



1220 N. Forest Street  
Bellingham, WA 98225  
Open every day  
8 a.m. to 9 p.m.  
(360) 734-8158  
communityfood.coop

## **THE DECISION TO OPEN A SECOND STORE: A RETROSPECTIVE**

**SUMMARY:** Through its long-range planning process in 2001–2002, the Board of Directors of the Community Food Co-op determined options for the Co-op’s growth, reflecting the reality of the steady growth the Co-op was experiencing. Through a variety of member input mechanisms, members indicated their preference for a second store over other options. The Board directed the General Manager “to begin a site selection and project development process, the goal of which will be to open a second store, of comparable size with our current store, within the next two to five years.” In June 2005, we are just over 3 years into the process with member support still high.

### **Long-Range Planning**

Every two to five years, the Board of the Community Food Co-op engages in a long-range planning process. In 2001, the Board began a new planning cycle, with the following objectives:

- Learn how to serve our current members better
- Assess what values are most important to the membership
- Ensure that strategic decisions are in alignment with member values
- Increase our market share
- Explore new options for service delivery
- Identify best option(s) for expansion.

In the previous planning cycle (1998–1999) a strategic direction of steady growth was determined, and this strategic direction was refined through the 2001–2002 planning process.

### **The strategy of steady growth was based on three basic premises:**

- We want to support and grow the market for local, organic, and sustainably produced products
- We want more people to be doing business with cooperatives, which keep the dollars and the decision making here in our community
- Our membership IS growing and we want to keep up with that growth by providing enough space, as well as reducing transportation for members living outside of Bellingham.

### **Options for Growth**

To support the planning process, several resources were used to assist the Board and General Manager. In the first phase, Bill Palmer of Palmer and Associates worked with the Board in

evaluating options for growth. This process resulted in the narrowing down of numerous alternatives into six feasible options that were then tested through the planning process:

- **Expand** at the current location
- **Move** to a bigger store at a different location
- Make **no major changes**
- **Expand distribution channels**, such as online ordering, buying clubs, etc.
- **Add a second store**, similar to our current store, or larger
- **Add a second store with limited selection** and online ordering for pickup

## **Member Input and Planning**

In the next phase, Holly O’Neil of Crossroads Consulting was contracted as the Member Involvement Facilitator to design and facilitate an extensive member communication and involvement process. Applied Research Northwest assisted with the in-store member survey. Market research was conducted with the preliminary assistance of WWU’s Small Business Development Center, and then Hambleton Resources conducted a thorough market study using telephone surveys and site analyses. With the support of these consultants, the Management, and the Outreach Team, the planning process proceeded as follows:

### **September/October 2001**

- **Member communication systems established** using website, e-group, kiosk, and monthly newsletter articles
- **Survey of Members**—mailed to all members and distributed in store (collected more than 800)
- **Telephone Market Survey** (650 respondents, members and non-members)
- **Department Meetings with all staff**—explored visions of the future, identified strengths and weaknesses, and evaluated six options proposed by the Board
- **Member Forum**—Reviewed survey results and discussed expansion options and most important questions to consider for the future

### **November 2001**

- **Board Planning Retreat**—reviewed data from surveys, staff input, e-group posts, member forum. Board determines “To direct the General Manager to begin a site selection and project development process, the goal of which will be to open a second store, of comparable size with our current store, within the next two to five years.”

### **November/December 2001**

- **Member Forum**—discussed and affirmed Board conclusions
- **Member Affairs Committee**—reviewed member involvement process, prioritized critical issues and concerns for Focus Groups
- **Member Focus Groups**—confirmed Board decision to open a second store and explored other issues raised in the process, e.g., the meaning of being a co-op, the meaning of membership, and product selection.

### **January/February 2002**

- **Member Forum**—presented draft plan for feedback.

## March 2002

- **Annual Member Meeting**—confirmed strong support from the members to open second store given the following conditions, articulated through the planning process:
  - We can maintain economic viability
  - We are doing it for the right reasons—to promote our core values and to build the market for organic and sustainably produced products, and local agriculture.
  - We guard against any loss of quality and integrity at our current store
  - We are maintaining and nurturing the essential spirit of the Coop.

## 2002-2005

In the following year, the General Manager developed and refined a Business Plan to implement the decision to open a second store within two to five years.

- A **Second Store Committee** was formed, including representatives from the Board and Staff, as well as the Member Involvement Facilitator, to oversee the development process.
- Based on member input, the **Board drafted expansion policies**, which included determining that the new store would meet LEED certification standards as a “green building.”
- **A real-estate agent, architect, and general contractor were selected**
- A **Member Forum** was held with the architect to identify the essential values and functions for the building design.
- Following the Annual Meeting in 2002, the Board also initiated a new member linkage program, **Dining with the Directors**, to explore core issues with members with greater depth and conviviality. The topics for the quarterly Dining with the Directors further pursued strategic issues identified during the planning process, such as “What is the essential spirit of the Co-op?”
- **Monthly articles in the newsletter** continued to feature a progress report on the second store development.
- In 2004, another **Member Survey** was conducted, affirming that member support for developing a second store was still high.

In June 2005 we are now just over three years from announcing the decision to “open a second store within two to five years,” and member support for the project is perhaps higher than ever, as the current store becomes more crowded, as anticipated. Over the last year, the Board has continued to expand the discussion of what growth means to us as a co-op, and how we can more fully understand and truly express a model of growth that reflects our core values as an organization.

—Holly O’Neil, Member Involvement Facilitator