

A General Manager Bids Farewell

BY DAVID MONTANO

When I woke up that fateful morning, I had first-day-on-the-job jitters. However, I was excited about my new job and eager to get started. I was introduced to the staff and then handed a bucket, a sponge, a pair rubber gloves and told to start cleaning all the floor drains in the store. Little did I know that my first job as “gofer,” meaning go-for this, go-for that, would be the beginning of a 34-year career in retail grocery.

I sit here today, ever so thankful that this long and winding path has delivered me to my position as general manager of the Isla Vista Food Cooperative in Isla Vista, Calif. In retrospect, I wish my career had started out in the co-op world. But I know that working at Sunburst Farms Market, Albertson’s, New Frontier’s Marketplace, and owning my own retail grocery store, Dave’s Market, gave me the breadth of experience needed to manage a successful retail food cooperative. However, it was not a walk in the park in the beginning.

On a Monday morning, June 2, 2002, I started work at Isla Vista Food Co-op. That Friday, just five days after beginning my job as the general manager, a major fire gutted the co-op and shut us down. All of our inventory and a significant number of our fixtures were destroyed. For the next four months, we labored to reopen the co-op, and this is when I first realized how different the cooperative business model is compared to all of my previous retail experiences.

When I arrived at the co-op the morning after the fire to survey the damage, there were more than 40 co-op member owners already there, wanting to do whatever they could to help out. We rolled up our sleeves and got to work. After four months of member meetings, special board meetings, staff meetings, more special board meetings, dealing with insurance adjusters, health department issues, and asbestos issues, we finally re-opened our doors.

When we re-opened, the portion of the co-op dedicated to retail produce—a major portion of our retail footprint and sales volume—was not cleared by county planning and development and the health department until we brought everything up to current code. It took us another 45 days to accomplish this. In the end, we survived—despite the seemingly insurmountable obstacles we faced—because of the strength of our board of directors, management team, and our member-owners.

Fast forward eight and one-half years, and I find myself retiring from the co-op and from the workforce in general to care for my ailing father. I am excited about my new career as his caregiver.

As I reflect upon my years at the co-op and all



With the original store facade (top), it was hard to tell at night if we were even open. The new facade (bottom) is warm and inviting. And you can actually see inside and tell this place sells food.

the things I learned, I am a humble and grateful person for having been given the opportunity to manage Isla Vista Food Co-op and will cherish the wonderful memories for the rest of my life. I identified Melissa Cohen as my successor a little over three years ago, and we have been working together ever since to make the transition from one general manager to the next as positive as possible. I am overjoyed the board of directors made it official when they selected her to be the new general manager earlier this year. (See Cohen’s article, “Guerilla Marketing in Isla Vista,” CG #143, July–August 2009: www.grocer.coop/node/1214).

In grooming her to take over the reins of the co-op, I was reminded of all the lessons I have learned along the way—not the least of which is, you get what you pay for. Let me give you an example of how spending \$35,000 saved the co-op \$2,000,000.

Back in FY2006, we started to experience double-digit sales growth, and this trend continued for 13 straight quarters. Not just 10 percent growth, we’re talking upwards of 24 percent year-on-year growth, and without our having done anything more than a major reset of the grocery department. Feeding on the excitement of this sales growth, we started talking about expanding our existing

location or taking the huge step of either relocating or opening a second store. In 2008, we contracted with CDS Consulting Co-op and invited Bill Gessner to visit and walk us through the process.

Gessner’s visit was enlightening and really opened our eyes to all that is or can be involved with expansion/relocation. We contracted again with CDS to have Debbie Saussuna perform a market analysis, exploring the options of moving within our current marketplace to a larger building (6,000–10,000 square feet) or relocating to a much larger location (14,000 square feet) some 15 miles from our existing location. We retained a local developer to explore partnership opportunities and to help identify sites for our proposed relocation. Then, we contacted C.E. Pugh of the National Cooperative Grocers Association Development Cooperative to explore how this newly formed subsidiary of the NCGA might benefit us. After looking over mountains of data, and after all of the meetings and brainstorming sessions, we decided to do nothing!—this, after spending over \$35,000, which for a small co-op doing \$2.4 million in annual sales is pretty significant. As it turned out, it was the best decision we could have made.

Shortly after we decided to not relocate or add a second store, the economy tanked, and

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◀ with it most of the financial backing we would have been relying upon to finance the project. Had we moved forward without the wisdom gleaned from our advisors, we could have bankrupted our co-op. So, when I look at the \$35,000 we spent to say, “No, not now,” and how in reality this saved us from financial ruin, I am confident that every dollar was well spent. As a side note, I am still using the financing “sources and uses” spreadsheet for many in-house projects, and the market study that Debbie Saussuna conducted is still referred to today.

Back in 2004, in San Diego, I was privileged to be involved with the process to reorganize NCGA. It was an amazing process, and as I reflect back upon it today, I wish I had realized then just how pivotal a turning point this was not only for NCGA, but for our co-op as well.

As a result of this reorganization, the programs, services, trainings, and support we receive allow us to be competitive in a marketplace surrounded by three Trader Joe’s, a Whole Foods, and the soon-to-arrive Fresh & Easy, in addition to the national chain store competition already entrenched in our retail marketplace. While we don’t fully utilize all of the services offered by NCGA, we would neither be able to brand ourselves as well as we do, nor compete in this marketplace, without their support.

I know I could go on at length with other

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examples of the help we received. However, when I describe what has helped me to perform well in this competitive retail marketplace, it all boils down to my peers and their support and willingness to share information and tools, and the leadership, passion, and wisdom of Karen Zimbelman, the development director of NCGA’s Western Corridor. I can’t overstate how valuable it is for the general manager of a small cooperative to throw out a problem to his/her peers in the corridor, and to have most of them reply either with solutions they have created when encountering the same problem or with contact information for someone they know can help.

One example occurred when we wanted to get rid of our 10 percent register discount and move to patronage dividends. For anyone who has undertaken this adventure, you know the road can be rough. Thank goodness for Paul Cultrea of Sacramento Natural Foods Co-op and all of the wonderful information he shared with me to make this transition so seamless. Only one member-owner out of 2,800 in our membership withdrew because of the change.

Much earlier, after the fire, after we sent out a plea for help for new equipment, Nancy Casady of Ocean Beach People’s Co-op called and said, “We’re moving to a new store, and almost all of the equipment in our old store will be surplus. Come on down and take what you need/want.”

And don’t get me talking about Walden Swanson and Kate Sumberg of CDS Consulting Co-op. The great work they have done and continue to do for cooperatives and the cooperative business model leaves me speechless.

The experience of being general manager of a food cooperative has forever changed me. I can think of no other industry nor business model that allows for this much intellectual and informational collaboration, while maintaining our individual autonomy. Thanks for the opportunity of a lifetime! ■

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