

# OUR PEOPLE FOOD COOP NEWS

NOVEMBER/DECEMBER 1990 134 W. Aurora St. Ironwood, MI 49938

(906)932-3547

## NEW DISCOUNT SYSTEM

We have implemented a new discount structure starting Oct. 1. It is as follows: memberships and yearly renewals are still \$5.00. This entitles you to a 5% discount. Four hours working time (2 hours for seniors) will give you a 10% discount. Eight hours work (four hours for seniors), a 15% discount. Senior 5% discounts have been cut to Tuesdays only for nonmembers, whereas senior members shopping on Tuesdays will get an additional 5%, up to a total of 15%.

In addition we have added a fair share investment of \$30.00. This is an OPTIONAL one time fee of \$30.00. This is your opportunity to invest in YOUR co-op to really commit yourselves to helping us make this store a valuable asset to this community. In return for the use of your \$30.00, we will give you an additional 3% discount on top of your regular discount. This means you can get an 8%, 13%, or up to an 18% discount for an 8 hour working membership. (See chart 1,A for examples of savings.) The fair share investment is refundable at any time.

We will try this system for one year and if we still aren't going where we need to go to survive, it will be revised. With the money this generates, and through loans, we hope to increase our inventory, and buy new shelving and other equipment required by the increase in inventory. All of this should help us to increase our sales. For a further explanation of what we need to do, see the partial report from Bill O'Donnell. For anyone interested, the complete report is available at the store.

So far we have had lots of positive feedback on our new system. Thanks to all of you who have said you are willing to commit to the co-op because you really believe in it and can't imagine life in this area without it. That type of attitude really

gives the staff a boost and makes it easier to deal with the not-so-pleasant parts of the job.

Thank you to these fair share members:

Paul Sturgul

Marion Gronquist

Nancy and John Ramsey

Karen Brelle

Tom and Terri Davis

Welcome to new members:

Nancy Terr

Paul Castagna

Lela Boylan

John Bates

Mary Burns

## CO-OP NOTES

Has everyone noticed the paintings we have on display? We would like to thank local artist Paul Castagna for brightening up our bare walls with his work, and for helping to create a more pleasant atmosphere in which to work and shop.

Goodbye to Leigh Taylor and John Runner, who with a little help from the powers that be, may actually be moving to their new home in Arkansas. We wish them all the best and thank them for all the time and thought and money they've invested in the Co-op over the years. We will miss you.

## WORKING MEMBER HELP NEEDED

Someone to work every other Friday for 2 to 3 hours, unloading the truck, pricing and restocking products. Preferably someone with a good, strong back. MUST BE DEPENDABLE.

## CHRISTMAS SHOPPING

Remember to stop in when you're doing your Christmas shopping this year. We have unique items you won't be able to find anywhere else. For that special Christmas present, shop at the Co-op.

## FINANCIAL REPORT

On July 19, 1990 Bill O'Donnell of William O'Donnell Financial Services conducted an in store evaluation and Board of Directors Training. His report, in part:

In overall terms the Co-op has seen recent success in reducing its debts. The success has come through a very conservative business approach, as well as modest sales increases. The Co-op operates a fiscal year that ends on 9/30. Comparison figures:

Year End	9/30/89	% INC	9/30/88	%INC	9/30/87	%INC	9/30/86
Net Sales	\$62,324.	4.56%	\$59,607.	6.64%	\$55,898.	1.32%	\$55,169
Gross Prof.	\$20,227.	12.65%	\$17,956.	-.64%	\$18,072.	1.62%	\$17,784.
% of Sales	32.45%		30.12%		32.33%		32.24%
Profit	\$1,765.		(\$38)		(\$897)		(\$212)

As these figures show, the financial gains have come not so much through an increase in Sales, but rather through tight controls of expenses. This is commendable, but it should also be recognized that this conservative approach can have a negative effect if it hampers the Co-op's ability to generate Sales. At a time that the Natural Foods Industry has shown double digit percentage increase in Sales (average 15-20%), this Co-op has shown only a 5% average increase in Sales over the last three years. The old cliché applies here - sometimes you have to spend money to make money. I found that the Our People Food Co-op needs to consider spending more funds in the areas of larger inventory and perhaps store equipment for presentation, for example shelving and freezer and coolers.

