

Meeting Minutes for Weaver Street Market's Board of Directors

October 2016 Meeting

Monthly Board Meeting, WSM Admin Center, Hillsborough, NC on October 5, 2016, 6:00 pm to 9:30 pm

Directors present: Ruffin Slater (general manager), Alicia Altmueller (consumer owner), David Bright (consumer owner, secretary), Jon McDonald (chair, worker owner), Linda Stier (consumer owner), and Charles Traitor (worker owner).

Others attending: Andy Sachs (facilitator), Brenda Camp (notes), Hank Becker (consumer owner), and Amy Lorang (worker owner).

1. Preliminaries

Owner Input: Amy Lorang, a regular attendee, told the Board she had missed attending the meetings while she recovered from a knee injury.

Agenda: There were no changes to the agenda.

Minutes: The minutes from the September meeting were approved.

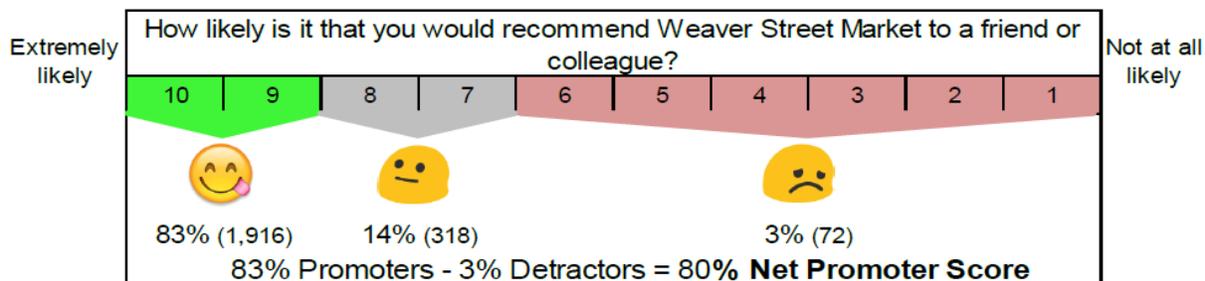
Decision: The Board approved the September minutes.

2. Owner Survey Results and Follow-up

General Manager Ruffin Slater reported that 2,318 owners completed the Net Promoter survey in September. The survey measured the likelihood that respondents will continue to be loyal, to talk up the co-op, and to resist pressure to move to a competitor. The respondents received a 10% off coupon.

NOTE: The Net Promoter Score is calculated based on responses to a single question: **How likely is it that you would recommend Weaver Street Market to a friend or colleague?** The answer is given on a 0 to 10 scale. Those who answer 9 or 10 are classified as Promoters; those that answer 7 or 8 are classified as Passives; and those that answer 6 or below are classified as Detractors. The Net Promoter Score is then calculated by subtracting the percentage of Detractors from the percentage of Promoters. (Passives are not subtracted in the formula, but reduce the score by counting towards the total percentage of respondents.)

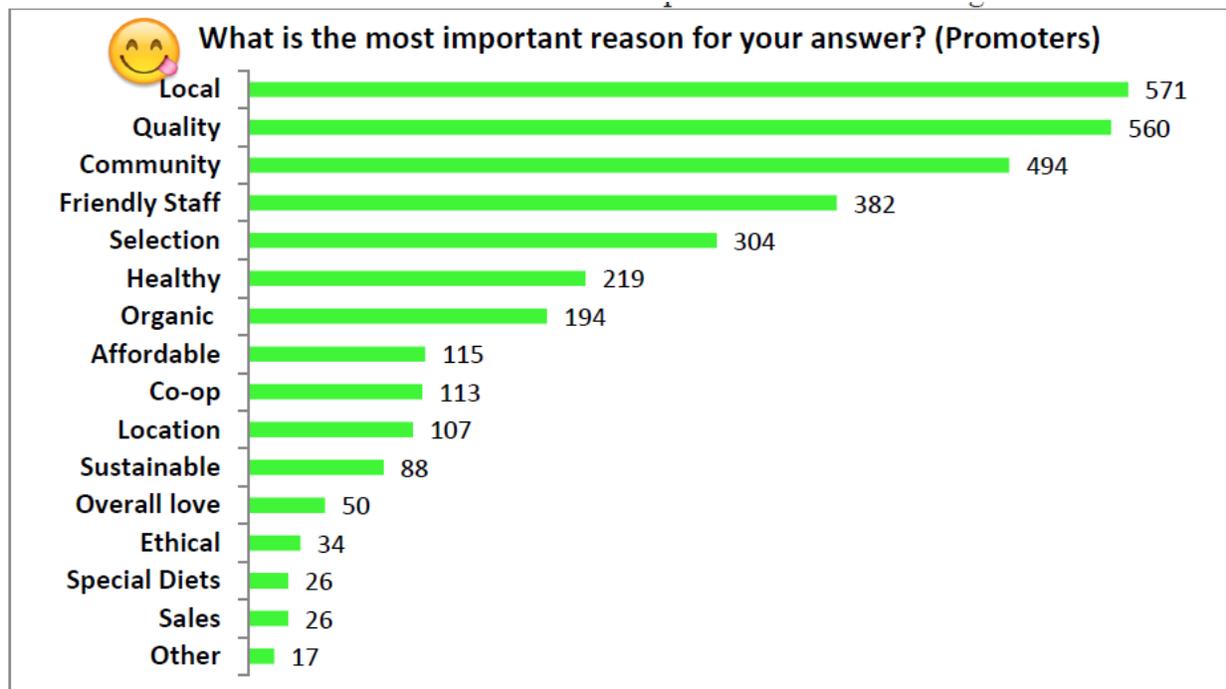
The GM reported that our Net Promoter Score was 80:



The GM reported that in a national survey of grocery stores, the highest Net Promoter Scores were 79 for Costco, 62 for Trader Joes, 55 for HEB (in Texas), and 54 for Wegman's (which is coming soon to NC). He noted that the national survey used a different respondent pool so the results are not directly comparable to our survey.

October 2016

The GM observed that while our score of 80 may not prove that we are the best grocery store in the country, it does show that we are ranked very highly by our owners. He presented a diagram depicting the top reasons owners listed for recommending WSM to others:



The GM noted some next steps for the survey:

- Report results in a Board blog.
- Conduct the Net Promoter survey again next year and track our year-over-year progress, with the goal next year to score an 82 by converting 2% of Passives into Promoters.
- To achieve the 2% increase, focus on delivering more of what the respondents identified as valuing most: The top two reasons are about food and next two are about experience.
- In survey next year, ask for an owner number but offer an option for anonymity.
- For “passive” scores, ask the question, “What changes could WSM make that would cause you to give us a higher rating?”

3. Potential Changes to the Consumer-Owner Share System

The Directors discussed the revised proposal that the General Manager presented for a new consumer-owner share system. The Directors were in alignment on the proposed change to a single share with one vote and cost of \$75 and on the plan to split existing multiple-person shares. The discussion of the low-income share raised three questions:

- Can we offer a low-income share without it being perceived as a “shaming” action as noted in one owner response?
- Is a low-income share needed if the share price is reduced to \$75?

October 2016

- Is it enough to get low-income families to shop at WSM just by offering a low-cost share, or do we also need to offer a discount to make our prices more affordable?

4. GM Reports

October GM Report

The General Manager answered questions on his monthly GM reports. Highlights from the report include:

- **Sales Growth:** We achieved 6% sales growth for the quarter ending in September. Carrboro sales were up 6%; Southern Village sales were up 8%; and Hillsborough sales were up 6%.
- **Owner survey received over 2,300 responses as reported above.**
- **Patronage Dividends distributed to consumer owners:**
 - 7,737 consumer owners received a dividend totaling \$37,764.
 - All owners received a 5%/10%/15% off owner appreciation coupon.
 - Owners who received a dividend were mailed a dividend statement with the owner appreciation coupon. The ones that we have email addresses for (6,437) also got an email on Oct 1 alerting them to watch the mail or their dividend.
 - The dividend is redeemed as a cash register credit. There is also the option to donate it to the Co-op Community Fund.
 - 5,730 owners who didn't qualify for a dividend received an email Oct 1 with just the owner appreciation coupon.
- **Co-op relationship management tool:** We will start testing the tool this fall for a rollout in 2017. This is a joint project with National Co-op Grocers Assn. to develop a next generation data management and owner communication tool for co-ops.
- **Curds and Crafts event successful.** Our September 18 festival in Hillsborough drew 600 people, many of them new to WSM.

Monitoring Report: Policy B-7 Communication to the Board

The General Manager answered questions on "Monitoring Report: Policy B-7 Communication to the Board." Linda Stier commented on the nature of Ruffin's regular meetings with the worker owner Board members Jon McDonald and Charles Traitor. She observed that the two worker owners were Board members first, but that they were also workers and that the General Manager still has all authority with regard to them being workers. She noted the importance of being clear about the roles and expectations that might be set in this situation.

Charles Traitor asked how the Board was informed when something required "Board consent." The GM responded that typically this happened with bank actions, like opening an account or taking out a loan, and that the Board would approve consent and the Secretary would sign the documents.

Decision: The Board accepted Monitoring Report for B-7 Communication to the Board.

5. Closings

- **Decisions and Tasks**

October 2016

- **Next Month's Agenda:** Board emails, reports from the Elections Committee, Board budget report, share transition plan

6. Executive Session