



# LEADER

*A publication designed to promote visionary and forward-thinking discussions between and among food co-op leaders*

## A Study Guide for Co-op Leaders

### Boards That Make a Difference

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## Boards That Make a Difference

At the end of the day, as they say, is your board making a positive difference? To the co-op? To your members? To your local community?

We often hear from co-op directors that they're not sure they make a difference. Or we hear about co-ops where the board shares the blame for problems—by relying too heavily on management, chasing away talent, or not paying attention. We'd like to explore how boards contribute in positive ways to their co-ops and to support boards in making a difference.

This issue brings together four different ways of looking at how boards matter. First we look at why leadership is important—even critical—in an organization committed to democracy. Then we have reflections from several co-op general managers on how boards make a difference on a day-in, day-out basis to the success of the co-op. We also offer perspectives on how boards enhance the GM's ability to make a difference.

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# More about the LEADer

A publication designed to promote visionary and forward-thinking discussions between and among food co-op leaders

The LEADer is a quarterly study guide designed to foster visionary and forward-thinking discussions between and among co-op leaders. The LEADer is a publication of National Cooperative Grocers Association (NCGA) and strives to incorporate experiences and voices from all co-ops affiliated with NCGA. Each issue is produced by the Board Effectiveness Support Team (BEST), a voluntary committee made up of board leaders and general managers from co-ops around the country. We welcome those who would like to join us in this project.

The LEADer is available to all interested co-op leaders. This issue and all back issues are available online at <http://www.cooperativegrocer.coop/leader/index>. Those wishing to subscribe to the LEADer and have issues sent directly by e-mail as soon as they're available should contact Karen Zimbelman at [kz@ncga.coop](mailto:kz@ncga.coop).

We welcome your reactions, suggestions, and contributions, as well as questions for us to answer in future issues. Send comments or questions to [askthebest@ncga.coop](mailto:askthebest@ncga.coop). For more information about NCGA, the LEADer, or the BEST, contact:

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# Commitment to Democracy Matters

by Martha Whitman



In an era where at every turn we face the bureaucracy of big government and corporations, our food cooperatives still provide a treasure trove of opportunity for us to step up and fight the good fight. Look around. How many places can you decide to run in an election—and not need connections or money? Democracy is still at the heart of our co-ops, and we offer a level playing field for participating in their governance. Yet this opportunity is underutilized. If we really had a handle on it, wouldn't all our elections be hotly contested and wouldn't directors be clamoring to become officers?

To address the missed opportunity of democracy, I propose taking a closer look at our notions about leadership. If, individually and as a group, we identified compelling motivations for leadership, we could be more strategic in growing cooperative leaders. We could start with reflection and take an inventory of what board service has meant to each of us personally. How has stepping forward affected you? What skills have you developed? Perhaps you are a better team player, a better writer, or able to think more critically. Or perhaps you simply have a keener appreciation for what it takes to keep an organization healthy. How has this experience translated back to your life? Are you bolder in the world? More curious? More hopeful? If not, perhaps it's time to explore why. If board service isn't a positive experience, we miss

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# Commitment to Democracy Matters

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opportunity on many levels. You, your co-op, and your community benefit when you build your leadership skills and when the reciprocity is legitimate and desirable.

While you don't have to be a board officer to be a leader, taking on the additional duties and responsibilities will fast-track your personal development. Being an officer—particularly board president—deepens your connection to the cooperative and gives more meaning to your contribution. If you see that directors are hesitant to be officers, explore the reasons

why. It could be a lack of board development training, the dominance of particular officers, or too much work. After you've acknowledged the spoken and unspoken factors that may be contributing, the board can build a plan.

Consider the landscape during the time of the Rochdale pioneers. Before they even opened their store, they established a program to teach people to read and write. During their era, the general population didn't have access to education, and the pioneers understood that social change



could take place only if people were educated. Today lack of literacy isn't as big an issue, but democratic control of our lives is. Building leadership skills is one way cooperatives can keep democratic principles alive. Yes, cooperatives need directors attending to the duties at hand, but we can also build a culture that nurtures leadership that spills out into the larger world. Viewed in that spirit, our work as board members continues to be a revolutionary act.

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## Boards That Make a Difference

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In preparing these articles, we interviewed general managers and past board chairs. In those discussions, we came to recognize the immense power and value of a member-elected board: of having the checks and balances of a board/management team with distinct roles; of having a group whose purpose is to ask the hard, broad, future-oriented questions.

Our challenge to you is to keep doing those things, in ways that are supportive, respectful, and

well informed, and most importantly in ways that contribute to the co-op's continued improvement—to clear, strategic thinking; to a greater positive impact on the quality of lives of members and the community; and to building a sustainable path for the co-op's long-term success. It's not always easy to see the impact of this work in the short term, but it is vital and matters a great deal.

# Why Boards Matter Managers Weigh In

by Lucinda Berdon

General managers work very closely with their boards and have a unique relationship with them. I interviewed five co-op general managers, who unanimously agreed that boards truly do matter. Here's a synopsis of their comments.

## **LB: What is the most important role of the board?**

*Boards are accountable to members, especially when they focus on strategic and visionary components. They also provide important support to the GM—both in terms of decisions that need to be made and in working together to shape the co-op's future. The board serves as an important check and balance within the co-op, ensuring that the GM's operational decisions are moving the co-op toward its goals and that the co-op is accountable to members' needs and interests. Without a doubt, boards encourage and force GMs to be better managers.*

## **LB: Does your board president make a difference?**

*Board presidents help promote our stores and advocate for management. They keep our plans for the future in the conversation. They make sure that board meetings are well planned for, that agendas are clear, and that the board is spending time on issues that are important and timely. The president is also an important support for the GM. Working together, the board chair and GM can discuss and strategize about how to move the co-op forward. When a president has a strong, confident presence, he or she can help create strategic plans and visions while developing a healthy board culture.*



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## Why Boards Matter Managers Weigh In

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### **LB: What positive impact has your board made for the organization?**

*Boards are seen as important protectors of the community's investment. Their positive impact is illustrated when they stay out of operations and are supportive of the GM when operational issues become heated debates. They help by acting without undermining the GM or the success of the co-op and by keeping their focus on goals and the future. The development of a strategic plan shapes a future for the co-op and helps guide the GM's operational decisions and focus.*

### **LB: What board input is most critical in helping influence the GM's decisions?**

*Because the community fills the board's collective ear, directors are able to help the GM consider various ideas, concerns, and values of the co-op's membership and larger community. Knowing what the board and members want influences the GM's decision-making process. This information gives a more robust picture of what may be happening in the community that is important to consider for strategic decisions. Boards also help build a governance system that is transparent and measurable. It is important to identify how boards contribute to the success of our co-ops and to acknowledge their contributions.*

Clearly, co-op boards matter, especially when we're trying to create healthy and thriving businesses that are accountable to the needs and desires of members. Our co-ops represent much more to our communities than just being sources for food. Directors are responsible for building a shared vision among stakeholders and for helping operate co-ops that make that vision a reality and make a difference in our communities.



# Making Sure the Board Matters

*Three former Community Food Co-op (Bozeman, Montana) board chairs recently got together to discuss the following question: How has our board made a difference in the workings of the co-op? The following is informed by the lively discussion that ensued.*

by Cindy Owings

How do boards make a difference even when they don't think they do? A way of answering this question is to examine the qualities and functions that a board brings to bear. No other co-op entity can lay claim to the razor focus that a board brings to the management/staff/member-owner equation. Included in the spotted skin that defines the species known as a co-op board are characteristics unique to the survival of an effective board and in turn to the survival of the co-op. Boards make a difference by:

**Managing the process**—Preordained processes govern the structure upon which a board depends and operates. These processes line out how issues are framed and what questions must be asked and answered. Within such a framework, board members can feel safe in raising issues that might be difficult to bring forward in any other setting. Board members share equal leadership within the board by virtue of the fact that each was elected by the membership, implying shared responsibility.

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# Making Sure the Board Matters

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**Exhibiting courage**—Board members must show courage. In the first place, to run for a board position, an individual must reveal her or his reasons for running. This process can seem like running naked through the grocery store. Once on the board, a director must have the fortitude to enter into conversation about topics, make difficult decisions, and offer opinions or knowledge that may ruffle the feathers of others. Further, reaching consensus means having the courage to compromise when necessary.

**Using a wide-angle lens**—Each board member brings his or her personal experience, professional knowledge, and connections to the general community to bear to provide a global view when the co-op needs fresh perspectives. For instance, knowing that Bozeman is one of the fastest-growing communities in the nation, during the store design process, our board strongly encouraged management to provide more chairs for the eating area of the new downtown store. Being able to readily take the temperature of population growth is critical to many decisions a co-op makes about expansion.

**Being creative**—Creativity comes from being able to pay attention to what's going on without distraction. Boards must minimize outside noise to allow for ideas to flow. Boards can afford the space for creative thinking, whereas staff and management are burdened with operations. Board members need a safe, distraction-free space for creative thought.

**Putting in (or making) the time**—Board members put in or make the time needed to ensure that their work matters. Time is of the essence in matters of the board. At the same time, a good process is important to allow for communication to members and for consideration of various stakeholder interests. A board makes the time to think strategically.

**Focusing on the future**—Possibly the most important work of a co-op board is to envision the future. For instance, it was with the encouragement of the CFC board that management increased the purchase of local food. This vision resulted in an astounding 70,000 pounds of local food purchases in 2013. Certainly, envisioning the future is a collaborative process between the board and management, but the focus on the future is where the board is of most value and is most powerful.

Co-op boards matter because they are the keepers of institutional knowledge, foster strategic thinking, and contribute in meaningful ways to the sustainable future of the co-op. It was determined by the three board chairs that, indeed, there is too much evidence that our boards matter to beg the question. End of discussion!







# Making a Difference

## By Providing Strategic Leadership

by Gail Graham

In the early 1990s I participated in the first tour by U.S. cooperators of Co-op Atlantic, a network of consumer co-ops located in the Atlantic provinces of Canada. A group of us were sitting around one evening drinking brandy while Ann Hoyt bubbled over with enthusiasm, explaining this great new “Policy Governance” model that she had come across. “Are you crazy?” someone exclaimed. “You want my board to think?” Frankly, we thought Ann was delusional.

Back then we gave lip service to the idea that our boards added value. Many GMs, myself included, viewed boards as an outlet for well-meaning community members, and we did our best to contain any damage they might do.

Our cooperatives have grown over the last 25 years, in size and sophistication. We have a clearer understanding of the complementary roles of the board and management, as pointed out by the “Four Pillars of Cooperative Governance,” and we are increasingly able to articulate how the board adds value.

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# Making a Difference

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I have a deep appreciation for the work of the Mississippi Market Co-op board. I recognize the value it adds in all four pillars, especially in the area of strategic leadership.

## **A good board provides a check and balance on management's drive for short-term success.**

Yes, I am in it for the long run, *and* I am committed to the triple bottom line. And, frankly, I like to hit my goals. Our board's work in articulating our vision and strategic drivers helps me and my team stay focused on the long-term responsibility we have to our stakeholders while working to hit our short-term numbers.

## **A good board appropriately challenges management in a supportive rather than adversarial manner.**

Directors ask the hard questions, and they require answers. They are willing to bring issues up and have the pros and cons debated. Many years ago, our board was discussing how to track local purchases. At the time, we didn't have a particularly robust POS system. A director insisted that it could be done, and I made some cavalier remark about how "we can do anything if we want to spend enough money on it." He was respectful and firm and in a no-nonsense manner reminded me that supporting local growers was of prime importance to our members and our mission. He reminded me of the need to tackle big issues, even when the barriers appeared insurmountable. Of course, today it is routine for us to track our support of local growers.

**A good board brings rigor to a cooperative while still facilitating forward movement** (A bad board might cause rigor mortis!) When I bring a proposal to our board members, they expect me to be prepared, to have clarity about what I am asking for, and to present enough information that they can make an effective decision. This makes for a better decision-making process co-op-wide, and I believe it sets the stage for better decisions.

I believe that part of my role as a GM is to help build a strong board, because a strong, highly functioning board helps make the cooperative better for everyone. I value and respect the work directors do and appreciate the time and thought they give to the job. Helping them get better at what they do is an investment in the co-op's future and one I take seriously.



# BOARDS MATTER

A LEADer STUDY GUIDE



## LET'S MAKE A DIFFERENCE

We offer a number of questions for your board to consider after reading and discussing the articles in this issue. We hope these questions serve as a springboard for ongoing discussions about how the board makes a valuable difference at your co-op.

1. In what ways does your board actively encourage open discussions and consideration of issues from various perspectives? How can you make sure this happens regularly or at all relevant junctures?
2. Assuming that Gail Graham is correct when she says, “Helping [directors] get better at what they do is an investment in the co-op’s future and one I take seriously,” what do you, as the board, need from the general manager? How could your co-op’s general manager help the board make a positive difference?
3. In what ways does your co-op board encourage or allow for difficult conversations or for board members to ask “courageous” questions?
4. What does the board need or expect from the board chair (or president) to enhance its effectiveness and positive impact? In terms of process and meeting preparation? In terms of meeting style and an approach to routine and challenging issues? In terms of making the time for long-range and strategic topics and considerations?