

Improving Co-operative Performance through

KEY PERFORMANCE INDICATORS

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The Co-operative Union's Movement Performance Report

**Improving
Performance and Accountability
in Co-operative Societies**

Primary purpose of the report is to provide a summary of the performance of the Co-operative Union and its member societies over the period covered by the report.

The report is intended to:

- It's a summary report + customised
- Whereby the Co-operative Union seeks to

Inform,

Support and

Motivate

Member Societies to achieve
improved business and co-operative performance



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Why have one?

- **UNION AIMS - approved Congress 1997**
“The Co-operative Union ... exists to ... advise and support the officials and lay leadership of member societies, particularly in the areas of:-
information, focused on society performance”
- **UNION REVIEW - approved October 1999**
“Key Services include:-
 - improving society performances
 - advice and support to societies, especially lay directors”



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	<u>2001</u>	<u>1999</u>	<u>+/-</u>
	<u>£m</u>	<u>£m</u>	<u>%</u>
TURNOVER	10,205	9,310	+9.6



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TURNOVER	10,205	9,310	+9.6
NET PROFIT	241	110	+119.1
% Sales	2.5%	1.3%	



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% Sales	2.5%	1.3%	
TRADING PROFIT	276	153	+80.4
% Sales	2.9%	1.8%	



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% Sales	2.9%	1.8%	
RETURN ON CAPITAL EMPLOYED	7.5%	5.3%	+41.5

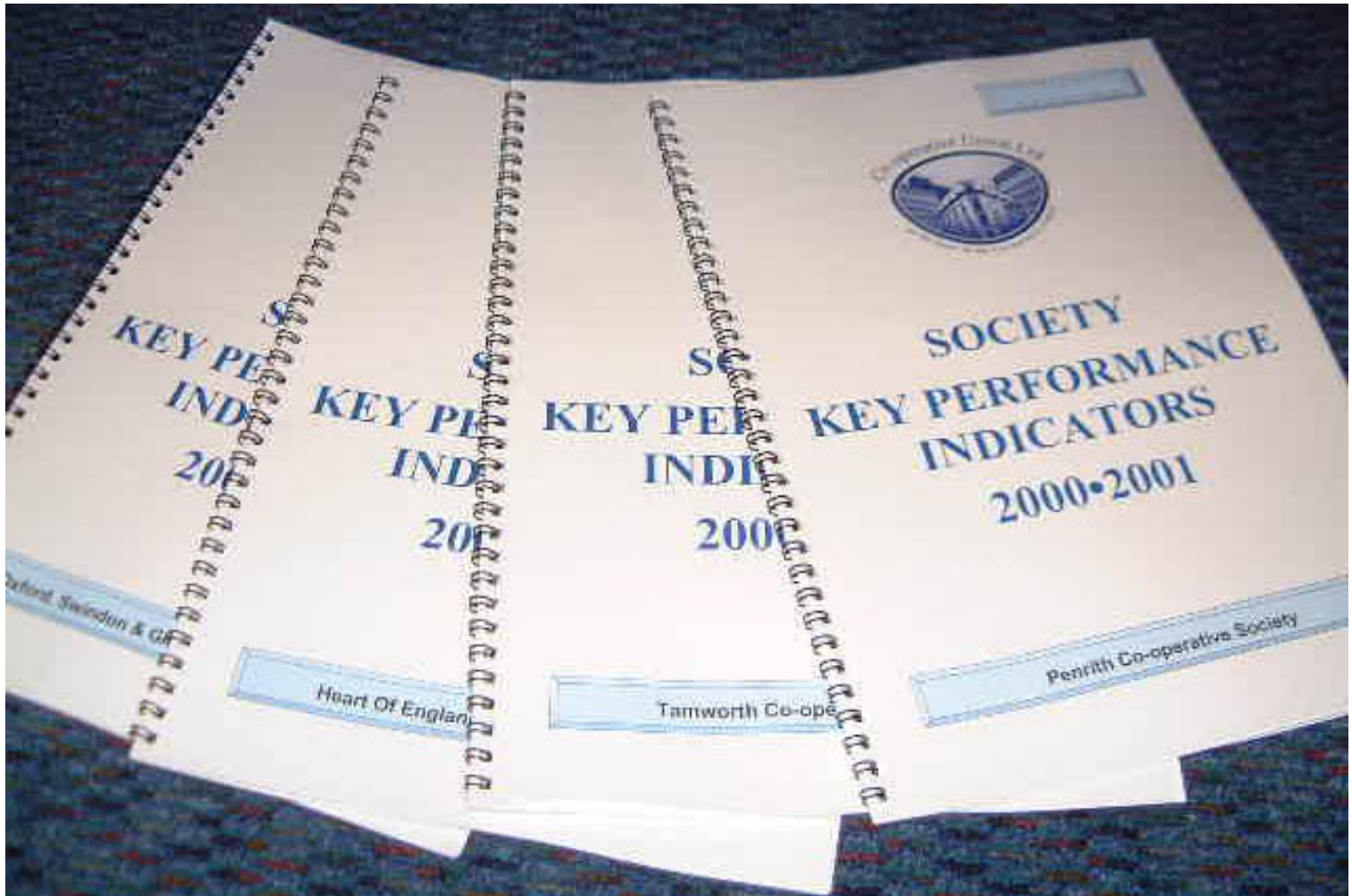


Co-operative Union Members

(NB The statistics on this page are of the Co-operative Union members only, all other pages include other retail societies not in membership of the Co-operative Union)

- RETAIL SOCIETIES 2001 Trading Year

SOCIETY		TURNOVER		RETURN ON	NET		TRADING		TRADING		MEMBERS
				CAPITAL	PROFIT/LOSS	PROFIT/LOSS	PROFIT/LOSS	PROFIT/LOSS			
				EMPLOYED			AFTER		BEFORE		
							DEPRECIATION		DEPRECIATION		
Lothian, Borders & Angus	16	104 754	1.9	7.7 *	4 070	4.2	3 906	4.0	5 676	5.9	65
Shoefayre	17	95 500	1.0	6.8 *	1 248	1.5	2 063	2.5	398	0.5	-
Channel Islands	18	80 521	10.0	7.2	4 123	5.1	3 607	4.5	5 247	6.5	87
Leeds	19	69 145	3.8	0.7	128	0.2	163	0.2	1 538	2.3	68
Sheffield	20	68 491	7.7	5.2	2 044	3.2	2 047	3.2	3 493	5.5	77
Heart of England	21	64 403	1.5	6.6	2 227	3.8	2 267	3.8	2 973	5.0	134
Chelmsford	22	36 677	10.9	3.2 *	109	0.3	356	1.0	1 123	3.3	45
Tamworth	23	24 207	1.6	0.5 *	80	0.4	60	0.3	578	2.7	36
Radstock	24	15 247	1.1	14.1 *	396	2.8	242	1.7	493	3.5	7
Penrith	25	8 842	9.4	8.5 *	176	2.1	120	1.5	263	3.2	19
Raunds	26	5 571	0.2	6.7	235	4.6	165	3.2	324	6.3	4
Musselburgh & Fisherrow	27	4 573	5.4	0.2 *	17	0.4	12	0.3	187	4.5	2
Nith Valley	28	4 318	3.7	4.4 *	56	1.4	49	1.3	141	3.6	6
Brixham	29	3 136	2.4	0.4	8	0.3	6	0.2	54	1.9	5
Desborough	30	2 291	26.6	14.9 *	122	5.7	214	10.0	195	9.1	2
Wooldale	31	1 600	15.0	4.5	46	3.1	33	2.3	10	0.7	1
The Phone Co-op	32	1 401	118.9	50.0	67	5.6	64	5.4	85	7.1	1
Allendale	33	1 228	3.8	0.6	23	2.0	5	0.4	13	1.1	1
Moulton	34	1 187	10.1	1.0 *	2	0.2	4	0.4	28	2.6	1
Coniston	35	701	4.1	35.8 *	3	0.4	31	4.8	23	3.6	1
Total		10 181 663	4.7	7.6	240 499	2.5	275 484	2.9	482 759	5.1	9 723



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What is customised about it?

KEY PERFORMANCE INDICATORS - 4 categories

- Profitability
 - Financial Stability
 - Growth
- } Sustainability

But, these apply to any business

- Co-operative Difference



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What is it?

KEY PERFORMANCE INDICATORS - PROFITABILITY

Return on Capital Employed

‘Underlying’ Trade Profit -
(i.e. net of exceptionals
and before and after depreciation)

Net Profit –
Trading Profit less interest
excluding exceptionals



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What is it?

KEY PERFORMANCE INDICATORS - FINANCIAL STABILITY

Gearing

$$= \frac{\text{Net Debt}}{\text{Net Assets}} \%$$

Interest Cover

$$= \frac{\text{Profit (i.e. Net Surplus) before interest}}{\text{Interest Payable inc. Share Capital Interest}}$$



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KEY PERFORMANCE INDICATORS - GROWTH

Turnover growth -
in volume terms

Capital Expenditure -
% of Net cashflow from operations



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What is it?

KEY PERFORMANCE INDICATORS - CO-OPERATIVE DIFFERENCE

MEMBERSHIP RECRUITMENT

$$= \frac{\text{New Members}}{\text{Members at start of year}} \%$$

MEMBER BENEFITS

$$= \frac{\text{Distributions } \pounds}{\text{Net Profit } \pounds} \%$$



Principles of the Group

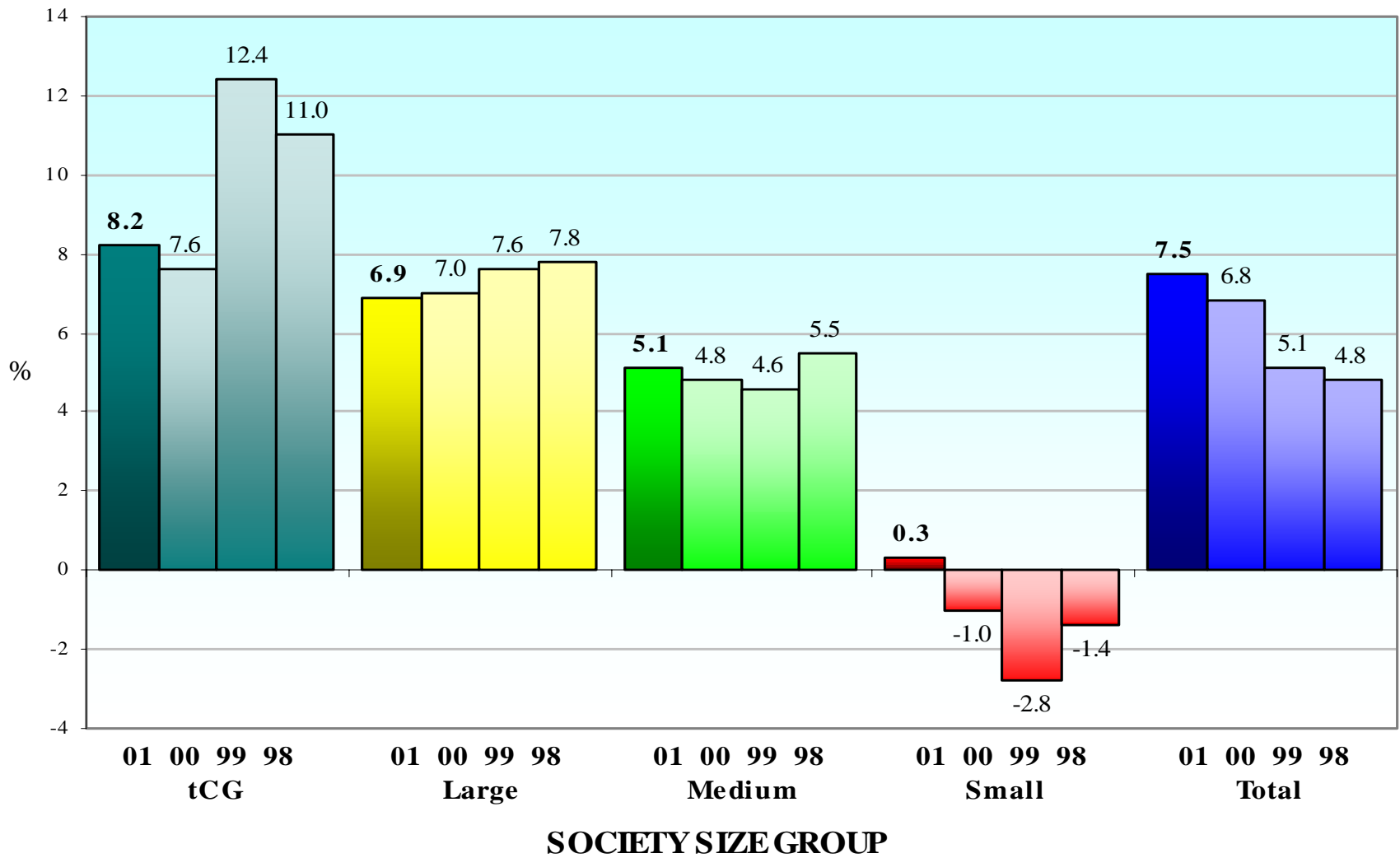
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Societies grouped according to turnover

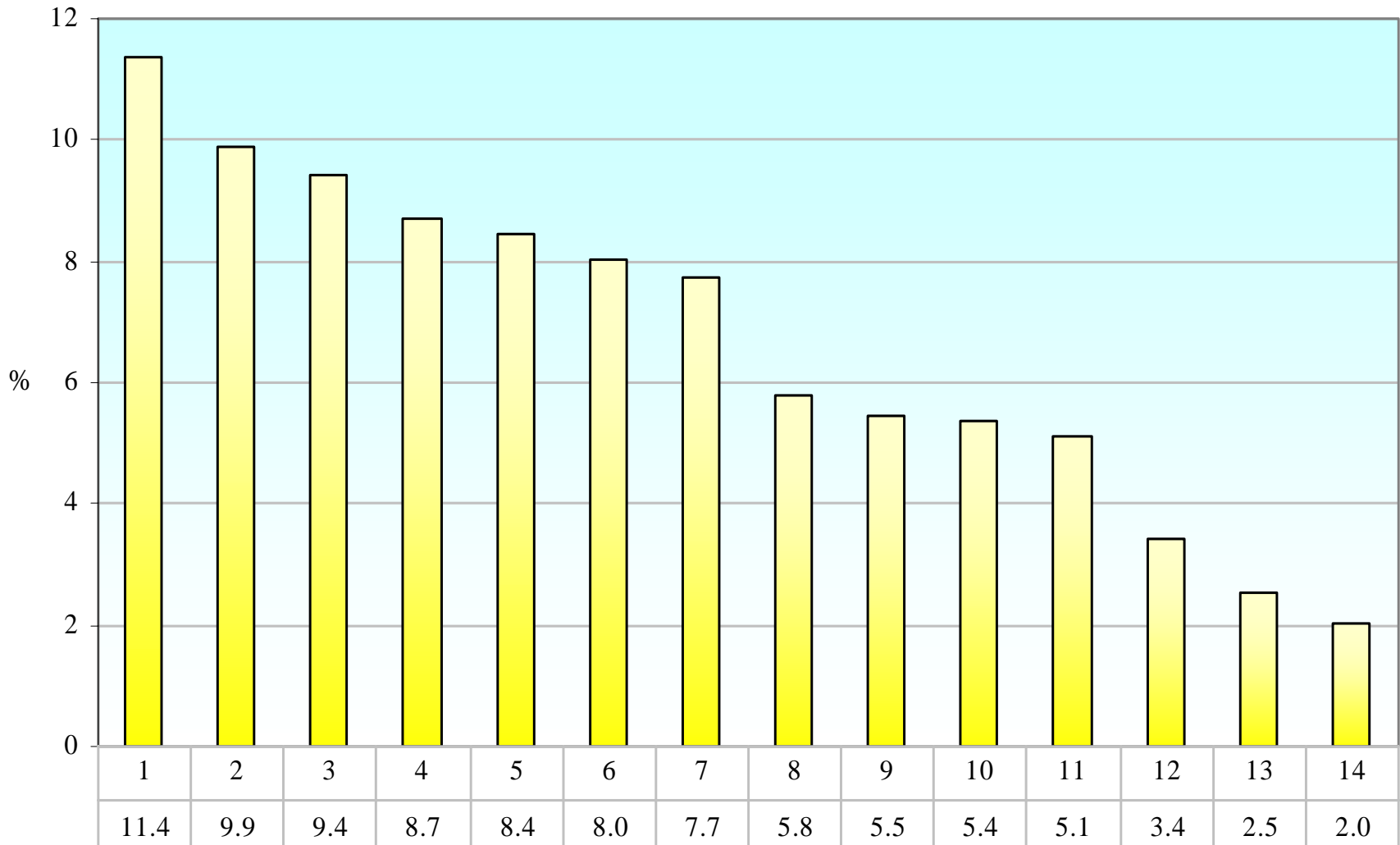
<u>Group</u>	<u>No.</u>	<u>Movmnt. %</u>
• Large - £100m +	14	46%
• Medium - £15m to £110m	9	5%
• Small - £10m -	10	.4%



Return on Capital Employed %



Return on Capital Employed %

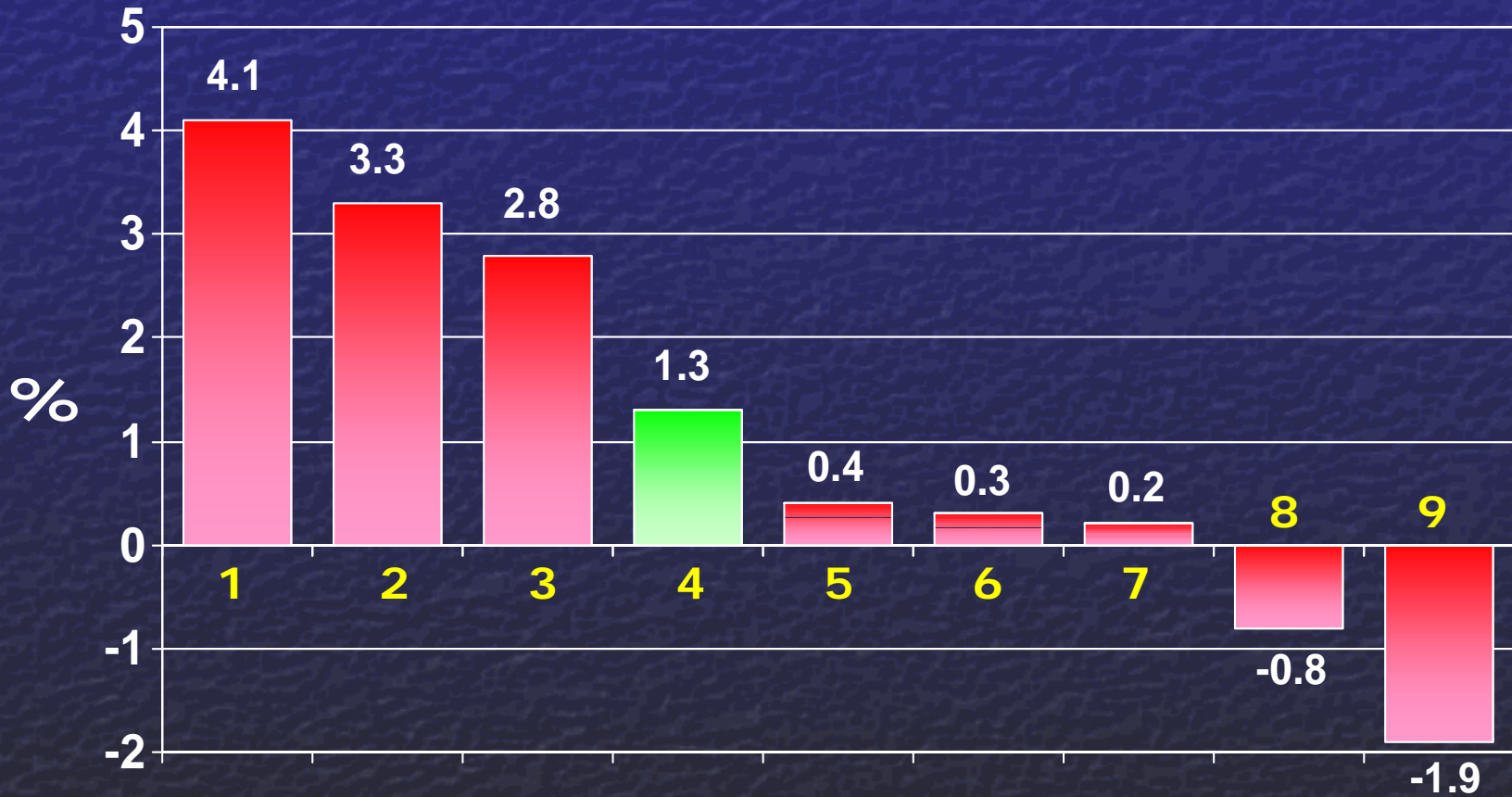


LARGE SOCIETY SIZE GROUP

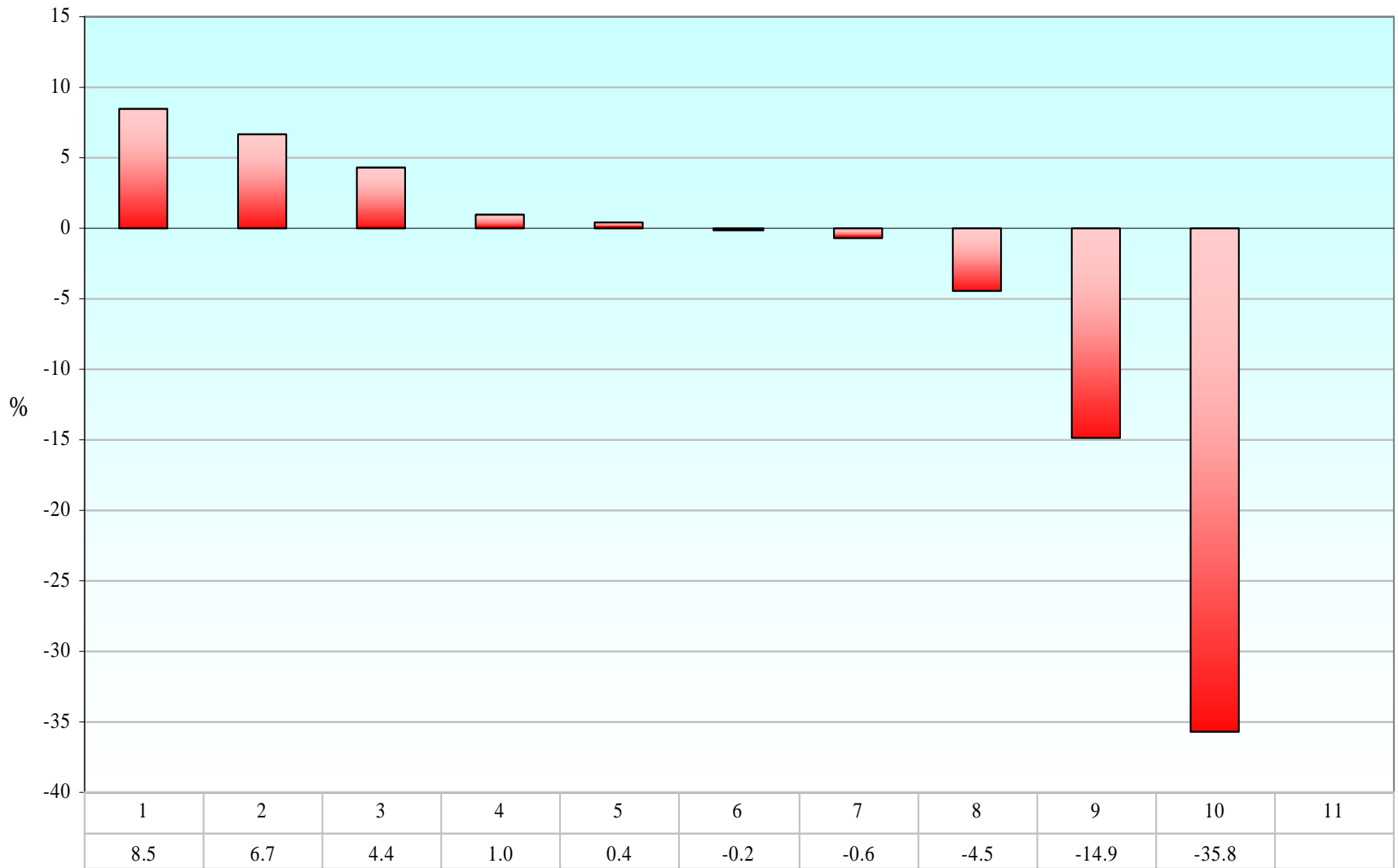


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P hg lxp #J urxs



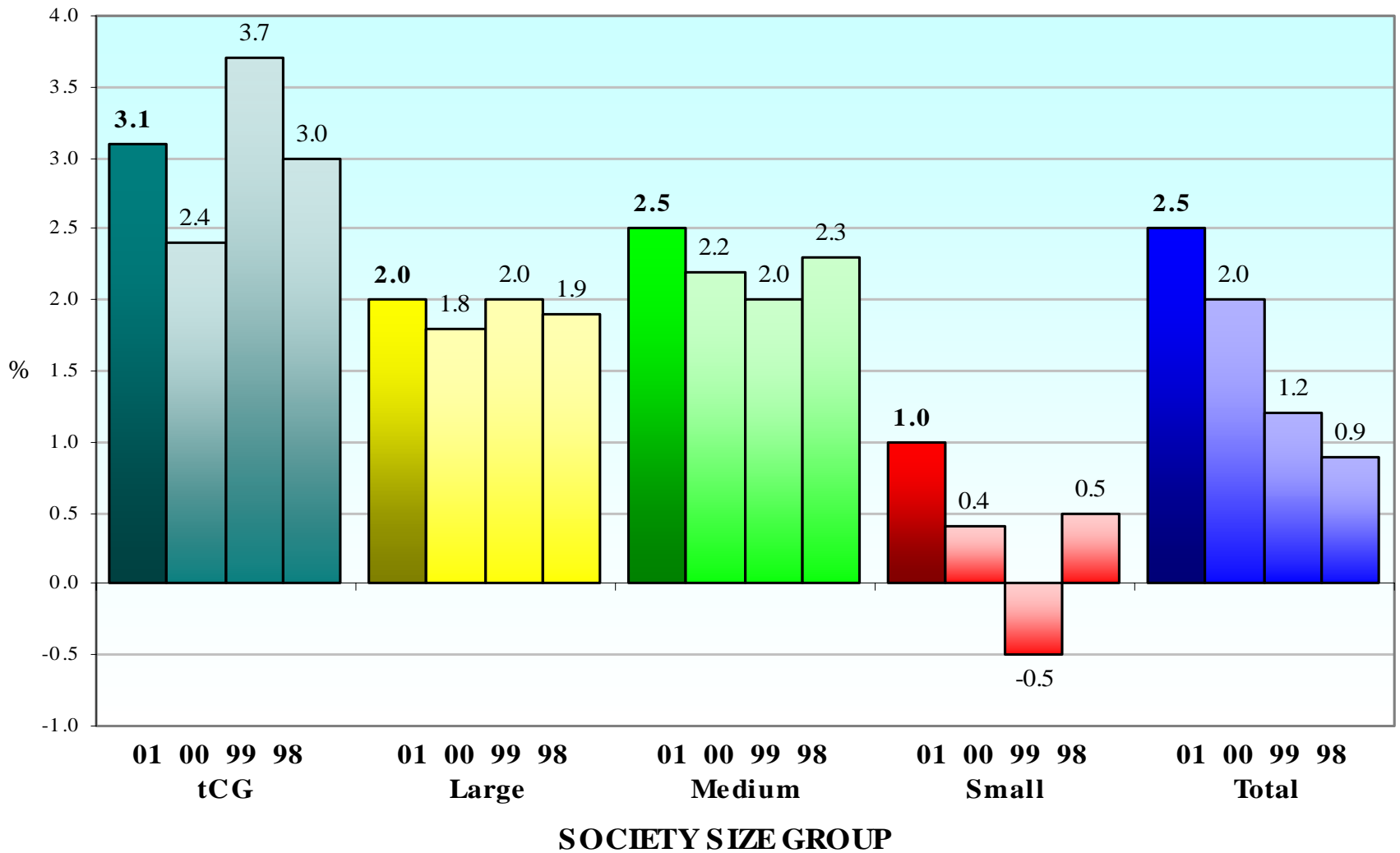
Return on Capital Employed %



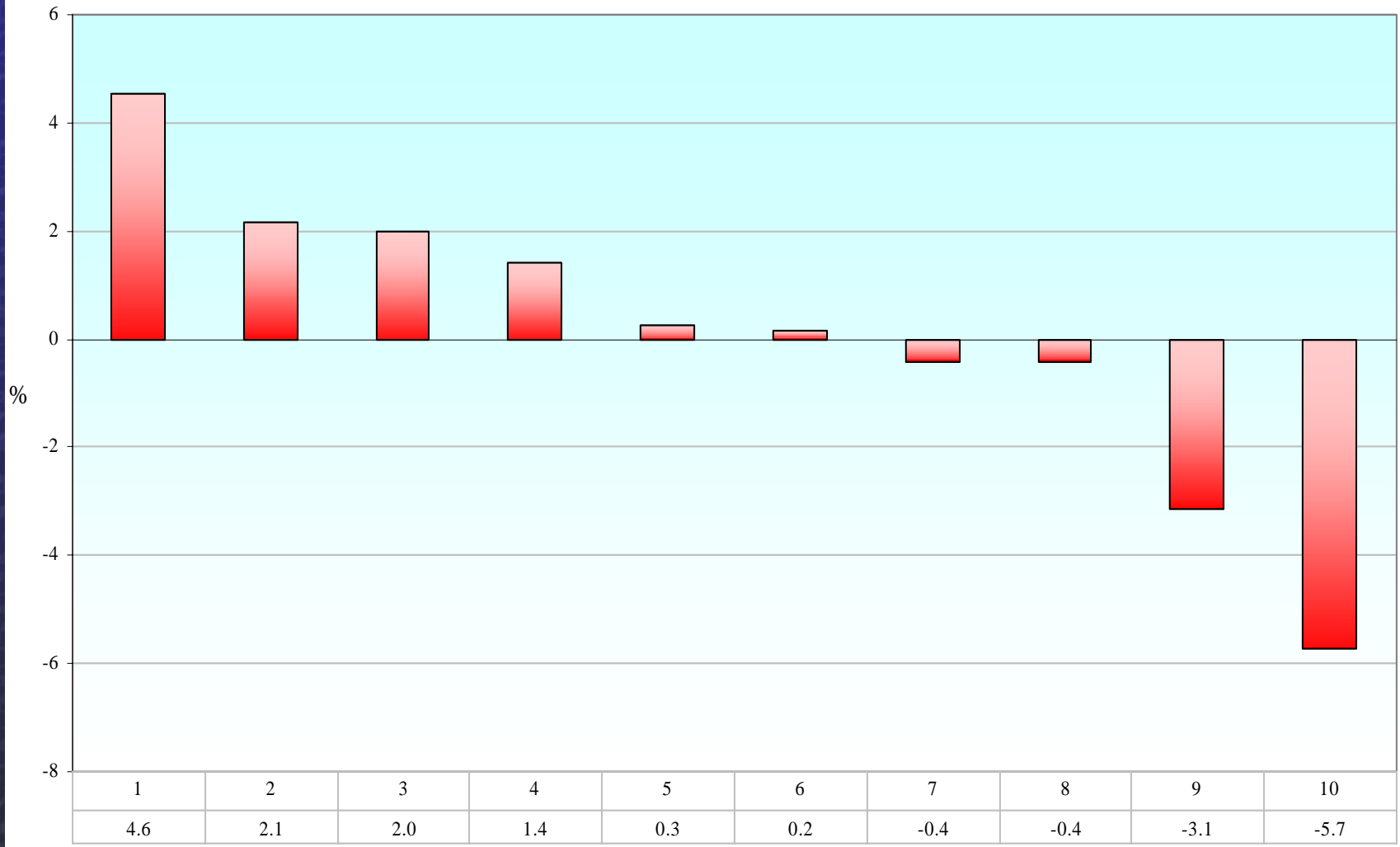
SMALL SOCIETY SIZE GROUP



Net Profit as a % of Sales



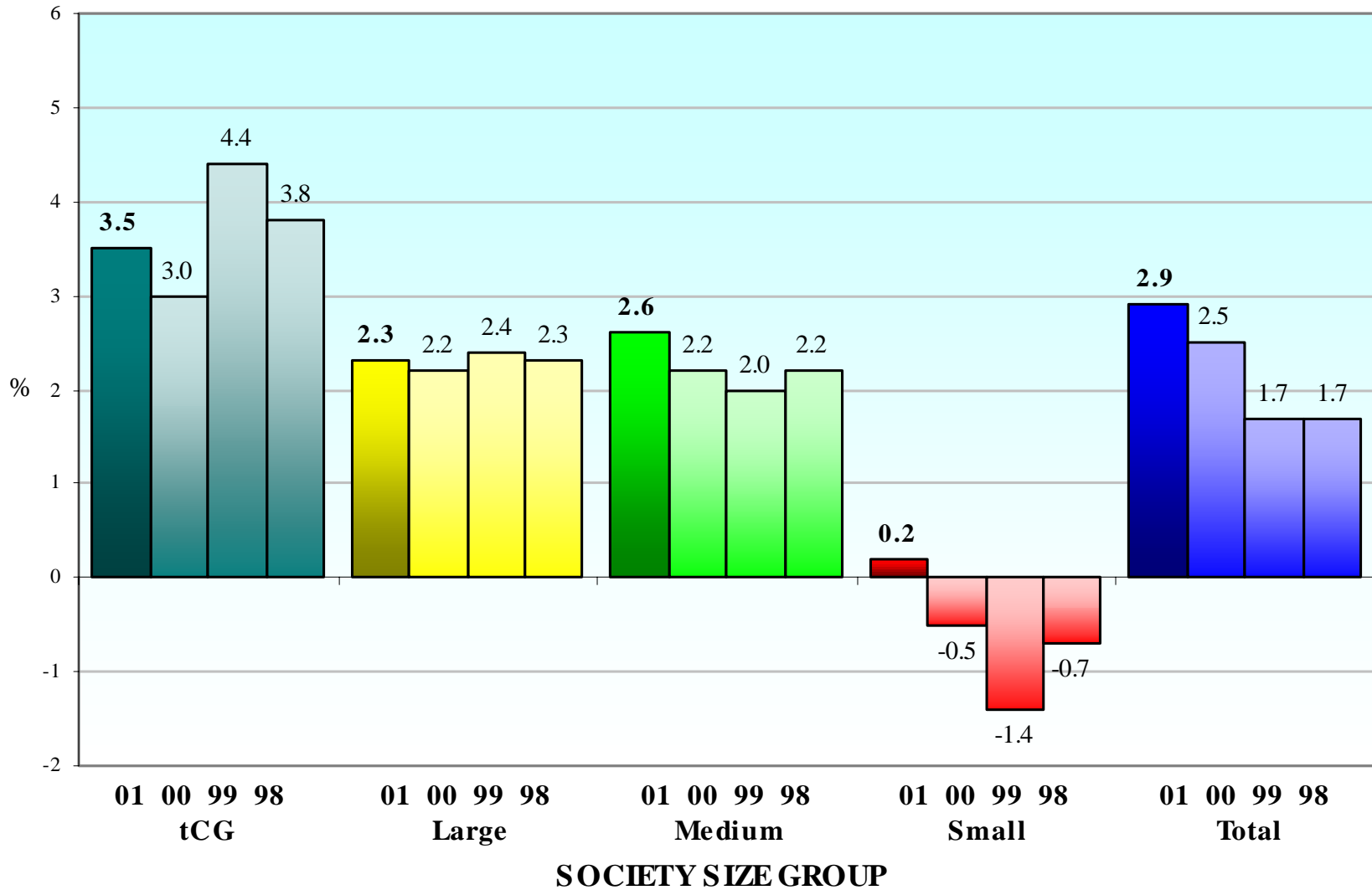
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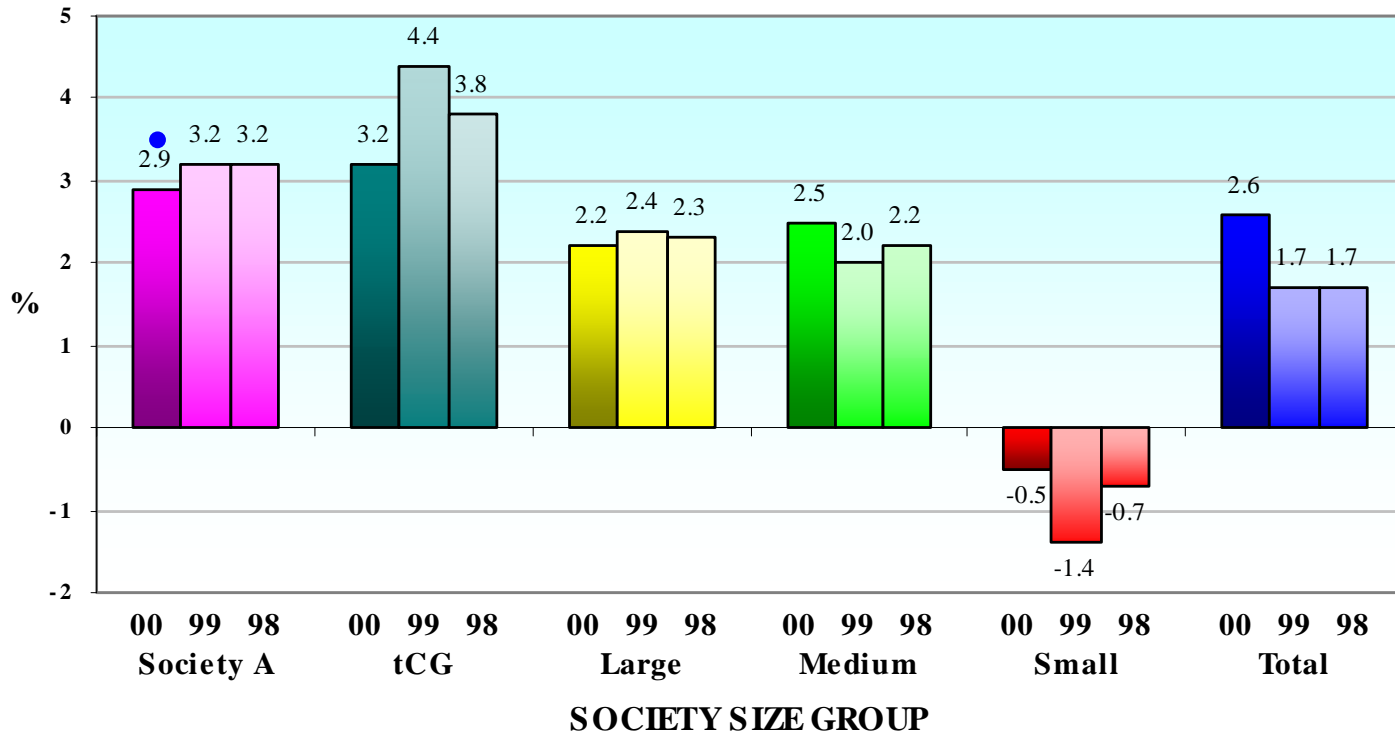
SMALL SOCIETY SIZE GROUP



Trading Profit (after Depreciation) %



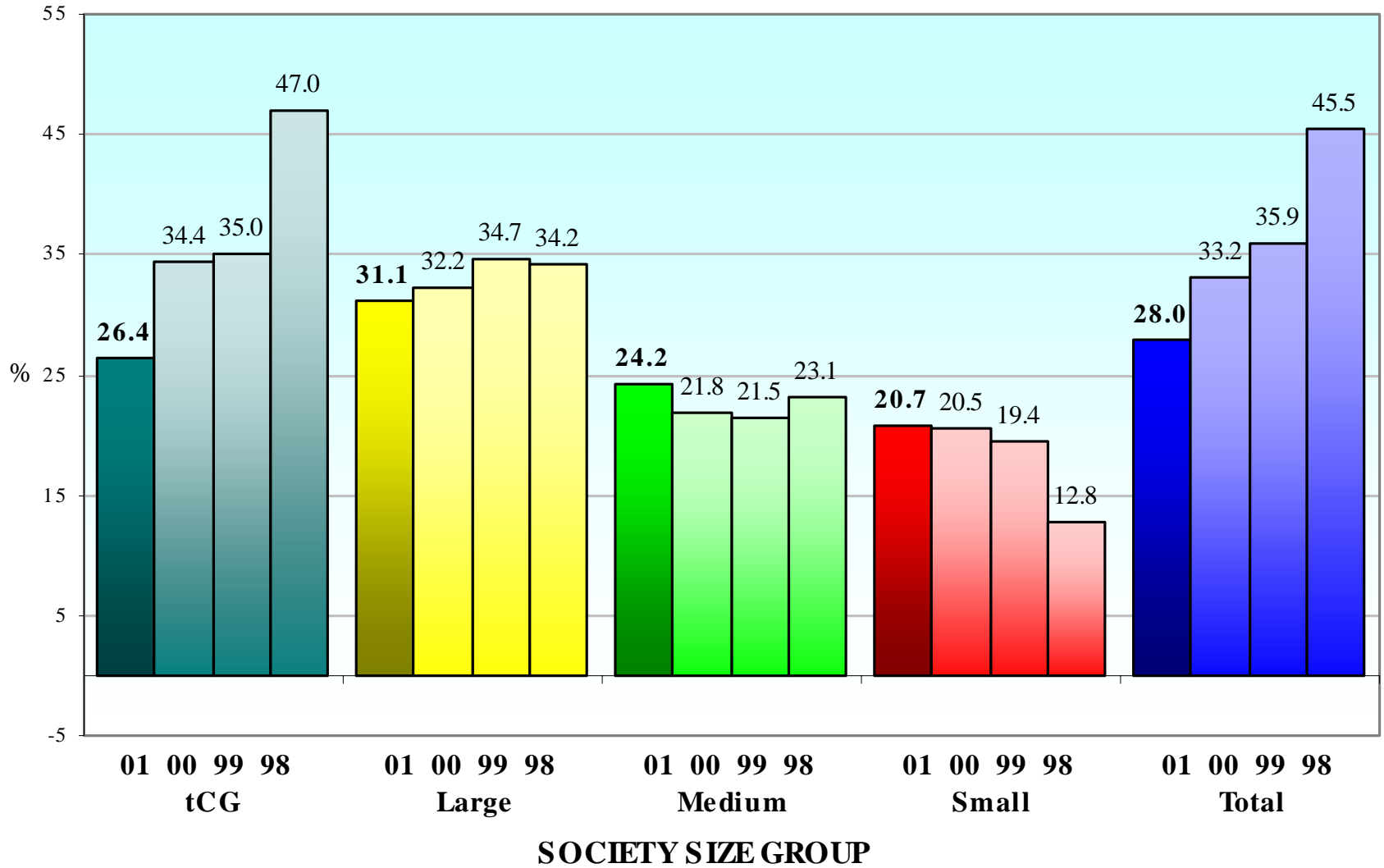
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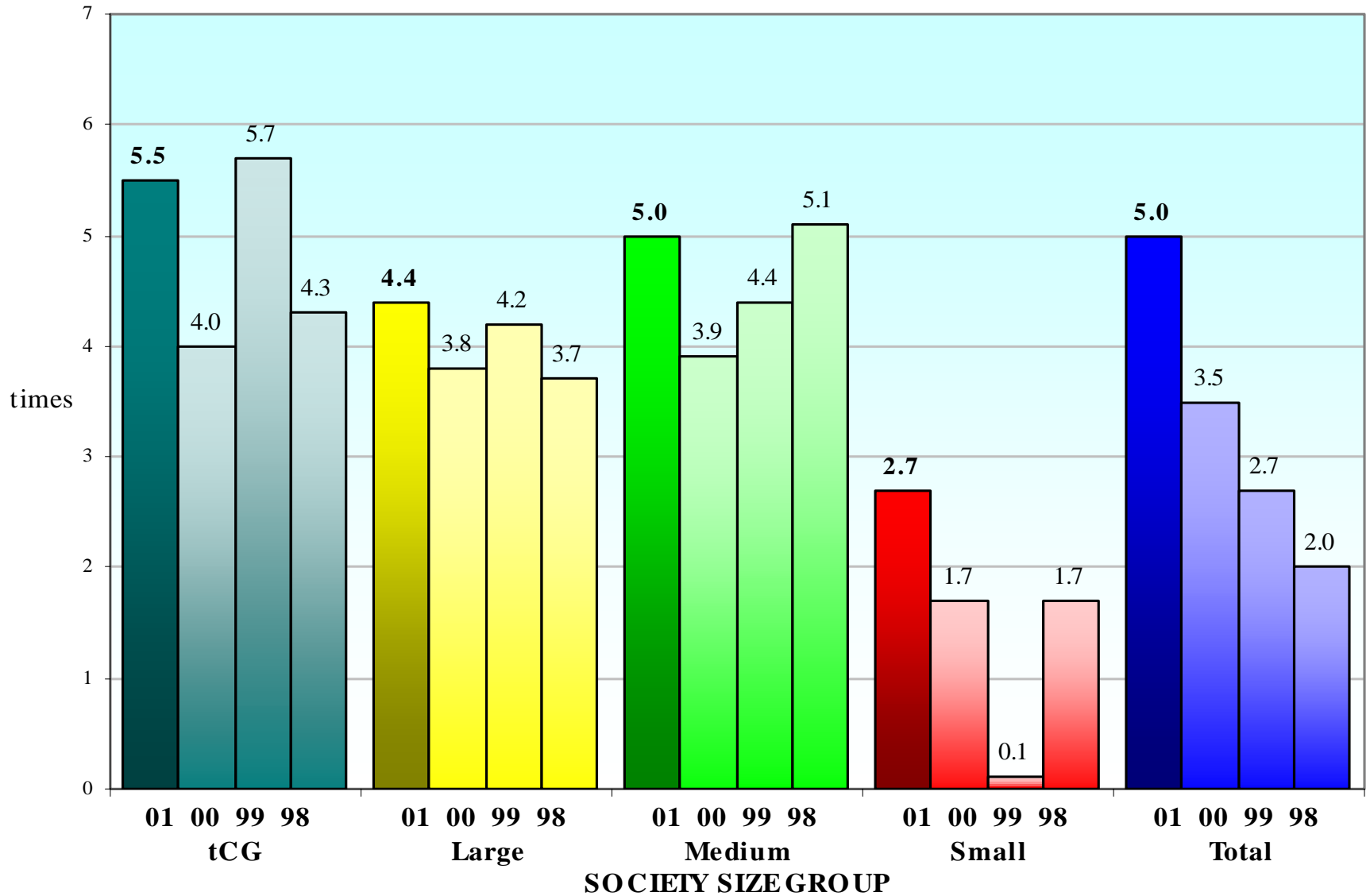
• Weighted Society Profitability Benchmark



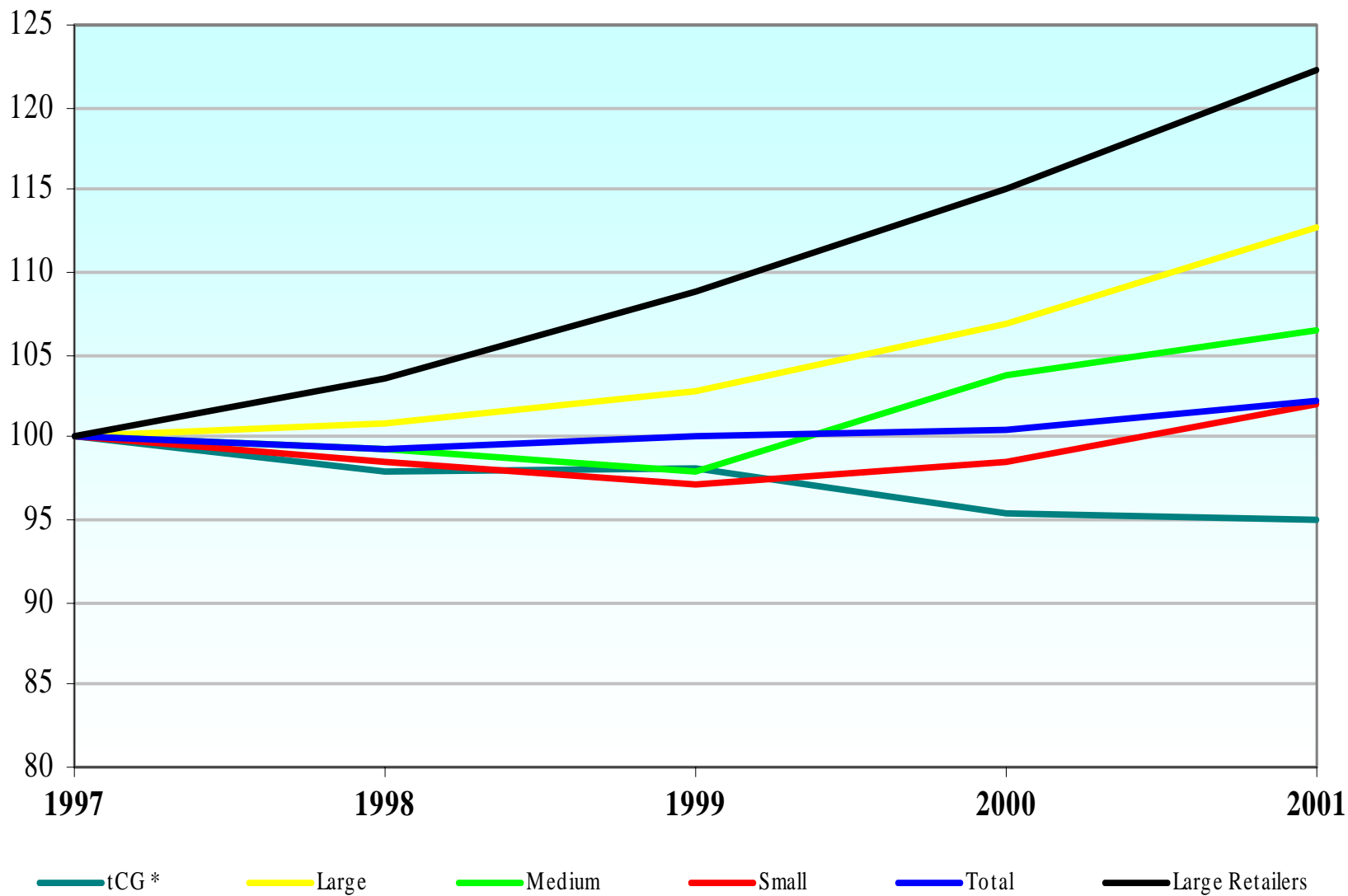
Co-operative Gearing



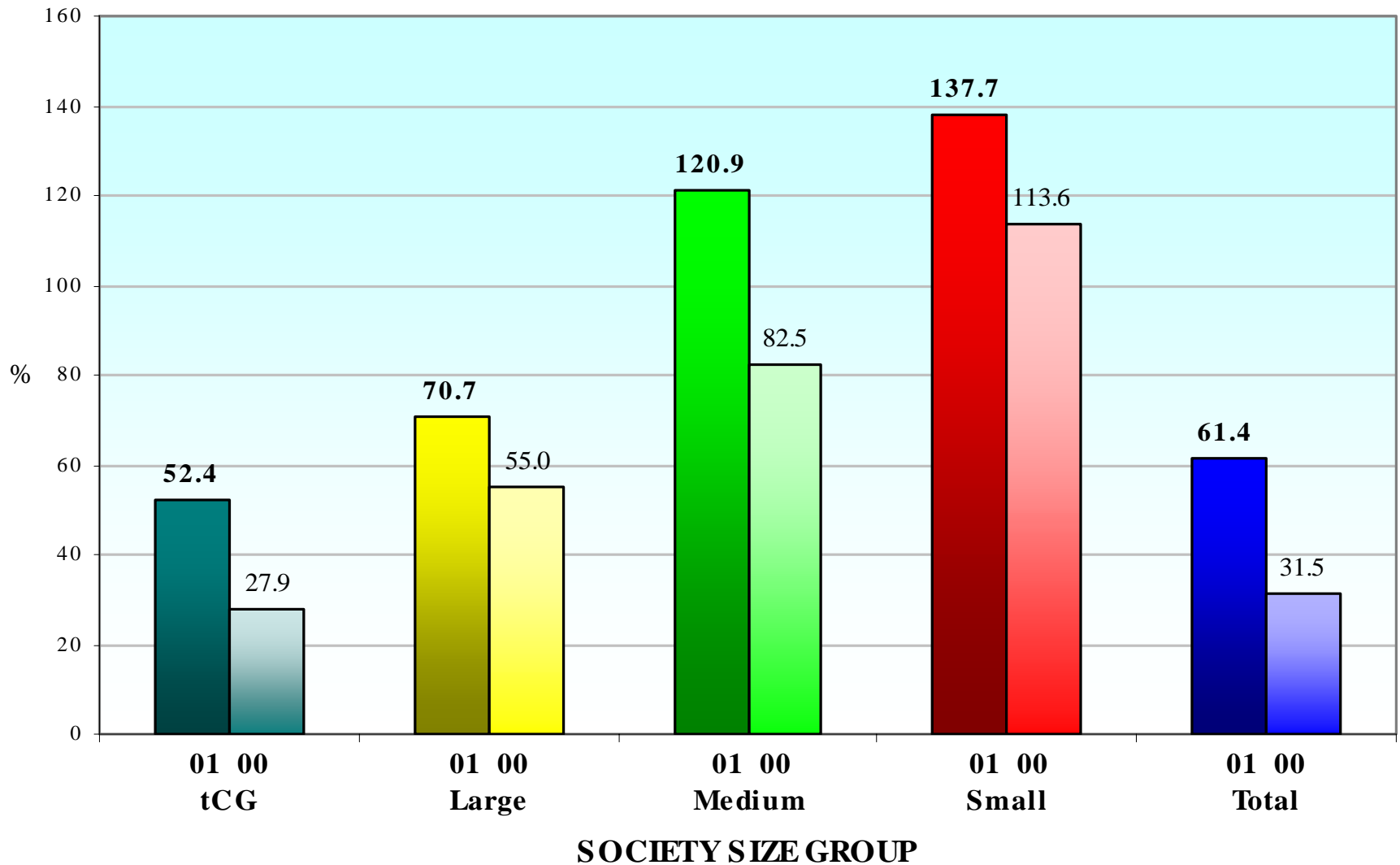
Interest Cover (times)



Volume Turnover



Net Capital Expenditure as a % of Net Cashflow from Operations



Co-operative Distributions as a % of Net Profit

