True Food Co-op members meeting

On 7th November 2023, 18.30pm

at True Food Co-op, 61 Grove Road, Emmer Green, Reading, RG4 8LJ

Attendees: Cathy Hughes, Helen Eales, Tony Mallett, Richard Waller, Sue Whitehouse, Susie Downes, Gill Lovell, Abi Duff-Walker, Hilary Jakeman, Becky Jerrome, Tayma Cannon, Hannah Conibear

Apologies: Caroline Arnold, Vivienne Groner, Michael Bright

Opening

The True Food Chair, Cathy, opened the meeting. She welcomed members, introduced committee and staff, and informed the meeting that Esther Jacobs has left the committee. True Food is very grateful for her contribution and wishes her all the best for the future.

1. Minutes from the last meeting

Accepted as accurate by all attending members

2. Business update

This was accompanied by the **attached slides** and structured around our four strategic goals

2.1 1: Financial sustainability

The chair commented that many involved with TF are working hard to achieve this objective: committee, staff and many members. This is through, for example, initiatives to increase sales, reducing costs, and reviewing our product range.

Financial update from our Treasurer, Helen:

- Our takings for the current year compare well with last year. After a poor start, takings improved. In the last six months there have only been three weeks where we took less than in 2022. Recently we have exceeded takings in both 2021 and 2022.
- The year to date (to end September) figures on the slide show that we are almost 6% up on our budgeted income (we budgeted the same takings as last year largely because of the poor start to the year). The gross margin is similar to last year as expected. Our overheads have come down; this is particularly in staff costs and reflect changed hours which is much appreciated. This all means that, as at the end of September, we have made a profit of nearly £6,000. This compared with last year where we were showing a loss of nearly £8,500, so there is a £14,500 swing.
- The balance sheet numbers also look positive. Our bank balance has increased by 40% from last year. It has almost doubled since two years ago at this point in the year. Our net assets are also building up well.
- There are three financial targets agreed by the committee this year to enable us to measure how financially sustainable we are. The slide shows these for August and September.

- We aim for the shop takings to be 10% higher than the same month last year as an indicator of how trade is doing. Some months we achieve this and some we don't. In September we didn't quite hit the target but we were significantly over in August.
- The second target is a longer term goal – we are aiming for staff costs to be 18% of income. This is a standard metric, with bricks and mortar retail businesses normally being between 15 and 20%. We are currently at 20.6%, compared with 22% back in March when we introduced the targets. So we are going in the right direction.
- The third target is also longer term. This is a liquidity (quick) ratio to assess the health of the business. It shows our ability to pay everything we owe using the cash in the business. In order to do that we need a ratio of 1:1. We currently have 0.7:1 but this time last year it was more like 0.5:1 so again we are going in the right direction.

- Overall the situation is very positive

QUESTIONS:
What is 'other income'? Donations and £4 of the membership fee (£1 is the value of the share)

Comment on marketing from Tayma
Christmas is obviously the focus, and we are working with the wider Caversham community to access wider channels that we are not yet part of. She is meeting with someone this week to discuss making a new promotional film for our website.

2.2 2:Achieve a broad and active membership
Cathy gave an update on this:

- A year ago we introduced the new membership scheme, and our objective reflects that this was not just aiming to increase the membership numbers
- At the time of this meeting, we have 229 members compared with 70 this time last year. These are new members and former members who have come back because of the new membership scheme. We are aiming for 400 by the start of 2025.
- Members are engaging with us in different ways; many regular shoppers are now members
- Cathy and Tayma working on improving our induction process to help members feel more confident and clearer about volunteering
- Other issues to consider are whether we should be trying to extend our membership beyond an essentially local base

QUESTIONS:
Why did the membership numbers fall from 400 a few years ago to 70? This was because True Food introduced a requirement for members to volunteer a minimum number of hours each quarter. Many members could not achieve this so they stopped being members. Removing that requirement and allowing for shopping to be a form of active engagement has brought back many of our former members.

2.3 3:Widen access to our products

Cathy spoke about this:

We need to focus on this objective in the coming year. We have good initiatives like the Value Basics range but we need to consider other aspects. If we are more financially secure this becomes possible.

2.4 4:Provide support and education to encourage sustainable lifestyles

Cathy referred to the excellent lifestyle group working on this objective comprising Vivienne, Abi, Joanna and Tayma

Abi gave an update:

- The main focus is improving engagement with people in relation to the reason for the shop and the rationale for being organic and sustainable. The aim is to overcome some of the barriers to shopping with us. This means that, over the last six months, our focus has been on producing resources to help people understand the value of what we are doing here.
- Practically this means creating content for the website that is being regularly updated, including recipes and the introduction of the QR codes on loose foods to help encourage customers to try things
- The aim is to get more members involved and to offer content, including recipes although getting more participation is proving difficult
- We have been part of events such as the Emmer Green 10k and we would like to do more to combine general awareness with marketing.

Tayma commented that there are extra communications going out regularly on this content and that the most clicked on part of our website are items that have been highlighted in the Lifestyle Review.

QUESTIONS:

Are you having a stall at the Christmas trading event in Caversham? No we are not. We have been before and it doesn't work very well for us with our range of products.

3. Report of the Product Review Group

Cathy introduced the group of Richard, Becky and Esther

Richard presented for the group (with slides as attached):

- The first objective for the group was to look at products we sell and see what works and what doesn't, then come up with recommendations on what to do.
- The second objective as to develop our product review processes.
- The group started with two years sales data from our EPOS (electronic point of sale) system and got a good understanding of sales and profitability of our products and also of customer spend. The data is good but not 100% useful as seasonal products skew things and the product range does change.

- We used baskets as a proxy for customers, not perfect (as some customers come more than once a day) but close enough. We can see the shopping behaviour daily and throughout the day.
- The slide on products shows that we have a lot of products but a small number make us most of our money/profit and some don't sell very well. The best sellers are our loose foods and eggs.
- Although some products don't sell well, the fact that we have the breadth may contribute to people shopping with us – this is something we don't currently know.
- The slide on customers shows that 60% of our customers' baskets contain 5 items or fewer and 90% of them have a value of less than £50. The graph on the right shows that the number of customers hasn't changed over time. How do we increase these figures, to do better?
- In progress - We have implemented a new product selection process which hopefully is bedding in. We are hoping to augment the current process for reviewing performance against sales. Any non-organic products are being removed where possible.
- Planned - For the future we want look at how we build our product range, building on strengths. A member (and wider customer) survey will be an important part of this.

QUESTIONS:
Have you looked at other 'similar' supermarkets such as Budgens and The Coop to see how we compare on this customer shopping data? Richard commented that he didn't know but would try to find out

Was there any pattern in the third of products that don't sell more than one a week? Not obviously although hygiene products are slow and some of the household refills.

Cathy thanked the Richard and the rest of the group for their excellent work on this project.

4. AOB

Gill Lovell, a member representing St Barnabas church, spoke about how the church is starting to do more work in the environmental area. The church has joined the International Eco Churches group, has a bronze level award and is working towards net zero. She would like to work in partnership with us and the school on relevant initiatives. We agreed that this is very good idea and Tayma will follow this up with her.

Cathy thanked staff for supporting this evening, those who presented, being Helen, Richard and Abi, and everyone for coming.

Official meeting closed at 7.30 pm.

Minutes: Cathy Hughes