

## Self-Assessment and Strategic Planning at a Small Retail Food Co-op: Using the Sustainability and Planning Scorecard Kit in a Crisis Context

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### ABSTRACT

After the 2015 collapse of Co-op Atlantic, the second-tier co-operative providing services and support to retail co-operatives in Canada's Atlantic Provinces, many co-operatives contracted with Sobeys to provide services under the Foodland banner. The co-operatives' ongoing challenge is to reaffirm their place in the community and their co-operative identity, contributing to ongoing innovation around a co-operative model appropriate to these new circumstances. This article analyzes the strategic planning process undertaken by a small PEI Foodland co-operative as it defined new directions during this crisis. It also examines the co-operative's use of a collaboratively developed Sustainability and Planning Scorecard Toolkit. The toolkit was designed to help co-operatives through their self-evaluation process, while also facilitating the further steps of planning and taking action.

### RÉSUMÉ

Suite au démantèlement de Coop Atlantique en 2015, la coopérative de second niveau qui offrait des services et du soutien aux coopératives de consommation dans les provinces atlantiques, plusieurs coopératives ont négocié une entente d'approvisionnement avec Sobeys, sous la bannière Foodland. Ces coopératives doivent réaffirmer leur place dans la communauté et leur distinction coopérative, et contribuer au développement d'un modèle coopératif innovant et adapté à cette nouvelle réalité. Cette recherche analyse le processus de planification stratégique ayant permis à une petite coopérative de l'Î.-P.-É. de relever ce défi dans un contexte de crise. Nous étudions aussi l'utilisation par la coopérative de l'Outil d'évaluation et de planification du développement coopératif durable, outil développé de façon collaborative. Cet outil a été conçu pour appuyer les coopératives dans une démarche d'auto-évaluation, tout en leur permettant de poursuivre les différentes étapes de conception et de mise en œuvre d'un plan stratégique.

**KEYWORDS / MOTS CLÉS** Strategic planning; Retail cooperative; Governance; Non-financial reporting; Cooperative difference / Coopérative de consommation rurale; Planification stratégique; Outil d'auto-évaluation de développement durable; Distinction coopérative; Gouvernance

## **INTRODUCTION**

The twentieth-century leaders of the Antigonish Movement, Reverend Jimmy Tompkins and Reverend Dr. Moses Coady, proposed an ambitious program to Atlantic co-operators: building a co-operative economy with local retail co-operatives at its core (Dodaro & Pluta, 2012; Sacouman, 1977). This proposition was inspired by European schools of thought such as the École de Nîmes in France, the Hamburg School in Germany, and the Manchester School in England. In Canada, at least two other co-operative thinkers proposed the same model: Victor Barbeau in Québec and Paul Hubert Casselman in Ontario (Leclerc, 1982).

Building from its roots in the Antigonish Movement, Co-op Atlantic, the second tier co-operative servicing local retail co-operatives in the Atlantic Provinces, was a driver of this plan. With its collapse in 2015, the local retail co-operatives were left to find ways to reinvent themselves, to reaffirm their place in their communities. Their commitment to local control, democracy in the economy, support of local operations, and self-help initiatives remains; however, without Co-op Atlantic, a new model of sustainability for local co-operatives must be developed.

This article analyzes one attempt to reinvent the local retail co-operative model by a small PEI co-operative: Morell Consumers Co-op. In 2015, Morell launched a strategic planning process to adapt to its changing context and to define a new direction in a crisis context. This analysis of Morell's experience contributes, first, to the understanding of the factors that impact the initiation, conduct, and completion of strategic planning, even during a period of upheaval. As part of this investigation, this article explores how and why Morell's leaders succeeded in prioritizing systematic and comprehensive self-analysis, visioning, and planning—providing stable and forward-thinking leadership for the co-operative, its staff, and members.

Second, in considering the co-operative's use of a collaboratively developed Sustainability and Planning Scorecard Toolkit (SPSK), the article assesses the usefulness of this toolkit in relation to the self-assessment process and in facilitating the move from self-analysis to planning for action.

The literature on social enterprises (including co-operatives and nonprofits) emphasizes that strategic planning is one of the basic elements of good governance. James Austin, Howard Stevenson, and Jane Wei-Skillern (2006), writing about social entrepreneurship, emphasize that the ability to remain attuned to the impacts of contextual changes in the external environment is a critical skill. Brett Fairbairn, Murray Fulton, and Dionne Pohler (2015) identify a number of governance skills required by a co-operative board, including the provision of long-term strategic guidance and the development of a right view of the future. Consultants emphasize this as well, drawing on their experience with a variety of organizations. The consultancy website Governance Matters (n.d.), which focuses on nonprofit governance, positions strategic planning as a vital part of providing direction for an organization. Canadian co-operative developers also position strategic planning as part of good governance for sustainability and adherence to the co-operative's commitments (see, for example, Hanley 2007; Savard, 2007). Carter McNamara (n.d.) adds that while strategic planning is important for increasing the ability of organizations to serve their mission, the real benefit is the process not the document. John Bryson (2011) agrees, describing environments for organizations in the public and nonprofit sector as increasingly uncertain, with heightened complexity and interconnectedness. He argues that strategic planning, while not an end in itself, catalyzes strategic thinking, acting, and learning, which are essential for resilience in such environments. In a more recent work, Bryson (2018) expands on this idea, capitalizing and building on what he describes as “a major trend in the field by explicitly blending strategic planning with leadership and ongoing management” (p. xviii), all of which contribute to effective strategic governance.

Though strategic planning is widely seen as an important component of good governance, it has not been common for co-operatives, or indeed other organizations, to engage in strategic planning during times of crisis. In contrast to customary practice, a literature is developing that builds on the idea that instead of eschewing strategic planning in times of change, organizations can increase resilience by engaging in such processes. Bryson's (2018) book on nonprofit and public sector organizations advocates for the value of ongoing strategic planning and management in times of rapid change and in complex environments. Similar claims are made in relation to co-operatives. For example, a working paper on co-operative business strategy by Murray Fulton and Julie Gibbings (2006) makes two core arguments related to the idea that resilience is improved by continuing to plan, even during times of rapid change. Their first argument is that in such circumstances the manner in which organizations create and assemble knowledge is likely to require modification. Second, ongoing flexibility and responsiveness is required.

John Vargo and Erica Seville (2011), in referring to small and medium enterprises (SMEs) in general, also find the ability to plan and take action during a crisis to be an important component of resilience. They propose bringing together the usually separate processes of crisis management and strategic planning to develop a resilient planning strategy. To do this, Vargo and Seville (2011) review literature at the juncture of crisis management and strategic planning to develop two models that can help organizations improve their ability to survive and thrive in a crisis.

Johnston Birchall's (2014) research on co-operatives—supported by Vargo & Seville's (2011) research on a range of SMEs—concludes that smallness can be an advantage. His investigations suggest that small co-operatives seem to have more effective governance than large ones, though consumer co-operatives do not do as well as worker and producer co-operatives. Governing in close relationship with members is key, and consumer co-operatives' strong dependency on non-members makes for added challenges. Research on the topic of governing for resilience in a Scottish second-tier agricultural co-operative (Simmons, Yuill, & Booth, 2015) conceptualizes resilience as referring to the ability to balance successful resistance (finding strength in a reaffirmation of the roots of the co-operative) with successful adaptation (in response to external change drivers). This is an argument in favour of strategic planning and governance as understood in the contemporary literature.

This article takes up Morell's story in the period of 2015–2016, during which it took the step of initiating and conducting strategic planning while in a crisis. The following section describes the methodology and the study model for this research. A description of the context in which Morell's planning experience took place follows. Then, a detailed analysis of Morell's planning experience is presented, followed by the summary and conclusion, which synthesizes the findings and discusses the contributions this research makes to the literature.

## **METHODOLOGY**

This study evolved from a partnered applied research project as part of the Measuring the Co-operative Difference Research Network (MCDRN)<sup>1</sup> to develop and put into practice a toolkit to help retail co-operatives self-assess and plan (the SPSK). Co-op Atlantic, employees and members of local co-operative grocery stores, and academic researchers collaborated to develop a tool that would intentionally incorporate the insights of those who would be using the tool, and provide these users with an inside understanding of the logic of the tool. As Massimo Battaglia, Lara Bianchi, Marco Frey, and Emilio Passetti (2015) found in the study of an Italian retail co-operative, such participatory engagement provided the opportunity to understand how the co-operatives defined sustainability for their organizations. André Leclerc, Leslie Brown, and Elizabeth Hicks (2012) discuss the details of this development process.

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The SPSK is a user-friendly tool to guide retail co-operatives through a self-assessment process in relation to their own priorities and assist in the strategic planning process. It includes the Web-based expert system referred to as the Scorecard, a users' guide, and two survey instruments useful for completing the Scorecard. The Appendix describes more fully the purpose of the SPSK, how it can be used in strategic planning, and the steps toward its completion.

One section of the Scorecard addresses the seven principles considered integral to the co-operative identity internationally, forming the building blocks to the co-operative difference (International Co-operative Alliance [ICA], 2015). Co-op Atlantic and the participating co-operatives considered these to be central to the co-operative identity, and wanted their tool to include practices for each principle (see Table 2). During the Scorecard's development, they participated in identifying what these practices should be. For a co-operative completing the Scorecard, discussion around prioritizing these practices helps clarify what the co-operative difference means to that particular co-operative. The co-operative can then take action in line with its own priorities regarding co-operative identity and the co-operative business model.

The co-operatives faced many challenges during the project to develop and implement the SPSK, including: the lengthy period of collaboration, turnover of board and staff at the participating co-operatives, limited experience with strategic planning, years of decline in an increasingly competitive environment for local food co-operatives, and, ultimately, the demise of Co-op Atlantic. By mid-2014, it was becoming clear that Co-op Atlantic was in trouble and many individual co-operatives were scrambling to find their own stable financial footing. Of the 11 co-operatives that had taken steps toward using the Scorecard, four had completed all or part of it by 2014 and were poised to move forward with implementation. It was intended that their experience would have a demonstration effect on other co-ops. However, faced with the challenges identified above, only two began to actively pursue the idea of implementing strategic planning using the SPSK, and only one of these, Morell Consumers Co-operative (Morell), completed the process.<sup>2</sup>

From the beginning Morell took an active role in the project to develop the Scorecard and during that process became committed to not only completing the Scorecard but also developing its very first strategic plan (Brown, Hicks, Leclerc, Jackson-Wood, & Petersen, 2015). Morell was one of the co-operatives that participated in developing and piloting the Scorecard, and it used the customer/member survey to complete the full Scorecard for its co-operative.

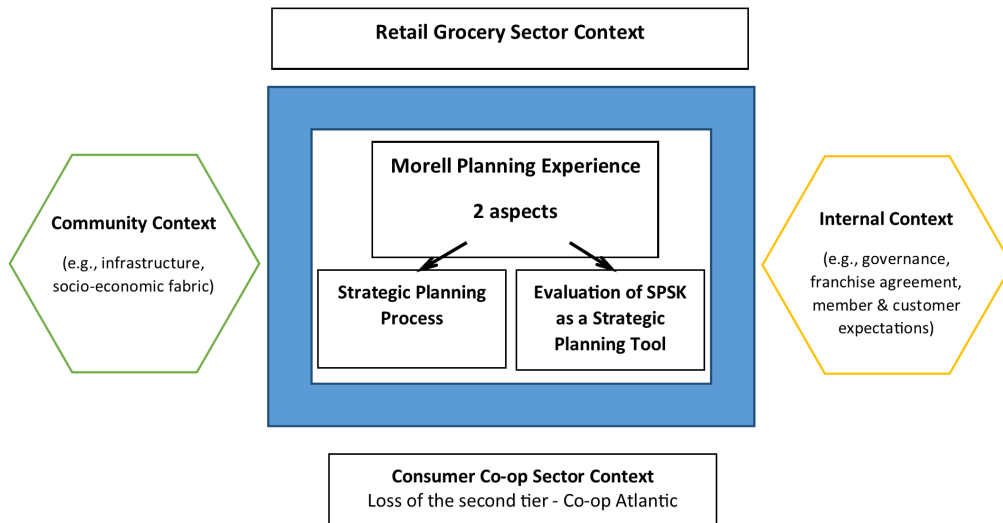
The researchers were aware both that Co-op Atlantic was in trouble and that Morell was nevertheless moving forward with a first strategic planning session in March of 2015. Then, despite what was happening to Co-op Atlantic, Morell decided in May 2015 to conduct an online member-customer survey (one of the tools in the SPSK) and to ask the researchers to compile the results. This survey, discussed in more detail below, made it very clear that Morell was continuing with the strategic planning process. This merited further study. When approached by the researchers in the fall of 2015, Morell agreed to allow the researchers to study its strategic planning process, despite the uncertainty and turmoil still being experienced.

As the only co-operative to complete the SPSK and follow through with conducting a strategic plan, Morell merits study for its intrinsic importance. According to Robert E. Stake (2000), an intrinsic case study "is not undertaken primarily because the case represents other cases or because it illustrates a particular trait or problem, but because, in all its particularity and ordinariness, this case itself is of interest" (p. 136). Further, both the researchers and Morell believed that other co-operatives could learn from Morell's experience, and an analysis of that experience could contribute to the literature on initiating and conducting strategic planning. The case study approach was chosen for its flexibility and ability to reflect the complexity of Morell's particular experience (Hyett, 2014; Stake, 2000).

The study investigates two aspects of the Morell experience, as shown in the study model (see Figure 1). First Morell's strategic planning process is examined: why and how the process proceeded in the midst of a crisis. Which factors, for

example, favoured the initiation and administration of strategic planning in this co-operative? Second, the co-operative's use of the SPSK as a strategic planning tool is studied. How, for example, did the SPSK assist Morell through the self-evaluation process, while also facilitating the further steps of planning and taking action?

Figure 1: Study model



The environment in which Morell was operating is important for understanding the two aspects of Morell's planning experience. For small locally owned co-operatives the four contexts presented in the model are of particular importance. 1) The business sector in which the co-operative operates may suggest opportunities and challenges that are relevant to the co-operative's competitive environment and to its strategic planning process. 2) Small co-operatives do not generally have the internal expertise and other resources to carry out strategic planning; therefore, the extent of co-operative support, or lack thereof, from second tier co-operatives or other apex organizations can influence the decision of whether to undertake strategic planning and how to proceed. 3) As community-based organizations, small co-operatives look to their communities not only for customers, employees, and suppliers but also for participation in the governance of the co-operative as owners. Thus, the sustainability of the community and the co-operative's relationship with it impacts the co-operative's sustainability and the strategic planning process it is willing and able to undertake. 4) The internal operations of an organization at the time it undertakes self-assessment and planning activities can affect the strategic planning process, and, as an organization democratically controlled by its members/owners, co-operative governance adds another dimension to this process. These four contexts, and how they relate to Morell, are discussed more fully in the next section of this article.

To gain a more fulsome understanding of the contexts in which Morell was operating, the process followed by Morell's strategic planning, and how the SPSK was used in this process, documentary and observational evidence, and data collected from multiple sources were analyzed. In addition to documents such as newspaper articles, industry publications, academic journals, and government sources, information was garnered from notes, including records of meetings, conferences, and workshops at which participating co-operatives, including Morell, were present. Morell provided other documents and records, including minutes of board meetings, audited financial statements, and by-laws. The results from Morell's completed Scorecard were extremely useful, as were materials related to Morell's strategic planning sessions, e.g., the strengths, weaknesses, opportunities, and threats (SWOT) analysis from the first strategic planning session, researchers' observations at the second strategic planning session, the terms of reference for the Analysis and Integration

Sub-committee (AISC) (i.e., the strategic planning committee), and records and reports produced by the AISC. Clarification of these materials was kindly provided by one of the board members as needed.

Since the researchers worked collaboratively with Morell during this project, first developing the SPSK, then sharing Morell's experience using the SPSK with other co-operatives, there were many occasions to meet over the years. Relationships developed based on mutual respect and trust, providing the researchers with a greater understanding of and experience with the organizational actors, generating useful insights, and access to documentation for the case study.

To ensure this case study reflects Morell's understanding, the researchers forwarded a draft of this article to a contact on the board for comments and distribution to the board of directors. She presented a summary of the article at a board of directors meeting and made the full article available.

The next section of the article discusses the four contexts depicted in the study model for Morell.

## **THE TRENDS THAT ARE REDEFINING THE CONTEXT**

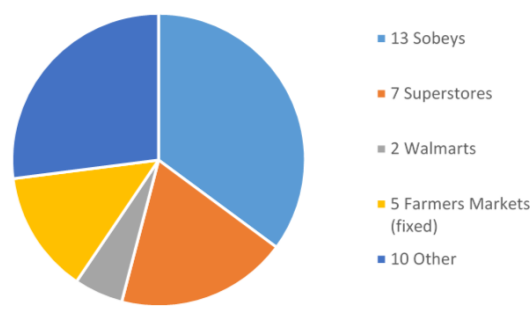
This study model identifies four important aspects of the context in which Morell operates. These impact Morell's ability to assess the future, and to identify avenues for action. As will be shown, the overall context is dynamic and complex.

### **Changing environment for the retail grocery sector**

The retail food industry is changing rapidly. The following six trends are particularly significant for retail food stores in Atlantic Canada:

- The increasing popularity and consolidation of nation-wide and international chain stores, such as Atlantic Superstore and Walmart (Agriculture and Agri-Food Canada [AAC], 2016). As shown in Figure 2, these conglomerates have 22 stores in PEI, 14 of which are within 50 kilometres of Morell.

**Figure 2: Retail Food Stores in Prince Edward Island, excluding Morell, July 2016**



(Note: This wide range of information on Canada's retail food sector came from detailed searches in July 2016. For full details please contact the authors).

- A wider variety of services being offered by retail conglomerates to entice shoppers, e.g., bank services, clothing, pharmaceuticals, and gas (Kwong, 2015).
- Ever-evolving consumer tastes and concerns, such as health implications and food quality (AAC, 2014).
- Consumer concern about the environment and sustainability creating a market for organic and natural products (AAC, 2005).
- The growing desire of consumers to support local producers by purchasing local products (Finnamore, 2008).

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- The development and application of technologies that transform the relationships of customers to stores, such as online shopping and interactive shopper support (Kwon, 2012; Liem & Doering, 2018; Lorenzsonn, 2018).

Morell's ability to respond to these trends is impacted to a significant degree by Sobeys' initiatives and decisions. However, as a locally-based co-operative, Morell has some scope for working closely with members, staying in touch with their priorities and needs in innovative ways, and working with other co-operatives, nonprofits, and businesses in the area. In their work with the Scottish Agricultural Organisations Society (SAOS), Richard Simmons, Bob Yuill, and Jim Booth (2015) find that locally rooted co-operatives may have the opportunity to cultivate deeper member relationships rather than shallow transactions. They conclude that:

Strong, resilient and successful co-operatives are built on a clear, well-defined purpose, supported by a sound business model, which is sustained by building member loyalty, identity and commitments through delivering value to members in ways that build both economic and social capital. (p. 39)

These findings are compatible with the advice from agencies such as Agriculture and Agri-food Canada, which is anchored in the recognition of a growing need to tailor retail store offerings to local consumers. All retail food stores and co-operatives have the opportunity to respond to local trends, but small independent stores are often best suited to responding to local needs and tastes; it is possible that a recognition and promotion of the co-op difference could entice more local customers and demonstrate that co-operatives already address some of these local consumer priorities. Morell's self-assessment on co-operative identity practices, and comments made during the strategic planning session, suggest that it may be aware of this potential. Furthermore, co-operatives have a positive impact on local economies that is not necessarily recognized by their communities and that could also potentially be promoted to great effect (Lamine, 2014; Nembhard, 2014; Vieta & Lionais, 2015; Zeuli & Deller, 2007). A recent impact study of food co-operatives (Catlette, 2012), identifies a number of economic and social contributions, including the fact that "co-ops are found to have a local economic multiplier of 1.6 compared to 1.36 for a conventional grocery store (n.p.)."

### Consumer co-operative sector: Loss of Co-op Atlantic

In May of 2015, the member-owners of Co-op Atlantic voted in favour of exiting the food and gas wholesale and retail business (Randall, 2015). It had been operating under different names for nearly 90 years and was owned by local retail, farmer, and other co-operatives across Atlantic Canada (Co-op Atlantic, 2018). Co-op Atlantic had offered local co-operatives a variety of services including wholesaling, training, marketing, human resources management, and so on. While the reasons for its closure are the subject of much analysis (Fairbairn, Fulton, & Pohler, 2015; Lake & Leviten-Reid, 2014; Webb, 2016), the immediate consequence was that the local retail co-operatives now needed to find another wholesaler, with very few options available.

While in the process of winding down, Co-op Atlantic facilitated negotiations on behalf of its members and corporate stores, and a deal was reached with the Sobeys group.<sup>3</sup> At Morell, as with the other co-operatives accepted by Sobeys, the board of directors signed its own franchise agreement. This arrangement, while reducing Morell's autonomy, allows it to continue as a locally owned co-operative under the Foodland banner, a banner used by Sobeys in Atlantic Canada for small community stores (Kucharsky, 2015). The co-operatives lost advantages relating to the ownership of their own co-operative wholesaler and support organization, but now have advantages associated with being part of a large network, including logistic chain support, advertisement, and investment commitments.

The integration of Atlantic retail co-operatives into the Canada-wide retail network continues the consolidation trend, and the number of independent food retail co-operatives continues to decline. In 2010, there were 57 in the Atlantic Provinces.

In 2014, the year before Co-op Atlantic closed, 51, and in 2016, only 45 food co-operatives were in operation. These had signed a contract with Sobeys or were working with another supplier. In addition, local co-operatives are no longer supported by a second tier co-operative in embedding the co-operative difference in their strategic planning. In this new reality, local co-operatives are likely to find it difficult to continue as a distinct form of business within the larger corporate body. As part of a range of governance initiatives, an evaluation and strategic planning tool such as SPSK, which is designed to suit the co-operative form of enterprise, can be extremely helpful.

### **The community context**

Concern for community is one of the fundamental co-operative principles defining co-operative identity (ICA, 2016). As argued by Marcelo Vieta and Doug Lionais (2015), “cooperatives are most effective when they are both connected to larger social-justice movements and when simultaneously rooted securely to local communities” (p. 8). While co-operatives contribute to a healthy community, a healthy local community is also very important to the sustainability of local co-operatives. Such co-operatives draw on the local community for members and good governance, shoppers, employees, locally sourced products, and for allies in sustaining and building local communities. This strong two-way linkage between co-operatives and their communities underlines the importance of examining the sustainability of the community Morell has served for over 70 years. To the extent that Morell still has the autonomy and support of its members to pursue such commitments, the co-operative still has room to plan and strategize.

As of the 2011 census, the community of Morell had a population of 313, a 5.7 percent decline since 2001 (Statistics Canada, 2013) with a median age of 41, and 21 percent under 18. By 2015–2016 the population had dropped to 297 (Statistics Canada, 2016). However, the village of Morell serves nearby communities and families with a credit union and bank, a community rink, a gas, liquor, and convenience store, a library, a walk-in clinic and pharmacy, a consolidated K-8 school and regional high school, churches, and other basic services. It has an active village council and a number of nonprofit associations. In the summer, the combination of repeat summer residents and transient tourists swells the population. As in other parts of PEI, many of the long-term repeat summer residents play a vital role in island life. In 2007, PEI had 8,000 long-term summer residents (Canadian Broadcasting Corporation, 2007).

The three contexts noted this far—the grocery sector, the consumer co-operative sector, and the community context—clearly both restrict and expand the scope for action on the part of Morell. Morell’s board and management must address the challenges of being located in a community with low expectations of population growth and a dramatically shifting and complex retail environment, while identifying and building on the strengths of the community—creating a plan that can help a dynamic co-operative keep local control in the hands of the communities it serves. Here the internal governance context is all-important. Are the co-operative’s leadership and governance processes sufficient for moving forward in such circumstances?

### **The co-operative: Internal context of governance**

As indicated in the literature review above, there is substantial evidence that the nature of the internal context, particularly that of governance, is vital in supporting the resilience of organizations that are operating in volatile environments. Governing for resilience, both proactively and adaptively, can impact long-term sustainability as a retail store that is also a co-operative. Morell has had to adapt its internal context in light of the loss of the regional co-operative network. While remaining a co-operative, the co-op board and management have had to identify areas where they could exercise agency, where there was room for manoeuvring on their own in light of the rapidly changing environment. The franchise agreement with a new primary supplier, Sobeys, opened up some opportunities and closed down others. Management and staff had to learn new systems and operations very quickly. Members and customers have had to adapt to different products and board members have been feeling their way forward in their leadership role. Together these result in significant external



pressures on Morell in its efforts to remain sustainable—to grow and develop while maintaining its co-operative identity (Brown & Winstanley, 2008).

In Morell's favour is the fact that the store's building was completely renovated in the 1990s and has been well maintained ever since. By industry standards, it is a small community store, with annual sales of less than \$5 million, but this has been enough for ongoing profitability. The co-operative's substantial membership, 1,670 members in 2016, is recruited from Morell and adjacent communities' full-time and summer residents. Management, staff, and members of the board keep in contact with members and customers informally as part of their community life, and in the store itself. Face-to-face informal contacts and relationships remained central during the time of transition.

Also in Morell's favour is that the board of directors wanted to adapt its governance practices to address the challenges and strengths of the community in which Morell is located, and to respond to the restructuring and new franchise arrangements resulting from the loss of Co-op Atlantic. Most of the board members from the 2014–2015 board stayed with the co-operative up to the number of terms outlined in the by-laws. This provided Morell with continuity and experience, while also introducing new members to the board. The manager and staff also stayed with the co-operative. The continued service of volunteers and employees is a testament to their optimism about the co-operative and their vision of its future.

In summary, this exploration of the contexts identified in the study model shows that Morell has indeed been dealt a challenging hand. Morell is in a highly competitive retail market, and operates in a small rural community with an ageing population, little success in attracting new immigrants, and with little, if any, prospect for growth. While all small independent retail food stores face some of these same challenges, Morell is positioned differently in that it is a co-operative. Though the co-operative retail food sector in Atlantic Canada has been experiencing difficulties for many years resulting in a number of store closures, the collapse of Co-op Atlantic exacerbated the situation as its member co-operatives no longer have a second-tier co-op to rely on for support, and do not have the benefit of regular contact and exchange with other retail food co-operatives in the region. The internal context at the time Morell began its strategic planning process was thus one of crisis. Morell's leaders focused on what they could accomplish within their areas of control, undertook the job of understanding and responding to member expectations through this transition, and proceeded to identify and plan for adaptive and proactive initiatives into the future.

As of the spring of 2018—two years after submitting its strategic plan to the AGM—Morell is still a profitable co-operative, and is finding ways to address its various challenges.

## **SELF-ASSESSMENT AND STRATEGIC PLANNING**

This article now turns to the detailed examination of Morell's strategic planning process—how and why it initiated and followed through with strategic planning during the tumultuous period described above. The article will also examine the co-operative's use of the SPSK, with a particular focus on the Scorecard as a tool for generating information vital to the operations and identity of the co-operative, and for producing a summary report informed by the co-operative's own priorities. What role did the SPSK play in helping Morell through the self-evaluation process and in taking the further steps of planning and taking action based on the plan?

### **Initiating and conducting strategic planning at Morell: A multi-year journey**

Factors within and external to the development of the SPSK affected the nature and timing of Morell's planning process. These included the contextual factors elaborated above, the tool-development timeline, and factors specific to Morell itself. This section focuses on the ways that the initial decision to engage in strategic planning, and the resilience shown,

was significantly affected by Morell's experience as part of developing and implementing the Scorecard, and by its own internal dynamics.

Feedback from Morell and board meeting minutes indicate that several elements built into the design of the research project positively affected Morell's engagement and its commitment to following through. These included impetus and support from the research team and, most particularly, enthusiasm generated through contact with other co-operatives throughout the collaborative design, testing, piloting, and initial implementation phases of the Scorecard project. Supported by the board and manager, the champion (see Table 1) who emerged within Morell took full advantage of all opportunities to engage with the project and with Co-op Atlantic. Co-op Atlantic's ongoing support was especially vital at key decision points.<sup>4</sup> Notable too was that despite the loss of momentum from Co-op Atlantic, Morell's leaders decided to reinvigorate their commitment to strategic planning and to focus on areas where they felt they could have a positive impact on their co-operative's future.

Early on, Morell's board noted that the SPSK could help the co-operative address relevant issues. The January 2011 board minutes report that "The issue that [Morell] is having with its sales may be an ideal use for this scorecard." At this point board members expressed strong interest in testing the draft Scorecard and implementing it for the co-operative, making their opinion known at workshops and other co-operative events. When piloting the draft Scorecard, the co-operative leaders were struck by Practice #10, "The co-op board and management develop a strategic plan," and discussed this practice in some depth. They wondered what strategic planning is, what it might mean for their co-op, why the recommended benchmark was yes, and noted that they had to score themselves as *no*. This helped them to contextualize the messages they had been hearing as part of the MCDRN. Throughout the research project, Co-op Atlantic and the researchers promoted the SPSK as useful in strategic planning, and this came up at project meetings and conferences in which Morell was involved.

In 2014, the board decided to begin the process of creating a strategic plan and contacted Co-op Atlantic to inquire about a facilitator. The minutes indicate that by June 2014, Morell was actively planning a first strategic planning session. This was scheduled for March 2015 despite board members having heard in December of 2014 that no strategic planning facilitator would be available from Co-op Atlantic. Morell and the other co-operatives that owned Co-op Atlantic voted in May to sell the food and gas wholesale and retail business to Sobeys (Canadian Grocer Staff, 2015). Following a separate process of negotiation, the co-operatives began retailing under the Foodland banner.

In May 2015, Morell invited members and non-member customers to complete an online survey (one of the tools in the SPSK) focusing on member and customer perceptions of their relationship with the co-op.<sup>5</sup> The idea was to elicit feedback that could inform the strategic planning process. However, for reasons that likely included the breaking news of the transition to Foodland, and the fact that members who were summer residents had not yet arrived in PEI, only 87 member customers and two non-member customers completed the survey. While recognizing that the results could not be interpreted as representative of all members of the co-op, the board still requested that the researchers prepare a report on the results.

These initiatives were followed up with a second planning session in January 2016 after which the facilitators prepared a document that pulled together a summary of the session, including some elements of a draft strategic plan. The board agreed to set up a committee, which became the Analysis and Integration Subcommittee (AISC), to shepherd the final steps of the process. This committee was mandated to "review, analyze and integrate the results outlined in documents developed for or developed by the Board of Directors [of Morell]" (AISC, 2016). These documents included the Scorecard Summary, the 2015 Membership Survey report, SWOT findings (2015), results of a subsequent facilitated planning

session (2016), a February 2016 email from the research team, and other documents as identified by the sub-committee. The AISC submitted its report at the April 2016 board meeting where it was approved, and an implementation and tracking process was set in place.

The journey from participating in the initial piloting of the Scorecard and encountering the idea of strategic planning, through to the completion of the Scorecard and development of a plan took five-and-a-half years—punctuated by project team meetings, workshops, webinars, conferences, the closure of some sister co-operatives, an initial stab at planning, and the decline and eventual loss of Co-op Atlantic—all within a dramatically changing industry context. How can this level of resilience and commitment be explained? What might other co-operatives, especially small locally rooted ones, learn from Morell's experience?

The research literature offers guidance in considering the internal factors that allowed the Morell strategic planning process to be resilient in the face of its many external challenges. Lloyd Harris and Emmanuel Ogbonna (2006) conducted research on U.K. firms, motivated by the observation that “too little is known of the contingencies that precede the initiation of formal planning” (p. 100). They note that this is odd, given the strong consensus in the literature that firms are more likely to eschew strategic planning than to initiate it, and that the consequences of strategic planning are typically positive. Drawing on an extensive review of research on both large and small firms, Harris and Ogbonna (2006) developed ten hypotheses, all related to internal organizational factors. Their empirical study of the initiation of strategic planning by U.K. firms supported eight of these. There was no discussion of the role of boards, but instead the focus was on management, especially top management.

Peter Brews and Devavrat Purohit's (2007) multinational research on strategic planning in unstable environments also emphasizes that internal factors matter—the environmental context does not fully determine the initiation of strategic planning. They found that while planning increases as environmental instability grows, factors over which the organization has some control (i.e., planning duration and the decentralization of planning) are stronger than perceived environmental instability at explaining increases in planning.

Particularly useful for analyzing Morell's experience is the work by John Bryson and Robert C. Einsweiler (1988) and by Bryson and William Roering (1988). In identifying seven criteria that impact success in initiating and conducting strategic planning in public agencies and nonprofit organizations, their criteria emphasize the role of internal factors. Drawing on both research and experience, these authors present these as factors that cumulatively impact success in initiating and conducting strategic planning.

Bryson and his colleagues also remind us that developing a good tool is but a first step (Bryson & Einsweiler, 1988; Bryson & Roering, 1988). Certainly that point resonates with Canadian research on tools and tool use. Regarding tool use by co-operatives in particular, many advocates ruefully acknowledge that few tools are implemented to the degree anticipated, and they may not be used effectively in strategic planning (Brown et al., 2015; Christianson, 2016; Hough, 2015).

Table 1 presents the experience of Morell in initiating and conducting strategic planning in relation to each of the seven criteria mentioned above. Morell's process was characterized by all seven of the criteria identified.

**Table 1: The process of initiating and conducting strategic planning—seven criteria**

Criteria	Morell Experience in Relation to Each Criterion
1. Including a sponsor/stakeholder who has the power and authority to legitimize the strategic planning process.	Co-op Atlantic was a well-respected sponsor for the co-operatives involved in the project, supporting the work financially and with personnel, and declaring the Scorecard Project their International Year of Co-operatives Legacy Project. As Co-op Atlantic's own crisis deepened, support declined. Resources, such as a 2012 document on strategic planning, remained available and contributed to Morell's decision to proceed. This guide incorporated a description of the SPSK and advocated its use in the self-evaluation phase.
2. An effective champion who encourages the participants along the way, and who may in fact lead the planning process.	One board member emerged early in the collaborative project as a proactive process champion both for the completion of the Scorecard and for the initiation and conduct of strategic planning. The champion was elected to the board of Co-op Atlantic in 2014, and gained valuable knowledge, experience, and networks in this position. The champion showed initiative in obtaining advice from Co-op Atlantic and from the PEI Co-op Council.
3. A group designated with the responsibility for leading/conducting strategic planning.	Mentioned occasionally early on, strategic planning was regularly on the board agenda from 2014 on. The board was supportive, and relied heavily on the champion to lead discussion of that agenda item. Designation of responsibilities and tasks took place at board meetings. After the second planning session, the AISC took a leadership role. A board member who had previous experience with strategic planning served on the AISC.
4. A group for whom disruptions and delays do not derail the process.	The process suffered from several unanticipated delays including the loss of a Co-op Atlantic facilitator who had been providing services around strategic planning in December 2014. The champion, with several leaders from the co-operative, kept the process moving forward. Continuity (of the board members and manager) was very important. Support and encouragement from the research team also played a part, both through its relationship with the champion and by facilitating the co-operative's ongoing engagement with other co-operatives. The researchers' interventions on two occasions may have helped foster enthusiasm, most notably in the fall of 2015 (inviting Morell to participate in a case study) and in February of 2016 (inviting ideas for how to proceed).
5. Avoiding narrow and rigid understandings of what constitutes a strategic plan.	The co-operative board and management discussed the nature of strategic planning on several occasions at board meetings and at gatherings of the research project. Initial guidance from Co-op Atlantic was valuable. Having a champion willing to lead the process when Co-op Atlantic could not, meant that the co-operative exercised a high degree of autonomy. There were no externally imposed expectations, nor were there rigid views on what the plan must look like.
6. Knowing when to bring together the necessary information and people at various crucial decision junctures.	The champion again played a significant facilitating role, providing information and encouraging interested parties to come forward as needed. Members of the board stepped up, scheduling times to conduct planning, and took the vitally important step of setting up the AISC (with board and employee membership).
7. Willingness to engage in open discussion and analysis of arguments that address a range of different criteria.	Morell participants involved in completing the Scorecard engaged in wide-ranging discussions around issues and ideas that arose as they worked together to complete it. This openness continued into the strategic planning, as was apparent at the January session during which an inclusive and mutually respectful process was implemented.

Note: Adapted from Bryson & Einsweiler, 1988; and Bryson and Roering, 1988

**SPSK as a tool for assessing performance on key elements of co-operative principles**

As indicated above, even before the collapse of Co-op Atlantic, Morell and the other co-operatives wanted to assess themselves in relation to the ICA principles. They believed these principles to be the foundation of their co-operative identity, even before the collapse of Co-op Atlantic. It has taken on particular poignancy now that the stores have lost the key support of their regional federation and are seeking to maintain their identity as co-operatives while adjusting to being Foodland stores.

Morell evaluated itself in relation to all the practices related to the co-operative principles, giving them a high priority level. Table 2 presents the results of Morell’s scores on the 29 basic practices, and all 36 associated practices.

For each of the seven co-operative principles, Table 2 shows at least one practice to celebrate, and a combined total of 17 basic and 15 associated practices. The summary also indicates one or more practices to improve upon, for four of the seven principles, six basic, and 14 associated practices. These results give Morell much to be pleased about, while also providing direction for self-improvement. Two of the seven themes identified in Morell’s final strategic plan specifically address five of the six basic practices and all 14 of the associated practices identified as needing improvement.

**Table 2: Assessing performance in relation to the co-operative principles**

SECTION I: SEVEN CO-OP PRINCIPLES (ICA, 2015)	BASIC PRACTICES				ASSOCIATED PRACTICES			
	Total	Celebrate	Improve	(Neither)	Total	Celebrate	Improve	(Neither)
1. Open and Voluntary Membership	5	3	1	1	6	3	1	2
2. Democratic Member Control	11	4	4	3	14	5	7	2
3. Member Economic Participation	3	3	0	0	4	3	0	1
4. Autonomy and Independence	1	1	0	0	0	0	0	0
5. Education, Training, and Information	5	2	1	2	8	1	5	2
6. Co-operation among Co-operatives	3	3	0	0	1	0	1	0
7. Concern for Community	1	1	0	0	3	3	0	0
<b>TOTAL # OF PRACTICES</b>	<b>29</b>	<b>17</b>	<b>6</b>	<b>6</b>	<b>36</b>	<b>15</b>	<b>14</b>	<b>7</b>

**SPSK as a self-evaluation tool contributing to a self-assessment and SWOT analysis**

In preparation for Morell’s first strategic planning session, one of the board members volunteered to facilitate the process. She familiarized herself with Co-op Atlantic’s guide to strategic planning and prepared a presentation based on that guide (Co-op Atlantic, 2012). During this first session, the board and management, together with a few members and staff, acquainted themselves with the process of strategic planning, completed a SWOT analysis, and revisited the mission and vision of the co-operative. They also developed a preliminary list of goals and objectives. The preliminary information already entered into the Scorecard was not systematically drawn upon in that session, though some people would have remembered what had been discussed in working on that tool. Morell had access to its Scorecard information as entered online to that point, but did not complete its work on the Scorecard or receive a printed summary until later in 2015.

Since the Scorecard had been designed to be useful in pre-planning (Bryson, 2018), to provide information to feed into a SWOT-type analysis, it was investigated whether the information solicited in the Scorecard and survey could, in fact, have informed the March SWOT analysis. First, the nine strengths that Morell identified in its SWOT analysis were compared with the information provided by the SPSK. All items identified as strengths were, at least at a general level, covered by the SPSK. Interestingly, the results of the co-op's later membership survey corresponded to eight of the strengths identified in the March SWOT and challenged one of them. The surveys available in the toolkit offer one way to learn the opinions of key stakeholders, and a number of practices in the Scorecard can be assessed in relation to the findings of these surveys.

Morell's SWOT analysis identified eight weaknesses. The SPSK solicits information explicitly on practices relevant to five of the identified weaknesses and addresses the other three in general terms. The SPSK clearly provided opportunities for the co-operative to discuss and assess itself on these matters. Survey results both paralleled weaknesses in the areas identified in the SWOT, and furnished useful details about concerns from the perspective of the members responding.

Using the SPSK to identify opportunities and threats requires that a planning team combine the Scorecard information with an analysis of the external context of the particular co-operative, as identified in the study model. The AISC recognized this by declining to emphasize the SWOT analysis in its report to the board. The committee believed that the SWOT "remains a live document and should be used as a tool to enable the actions in the strategic plan." Remaining alert to shifting opportunities and threats is extremely important, especially as the SWOT was completed before the co-operative entered its new context as a Foodland store. That said, the use of the SPSK tools did help in identifying areas where the co-operative could take advantage of opportunities and demonstrated a potential to spark creative thinking about opportunities and initiatives within the power of the co-operative. The nine opportunities identified in the Morell SWOT analysis indicate an awareness of the importance of focusing on what the co-operative itself can accomplish within its own context. Significantly, the co-operative planning team listed strategic planning as one of the nine opportunities.

The seven threats mentioned in the original SWOT analysis all related in one way or another to the competitive environment both within the co-operative's surrounds and in the retail grocery sector. General lack of knowledge about co-operative values and principles and matters relating to attracting youth were also emphasized. These can be grouped into three categories that are likely to be familiar to many Canadian co-operatives: concerns about the extraordinary level of competition from supermarket chains and big box stores, challenges of communication (e.g., keeping up with social media without abandoning other communication media) and concerns about the state of the local economy. The SPSK offers co-operatives the opportunity to reflect on relevant current practices, and make changes that further their priorities. In stressing the importance of inclusive self-assessment and planning, the SPSK can help co-operatives draw on the creativity and sense of adventure among their stakeholders.

### **Using the SPSK to guide the transition from self-analysis to action**

The work of the AISC, beginning with reviewing, analyzing, and integrating material from several sources, was central to the development of the plan and the specification of actions to be taken. First, the AISC prepared a comparison document to make sure it covered the most important areas, themes, and objectives from these various sources. This document was organized into eight thematic areas and shows that each theme drew information from the SPSK and detailed the areas for improvement linked to the appropriate theme category. Twenty-seven of the 33 "areas for improvement" identified in the Scorecard summary were included in this comparison document, which also incorporated all nine flagged items from the recommendation section of the membership survey. The AISC's final report, which became the strategic plan, identified seven goals, each with a list of objectives and proposed actions. At the April 2016 board meeting, the board not only accepted the plan, but also specified timelines and responsibilities for the actions identified and committed to re-

viewing the plan quarterly. Together with other materials reviewed by the AISC, the SPSK did indeed contribute to the transition from self-analysis to action.

## **SUMMARY AND CONCLUSION**

In 2014–2015, a key conclusion of the Scorecard research (Co-operative Difference, n.d.) was that for small and often inexperienced co-operatives, with limited human resources, the focus during a crisis is on their own immediate survival concerns. Strategic planning, including self-evaluation, is not considered useful during a crisis but instead is seen as a future-oriented process with benefits that could only accrue in the long term.

Upon hearing that Morell was actually continuing its work, the researchers decided that this was a story that needed to be told. A case study approach offered the opportunity to study the process as it unfolded. The value of the research lies in what other co-operatives might glean from Morell's story, but not only in that. The research also contributes to two strands of the academic literature introduced earlier in this article. The first is the literature that emphasizes the need for greater understanding of the initiation and conduct of planning, especially during times of rapid change and crisis where resilience is needed. The second is the evolving literature that positions strategic planning as integral to governance in nonprofits and co-operatives, as much for the value of the process as for the action plan that results. The dominant conception of planning as a formal, linear process typically led by those with expertise is too narrow and is inappropriate for co-operatives such as Morell (Wolf & Floyd, 2013).

This article focuses on why and how Morell initiated and proceeded with strategic planning in the midst of a crisis, and on the co-operative's use of a collaboratively developed tool. The toolkit was designed to help co-operatives through their self-evaluation process, while also facilitating the further steps of planning and taking action. A key finding is that the SPSK can indeed assist co-operatives in their strategic planning, as they seek to retain and strengthen their co-operative identity. As members of Morell emphasized, the very process of completing the tool requires discussion of such matters, and helps concretize the idea of the co-operative difference. The self-assessment of its performance on the various practices helped Morell move toward goals and actions, providing a baseline against which to compare future performance, as well as encouraging the identification of benchmarks to aim for—all in relation to Morell's own priorities and self-assessments. The plan that Morell developed identifies areas for action, assigns responsibility for each action, and indicates a timeline for meeting goals.

On the other hand, despite ongoing consultations to identify barriers and remove them, it was clear that Morell and the other participating co-operatives required some instruction and support in the use of the Scorecard. It is likely that, given such support, other retail co-operatives could use this toolkit to increase the effectiveness of their planning process. During this project the researchers gave that support, and Co-op Atlantic had intended to take on that role going forward. Some of the participating co-operatives thought that peer-to-peer support would play a part as well, and Morell is still committed to that approach.

The analysis of factors that help in understanding why and how Morell initiated and proceeded with strategic planning is in part framed by the seven criteria discussed in Table 1. Meeting these criteria is indicative of the successful initiation and completion of strategic planning. This is but a first step however. Further investigation and, ideally, comparative research such as the researchers had initially planned is required to deepen knowledge in this area. In the types of co-operatives studied here, the role of sponsor, for example, is likely best understood not just in terms of authority and legitimacy but also as a mentoring and support role. Available tools and strategic planning processes must be seen as relevant to the context, perceived needs, and goals of the co-operative as understood by its leaders.

Morell still has challenges to face, as the analysis of its context reveals. There are decisions to make about next steps, beyond those identified in the strategic plan. Using strategic planning to address crises can be a creative response—especially if the plan is not slavishly followed but is reviewed and adapted regularly in light of events. Morell has built that in, calling its SWOT a living document that requires ongoing attention. As Bryson (2018) emphasizes, planning is a collective achievement, requiring personal and collective reflection and deliberation.

The model developed here highlights the fact that Morell is part of, and is impacted by, its involvement in the retail grocery industry, its location in a local community, its links to the world of co-operative organizations (severely disrupted by the loss of Co-op Atlantic), and its place as a Foodland store within the network of Sobeys' five core retail food formats. Disruptions are occurring in each of the four contexts identified in the study model, and reconfiguration is ongoing. Any plan must remain flexible and responsive, while still providing an overall guide for action.

Morell has some choice in this. Though there is a significant loss of autonomy with the move to Foodland, there are also opportunities associated with being part of that system. Morell's response to the loss of Co-op Atlantic and to the transition to a Foodland franchise can be seen as an attempt to find the balance between reaffirming itself as a co-operative and also adapting to the many changes in its environment. Sobeys' creation of a modified banner "Foodland & Participating Co-ops" in 2015 to recognize the existence of the co-operatives was but a first step. After that, it was up to individual co-operatives to decide what further steps to take. The retail co-operative managers' decision to create the Maritime Advisory Council (MAC) is promising as the council may provide a venue for a broader discussion of the co-operative difference as a matter of identity and as a differentiation strategy for the stores.

Morell will likely find itself in need of a compelling rationale for continuing to fight for sustainability as a co-operative, and for enticing members and shoppers. Why not just become a Foodland store full stop? In the face of many concerns, Morell has been able to be resilient. The co-op has taken advantage of its small size, roots in a small community, commitment to a common purpose, and the informality of interactions and discussions in this local arena. During the 2016 planning meeting, discussions proceeded from the shared premise that Morell brings value to the community and has a future there.

Decisions about the relationships to cultivate, and in which fields, will be crucial for the evolution of the co-operative nature of the organization. It is clear that the managers need to develop strategies to promote the co-operative difference. Whatever the future brings, Morell's experience indicates that even during a crisis much can be accomplished by taking self-analysis and planning seriously—not by trying to address all challenges at once but by collectively determining priorities and actions over a period of time.

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## **ABBREVIATIONS**

Analysis and Integration Subcommittee (AISC)  
Community University Research Alliance (CURA)  
International Co-operative Alliance (ICA)  
Maritime Advisory Council (MAC)  
Measuring the Co-operative Difference Research Network (MCDRN)  
Small and medium enterprises (SMEs)  
Strengths, weakness, opportunities, and threats (SWOT)  
Sustainability and Planning Scorecard Toolkit (SPSK)

## **NOTES**

1. For more information on the MCDRN refer to their website (Measuring the Co-op Difference, n.d.). For information on the Scorecard project in particular, see their pdf (Measuring the Co-op Difference, 2016). See, too, the archive (Measuring the Co-op Difference Research Archive, n.d.).
2. In one of these two co-operatives, the manager was a key proponent of the SPSK and the desirability of strategic planning. The co-op also used the employee survey (2014), as part of preparing for strategic planning. However, since the manager was naturally also the point person for the transition to a franchised Foodland Co-op store, the board put longer-term strategic planning on hold.
3. Although the wholesale and retail co-operatives were in many aspects the most important non-financial Canadian co-operative sector in 2011, i.e., by number of members, value of assets, sales, and number of employees (Industry Canada, 2016), they were not nationally integrated. Note that Co-op Atlantic has changed its name to The Atlantic Retail Co-operatives Federation, and “provides administrative, consultative, and representative services to retail co-operatives located in the Atlantic Provinces (Co-operative Enterprise Council, n.d.).”
4. For example, Co-op Atlantic featured the Scorecard at annual meetings, promoted the project at managers’ meetings and in the co-operative media, and incorporated a page describing the Scorecard as a valuable tool in its strategic planning guide (Co-op Atlantic, 2012). The guide describes the SPSK as a tool to help co-operatives wanting to do strategic planning, emphasizing that it “will help the Co-op stores define and measure their co-op difference, as well as their community engagement and environmental impact (Appendix C).”
5. Morell did not use the employee survey, though it spent considerable time working with the Co-op Atlantic Employee Handbook. At the time of transition the employee team was preoccupied and, as well, their small numbers would have made it difficult to guarantee anonymity.
6. For a detailed description refer to Leclerc (2012). To access the on-line Scorecard (in either French or English), please contact the authors. These versions of the Scorecard have been updated to reflect the changes regarding Co-op Atlantic. Both are licensed with the creative commons (CC BY-NC-SA 4.0).
7. The benchmarks are the standards the co-operative plans to achieve. The SPSK suggests some benchmarks based on the literature and Co-op Atlantic’s experience, while others are determined by the co-operative.

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## APPENDIX

### Sustainability and Planning Scorecard Kit (SPSK)

Many tools and frameworks have been developed to help organizations assess their non-financial sustainability performance. The most commonly used of these is the Global Reporting Initiative (GRI), while the use of the UN Sustainable Development Goals (SDG) is growing rapidly (KPMG, 2017). Though some tools have been designed for retail co-operatives (see Brown et al., 2015; Christianson, 2015; Glas, 2015; and Hough, 2015 for a discussion of some of these tools), none of these tools available at the time of this project specifically addressed the ICA Co-op Principles (ICA, 2015). Co-op Atlantic and the other partners in the collaborative research project wanted to develop a tool designed to meet their specific needs as a retail grocery store and to highlight the co-op principles.

The SPSK is a set of tools for use by retail food co-operatives wanting to self-assess in relation to their own priorities and to plan for their future (Leclerc, Brow, & Hicks, 2012). The information brochure describes the SPSK as:

a user-friendly tool that will assist consumer co-operatives in conducting social accounting and reporting in order to obtain information for continuous improvement and strategic planning.... [It offers] a process of self-assessment that measures both their achievements and shortfalls in relation to co operative principles and the co ops' own triple bottom line priorities.

The Scorecard is intended to be an integral part of the strategic planning process. The strategic planning section of the Co-op Atlantic (2012) member-relations guide specifically mentions the SPSK as a helpful tool, and describes it fully in an appendix.

Completing the Scorecard is a deliberative process requiring co-operatives to set their own priorities and, in many cases, the benchmarks for the indicators. The information derived from the completed SPSK is useful for sustainability reporting and feeds well into the strategic planning process. The areas to celebrate and areas for improvement, together with the summary report scores, provide information for evaluating the co-op's performance for the previous period and setting goals and objectives for the next period. Specifically this information identifies the co-operative's strengths and weaknesses useful for doing a strengths, weakness, opportunities, and threats (SWOT) analysis. Further, the indicator benchmarks become the targets or standards of performance the co-operative sets for itself in its strategic plan.

The SPSK includes the Web-based expert system referred to as the Scorecard, a users' guide, and two survey instruments (an employee survey and a member/customer survey), which can be used in completing the Scorecard. The Scorecard is organized in four sections: Co-operative Principles, Economic Measures, Social Measures, and Environmental Measures.<sup>6</sup> While the Co-operative Principles section specifically addresses the ICA Co-op Principles, the other sections were developed with these principles in mind to reflect the co-op difference.

The steps for completing the Scorecard are shown in Figure 3. Upon completing the profile section of the Scorecard, the co-operative prioritizes each practice (e.g., desirable behaviours). The Scorecard offers some flexibility by identifying both *basic practices* (fundamental practices to be followed at a minimum) and *associated practices* (to delve into areas identified as a priority). The co-operative's self-assessment of its performance on each practice is measured by indicators. Each indicator has a benchmark (e.g., a target to strive for) and measure (e.g., the co-operative's actual performance on that indicator).<sup>7</sup> Some of the benchmarks provided are based on legal requirements, Co-op Atlantic policies, and the co-operative literature, while others are set by each individual co-operative. The closer the co-operative's actual performance is to the benchmark for each indicator, the higher the co-operative scores itself on the relevant practice.

### FIGURE 3: STEPS IN COMPLETING THE SUSTAINABILITY AND PLANNING SCORECARD

Once completed, the Scorecard automatically produces a summary report that includes scores for each section as well as an overall score for all sections combined. Areas to celebrate and areas for improvement are highlighted. While useful for short-term self-assessment, this information is also future oriented, as it provides a baseline set of information with which to compare future iterations.

