2018 Shopper Survey: You Inspire Us to Improve!

In February, we conducted our first Shopper Survey since 2013, the year we opened. In the months since, we’ve been using your answers to improve our operations and guide our day-to-day work.

What did we learn? Perhaps the most important takeaway is how deeply you care about your co-op.

In total, 463 people started the survey, and 89% completed it, spending an average of 18 minutes to answer all 40 questions. And you didn’t just tick off the boxes. You took the time to include approximately 600 comments: praise, constructive criticism, suggestions and questions.

Cooperation Matters – Three quarters of our respondents said the fact that we’re a co-op influences their decision to shop with us. 66% of our survey takers were Owners, and of those, 43% were long-time Owners (since the beginning or when the store opened in 2013). The top three reasons Owners cited for investing in the store were 1) to support local farmers and producers, 2) to support the local economy, and 3) belief in the co-op’s mission and values.

Store Satisfaction Is High – Results showed that 98% of respondents were satisfied with the store overall, with 59% “extremely satisfied.” And 98% would recommend us to friends and colleagues, with 82% “highly likely” to recommend. Our shoppers were happiest with our Bulk Foods, Produce and Wellness departments.

We listened to your suggestions and critiques and have worked hard to improve our Bread & Baked Goods, Deli, Cheese and Meat departments. It’s clear that you wanted a bigger, better, more affordable selection of products, and we’re bringing them to you. For example, we completely revamped and expanded our bread offerings, filling new shelving with muffins, bagels, organic pumpernickel and much more. And we’ve begun offering the seasonal and specialty cheeses you requested.

Co-op Ownership Is On the Rise

We are seeing spectacular growth in Ownership in 2018. Since last October, we’ve gained 420 new Owners. This means that every month, an average of 35 more community members choose to invest in our co-op.

We now have 3870 Owners – 10% more than last year’s 3494. For a co-op in its 5th year of operation, this is a healthy sign.

Have you ever wondered why we ask if you’re an Owner when you check out?

The most obvious reason is so that you can take advantage of specials, such as our monthly Owner-Only Deals on products with orange tags. We also ask...
Letter from the Board
Core Values Will Create Vision for Co-op

Cooperatives are a unique business model because they are owned and run by their members, who share the profits or benefits. The most direct way our Owners participate in the operations of Co-op Market is through the co-op’s board of directors, which is democratically elected by the Owners to serve on their behalf. The board serves a critical role in overseeing and guiding our co-op: We directly monitor the operations of the organization and provide collective leadership to the general manager, an operating style known as “accountable empowerment.”

As defined by Cooperative Development Services Consulting Co-op, the “empowerment stream” starts when Owners, through the election process, empower a board to carry out the mission of the cooperative. The board in turn authorizes management and staff to perform the day-to-day operations to achieve this mission. This leads to informed customers who empower the community with a principled asset – the co-op itself.

Like the empowerment stream, accountability also flows through an organization from top to bottom. Representing the interests of the co-op’s Owners, the board defines what it wants the general manager to achieve. In turn, management determines how to achieve those goals and directs the day-to-day work of the store’s staff.

What Are Our Co-op’s Core Values?

In this model, you can see that accurately communicating our vision is as critical a job duty as monitoring the financial and operational health of the co-op. To do this, the board is working with our co-op’s management to identify and define our core values.

Core values are an organization’s essential and enduring tenets, a small set of general guiding principles, not to be confused with specific cultural operating practices. Core values should never be compromised for financial gain or short-term expediency. They have intrinsic value and importance to those inside the organization. In a visionary company, strategies might change, but core values remain intact.

Core values focus all stakeholders on what is truly unique, define a meaningful purpose, and increase our co-op’s brand value. They will empower our leaders to simplify and focus, they set strategic direction, and they build competitive differentiation.

This year we have held work sessions within the board of directors, two listening sessions with co-op Owners, and have had comment forms posted at the store asking shoppers what they value about the co-op and what they envision for it in five years. So far, we’ve heard that our values should never be compromised for financial gain or short-term expediency. They have intrinsic value and importance to those inside the organization. In a visionary company, strategies might change, but core values remain intact.

Continued on page 7
General Manager’s Report:
Doubling Our Growth, Upping Our Game

By Mary Christensen

Last year we reported our excitement at achieving our first million-dollar quarter. This year is even more exciting! We’ve surpassed our sales goals and surprised even ourselves with this success. And we’ve achieved not one but two million-dollar quarters in 2018.

This year’s sales growth target is 6%. So far we have achieved 12% sales growth.

Sales at the end of the third quarter reached $3.202 million. (This time last year we were at $2.825 million.)

This puts us on track to achieve sales of at least $4.3 million in 2018.

Working Deliberately
Our success is not by accident. We’ve been working with National Cooperative Grocers – our co-op of retail food cooperatives – to make improvements in all departments. Several specialists have visited us throughout the year to assist with our quest to make this store the best it can be.

Most recently, Jeffrey Owens worked with our produce team leader, Sunny Park, to make the department more inviting and easier to shop. Some things have changed. Fruit is now just inside the door, salad fixings and fermented foods are near the dairy case, and exciting displays of colorful fruits and veggies are always front and center.

I am especially proud of the work our deli team has achieved under the direction of Hannah Prenger, with consultation from Ken Wallace of NCG. Our grab-n-go case is consistently fully stocked with fresh-made salads, sandwiches, wraps and desserts. In addition to our two daily soups, the team plans to bring back hot wraps in the coming year. Early in 2019 we’ll invest in an oven that will make it possible to offer even more fresh prepared food. We believe the deli is our best opportunity for continual growth.

Our buyers have been working together to offer more delightful products in the cheese case, the meat case, the grab-n-go cases, and throughout the store. You’ll find more fresh-baked local goods, a bigger selection of breads, and specialties like fresh goat cheese from Salt Springs Island near Vancouver, BC. Our Wellness aisle is full of new and local products, with plans to add more.

Meeting Our Challenges
One of our biggest challenges in the past two years – and going forward for two more years – is cash. A healthy cooperative grocery store needs at least 10 days’ operating

Continued on page 6
Shopper Survey: You Inspire Us to Improve!

Continued from page 1

Why Shop the Co-op? – The top three reasons cited for shopping at the co-op were 1) to support local growers and producers, 2) to support good health and nutrition, and 3) to buy high quality organic foods. This is consistent with our mission and values of supporting good health by providing natural foods & products and promoting sustainability by supporting our local farmers & producers.

(We were delighted to see that our “courteous and friendly staff” came in as the fourth highest reason!)

Pricing Concerns – While 75% said our prices are either excellent or satisfactory, 15% rated them poor. We’re working on better ways to communicate our many discount programs, including Co-op Basics, Co-op Deals and Owner Deals. We were surprised that a large percentage of respondents said they didn’t know about (or didn’t use) these benefits.

We continue to work hard to provide the highest quality food at the best possible prices, while also balancing the needs of the store (paying our bills, creating a great work environment with decent wages, offering services to our Owners and the community, and becoming profitable).

We’re Not a One-Stop Shop (Yet) – but we’re working on it! 75% of respondents said they buy 25% or less of their groceries from the co-op, while only 3% said they buy almost everything here.

With the improvements we’re making, guided by your survey responses, we fully expect to see these numbers change on our next survey. Our strong sales growth, especially in the departments we’ve revamped, indicate that we’re headed in the right direction.

You can find a link to the survey report at https://coopmarket.org/shopper-survey-results-are-in/

We listened: Owners said they’d be more likely to attend our Annual Meeting if we held it on a weekend afternoon in a different location, so we changed it.

Join us at 3 p.m. Saturday, October 20th, at JP Jones Community Center. At 4 p.m., Andrew Crow, Executive Director of the Alaska Cooperative Development Program at UAA, will share exciting information on other Alaska cooperatives, including food co-op start-ups in Sitka and Kodiak. Board election results will be announced.
Why Shop the Co-op?
Investing in Foods That Make the World a Better Place

When you shop at your co-op, your dollars are doing good. In the past year*, you’ve supported:

**USDA Certified Organic Foods**
- 2687 products
- 455,731 units sold
- totaling $1,881,443

**Fair Trade Certified Goods**
- 352 products
- 29,028 units sold
- totaling $145,845

**Certified NonGMO Foods**
- 1257 products
- 124,253 units sold
- totaling $47,537

**Local Foods & Products**
- 310 products
- 27,988 units sold
- totaling $167,177

Our definition of local includes foods and products grown or made anywhere in Alaska.

So far this year we have sold $28,992 worth of local fruits and veggies, Local foods make up 11% of our Produce department.

Availability of local produce continues to decline as Fairbanks-area farmers quit farming or turn to more lucrative non-food crops.

In the Meat department, local sales have totaled $69,761 this year. 28% of our meat and seafood products are local.

A bright spot: Local products make up 26% of our Bread & Bakery items. We’ve sold $17,745 worth of local baked goods so far this year.

We do stock many local items in other departments across the store, including Wellness, General Merchandise and Grocery.

**Other Goods Sold**
- 4304 products
- 289,939 units sold
- totaling $1,939,516

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**TOTAL ITEMS STOCKED**

- Organic: 48%
- Local: 31%
- Fair Trade: 4%
- NonGMO: 4%
- Other: 14%

**TOTAL UNITS SOLD**

- Organic: 49%
- Local: 31%
- Fair Trade: 3%
- NonGMO: 3%
- Other: 14%

**SALES IN DOLLARS**

- Organic: 45%
- Local: 46%
- Fair Trade: 4%
- NonGMO: 4%
- Other: 1%

*Sales data from October 1, 2017, through September 30, 2018.
2018 by the Numbers

- Current Sales Growth – 12%
- Target Sales Growth – 6%
- Projected Total Sales – $4.3 million
- Co-op Owners – 3870
- Sales to Owners – 65%
- Average Purchase – $36
- Daily Transactions – 330
- 5¢ Bag Refunds – $1467, representing 29,340 bags kept from landfill
- Employees – 31 total, 20 full-time
- Lend a Hand Donations – $23,072.37 thru 9/30
- Total Lend a Hand (since 2013) – $79,506.22

One of the very nicest things about life is the way we must regularly stop whatever it is we are doing and devote our attention to eating.

– Luciano Pavarotti

GM’s Report: Growth, Hard Work, Challenges

Continued from page 3

Because of this steady work to live within our means while paying debt off on time, the coming year will see great improvement in cash on hand and we’ll be able to begin considering future growth opportunities between the years of 2021-2023.

Currently, the board and I are working on laying a solid foundation for this future growth by identifying our co-op’s core values and purpose. These will guide all future decisions about the store.

I am so fortunate! I get to work with an amazing staff on two important projects: making this store the best that it can be and developing internal readiness for growth. When opportunities come our way, we’ll have established plans and systems and skilled staff who can execute even bigger improvements.

Continued from page 1

Co-op Ownership Rising

During Owner Appreciation Days so that you can take 10% off one entire shopping trip.

At present, approximately 65% of our total sales are to Owners. That’s good for the store, as we don’t have to pay taxes on sales to Owners.

Another reason we ask? To keep track of the dollars you spend: When we become profitable enough, Owners will receive patronage dividends based on how much they’ve spent at the co-op.

Our current exceptional sales growth combined with our determination to pay off our debts means that day is not too far in the future!
Our Deli’s Rice Pudding with Salted Caramel Sauce

Yield: 6-7 servings

• 1 quart milk
• 2 cups coconut milk
• 1 cup white basmati rice
• 1/4 tsp salt
• 1 tsp vanilla
• 4 egg yolks
• 2/3 cup sugar

1. In large saucepan, add the milk, coconut milk, salt and rice. Bring to a boil, stirring constantly.
2. Reduce heat to low, cover and simmer for about 15 minutes. Check and stir occasionally.
3. Remove lid and simmer for about 8 more minutes until mixture reduces to almost finished consistency.
4. In medium bowl, combine egg yolks, sugar and vanilla and whisk.
5. Temper egg mixture with a small amount of warm rice mixture and whisk constantly. Gradually add more rice mixture to egg mixture until it is tempered properly. (Important: This prevents “scrambled eggs” in your pot!)
6. Stir constantly and watch carefully as you slowly heat the mixture until it is thick enough to coat the back of a spoon. This will take about 2 minutes.
7. Pour finished pudding into a bowl and cover with plastic wrap, making direct contact with the pudding. (This prevents a skin forming on top.)
8. Cool completely in refrigerator.

Salted Caramel Sauce

• 1 cup brown sugar
• 1/2 stick of butter
• 1/2 cup half and half or cream
• 1 TBSP vanilla
• A pinch of salt!

Place all ingredients into a saucepan and simmer on medium low heat. Whisk constantly until mixture thickens: about 5-7 minutes. When serving, garnish with sea salt.

Letter from the Board:
Core Values Will Create Vision for Co-op

Continued from page 2

stakeholders value many qualities: service, convenience, local goods, community, quality, social responsibility, equity, health, concern for planet, joy, fun, endurance, economic sustainability, resiliency, self-help, uniqueness, openness, and honesty.

NOW we can do the work of figuring out how these qualities fit together and whittle that list down to between three and six core values! We will continue to fine tune this list with input from staff, board members and Owners.

The annual meeting on October 20th is your next opportunity to contribute to this discussion. The idea is to capture those that are truly core, that will stand the test of time and be the same 100 years from now.

In the near future, we will use these values to fine tune our mission, ends and vision statements. We will then begin strategic planning: asking questions about how we want to grow, always using our core values as our guide.

Thank you for your sharing your values with us, and thank you for entrusting us to represent you.

In cooperation,

2017-2018 Board of Directors

Anduin McElroy, Chair
Chase Nelson, Vice Chair
Jodi Tansky, Secretary
Richard Seifert, Treasurer

Stephen Anderson
Anmmarie Billingsley
Heather Conklin
Hans Geier
Tracy Pitts Woller
10th Annual Co-op Meeting

JP Jones Community Center
2400 Rickert Street
Saturday, October 20, 2018
Doors will open at 3 p.m.
Please join us!

Co-op Market Report

What We Do...

Healthy Food: We exist to serve our customers with healthy alternatives to conventional groceries. We give preference to organic and NonGMO products when possible.

Local Economy: We want to strengthen our local agricultural and economic infrastructure by offering a marketplace for local produce, meats and other products. This will ensure food security for the future.

Sustainability: For us, the most basic meaning of sustainability is building a strong, sound financial organization. We’re also working to eliminate waste from all our operations, from selling unpackaged bulk foods to recycling and composting.

Community: We want to be a vital part of Downtown Fairbanks, and we welcome everyone to shop and grow with us. We provide surplus food to programs that serve people who are food insecure, and we enable our shoppers to donate their spare change to nonprofits doing good work in our community.