

## THE CHALLENGE WE FACE TOGETHER

The annual operating budget for the Co-op is about \$470,000.

Our target sales for our current store should be about \$1,340,000.

Over the last three years, our average sales have been \$1,155,000.

We need about \$175,000/year more in gross revenue to meet our budget.

At this revenue (\$1.3 million), we would cover our true operating expenses and achieve our target 2% profit margin of about \$25,000. That profit is critical to be able to reinvest in the Co-op to be able to keep up and improve the building, invest in social mission, *etc.*

### Other Challenging Factors to Consider:

- We are a convenience grocery store in the sense that the vast majority of shoppers also shop elsewhere
- The grocery business – even natural foods, organic grocery – is very competitive
- We serve a rural community, which means we have a small population base
- We also have a changing demographic – i.e., decreasing population base
- We have big seasonal differences in sales (more in summer, less in winter)

We cannot move forward with the status quo, which is heading towards bankruptcy.

Now is the time to make a thoughtful choice between the following paths:

**GROW                  SHRINK                  SELL                  CLOSE**

## SMALL GROUP DISCUSSION (4-5 PEOPLE PER GROUP)

Goal: Through group discussion, members identify feasible and financially viable paths forward that reflect the mission and vision of the Co-op's member-owners.

- 1) Assign someone to take notes (you can use the worksheet on the back).
- 2) Discuss the pros and cons of the 4 paths listed above (Grow, Shrink, Sell, Close). What does each path mean for you and for this community? Strive to be creative, ask tough questions and stay open to possibilities.
- 3) Using group consensus, choose the optimal path and design a strategy that effectively moves the Co-op down that path. Come up with at least one idea or next step. Try to be as detailed as possible. Ask yourself: what is the financial impact of our idea? Does it lead the co-op to sustainability?
- 4) Report back to the full group (3-4 minutes) and give your group worksheet to the board so they can capture all ideas to share with broader membership.

## **Plainfield Co-op – Kitchen Table Conversation – Grow, Shrink, Sell, Close**

Use this worksheet to discuss and record.

Kitchen Table Host & Contact Info:

Group Members:

Which path did your group choose? Why?

What steps would you take? What does it look like to take this path? (Who? When? How?)

What would be the financial impact? Does it address the financial gap identified? If not, what more needs to be done?

What are the resources needed to make this happen? Where will these resources come from?

What do you anticipate as the major obstacles on your path? How will we overcome them?