

THE QUINCY NATURAL FOODS CO-OP

FIVE - YEAR STRATEGIC PLAN

2019-2023



Quincy Location - 269 Main St.



Portola Location - 60 N. Pine St.



INTRODUCTION

Quincy Natural Foods Cooperative (the Co-op) is a retail consumer cooperative formed in 1978. We currently have over 2100 member-owners and operate two store-fronts (Quincy Natural Foods Cooperative in Quincy, CA and Feather River Food Cooperative in Portola, CA) which generate over \$3.5 million in gross annual sales. A democratically elected board of directors is responsible for ensuring the Co-op meets the needs of the member-owners while remaining fiscally responsible.

OUR MISSION

Quincy Natural Foods Cooperative is a consumer-owned business that adheres to the seven cooperative principles and provides our communities with quality, local, affordable foods and products, while promoting organic agriculture, health awareness, and sustainability.

The Seven Cooperative Principles:

1. Voluntary and open membership
2. Democratic member control
3. Members' economic participation
4. Autonomy and independence
5. Education, training, and information
6. Cooperation among cooperatives
7. Concern for community

In 2012, the board of directors and management of the Co-op developed a Vision to guide our business efforts through 2018. This was a road map to provide direction to the leadership of the Co-op.

OUR VISION

- To provide Exceptional Food
- To provide Exceptional Service
- To nurture a Sense of Community
- To model Sustainability in our business practices
- To be active in Community Education and Outreach
- To be a Desirable Workplace
- To maintain Financial Wellbeing and Responsibility for the organization

OUR PROCESS

In 2016, the board and management began a collaborative effort that included member-owners and staff to develop a strategic direction for the future. We gathered input from member-owners at the 2016 annual meeting and the board, management and staff conducted a SWOT (Strengths Weaknesses Opportunities Threats) analysis to help us identify key focal areas for our strategic plan. Components of the 2018 Vision are also incorporated into the strategic plan.

Key areas identified by member-owners included improving our environmental sustainability, lowering retail prices, improving staff incentives, and establishing an emergency fund.

Strengths identified during our SWOT analysis included being a values-based organization with a loyal membership, having a knowledgeable staff, providing excellent customer service, offering unique products and services, and being known for local products, organic food, and stellar supplements. This Strategic Plan strives to build upon these strengths.

This Strategic Plan also addresses the weakness and threats we face, including competition from mainstream organics and online retailers, offering competitive prices while paying employees a livable wage, staff turnover, inconsistencies between the Quincy and Portola stores, and the limitations of our current buildings.

This Strategic Plan outlines six long-range goals for the next five years that provide broad direction for management, while enabling flexibility and creativity in implementation. Corresponding to the priorities articulated in this Strategic Plan, the management of the Co-op is responsible for developing an Annual Business Plan with specific objectives, activities, and budget. The board of directors is responsible for monitoring progress, and annually reviewing and updating components of the strategies as needed.



SUMMARY OF LONG-RANGE GOALS

Market Position

Strengthen our brand recognition within the community as the best place for affordable, healthy food, local products, and exceptional customer service.

Healthy Food Access

To provide exceptional food, making high-quality, local, and affordable food more accessible to all segments of the community.

Environmental Sustainability

Continue to improve the environmental sustainability of operations.

Food System Development

Actively promote local food system development.

Leadership and Employment Practices

Inspire and develop leadership, commitment, and passion within the organization while modeling excellent employment practices.

Infrastructure and Growth

Upgrade and maintain facilities to meet member-owner expectations, operational needs, and create a welcoming, vibrant atmosphere in our stores.



1. MARKET POSITION

LONG-RANGE GOAL

Strengthen our brand recognition as the best place for affordable healthy food, local products, and exceptional customer service.

Overview:

The Co-op strives to offer high quality, affordable foods while maintaining our financial well-being. Although we are currently the only natural food store in Plumas County, with the expansion of mainstream organics and the increasing popularity of buying from online retailers, we are facing greater competition than ever before. This competition, along with our small store size, lower sales volume, and the high cost of goods in the natural foods industry, all challenge our market position. For these reasons, we need to find creative ways to differentiate our business and ensure our message about who we are and what we offer has a broad reach. We include market position in this strategic plan to ensure we continue to lead the way in providing healthy, organic, sustainable food to our community while remaining a profitable, thriving business that meets the needs of our member-owners.

Strategy:

- Unify our locations through rebranding efforts and developing cohesiveness.
- Build and strengthen a strong promotions program.
- Empower staff driven promotions team to develop and facilitate a promotions program calendar
- Strengthen our competitive edge by offering unique products and services, and providing excellence in customer care and service.
- Determine ways to create greater value and benefit for our member-owners and shoppers.
- Deliver consistent messages to shoppers and external audiences that highlight our co-op's vision, values, and accomplishments.
- Develop and implement innovative business strategies to compete with online retailers.
- Cultivate a knowledgeable staff with excellent customer service skills through ongoing training and education.

Measures:

- Sales growth
- Growth in number of member-owners
- Member-owner satisfaction with service and stores measured by periodic shopper surveys
- Consistent promotions at both locations
- Increase in online social media exposure to Co-op activities, products and promotions
- Increased selection of affordable staple grocery items

Benchmarks:

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|------|---|
| 2019 | Rebranding assessment conducted
Staff marketing position established
Staff driven Promotions Team created |
| 2020 | Timeline for rebranding project developed
Promotions program developed
Assessment of online competition and SWOT analysis conducted |
| 2021 | Coop Basics program expanded
Unified Promotions at both locations |
| 2022 | Assessment of promotions outlets conducted
Assessment of social media outlets conducted |
| 2023 | Paper product promotions reduced
Staff training track implemented |

RESULT

We will be the top choice for our community to access local, organic, and non-GMO products.

2. HEALTHY FOOD ACCESS

LONG-RANGE GOAL

Embrace the diversity of our community and make high-quality, nutritious, and affordable food more accessible to all members of the community.

Overview:

To support healthy food access and awareness in Plumas County, the Co-op strives to create a shopping environment where all members of our community will feel welcome and are treated with dignity and respect. We are committed to opening our doors to all, and hope to engage a diverse clientele and membership base that represents our community. We are focused on providing excellent food and are always looking for family savings, affordable pricing, and healthy options. We endeavor to make it easier for people to obtain healthy food regardless of ages, wages, or other obstacles that may have existed in the past. We seek to increase exposure to healthy food through education, outreach, and special programs. By serving more of our community, and sharing a commitment to fresh and healthy food, we will benefit the health and wellbeing of our community.

Strategy:

- Promote and expand access to healthy food for shoppers in our community.
- Support increased education of healthy food in our communities and educational centers.
- Ensure a shopping experience that is welcoming to an economically, generationally, and culturally diverse clientele.
- Develop programs that encourage young shoppers to eat healthy food and participate in the Co-op.
- Survey demographic of membership and assess comparison to county demographic ratios (age; county location).
- Serve as a trusted source of food information and resources.
- Assess financial feasibility of installing a generator or other power source for extended outages.

Measures:

- Growth of new members and sales through low-income assistance program participants, such as the Affordable Food Program (AFP).
- Successful outreach events and education workshops; increased community participation.
- Increased age diversity among current active members and/or shoppers at our stores
- Number of kids participating in youth outreach programs, such as Co-op Explorers
- Increased selection of affordable staple grocery items

Benchmarks:

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|------|---|
| 2019 | Youth outreach programs evaluated |
| 2020 | Community education program evaluated and strategies developed |
| 2021 | Co-op Basics program expanded
Initial membership demographic assessment conducted and demographic alignment improvement strategies developed |
| 2022 | Affordable Food Program use assessment conducted |
| 2023 | Follow-up membership demographic assessment conducted to determine success of alignment. |

RESULT

Our member-owners represent a mix of ages, cultures, and backgrounds that reflects the diversity of our community.

3. ENVIRONMENTAL SUSTAINABILITY

LONG-RANGE GOAL

Continue to improve the environmental sustainability of operations.

Overview:

Environmental sustainability is a core value of the Co-op. Our mission is to support sustainable agriculture, and a fundamental component of our Vision is to model sustainability in our business practices. Environmental sustainability is also consistently rated as a high priority among our member-owners. As part of the National Co-op Grocers (NCG), we have access to a large number of tools and initiatives that can help us improve the environmental sustainability of our operations. For example, the Co+efficient program allows us to track robust and meaningful sustainability indicators, such as energy efficiency and landfill diversion rates. Collecting these data allows us to compare our environmental sustainability with other co-ops, to identify areas for improvement, and to more effectively market our successes as innovators in sustainability.

Strategy:

- Participate in and utilize support from the NCG Co+efficient program to measure our impact and progress.
- Strive for alignment with national cooperative Co+efficient metrics, where feasible.
- Upgrade our facilities to improve the efficiency and safety of our current operations.
- Upgrade equipment and fixtures to maximize energy and resource consumption, merchandising, storage and facility space.
- Model sustainability and environmental responsibility and improve overall resource management and the energy efficiency of all Co-op facilities.
- Develop employee "Green Team" to address improving sustainability in store operations
- Reduce amount single-use plastics sold and used in stores.
- Increase educational articles online and in newsletter(s).

Measures:

- Measured energy per square foot by Co+efficient program
- Amount of single use plastics sold and used in stores
- Amount of waste diverted from landfill
- Shopper education and awareness of local and national co-op environmental sustainability efforts and impacts

Benchmarks:

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|------|---|
| 2019 | Co+efficient reporting to NCG and community shoppers initiated NCG Co+efficient promotional materials acquired and utilized |
| 2020 | Shopper sustainability awareness survey conducted
Promotional material (paper) assessment conducted; evaluated for improvements
Green Team recommendations implemented(ongoing) |
| 2021 | Target(s) for Co+efficient program Absolute Metrics goals set |
| 2023 | Equipment/fixtures evaluated for efficiencies; replacement schedule adjusted if needed.
Single-use plastic monitored/reduced |

RESULT

Our operations will be environmentally sustainable for the benefit of our member-owners, community, and the planet.

4. FOOD SYSTEM DEVELOPMENT

LONG-RANGE GOAL

Actively promote local food system development.

Overview:

Supporting local, organic and sustainable agriculture is a major part of our mission. By supporting local agriculture in systematic and meaningful ways, we will bring important benefits to our member-owners. Plumas County has historically had a much more diverse agriculture. The more we can restore that diversity, the more food security we will have if there were to be a shortage of affordable, imported food. By supporting local growers, we are providing employment to member-owners in our community and adding cultural richness. We all benefit by having agriculturalists in our midst. The more local food we consume instead of imported food, the more we will support our community and protect the air, water, and ecology of our landscape and the planet as a whole.

Strategy:

- Support diversity and quantity of local and regionally produced food, and offer available products in the Co-op.
- Support local farmers to increase their prospects for making a sustainable career in organic agriculture.
- Explore ways to support local wholesale buyers (e.g. restaurants, schools, hospital) to more easily purchase local food.
- Gather information and resources for supporting food security in our communities by reaching out to other cooperatives to discover what efforts are being made by similar sized co-ops.
- Collaborate with and support programs that improve community access to locally produced food (e.g. Food Council, farmers' markets, FRC Eco-Farming program, community gardens, etc.)

Measures:

- Quality and quantity of local fresh food sold through the Co-op
- Number of local vendors selling to the Co-op
- Participation in programs that support local agriculture and community access to locally produced food

Benchmarks:

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|------|--|
| 2019 | Local produce vendor prospects evaluated
Annual evaluation of pricing models initiated
Quincy Farmers' Market sustainability and community value assessment conducted;
improvement strategies developed |
| 2020 | Local produce vendor contract renewal and product guarantee guidelines established |
| 2021 | Information gathering from other co-ops conducted
Food security support strategies developed |
| 2022 | Expansion/viability of wholesale buying program evaluated |
| 2023 | Evaluation of produce cooler expansion to accommodate more wholesale purchases conducted |

RESULT

We will contribute to a local food system that will provide our community with increasing amounts of locally produced food sold at prices that are fair to consumers, retailers and producers.

5. LEADERSHIP AND INTERNAL SUCCESSION PLANNING

LONG-RANGE GOAL

Inspire and develop leadership, commitment, and passion within the organization, while modeling excellent employment practices.

Overview:

A key element to being a successful business is having a dedicated staff that is knowledgeable and engaged in the organization. Part of our vision is to be a desirable work place, known for being employee-friendly and having friendly employees. We strive to cultivate a work environment that generates staff engagement and models excellent employment practices by providing fair wages and benefits, professional development opportunities, and a comprehensive training program. We feel that enthusiasm and dedication come from feeling appreciated and empowered, and that will result in providing outstanding customer service. We need to develop leadership within all levels of the organization and cultivate a staff, management, and board with a diverse set of skills to lead the organizational changes of the future.

Measures:

- Evaluation of wages compared to local livable wage
- Comparison of employee benefits with industry standard
- Annual employee satisfaction survey
- Employee participation in and evaluation of training opportunities
- Board evaluation and utilization of current training opportunities

Strategy:

- Demonstrate best practices as an employer by compensating our staff well, offering affordable, comprehensive benefits, and allowing a flexible approach to employment that balances work, family, and personal goals.
- Encourage staff commitment and engagement in the organization, including ongoing training in the cooperative business model.
- Cultivate talent within the organization by developing incentives that encourage staff to develop additional skills and leadership qualities.
- Develop training modules for staff development at all levels of business and to support succession; utilize NCG Co+op U courses.
- Develop a skilled board of directors by providing regular board trainings and education.

Benchmarks:

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|------|---|
| 2019 | Facilitate leadership cohesion by providing ongoing training opportunities to Department Team Leaders; when applicable to all staff |
| 2020 | Board member training system evaluated; improvement strategies developed |
| 2021 | Training modules for staff development implemented |
| 2022 | Minimum Wage increase to \$15/hr implemented; wage compression and financial wellbeing assessment conducted |
| 2023 | Organizational chart evaluated |

RESULT

We will have an engaged and knowledgeable staff and board that create a thriving workplace and exemplary organization.

6. INFRASTRUCTURE AND GROWTH

LONG-RANGE GOAL

Upgrade and maintain facilities to meet customer expectations, operational needs, and create a welcoming, fun, vibrant atmosphere in our stores.

Overview:

The way we shop for goods and groceries is always evolving. It is important for the Co-op to ensure that we are able to serve our member-owners' needs in the best way possible. We also want to make sure that the way we grow into the future is in alignment with our values and the needs of the member-owners. We need to evaluate our current buildings and determine if they are meeting our needs and what changes need to be made, if any. Some large equipment is reaching the end of its life and may need to be replaced as well. With a healthy debt to equity ratio and our Quincy store paid off in 2018, we are in a good place financially to consider reinvesting some capital in our infrastructure.

Strategy:

- Evaluate current space use and develop a long-term plan for our facilities and locations.
- Improve and upgrade facilities to meet our short-term needs and create a lively and inviting atmosphere.
- Develop a financial strategy to be prepared to take advantage of opportunities when appropriate and lucrative.
- Develop ways for our facilities to create an even better shopping experience and provide the services and experience customers desire.
- Begin reinvestment project at Quincy location store; including exterior remodel, interior painting, evaluation of equipment and floor layout with emphasis on fresh departments.
- Evaluate the benefits of a customer service area within each store; align with member services and board outreach exposure.

Measures:

- Space use evaluation
- Customer feedback surveys
- Secure and efficient Point of Sale (POS) registers operating at all locations

Benchmarks:

- 2019 Quincy location storefront appearance evaluated; remodel plan developed
Customer service area evaluated/developed
- 2020 Quincy location reinvestment project implementation underway
Reinvestment opportunities at Portola location developed
- 2021 POS systems at both stores replaced with upgraded units
- 2022 Customer feedback survey conducted to determine satisfaction with facilities and services
- 2023 Long-term facilities plan developed
Budget for large future upgrades developed

RESULT

Our stores will provide the services that our member-owners desire and create an enjoyable atmosphere that draws people in.