

Member Meeting Agenda
January 30, 2012 // 6pm to 8pm
Location: Co-op, 1500 Burns St
Facilitators: Jack/Ben

6:07pm - Opening comments, Ben Weiss

Members present: Jess Glebke (co-chair), Ben Weiss (co-chair), Jack Rowan (Treasurer), Kate Smith (Secretary), Val Coulter (coordinator), Kate Keller (coordinator), Emily Lincoln (director), Terri Roberts (director), Christian Russell (director) **plus 68 other members (list of attendees to be added soon)**

Announcements

No announcements

BOD Discussion Items

Financial Update and Options for Moving Forward, Terri & Jack

- The Coop is struggling financially, although we are not in danger of closing our doors in the near future. We have very little margin for our expenses, such as if a cooler were to breakdown. We need to discuss ways to change the cash flow of the organization. In our history, we have never been achieved positive cash flow; however, we have always been on the margin. Our expenses and sales have both gone up since our move to the new space, but not in line with one another. Although we are not currently meeting our goals, we are not so far off as to prevent us from reaching our goals.
- [Refer to the expense/income chart and the handout exploring the difference between projected sales and our expenses.] We rely on the margin we charge on sales to generate revenue to cover fixed expenses, rent, utilities, payroll, etc. If we don't hit our projected sales we cannot cover our fixed expenses. Most of our sales revenue goes right back to stocking the shelves.
- [Refer to handouts of last quarter's profit and loss, balance sheet, profit/loss last year vs. this year and monthly profit/loss breakdown]
- [Refer to previous suggestions handout]
- We have eliminated trying new products for the meantime to reduce our vulnerability. We have also reached a plateau in terms of our working members; we gain and lose roughly the same amount of volunteers each month.
- Jason Weiner suggests we work in breakout sessions before bringing our ideas to the board.
- Claudia Narcisco asks about previous suggestions for increasing shoppers at the Coop:
 - Reach out to inactive members. We only have about 300 active members, but roughly 1000 total members.
 - Open the whole store by eliminating the working member model and have a three-tier shopping system.
 - Have another shopper option (family or household).

Structural Changes Previously Proposed, Jack

- Beer and wine sales
 - Grab and go options
 - Carry fresh meats and cold cuts
 - Increase the number of frozen food items
 - Work closely with the Burns Street Bistro to draw diners to the Co-op
 - Lower member share cost from \$125 lifetime membership
 - Carry more conventional, low cost products
 - Create a system where members could work more hours and in return receive a percentage off their groceries or some other incentive
 - Change locations
 - Increase the 25% markup
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Member Discussion of New Options or Alterations of Previous Proposals

Background information: Each table has 5-9 people and for approximately 30 minutes each table discussed ideas to improve areas of the Co-op and then presented the following to everyone (organized by topic):

Products

- Sell corn dogs (cheap!)
 - Plus other low priced staples that will bring in more local market (such as Darigold in addition or instead of Lifeline and Tillamook cheese)
- Sell meat/lunch meat – research how we can carry these products
- Provide a list of new products (website? in-store?)
- Post product list on the website, but not prices
- Carry more conventional, low cost products (local)
- Sell more products like deli meats and frozen pizza

Membership Payments

- Allow members who have trouble paying the entire \$125 membership fee to work extra hours to pay off a portion of the lifetime membership fee
- Educate people about the option of paying \$5/month toward the \$125 lifetime membership (after initial \$15 payment) so the fee is not as daunting for new members

Membership

- Increase member drives
- Reach out to inactive (non-working/non-shopping) members and question them in order to find out why they joined, what's keeping them away, etc.
- Create an amnesty program for inactive members
 - Bring members back into the store!
 - Require them to sign up for shifts to be forgiven
 - "Get out of jail free" card if they sign up for a shift
- Temporary Membership (for 1 month?) – they should have to attend an orientation and work one shift during the month of temporary membership

- Incentives for referring new members. Create requirements, such as the new member must stay for 3-6 months before referring member receives the incentive.
 - Referral rewards such as a pound of carrots for signing up new members

Increasing Sales

- Go to homes (youth, disabilities) and see if they would buy their food through the Co-op and have a more interactive relationship with them to increase sales
- Talk with working members about spending more money at the Co-op!
- Issue a temporary (3-6 months) moratorium on member-only shopping in order to get data
 - We should test the assumptions of the working member model
 - To increase volume of sales – test the premise that if anyone shops here our sales will go through the roof. For 1-6 months we open the store to everyone and measure the impact on our revenue. We could stay with the current mark up and see what happens.
- We have \$40,000 in long term debt and \$20,000 in liabilities and if next month is like this month... we need to increase revenue by increasing either increasing our volume of sales or by increasing prices.
- Create a member monthly pledge program where an automatic transfer from a member's bank account to a Co-op account or card occurs each month. Each member can choose the amount they pledge to shop at the Co-op each month.
- Farm to Co-op preorder (ex. 2 pigs, etc.) - more active relationships with farms
- Dividend similar to REI, where after a year you get something back
- Discount for people who dine at the Bistro
- Let family/roomies shop immediately
 - Let every member have someone else that can shop here to quickly to increase sales
- Gift memberships

Tier System

- "Partner" or "Household" membership program
 - Each member can add a shopper to your card for extra hours and extra fee. This person would not have voting rights.
 - Each member gets to add a "shopper" and then they could share the work shifts
 - Let every member have someone else that can shop here to quickly to increase sales
- Three tier model: working member (25% off what you see in the store), house member and general public (pay price as marked) (Have this appear on the receipt in some fashion)
 - Have the price difference if you were a member vs. general public appear on the receipt in some fashion
- Another three tier option with discounts (use all 3 or choose to implement individual tier)
 - Incentive for people who put in extra time (discount #1)
 - Allow members to take on administrative roles that may be bogging down our staff (in addition to their shifts) in exchange for an extra discount (discount #2)
 - General public (no discount)
- Combine tier system with discounts for added shifts – balance
- Change our system so we can bring non-members back to shop: mark-up most products to a 30-35% markup and all active working members get a 15% discount

Marketing

- Create another “10 things you don’t know about the Co-op” handbill to address misconceptions
- Develop new in-store marketing strategies to sell products and draw people in
- Larger, more visible sandwich boards on Russell and Philips
- Create and distribute bumper stickers
- Create and distribute yard signs for proud members to display on their property
- Advertise more and use different methods to get the word out there
 - Val Pak advertising
 - Yard signs
- Present to Sustainable Agriculture classes and neighborhood groups to raise awareness
- Create the tools for members to promote the Co-op to non-members.
 - Example: digital flyer to be distributed through email
 - Have recruiting and promotional tools available
 - Simplified and better pitches to inactive members
- Gift certificates/Gift memberships
- “I shopped the Co-op” stickers every time you shop (similar to “I voted” stickers)
- Better communication with the community
- Allow for CSA distribution through the Co-op
- Improve advertising on new products, especially produce
- Incentives for member recruitment
- Create more of a community hub
- Table at UC (currently done)

In-store Improvements

- Change the slow down at checkout
 - One possible solution is to have cashiers work shorter, more frequent shifts so they stay more up to speed. Or, allow cashiers to work more hours (for a discount?) so we have more professional, consistent cashiers running things more smoothly.
- Provide an area for kids to play while the parent(s) shops
- Develop information bulletin board where anyone can post anything – more of a community hub – more reasons to come here than just shopping (currently exists by the grocery carts – make more visible?)
- Bring back Member of the Month
- Change hours: open earlier during the week and close earlier on slow evenings (Fridays?)
- Change location?
- Wealthier neighborhoods are opposite of town, but there are some other neighborhoods North of town that we could increase our outreach to such as the Rattlesnake and Grant Creek

Pricing

- Increase the mark up and base the mark up for one month on shortfall from previous month
- Raise mark-up (but ease into it)

Business Model

- Get help evaluating our financial model from someone with a retail and business background (retired senior members?)
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Timetable for moving forward and additional discussions:

- Within the next couple of weeks some of these ideas could be moved on
- We will make these ideas available to the members for discussion before we make any changes
- We will reconvene on these issues at the next meeting and start hammering out ideas.
- We have approached First Security to increase our line of credit, and they are interested in maybe doing this. We pay a 5% interest rate on our line of credit.
- With our current margin we could float for another month or two
- Could we have this summarized and have another meeting in a couple of weeks instead of a month?
- Pedro suggested we take action now and give the rest of the members a day or two to vote.
 - Jack stated that we need a quorum of members to take action
- Pam Walzer – Every member could have one designated shopper to help increase sales immediately
- Kate Keller – Thinks that an administrative fee for the additional shopper would be necessary. \$50?
- Valerie Coulter – Concerned with adding an additional shopper. There's a worry that shifts would be difficult to fill if we the option for adding an additional person/partner to one's membership who can shop and doesn't have to work.
- It was suggested that we create a team to develop a family/partner/additional person membership option and find out if creating this option is feasible for the Co-op.
- Jason Weiner – Why don't we increase our mark-up? \$100 in spending would only cost you an additional \$5 if we increase our mark-up from 25% to 30%.
- Others disagree with this option as they would shop the Co-op less if prices increased.
- Jason Weiner – One thing he would like the Board of Directors to do is get feedback from someone with a retail/business background regarding our model and financials.
- Jack Rowan – Looks like there is interest in looking into 3 things: (1) Household/Partner Membership (2) Increase mark-up (3) Provide members incentives if they work more than 3 hours every 4 weeks.
- Pat Little – What are the barriers we need to remove to increase sales? Remove the barrier of family/additional people shopping the Co-op. We should authorize the Board of Directors to design and implement a plan. Raising the mark-up and other ideas require more study.
- What can we do ASAP?
- Outreach – members are calling inactive members to ask questions and try to get them back into active status.
- We should have a meeting next week to make immediate action.

- Kate Keller – endorses Pat Little’s idea and the BOD should develop ideas and address at a meeting. Those that don’t want to attend or can’t can give us feedback before a vote is taken.
- Jess Glebke – the BOD should do research and develop pros and cons to each option and get out to our membership.
- Leslie Guerreri – we need to look into our bylaws regarding holding a meeting and voting on a change in our membership model.
- Jack Rowan – the team to head up this research should include more than just the BOD.
- __?__ - Can we vote online? Yes, we would set up an online voting option.
- __?__ - The team analysis could come back with “this will ruin us”.
- Larry – Likes the idea of developing an incentive plan (referral reward) for members getting others to join the Co-op.
- The marketing committee will look into developing a possible incentive program.
- Val made an announcement at the end of the meeting that February 26th will be her last day as she is moving to Portland for dental hygienist school.
- A sign-up sheet went around the room at the end of the meeting for the partner planning team.

BOD Action Items (10 min) – There was no time to cover these agenda items

- December meeting minutes approval
- Executive Committee nominations

Reports - There was no time to cover these agenda items

- Marketing (10min) // Kate Smith
- Coordinator (10 min) // Kate K

End: While many people left at the 8:00pm scheduled end time the discussion came to a final end at approximately 8:40pm

Next Monthly Member Meeting: February 27, 2012, 6 pm @ the Co-op (café space)