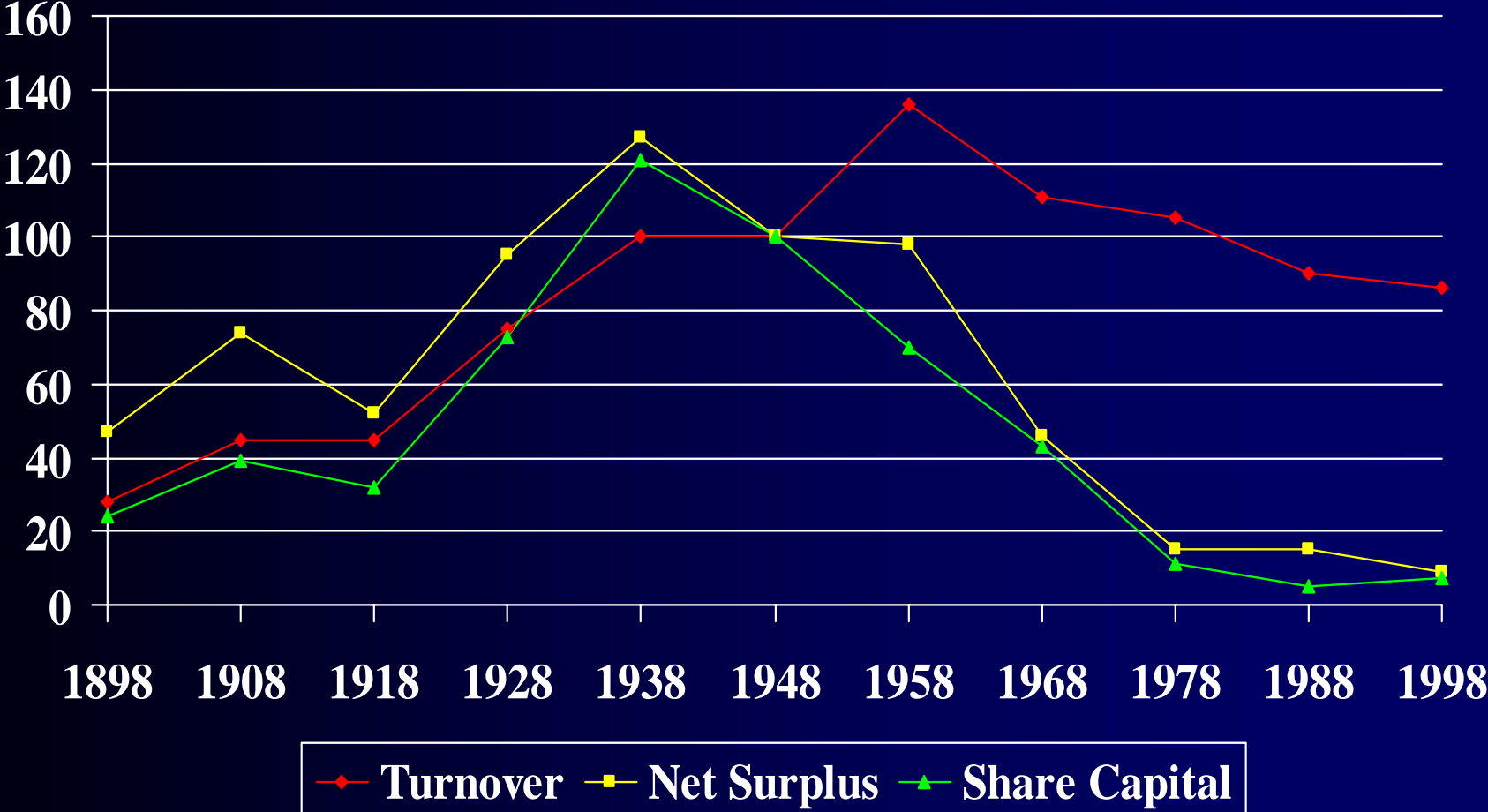


# **The co-operative renaissance in the UK**

**Bob Burlton**

# A Century of Turnover, Surplus and Share Capital (at 1998 prices : 1948=100)



## Late 20th Century Co-operative Trends

	<u>1988</u>	<u>1998</u>	<u>% (+/-)</u>
<b>Societies</b>	<b>85</b>	<b>48</b>	<b>-44</b>
<b>Members (000s)</b>	<b>8,165</b>	<b>9,486</b>	<b>+16</b>
<b>Share Capital (Ca\$m)</b>	<b>560</b>	<b>685</b>	<b>+22</b>
<b>Turnover (Ca\$m)</b>	<b>19,500</b>	<b>18,500</b>	<b>-5</b>
<b>Net Surplus (Ca\$m)</b>	<b>295</b>	<b>175</b>	<b>-41</b>
<b>Net Surplus (%)</b>	<b>1.5</b>	<b>0.9</b>	<b>-40</b>

# MOVEMENT PERFORMANCE REPORT for 2002

	<u>2002</u>	<u>2001</u>	<u>+/-</u>
	<u>£m</u>	<u>£m</u>	<u>%</u>
TURNOVER	12,561	12,069	+4.1
NET PROFIT	320	270	+18.3
% Sales	2.7%	2.6%	
TRADING PROFIT	351	297	+18.2
% Sales	2.9%	2.6%	

# UK Co-operation ... Grounds for Optimism

- Recognition of the reality of our position
- Growth during 1990s of CRTG  
the Co-operative Retail Trading Group  
for joint buying & marketing
- Emulation of CRTG in other areas, e.g. travel, energy
- Recent transformation of UK co-operative landscape through  
2 mergers of largest 2 societies  
CWS becomes “the Co-operative Group” (tCG)
- tCG adopts strategy to focus on smaller stores
- Also, recent strategic acquisitions
  - Alldays – 600 branches
  - Balfours – 110 branches

# UK Co-operation ... Grounds for Optimism

- The political and social climate is good
- A renaissance of co-operative purpose
- Led by both national federals
- The Co-operative Commission
- Union focus on
  - performance & governance
  - bringing co-op sectors closer together
- Union launches new identity

**After 134 years  
The Co-operative Union  
changes to**



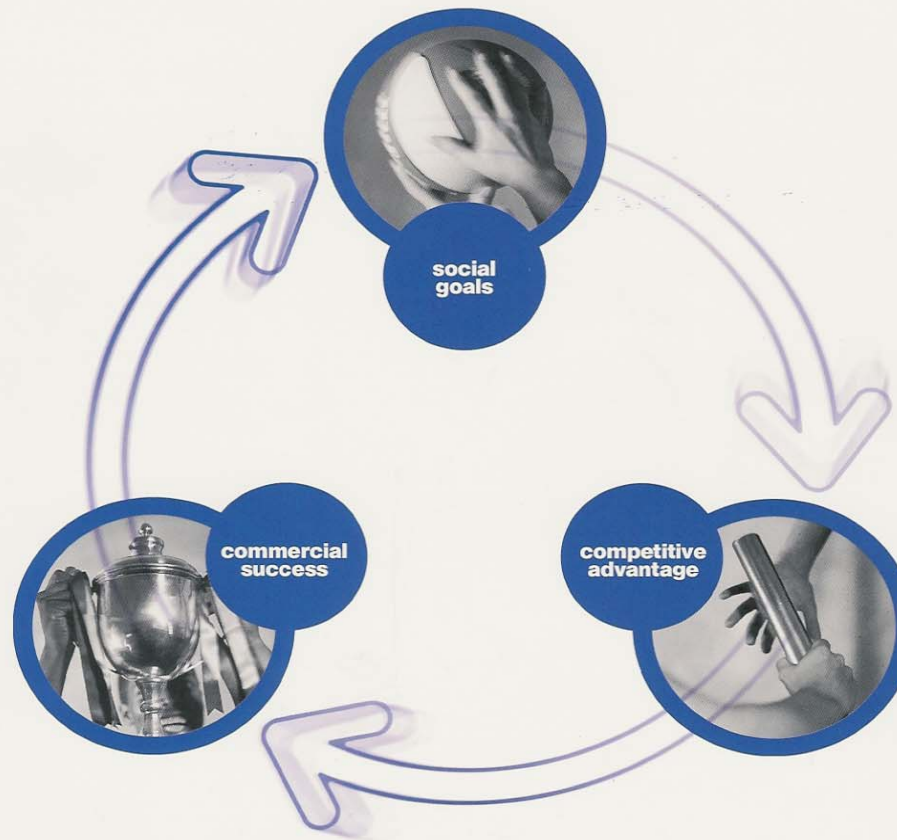
**Co-operatives<sup>UK</sup>**  
THE UNION OF CO-OPERATIVE ENTERPRISES

*the* Co-operative  
Commission



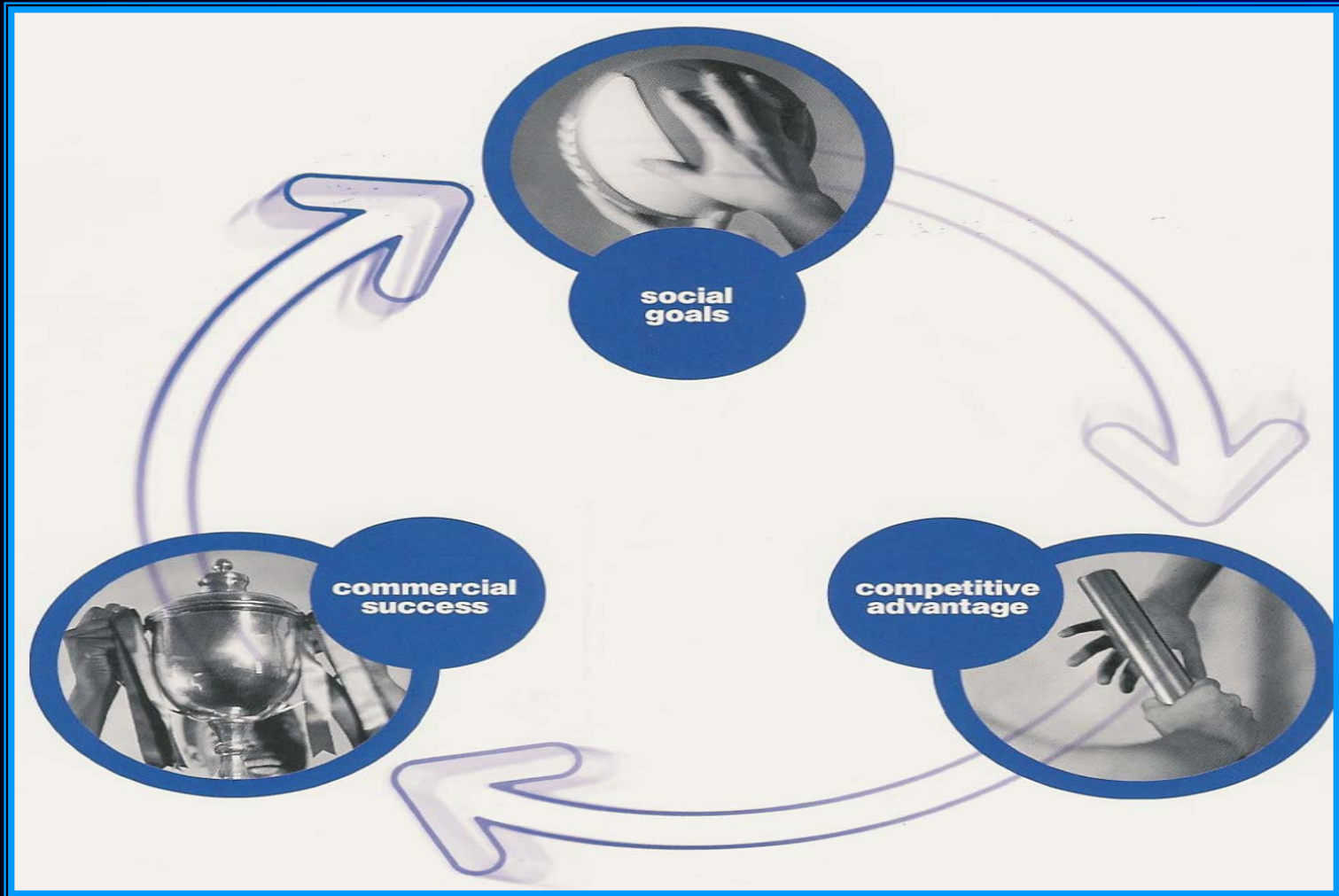
# the co-operative advantage

Creating a successful family of Co-operative businesses



The Report of the Co-operative Commission  
January 2001

# The Co-operative Commission – some key recommendations



# The Co-operative Commission – some key recommendations

- 1** Boards of Co-operative Societies must establish challenging targets for the commercial performance of their Society
- 2** The commercial performance targets should include Return on Capital Employed, which should achieve a minimum of 10% as a first step
- 3** All Societies should urgently review the performance of each of their various business sectors to ensure that each can achieve and/or maintain financial viability over the medium/long term

# **The Co-operative Commission – some key recommendations**

**The Commission recommends that the Co-operative Union should establish, after appropriate consultation with leading experts in the field, challenging Key Social Performance Indicators (KSPIs) for performance in relation to Co-operative and social goals. Following this, the Union should monitor the performance of individual Societies objectively against those targets. The KSPIs should aim to reconnect the commercial and social goals of the Co-operative Movement and ensure that all members and employees understand how fundamental this is to the future success of the Movement**

**Boards should ensure that the Society's KSPIs are presented to the Society's members annually**

# **The Co-operative Commission – some key recommendations**

- 17.1 A Co-operative Brand Panel should be established to develop a common national Co-operative branding approach for the Movement**
- 17.2 All Societies should ensure that the brand identity for each of their core businesses is compatible with and reinforces the national branding of the Co-operative Movement**

# Movement Performance Report

What is it?

**KEY PERFORMANCE INDICATORS - 4 categories**

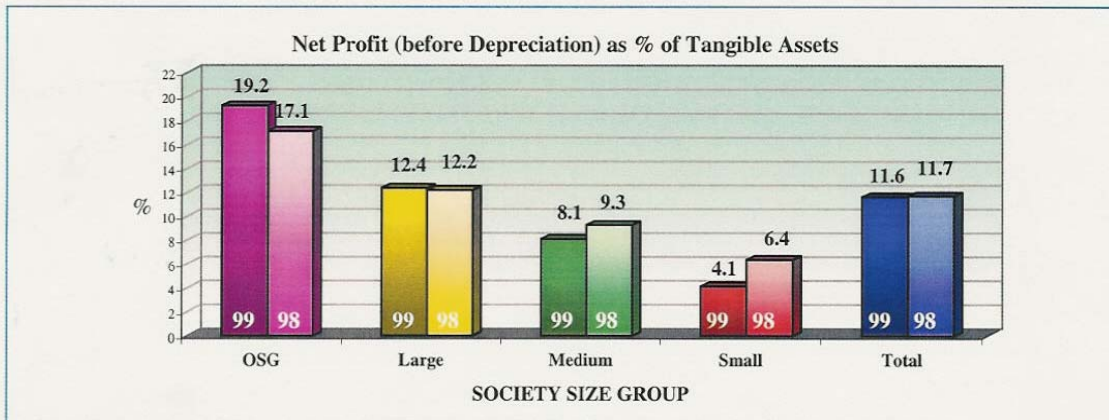
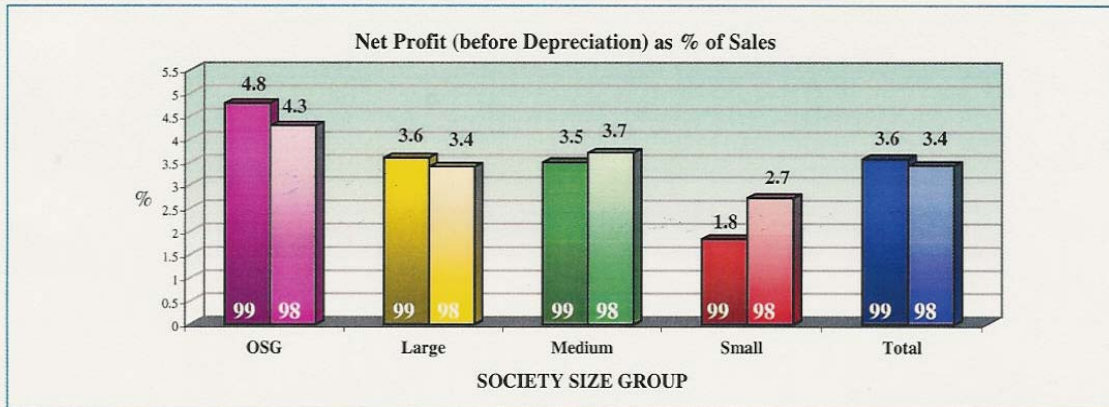
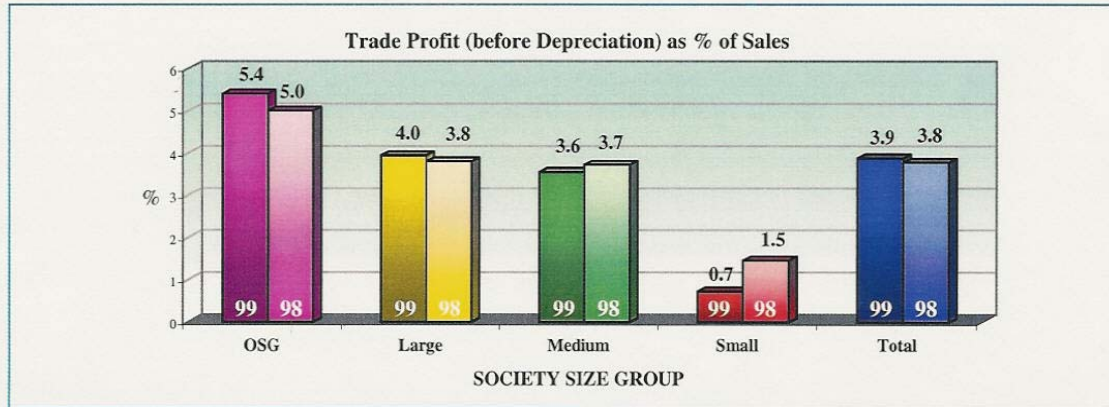
- Profitability
  - Financial Stability
  - Growth
- } Sustainability

But, these apply to any business

- Co-operative Difference

# PROFITABILITY

Key Profitability Indicators for 1999 vs 1998 for Society & size groups of societies



Excludes: CWS, NCC, Shoefayre and the Productive Sector

# PROFITABILITY

# PROFITABILITY

peer Society comparisons

# FINANCIAL STABILITY

# FINANCIAL STABILITY

peer Society comparisons

# GROWTH

# GROWTH

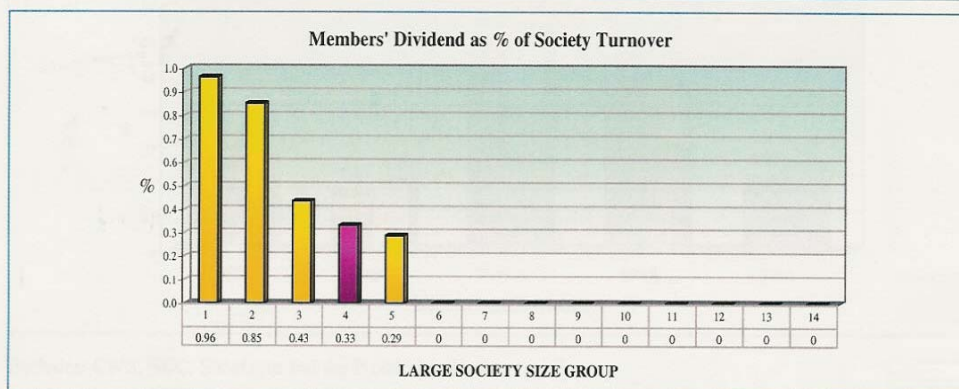
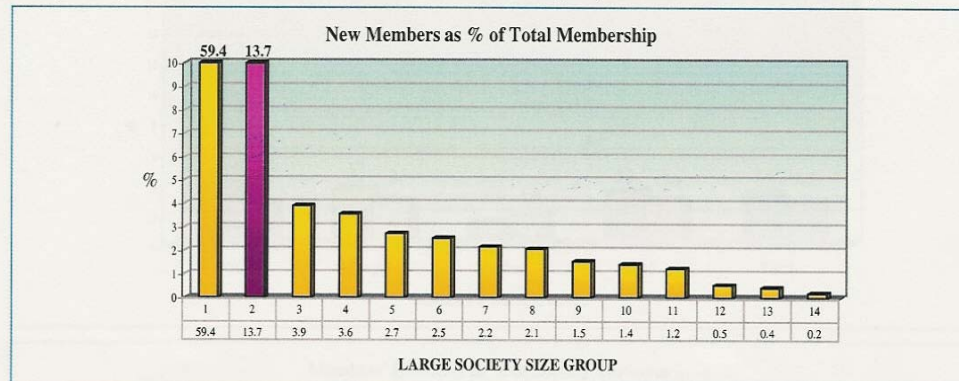
peer Society comparisons

# CO-OPERATIVE DIFFERENCE

# CO-OPERATIVE DIFFERENCE

peer Society comparisons

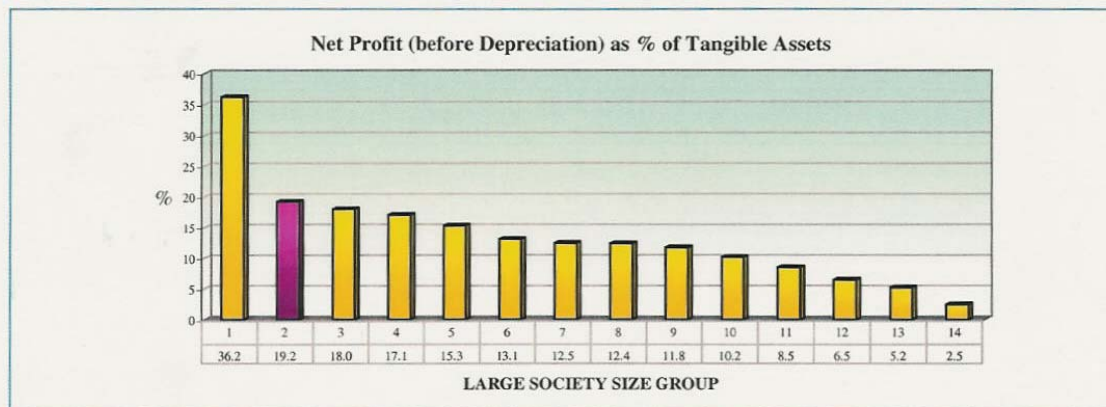
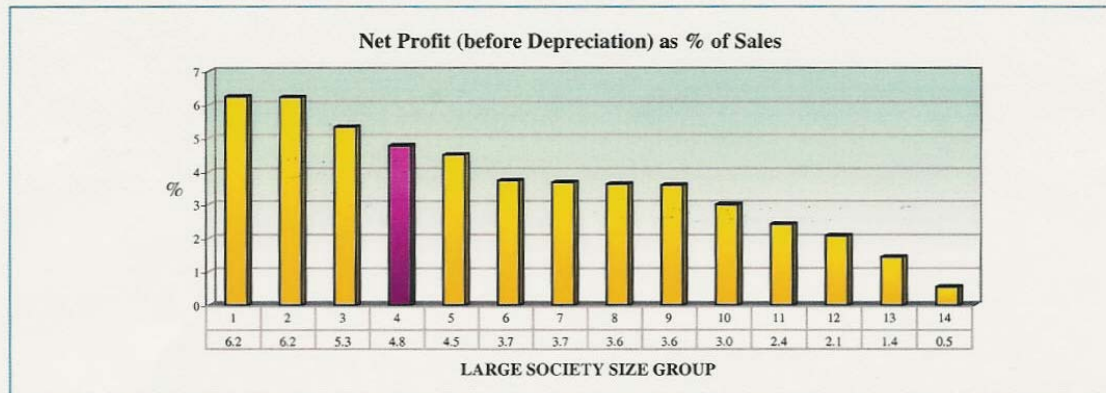
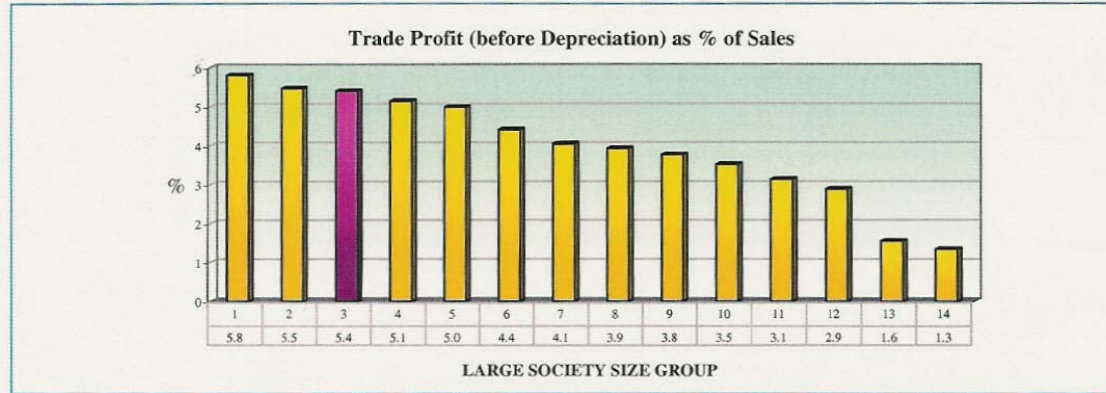
Key Co-operative Difference Indicators for 1999 for Society & peer societies in the same size group



Excludes: CWS, NCC, Shoefayre and the Productive Sector

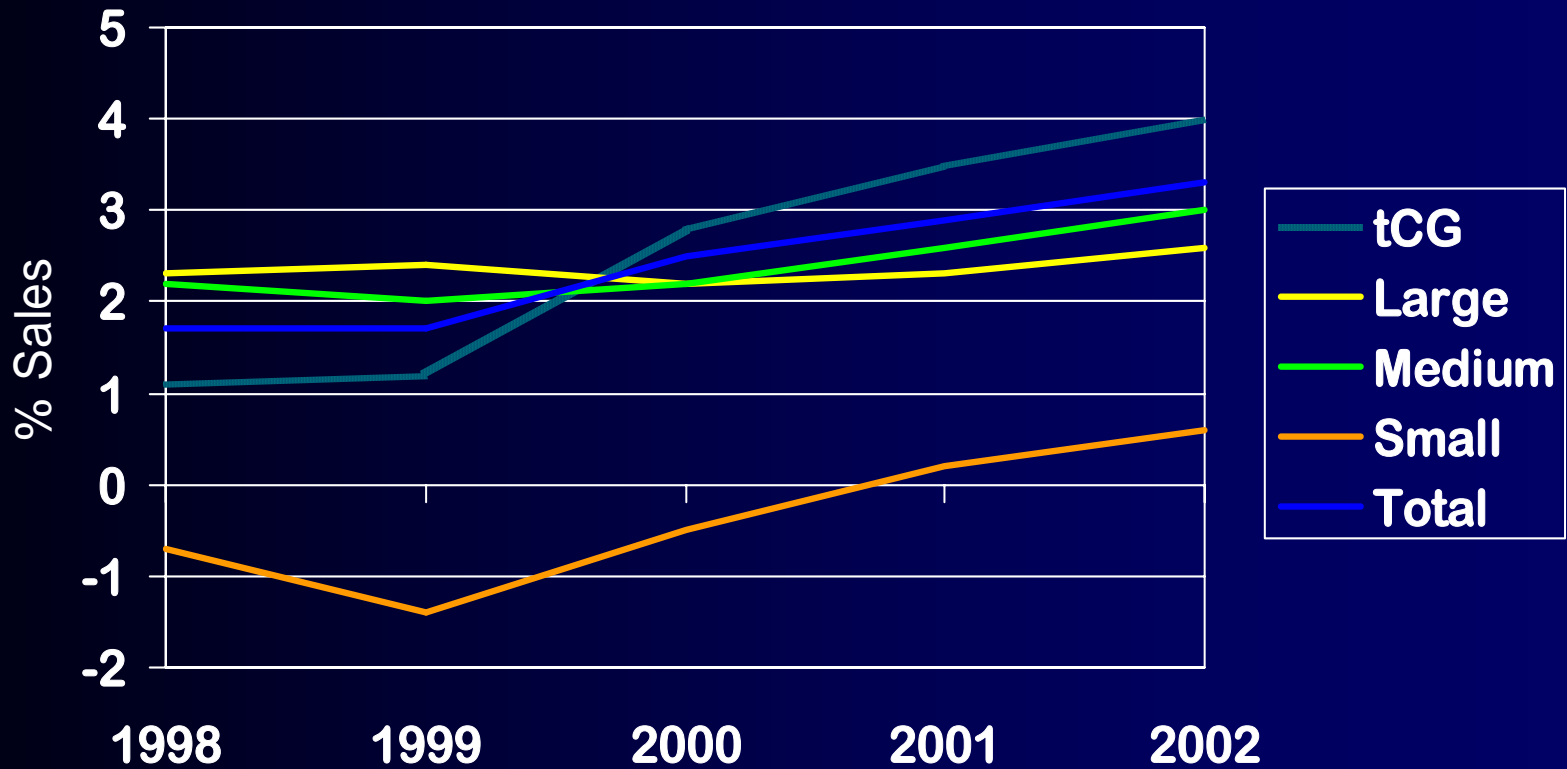
■ Oxford, Swindon & Gloucester Society

Key Profitability Indicators for 1999 for Society & peer societies in the same size group



Excludes: CWS, NCC, Shoefayre and the Productive Sector

# Trend in Trading Profit



# Trading – some good news?

- Market Share % - Food

