



Co-ops Are Stronger!

- Co-ops have access to support and resources they need.
 - Co-ops act effectively within a clear vision.
 - Co-ops have effective ownership and governance.
- A culture of cooperative development exists and is sustained.

**A Progress Report to the
Food Co-op Community**

May 2011

CDS Consulting Co-op



SOLUTIONS FOR COOPERATIVES

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We are pleased to present to our clients and organizational partners an overview of our activities and performance as the CDS Consulting Co-op in the food co-op sector.

While we are owned by our member consultants, we see ourselves as also accountable to the food co-op community and as partners in the success of food co-ops. In this report we want to share with you what our work together has accomplished, and how our continued collaboration will benefit our sector.

In this review, you will find reports from our manager, board chair, and team leaders, as well as information about CDS CC resources and development trends. Hands down, one of the most exciting endeavors in food cooperation is the widespread interest in startups around the country. The current wave of startup activity has been unprecedented. We are reprinting an article on startup assistance partnerships from our newsletter Solutions because it demonstrates how we are working together with other organizations to meet the demands of these new groups. We continually ask ourselves how we can do even more to ensure that these co-ops have a chance for success. We welcome the participation of others in this conversation. Let us know what you think!

Our approach to cooperative development is to foster strong relationships, give people access to excellent resources, and promote sustainable development through collaboration, expertise, data and leadership. We are able to leverage the expertise of our co-op's members to deliver to the sector high quality services based on data, best-practices and experienced guidance. Our goal is to further the development of our sector, and demonstrate results and positive outcomes for all of our stakeholders.



The CDS Consulting Co-op consultants have taken a strong role in sustaining and growing the food co-op sector for over 20 years, and nothing is more thrilling to us than seeing the results our clients have achieved in developing their food co-ops into businesses that are strong and indispensable to their communities.

We have also taken a page out of our own book and organized ourselves as a cooperative. The creation of the CDS Consulting Co-op (CDS CC) in 2008, as a shared services co-op owned by over 20 consultants was a natural evolution for those of us serving the food co-op sector.

Before becoming a shared services co-op, Cooperative Development Services (CDS) provided an administrative structure for us to carry out our work, and had a role in incubating the team that now forms the CDS CC. Our connection with CDS played a part in not only providing a platform for the work of the consultants, but propelling the growth of the food co-op sector. Working under the umbrella of CDS also gave us a unique perspective on cooperative development that enhances our role as consultants.

Through programs we've established over the years, including the Common Cooperative Financial Statements (CoCoFiSt), Cooperative Board Leadership Development (CBLD), GM compensation database, staff survey data, and the Market Study and Site Analysis database, we have combined cooperation, data-gathering, analysis and industry best-practices to bring value to the co-op sector. Additionally, we have created a library of resources on our website at www.cdsconsulting.coop for people involved in all aspects of co-op development, available at no charge. (See page 16 for more information.)

We are also thrilled that CDS CC consultants have been invited to be featured speakers and presenters at regional conferences for people involved in organizing food co-ops. The opportunity to collaborate with a number of CooperationWorks Centers, organizations focused on general co-op development, is an exciting trend for our sector. Three conferences in early 2011 have already served over 200 people from 41 organizing groups. We look forward to building on these important relationships outside our sector as we all work together toward the mutual goal of expanding cooperation in local communities.

Our consultants are some of the most dedicated people on the planet, and it has been a pleasure organizing our shared services co-op with such an amazing and talented group. Collectively we can boast over two hundred years of industry experience, two Co-op Hall of Fame inductees, and a number of Honored Cooperator and Cooperative Service awards.

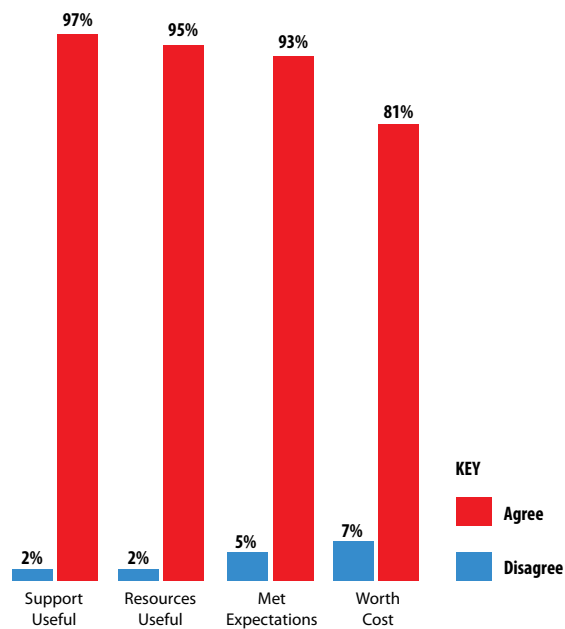
When our clients work with an individual CDS CC consultant they also gain the benefit of all the expertise on our team.

We conducted a client survey in 2010, and our clients tell us our professionalism, depth of co-op knowledge, and approachability have been vital to their success. Our clients put a great deal of trust in our ability to deliver results. We are pleased with this feedback. (Some of the results are presented below and on page 4.)

We all enjoy our work and like the satisfaction of a job well done. Our goal for 2011 is to continue to meet the needs of our clients and the food co-op community by expanding our services, working in partnership with other cooperative organizations, and creating connections among food co-op boards, members and management to further the goals of our movement.

—Marilyn Scholl, CDS CC Manager

Opinions about CDS CC Services



When agreement and disagreement do not sum to 100%, the difference is no opinion/don't know.

Our member consultants elect five members to our board of directors. The board currently includes Mel Braverman, Michael Healy, Thane Joyal, Carolee Colter, and me—Mark Goehring. Kevin Edberg, Executive Director of Cooperative Development Services, serves as an appointed director. Founding board members Denise Chevalier and Pete Davis have ended their terms. We thank them for their service.

Since April 2009 we've been operating with these Ends policies:

CDS Consulting Co-op Ends Policies

The CDS Consulting Cooperative exists to support a growing, diverse network of cooperative businesses for the greater good of our members and our cooperative community. As a result of all the efforts of the CDS Consulting Cooperative:

1. Right livelihood exists for member consultants.
2. Co-ops are stronger:
 - Co-ops have access to support and resources they need.
 - Co-ops act effectively within a clear vision.
 - Co-ops have effective ownership and governance.
 - A culture of cooperative development exists and is sustained.

As you can see, we have a dual sense of purpose with expected outcomes for our member consultants as well as for the co-op community we serve. Our manager, Marilyn Scholl, has done an outstanding job organizing our ongoing efforts to meet these Ends and has provided the board and members with insightful, forward-thinking reports marking our progress.

Supporting Startup Co-ops

The board has considered what we should learn about to better understand our organization's role, and decided to pursue a study and engagement project focused on the cooperative renaissance taking place via the startup food co-op movement. We sought and received valuable input and support from Food Co-op Initiative (FCI), the National Cooperative Grocers Association (NCGA) NCGA Development Co-op, and the National Cooperative Business Association (NCBA).

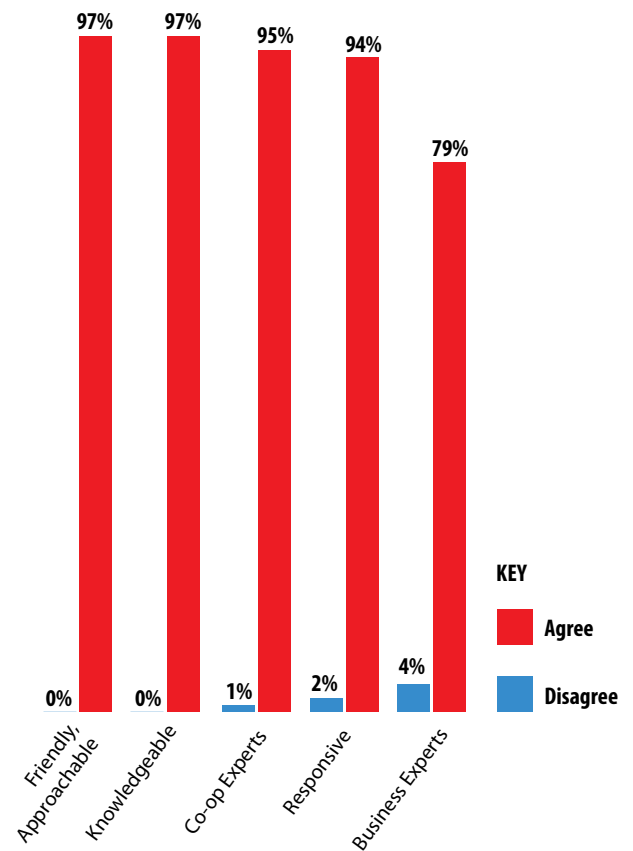
Why this topic? A new wave of cooperative development has grown to over 300 communities actively working to start a food co-op. Not since the 1970s has there been so much interest in food co-op development. This is an extraordinary opportunity for the co-op movement to grow.

Here are some of our framing questions: Why are people forming new food co-ops? Why do they think starting a co-op is the answer? What kinds of assistance do they most need? How have cooperative principles and values informed their thinking and actions? Has the wave reached its peak, or have we just begun to feel the potential surge? How should the existing co-op movement respond?

Stay tuned! We plan to share our findings widely so that others can join in the conversation.

—Mark Goehring, CDS CC Board Chair

Opinions about CDS CC Consultants



When agreement and disagreement do not sum to 100%, the difference is no opinion/don't know.



Start with the Experts

Our services include all aspects of food co-op development: expansions, startups, store operations, governance, human resources, ownership and capitalization expertise. Find out more at www.cdsconsulting.coop.

For Existing Co-ops

Cooperative Board Leadership Development (CBLD)

Our CBLD program includes consultation, training, facilitation and coaching to build organizational alignment and enhance the working relationship between board and management to support the effective leadership of food co-op boards.

Expansion and Growth

We offer assistance to grow your business, including planning and implementation of expansion, relocation, new store or startup projects. We can assess your co-op's capacity, develop a realistic plan, and help your co-op achieve its goals.

Improving Performance

We specialize in collecting and comparing data from many co-ops, helping to set realistic goals, identify best practices, develop strategies for operational improvements and monitor results. Our employee surveys and human resources support tools can help your co-op improve staff morale, decrease turnover, reduce costs and improve customer service.

Membership Development

Every co-op needs a strong membership program that will serve the business and strengthen your co-op's role in the community. Important to your co-op's success are programs that promote the cooperative difference, store operations that support member equity growth, and an enthusiastic and well-trained staff.

For Startups

Consulting Services

Find a full range of services for new co-ops. From assistance in the organizing stage to feasibility analysis and business planning, we can help.

Four Cornerstones in Three Stages

CDS and CDS Consulting Co-op created the Four Cornerstones in Three Stages, a development model which comprises a process for developing a cooperative retail food business. The model identifies the attributes necessary for successful food co-ops.

Webinar Archive

In collaboration with Food Co-op Initiative we have developed a series of webinars to assist people and communities that want a food co-op. Webinar recordings and resources can be downloaded at no charge. www.cdsconsulting.coop/startup-webinar

Startup Services from Our Strategic Partners

Food Co-op Initiative

Get the resources you need for a faster and more effective startup process, resulting in new cooperative food stores successfully serving their communities. FCI is a nonprofit organization offering assistance at no cost to any startup group. For more information, visit www.foodcoopinitiative.coop.

NCGA Development Co-op

NCGA DC provides support services through a contract that returns a percentage of the co-ops sales to the DC over the term of the agreement. (Currently providing support to a limited number of startup co-ops.) The DC assists new co-ops with financing, real estate negotiations, opening the new store and monitoring operating profitability up to two years after opening. For more information contact ce.pugh@ncga.coop.

Tami Bauers

Minneapolis, Minnesota • 612-275-5089
tamibauers@cdsconsulting.coop

- Planning and implementation of member-owner loan and preferred shares stock campaigns for expansions, new stores and new co-ops
- Planning and implementing a member-owner equity drive and changing an existing member-owner equity structure
- Promoting member-ownership. Training for staff to help achieve your membership goals. Helping staff talk comfortably and confidently about ownership in the co-op



"Our goal was to raise \$1.5 million dollars through member investments. The employee training program Tami constructed helped the staff talk effectively about the complex concept of member investment. The support she provided board members was essential for them to engage with members and promote investment. This goal could not have been done without the team-building approach Tami used."

— Sean Doyle, General Manager,
Seward Co-op, Minneapolis, Minnesota

Mel Braverman

Madison, Wisconsin • 608-243-3255
MelBraverman@cdsconsulting.coop

Management Training

- Margin Workshops
- CoCoFiSt Workshops
- Business planning
- Management retreats

Operational Improvements

- Key Operational Indicators
- Labor controls
- Merchandising and systems assessment and suggestions
- Operational audit
- Department manager goal setting and monitoring
- Management team assessment and improvement work plan



"As a newly hired GM with no grocery experience, I knew I needed help. Mel Braverman assessed our operations, trained our staff, and helped us develop an improvement plan. In 2010 we realized our first profit in six years."

— Lynn Christenson, General Manager,
Fort Collins Food Cooperative, Colorado

Carolee Colter

Nelson, British Columbia, Canada • 250-505-5166
CaroleeColter@cdsconsulting.coop

- Supervision training and team-building for management teams
- Organizational structure and staffing plans for expansions
- Employee surveys for monitoring staff treatment
- Human resource systems audits
- Assisting boards in hiring and compensating co-op management
- Pay scales and pay raise systems
- Co-presenter of "Rising Stars"



"Thank you for your incredible work and vast experience. The staff and managers truly enjoyed sharing in your energy and perspectives. We would not be where we are now without you in the process." —Liza Tedesco, General Manager,
Chico Natural Foods Co-op, California

Bill Gessner

Minneapolis, Minnesota • 612-823-4509
BillGessner@cdsconsulting.coop

- Expansion/relocation projects
- Organizational planning and facilitation, including business and strategic
- Management support and development
- Capitalization development including member loans
- Business strategy



"From financial pro formas, to management support, to board training on expansion—every cent we spent on working with Bill Gessner paid us back in measurable results that made the difference in our relocation and expansion. Our co-op would not be the great success it is today if it were not for Bill seeing us through the expansion process every step of the way."

—Jacqueline Hannab, General Manager,
Common Ground Food Coop, Urbana, Illinois

Mark Goehring

Brattleboro, Vermont • 802-380-3824
 MarkGoehring@cdsconsulting.coop

- Leadership development
- Board training and development
- Policy Governance
- Facilitation
- Member linkage/community engagement



"Having Mark as facilitator for the NCGA board of directors has been a terrific experience. He has led the board to do a better job at monitoring our policies, updating our policies, and using our meeting time effectively. I personally enjoy having someone I can bounce ideas off of, as well as guide me on leadership issues as board chair."

—Pam Mehnert, Board President,
 National Cooperative Grocers Association

Michael Healy

Burlington, Vermont • 802-864-9724
 MichaelHealy@cdsconsulting.coop

- Policy Governance
- Board Training
- Facilitation
- Monitoring report support
- Team building



"Michael helps us envision our co-op at its best and invites us to be thoughtful, imaginative leaders. There is a push-pull rhythm that serves as a creative spark for our Board to make that leap of growth as leaders for the benefit of our co-op and its owners."

—Melissa Marquez, Board President,
 Abundance Cooperative Market, Rochester, New York

P.J. Hoffman

St. Paul, Minnesota • 763-780-1058 ext 62128
 PJHoffman@cdsconsulting.coop

- Preliminary site and building plans
- Store layout fixture plans and merchandising plans
- Store equipment specifications



"Valley Natural Foods has worked with PJ over the past 20+ years through several resets and three expansions.

His enthusiastic passion, positive assistance and professional concern have provided solutions that have supported our success."

— Susan McGaughey, General Manager,
 Valley Natural Foods, Burnsville, Minnesota

Nina Johnson

St. Paul, Minnesota • 651-308-8663
 NinaJohnson@cdsconsulting.coop

- Board leadership training and support
- Group process and facilitation
- Policy Governance
- Retreat planning and facilitation
- Ongoing consulting support to boards



"For the past five years I have had the pleasure of working with Nina Johnson. Her leadership helped our board focus on the important issues while allowing time for the thorough discussion so necessary to building board cohesion. Nina's perseverance in bringing forth the opinions of the group, her commitment to cooperatives, and her follow-through have helped us build a strong board."

—Gail Graham, General Manager,
 Mississippi Market, St. Paul, Minnesota

Thane Joyal

Syracuse, New York • 315-380-4522
 ThaneJoyal@cdsconsulting.coop

- Adopting and implementing Policy Governance
- Building a supportive board culture
- Supporting board perpetuation
- Facilitating meetings and retreats
- Coaching board leaders
- Fostering healthy relationships between board and management



"Thank you so much for all you gave us yesterday. It was one of the best retreats I have ever been to. Our work really brought this new group together, and we will now move on to some great and necessary work for our co-op. I particularly appreciated your flexibility which allowed us to take care of things that needed to be talked about."

— Alice Rubin, General Manager,
 Willimantic Co-op, Willimantic, Connecticut

Joel Kopischke

Milwaukee, Wisconsin • 414.803.6725
JoelKopischke@cdsconsulting.coop

- Leadership development
- Board training
- Policy Governance
- Group process and facilitation
- Retreat planning



"It's a great pleasure working with Joel. He is at once personable and considerate and, when it comes to board governance, he really knows his stuff!"

—Ray Kamalay, Board President,
East Lansing Food Co-op, Michigan

Mark Mulcahy

Glen Ellen, California • 707-495-2168
MarkMulcahy@cdsconsulting.coop

All Store

- Management training
- How to write a proposal to your GM
- Staff development



Produce

- On-site and phone consultations
- Systems development for single and multi-store formats
- Department resets and merchandising for better sales and more efficient use of labor
- Staff, accountability and financial training
- Buying and inventory systems
- Local grower program development
- In-store customer education
- New department set up

"Mark communicates an inextinguishable passion for produce to the entire staff, from the managers to the clerks. Participants in his seminar have been approaching me with ideas that show a new understanding for the inner workings of their department and a desire for growth and success. The reset received compliments from staff, customers and owner members. In the first week after the department was reset we experienced an approximate 10% lift in gross revenues."

—Chris Maher, General Manager,
Briar Patch Community Co-op, Grass Valley, California

Helena O'Connor

Raleigh, North Carolina • 919.428.7516
HelenaOConnor@cdsconsulting.coop

- Employee satisfaction and policy compliance surveys
- Human resources advice and support
- HR systems development
- Financial literacy, management training



"Helena was great to work with on our staff survey. She gave an excellent presentation to help us understand and use the results. Our management team felt cared for and supported by Helena throughout it all. We couldn't have asked for anything better."

—Patti Waters, General Management Team,
Franklin Community Co-op

Marilyn Scholl

Putney, Vermont • 802-387-6013
MarilynScholl@cdsconsulting.coop

- Leadership development
- Board training and facilitation
- Membership development



"While Marilyn has all of the technical knowledge needed to deal with complex governance issues, her real and unique value is her ability to boil it down to common sense and human interaction. I especially appreciate her direct, honest, and considered approach."

—Art Ames, General Manager,
Berkshire Co-op Market, Great Barrington, Massachusetts

Art Sherwood

Bloomington, Indiana • 812-361-5816
ArtSherwood@cdsconsulting.coop

- Board leadership training
- Retreat planning and facilitation
- Board coaching/consulting
- Board resource development
- Strategic visioning and planning



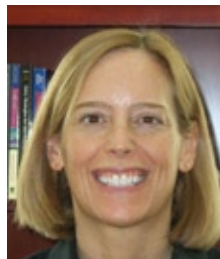
"Art has brought important experience, expertise and guidance to our board as we work to provide true long term cooperative strategic leadership for Good Foods Co-op. He is helping us develop our vision of strategic leadership and the discipline and tools with which to do the job."

—Richard Stump, Board of Directors President,
Good Foods Co-op, Lexington, Kentucky

Debbie Suassuna

Dublin, California • 925-833-8524
DebbieSuassuna@cdsconsulting.coop

- Market, location and site analysis
- Sales forecasting
- Real estate strategy
- Remodel, expansion, relocation analysis
- Consumer research studies



"Debbie's site visit was a watershed moment for our steering committee.

She listened in depth to what we hoped to accomplish and provided not only a candid evaluation of our proposal but also options we had not considered. Her objective assessment enabled us to commit to decisions we had been deliberating for months. Ultimately, her market study was the catalyst for everything we accomplished to date. She made the nuts and bolts of cooperative development a sheer pleasure."

—Kathryn Strickland, Executive Director, LIFT Housing and Richard Hiatt, Executive Director, Food Bank of North Alabama

Kate Sumberg

Andover, Massachusetts • 919-968-8799
KateSumberg@cdsconsulting.coop

- CoCoFiSt and CoCoFiSt Workshops

"Using CoCoFiSt for goal-setting was one of our first steps from going from a mediocre operator to being one of the best!"

—Dan Gillotte, General Manager, Wheatsville Co-op, Austin, Texas



Walden Swanson

Andover, Massachusetts • 919-968-8799
WaldenSwanson@cdsconsulting.coop

- CoCoFiSt and CoCoFiSt Workshops

"To make great bread, a baker uses a recipe. A cabinetmaker builds furniture with a ruler and a blueprint. A pilot navigates through clouds with GPS and radar. Each business has its essential tools for success. CoopMetrics are ours."

—Clem Nilan, General Manager, City Market/Onion River Co-op, Burlington, Vermont



Todd Wallace

Portland, Oregon • 503-307-8797
ToddWallace@cdsconsulting.coop

- Leadership training and support
- Retreat planning and facilitation
- Ongoing governance support
- Cooperative history and economics
- Board resource development



"Todd has been for me and my Board an invaluable ally and teacher. Todd is a great listener and instructor. He's wise, he's funny, he's patient, he's an encourager, he's a gentle leader, and he has an amazing ability to correct me without making me feel like I was incorrect to begin with, how could you not love that! I would recommend Todd as a resource and guide whose value far exceeds his cost!"

—Emily Elmore, Board President, Fort Collins Food Co-op, Fort Collins, Colorado

Jeanie Wells

Lawrence, Kansas • 785-766-8454
JeanieWells@cdsconsulting.coop

- Organizational and staff structure
- Project management support
- Using CoCoFiSt data to benchmark and improve performance
- Store operational systems



"I am very excited to hear that Jeanie Wells will be bringing her experience and expertise back to the food co-op community! Congratulations to CDS Consulting Co-op on bringing another rockstar on board!"

—Ben Nauman, Category Management Lead National Cooperative Grocers Association

Changes

We have recently said a fond farewell to Denise Chevalier, Pete Davis and Mary Courteau, who have retired or are pursuing other interests.

Marshall Kovitz and Bentley Lein are currently taking leaves of absence.

Startup Assistance Partnerships Gain Momentum in 2010

By Patricia Cumbie

The food co-op sector is at a unique crossroads in its development at this point in time. There are a significant number of food co-ops with mature business practices and experienced board and management leaders making profound impacts on their respective communities. Their success, along with other social and economic forces, has created a greater awareness and desire amongst communities around the country to have their own food co-ops. The benefits of a strong local economy and community ownership have been especially attractive in the wake of the recent economic collapse. Just this past year alone, Food Co-op Initiative (FCI) has been contacted by over 100 communities seeking a food co-op. The momentum for a whole new wave of food co-ops is building with a powerful force.

Food co-ops are poised to position themselves to take full advantage of all their accumulated technical knowledge about cooperation and the grocery industry, and take it to another level of assimilation with a whole new generation of consumers. Many projects have been supported in some measure by the three organizations working toward promoting food co-op growth: Food Co-op Initiative (FCI), CDS Consulting Co-op (CDS CC), and the National Co-op Grocers Association Development Co-op (NCGA DC).

In addition to the trailblazing work of CDS over the last two decades, the FCI and the NCGA DC have formed in recent years to address specific issues facing food co-op development. Through all of our combined efforts on behalf of startups and expansions, the food co-op sector stands to gain in strength, and everyone—management, staff, boards, members and customers—benefit from their enhanced and focused expertise.

Organizing Startups

Food Co-op Initiative was created in 2006 as Food Co-op 500 program to provide resources and support for communities that want to start new food co-ops. They offer advice, coaching and access to training materials and other resources so that groups interested in starting new food co-ops have the tools to get started using best practices based upon experience and models for success. Since they began their work, FCI has put together a library of resources specifically for startups that offers a virtual one-stop shopping environment for food co-op startups.

Included in FCI's organizing effort has been the creation of a number of informative toolboxes that addressed gaps in readily available information about organizing, governance, legal issues, finance and raising member equity intended for startups.

In addition to being the first organization most startup groups will interface with, FCI also plays another unique role in the sector, and that is they are completely open to anyone seeking information about organizing a food co-op effort. FCI doesn't charge for their information and services in order to encourage development by being accessible to anyone. FCI's activities are funded by a \$1 million, five-year grant from the Blooming Prairie Foundation that supports this vision. FCI was also awarded a Rural Cooperative Development Grant (RCDG) from the USDA to support developing food cooperatives in rural communities.

Feasibility and Planning

As part of their food co-op development work, CDS consultants codified the stages of expansion and

The momentum for a whole new wave of food co-ops is building with a powerful force.



growth for startups through the Four Cornerstones in Three Stages model. The four cornerstones of vision, talent, capital and systems are within three stages of food co-op development: organizing, feasibility and planning, and implementation. The model is also applicable to existing food co-op expansions. (Preparing for construction and construction are part of implementation).



New co-op organizing efforts

The four cornerstones and their three stages propose a process for developing a cooperative retail food business that includes recognition of necessary support systems and decision points. Each individual and development organization involved plays a critical role and contributes to the likelihood of success within the model. “We are all committed to co-op development and want all of the organizations to be successful,” said Bill Gessner, expansion planning and business development consultant.

Gessner noted that there are two major decision points in development and expansions: securing a site with contingencies, and then removing them. With three organizations now working to expand and support the food co-op sector, he sees a specific role for each of them, and while there is cross-over in terms of resources, he places CDS Consulting Co-op squarely in the role of planning and feasibility. “One of the things we focus on is getting organizations and operations into a position where they can successfully start or expand,” Gessner said.

Gessner also sees how the CDS CC’s food co-op preparation and planning interfaces with the NCGA DC’s implementation. “When we are working with a food co-op in the early stages of expansion planning, and we are assessing organizational readiness and capacity, we would assess a higher level of readiness to a co-op working with the NCGA DC in the subsequent stages of the expansion project.”

Implementation and Opening

The NCGA formed as a secondary cooperative in 1999 to provide support to its member retail food co-ops as a virtual chain. The NCGA currently has 114 member food co-ops that operate over 130 retail food stores in

32 states. The NCGA DC was incorporated in 2008 after their members asked the NCGA to find ways to assist them with expansion and new store development. Co-ops can engage the NCGA DC fee-based services through a contract that returns a percentage of their sales to DC over the term of the agreement.

The DC assists expanding co-ops with financing, real estate negotiations, opening the new store and monitoring operating profitability up to two years after opening. According to CE Pugh, national development director of the NCGA DC, the DC usually works with stores after they have done some financial projections and a market study and site selection activities with CDS CC. “Having co-ops go through that feasibility process first is very helpful to everybody,” Pugh said. “It helps people commit or not to a project. When they are ready, the DC can help them move forward. The work CDS CC does prior to the handoff engages people at a much higher level. It’s advantageous to all in various stages.”

Pugh said it’s also important to note that the NCGA is committed first and foremost to its members, and that the DC’s development structure may not be viable in all situations. Robynn Shrader, CEO of NCGA said, “In the long run we see the DC as something funded through food co-op growth and development. Those who benefit today will contribute their resources for those who will benefit tomorrow. There’s lots of room for different ways of doing business, and there’s opportunity for leveraging all our resources in a coordinated fashion,” she said.

Reprinted from the September–October 2010 issue of Solutions.

Expansion and Growth and Improving Performance

CDS Consulting Co-op provides a full range of development services to both established and startup food co-ops in the key areas of Expansion & Growth and Improving Performance (EGIP).

Our EGIP team of 11 consultants works both independently and collaboratively to support the growth and continuous improvement of food co-ops. Our team includes Tami Bauers, Mel Braverman, Carolee Colter, PJ Hoffman, Mark Mulcahy, Helena O'Connor, Debbie Suassuna, Kate Sumburg, Walden Swanson, Jeanie Wells, and Bill Gessner. In 2010 we worked with over 115 food co-ops—both established and startup food co-ops. We travel throughout the United States and Canada and work both on-site with our clients, as well as by telephone and electronically.

We offer a unique approach that combines business development with organizational development. Those of us within CDS CC that work as a team in the areas of "Expansion and Growth" and "Improving Performance" enjoy the additional resource of collaborating with the CBLD program and consultants that make up the other half of our organization.

Our consulting work covers a broad range of services from coaching and training to assessment and planning. We emphasize the development of retail skills/systems and best practices as well as effective process and communication.

We provide extensive services to assist food co-ops in the systematic planning and implementation of expansion and new store projects, including:

- An orientation to expansion planning and timeline development
- Market studies
- Financial pro formas
- Assessment and strengthening of internal readiness/capacity
- Planning and implementation of capital campaigns

- Store planning and design
- Operations and systems planning
- Human resources planning
- Building a produce department
- Ongoing mentoring and support

We also assist existing food co-ops in strengthening their current operation and organization and improving overall performance. This work includes:

- Training in departmental management (sales, margin, labor, inventory)
- CoCoFiSt training
- Staff surveys
- Human Resources audits and coaching
- Support for General Manager hirings
- Management Team development
- Membership development
- Business and Multi-Year planning support
- Membership development
- Customer service training
- Produce department development
- Reset and renovation planning
- Ongoing coaching and support

In 2010 we added Mark Mulcahy to our consulting team. Mark has provided consulting services to the food co-op sector for many years, primarily centered around fresh produce and overall retail management and operations training.

We continue to pursue collaborative initiatives and projects with our strategic partners including NCGA, NCGA Development Co-op, Food Co-op Initiative, CooperationWorks! and the cooperative revolving loan funds.

We are thankful for and appreciative of working in and contributing to a flourishing and vital food co-op sector. Thank you to all the cooperators that are building thriving co-ops in their communities.

—Bill Gessner, *Expansion and Growth and Improving Performance Team Leader*



Cooperative Board Leadership Development (CBLD)

The CBLD Team is working with nearly 100 food co-ops in its seventh year of providing ongoing support to boards of directors. We currently have eight active consultants on the CBLD Team: Michael Healy, Nina Johnson, Thane Joyal, Joel Kopischke, Marilyn Scholl, Art Sherwood, Todd Wallace and Mark Goehring. Together we focus on board leadership development and strengthening the board/GM relationship.

In the fall of 2009, we added Nina, Art, Joel and Todd to our team. This move was consistent with our aim to continue to build capacity and diversity, with each consultant adding a valued perspective to our highly collaborative work.

We approach our work from two perspectives: understanding the needs of each client we work with and providing direct service and support to the individual co-op, as well as building on shared knowledge and experience across co-ops. Both perspectives inspire ongoing learning and the development of new approaches and resources.

The CBLD program continues with its core features: the in-person CBL101 foundations class, ongoing support hours, an in-person retreat and resource development. The program design highlights the two perspectives, with the ongoing support hours and retreat addressing the specific needs of the individual co-op client, while the CBL101 and resource development efforts address the shared needs.

New Online Recorded Workshops, Field Guides, Videos and other resources can be found in the CBLD Library (www.cdsconsulting.coop/cbldlibrary), our open access repository of resources.

In addition to providing "how to" support on board fundamentals, we're also working to help build community among co-op boards and support the strategic conversations boards are having. These goals have



CBLD
cooperative board
leadership development

inspired new projects under development: regional conferences, study tours and Cooperative Strategic Leadership.

We're also working to understand the needs of boards of directors of startup co-ops so that the knowledge and resource pool that is developing for existing co-ops can be helpful to these groups.

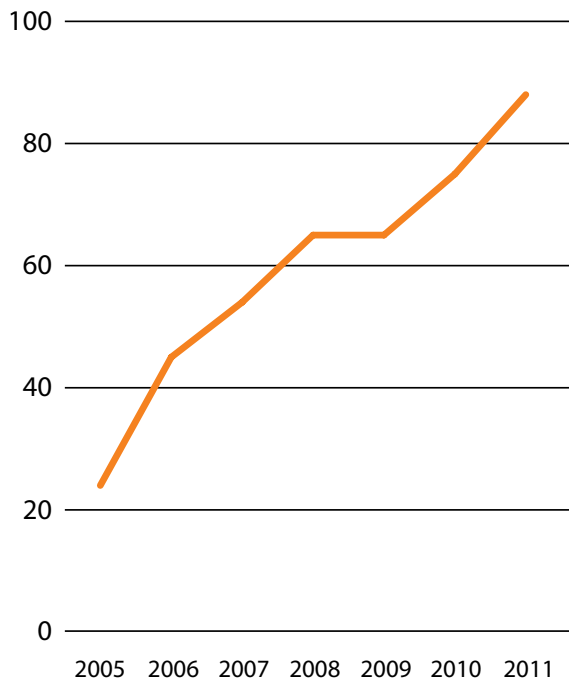
In February, we launched a new newsletter, *Connections*, to complement the existing CDS CC newsletter, *Solutions*.

Connections will feature stories of boards we work with to illustrate systems and practices they have in place.

The CBLD program and team continue to evolve. We welcome your input and ideas!

—Mark Goehring, CBLD Team Leader

CBLD Participants, 2005–2011



CDS Consulting Co-op has provided services for these clients since September 2008.
Thank you for your support!

Abundance Cooperative Market
Alberta Cooperative
Berkshire Co-op Market
Bisbee Food Cooperative
Bloomingfoods Market & Deli
Blue Hill Cooperative
Bluff Country Co-op
Brattleboro Food Cooperative
Briar Patch Community Market
California Center for Cooperative Development
Cambridge Co-op
Chatham Marketplace
Chatham Real Food Co-op
Chequamegon Food Cooperative
Chico Natural Foods
City Center Market
Columbus Cooperative Grocery and Market
Common Ground Food Co-op
Common Market Cooperative
Community Building
Community Food Co-op—Washington
Community Market
Community Mercantile Co-op
Company Shops Market
Concord Food Co-op
Cook County Food Co-op
Coos Head Food Store
Cooperative Grocers Information Network (CGIN)
Co-opportunity Consumers Co-op
Creeside Co-op
Davis Food Cooperative
Deep Roots Market
Dill Pickle Co-op
Downtown Green Bay
Durango Natural Foods
Durham Central Market
East Dakota Natural Foods
East End Food Co-op
East Lansing Food Cooperative
Eastside Food Cooperative
Equal Exchange
Everman's Natural Foods Co-op
Fairbanks Community Cooperative Market
First Alternative Cooperative Grocery
Flatbush Food Co-op
Food Conspiracy Co-op
Food Co-op Initiative
Food Front Co-op
Fort Collins Cooperative
Franklin Community Co-op
French Broad Food Cooperative
Friendly City Food Co-op
Good Earth Food Cooperative—Minnesota
Good Foods Market & Cafe
Good Food Store Co-op
Grain Train Natural Foods
Grass Roots Co-op
Green Tree Grocery
Hampden Park Food Cooperative
Hanover Consumers Cooperative
Harmony Natural Food Co-op
Harvest Co-op Markets, Boston
Harvest Moon Co-op
Healthy Eating Minnesota Technical Assistance
Hendersonville Community Co-op
Hunger Mountain
Hungry Hollow Cooperative
Indiana Cooperative Development Center
Indy Food Co-op
Just Food Cooperative
Just Local Food Co-op
Kitsap Food Co-op
Kootenay Country Store Cooperative
La Montanita Food Cooperative
Lexington Real Foods Community Co-op
Linden Hills Food Co-op

Madison Market
 Main Market Co-op
 Maple City Market
 Mariposa Co-op
 Marquette Organic Food Co-op
 Menomonie Food Co-op
 Middlebury Natural Foods Co-op
 Mississippi Market
 Monadnock Community Market
 MOON Food Co-op
 Moscow Food Co-op
 Mount Holly Community Co-op
 Mountain View Market
 Natural Abundance
 Natural Harvest
 NCB Capital Impact
 NCGA Development Co-op
 National Cooperative Grocers Association (NCGA)
 Neighborhood Cooperative
 New Leaf Market Natural Foods Grocery
 New Orleans Food Co-op
 New Pioneer Cooperative
 Newark Natural Foods Co-op
 North Coast Cooperative, Inc.
 Northcountry Cooperative Development Foundation
 Northwest Cooperative Development Center
 Olympia Food Co-op
 Oneota Community Food Coop
 Onion River Food Co-op/City Market
 Open Harvest
 Oryana Food Cooperative
 Our Community Co-op
 Outpost Natural Foods
 Ozark Natural Foods Cooperative
 PCC Natural Markets
 People's Food Co-op—Wisconsin
 Peoples Food Co-op—Michigan
 Plainfield Co-op
 Pulaski Pike Co-op; Food Bank of North Alabama
 Putney Food Cooperative
 Rising Tide Cooperative Market
 River Market Community Co-op
 River Valley Market
 Roanoke Natural Foods Co-op
 Rochester Good Foods Store
 Rutland Natural Food Market
 Sacramento Natural Foods
 Santa Rosa Community Market
 Sevenanda Food Co-op
 Seward Cooperative Grocery
 Sierra Vista Natural Foods Co-op
 Silver City Food Co-op
 Skagit Valley Food Co-op
 Sno-Isle Natural Foods Co-op
 Sioux City Food Co-op
 Spiral Natural Foods
 St. Peter Food Co-op
 Syracuse Real Food Co-op
 Takoma Park Silver Springs Cooperative
 The Food Co-op
 Three Rivers Market
 Three Rivers Co-op Natural Foods & Deli
 Tidal Creek Foods Cooperative
 Troy Community Food Co-op
 Ukiah Natural Foods Co-op
 Urban Greens Food Co-op
 Vancouver Food Co-op
 Village Store Co-op
 Viroqua Food Co-op
 Washougal
 Weaver Street Market
 Weavers Way Cooperative Association
 Wheatsfield Food Coop
 Wheatsville Cooperative
 Whole Foods Cooperative—Minnesota
 Whole Foods Cooperative—Pennsylvania
 Wild Oats Cooperative
 Williamson Street Grocery Cooperative
 Willimantic Food Cooperative
 Willmar Design Center

New Resources for Cooperators

In addition to serving individual co-ops with direct services to help them be successful, we see our job as consultants is to scan the food co-op landscape and address issues that are shared by many co-ops. Every year we ask our clients and people in the co-op sector for their feedback on educational materials they need. Here are some highlights of new resources you we are especially proud of:

CBLD GM Compensation Database. Working with CoopMetrics, we designed and created a database to collect compensation data from GMs in a confidential manner so that GMs could provide their boards with comparative data. We also developed an effective process for setting GM compensation.
www.cdsconsulting.coop/GMCompensationWebinar

CBLD Library. The growing CBLD Library added six new Field Guides and six new Online Recorded Workshops in 2010. Another 12 new resources will be added in 2011 based on feedback from clients.
www.cdsconsulting.coop/cblibrary

Cooperative Model for Grievance Procedures. Working with a task force of HR directors, GMs, non-management staff and board members, we developed four complete systems for managers to choose from, adapt, and adopt as their own grievance procedures.
www.cdsconsulting.coop/CMGP

Fresh Start Bylaws. We have recently released a set of simple and straightforward bylaws, useful for both startups and longtime co-ops in their bylaw work.
www.cdsconsulting.coop/cblibrary

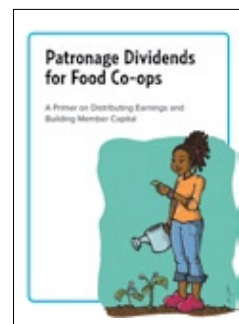
GM Report Support. The CBLD Library now has a full set of sample monitoring reports that GMs can review, modify, and use in their quest for providing boards with excellent reporting.
www.cdsconsulting.coop/cblibrary



Member Loan Toolbox. Written by Bill Gessner and Beret and Ron Griffith, this comprehensive toolbox encompasses all aspects of raising member loans for co-op startups and expansions.
www.foodcoopinitiative.coop/resources/toolbox



Patronage Dividend Resources. We have developed new resources to deepen our collective wisdom on the powerful and strategic issue of patronage dividends as tool for building cooperatively owned capital. In June 2010 the new *Patronage Dividends for Food Co-ops: A Primer on Distributing Earnings and Building Member Capital* was published with our friends at *Cooperative Grocer* magazine and Wegner LLP, CPAs and Consultants.
www.cdsconsulting.coop/patronagedividend



Recorded workshops for Startup Co-ops. Over the years, CDS Consulting Co-op in partnership with FCI has produced over 20 workshops recorded for the convenience of users.

In 2010 we added six new workshops. These workshops were attended by over 50 people on average and many more have viewed them since. The entire archive can be accessed at:
www.cdsconsulting.coop/startup-webinar

