

# Solutions

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## Cooperative Board Leadership Getting Results

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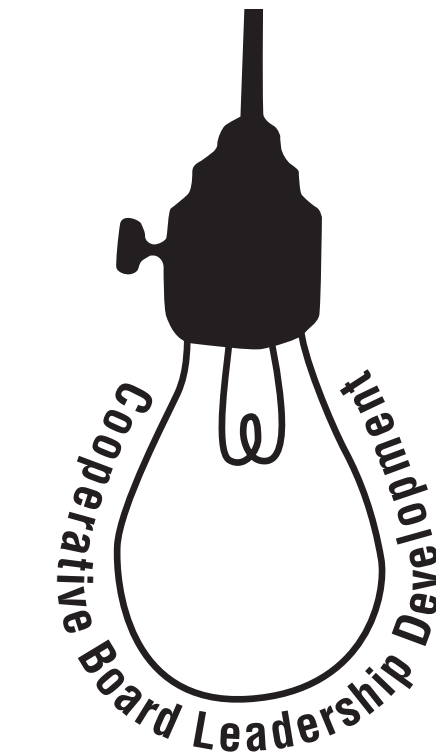
When Thomas Edison set out to create electric light in 1878, he already knew electricity could generate light. What he didn't have was the right material that would sustain the light without quickly burning out. Edison wanted to create a lightbulb that could survive the strength of an electric current. He forced himself to think beyond the scientific results of the day by concentrating on the outcome he wanted to create.

It often seems like the best work people do in the act of building something new occurs when they are clear about the results they want to achieve.

It is this sense of discovery, intention and value that is the driving force behind CDS' Cooperative Board Leadership Development (CBLD) program. In 2005, 24 food co-ops in the National Co-op Grocers Association's (NCGA) East Corridor have participated in a pilot program (called CoCoBEEPP) that offers ongoing board support with resources, guidance and feedback designed to help boards achieve excellence in governance. Since the program is in its first year, it is early to assess success, but participant food co-ops appreciate its individually tailored services and are optimistic about its long-term potential.

Dave Blackburn, NCGA's East Development Director, said the NCGA joined forces with CDS because the East Corridor seemed a natural fit for a pilot program. The Northeast region's boards were already getting together once a year.

The all-volunteer boards felt like they



needed systems to help them address issues of board leadership, improving relationships with managers, and being accountable to their memberships. "There's a recognition of the need for board support in the same way the CGA system supports general managers," he said. About the food co-op board members participating in the pilot, Blackburn said, "Ongoing board support is pretty exciting to people."

"We are pleasantly surprised with the amount of resources presented to us," Chuck Hungerford, board president at New Leaf Market in Tallahassee, Fla., said of the program. He has found CBLD's support valuable as he's sought to make being a board member a better experience for everyone. "I think seeing more options and alternatives for procedures

## Building on the Sector's Momentum

*As energy builds it gains more momentum.*

Over the last 10 years, many food cooperators have learned how to work better together to gain the benefits of volume and scale in the marketplace. Most notably, food co-op operations and management have improved, and best-practices have been established. Many food co-ops are thriving, due in part to these efforts. With the tools and resources that enhance continual improvement through programs like Common Cooperative Financial Statements (CoCoFiSt) food co-ops are able to be much more responsive to the challenges they face. The strength of their operational capacity allows these co-ops to make an even greater impact on their communities. Clearly, co-ops benefit through sharing resources.

The more sharing occurs, the more things happen, and quicker. In just the last year, two new collaborative programs have been undertaken by CDS along with other co-op organizations: Food Co-op 500 with the goal of 500 co-ops by 2015, and the Cooperative Board Leadership Development program is now building on collaborative advances to achieve excellence in governance. It's a natural outgrowth of the efforts that have gone before, and a very exciting development in the creation of a thriving food co-op sector. "It's an idea whose time has come," said board consultant Mark Goehring. "We're supporting individual, local co-ops and the movement as a whole. It's exciting."

—Patricia Cumbie

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## 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.

## CBLD Getting Results *continued from page 1*

or policies, hearing other ways to do things can help us do more, and more efficiently.” He said his work through CBLD has already resulted in helping his board make better and quicker decisions during their meetings.

Hungerford also noted the big picture relationship between stronger local co-op boards and the collaborative work of the food co-op sector as a whole. “I’m looking forward to increasing my knowledge and making more contacts with boards of other co-ops,” he said. “That’s something that’s extremely useful for me working with my board, and also improves the function of the network of co-ops.”

Hungerford’s experience is another reason the NCGA system supports CBLD, Blackburn said. “If there’s not sustained, focused effort on board leadership it makes it harder for us to come together. Effective boards are essential.”

CDS board development consultant Marilyn Scholl said, “In some ways CBLD is modeling the CGA system in that we are creating support for continuous improvements and best practices through a connected system.”

The challenges to the board of directors are in equal measure to its important work, and CBLD has identified three key areas of board responsibility:

- Board process, systems and tools
- Board relationships
- Accountability to members

Within these major areas of board responsibility are significant tasks to do, including hiring and evaluating management, assessing its own board performance, recruiting and training new board members, and embracing the critical issues that shape the co-op’s direction and future. Significant inherent weaknesses have historically undercut the effectiveness of board work: board turnover, lack of good systems and group process tools, and inattentive members.

Scholl talked about what she called the “pineapple” effect that occurs on boards without adequate systems and tools to discuss bigger issues. They’ll get bogged down

discussing a specific issue—why is the co-op stocking a certain pineapple—instead of focusing on how board values guide the decision making on what kind of pineapple the co-op should sell or promote. These are the process concerns that CBLD is helping boards address. The program has built in tools for surveying board effectiveness in the areas of systems, relationships and accountability, in order to determine what’s working well and what could improve so efforts are targeted.

“The boards that regularly invest in their own development get better and stay better,” said Scholl. “They’re not personality-dependent and you don’t get the ups and downs, depending on who is involved. With CBLD support we can help boards create their own process, tools, and relationships

so they have everything they need for accountability to their members.”

Program designers make it clear that CBLD is for the strategic development of boards, not for creating a certain direction for co-ops. CDS board consultant Mark Goehring said, “The vision for the co-ops is up to the individual boards. We want co-op boards to be able to do their best work.”

“Boards hold the key to the success of all our co-ops. They could be examples in their communities of excellent governance, able to look to the future and understand the role their co-op plays in the community,” said Goehring. “CBLD is a program that works on an individual level, but also connects the co-ops with common resources.”

He added, “The directors who are passionate about co-ops, who rise to the call to serve their communities, these are the people we’re supporting. They deserve and need the ongoing support our whole system can provide.”

When Edison was searching for a way to channel electricity to create a workable lightbulb, he believed he needed a material that could sustain electricity’s energy. When Edison met with success it was because he found a material (carbon) that increased and sustained its intensity, not lessened it. When boards have the strong support they need to channel their efforts on vision and the big picture, what might they discover?

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—Mark Goehring

# CASE STUDY

## Board Continuity: Getting It

### Syracuse Real Food Co-op Syracuse, New York

**T**hane Joyal is a working mother and the council president of Syracuse Real Food Co-op in Syracuse, New York. She cares deeply about her co-op and her community, and is more than willing to give her time and talents to it. But there are only so many hours in the day. It's pretty easy to get tapped out.

The last thing someone wants to do after a long day is waste time in a meeting having the same conversations year after year with a different set of people.

When Joyal joined the Syracuse council six years ago, she was determined not to let this happen. The Syracuse board had been particularly plagued by turnover problems. A lot of university students were cycling through the board, and it was nearly impossible for them to move forward on anything because of the constant introduction of new board members. Other people burned out on the board's dysfunction. Joyal believed that what they needed was a stable board of committed professionals. They also needed a lot of help rebuilding their board.

"It's been a resource-intensive process," Joyal said, "but certainly worth the investment in terms of board continuity."

She also noted that "it should be a lot of work" to be on the board because it's an important job, but that having the support of CBLD this past year was not only useful, but also a morale booster. "The little things really do help. This kind of support is critical to professional performance."

This year she will be stepping back as council president and handing on board leadership. She said her co-op's ongoing participation in CBLD has given her confidence that her succession plans will also be a success, not only because the next person has learned the skills to do the job, but also because there is a resource to tap into for additional help.



### New Leaf Market Tallahassee, Florida

**B**oard president Chuck Hungerford described New Leaf Market's past as "high touch and low tech." Although the co-op had grown significantly since its beginning as a volunteer-run entity, in some ways the board was still operating as if it were. "People had a tendency to want to focus on the details of the operation," he said.

Although he's been president a short time beginning this year, Hungerford wanted to come up with do-able strategies that would "create a sense of satisfaction and mentorship for the next set of board members coming on." He said he doesn't want people to feel like serving on the board is an annoying obligation.

Hungerford has found systems for determining the agenda and producing minutes have made board work more efficient and effective. "When you have strategic plans or a process to work on, it's much easier to report on activities you want the board to take action on. It makes the discipline of the board better.

"Now we're looking at ways to use the agenda to save time and promote decision making in the time the board has together." New Leaf's new board members are also scheduled to attend a "Cooperative Board Leadership (CBL) 101" training in Atlanta as part of the co-op's participation in CBLD, and they've already scheduled a board retreat to work more intensively with board consultant Marilyn Scholl.

"We realized the co-op is greater than our store," said Hungerford. "An important role of the board is to continue to broaden our vision beyond the store. At the same time we do have a fiduciary responsibility. As volunteers we need experts to guide and help us. At this juncture I'm pleased with the assistance."

Like Hungerford, Joyal believes that there are rewards to board service and those can be enhanced through support and collaboration. "It gets overlooked, but this can be very personally and professionally rewarding. It makes the hard work worth it," said Joyal.



## Food Co-op 500 Update

The Food Co-op 500 Program is a collaborative effort on the part of three cooperative organizations; The National Cooperative Bank, Cooperative Development Services and the National Cooperative Grocers Association. This program is in a pilot stage to grow to 500 food co-op stores in ten years, and is an industry-wide effort to improve and strengthen the food cooperative sector within the United States.

The principle of Cooperatives helping Cooperatives is a unique and powerful tool that co-ops have to improve their competitive advantage in today's business world. Cooperatives of all kinds can come together to create synergy that solves problems or stimulates new ideas that provide continuous improvement or the creation of new products and services.

The Food Co-op 500 task force is exploring the development of "Meet in the Middle" whereby the existing food co-op community meets new emerging co-ops and helps them through the building stage in systematic and formal ways. We welcome your insights and support.

The first deadline for the Seed and Sprout fund applications was September 15. The 2006 deadlines will be in February, May, August and November.

For more information see [www.foodcoop500.coop](http://www.foodcoop500.coop).

The logo for CDS (Cooperative Development Services) consists of the letters 'CDS' in a bold, white, sans-serif font, centered within a solid red square.

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