

A Tale of Two Co-ops

BY STUART REID

East Aurora Community Market (East Aurora, N.Y.) and BisMan Community Food Co-op (Bismarck, N.D.) are startup co-ops to be proud of. They both opened in spring 2016, and they both have longtime project managers who are now in management positions.

Like most startup organizers, Sheila Conboy in East Aurora and Heidi DeMars in Bismarck had no retail grocery experience before they became part of their co-op's steering committee. Nevertheless, they led their co-ops to successful openings and have now taken important roles in their co-op's operations.

Here is a brief profile of these two new members of our co-op community:

New York and networks

East Aurora Co-op Market could well be the poster child for using all the resources at its disposal. When they began organizing in 2010, the first thing they did was call Food Co-op Initiative (FCI) for guidance. Sheila Conboy still likes to tell people how surprised she was when she called FCI and a real person answered the phone.

By 2011 the group was working with CDS Con-



Shortly before the co-op was scheduled to open, the board realized that they needed a stronger general manager. Thrown into a bigger role than she ever expected, at the point when most co-op founders are ready for a well-earned vacation, Conboy stepped up. With her strong leadership and ability to grasp the complexities of a modern grocery co-op, Conboy has the confidence of her board and staff and has made an impressive start.

Food Co-op Initiative usually recommends that startups have a project manager other than the general manager for the final implementation stage, allowing the general manager to concentrate on the multitude of operational requirements just ahead. Sheila went straight from the controlled chaos of construction, capital campaigns, and member drives into the whirlwind of managing a new co-op. That takes something special.

North Dakota drive

BisMan Community Food Co-op got its start in 2011, when a group of about 30 people met at a local truck stop to talk about community access to fresh, local food and the possibility of a co-op solution. After a year and a half of research and preparation, visioning, and building a team, the co-op incorporated in 2013. The co-op's name

"A passionate and talented community"

The East Aurora Cooperative Market has made tremendous strides since its inception nearly two and a half years ago. We immediately were witness to the benefits of a passionate and talented community. They not only were an immediate support to the co-op in terms of membership, but also in regard to the plethora of talent that they continually bring to the project. This passion and talent within the community, fostered and directed by expert consultants in the field, has been a winning combination for us. ~Sheila Conboy (2012), then board president of East Aurora Food Co-op

sulting Co-op members, including an early consultation in East Aurora with Bill Gessner. They continued using the help of both organizations throughout the project, and they also contracted with National Co+op Grocers (NCG) for their plan implementation, store opening, and support. Along the way, they attended conferences and webinars, shared their successes and stories with other startups, and kept asking questions. Tim Bartlett, general manager of the Lexington Co-op Market in nearby Buffalo, N.Y., became a mentor and friend.

After six years of hard work, frustrations, accomplishments, and, ultimately, success, the East Aurora Co-op Market opened June 9, 2016. Already, the store is exceeding its sales projections, even though summer was expected to be their slow season. The co-op is clean, attractive and well-stocked. The staff is friendly and helpful. The site has good access and visibility, lots of parking, and a welcoming feel. If you want to see a startup that did it right, come to East Aurora.



reflects their commitment to serving both Bismarck and Mandan, neighboring communities in south-central North Dakota.

BisMan organizers began a member drive that summer of 2013, and by August of the following year had over 600 owner-members! The community support was clearly evident, and it continues to this day. The co-op opened with 1,750 owners, about double what is typical for startup food co-ops, and in the following three months they increased the owner rolls to 2,400.

All this is in a state where nearly everyone is familiar with farm co-ops, but almost no one has had experience with consumer-owned food co-ops. Co-ops from other sectors became major supporters—so much so that BisMan is planning a pictorial dedication in the co-op honoring those supporters and the history of cooperation in North Dakota. These cooperatives made preferred equity investments totaling \$85,000—including Basin Electric Power Cooperative, National Information Solutions Cooperative, and Tri Energy Cooperative. Other

	East Aurora Community Market	BisMan Community Food Co-op
YEAR STARTED ORGANIZING	2009	2011
DATE OPENED	JUNE 8, 2016	MAY 16, 2016
RETAIL SQUARE FEET	4,445	5,600
STARTUP BUDGET	\$2.65 MILLION	\$2.65 MILLION
PROJECTED SALES (YEAR 1)	\$2.2 MILLION	\$4.5 MILLION
TRENDING SALES	\$2.8 MILLION	\$4.4 MILLION
STAFF	23, 15 FTE	21, 15 FTE
OWNERS AT OPENING	1,350	1,750
OWNERS 08/16	1,505	2,400
SITE, ACCESS	591 MAIN STREET, EAST AURORA N.Y. 7 AM–9 PM DAILY 716-655-2667 EASTAURORAFOOD.COOP	711 E. SWEET AVE. BISMARCK, N.D. M-F 7 AM–8 PM, SA-SU 9 AM–6 PM 701-751-3119 BISMANFOODCOOP.COM

“Understanding the impacts of food choices”

Food is central to each of our lives, yet many people purchase, prepare, and eat food without fully understanding the impacts of their food choices. My goal is to increase access to healthy, sustainable, and local foods by developing a community-owned food cooperative that will inspire others to know their local farmers, cook with a child, share with a neighbor, and re-invest in their community. ~Heidi Demars, former project manager for BisMan Co-op, now marketing and communications manager

community-anchored businesses invested an additional \$42,000 in preferred equity.

Those local collaborations also led to an estimated 300 additional member shares sold, or \$60,000 invested in the new co-op. BisMan generated total owner equity and loans for its startup of \$1.23 million, comprising \$480,000 in common equity; \$212,500 in preferred equity; and \$541,000 in member loans.

One atypical obstacle that BisMan Co-op faced was the boom market in real estate and employment caused by the explosion of drilling in the Bakken oil field and the subsequent demand for workers, services, and housing. Eventually, the co-op was able to find a desirable site that fit its plans and budget. Because there are no other nearby food co-ops or large communities, BisMan also faced difficulties getting commitments from primary grocery distributors for frequent enough deliveries. KeHE Distributors eventually came through with a satisfactory delivery schedule and services. (BisMan is not an NCG affiliate at this time.)

In June 2015, the co-op hired Randy Joersz, an experienced grocery store operator, to be its general manager. Joersz had recently sold five food stores and moved back to Mandan, where he welcomed the opportunity to work with the co-op and share his expertise.

Joersz hired staff for their positive attitude more than for their specific skills and experience. New employees, especially in new stores, always face a learning curve as they become proficient—but it is hard to change personalities. The result has been great customer service and a friendly store that “already feels like a co-op.”

Early sales ran a bit below projections, but the deli was not open at the start. More recently, sales have been rising and should meet or exceed projections by the time the fall season arrives. Especially noteworthy is the outstanding performance of the co-op’s produce department, bringing in 27 percent of the store’s revenues. The co-op expects to gain a lot of exposure and traffic with a week-long grand opening celebration Sept. 11–17 □