



**New Pioneer Board of Directors  
Open Session Meeting Minutes  
Wednesday, September 19, 2019  
New Pioneer Food Co-op, Cedar Rapids, IA**

Present: Caitlin, Jon, Calvin, Patrick, Ramji, Wannette

Absent: Kelli

Member Owners Present: Ivar Christopher

Staff Present: Linda, Kirsten, Amy, Jesse, Gina, Justin, Jess,

Meeting Called to Order at 6:32PM

**Owner Open Forum:**

*Ivar Christopher* has been a member owner since 1989 and expressed that he is upset with the changes in the IC Store. Specifically, reduced product choice and the Meat/Fish department of which he feels that the selection and presentation is worse. Ultimately, he is upset at the process, lack of consultation and the result. Matt response: Over last 5 years with the new competition in Johnson County there were things that we were reluctant to change for years that were not profitable or operationally viable. With lower sales volume it was also difficult to keep the product fresh and up to our standards. We still do meat cutting and processing by hand. Matt welcomes the feedback and expressed that product mix is something to discuss. Ivar suggests making the meat/fish department look like it did before with signs. Ramji thanked for his feedback.

*Staff Concerns and Feedback*

*(Justin, Jess, Gina)*

- Justin expressed concern regarding the Annual Report. Sales volume decrease is nerve racking for employees especially with labor being so tight. What's the vision outside of labor cutting? Jess said being transparent is important to customers and staff. The way we can provide excellent customer service is to have enough staff to serve customers. Not enough staff to provide great customer service right now. There has been negative feedback because we do not have enough staff. Suggests a communication plan regarding the changes going on in the organization that gets disseminated to staff. Gina said that when staff finds out about things at the same time as customers it diminishes our credibility. The floor is stretched thin and is afraid that it's not sustainable. 10-4 rule is reached quick. Initiatives are slipping through the cracks. Gina asks what staff can do to help?
- Cal responded that financially we must make changes to adapt to the competitive climate. Hope to gain traction and appeal to a larger audience of shoppers. Cash flow has been neutral, and we've eroded the financial cushion that we had prior to the disruption from the remodels. We appreciate hearing your voice and our goal is to
- Ramji responded that cutting cost will not get us out of this problem. The way we were doing things was not sustainable, but we have hit the bottom. The solution that remains is to grow the topline revenue. 5-10% increase in sales we will be okay.
- Patrick stated that we can do a better job as a board of communicating.
- Amy responded that we hear you too. The marketing team is working on a comprehensive marketing plan that address the concerns with events and we also want to understand our customers better to be more efficient in who we talk to and how. Our efforts right now our tactical with micro efforts such as the rollouts. Work at the macro level will begin soon.

## **Approval of Minutes**

Calvin made a motion to approve July 17, 2019 meeting minutes; Jon seconded; approved 6-0-0

## **B1 Report and Finance Committee Report (Matt and Calvin)**

### *B1 Report (Matt)*

- Tim and Matt are working on August financials. July was a hard month. Labor cost went over 30% of sales. The store disruption during renovations was a major factor. Heading into August margins close to target. Total labor cost should be down 200 labor pts in August. EBITDA -40 to 0 in August. September sales improving over August so far. Rebounded a bit from July (30,000 margin dollars). Sales down in CR and the road construction is a factor. Website cleanup on backend, co-op cart is moving along. Member Rewards program is launching October 11th. IC almost done with remodel. New meat signage is up. CV is close to being wrapped up. Got auto pour license for IC. CV the hot bar is still very popular. Hot Bar/Salad Bar: Customer count is up in IC. Linda: IC returning to growth. There was a 3-week campaign around the food bars, IC increased 30% sales and CV was up 60%. Dairy sales holding and grocery has been down.

### *CX Survey and Member Benefits Feedback (Matt, Shawn, Kirsten, Jesse)*

- Shawn: Great feedback about providing more access to our products. Supplements and wellness were subjects of feedback in CV.
- Kirsten: People are excited about owner benefits.
- Jesse: Not much feedback yet on member benefits in CR.
- Matt: Launches October 11<sup>th</sup>. Owner appreciation days for 3 days with coupons and virtual punch cards.

### *Finance Committee (Calvin, Ramji)*

- Ramji: Is the volume market trade off positive for virtual punch cards? Worth thinking of doing it more permanently. Suggests kick up bread and prepped food volume. Make bread more affordable.

Ramji motioned to approve B1 report acknowledging the areas of non-compliance; Patrick seconded; approved 6-0-0

## **B5 Customer Treatment Report (Matt)**

- Matt discussed the value of the CX Survey, receiving input from STL's who look at it daily.
- Kirsten: Breaks satisfaction down by hours which helps with spotting stock issues. Sharing comments has been great for the teams. Scores are going up and that has been the goal.
- Matt: We can't benchmark data against individual NCG stores but can benchmark against the NCG. Cedar Rapids location is close to the top of the entire NCG central corridor. IC and CV are median.
- Shawn: Provides actionable data that forces us to be strategic and get serious about customer service. Checkout experience has improved. CV store is seeing double digit increase in every category.
- Matt: We are looking at insights data to improve BI (business intelligence)

Calvin motioned to approve B5 report; Patrick seconded; approved 6-0-0

## **MOR Committee Report (Wannette and Amy)**

- Wannette: Meet and Greet is September 21<sup>st</sup> 2pm – 4pm. Brief presentations from Matt, Caitlin and Cal. Introduce the BOD candidates present. Open Q & A.
- Amy: Ad in Gazette with really good deals. CV From noon – 5pm; Music; Mural will be on display and people can help contribute. We'll have bounce houses and kids' activities.
- We discussed eVoting, devices in stores, website is up, customer service steps confirmed; Linda states its going well and we already reaching average voter numbers; The feedback has been positive.
- Board Ambassadors: Friendly reminder of Coffee and Conversation in CR 9-11am on November 9<sup>th</sup>.

- MOR Committee wrap up October 1st. Look at the committee, communications monitoring, discuss Annual Meeting (Annual Meeting is the October Open Board meeting).
- Jon: We need to discuss the next board letter and topics. We also need to have a protocol for email responses to Board matters. Talking points.

#### **Planning Committee Report (Jon and Matt)**

- Wrapping up IC and CV. Working through contract with Get Fresh. Received the wine machines and Napa technologies in next week.
- Mechanical contractor in IC was billing us more than what they could document. Not releasing funds until the documentation is received. \$10,000 in inventory loss due to cooler malfunctions which is attributed to the mechanical contractor that hooked them up. Prefer they reimburse the inventory loss amount versus making insurance claim.
- Soft launch to eCommerce: Working through hierarchy of some things but the beta launch is going well. There was much data cleanup needed on the backend. There is potential to offer more products online as well as special ordering for things we don't carry as well as ordering in bulk.
- Click and Collect Lockers: Parcel Pending Locker Co and Freshop API is still hanging in the balance. The consensus is to give them more time instead of doing the API work ourselves. Cal: Don't push it too far in the back burner because it is a marketing thing. Wannette: It is addressing a convenience factor. Ramji: Give the vendors more time versus taking the task on ourselves because it can be a costly mistake if we do something wrong.

#### **Retreat Feedback**

- Patrick: Hoping to be more inspired by discussing Retail 3.0.
- Wannette: Need to be multifaceted in our approach to communications.
- Cal: Retreat was like the last retreat and the talk hasn't come to fruition yet. Interested in seeing the results and working on tweaking Retail 2.0.
- Caitlin: We live in a growing area and the community focus is aligned with ours. We should continue to build those relationships.
- Jon: No comment
- Ramji: We did not come away with actionable items. We need a focused agenda.

#### **Meeting Adjourned**

Calvin made a motion to adjourn; approved 6-0-0