

Keep the Co-op Candle Burning

Effective member relations essential to keep co-op spirit alive & kicking

We just don't feel our cooperative is a cooperative anymore? Sound familiar?

This disturbing perception is becoming all-too common among some cooperative members. This feeling and similar ones - such as, "I don't feel my co-op has anymore interest in me than would an investor-owned corporation," etc. - provide stark evidence that a cooperative's member relations efforts are lacking. Greater contact with members and improved member communications may be needed to reverse this negative perception. If this type of perception spreads among your members and is not adequately addressed, your co-op's future is not bright -- regardless of where the markets go.

Without proper attention to member relations, member loyalty will often deteriorate. Under these circumstances, members' use, control and ownership of the co-op will slip. While some members may continue to be committed to their co-op, others may slip away. Most members need to be regularly reminded that they indeed are a critical asset to their cooperatives. Their participation in the co-op is the defining link to reaping benefits and success.

The need for enhanced work in member relations' area is well understood, but is often overlooked.

Of course, some cooperatives are doing a great job with member relations. Others are trying to fix their member relations program after their cooperative culture has slipped. Others choose to ignore this vital area until it is too late to correct it.

New cooperatives often concentrate hard on member relations. Lately, we've heard much about new, new-generation or value-added cooperatives. With their closed- or limited- membership policies, member relations in these cooperatives are probably pretty healthy. At the same time, we are also in an era of continuous structural change in cooperatives. Many cooperatives are restructuring their operations - large-scale mergers, joint ventures and other strategic measures have been consummated. Global markets have evolved.

Thus, many of today's large cooperatives have complex operations and/or expansive geographic membership regions. In these cases, it is quite likely that some members feel disconnected from their cooperatives. Depressed markets for many farm commodities have also created economic turmoil and even led to some co-op bankruptcies, which further hurts the cooperative culture and image.

Many co-op leaders believe providing quality services is their best member relations' tool. Indeed, it is extremely important. But quality service alone isn't always enough to create cooperative loyalty. Given the intense competition they face, cooperatives must do more. They need to be more assertive in building member relations in other ways. Otherwise, members may become dissatisfied and the cooperative's future may be endangered.

Continuous effort needed

Cooperatives must work continuously to strengthen member relations. This is critical for a strong cooperative culture and future success. Well developed and implemented member relations goals/strategies need to be outlined. Some important ones include:

- Communicate with members (a fundamental necessity);
- Educate members (a continuous need);
- Promote the co-op (the cooperative image);
- Motivate members (member responsibility, loyalty).

Effective **communication** channels are necessary in cooperatives for disseminating timely information to members, to educate, promote and motivate. Strong communication builds a cooperative connection to members. Cooperatives that talk to their members make them feel more connected and important and more apt to be loyal.

Communications with members should regularly include information about:

- The cooperative's background, objectives, organization and general operations.
- Cooperative principles and practices and the benefits that members receive from the co-op.
- Cooperative policies - especially when adopting new ones, or changing old ones. Members must know why policies are being developed or changed. Members must be kept apprised of how policies affect them.
- Products/commodities ? where they come from, where they go and how they are handled.
- Services - what's offered, what's new and what to expect.
- Cooperative plans - changes in operation methods, equipment, services offered and overall strategic direction.
- Future outlook - for business, agriculture in general, and for their commodity product in particular.
- Cooperative finances - encompassing sales, savings and losses; overall budgets and future financial plans; development of new products/services, and equity position and redemption plans.

Member communication is accomplished through the annual meeting, local meetings, educational forums, open houses, planned tours, newsletters, bulletin boards, informational leaflets, promotional activities and through electronic means (i.e., radio, television, Internet). Management, directors and employees need to take an active role in communications with members.

Cooperatives should communicate information that tells members everything they should know on a regular basis. No member should be left in the dark about important aspects of their business. Talk to them in good and bad times. Make them understand their cooperative's unique principles and practices and remind them of their responsibilities in those respects.

Strong communication should be the foremost goal for improving member relations in cooperatives. Cooperative relations benefits flow from good communication and well-informed members are usually more loyal and conscientious toward their cooperatives. Cooperatives must "talk" to their members and establish a relationship that nurtures cooperative culture.

Education about cooperative principles, practices and benefits is extremely important in cooperatives. "Education is a social process Education is growth.... Education is not a preparation for life; education is life itself.? Those words, spoken by philosopher and theorist John Dewey, convey that education is a vital lifelong process.

For cooperatives, with their unique principles and business and governance structure, education is their lifeblood and must be a continuing priority. If members are to live by cooperative principles and practices to gain economic benefit as an extension of their farm operations, they must consistently be taught those very aspects of cooperation. Members use, control, and benefit from their cooperatives. They need to be reminded of it and hear it regularly.

The unique principles of cooperation should be taught to members, youth and the general public. Directors need to be educated on any number of important aspects to successfully meet their responsibilities. Cooperative employees also should be well-schooled in cooperative principles and should be responsible for improving member relations as part of their job.

Educational activity must not only be directed at members, but members themselves also need to be active cooperative educational stewards to youth, potential future cooperators and the general public.

Members or potential members are educated through written materials, visuals, meetings, conferences and workshops; by management, directors, other members and various programs and school classes or programs. Fully understanding cooperatives and their unique nature is a relationship-building tool that cooperatives cannot afford to ignore. They must commit to education and see that it is an intricate part of their organizations.

Promoting cooperative image is a goal often overlooked by cooperatives. However, this goal appears to have been reborn, at least in some areas and by some cooperatives. Two examples of such image promotion include Blue Diamond Growers with almonds and Cabot Cooperative Creamery (owned by AgriMark, Inc.) with Cabot cheese. These cooperatives not only promote their brand products, but also are assertive in letting the public know that these products are derived in cooperative businesses *owned and controlled* by farmers.

Cooperatives should let the world know about their unique organizations. They should heavily promote to all the farmer-ownership aspects, the quality of their products and services associated with farmer-ownership, and the unique principles of cooperatives. This promotion not only helps the business overall, but is a member-relations tool as well. Member pride and loyalty is most likely to swell if the impact of the cooperative business is seen and felt by many.

Motivation of members is born from strong member relations. Member identification - where members are made to feel directly connected to their cooperative - is a strong motivational tool. All three of the member relations' strategies discussed work to create member cooperative identification. Successful co-ops must employ communications that points out how a cooperative is working for members as an extension of their farm businesses, and how the co-op needs their support and helps them overcome the obstacles they face. This type of communication can provide a sense of fulfillment and pride in members and thus, motivate them to use and control their cooperatives.

Motivated members further help by instilling that same pride and loyalty in other members, since many members tend to "follow the pack." The result of this should show members that they are better off serving themselves through their cooperatives than by doing business with others (e.g., non-cooperatives). Communication aimed at member identification creates the foundation for greater member motivation in cooperatives. Cooperatives must work continuously to create this quality that engages members to be active participants in their cooperative.

Candling member relations

The egg-shaped *exhibit* depicting effective member relations shows that building member relations begins at the core of the cooperative "yolk" with communications. Communication efforts in information, education, promotion and motivation flow freely through the cooperative's "albumen," reaching and nourishing the cooperative "shell." The cooperative membership makes up the "shell" of the cooperative "egg," providing a loyal nurturing environment that helps the "egg" to thrive. The lit candle indicates the need to keep member relations burning within the cooperative. While this exhibit provides some fun, it offers a serious message as well.

Building member relations begins and ends with communication. Show a lack of it and cooperatives will likely find their members gaining a "non-cooperative" perception that can be very difficult to overcome. Conversely, making communication a core function of the organization - to implement important goals and strategies such as those discussed -- will go a long way toward thickening the membership shell of the cooperative.

Indeed, to be cooperatives in every sense of their distinct principles and structures, a strong effort on behalf of member relations is required. Cooperatives need to commit and remain committed to keeping the member relations "candle" lit within their organizations.

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