

**Board Retreat**  
**September 29 – 30, 2007**

**Saturday, Sept 29th**

**Board Present:** Steve Albright, Mark Reed, Chris Bentley, Dave Hockman-Wert, Fred Heil, Liz Kelly, Toni Hoyman, and Christy Anderson Brekken

**Staff Present:** Michele Adams

**Facilitator:** Marcia Shaw

**Scribe:** Kevin Oder

What difference / impact you hope the organization will make in 10 years?

1. Source of healthy food
2. People will know what “co-op” means
3. FA is 1<sup>st</sup> choice for local / good produce
4. Fair trade food source
5. Source of information about how to live more sustainably
6. Community has automatic connection between FA and 3 & 5 above
7. Community gathering space (like a public square)
8. Accessible to the community:
  - o Human scale, Community/Neighborhood Scale, Look & Feel
9. Feeling of connection to local food web “vibrant local” proactive force for sustainable food in the region
10. Bigger variety of bioregional food sources
11. Our work will result in a more food secure community
12. Opportunities to be involved in the community through the Co-op
13. School age children in our community have more awareness of healthy local resources and nutrition / eating
14. A model for ethical and sustainable business practices including building, employees, suppliers, customers
15. Contribute to the strength of the local economy
16. A cooperatively owned food system
17. A model of systematic reuse, recycling, and reduction of waste.

Went over these basic areas and started working them into ends language and format. Reviewed the rough draft statement that the PG committee wrote.

Not comfortable with the word commercial center, is that the right term, does that expand the focus of our business beyond what we are. Discussed whether our focus should be limited to retail food, our current business expertise, or do we want to expand into other types of businesses. Would we be better off partnering with others who have synchronistic business practices, but are experts in their own lines of business. Hanover uses the term cooperative commerce, which seems to be a more acceptable term.

The First Alternative exists to provide cooperative commerce for the greater good of our owners and community. Our owners and community include:

1. Owners / shoppers
2. Staff

3. Local farmers and producers
4. Community members
5. Community organizations
6. Other co-ops

General satisfaction with Hanover's ends statements as a model to pattern our policy after. Proposal to take Hanover's ends statement and then find out where the differences to our rough statements above are and then edit. Alternatively we could start with our six categories and then borrow from Hanover if they already cover that category, but to use our original work. Choice is to start with Hanover's ends and then find the differences and edit.

Break

Went through Hanover's ends list point by point and edited to fit FA's vision.

Hanover's Ends:

1. The Upper Valley will have a retail source of food that is affordable, healthy, grown and/or processed locally to the fullest extent possible.
2. There will be economic value returned to the community via charitable contributions, outreach projects, patronage refunds to member and other avenues.
3. Customers will be better educated about food issues and, as a result, make healthier choices than those who shop elsewhere.
4. There will be vibrant cooperative sector in the economy, both nationally and regionally, and a local community educated in the value of cooperative principles and enterprises.
5. The cooperative's bioregion will have a vibrant local agricultural community and that community will, in turn, have a reliable retail market for its products.
6. There will be a major source of employment in the community that provides personal satisfaction to employees, livable wages and financial security for employees and their families.
7. There will be a thriving business organization that protects and restores the environment.

FA's revised Ends:

The FA exists to provide cooperative commerce for the greater good of our community. Our community includes:

1. Owner/Shoppers
2. Staff
3. Local farmers and producers
4. Community members
5. Community organizations
6. Other co-ops

Because of FA:

1. The community will have a retail source of food that is affordable, healthy, and grown and/or processed locally to the fullest extent possible.
2. There will be economic value returned to the community via charitable contributions, outreach projects, owner benefits, and other investments in the local economy.
3. Our community will be better educated about food, environment, and sustainability issues and as a result make healthier life choices.
4. There will be a vibrant cooperative sector in the economy, both nationally and regionally, and a local community educated in the value of cooperative principles and enterprises.

5. There will be a more vibrant local agricultural community and that community will in turn have a more reliable retail market for its products.
6. There will be an important source of employment in the community that provides personal satisfaction to employees, livable wages and financial security for employees.
7. There will be a thriving business that is a model for sustainable, ethical business practices and environmental stewardship.
8. Owners have a sense of connectedness via our programs, facilities, and opportunities to participate.

## Lunch Break

### Group Activity – News Headlines

- Corvallis Studied as Model of Food Security
- A Green Belt of Food
- First Alternative Saves Corvallis
- FA Coop Celebrates 50 years of Healthy Food and Service
- First Alternative Scholarships Awarded
- Weekend Celebration of FA's 5<sup>th</sup> Store draws crowds in the Hundreds
- Willamette Co-ops convert valley farmers to organic food crops
- FA joins with City to Create Public Space
- Willamette Co-ops join farmers to attain low-cost health care
- Community at home in their local First Alternative Co-op

Reviewed these for commonalities, observations, ideas...

- Local Food Economy
- Partnerships with other Organizations
  - Lowered Health Care \$
- Integration with community in planning future

Discussed Carver's emphasis on board education on community issues and planning for the future. A board needs to listen to the owners, but ultimately the board is more educated on these issues. What are the things in the next 2-3 years that we want to educate ourselves on so that we know more about them and that will inform our board discussions and decisions?

Brainstorm educational ideas:

- Local Food Economy-1
  - Contracting with local farmers-1
  - Where are we vulnerable-1
- Lowered health care costs-1
- Partnerships with other organizations-2
- How people make their food choices-3
- Integration with community in planning future-2
- Food choices of consumers - How people make their food choices-3
- What should set us apart in our shoppers mind-4
- Trigger points for growth-5
  - Under what circumstances-5
- Define our market/geography-5
- Long range planning for Corvallis-2

- Trends in agriculture and food industry: growing, manufacturing, production, distribution-6
- Consumer habits around food-3

Reviewed and grouped the list (shortened titles from above)

1. Local Food Economy
2. Long range planning, integration with the community
3. Consumer Food Choices
4. What sets us apart
5. Trigger points for growth
6. Trends in agriculture and food

Each person then ranked these six groups

After tallying individual rankings, top three are as follows:

1. Local Food Economy
2. What sets us apart
3. Trigger points for growth

Moved into groups to talk and focus on each of these topics to come up with questions that need answers to educate us on these topics.

The next questions are:

- How will we go about learning?
- Where should we start?
- Change the questions?
- How will we educate others? How will we listen to others?

Each group worked on beginning how to go about answering the above questions for each of the top three topics.

Local Food Economy

1. Gathering information on the benefits to the Co-op, other participants, and the greater community.
2. What are the obstacles
3. What are the models that are out there now that we can learn from
4. Where is our food supply most vulnerable
5. General information gathering about distributors, food processors, what exists in terms of distribution
6. Start with:
  - a. Research from publications, consultants, local groups
    - i. Ten Rivers
    - ii. Carolee Coulter
    - iii. Portland Co-ops: Food Front, People's, Alberta Street
    - iv. Cooperative Grocers
    - v. Google
    - vi. Other speakers or consultants to come and talk to the board
  - b. Find out what food processors are in the region and what's no longer available and why

What Sets Us Apart

1. Analyze the similarities and differences between FA and other local grocery stores that carry natural foods (Market of Choice, Fred Meyer, Safeway, etc.). Look at products, services, community involvement, site characteristics, store ambience/atmosphere, etc. What makes FA distinct that we can take advantage of? Since other stores sell natural foods, what is our particular niche?
  - a. How have other small local businesses dealt with larger competitors arriving in the local market?
  - b. How have other coops dealt with competition (with Whole Foods, Trader Joe's, etc.)?
2. Use the information gathered from the analysis to develop and hone survey questions that focus on potential distinctives.
3. Prepare general survey questions to get a sense of how we're perceived by owners/shoppers/community in terms of strengths/weaknesses, what people like/dislike about us.
4. What drives people's shopping habits? What do people want out of a retail store/shopping experience? Why do they go where they go?
5. Based on the gathered information, focus on what we're good at, what emphasis should we take on – places we want to go. For example, if we really emphasized support for local food, would owners support this with their dollars?
6. Is there something lacking in the community that's a natural fit for us that we could promote or develop?
7. We should include questions about where consumers get their information so that we use the correct educational vehicle to reach them.

#### Trigger points for growth

1. What is the prediction for growth in Corvallis (demographics-20yr plan for Corvallis, Albany, Philomath, Adair, Monroe)
2. What changes will occur in ethnicity (demographics/history/census)
3. What effect does the college have (OSU projection/plans survey)
4. What effect does lack of parking have on customers (market research-Pete?)
5. What areas do other coop stores get into besides food? (Research-Pete?)
6. What skill do we have in mgmt (ask Michele)
7. What do the banks think of our growth? (Ask banks-why?)
8. What is our market area? (Ask Pete/expect, survey)
9. What is the market? (Focus? Groc or more, what do we sell)
10. Quality of life measures (from state)
11. Start with:
  - a. Look at ethnic demographics
  - b. What are OSU's plans?
  - c. Market research on parking impact
  - d. Start with surveys, research known demographics using such experts as Pete Davis and government statistics, ask bank for their views.

Chris presented the information she learned from OSU professor, Denise Locke, on what kind of help she and one of her classes might be able to provide in conducting a survey for us as well as just general information about surveys and what things to consider in crafting a survey and deciding on who should be surveyed. The next class she would have that might assist us with this is in the spring. We would tell them what we would like to know and the class would craft the survey and conduct it for us as part of their class project. What the board would have to decide is what we want to know. Consensus is that the board would like to go ahead and work with her class in the spring and we'll want to devote board

time to developing the questions we would like answered by the survey. Chris will go ahead and contact Denise to get on her spring schedule and start moving forward.

Break

Went over board governance budget planning for next year.

### **Sunday, Sept 30th**

**Board Present:** Steve Albright, Mark Reed, Chris Bentley, Dave Hockman-Wert, Fred Heil, Liz Kelly, and Toni Hoyman

**Board Absent:** Christy Anderson Brekken

**Staff Present:** Michele Adams

**Facilitator:** Mark Goehring, Marcia Shaw

**Scribe:** Kevin Oder

Mark Goehring led a conversation with board on the ideas presented in three separate articles included in the board retreat packet.

1. “Leading, Following and the Wisdom to Know the Difference” by John Carver

Talked about the board’s servant-leadership role, responsibilities, relationship to its owners and future owners, and how we listen to and learn more about new ideas. Discussed the board’s role vs. the gm’s role in the co-op and operations and how the board is accountable and holds to gm accountable. How does the board allocate its time to its work? Discussed how the limitations and ends policies work within the policy governance model – how they set boundaries and targets, and the importance of the reports and how they’re written so the board receives the data it needs to be assured that policies are being fulfilled and followed.

2. “The Real Business of the Co-op” by Peg Nolan

*Linkage* – Balancing serving member needs vs. the needs of the organization. How do we communicate effectively with our owners? How do we create economic value for individual owners and the ownership as a whole? Making the value real for our owners.

*Transparency* – Discussed the various ways that the board has used to try and let owners know what they’re working on and why decisions were made. Predictability of decisions is important; they should be able to be anticipated based on published ends statements and future decisions will be made to support those ends. There should be well-established procedures to set up reliable systems for handling responsibility so everyone can be comfortable with their role in relationship to everyone else’s role.

*Cognition* – Thinking, reasoning, and remembering are all critical to an organization. Remembering is challenging. Speakers and engagements at the annual owner meetings can be tied into that year’s board work, which will help to document the overall shape and pattern of that work.

3. “Maintaining Board Leadership” by John Carver

Focusing on benefits for people rather than projects and activities-“outcome thinking”. The results are the point, not how they are achieved. The effect the organization will have on the world and what scope that will take. Linking with others around similar strategic ends and working together on common goals. “Respect your words” - generate few words after much thought rather than many words without. Focus on board training and getting new board members up to speed faster. CBLD 101 Reader might be helpful to get into new board members hands as soon as possible. Discussed the current process for board recruitment, the criteria used for finding candidates, and how the dialogue with potential

candidates occurs as well as how it might be improved. Discussed how to perpetuate the board work with potentially changing board members, but also how new members bring different perspectives and possibilities. How do you your work today so that it fulfills the future.

Watched a video of a talk by “Garr Alperovitz” and then discussed during lunch

Went over the Board Leadership Chart which details the dynamic between the board and the gm, the policies and delegation, and the iterations for continually monitoring, learning, and reflecting to see if we’re moving towards the target, if the target is still where we want to go, and are any course corrections needed. Talked about board process around educating themselves on board work topics. Learning is “whole board” work, done as a group. The work should be stretched out over time. Of the things that get tried, some will work and some won’t, in either case things will be learned during the process.

Once the ends statements have been decided on (the outcomes), the board delegates to the gm the task of making those outcomes happen. The board then monitors that the gm is carrying out what the board intended. The board continues to review their policies to determine if the policies and outcomes still serve the organization. The Board monitors that the multi year strategic planning is on track to lead to their desired outcome. The planning monitoring report will detail the current year’s strategic plan and how those activities are leading towards the ends’ goals. The gm would turn in two reports to the board each year, one on planning (a highly summarized strategic plan and how those activities connect to the desired outcomes) and one of accomplishment.

How do we know when the policies are detailed enough? What you want in them is the level of detail that allows the board to be comfortable with their delegation to the gm and then allows the board to move on to thinking about more future planning and what the organization exists for.

Broke into three groups for an exercise taking various scenarios and deciding which existing policies would apply and what the board role would be in relation to them. Worked through how the board would respond to a reasonable interpretation by the gm that was outside of what they had anticipated and how the board would then work through changing their policies to address this. Multi-year strategic plans that flow from ends statements are used to plan how to reach an outcome as well as to document why decisions were made and what the expected outcome was at the time the decision was made. If a complaint is made to the board, evaluate if there is a policy that the circumstance would fall within and then recognize that you’ve delegated the responsibility for handling it to the gm. The board would review whether it constitutes an out of compliance situation that needs to be addressed or something that appears to be being appropriately address by the gm. If the situation is covered by a policy and the situation appears to be out of compliance with that policy, the resolution is still going to be delegated to management to bring the situation into compliance. This doesn’t mean that there isn’t a problem; it’s just not the board’s job to resolve it, but rather to delegate the resolution to the gm and then have her report back informing the board that it was fixed and how. The board will then judge the gm’s response for adequacy based on policy.

Going forward from here, four areas to work on:

1. Looking at how the board uses their time in general, including committee time
2. Looking about how board meeting time is used
3. Creating a board multi-year plan around their strategic thinking topics-whatever the board has identified as their work in the upcoming years.
4. Looking at refining the limitations policies