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Q&A with Gillian Lonergan

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CO-OPERATIVE COLLEGE CENTENARY TAKE-OVER

Co-op Retail Conference

Representatives from across the UK co-op retail sector gathered in Cheshire in March for the annual Co-operative Retail Conference. Organised by Co-operatives UK and sponsored by VME Coop, it featured keynote presentations from industry specialists alongside best practice from retailers.

James Walton, chief economist at IGD, a grocery research and training charity, gave a keynote on how retail has been reshaped by politics, economics and technology, and what this means for co-ops.

His primary message was to focus on digital, warning that “UK co-ops are underdeveloped when you compare them with that bigger rivals”.

Tech is starting to “blur the boundaries between stores and vending machines”, he said. But while tech specialists are vital partners in bringing new technologies to market, they are also potential threats and market disruptors.

Another problem, despite progress, is waste in the UK grocery supply chain. This is a massive sustainability challenge, said Mr Walton, adding: “If that could be resolved in co-ops, it would free up a huge amount of money which could be returned to members or invested in other worthwhile activities.”

But the current focus has to be Brexit, he said. “Tech is going to transform the way food retail works. But I also have to be a Brexit bore ... Businesses that are not ready for Brexit are not going to be around to see that high-tech future.”

Tech was also the focus of a presentation by **Stephen Gill and Richard Bridges of event sponsor VME Coop**, which looked at the future of payment systems, and what tech means for retailers. “Through technology we can help the co-op movement grow,” said Mr Gill. “The movement coming together with the same platform can achieve great things.”

They highlighted six consumer payment trends which present a great opportunity for co-ops: 60% of Generation Z, “who have never lived without Google, Amazon or Facebook” are using mobile banking daily or weekly, and don’t want to carry cards or cash; the importance of a fluid user experience (UX); the rise of mobile payments; the use of rewards; the importance of networks; and fintech.

On membership cards, Mr Bridges said: “Digital generations aren’t going to download 13 different apps for 13 different societies. Polls indicate that one in three co-op membership cards is being rejected at the till because they’re not the right card.”

VME Coop, whose software runs in nine of the 13 independent retail co-ops, believes that having a single card, attached to a single software system, that can be used across stores in different societies, would grow revenues and memberships – and save organisations money.



“This is our point about the common platform,” said Mr Gill. “This is a great opportunity for the movement be ahead of the game.”

But they also noted the Access to Cash Review, which said 17% of the UK population would struggle to cope in a cashless society. Those most affected will not, as is often assumed, be older people – it will be those in poverty. Co-ops, “as people-centred businesses”, should be mindful of this, said Mr Gill.

The conference also welcomed **Doug O’Brien, president and chief executive of NCBA-CLUSA (America’s National Cooperative Business Association)** and **Stephen McDow, director of membership & development at the Keystone Development Center**, based in Pennsylvania.

Mr McDow formerly worked with Mr O’Brien at NCBA-CLUSA, where he researched the way some predatory dollar stores target rural white, African American and Latino communities. The number of dollar stores has grown by 50% in the last eight years, he said. “Less than 1% of items sold in these stores is fresh produce. Essentially what these dollar stores are betting on in a large way is that we are going to have a permanent underclass in America.”

But the US grocery co-op sector also faces challenges around capital, access to quality food, land location, racial and cultural bias, education, and supply chain and distribution networks.

“The biggest question is: how do we educate the next generation?” said Mr McDow. “How do



Images from top: IGD chief economist, James Walton; Richard Bridges and Stephen Gill of event sponsors VME Coop; NCBA-CLUSA chief executive Doug O'Brien

Together we will reach new heights

Our co-operative IT solution includes everything needed to run a consumer co-op. Our mission is to help the independent co-op movement thrive. We do this by reducing your society's costs and helping your co-op be as efficient as possible through technology. We are truly co-operative – with lower prices for all consumer societies as more co-ops use VME technology.



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What else happened at the Retail Conference?

Phil Ponsonby, chief executive at Midcounties Co-operative, spoke about the organisation's partnership with food technology business Happerley, which enables customers to track the provenance of food and drink products. A QR code on Happerley-certified products brings up details of the ingredients, which is gathered from the producer in a "low cost, low bureaucratic" way.

Hannah Gallimore, corporate responsibility manager at Central England Co-op, and **Simone Connolly** from FareShare presented a partnership which joins the dots between retail surplus and community need. It uses Central England's distribution network to deliver crates of surplus food to a nearby FareShare distribution centre. Over 250 stores will be taking part by the end of May, and there are pilot schemes at Heart of England and Tamworth societies.

Lee Hammond and **Scott Walker**, from East of England's Co-op Secure Response (CSR), told how organisation is tackling the causes and consequences of antisocial behaviour. One of their successful programmes works with offenders to examine the consequences of their actions. "We have worked with 15 young offenders," said Mr Walker. "Of those, one reoffended, 14 didn't, and two now work for us."

James Blackburn, head of funerals at Scotmid, examined how market disruptors in Scotland such as Fosters and Caledonia Cremation are helping to change the pace of the traditional sector. **Jon Levett**, chief executive of the National Association of Funeral Directors, expanded on further drivers of change, including a Treasury investigation into pre-paid funeral plans; a Competitions and Markets Authority (CMA) study; and the appointment of an Inspector of Funeral Directors in Scotland.

Delegates heard **Cliff Mills**, consultant at Anthony Collins Solicitors, in conversation with **Gareth Swarbrick**, chief executive of Rochdale Boroughwide Housing, talking about how the organisation was founded on the question: What would tenants and employees coming together as equals let us to do differently?

And **Nick Thompson**, chief executive of The Phone Co-op, discussed what the BT IP Transition will mean for co-ops. "Businesses throughout the UK are reliant on phone lines that were invented in the 1800s," he said. "These will become obsolete in 2025 when BT switch off all PSTN and ISDN lines."



we get workers to understand the farm-to-table supply chain, the co-operative advantage, and the co-operative principles?"

Community involvement is key, he said, but more important is picking the right stage to introduce learners to co-ops. "When I talk to farmers, they're not really invested [in higher education]. What they found valuable were apprenticeships. We need to develop an educational programme that's publicly funded, that's at scale and that educates young people while giving them paid jobs and vocational training, that may later be used to help subsidise university training."

Mr O'Brien looked at wider challenges in society – a crisis of confidence in institutions, inequality, the changing world of work, a data-driven digital marketplace, and climate change.

"Co-operatives empower workers to tackle these challenges and to make gains," he said, adding that the "silver tsunami" of baby-boomer business owners reaching retirement age was a huge opportunity for co-op conversions.

He said NCBA-CLUSA wants to use co-op values to work towards an inclusive economy – and to do this, it needs to confront the problem that people aren't looking to co-ops as key partners.

"We need to embrace an inclusive economy strategy both inside and outside the co-operative community, measure the impact of co-ops on society and share this in the most compelling way. Think about what could happen if co-operatives put all of our energy in erasing racism, or youth engagement, or climate change."

The final session was a workshop facilitated by Ed Mayo, secretary general of Co-operatives UK, and Rebecca Harvey, executive editor of Co-op News, to explore where the co-op movement could be in five years time – and how to make this happen. The results of this session will feed into work being undertaken by the UK movement's support organisations to work better together.

Images from top: Stephen McDow, director of membership & development at the Keystone Development Center; and Hannah Gallimore, corporate responsibility manager at Central England Co-op with Simone Connolly from Fairshare