

Who's Driving the Bus?

Bringing cooperation inside the store walls

BY CAROLEE COLTER AND JEANIE WELLS

As we go about our work of assessing organizational structures and conducting employee surveys in food co-ops, we frequently encounter an ongoing struggle between the marketing department (or lone marketing staff person) and the heads of the sales departments.

Comments we've heard from marketing staff:

- The departments just don't seem to understand that I'm trying to help them increase their sales.
- Department managers complain of not having time to think ahead to request a sign or make suggestions for demos or look for cross-merchandising opportunities. When we go to them to get this information, they act as though we're bugging them.
- Some department managers are willing to give feedback, participate, and cooperate. For others, their department is a universe unto itself, no matter how you propose, modify, beg, and plead.

From department managers, we hear:

- Marketing has too much power. They tell us what to buy and what to promote.
- They're never on the floor. They're in their ivory tower thinking they know what's best.
- If you have to wait for marketing to approve something, give up on it. Requests to market fall into a black hole.

Purchasing, then marketing

What are the roots of this mutual distrust? Historically, the natural food co-ops that started in the 1970s and '80s were driven by the purchasing function. Purchasing was often equated with management, and purchasers by default created their co-op's brand through their choices of products, signage, and promotions. In comparison, the marketing function is newer.

In the process of building the co-op's brand, marketing is taking over powers that used to lie with purchasing. As a result, staff on the floor may feel disempowered. Perhaps some people liked taking an hour off the floor to create a handmade sign, and now marketing has taken over signs. Or perhaps the marketing

department is now intervening in decisions about adding and dropping products, and purchasers are losing some of the autonomy they once enjoyed.

Because it is marketing's responsibility to put forward the co-op's identity or "the brand," the marketing department tends to become the lightning rod for disagreements over the direction and values of the co-op among its multiple stakeholders. As Edite Cates, Brand Manager at La Montañita (Albuquerque, N.M.), puts it, "When it comes to marketing, everyone has an opinion; everyone thinks they're an expert."

Contributing further to this dynamic—although we suspect it's no worse in food co-ops than in any other retail business—there's a certain amount of "us and them" feeling between those who work in offices and those who work on the floor. In addition, marketing positions are less transparent than the jobs of buyers, stockers, and department managers. It's fair to say that many co-op employees don't understand what marketing staff does day to day.

Regardless of the reasons, antagonism between marketing and operations takes a toll

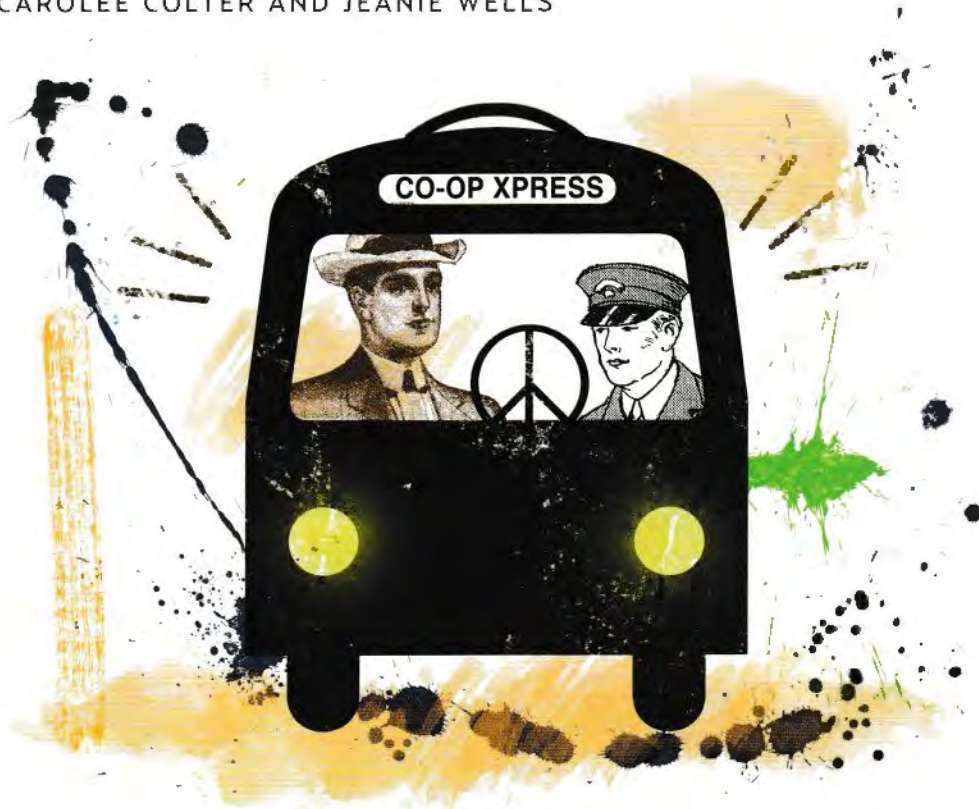
on the co-ops where it occurs. As one marketing staff person wrote on an employee survey, "Our operations and marketing departments are so poorly integrated that it causes resentments and misunderstandings that impede the effective operation of the store."

There are co-ops that have managed to avoid or transcend marketing/operations conflict. From our experiences in these stores as well as interviewing several marketing managers, we find that successful relationships seem to depend on six key ingredients.

Marketing as a support service

Among all the marketing managers we interviewed, we found a service mindset. They see their role in the marketing/operations relationship as supporting the department managers in reaching sales goals. They seem to have found a way to use their professional expertise to serve, not to dictate.

Jennifer Cliff, communication and design manager at Sacramento Natural Foods Co-op (Sacramento, Calif.), exemplifies this approach: "We are a service to operations. That hasn't ▶



◀ always been played up in our history. In the past, some of our policies were more rigid. For example, the minimum turnaround time for a sign request was three days. When I became manager, I said, "That's one thing we're changing right now. We'll look at our workload and we'll do it as soon as possible—within the next hour if we can." I want my department to have the same desire to sell, the same sense of urgency, as operations."

A collaborative work style

The most successful people in charge of branding and in-store merchandising strive to collaborate with the sales floor managers. Cliff states, "I'm a strong advocate of collaboration. Even if I have my own ideas, I never run something without feedback."

At La Montañita Co-op, Cates says, "Our department creates templates so that departments can use it to make their own signs. Sometimes a department says, 'This color doesn't work for me.' I ask, 'What color would work better?'" She also makes a point of getting input from sales managers on every program her department initiates. "If I'm putting together a new program, I send it out to the department heads for review. I build in a time period for comments."

Lee Clinton, marketing manager at Boise Co-op (Boise, Idaho), explains, "We aren't driving. We're letting the departments drive. They know when spring lamb is coming in. They know when the berries are perfect."

Effective communication systems

The intersection of sales floor operations and organization-wide promotions is built on high volume. That means every routine occurrence at that intersection should be made as systematic as possible to prevent potholes or traffic jams. Promotional calendars, sign templates, sign requests, upcoming specials and endcap plans, demo requests, new product

The marketing department tends to become the lightning rod for disagreements over the direction and values of the co-op among its multiple stakeholders.

procedures—all should be centrally accessible and easy to use for all involved.

Tom Vogel, marketing and member services manager at Seward Co-op (Minneapolis, Minn.), told us that his co-op tries to automate everything possible in the sign-request process. "We'd rather spend our time together having more strategic conversations, finding new ways to communicate and breaking down any 'silos,' than talking about needing a new sign."

Vogel recommends collecting the data of past promotions. Whether electronically or on paper, keep some basic records of what promotions were done each month, how they went, what if anything you wished you'd done differently. The next time you run that product on sale or try the same event, you have information about what was effective and what wasn't. This is also a good way to build in some succession and on-site resources for newly hired marketing and sales department managers.

Clear structure and roles

Everyone needs to know who's driving the bus, or perhaps more accurately how the bus gets driven. A lot of decisions, small and huge, impact the co-op's overall brand. It is essential to clarify each person's role and responsibilities so that a clear process can be created. We believe that a service mindset, collaborative working style, and effective communication systems can be achieved through a variety of different structures, as long as the roles and responsibilities are sufficiently clear to all players.

At Community Mercantile (Lawrence, Kan.), Branding Manager Josh Kendall relates, "We did so much better once we articulated what our best practices were in promotional planning. We had to get to the point where we could say, 'This is the process we use for our promotional planning at The Merc.'" In establishing such a process, there may be different people or groups responsible for researching trends, making recommendations, and making decisions, but the process and each person's role in it needs to be as clear as you can make it.

Other service functions—accounting, HR, IT—are carried out by staff with fairly similar job descriptions among co-ops of comparable size. Produce, grocery, wellness, front-end, meat and seafood, and to some degree prepared foods—these, too, are staffed in fairly similar ways from one co-op to the next. But marketing varies a great deal across co-ops. Depending on the skills of the people in the job, the focus of a marketing department can lean more towards graphic design, communications, owner services, advertising, social media, and/or demos. As a result, the interface between purchasing and marketing can follow different paths among food co-ops.

A case in point is the store merchandiser role. Lately, we've been seeing more instances of this position being created to increase consistency by focusing on the whole store rather than individual departments. Merchandisers can add to staff capacity to create an effective in-store experience, but often they are the personification of the tug-of-war between sales floor and marketing because they have one foot in each department. Structurally, merchandisers report either to a marketing manager or otherwise to a sales floor manager or operations manager. We think either type of reporting relationship can work so long as the merchandiser's role, purpose, and process for supporting the whole organization are clear and widely understood.

HDMI
Home Delivery
Management

1-866-221-4889

www.homedeliverymanagement.com

▶ We can Help Your ▶

Co-op, CSA, Buyers Group, Farmer or Processor Co-op
with our Complete Management Package

- Inventory control, supplier data base
- Customer Receivables, Financial reports to sync with accounting
- Facilitates Direct ordering from Local Farms
- Easy to use online web store
- Facilitate home delivery, pickup spots and on site POS shopping

Accountability through the chain of command

The general manager and other key managers must commit to respect and support the established process for promotional planning, or else the people and the process risk losing their authority, leading to time wasted on trivial details. General managers can keep the focus on everyone working hard toward the same goals and reaffirming the process to be used to get there.

If there is conflict between operations and marketing, the supervisors of the respective managers need to step in. Every week at Sacramento Natural Foods Co-op, the managers of the marketing departments (Education plus Communication and Design) meet with the store manager to go over the promotions for each department. "If anything is rubbing the wrong way," says Cliff, they take the opportunity to discuss it and iron out the conflicts.

Clarity in the vision for the co-op

To build effective processes and roles and responsibilities, there has to be a clear and unified vision of where you as a cooperative organization are going and what you are striving for.

You can't get buy-in to the process or the roles without clarity of purpose.

As Seward Co-op's Vogel puts it, "The work of all of us together is to proactively and strategically work to pursue our Ends. All our marketing and merchandising efforts have to tie into how they help us reach our Ends."

So how do these high-functioning marketing departments achieve this? Kendal from The Merc, and Vogel and Merchandising Manager Toni Tunge from Seward Co-op, spoke emphatically on this subject. We'd summarize their message this way: for people working in the marketing or branding departments, you have to provide the opportunity to have meaningful conversations about strategic direction with the sales floor managers. Marketing managers who don't invite the sales floor managers into that conversation often have ineffective relationships in the store—they are seen as too top-down and authoritarian.

Both The Merc and Seward have built strategic communication into their meeting structures. At Seward, there are large quarterly "Merchandising Team" meetings attended by marketing staff and all sales floor department managers, to talk about the big picture, the

strategic direction, while more frequent meetings are held with a smaller core group of managers to implement and monitor the individual steps of the in-store strategies.

The Merc has reached a similar solution. There are two meetings each month with the Branding Team and Store Operations Team. One meeting is always focused at least three months out and considers strategy. The sales managers are encouraged to participate in these conversations so that the Branding Team alone isn't deciding the big strategic directions. The second monthly meeting with that group is about the implementation of anything scheduled in the upcoming four weeks.

To us, this approach of deliberately bringing marketing and operations together to talk about pursuing the Ends through in-store strategy seems like the best antidote to the misplaced energy of interdepartmental strife and turf wars. It is simple yet powerful: invite everyone to participate in the important discussions, and then carry out the resulting ideas according to clear process and roles. In this way, you can harness and utilize the wisdom from both marketing and operations perspectives and help build a stronger, more dynamic co-op. ■

FAMILY OWNED & OPERATED SINCE 1960

NEW!

Nancy's organic probiotic Greek YOGURT

- Whole Milk and Nonfat
- Strained yogurt, naturally thick and creamy - no additives or thickeners

UP TO 22g OF PROTEIN PER SERVING

- BILLIONS of probiotics and live cultures per serving at expiration date
- Made with organic Northwest fruits
- Available in 2 sizes! 6 oz. and 24 oz.

GLUTEN FREE

www.nancysyogurt.com

ANNUAL MEETING & CO-OP CONFERENCE

Save the Date!

October 2-5, 2012

Red Lion Hotel
Seattle, Washington

- **Four educational tracks:** Marketing & communications, governance, co-op economy and growth Strategies
- **Hear about successful cross-sector collaborations** in the co-op community
- **How does your co-op compare?** Results from NCBA benchmarking survey revealed
- **The co-op brand and value:** Learn how to market the cooperative model with clarity
- **Participate in multiple networking opportunities** with over 500 cooperative leaders: community service project, hosted receptions, co-op tours, and much more!

For more information about this event, contact Racquel Codling at rcodling@ncba.coop or visit www.ncba.coop/events

Interested in becoming a sponsor at this event? Contact Charisse Raysor at craysor@ncba.coop for details

NCBA
National Cooperative Business Association
www.ncba.coop