

More than food

YAHARA RIVER
GROCERY COOPERATIVE
229 East Main Street • Stoughton, WI
608-877-0947 • www.yaharagrocery.coop



Summer 2009

On the road: October, 2008 to March, 2009

Where we were: The financial situation at the Co-op was pretty dire last October. We had incurred a lot of expense with little revenue to pay it off. There was more than \$63,000 in accounts payable, \$41,000 of it past due. We couldn't bring in enough product to generate the sales needed to pay monthly expenses, let alone past due debt. We were close to closing the doors.

What we did: The YRGC Board made the decision to change management, seek assistance from Willy Street Co-op, and of course, ask our members what you wanted us to do. In our October and January membership meetings, you urged us to stay the course.

Here are some of the accomplishments made between last October and March.

- Hired an interim manager.
- Reined in spending.
- Re-organized the store's merchandise.
- Implemented operational systems in all areas of the store.
- Trained the staff in improving their customer service skills and knowledge of YRGC's products.
- Developed and implemented a new business plan.
- Applied for and received a Dane County Development loan and mounted a successful matching capital campaign in which our members and customers raised more than \$33,000!

We've come a long way, and we still have a ways to go Improvements made with the relaunch in March, 2009

With the Dane County loan and the successful matching capital campaign from our members and customers, we set our new plan in action. Lots of changes and improvements were implemented:

- Re-stocked the store, adding more than \$8,000 in new inventory.
- Re-structured the pricing strategy to lower prices on many items and make them more competitive.
- Improved relationships with vendors and began paying past-due debt.
- Introduced a fresh salad and olive bar.
- Added many products directly requested by the customers.
- Added a fresh meat section including turkey, chicken and beef.
- Improved the produce section.

- Increased the amount of fresh-made items in the grab 'n go section.
- Introduced a wine section.
- Hosted a number of cookouts in front of the store to welcome the community and introduce customers to our products.
- Created "Sunday Morning Buzz," a chance to relax and meet your neighbors.
- Re-designed the front end of the store to create a welcoming space for people to relax and eat a salad or a snack.
- Demonstrated our commitment to the community by hosting shows by local artists, providing treats for the Library's monthly Book Club, providing fruit for the Syttende Mai Run and hosting monthly music jams.

The store is looking sharp – the best it has ever looked!

What is the current situation and where do we go from here?

Summer months in the grocery business tend to be slower, and the current economy certainly is not helping. Sales did increase right after the relaunch in March. In April, the gross sales averaged about \$12,500 a week. We were on our way to the break-even figure of \$15,000 a week.

However, sales flattened in May and even decreased in June. We averaged about \$11,000 a week in gross sales in June – a 12% decrease from April. We are depleting our cash reserves quicker than expected. The only way to reverse that direction is to

increase weekly sales to \$15,000.

The board and staff are working hard to keep the store fully stocked while going on a "cash diet." We are being careful with purchasing and expenses.

Yahara River Grocery Co-op's members and customers have demonstrated their support of this community store and the need for this type of grocery alternative in Stoughton.

To find out what you can do to help, please see the "Call to Action" on page 3.

(continued on page 3)

Pinch penny, pinch penny – recession go away!

A report from Warren Kmiec, Yahara River Grocery Cooperative Treasurer

It was purely accidental that Yahara River Grocery Cooperative picked a recession to begin its business, but we didn't have any idea we had done so until we were in the middle of it. Now we hope that recession economics is becoming a thing of our – and your – past with each passing day.

At our Annual Membership Meeting in January, Co-op members said they were ready to stay the course, and showed their commitment by raising more than \$33,000 to qualify for the Dane County Economic Development Committee loan of \$60,000.

The relaunch in late March brought a revitalized inventory to the store and increased sales. Our average week of \$9,000 in sales grew to almost \$13,000 – an increase of 38%. We have caught up with most of our overdue accounts and reduced our accounts payable by more than \$30,000. Repayment of our loans to Dane County and Evergreen State Bank continue on a monthly basis. (See the financial status chart.)

We are running a tighter operation. I know, we should always do this, but today in this economy, we don't have a choice. We are dealing with stagnant and even declining sales (June sales were down 12% from April's), lost shoppers, margin management, inventory control, reducing expenses, managing labor and employee morale. Our cash reserves are nearing depletion.

We've cut our "waste" to a minimum by managing our inventory. That's all been easy compared to managing labor because

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GENERAL MANAGER

Jeanine Holzmann

YRGC BOARD OF DIRECTORS

President: Norma Sampson

Vice President: Deb Piper

Secretary: David Sharpe

Treasurer: Warren Kmiec

Directors: Laura Anderson, Regina Hirsch, Jonathan Lewis, Kristine Vaughn and Spencer Warren

managing labor directly impacts people – the face of our Co-op. We're using fewer weekly payroll hours, and our dedicated staff is working to make the store successful.

The only way your Co-op can stay in a healthy fiscal shape is to grow our sales figures every week. And that's where you come in. Be a regular Co-op shopper, and encourage your friends and neighbors to become Co-op shoppers as well.

We have about 350 core customers who shop weekly and spend an average of \$35. We really need you to spend at least \$45 – only \$10 more – and we'd move from not quite making it to breaking even.

We need to grow, grow, grow. Thanks for your continuing support to make YRGC your type of hometown grocery store. Remember every dollar spent at your Co-op is re-spent in **this** community **six** times!

Yahara River Grocery Cooperative's financial status

| | October, 2008 | January, 2009 | April, 2009 | June, 2009 |
|-----------------------------------|---------------|---------------|-----------------------------|-----------------------------|
| Weekly Sales – Gross | \$ 9,000 | \$ 9,425 | \$12,450 | \$10,950 |
| Accounts Payable | \$63,525 | \$51,000 | \$39,000 | \$29,000 |
| Accounts Payable 30+ Days Overdue | \$41,000 | \$42,000 | \$ 6,000 | \$ 8,000 |
| Payment on Bank Loan | Interest only | Interest only | Interest plus \$200 monthly | Interest plus \$200 monthly |

PRESIDENT'S MESSAGE

You've done an amazing job of supporting your Co-op. We were so close to shutting our doors last fall and this winter. And then, because you believe in the cooperative principles and want an alternative food buying option for Stoughton, you raised \$33,000 so we could receive a loan from the Dane County Economic Development Committee.

The Co-op looks great. There are some wonderful items on the shelves that you have requested and prices are reasonable. The quality of our fresh produce has improved, we have a yummy salad and olive bar, and we carry fine wines as well as Wisconsin microbrews.

Your Co-op exists to serve you, the member. That's why we keep asking you to step up to the plate and continue to support the store. Please continue to shop (and if possible, spend just a little bit more) and bring a friend to help us survive the dog days of summer and this recession. Just use the coupon on the next page – you'll save on your purchase and your friend will receive a free gift. Also, help us get the word out about what a great place the Co-op is. Make a lawn sign to let others know that you shop the Co-op.

We've come so far, and we've still got a ways to go. We couldn't have made it this far without you, our members and loyal supporters. You are the key to your Co-op's survival.

Board promotes Holzmann as new General Manager

Yahara River Grocery Cooperative is pleased to announce that Jeanine Holzmann has been promoted as the new General Manager! Jeanine has been serving as acting manager for the past 3 months.

In announcing the appointment, Board President Norma Sampson said, "As acting manager, Jeanine has demonstrated leadership qualities, and has continued to implement systems and strategies to stabilize the co-op's operations. Jeanine and the rest of the YRGC staff are incredibly dedicated and hard workers."

An integral member of the turnaround team, Jeanine worked side-by-side for more than 6 months with Wynston Estis, Interim General Manager from Willy Street Co-op. Jeanine has worked at YRGC since it opened, starting as the Fresh Manager. A long-time Stoughton resident, Jeanine is also a Co-op member and participated in several start-up activities.

Norma Sampson, YRGC President

A call to action for all Co-op supporters and members to keep store open

(continued from page 1)

The time is **now** for us to keep this store open and able to serve the community. Please consider ways you can help support the Co-op:

Shop weekly. The magic number is \$15,000 a week in sales. Please consider shopping at the Co-op each week. If even half of our membership spent \$40 a week at the store, we would reach that critical number. Imagine what we could do if every member shopped regularly! If you are a weekly shopper, then please consider spending an additional \$5 to \$10 or whatever your budget will permit.

Bring a friend. The power of word-of-mouth is so critical in a small start-up business like this. The next time you shop at the Co-op, invite a friend to join you. Share with them your favorite items and products. Invite them for a cup of coffee and fresh pastry on a Sunday morning. As a special thank you, when you bring in a friend we are offering you a coupon for \$5 off your purchase of \$25 or more, and a free gift for your friend! Just use the coupon at the bottom of this page.

Promote your Co-op. Help us get the word out about what a great little store the Co-op is. Make a lawn sign and let your neighbors know that you support your locally-owned

grocery. And tell them why you like to shop at the Co-op. Is it the bulk items, the organic produce or the homemade potato salad?

Take a picture of your sign and bring it in. We'll post it in the store and there will

be a prize for the most creative lawn sign.

Cap up program.

When you check out your groceries, the cashier will ask you if you'd like to "cap up." Your purchase is rounded up to the next dollar amount, or to any amount you wish

to contribute. The difference in that amount supports YRGC. Every little bit helps!

Purchase a Co-op gift card. Gift cards make your shopping experience even easier, no reason to carry cash! It also helps the store with a way to generate some cash flow. When your card's balance is depleted, you can easily add more to the balance at the register.

Invest in your store with a certificate of investment. Certificates are available for an investment of \$200 or higher. There are many options to choose from – select a 3-, 4-, 5- or 6-year certificate, and select your simple interest rate between 0% and 3%. Forms are available in the store or on-line at www.yaharagrocery.coop.

Amazing community support

With a small store like the Co-op, the support of the community is always a critical part of its success. The outpouring of support from this community has been simply amazing! Here is just a small sampling of what people have been doing for your Co-op:

- Willy Street Co-op has outdone itself in fulfilling a cooperative principle: cooperatives helping cooperatives. They loaned us Wynston Estis, who served as our general manager for 4 months. Every facet of the store has received assistance and advice from Willy Street staff.
- Sensible Painting donated their services to paint the storefront, which was much needed.
- Volunteers are the lifeblood of the store. They help stock shelves, cook a lot of fabulous salads and baked goods for the store, keep the store clean, maintain our beer and grab 'n go sections, and so much more! We wouldn't be here without them.
- Volunteers also help make the special events a success. It's dedicated volunteers who plan, work and participate in the Victorian Christmas Dickens of a Run, the Yahara River Show, the monthly music jams, and all of the cookouts.
- And of course to you, our membership! You came through in a big way with the matching capital campaign and your support of the store. Thank you so much!



BRING A FRIEND!

Your friend gets a **FREE** gift
and you get **\$5** off a purchase of **\$25** or more
at Yahara River Grocery Cooperative!

We invite you to bring a friend with you the next time you shop at Yahara River Grocery Cooperative. As you shop, tell your friend about your favorite items and products.

Your friend will receive a free gift, and you can use this coupon to receive \$5 off a purchase of \$25 or more during July and August, 2009. Thank you for supporting your local grocery!

One coupon per member/household. Offer is non-transferable. Member will receive \$5 off a \$25 or more purchase at the Yahara River Grocery Cooperative, 229 East Main Street, Stoughton, WI. Coupon expires August 30, 2009.

How LOCAL can you go?

YRGC hosts “Eat Local” challenge Aug. 15–Sept. 15

Eating local is not just for foodies anymore. The media – “60 Minutes” – is talking up eating local. And more shoppers are walking the talk, both as a way to become more mindful eaters and to support the local economy.

For the second year, Yahara River Grocery Cooperative is hosting the “Eat Local, America” challenge. We invite you to focus on eating more local food from August 15 to September 15.

The challenge is honor-based. To participate, just sign the large poster August 15 at YRGC. You can choose the level that’s right for you. “Newbies” may start by eating one meal a week made with local food. Seasoned “locavores” can push the envelope by making four out of five meals with local foods.

When it comes to local, you can’t be much more local than your Co-op. Besides being a locally-owned business that strengthens the local economy, we support local farmers, producers, and other businesses. Fresh fruits and vegetables, milk and cheese, eggs, chicken and beef all come to your Co-op from just miles away.

Watch for more details about the “Eat Local” challenge in our weekly eblasts.

GENERAL MANAGER’S CORNER

Our staff of 9 employees and 15 volunteers works hard to keep the Co-op running smoothly. They have taken ownership of many areas of the store.

Erik is busy with the weekly ordering of groceries, meat, cheese and bulk items. Check out our new grass-fed beef; you can special order specific cuts.

If you’ve visited the store recently, you can’t but help notice how nice the produce section is looking. Cindy, our new produce manager, is working hard to show us just how beautiful produce is. She is busy connecting with local growers. Have you tasted the kale from Drumlin Community Farm in Madison, or the Amish-grown green beans and berries from southwestern Wisconsin? Delicious indeed!

Allie is honing her baking skills and will soon make her Grandma’s biscotti for us. Katie works hard to schedule the staff and volunteers, always with her bright smile and

good-natured spirit. Anna keeps us on task with stocking produce and grocery shelves with a quiet smile to thank you for shopping here. Cal has become the king of the deli scale – programming ingredient lists and wrapping chicken and fish. Our newest employees are Brian and Emily, who are learning the ropes quickly – always willing to give it their best.

Along side the staff are all the incredible volunteers who give of their time and talents so freely. They are making salads and bakery items, and stocking and cleaning the store. Thanks to all of you!

Stop by the Co-op to see what is happening. The salad bar and grab ‘n go items are top-notch. Fresh pastries from Madison Sourdough are available every Sunday morning and are the best! Grab a cup of iced coffee or a frozen treat and enjoy your store. Bring a friend and help the Co-op grow!

Jeanine Holzmann, General Manager

Call for volunteers to help the store

The Yahara River Co-op is sustained by the dedicated work of its staff, board and especially its volunteers. We are always looking for more volunteers to help the store. Make new friends and have fun while joining in on the cooperative experience!

Volunteer for just several hours a week and help out in many areas: cook for the bakery, salad bar and grab ‘n go sections, stock and clean shelves, assist during one of the

store’s special events like cookouts, bagging and carrying out groceries for customers and so much more! There are also several General Manager committees that could use your great ideas and hands-on work. Please contact Jeanine Holzmann at 877-0947 or e-mail volunteer@yaharagrocery.coop.

If you volunteer for 3 hours or more each week, you have the option to receive 5% off your grocery purchases!

229 East Main Street
Stoughton, WI 53589



STORE HOURS

Monday to Saturday – 9 a.m. to 8 p.m.
Sunday – 9 a.m. to 6 p.m.
www.yaharagrocery.coop

Presorted Standard
U.S. Postage Paid
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