS Consulting Co-op

does not conduct market studies for co-ops planning a high percentage of conventional grocery inventory, because they use an analog model based on data from natural food co-ops. Very few co-op development experts have experience starting food co-ops in low-resource communities, particularly in the current economic environment. Yet even when we cannot offer full support for these co-ops, the 4 in 3 model can provide structure and coherence to the co-ops’ organizing plans.

The 4 in 3 Model is the equivalent of a toolbox, but the blueprint is in the hands of the local cooperative organizers. Plans are created to reflect your vision and the materials you have to work with, but you will always need the same basic set of tools—whether you build a house, a barn, a tree fort, a chicken coop, or a food co-op. For your next project, do the job right with the tried-and-true tools in the 4 Cornerstones in 3 Stages Development Model. ■

¹See Walden Swanson’s CBLD presentation on YouTube: <https://www.youtube.com/watch?v=NlgXt4lCqyM>

²CDS (Cooperative Development Services) is a nonprofit cooperative development center supporting many kinds of co-ops, primarily in rural areas. CDS Consulting Co-op is a cooperative of food co-op consultants. In 2004, both groups were part of Cooperative Development Services.

"I'm so happy I attended – it was wonderful to connect in person with the greater co-op community."

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