true food co-op

established 1999

Members' meeting

Tuesday 7th November 2023 6.30 – 8.00pm

Agenda

1. Approve minutes of last meeting on 9th February 2023
2. Business Update – progress on our 4 strategic goals
3. Report on the Product Review project
4. Any other business

Close of formal meeting and time for chatting, sampling, shopping

Business Update

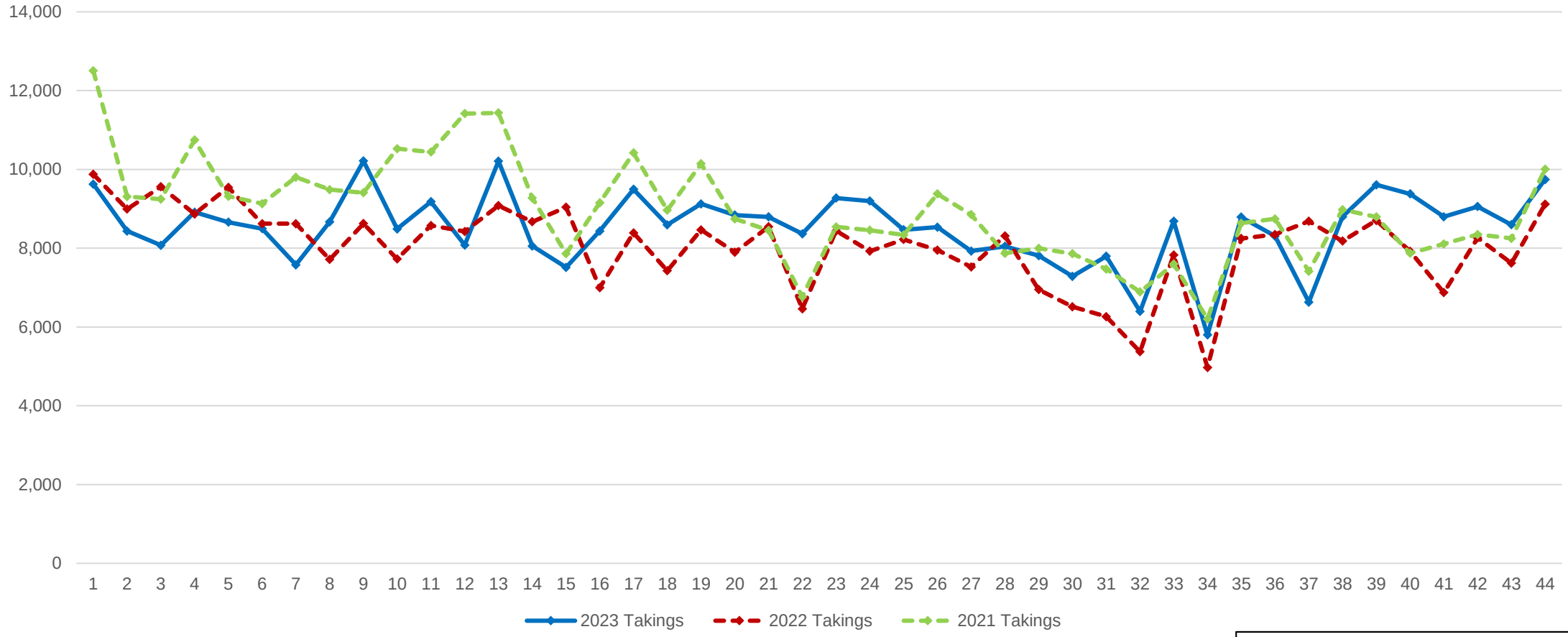
Our four strategic goals

1. Attain financial sustainability
2. Achieve a broad and active membership
3. Widen access to our products
4. Provide support and education to encourage sustainable lifestyles

Objective 1: Attain financial sustainability

True Food Finance Update

Weekly takings 2023



FIRST 44 WEEK TAKINGS		
2023	**2022**	**2021**
374,709	354,303	393,084

YTD Sep-23 Financial Update

	YTD Sep-23	YTD Budget	YTD Sep-22	YTD Sep-21
Total Income	312,351	295,145	296,126	328,821
Cost of Sales	(215,322)	(204,838)	(207,467)	(238,571)
Gross Profit	**97,029**	**90,307**	**88,659**	**90,250**
Gross Margin	*31%*	*31%*	*30%*	*27%*
Other Income	2,227	1,321	2,104	1,843
Overheads	(93,386)	(95,283)	(99,200)	(107,108)
Net Profit	**5,870**	**(3,654)**	**(8,437)**	**(15,014)**
Bank	**22,553**	***n/a***	**16,088**	**11,517**
Net Assets	**27,195**	***n/a***	**17,445**	**28,389**

Financial Targets

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TARGETS - Aug-23

1 SHOP SALES

Shop sales to be 10% higher than the corresponding period in the prior year

	Aug-23	Target	Difference
	£	£	£
Shop sales	32,647	28,316	4,330

2 EMPLOYMENT COST %

Employment costs as a % of income to be no higher than 18% in the last 12 month period

	12 months to Aug-23	Target	Difference
	%	%	% points
Employment costs %	20.8	18.0	2.8

3 LIQUIDITY RATIO

Quick Ratio to be no lower than 1:1.
Quick Ratio expresses a business' ability to pay its current liabilities using it's 'quickly accessible' assets, i.e. cash and trade debtors

	Aug-23	Target	Difference
Quick ratio	0.7	1.0	(0.3)

TARGETS - Sep-23

1 SHOP SALES

Shop sales to be 10% higher than the corresponding period in the prior year

	Sep-23	Target	Difference
	£	£	£
Shop sales	35,977	38,657	(2,680)

2 EMPLOYMENT COST %

Employment costs as a % of income to be no higher than 18% in the last 12 month period

	12 months to Sep-23	Target	Difference
	%	%	% points
Employment costs %	20.6	18.0	2.6

3 LIQUIDITY RATIO

Quick Ratio to be no lower than 1:1.
Quick Ratio expresses a business' ability to pay its current liabilities using it's 'quickly accessible' assets, i.e. cash and trade debtors

	Sep-23	Target	Difference
Quick ratio	0.7	1.0	(0.3)

Objective 2: Achieve a broad and active membership

- A year ago…membership was made more attractive and inclusive by:
  - Allowing for differing ways to be active
  - Introducing monthly offers for all members
  - Lowering the cost to join to £5 with no renewal fee
- A year on…
  - Increased membership to from 70 to 229
  - New members engaging in different ways – more of our regular shoppers are now members
  - There is more to do to help members get involved

Objective 3: Widen access to our products

- Value basics range
- Consider other aspects of product range
- We need to work out how we widen access to our products in ways that we can sustain – other locations, delivery or click & collect

Objective 4: Provide support and education to encourage sustainable lifestyles

Lifestyle group

Research

Research key topics at True food (organics, zero-waste, ethical shopping, healthy easting, cleaning,…)

Share

Resource for members, social media posts and shop campaigns (Spring clean, Plastic-free July, Organic September)

Engage

Engage members to share their lifestyle tips, recipes, ideas

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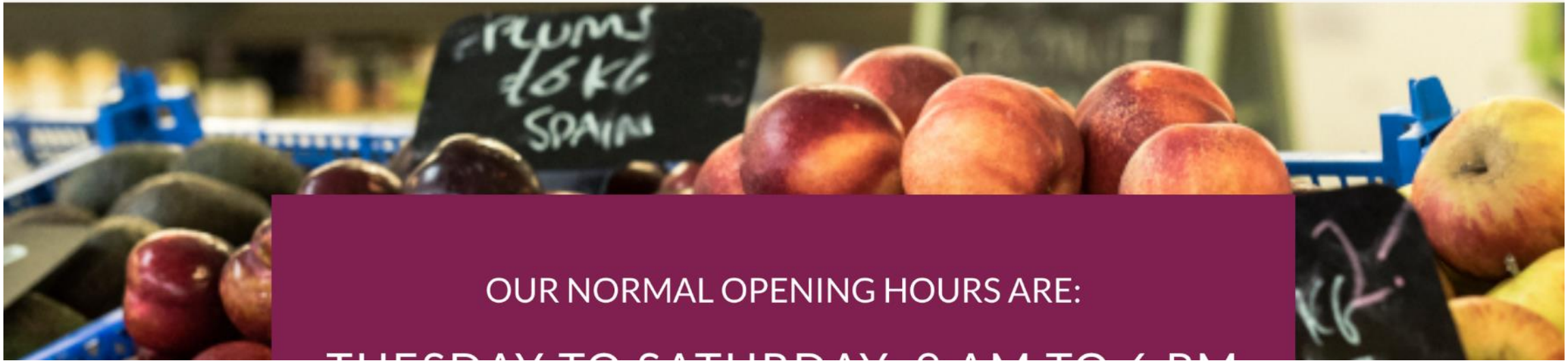
ETHICALLY MINDED, COMMUNITY DRIVEN

An organic, zero waste, refill, ethical supermarket run by the local community.

Home | What We Sell | About Us | Lifestyle | Get Involved | MEMBERS | Search for...



OUR NORMAL OPENING HOURS ARE:

TUESDAY TO SATURDAY 9 AM TO 4 PM

Product Review 2023

1. To provide overarching recommendations on product ranges and on whether specific ranges or products should be discontinued or added in the short to medium term.

2. To establish a process of regular review of product ranges.

- *Becky Jerrome, Esther Jacobs, Richard Waller*

7 November 2023

Summary of Findings

Starting from the data produced by our EPOS system we have:

- Gained an overall picture of sales and customer growth
- Improved our understanding of sales by product and customer behaviour
- Clarified which product ranges are best sellers / generate the most profit

And…

- We have developed a new product selection process
- Raised some key questions for the Committee to consider

Products

We currently stock around 1130 products…

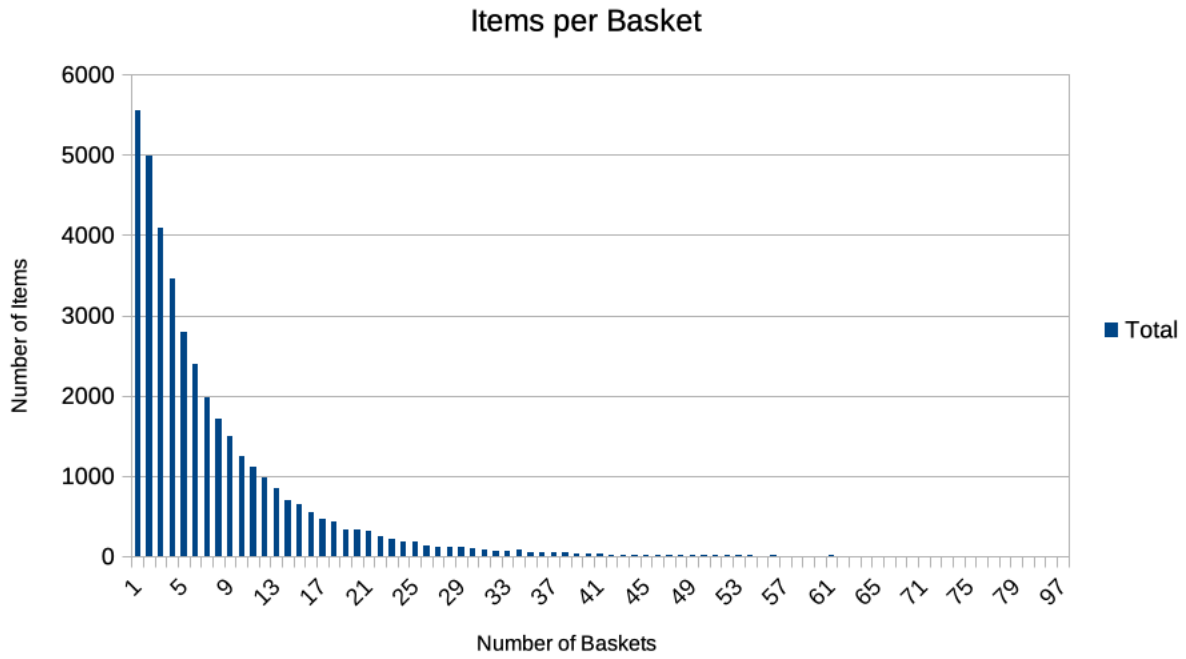
- 166 products generate 50% of revenue and 53% of gross profit
- 331 products generate 75% of gross profit
- 463 products sell fewer than 1 per week
- 150 products contribute just 1.2% to gross profit

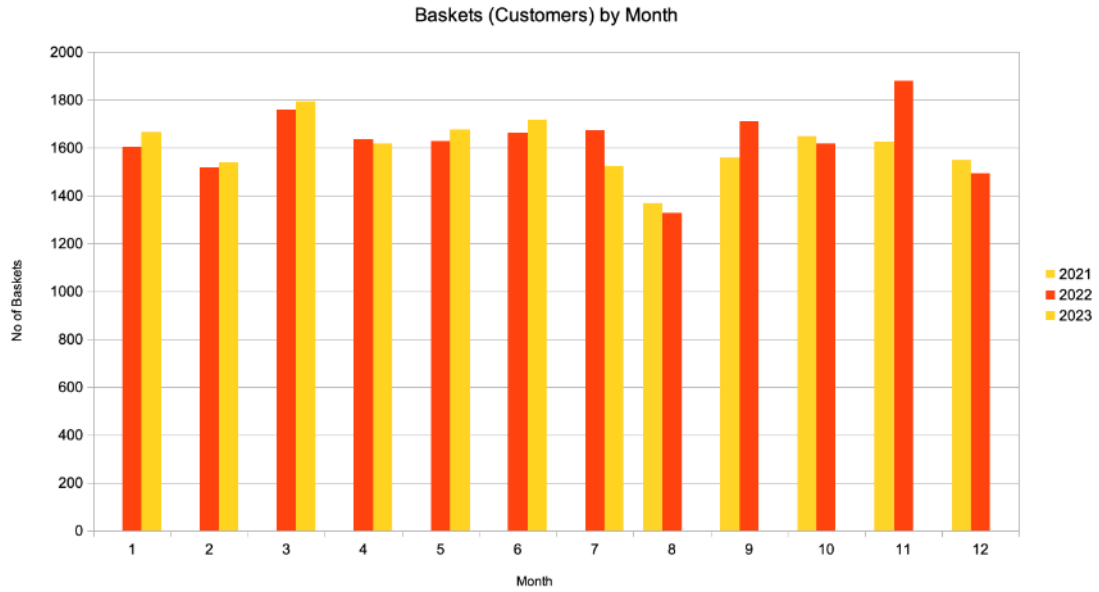
The winning products are eggs, loose foods (especially nuts) and bread.

Customers

Numbers and spending patterns (2 years: August 2021 to July 2023)

- 59% of baskets contain 5 items or fewer
- 90% of baskets have a value of less than £50
- The number of baskets (customers) has not changed significantly over 2 years





Next Steps

In progress and planned

In progress

- ☑ Implement new Product Selection Process
- ☑ Establish a process for regular review of products vs sales performance
- ☑ Replace or remove products which are not organic

Planned

- ☐ Build product range on our core values and strengths - e.g. loose foods / zero-waste
- ☐ Surveying members/customers as part of the change process

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