

CULTIVATE THE CURRENT BUSINESS

Summarize the idea:

Invest in the current organization and business model as is:

- Substantially boost community outreach and marketing
- Build partnerships with other Co-ops and local businesses
- Support increase in member-owner involvement
- Improve facility (see past strategic plan: entryway, 2nd floor accessibility, increase floor space)
- Focus on improved internal communication and planning
- Invest in staff participation and professional development

Why propose this idea:

While there may be a need for major changes to support long-term financial viability, there may not be an appetite by the current-member owners or staff. Many of the proposals by member-owners over the summer showed an interest in doing more to cultivate or strengthen what we have now.

Pros:

- Easily supported by member-owners and staff – incorporates the suggestions of many. That is, it is less disruptive, or radical, than other ideas that may serve to alienate portions of the membership
- Builds on our values as a participatory organization at all levels
- Improving entry way and making community center accessible would create a more welcoming facility
- Can be incorporated and/or simultaneously used in collaboration with other ideas

Cons:

- Requires a fair amount of hours, legwork and volunteers (much more than board members)
- Requires significant resources to provide the level of ongoing community organizing to implement
- Requires willingness from neighboring businesses to work with us
- Still not enough parking in current location (major issue which limits revenue growth, per marketing study)
- These major investments may not be enough to secure long-term financial viability or there is a long time gap to produce results, but with a continuous effort needed

What do members think?

This seems to follow much of what has been raised by member-owners at the June meeting and in various other forums this summer. In the survey, member-owners were less likely than general community members to desire major changes.

What are the pitfalls? That is, the biggest risks?

Board members and staff continue to burn out because of unrealistic expectations and organizational culture. Management fails to achieve the confidence of staff, board, and member-owners needed to achieve this plan. The financial gap does not diminish at all or enough. We remain on a path to slow financial death and continue to experience financial crisis because the investments in staff, building, management, board, *etc* are not enough.

Who will be responsible for making it happen?

Volunteer committees of member-owners and/or staff who have delegated operational authority and budgets. Requires a high level of trust, patience, facilitation supported by a strong board and management.

Use of consultants, as needed. Community Center could become its own nonprofit with its own board (and requires volunteers to do this).

- Marketing & Outreach Committee, Building Committee
- Board leadership on onsite expansion and financing
- Staff participation to help plan/coordinate implementation
- Part-time Executive Director or Co-op Manager which could build to full-time. Major duties include community organizing, marketing, outreach, communication, partnership development, reports to the board. Supervises a store manager or the store manager also reports to the board.

Back-of-the-envelope Cost-Revenue Analysis – what will it cost? What will it save? What revenue will it bring in? That is, how much of the gap does it close?

- \$250,000 - \$400,000 (?) for building improvements (includes expansion of footprint and elevator) – Combination of grants, loans and sweat equity
 - Increase sales by \$250,000 annually (conservative per marketing study)
- Use member-owner equity or other contributions of members to provide initial capital
 - \$40,000 year one
- Invest in management and staff participation: \$40,000 year one; \$60,000 year two
- Invest in marketing, communication and outreach activities: \$5,000.
 - Assume ROI of at least 3:1 = \$15,000 net revenue boost (in three years)
- Still may be short of meeting the full financial gap

How long to make this idea come to fruition?

Two to three years.

What is the interim plan to remain solvent?

Assume that we are able to continue to break even at year end. Immediate needs include hiring an Executive Director/Co-op Manager with strong community organizing capacity/experience.

References:

<https://www.plainfieldcoop.com/documents/2018%20marketing%20study.pdf>