

Integrating research into development of co-op management curriculum

Daniel Côté
HEC, Montréal
August 6, 2004

Program development I have been involved with

Coopérative Fédérée de Québec (CFQ)

1. Program for managers of local co-ops – early 90's
2. Program for elected officials of local co-ops – mid/late 90's

Le mouvement des caisses Desjardins

1. Program for managers of local caisses – mid 90's
2. Program for managers of local caisses – mid/late 90's

CCA / CCC

1. Program for elected officials of agricultural co-ops – early 00's

University of Victoria

1. Online course on co-op management – 2004/2005

LDP and the importance of research

Team of experts

Daniel Côté
 Lou Hammond Ketilson
 Brett Fairbairn
 Martine Vézina
 Carolyn Pletsch
 Denyse Guy



Research program supporting LDP

- Management of democratic process
- Cohesiveness and co-op mgt
- Member's engagement
- Co-ops and the identity crisis
- Co-op's equilibrium and mgt
- Governance and co-operatives
- Co-op's advantages and the NCP
- Leadership and co-operatives
- Building a co-op network

Without the long time research effort of all team members, the LDP would have been impossible to develop

Where do we go: ideas from the advisory committee and the project team

Democratic functioning

Governance and Mgt of the equilibrium

Leadership and networking



Advisory committee	Project team	Advisory committee	Project team	Advisory committee	Project team
How to ensure member's input and control	Associative practices: E / I / C / D	Governing user's owned agricultural co-operatives	Define the co-op equilibrium	Dual shared leadership responsibility	Leadership in a co-op context (shared, democratic, gras roots, transparency, dual)
Member's relations	Mgt democratic process and build cohesiveness to move forward as a group	Loyalty and profitability	Role of governance in the equilibrium process	Mentoring and creating leaders for the future	Building a shared vision
	How to engage members	Equilibrium between association and enterprise	Role of mgt in the equilibrium process	Competencies of leaders	Building a network, a movement... and gaining from it
	Diagnostic of the co-op identity and the identity crisis	Maximizing the competitive advantage of co-ops	Need to identify, grow and sell the co-op advantage (loyalty, access to info, value chain)	Network, external connections, partnership and alliances	Clock builders

Topics covered in different modules regrouped in three main themes

Democratic functioning	Governance and Mgt of the equilibrium	Leadership and networking
<p>1 How to ensure the management of the democratic process, and to build cohesiveness among members, to move forward as a group?</p> <p>Case studies and E / I / C / D</p>	<p>3 What about co-operative equilibrium</p> <p>Role of governance and management in the development of a co-operative equilibrium</p>	<p>5 Leadership in a co-operative context (dual, democratic, shared, grass roots)</p> <p>Build up a shared vision & Become a clock builders</p>
<p>2 How to engage Members: Roles and responsibilities, Cohesiveness, Agenda and governance, Value chain level,</p> <p>Diagnostic and the identity crisis (matrix – 4 quadrants)</p>	<p>4 How to identify, grow and sell the co-operative advantages (values, loyalty, access to information, optimization of the value chain and the value system...)</p>	<p>6 Building a network, a movement...and gain competitive advantages from it</p> <p>Build a co-operative project</p>

Teams of experts involved: development of the modules

Democratic functioning	Governance and Mgt of the equilibrium	Leadership and networking
<p>1 <u>Brett Fairbairn</u> Importance of member's involvement <i>Naicam & Agway</i></p>	<p>3 <u>Daniel Côté</u> Co-op and its equilibrium: A & B <i>Appalachian co-op</i></p>	<p>5 <u>Lou Hammond</u> Leadership challenges and competency profiles <i>Housing co-op & Naicam</i></p>
<p>2 <u>Daniel Côté</u> Cohesiveness among members <i>Agropur</i></p>	<p>4 <u>Carolyn Pletsch & Denyse Guy</u> Governance and equilibrium <i>Gay Lea</i></p>	<p>6 <u>Martine Vézina</u> Role of a president...a clock builder <i>Paul Massicotte</i></p>

But where are we with this program, one year later ?

Reasons to believe it was (is) a success...

- Very good leadership from CCA
- Financing from government
- Very good advisory committee
- (very) good team put together
- Everyone brought his/her years of experience
- Capacity to validate key concepts
- 5. Case study approach
- 6. Three pilots to test the program
- 7. Lots of energy and effort...
- 8. ...

Reasons to believe it was (is) a failure...

- How to link this LDP to major co-op network:
 - (a) Co-op atlantic
 - (b) CFQ
 - (c) Growmark
 - (d) Federated co-op
- 2. Except for CFQ (partially), it has not happen so far...
- How to build a demand for the offer...and surmount the issues of
 - (a) context (network specific)
 - (b) credibility
 - (c) etc.

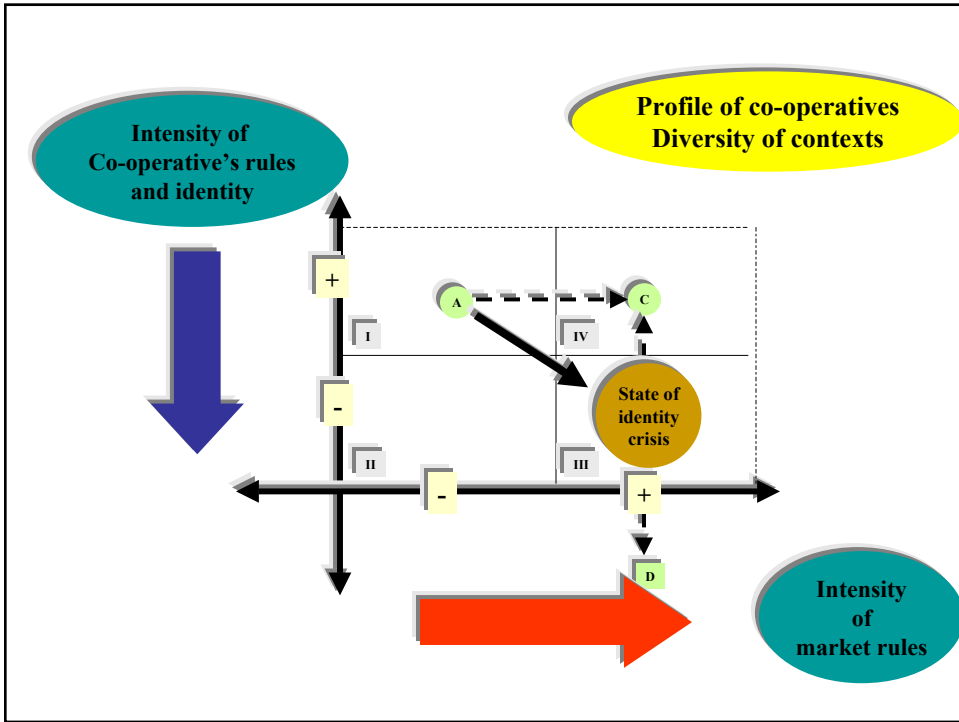
The difficulty to offer a training program on co-operation when leaders don't believe in it anymore...

What do managers of co-ops think about it...

- What is **our difference** today...
- **Does it still exist?**
- The members are **no longer co-operators!**
- Have **we dropped something?**
- We have **two movements** within Desjardins
 - A **rural** one : makes more sense to talk about co-operative...
 - An **urbain** one : forget about co-operatives...
- Can we go further than **donations?**

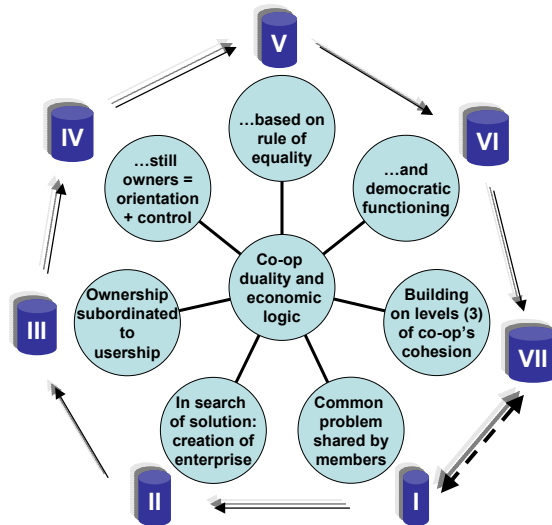
What do managers of co-ops think about it...

- We go through **profond changes** taking place actually
 - It seems we are losing our **core ideology!**
 - Is the co-operative model relevant in **context of globalization**
 - Is Desjardins **becoming a bank...**
 - ...and the **corporate subsidiaries** are they taking over!
- What **autonomy** do we have left?
- What are the **concrete advantage(s)** of being a co-operative?
- So, there is a need to **challenge, transform the co-operative model...**



What is the value of the concept we built the LDP training program on...

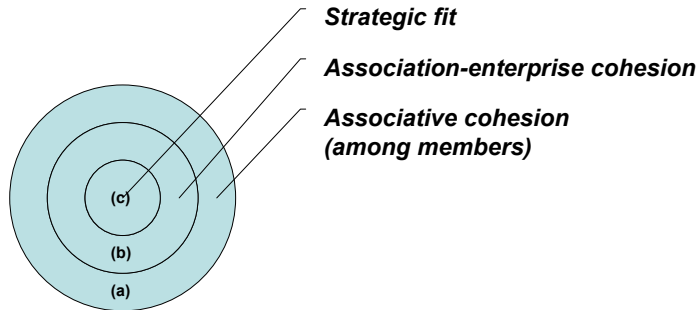
The wheel of co-operative's «logic of action»



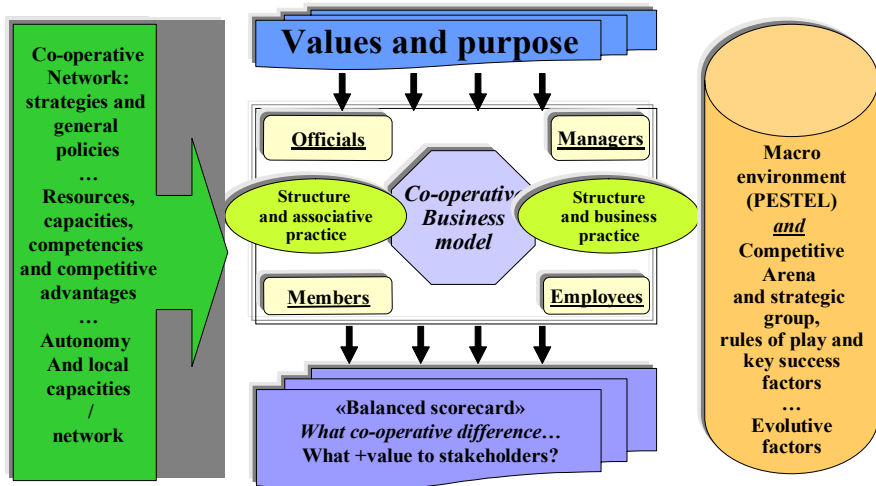
Actors and rules in co-operatives



Levels of cohesiveness and management of co-operatives



Co-operative equilibrium



Copyright: Daniel Côté, HEC Montréal

What research program and how to do it...

What has been done at la caisse de Saint-Roch!

- Diagnostic of managerial practices towards loyalty – winter 00, 02 and autumn 03
- **Segmentation** – Map Info (CompuSearch) – summer 2001
- Survey on member's loyalty – autumn 2001
- Diagnostic on co-op identity at la caisse de St-Roch – winter 2002
- Socioeconomic diagnostic of **St-Roch** community– spring 2003
- **focus groups** and member's priorities – summer **2003 + summer 2004**
- Selection and solicitation of **150 representative members** – **autumn 2003**
- **Marketing survey** on group of 150 – **autumn 2003**
- **balanced scorecard** – summer 2004
- CED – autumn 2003 et +
- Co-operative renewal at Saint-Roch – summer 2004
- Reengineering of business processes based on member's priority codes – summer and autumn 04
- ...

How have we approached the implementation of the loyalty concept at la SCA des Bois-Francis?

- ❑ Training on the loyalty concept and related issues + diagnostic of the SCA's business practices with respect to loyalty
 - For board members and senior management
 - For all 150 employees
- ❑ Build a management of change approach
 - Develop a sense of urgency
 - Focus groups of employees and work key arguments with them / use a judo approach
 - Work towards them becoming the champions of change...
 - Develop a shared vision
- ❑ Structure the loyalty project
 - Review key managerial issues underneath the loyalty management
 - Get senior management on board...and build a strategic guiding coalition
 - Build teams (for each division) responsible for thorough diagnostic and loyalty
 - Training of involved employees – Kaizen approach, roles and responsibilities of committees, constraints
 - ...

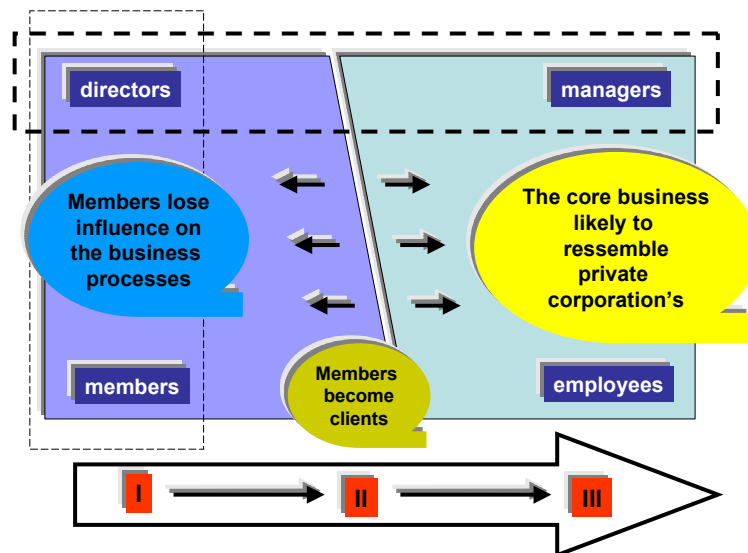
How have we approached the implementation of the loyalty concept at la SCA des Bois-Francis?

- ❑ Planning and rethinking (reengineering) of business practices
- ❑ Establishing a clear starting point
 - (financially,
 - strategically,
 - level of satisfaction and loyalty (for members and employees)
- ❑ Create a shared vision
- ❑ Communication plan
- ❑ Evaluates short term gains

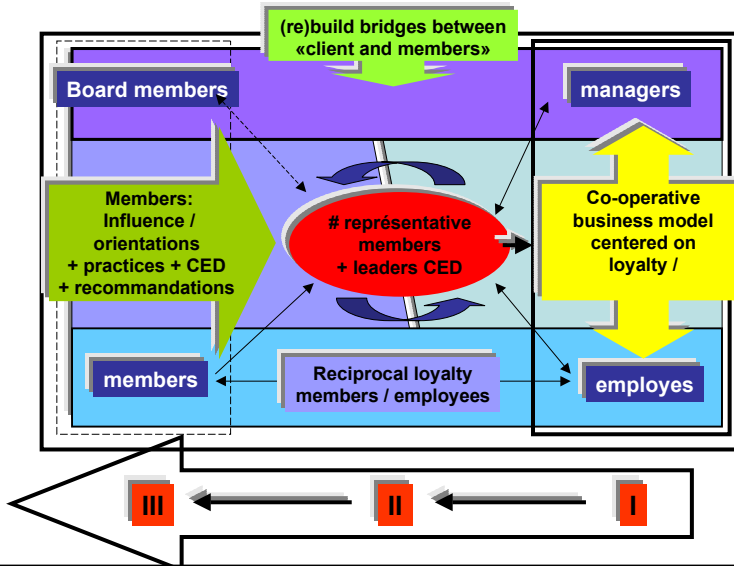
Research program required

- Philosophy of management
- Co-operative business model centered on loyalty
 - Co-operative identity
 - Strategy and core ideology
 - Marketing relationship
 - Employee's empowerment
 - Partners and value creation
- Competitive advantage
- Management of change
- Member's engagement...and business issues
- From formulation to implementation issues
- Balanced scorecard...
 - from financial perspective
 - to customer's perspective
 - to internal process perspective
 - To learning perspective

Actors and rules in co-operatives : the appearance of rifts between co-operative's actors



Strategy implementation for a New Co-operative Paradigm

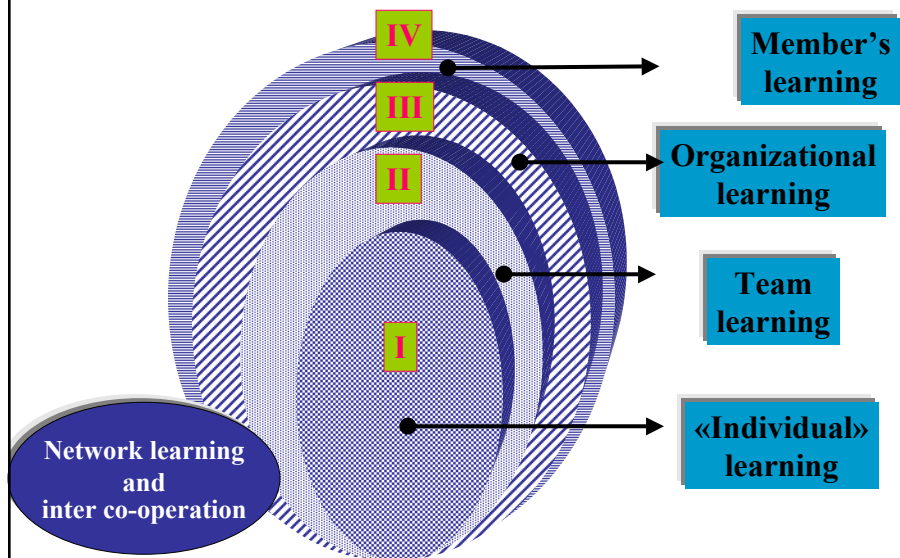


From research
to education...
and back

Key issues: from research to training/education and experimentation

- Research and experimentation at the local levels
 - Scientific results
 - Economic results
- Credibility and solutions to real problems the way they are understood in the organization
 - Capacity to implement
 - Fill the «knowing doing» gap
- Build a training program **at the organizational level**...involving all key actors
- **Just in time** training and **Q/A as we go**

How to define a «learning co-operative»?



Why we often fail with training and education...

- Not sufficiently linked to people's real problems
- Not sufficiently linked to people's Q/A now
- Not sufficiently linked to the difficulty of implementation
- Not sufficiently linked to resistance to change
- So – building a training program requires to start at the ground level