

Solutions

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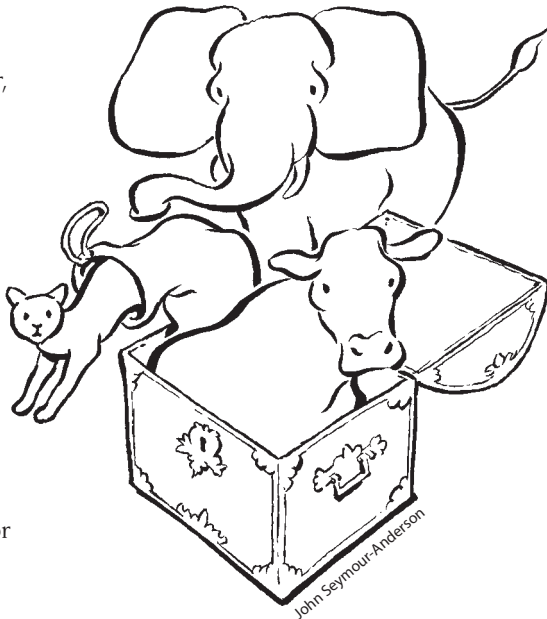
Board Development: Eye Rolling to Eye Popping

BY PATRICIA CUMBIE

It's time to deal with the elephant in the room, herd the sacred cows, clear the air, close Pandora's box, and let the cat out of the bag. Enough with the eye-rolling and tiptoeing, sitting in meetings wondering if the co-op board will ever accomplish anything of importance. Ask yourself instead: what would the future look like if your board, through its leadership and governance, was considered one of the most valuable assets of your food co-op?

Boards are valuable assets in the cooperative governance chain, but often the value from their contributions is difficult to see—their leadership isn't always taken seriously, or is misplaced. Not that it's a simple job, what with directors coming and going, leadership transition, and being accountable for decisions made every day by all those working for the cooperative—in addition to creating and providing stewardship for the organization's purpose and assets.

To help boards govern effectively on behalf of their member owners, CDS piloted a program (CoCoBEEPP) in the Eastern Corridor in 2005 to begin a dialogue with boards and general managers about how to design, shape and invest in board development. The program was extended to co-ops in the Central Corridor for 2006 under the Cooperative Board Leadership Development program (CBLD). Results achieved so far have been exciting, and among participating co-ops there is unanimous agreement that investing in ongoing board development is a good use of co-op resources.



Thinking of board education and training in a systematic and system-wide manner has helped change the conversation about what is possible. Now that cross co-op director orientation classes exist for newly elected directors, board leaders receive ongoing support, and every participating board has an annual retreat, what are the next steps for board development? What about those directors in the middle of their terms? What specific topic areas should be developed?

"We've made a good start," said CDS CBLD consultant Mark Goehring, "and we should keep this train moving. We believe—and have seen evidence to support the notion—that if we invest in governance as an underdeveloped asset, it will provide more value to the system."

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Parable of the Group-Directed Bus Tour

Rather than travel alone, you've signed up for the Group Directed Bus Tour. Touted as a unique and highly democratic travel experience, you all decide where you want to go. You elect nine people from the tour group to act on your behalf. Those directors hire a bus driver, and everyone gets on the bus.

The bus driver seems pretty good, but it's hard to say if she is a skilled map reader or not, because she's not given one. People from the elected group start shouting directions, "Turn left, no right, slow down, no, stop!" You find out they are lost, and won't ask for directions. Along the way the bus stops at every so-called scenic overlook and kitschy tourist shop. Whenever the bus stops, people sneak away, finding other bus tours that promise to get there in half the time. The bus driver turns up the radio to drown out the backseat drivers and starts speeding to make up for lost time.

You finally arrive at the Grand Canyon. But it took too long, the bus driver quit, and you lost people along the way. It was a bittersweet journey because you know the people you set out with—the directors, the driver, the fellow riders—are truly wonderful, but the experience was more chaotic than democratic.

In retrospect you can't believe everyone set off without any preparation or statement of intent. But because this is at heart an optimistic group, there will be a next time. The next time anyone takes the Group Directed Bus Tour, everyone vows they'll do their part to invest in the process that will result in arriving quickly at many memorable destinations.

—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.

Board Development *continued from page 1*

Historically, a lot of food co-op boards functioned as guiding committees, with board members involved in the co-op in hands-on ways. Today, with increasing operational support for general managers from the NCGA, CDS, and others, that approach is not only outdated, but could hinder the advancement of the co-op as a community owned enterprise. Board members still feel like they should be “doing” something, despite the fact that their co-op has sophisticated management in place. A big part of CBLD has been working on the clarification of board and general manager roles, understanding governance principles, and developing governance policies, tools and practices, all with consideration given to big picture questions: What does it take to govern effectively on behalf of our member owners? Just how does the board add value to the cooperative?

“Cooperative board leadership could be what sets us apart as a community of member-owned businesses,” Goehring said. “This is worth doing. It’s new thinking for the whole system. What support, training, and learning should boards have access to? How does this knowledge “stick” through time? What are the leverage points to the governance system that will move all co-op boards to be eye-popping assets for their cooperatives? That’s what we’re working on, and we see it as a community development issue. We’re starting the conversation and we’re looking for input.”

At the Hanover Consumer Co-op, in Hanover, New Hampshire, recent board president Michael Yacavone said that the challenge to local boards is to accept their governance role as big-picture thinkers. “We need to teach boards that cogitating is doing. Listening and providing clear thought is doing.” He noted that when you get a group of smart people together they have a tendency to want to rush into action. “Sometimes you end up with a group of self-appointed entrepreneurs, which may not be the right approach.” He found that by continually asking the question—how does this issue

relate to board governance—his board could stay on track with its governance role.

Yacavone said CBLD helped him be more prepared for board meetings and gave him a sounding board to think through leadership issues. “One advantage of CBLD is that it works on the interface between board and management to bring value to the board.”

Hanover’s general manager, Terry Appleby, said that the board’s focus on creating clarity in the roles of board and management has allowed him more latitude to fulfill the co-op’s mission from an operational standpoint. “One thing that’s important to me is that there be a confluence of thinking with the board and manager. When the board speaks with one voice it is invaluable to me in moving ahead once a decision has been made.”

Appleby said his relationship with his board has always been good, but he sometimes felt hemmed in by unspoken expectations. “Once they started to write these things down, it became clearer to me my duties and expectations. It gave me more freedom to act.” He also attributes the board’s

commitment to the policy process for creating a way to deepen the level of trust between the board and manager.

Both Appleby and Yacavone feel enthusiastic about their progress the past two years, but believe that they are just scratching the surface, especially regarding strengthening member linkage. This is their board’s next big step. Yacavone said the Hanover board “got good at drafting policies and thinking about how we want the co-op to matter in the world.” Now the co-op is ready to take this internal process out to the membership. Part of the work of CBLD is to help boards reach their ultimate goal: accountability to the members.

Yacavone acknowledges the inherent difficulty in trying to connect with thousands of members, but understands its profound necessity. “Member linkage is not just a project. It’s a change in our approach. We want it to be an ongoing process,” said Yacavone.

“Cooperative board leadership could be what sets us apart as a community of member-owned businesses”

—Mark Goehring



CASE STUDY

Board Accountability at Harvest Cooperative Markets

Harvest Cooperative Markets has been going through the process of rebuilding board accountability by taking up the board policy work begun almost a decade ago and seeing it through. After a period of good sales but negative financial results that began in year 2000 and continued through a succession of poor management over the years, the co-op found it necessary to regroup and look at their systems (or lack) for accountability. In addition to hiring a good manager, the board felt it was equally important to hold themselves accountable for their own neglected process.

"People like to feel they are productive and contributing," said Jessie Myszka, president of the board. "We have board policies dating back to the early 90s, but that doesn't matter if you don't ever come back to them or they're not mutually understood. It causes a lot of frustration on the board and for the manager." They were also motivated by a desire to keep their competent general manager in place. "We didn't want to take a good GM and frustrate him with poor governance," Myszka said. So the board set out to clarify their expectations at all levels.

They are looking at all points of accountability and linkage not just between the general manager and the board, but the board and its owners, the general manager and staff, and among staff and member owners. Through the CBLD program, the Harvest board has explored accountability as having clear expectations, assigning responsibility and systematically checking to see that expectations are met. This work is the Harvest board's number-one priority. Even though they are just beginning, Myszka believes they are achieving results because they are doing the work with intention and better board administration.

Myszka said they are looking at how Harvest can take more of a multi-stakeholder approach within their system. "The co-op as heart of the community—we've not been focusing on that." She mentioned how one of their locations is experiencing competition from chains and how the board's vision



Harvest Cooperative Markets

Boston, Mass.	Equity investment: \$200 per household
Two locations: Cambridge and Jamaica Plain	Number of staff: 100
Founded: 1976	Retail square feet: Cambridge 8,000, Jamaica Plain 5,000
Number of members: 6,000	

can impact that dynamic. "It's not in the chains' best interest to focus on the local community...they may not abuse it, but they don't see it the way we do, that the people around us are our neighbors and that we should have an active local economy."

Myszka believes a lot of the co-op's potential is lost when the accountability cycle doesn't go full circle to the members.

"In the same way that we hold ourselves accountable, we want the owners to hold the board accountable. Yet it's unfair for the co-op to ask them to act like owners if they don't have information." The Harvest board has set out to address that issue because there was virtually no communication in either direction. So they're asking members what they need to know to be good owners. They realize that 6,000 people can't hold the board accountable in the same way the board does the general manager, so they've decided to start with stating their intentions and reporting on their progress to the members.

At their annual meeting they held a forum with members. "We wanted to avoid talking heads at the annual meeting. The members were very enthusiastic. We [the board] left energized. We realized the members care, and we felt more motivated, knowing the members feel invested in the co-op."

This Year Marks 50th Anniversary of CCMA

June 8–10, 2006
Atlanta, Georgia

The Consumer Cooperative Managers Association (CCMA) conference has now trained and sustained co-op board and managers for 50 years.

The theme of this year's conference, "Golden Delicious," offers an array of workshops and discussions on planning, member linkage, human resources, management, and the co-op movement, all designed to help facilitate a future where co-ops continue to thrive at least another 50 years.

See these workshops by CDS consultants:

Creating our Future Together

Mark Goehring with Michael Yacavone

Getting a Handle on Linkage

Linda Stier

Key Indicators: Understanding and Impacting Them

Mel Braverman

To register online go to:

www.cals.wisc.edu/ccs/, or call CALS conference services at 608-263-1672.

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