Loyalty – Participation - Communication

Acknowledgement - Daniel Côté Professor of Strategy, HEC Montreal

SAOS
Developing co-operation in farming, food and rural Scotland
SAOS - Context

Owned by 80 producer co-operatives
10 largest £2.2 billion of business
85% of farmers co-operate
SAOS Business

- 15 Full time staff
- 7 Part time staff
- Board
- Council – who elects the board
- T/o £1.86m
- £500k net assets
- All surplus retained to pursue purpose
SAOS working tools

• Member research / loyalty surveys
• Board effectiveness – health check
• Director development – 5 modules
• Director’s master seminars
• Chairman's workshops
• Manager’s forums
• Strategic planning workshops
• Risk management tool
Co-operative must engage participative strategies because:

Shareholders have control rights over:

- Revenue streams
- Contracts
- Property
Understanding that Members have control rights means -

An equality of knowledge between the member and the co-op.

Knowledge by members of markets, policy changes etc is essential to their understanding of strategy.
What type of co-op are members passionately loyal to?

One they can trust to always act in their best interest, without exception
‘Member Loyalty’ for a Co-operative?

‘Total trust’

The Co-op and its people never take opportunistic advantage over customer vulnerabilities.

This is a different view of doing business.
Cohesiveness

This is loyalty by members to their co-operative and the democracy of involvement by members.

Involvement is the process where members understand and influence the development of strategy.
Specific aims of member research:

- Improve the understanding of members’ businesses
- Identify factors influencing members decision-making
- Gather members honest views on co-ops current service provision and operations
- Interpret members future intentions
- Gauge interest in developing services and operations
Loyalty survey – some statements

I can always rely on (Co-operative) to provide a quality Service.

Strongly agree
Agree
Somewhat agree
Disagree
Strongly disagree

(Co-operative) sets the standard for excellence in its field.

(Co-operative) knows how to listen to me and meet my needs quickly.

I am proud to be a member / customer of (Co-operative).

How important to you is the fact (Co-operative) is owned by its community and continues to invest in the area?
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<th>Response Rate (%)</th>
<th>Loyalty Index</th>
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<td>BMR</td>
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<tr>
<td>2</td>
<td>Tarff</td>
<td>33</td>
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<td>3</td>
<td>Abdn Grain</td>
<td>57</td>
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<td>4</td>
<td>Rural Services</td>
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<td>5</td>
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<tr>
<td>6</td>
<td>CCF (Welsh Co-op)</td>
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<td>7</td>
<td>Scot Agronomy</td>
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<td>8</td>
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<td>Str Agree</td>
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<td>Agree</td>
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<td>Disagree</td>
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Developing co-operation in farming, food and rural Scotland
Communications

Aligning the interests of Members and their Co-operative

a. Raising awareness
b. Gathering evidence
c. Developing scenarios
d. Discussing possible strategies
e. Strategy engagement – agreement and actions
f. Feedback of results
g. Refinement
h. Renewal
Communication should consider:

**Content**
- defining the scope and depth of the message being conveyed.

**Tone**
- is it urgent, vital, require response, informal, personal, general.

**Source**
- the board, chairman, manager, as a result of membership discussion.

**Form**
- written, verbal, visual

**Channel**
- letter, magazine, visit, meeting, combination.

**Destination**
- all members, young members, new members, wider stakeholder

**Receiver**
- who is the target?

**Purpose**
- raising awareness, evidence, scenarios, discussing strategies, strategy engagement, feedback of results, refinement, renewal.

**Feedback**
- by questionnaire, through employees, meetings

**Measurement**
- effective communication? response numbers, meeting attendees
Practical steps

1. Clarify what the Co-op wants to say
2. Refresh the Co-op identity
3. Put faces to your Co-op
4. Support spokespeople
5. Keep staff informed
6. Email etiquette
7. Make you website more interactive
8. Network, network, network
9. Outside advice