

FARE SHARE CO-OP

FALL 2016**GENERAL MANAGER'S REPORT**

**FARE SHARE MATTERS!**

We started out the year with strong growth goals. The need for fast growth had to outweigh feelings of uncertainty. It is absolutely wonderful to be able to state that Fare Share Members, Staff, and Board Members have come together to achieve those goals. Many different strategies have been employed to create perpetual growth with the goal of reaching financial, social, and environmental sustainability.

GROWING FAST

Fantastic news! The number of members has increased at a steady rate throughout 2016. A total of 63 new members have joined us between January 1, 2016 and October 31, 2016. That is an average of over 6 new members per month. The increased interest in Fare Share is reflected by strong sales growth. Our ability to offer hundreds of local

products from close to 150 local suppliers is another reflection of strong growth and great potential. Our Co-op is important to the local economy and proud to support local growers and producers.

When comparing the first three quarters of the year with the first three quarters of 2015, we see an 18.4% increase in gross sales, only a 14.8% increase in regular expenses, and a 139.1% increase in net income. We are a couple of percentage points above 2016 budgeted sales. Total income from operations is grossly above budget. However, our budgeted goal for our energy efficiency campaign fell short. A new plan is currently being drafted to make up for that shortfall in 2017.

For detailed financial information, please contact me at 207-743-9044 or stop by the office.

NEW POS

Most of you know that we installed a new Point of Sale (POS) system in May. The reason for the upgrade was to enable to Co-op to respond to changes in Federal Regulations in a timely manner without overspending. Since the co-op has been in an unfavorable financial situation for some time, the old POS system wasn't able to go through needed upgrades without us investing in new and expensive hardware. The decision to switch was both financially and operationally motivated.

The new system is set up slightly differently and adjustments to processes were made. We have now been operating with this system for 6 months and continue to work closely with our technical support provider on its optimization.

STORE RESETS

Although sometimes cumbersome and seemingly impossible, I love store resets. Store resets throughout 2016 have all been guided by a combination of member suggestions, a need for relocation of inventory categories, and the intent to create a welcoming atmosphere and easy shopping environment.

I hope you are as excited about building Fare Share as I am. There is more to come!

COMMUNITY ENGAGEMENT

Beyond regularly scheduled New Member Orientations headed by our Hearth Tender Committee, the Fare Share Board of Directors has worked on additional member engagement efforts throughout the year. The facilitation of the first charrette on member engagement enhanced our understanding of the disconnect between Fare Share and parts of our community. The information gathered was invaluable. We are now in a much more informed situation and are taking action accordingly.

The Board has also executed two successful yard sale events, engaged with students at the Non-Profit Fair at the High School, and produced a fundraising campaign in which much learning and engagement has taken place.

TECHNICAL ASSISTANCE GRANT

A grant writing committee was formed in the summer of 2015 in order to secure a technical assistance grant from Cooperative Funds of New England (CFNE). We secured that grant and acquired technical assistance from Independent Retailers Shared Services Cooperative (IRSSC). Those services generated a great base for us to use when developing goals and strategies for Fare Share. One of the specific strategies employed was the development of a charrette process. The Fare Share Board invited members of the community to be involved in resolving issues surrounding Fare Share's ability to communicate sufficiently with its members and the public, as well as address issues of member engagement.

That was an excellent exercise that brought up a few key points that we took to heart. We learned that members' and the public's perception of the co-op doesn't always align with our internal understanding of what the co-op is and how it's impacting our community.

We identified a couple of important issues to focus on. Price image is a problem that all natural food stores battle with. Although we do have products that are of higher value and of lower price than some larger grocery stores, we are fighting an uphill battle of perception. Another issue we continue to have is the perception that Fare Share is not open, welcoming, or available to all.

Another grant opportunity arose this year. Based on the identified needs, briefly summarized here, we reassembled the grant writing committee and were able to secure yet another grant from CFNE for technical assistance that could further help with these issues. We requested assistance with creating a comprehensive strategy to improve the price image of the Co-op. We also requested an assessment of the sales floor and operations with the goal of creating a more welcoming shopping environment. We have just received the final report and are very happy with a comprehensive document that can help in building strong growth and allow Fare Share to have an even greater impact on its members and the community at large.

It has been a blessing to have knowledgeable consultants and community members involved in our operation. Having the ability to work with a range of knowledge and perspective has enriched our co-op tremendously. Thank you to all who participated in these efforts!

LOOKING AHEAD

The budget committee is currently meeting to develop a strong and realistic budget for 2017. We are predicting that sales growth will continue and that Fare Share will become increasingly interesting and valuable to the community. We have fresh paint on the side and front of the building, wonderful mosaic panels on the great wall, and we are working on many internal changes as we partner with area businesses to expand on our ability to serve the community.

GREEN LIVING CORNER

Partnering with Paris Auto Barn, we are able to put more important green products in the hands of community members. We are now offering a range of biodegradable products for your vehicle, garden, machinery, and hunting tools. We hope to build on this green store concept and make Fare Share a one stop shop for all things green.

BREWING SUPPLIES

Fare Share is also entering into a successful partnership with Pennesseewassee Brewing Co. this month. We are excited to announce that the Co-op will be the new Home

Brewing Supply center of Western Maine. We are grateful for the opportunity to work closely with this local business to bring more value to our members and our community.

We understand that many of our members are striving for self-reliance. The feeling of self-worth that comes with crafting and making a life is invaluable. Maybe we can birth another local brewer and boost the local economy in yet another way.

ADDITIONAL STAFF

Fare Share has been understaffed for too long. Our goal is to employ another part-time staff members next year. Employing a person strictly focused on customers service and member engagement in the store is part of our effort to better engage our members and more clearly communicate with the community.

This will help our current staff to perform their jobs the way they desire to and to reach their potential. Our current staff is extremely dedicated and need our support.

THANK YOU!

I have been here for almost a year and a half. I have met lots of resistance, but mostly support. I'm grateful for what Fare Share is teaching me every day and I love the crazy, busy, and loving atmosphere that we have created together.

Fare Share is a happy place thanks to you!

Emmy Andersson, General Manager