

BY DAVE GUTKNECHT

# Diverse Means, Common Ends



Alongside many new cooperatives that are springing up, established food co-ops continue to evolve and deepen their community roots. This edition has

several substantial reports that illustrate these trends and maturing businesses.

Given the self-starting, participatory nature of food co-ops, much of their early history consists of trial and error while winning community loyalty and becoming more professional in both operations and governance. As a sector of a few hundred businesses and allied organizations, the larger food co-op community has had a parallel growth toward mutual support and shared professional practices.

Nevertheless, there is no “one size fits all” set of policies for food co-ops. Although we now have more sector unity and a stronger set of shared practices, the value of that direction must always be demonstrated rather than merely assumed. Especially for the many co-ops that are new or in formation, as Jake Schlachter points out in his report, recommendations from established co-ops and consultants on essential components such as capital strategies or operational technology need to reflect the local strengths and weaknesses.

When there is alignment among the board, staff, and members, a co-op’s impact can be great and its potential even greater. In addressing how to build and keep community loyalty, the cover section authors offer solid advice and inspiring examples.

The co-op is a gift from those who preceded us—a gift we are obliged to nurture and pass on to those who succeed us. Over the years, many employees and directors have worked to define just what business the co-op is in and how best to manifest cooperative values. But the egalitarian and participatory nature of co-ops, along with a desire to be a good workplace, has sometimes led to the staff tail wagging the co-op dog—a dynamic in which staff and managers meet their own needs, subordinating excellent customer service. Yet the latter is what creates customers and keeps them coming back and turns them into owners.

The culture of many food co-ops has manifested this confusion. Jeanie Wells, in taking a close look at how staff preferences sometimes

interfere with building community loyalty by undermining organizational needs, provides useful observations about the necessary evolution of our cooperatives.

In parallel fashion, the latest installment in a series on accounting best practices, while expressed in the form of internal financial controls, provides practical information on safeguarding the assets of our co-ops and cooperative communities. Here, too, some unexamined practices in co-ops allow abuses that can interfere with the primacy of building ownership through excellent service.

Meanwhile, having pioneered in the development and growth of natural and organic foods, cooperative grocers continue to face market competition, often from stores that are larger and that have owners with deeper pockets.

Jeanne Lakso’s report offers testimony by four co-ops describing difficult but invaluable lessons derived from the market entry of new competitors. As it turns out, in order to thrive despite increased competition, these co-ops mostly needed to improve what they already claimed to do: provide excellent service, build democratic ownership, and deepen community loyalty.

Comparable lessons can be seen in an impressive member capital drive by Willy Street Co-op in Madison, Wis. The campaign’s success, reported by Lynn Olson and David Waisman, reflects not so much the special characteristics of their city as the lessons learned by the co-op during years of growth in owners and services.

Building greater community loyalty also is demonstrated by food co-ops that go beyond their existing stores in seeking organizational allies and collaboration. In Bloomington, Ind., Bloomingfoods Co-op has successfully pursued a strategy of opening small- to mid-sized neighborhood groceries. Now that direction is being enhanced by an innovative collaboration on a commissary kitchen that was started by a local women’s nonprofit service organization.

Food co-ops are also deepening their community impact through more sophisticated articulation of organizational values and ends, along with greater clarity in defining activities that support those ends. Michael Healy’s report breaks new ground by showing commonalities among food co-ops and by detailing innovative and varied ways in which leaders are measuring their co-op’s impact and its progress toward fundamental goals. ■

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