

# STRATEGIC PLAN AND TEN-YEAR GOALS



Approved by the Moscow Food Co-op Board of Directors in Month Year.



## MOSCOW FOOD CO-OP STRATEGIC PLAN AND TEN-YEAR GOALS

### *Moscow Food Co-op's Mission*

**Moscow Food Co-op: Building a strong, dynamic, consumer-owned natural food cooperative through the use of ethical and sustainable business practices.**

### *The 7 Principles of Co-operation*

**Voluntary and open membership:** anyone can join; there are no criteria for membership

**Democratic member control:** one member, one vote

**Member economic participation:** that's where the capital comes from

**Autonomy and independence:** co-ops are autonomous, self-help organizations controlled by their members

**Education, training, and information:** co-ops train their members, staff, and board so they can contribute effectively to the development of the business

**Co-operation amongst co-operatives:** co-ops can serve their members most effectively by working together

**Concern for community:** while focusing on member needs, co-ops work for sustainable development of their communities

### *What is a strategic plan?*

A strategic plan is a roadmap to an organization's future, which defines its direction and aspirations, and helps to determine how resources (including money and people) will be allocated in the future. Simply put, strategic planning determines where an organization is going over the next year or more, how it's going to get there, and how it'll know if it got there or not. Although a strategic plan looks toward the future, creating one necessarily means taking a hard, objective look at where an organization has been and where it is now. It is a challenging but extremely rewarding process.

The Moscow Food Co-op has grown steadily since it was founded in 1973, moving several times into bigger and bigger facilities until its most recent move to the heart of downtown Moscow in October 2005, which doubled the store's square footage (from X to X) as well as the number of employees (from X to X) necessary to staff it. (Had previous moves doubled the size?) The number of member-owners, too, has increased from XXXX in 2000 to XXXX in 2008. Once we met the basic challenges of managing the bigger store with its increased customer flow and enlarged staff, we felt that it was important to plan ahead for our Co-op's future.

The Co-op quite literally IS us, its member-owners. We are a diverse group, but the Co-op embodies many of our needs and values that we have in common. These have remained fairly consistent over time because they are grounded in 1) our desire to eat natural foods, and 2) our dedication to co-operative principles. These two things never change, no matter how many member-owners comprise the Co-op. Our ten-year strategic plan, as it turns out, is not surprising or radically divergent from what we have been trying to do all along. This fact, along with our steady growth over the past 35 years, is a sign that we've been serving the majority of our member-owners well, and that we're already on the right path and facing the right direction. The five broad goals of our strategic plan quite naturally are founded on the bedrock of cooperative principles, the Co-op's stated mission, and our dedication to good, healthy food. Of course, there is always room for improvement, so, most importantly, the strategic plan records and renews our commitment to all these things.

## ***How was this plan developed?***

The five broad goals of the plan were developed with input from Co-op member-owners, board members, and staff. Here's some of what has happened over the last year and a half:

- Co-op board, staff, managers, and member-owners shared our perspectives on Co-op goals and priorities with the Strategic Planning Working Group (SPWG) through community meetings, round table discussions, and via the “vision box” over a period of three months.
- The SPWG reviewed and processed the copious ideas generated and shaped the basic themes that emerged into broad goals.
- The Co-op’s board of directors reviewed the draft and gave the SPWG feedback on the goals.
- The SPWG took that feedback and used it to revise and provide more detail about the goals.
- Everyone was invited to a “Dinner with Directors” to preview the draft and provide input on the draft goals. About 30 member-owners attended. Board members also provided additional feedback at this time.
- The document was revised again to reflect the new feedback.
- Finally, the SPWG published the final draft for review and comment by member-owners throughout October and November of 2008. The draft was available on the Co-op’s website with an electronic survey available on-line; copies were available in the store with a feedback form and box available for written comments; and the outreach and membership coordinator gathered verbal and written feedback at a strategic plan wrap-up event in the store on November 15, 2008.

## **CO-OP GOALS FOR 2009 – 2019**

**STRENGTHEN CO-OP COMMUNITY:** The Co-op will strengthen our sense of community and increase understanding of the seven cooperative principles (in general) and of our Co-op’s importance (specifically) – thus creating a wider “Co-op consciousness” – by constantly striving to meet the various needs of member-owners; by creating as many opportunities as possible for dialogue between member-owners, staff, and the board of directors; and by creating as many opportunities as possible for member-owners to become actively engaged in the Co-op, so that the Co-op can become an expression of some of our most closely held principles, ethics, and ideals.

**CREATE AND MAINTAIN THE BEST WORKING ENVIRONMENT IN MOSCOW:** Well-trained, customer-service oriented, and positively motivated Co-op staff members are essential to the health of the Co-op and to the satisfaction of Co-op member-owners and shoppers, and so we will continue to invest resources in our employees. The Co-op will continue to strive to offer exemplary wages (living wage +) and benefits for full-time staff, compelling staff incentives and rewards, and a professional, responsive human resources department.

### **DEVELOP AND SUPPORT THE LOCAL, ORGANIC, AND SUSTAINABLE FOOD AND GOODS**

**ECONOMY:** This goal is central to our mission and to our belief in the “triple bottom line,” which means that our decisions must account for *people*, *place*, and *profit*, not just profit. At the heart of this goal is the Co-op’s deep desire to carry and sell more produce, meat, and goods that are grown and produced locally. In 2008, local food and goods make up only about 10% of our total sales. To increase this percentage, the Co-op will strive to increase and then meet the demand for local, organic, and sustainable food and goods; to continually re-evaluate what these labels mean and how they apply; and to collaborate with local growers and producers to provide them as many opportunities as possible to market their local, organic, and sustainable food and goods.

**INCORPORATE VALUES OF ENVIRONMENTAL SUSTAINABILITY INTO FACILITY:** Concern for the environment is a core value for many Co-op member-owners, and it is critical that the internal and external physical spaces of the store reflect that value. Sustainability and environmental-friendliness were top priorities during the creation of our Co-op’s store and our ultimate goal is to operate a zero-waste facility. We hope to be a model for energy-efficient and sustainable business practices, to take steps towards energy self-sufficiency, and to support and encourage each other as we strive to incorporate and reflect this value in our own homes and workplaces.

**INCREASE COMMUNITY ENGAGEMENT, OUTREACH, AND EDUCATION:** The Co-op is more than a natural foods grocery store. It is also a community hub – a place where people gather, meet friends, hear music, experience art, and learn new things. As a community hub, or *third place*, the Co-op performs many functions of a for-profit business, but also of a nonprofit organization. It sponsors educational and arts-related experiences for children and adults, assists local nonprofit and charitable organizations, and provides community services. We are committed to continuing to enrich our community through these activities and to do even more as our resources allow.

As you'll see from the plan, the first year is mainly about exploring opportunities, gaining more knowledge, and developing detailed work plans, although some of the items have already been done or are in progress. There will be many opportunities for member-owner involvement, so if one of the goals calls out to you, please email the outreach and membership coordinator at [outreach@moscowfood.coop](mailto:outreach@moscowfood.coop).

## STRENGTHEN CO-OP COMMUNITY

The Co-op will strengthen our sense of community and increase understanding of the seven cooperative principles (in general) and of our Co-op's importance (specifically) – thus creating a wider “Co-op consciousness” – by constantly striving to meet the various needs of member-owners; by creating as many opportunities as possible for dialogue between member-owners, staff, and the board of directors; and by creating as many opportunities as possible for member-owners to become actively engaged in the Co-op, so that the Co-op can become an expression of some of our most closely held principles, ethics, and ideals.

**Specifics:** Because the Co-op's member-owners are diverse, this goal has several specific strategies associated with it.

- a) *Increase opportunities for all member-owners to be involved and heard:* The Co-op currently has 4500 member-owners, of which a relatively small proportion are actively involved in the Co-op's work. This segment already feels a strong sense of Co-op ownership, and they want to actively make a difference in their community. The Co-op greatly values these engaged member-owners and needs to ensure that their voices are heard. The Co-op needs to clarify, develop, and better communicate avenues for them to participate, volunteer, and offer constructive input.
- b) *Develop and implement a long-term vision for the volunteer program* that offers meaningful opportunities for member-owner involvement and solidifies this valued and valuable part of the Co-op.
- c) *Increase benefits of membership and encourage engagement for “shopper-members”:* Most of the Co-op's member-owners don't want to be actively involved – they simply want to shop at the Co-op. For this group we need to enhance the tangible benefits of membership and ensure that they are aware of the avenues for further involvement, if they desire it.
- d) *Increase membership by 100% by 2019:* Member-owners are the life-blood of the Co-op. They support the Co-op both by spending more money than nonmembers and through their active involvement in the Co-op's mission. The primary candidates for membership are existing shoppers who are not yet members of the Co-op. Beyond that, the 30,000 students in the Moscow/Pullman area are potential member-owners, as are the many individuals in our community who are simply not yet aware of what the Co-op has to offer. As the membership grows, the Co-op will also focus on increasing the proportion of actively involved members.
- e) *Increase board development opportunities:* A strong Co-op also depends on a strong and highly functioning board of directors. The Co-op will prioritize the development of its board of directors through external trainings, clear policies and expectations, effective recruitment of high quality board members, and comprehensive board orientation.

### *Next Steps Include:*

- Assess the current benefits of Co-op membership and seek feedback about additional benefits and services that members would value.

- Evaluate the current avenues for member involvement and their accessibility for both engaged and “shopper” member-owners.
- Develop a work plan and job description for an outreach and membership coordinator.
- Create realistic annual goals for increasing membership.
- Hire an outreach and membership coordinator who will be responsible for developing concrete ways to engage current members and bring on new members.
- Complete the assessment of the volunteer program and implement recommendations for solidifying it.
- Begin implementation of board development program.

**Who is responsible:** The tasks associated with this goal will be the responsibility of the membership committee of the board, in cooperation with the general manager and (once hired) the outreach and membership coordinator. Recommendations about the structure of the volunteer program will be the responsibility of the volunteer program committee of the board.

## CREATE AND MAINTAIN THE BEST WORKING ENVIRONMENT IN MOSCOW

Well-trained, customer-service oriented, and positively motivated Co-op staff members are essential to the health of the Co-op and to the satisfaction of Co-op member-owners and shoppers, and so we will continue to invest resources in our employees. The Co-op will continue to strive to offer exemplary wages (living wage +) and benefits for full-time staff, compelling staff incentives and rewards, and a professional, responsive human resources department.

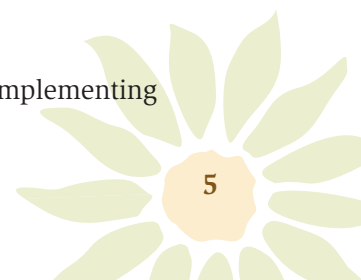
### Specifics:

- Develop the Co-op’s Human Resources capacity by adding an HR department:* An HR department comprising several professionals with different areas of expertise is essential to the health of an organization of the Co-op’s size. Within the next three years, this department will be solidified and HR functions (currently spread widely across management) will be consolidated. This, in turn, will allow for better planning to improve working conditions at the Co-op.
- Invest in high-quality employees:*
  - Increase numbers of full-time employees and non-student employees
  - Encourage retention of all employees, through incentive programs, financial performance rewards, and other strategies.
  - Increase training and professional development opportunities for all staff. Key training topics include: Natural foods, customer service, safety (OSHA requirements, and leadership and management)
  - Implement succession planning for management team and general manager.
- Provide (and maintain) living wages and benefits:* Co-op staff qualifies for full health care and other benefits once they work 30 hours per week. The Co-op is committed to bringing wages and benefits up to national standards for living wages and maintaining them at that level.
- Continue to be attentive to staff morale and responsive to staff concerns:* The Co-op will move from assessing staff satisfaction every four years to assessing it every two-years, using a qualified third-party evaluator. Results from this assessment will be used to develop training programming, changing policies, developing rewards and incentives, and implementing staff retention strategies.

### Next Steps Include:

#### Years 1-2

- Conduct an employee satisfaction survey
- Define HR function and job(s)
- Develop staff rewards and incentives for performance
- Define training and professional development needs/interests and develop plan for implementing robust program



### Years 3-5

- Develop HR department
- Increase staff wages to achieve “living wage” benchmark
- Employee survey in year 3
- Continue to develop professional development and training program

**Who is responsible:** The tasks associated with this goal are the responsibility of the general manager, the human resources manager and staff managers in consultation with the board president.

## DEVELOP AND SUPPORT THE LOCAL, ORGANIC AND SUSTAINABLE FOOD AND GOODS ECONOMY

This goal is central to our mission and to our belief in the “triple bottom line,” which means that our decisions must account for *people*, *place*, and *profit*, not just profit. At the heart of this goal is the Co-op’s deep desire to carry and sell more produce, meat, and goods that are grown and produced locally. In 2008, local food and goods make up only about 10% of our total sales. To increase this percentage, the Co-op will strive to increase and then meet the demand for local, organic, and sustainable food and goods; to continually re-evaluate what these labels mean and how they apply; and to collaborate with local growers and producers to provide them as many opportunities as possible to market their local, organic, and sustainable food and goods.

### Specifics:

- Facilitate a user-friendly process to help local growers and producers offer their products at our retail market:* This could include:
  - establishing a grower advisory board that can identify grower and producer needs, understand obstacles, and identify solutions;
  - developing the ‘agility’ to recognize availability of local produce and food and purchase it – so that we are not tied to a distant wholesaler simply because of inertia;
  - determining the volume of total produce sales and identify what \*could\* be grown locally and developing a standing list of needs/volumes/prices so that Co-op managers and growers know the potential market; and
  - exploring opportunities and specific strategies to facilitate technical assistance and/or financial assistance to growers and producers – this might include partnerships with universities or local organizations.
- Support opportunities and venues that allow local growers and producers to offer products directly to customers:* These opportunities include the Tuesday market, the Farmers’ Market, and other opportunities to publicize local farms, producers, and CSAs.
- Help to educate the community about the importance of local, organic food*
- Continue to price Co-op goods in consideration of the following:*
  - Fair prices for local farmers and producers
  - Fair wages for employees
  - Real costs of organic, local foods
  - Fair prices for shoppers
  - Investment in co-op infrastructure

### Next Steps Include:

#### Year 1:

- Establish a grower advisory board to help us understand capacity, interests, obstacles, etc.
- Determine volumes and prices for potential markets

## Year 2:

- Partner with universities and local organizations to develop priorities for local food and produce to fill existing Co-op market volume. Identify needs and obstacles, as well as potential for providing technical and financial aid.
- Develop detailed plan for increasing local, organic food sources

**Year 3-10:** Implement plan to fill Co-op market volumes locally.

**Who is responsible:** The tasks associated with this goal will be the responsibility of the general manager, in cooperation with Co-op staff and management team, with involvement from the board of directors and volunteers.

## INCORPORATE VALUES OF ENVIRONMENTAL SUSTAINABILITY INTO FACILITY

Concern for the environment is a core value for many Co-op member-owners, and it is critical that the internal and external physical spaces of the store reflect that value. Sustainability and environmental-friendliness were top priorities during the creation of our Co-op's store and our ultimate goal is to operate a zero-waste facility. In the short-term, we hope to be a model for energy-efficient and sustainable business practices, to take steps towards energy self-sufficiency, and to support and encourage each other as we strive to incorporate and reflect this value in our own homes and workplaces.

### Specifics:

- Become a model of energy self-sufficiency to reduce our carbon footprint:* Using green building benchmarks as a guide, the Co-op will take steps to increase its energy efficiency. Examples include the already initiated composting effort (the Earth Tub), adopting alternative energy and resource use as appropriate and pursuing sustainable operations and practices.
- Redesign the parking lot to be safer, greener, and to better reflect our values:* configuration is already underway. Over the next two years, we will eliminate the Washington Street access and improve traffic flow, install a cob wall, more bike racks, and more trees, and improve the outdoor sitting and eating area.
- Be prepared to purchase the Co-op's current building if it becomes available:* The Co-op now has the perfect downtown location. Because we lease the building, some changes and upgrades are more challenging, if not impossible, to implement. In the next five years, we will make sure that we are positioned to purchase the building, should it come up for sale. This includes maintaining and strengthening relationships with current owners and developing a buy-the-building fund.

### Next Steps Include:

#### Year 1:

- Research and understand green building standards
- Catalogue existing efforts
- Prioritize next steps for improving environmental sustainability into a detailed action plan
- Finish parking lot project
- Consider preliminary steps that need to be taken to position Co-op for eventual building purchase

#### Year 2 - 3:

- Finalize detailed action plan and begin to implement recommendations.

**Who is responsible:** The existing sustainability committee, which includes board members and volunteers, is the natural champion for the tasks associated with this goal.



## INCREASE COMMUNITY ENGAGEMENT, OUTREACH AND EDUCATION

The Co-op is more than a natural foods grocery store. It is also a community hub – a place where people gather, meet friends, hear music, experience art, and learn new things. As a community hub, or *third place*, the Co-op performs many functions of a for-profit business, but also of a nonprofit organization. It sponsors educational and arts-related experiences for children and adults, assists local nonprofit and charitable organizations, and provides community services. We are committed to continuing to enrich our community through these activities and to do even more as our resources allow.

### **Specifics:**

One way to ensure that these important community activities continue and grow, without detracting from the Co-op's core function as a grocery store, might be to establish a nonprofit arm that can focus on the educational and community-building aspects of the Co-op's work. A nonprofit arm would be able to accept tax-deductible donations, and would be able to apply for foundation and government grants or accept donations from community members.

Because funding sources for nonprofit organizations on the Palouse are limited, the Co-op will approach this goal cautiously – making sure that it is not inadvertently duplicating efforts or competing for funding with other like-minded groups.

### **Next Steps Include:**

#### **Years 1-2:**

- Develop an ad-hoc committee including at least one board member and several interested volunteers.
- Interview other Co-ops that have developed nonprofit arms to learn more about their experiences and the benefits and challenges of this approach.
- Inventory all current and desired Co-op programs that could fall under the auspices of a nonprofit arm
- Research the tax/legal implications of creating a nonprofit organization as part of a Co-op
- Speak with regional and local grant makers to determine appetite for funding programs and efforts related to nutrition, sustainable local food economy, etc.
- If creating a nonprofit arm still seems feasible and desirable, begin application process
- Develop mission, vision, and goals
- Create board of directors
- Develop specific work plan for nonprofit arm

**Who is responsible:** The tasks associated with this goal will be the responsibility of an ad-hoc committee, led by a board member. This committee will make recommendations to the general manager and the board of directors.

### **Strategic Plan Working Group:**

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