



**General Manager's Report  
July 2010  
Presented by David Lippman**

**This month's report will focus in on the following areas:**

- Loss Prevention
- Sales & Financials Update
- Arcata Store Changes
- Marketing Changes
- Eureka Store Changes – for executive session
- Union Negotiations – for executive session
- General Operations News & Notes

**Loss Prevention**

Our loss prevention contractor continues to be busy. Apprehensions continue to occur on a regular basis, ranging from hungry individuals stealing a sandwich to families with their 4-year-old babies stealing baskets of groceries to honeymooners stealing goodies and champagne. We've had a couple of incidents that raise some concerns, including their staff chasing down and physically tackling perpetrators. We will work with PLP to develop protocols for their conduct and for in-store handling of those that they apprehend. I'm still working on getting a comprehensive listing of the stops that they have made; it is not ready yet, but I hope to have it to hand out at the board meeting if not before.

**Sales & Financials Update**

The week of July 17 was the biggest ever at the Eureka store! Sales in Eureka continue to be up 12.2% for the fiscal year, sales in Arcata are 10.1% up. We will have financials for the first quarter ready for your review at the Finance Committee on July 27 (6:00 p.m. at the Arcata Co-op) but a quick preview shows a very good quarter, with sales up, margins solid and expenses pretty much under control. We were budgeted to lose money in the first quarter and instead we were in the black! We expect to have the P&L reports out to you by the end of this week for your review prior to Finance Committee.

The audit report from Corsetti and Noyes is close to completion. We need to schedule a Finance Committee meeting in August to review the results with the CPAs.

**Arcata Store Changes** – Plans are moving along on making changes in Arcata. The first step is to do a re-set of our Wellness Department. We have ordered four foot extensions for two gondolas, providing additional merchandising space, though we will be eliminating one aisle; this is a net reduction of almost 50 linear feet. This will be accomplished through improved category management, eliminating slow moving products and focusing on more effective product placement. Ron, Kelli and Nicole have been working on planning this for weeks, and it will roll into effect in August.



Next steps will involve moving our General Merchandise (house wares) Department out of the front windows and into the aisle eliminated from Wellness. This should allow much better display of GM products. Then seating will be moved from the Good Food Gallery into the front window area, allowing better traffic flow and visibility and a more comfortable seating area for all our customers. After that has been done the beverage cooler will get moved up against the 8<sup>th</sup> Street wall (actually, we need to find a new cooler, as the existing one is REALLY old). The last part of the plan is still open to design but we know that we want it to include a permanent demo and information kiosk. I expect that we will be into calendar year 2011 before this project is completed.

**Marketing Changes** – Our new Marketing Coordinator, Eris Klein, is busily at work designing a new newspaper flyer that will take the place of the CAP flyers that we've been relying upon the past several years. With NCGA's promotion program changing to a two-week promotion period rather than monthly, we felt it was important to develop an ad program that really branded North Coast Co-op in the right way, promoting the things that are important to us (fresh, local, bulk) rather than having the primary focus on national packaged groceries. Eris has developed a beautiful looking piece, getting input from a core group of marketing, membership and merchandising staff to include far more than just item and price. Look for the new design starting on September 1. The best thing is that producing our own flyer is actually no more expensive than using NCGA's standard piece.

**Eureka Changes and Union Negotiations** – I will be sending under separate cover two reports to Board members for your review prior to Thursdays Executive Session. All Board members will receive an update on what is happening in the Eureka store, including personnel issue. All board members--other than Austin, who is a Bargaining Unit member and must be excused from union contract discussions--will receive an update on contract negotiation progress.

### **General Operations News & Notes**

**New Members** - Here's the info for June... 60 new members

Arcata	28
Eureka	26
Mail	6

**Employee Satisfaction Survey** – I've not yet received the final report on the Employee Satisfaction Survey from Carolee Coulter.

**New Point-of-Sale System** – We have been pushed back a little and are now scheduled for installation in August. As I write this report we are having some problems with the integration of credit card processing. We keep expecting to get this resolved any day... but we've thought that for several weeks now. Hopefully this will not continue and push back installation any more.

**September Board Meeting** – Once again I apologize in advance for being unable to attend the Board meeting on September 23, 2010.