

December Board Study Instructions

CULTIVATING OUR LOCAL ECONOMY THROUGH RESULTS-BASED ACCOUNTABILITY



SYNOPSIS: After applying the Results-Based Accountability (RBA) framework to the Coop's first and second End, this month's session will be dedicated to applying this framework to evaluating the Coop's compliance with End 3: *a thriving and sustainable local economy that benefits members and community*. Key goals of this Board Study include:

1. Rob Kyzer presentation followed by a discussion on his relationship to the Coop and Kyzer Farm's role in cultivating the local economy.
2. Review research materials related to local economic development and discuss the Coop's compliance with End 3 as outlined in the FY2016 Ends Report.
3. Explore quantitative and qualitative performance measures that can be used to evaluate the Coop's future compliance with End 3.

GUEST SPEAKER:

- Robert Kyzer from Kyzer Farms

KEY CONCEPTS:

- Local economy
- Community wealth building
- Multiplier effect

BOARD STUDY MATERIALS: Key elements of this Board Study include the following:

1. FY2016 Ends Report

- a. The section of the report related to supporting a thriving local economy contains a variety of quantitative performance measures used to assess the Coop's compliance with End 3. This quantitative data could be used by the Coop to ask more nuanced questions and to identify more qualitative performance measures that can be used to assess the Coop's compliance with End 3.

2. NMFMA Report on 2012 Sticky Economy Evaluation Device (SEED) Studies in Albuquerque

- a. While this economic development assessment tool has exclusively been used evaluate the multiplier effect based out of farmers markets, La

Montanita could explore the opportunities of applying it to their grocery store locations. The tool serves as a user-friendly method of estimating a variety of metrics based upon a quick survey conducted at the markets.

- i. Gross receipts at a market
- ii. Number of shoppers in attendance
- iii. Neighborhoods in which shoppers reside
- iv. Dollars they spend at nearby stores
- v. Frequency of their market attendance
- vi. Sales per square foot (speaking the language of retailers and developers)

3. *Community Wealth Building Forms: What They Are and How To Use Them at the Local Level – by Steve Dubb of The Democracy Collaborative*

- a. This paper provides an overview of these different community-based forms of business ownership, how to use them effectively, and what benefits the different forms can provide. Additionally, the paper highlights novel ways to combine these forms into comprehensive community-building strategies. Last, the paper reviews recent efforts to promote cooperatives and community wealth building in major U.S. cities, including New York City; Madison, Wisconsin; Richmond, Virginia; Denver, Colorado; Minneapolis, Minnesota; Jacksonville, Florida; and Rochester, New York.

4. *Measuring Ends, Telling Our Story: Ends themes illustrate how we are making a difference – by Michael Healy*

- a. Before latching onto a particular type of measurement, it's important to step back and ask why a specific metric is or is not relevant. This process begins with a thoughtful analysis of the meaning of the Ends policy. GMs who, along with their staff, go through this analytical process can then describe the analysis in their interpretation of board policy. The metric examples provided in this handout are categorized by Ends theme.

5. *Agricultural Production Practices – handout produced by Value Chain Development team member Benjamin Bartley*

- a. This handout was produced by Benjamin for the November Board Study. Due to the fact that there was insufficient discussion around this handout, the General Manager requested referring to this handout again at the December Board Study.

DISCUSSION QUESTIONS: The RBA framework poses three questions for identifying quantitative and qualitative performance measures to assess the Coop's compliance with End 3:

1. *How much do we do?*
2. *How well do we do it?*

3. *Is anyone better off?*

Follow Up Question (particularly important to End 3):

1. *Who is the Coop's client population? Who is the Coop's whole population?*

The following diagram taken from the RBQ Guide can be used to better understand how this framework can be applied to meeting End 3:



Key questions applied to Kyzer Farms include:

1. *These questions will arise from Robert Kyzer's presentation at the beginning of the Board Study.*

Key questions that can be applied to the Ends Report include:

1. What is the role of marketing in contributing to local economic development? How about IT? What are metrics that we can use for each of these initiatives?
2. What is the role of sponsorships like Kyzer's Brat?

3. While total sales has increased 5.2% and injected a lot more money into the local economy, is it possible that the Coop has accomplished this in a way that has jeopardized its own operation?
4. What is the role of the Donate a Bag program in contributing to local non-profits, who, through organizational development, unleash more of an impact in the community?
5. How does an increase in employee benefits contribute to local economic development?
6. How do good wages contribute to local economic development?

Key questions informed by the other research materials:

1. How do we define our “local economy”?
2. What are other ways of measuring the “multiplier effect”? Ex. The NMFMA used the “SEED” in order to assess the multiplier effect around farmers markets.
3. How do we define “community wealth building”?

Key questions from Ben Bartley’s handout:

1. What are the guiding principles and criteria for selecting vendors?
2. How do we continue to provide purchase and sales opportunities for small farmers who are not yet large enough to participate in the wholesale program?
3. How do we define a “partnership” and what is its value?
4. How do the sales of 1) conventional (commercial), 2) conventional (non-certified), and 3) certified organic foods impact the local economy?