

# Solutions

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## CDS Celebrates Cooperative Growth and Development

BY PATRICIA CUMBIE



*All of us at CDS offer a sincere THANK YOU to the many individuals, cooperatives and associations we have worked with over the years. We thank you for your ongoing support and for your many contributions to strengthening cooperatives.*

Twenty years ago, the climate for new co-op development was very different from what it is now. E.G. Nadeau, who was the first CDS director, (under the auspices of the Wisconsin Federation of Cooperatives that set the stage for the formation of CDS) said cooperators were often “scraping the barrel” to find funding and support for their initiatives. It was increasingly clear to cooperators at the time that they needed an organization that was focused exclusively on cooperative development.

The formation of CDS was the result of the collaborative work of many talented cooperators based in Wisconsin who saw a need to converge support for existing co-ops and assist new ones into one organization. CDS was set up as a nonprofit organization that would help cooperative initiatives with funding and technical assistance.

In the formative years, CDS worked hard to build a team of people with strong professional skills and create the organization’s identity. Part of that process was learning where there was overlap with other organizations, streamlining some services and expanding others. From the outset, CDS has sought to be a clearing house and launching point for connecting people and resources to facilitate starting cooperatives. Like a lot of startups, there were a few uneven years at the beginning while the organization gained clarity on what it could and could not do.

In the beginning, it focused on regional Midwest development, and later expanded to one of its core service areas—food co-ops—throughout the country. However, one thing has remained constant about the vision: to be an organization committed to co-op growth.

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### Inspirational Work

*During production of this issue of Solutions my home office was being remodeled. I worked out of boxes, scheduled what felt like clandestine wi-fi hookups at the neighborhood café to get and send emails. I sat in my dining room one day trying to make a list of my day’s activities while listening to the roar of the floor sander overhead. What kept me sane were the conversations I got to have in more tranquil moments about collaborative projects and co-op developments happening around the country.*

*Time and time again I am impressed by the people who choose to commit their talents to our movement. I feel inspired and renewed after talking with them. There’s nothing more gratifying than engaging in meaningful conversations with erudite people actively making the world a better place—and be lucky enough to call it your job. It gets me fired up.*

*Fortunately, many of us working, shopping, and participating in “co-op” do have such opportunities to discuss, meet, act and look beyond the immediate to what will benefit the future for many. This issue of Solutions reflects CDS’s last 20 years and how they’ve been helping co-ops organize. The consultants and staff of CDS give credit to all the people they’ve worked with over the years for their success, sending heartfelt gratitude and thanks to everyone. Read on to find out what CDS has set out to accomplish and how it’s really only the beginning for more co-op development.*

*—Patricia Cumbie*

## Our Mission

CDS is dedicated to building and strengthening cooperative businesses by providing consulting, training and development services.

CDS includes a network of independent consulting professionals experienced in all aspects of developing food cooperatives. CDS consultants have worked on over 500 projects and will tailor their services to fit your needs and deliver results.

## Expansion and Growth of Cooperatives

CDS provides a full range of services to assist your cooperative in growing your business and in the planning and implementation of expansion/relocation projects.

## Leadership Development

CDS works to support and strengthen the leadership team—governance and management. Our work builds organizational alignment and enhances the working relationship between board and management.

## Improving Performance

CDS identifies areas for improvement and develops strategies for results in organizational and business improvements.

## Strengthening the Cooperative Advantage

CDS believes that the cooperative difference is your competitive advantage. We help co-ops build member investment and loyalty. We contribute to co-ops benefiting from collaborative networks while retaining local ownership and control.

## Twenty Years *continued from page 1*

Since its founding 20 years ago, CDS has helped hundreds of communities form all types of co-ops, revitalize local economies, and benefit from the value of self-help and local ownership and control.

According to Nadeau, “We wanted to contribute to a new domestic model for doing cooperative development.” This concept grew up out of organizers trying on a number of philosophical and economic approaches to solving problems in communities, and finding cooperation a good fit for more people. The War on Poverty in the 60s created community development corporations aimed at poor communities with a mission to improve economic activity to promote jobs, housing, and health. Some co-ops were created out of that activist milieu, but not many. Nadeau and other cooperators felt strongly that having an organization focused on advancing cooperation would raise awareness among developers, lenders, and politicians about the viability of cooperation in meeting a range of community goals.

“While the community development movement preceded us, some of us felt that we had a model that could be applied anywhere in the country.” That model being cooperation—something that would work in any community, be it well-off or poor, rural or urban. As part of realizing this vision over the years CDS has assisted 20 sister co-op development organizations around the country that raise the visibility of co-op projects and keep local leadership informed of co-op activity and the CooperationWorks partnership.

“Nobody expected CDS to become what it is,” said Ann Hoyt, professor at the University of Wisconsin’s Center for Cooperatives, who was CDS’ board chair in its formative years and part of the dialogue. “It’s been remarkable to see CDS’s level of expertise and development grow over time,” she said, but they did see the potential for the CDS structure to provide good development services for co-ops.

CDS as a whole has worked with and helped create myriad urban and rural co-ops across sectors, but one area of their work that has been really outstanding has been the work with food co-ops. “It’s been remarkable to see the level of expertise and development over time,” Hoyt said.

Expansion specialist Bill Gessner was the first food consultant to join CDS in 1992 because he wanted to work with an organization committed to co-op improvement. “I wanted to work under the umbrella of an organization, not be Bill Gessner Incorporated,” he said. “It’s more meaningful and more fun, and I’m better able to accomplish more things by working within CDS.”

Gessner also knew from the get-go he wanted to work on building a team of food co-op consultants. Since then, the food co-op consultants have formed programs and support systems that have shaped financial benchmarking for food co-ops, developed a systematic approach to expansion planning, sustained support for effective governance, and played a role in the organization of regional co-op grocers associations and the National Cooperative Grocers Association (NCGA).

Stephen Wolfe, financial manager and consultant with CDS, said of the food co-op consultants, “They also understand the relationship between business and the cooperative principles, and how those work together. It’s what CDS is working to convey to co-ops as a whole.”

Gessner said he sees his role and his colleagues activities in CDS as being more than just focused on certain sectors. He embraces the goals of CDS to “combine the strength of co-ops. A lot more can be done,” he said.

What does the next twenty years hold in store? The future of CDS is much the same as its beginning. “We have a willingness to serve as an incubator for good ideas. We will remain innovative,” said Kevin Edberg, executive director of CDS. Edberg also pointed out that over time CDS has expanded its work into the whole development cycle, not just the startup phase. “We have a dual focus on starting new co-ops, but also an enhanced strand of helping existing co-ops remain vital.” He sees this as the key to building capacity in all sectors.

“We want to be a premier co-op development center where we have resources, in and out-of-house, to strengthen existing co-ops and help people set up new co-ops in all sectors,” said Edberg.

# CASE STUDY

## Just Food at Forefront of Collaborative Approach

Just Food, a new food co-op in Northfield, Minn., opened to wide acclaim and much anticipation in the fall of 2004. It is still building on the momentum its opening has generated, and the community and members are as enthusiastic about the co-op as they were on opening day. Customers even now thank and congratulate the staff and general manager in the aisles for all their hard work opening the co-op.

That is always good news and a welcome relief for a startup. This month they are also opening the Northfield Mercantile, a natural home products store, adjacent to the food co-op's space. This is a brand new co-op on a big roll, and it seems, so far, everything it touches turns to gold. Everything seems to be falling into place so that the co-op can manifest the kind of opportunities that allow it to really contribute to its community right out of the gate.

The story of Just Food's development is a case study of what can go right when all the elements are in place: solid community commitment to the co-op, strong board leadership, and an excellent staff and general manager. It also signals a new wave of CDS food co-op development approaches, one based on the effective collaboration of all constituencies.

Stuart Reid, Just Food's general manager, successfully managed a profitable Seward Co-op Grocery and Deli in Minneapolis before taking on the challenge of a startup. He noted that there are big differences today in new food co-op development, methods that helped Just Foods get launched. "We're starting co-ops now with information, market studies, info from other successful co-ops, and consultants." He said that in the past people wanting a food co-op "would find a church basement and start it tomorrow." Expectations were also low. "In today's market you can't do that," Reid said.

Reid also said that while you have to have a good market potential to realistically survive, you also need to have a strong and committed core of community organizers



*The frontline staff of Just Food. Photo by Stuart Reid.*

willing to see it through. He credits those individuals with ultimately realizing Just Food. "Just Food had people with specific skills, energy and time that evolved into the founding team that carried the co-op into opening." That group of people was helped during the organizational process by CDS expansion consultant Bill Gessner. "He was the guiding force keeping things on track," Reid said.

With Gessner and CDS' assistance, the co-op got a USDA development grant and was introduced to a range of CDS consultants. They helped the co-op through the entire startup process with a market study that encouraged the community, led board and staff trainings, and even created merchandising sets of the products on the shelf. "We dug deep into CDS resources. They got us off the ground fast. I feel strongly about how much they've contributed to the co-op community. They're a tremendous resource," Reid said. "They put it together in a way that makes it accessible."

Reid noted that Just Food's development wasn't formally part of the newly established Co-op 500 Program, but he sees his co-op's development with CDS assistance as a precursor given the kind of resources, systems and advice the co-op received. "It's a really strong approach that should help open more stores faster. It's realistic," Reid said about combining the grassroots with professional expertise to generate efficient and successful new co-op development. "Our support network is strengthening. It bodes well for our future."

## 20 Years of CDS Highlights

The **Common Cooperative Financial Statements (CoCoFiSt)** program allows food co-ops to compare data and create best practices for a wide range of operational functions.

The **Food Co-op 500 program** is a joint effort of the National Cooperative Bank, Blooming Prairie Foundation, National Cooperative Grocers Association and CDS. CDS contributed to the creation of a conceptual model for community-driven development of new food co-ops, based on experience with food co-op startups and expansions.

**CooperationWorks** is a national network of 20 co-op development centers serving 44 states. CDS is one of eight founding centers that created this network in 1992, and has since helped secure public funding for these centers.

**WoodWorks** is a national campaign to spearhead the creation of sustainable forestry co-ops. WoodWorks was initiated as a result of CDS' work in the Midwest in helping farmers and landowners sustainably manage their woodlots for environmental and economic benefit.

**Organic Alliance** successfully raised awareness of organic food among mainstream consumers. Organic Alliance was developed by CDS with the assistance of the Pew Charitable Trust Foundation and organic food manufacturers around the country.

**Food Alliance Midwest** is dedicated to a local sustainable agricultural model that connects farmers to local markets. It also has a sustainable farm certification program for produce, meats, poultry, pork and dairy.



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