

General Manager's Report:

# Customer Service Focus Yields Exceptional Sales Growth

## Arcata Restroom Complaints Take Top Priority, Long-time Store Manager Steps Down



By David Lippman,  
General Manager

### Sales Are on the Rise

Being an optimist, I can't help but lead my report with good news.

The past several months have seen a return to robust sales growth at the Co-op, and the week ending May 15 was the biggest week in our history.

Sales exceeded \$614,000 for the week, with both stores enjoying the largest week ever in sales.

My sincere thanks go to all our loyal Co-op members and shoppers; also to our employees who really are working hard to make your shopping experience exceptional.

Why are sales on the upswing? I attribute it to a variety of reasons.

We have made some significant changes at our stores, opening up the atrium area in Eureka to provide better displays for our best value deals and re-working the entrance and Deli in Arcata.

While these projects spent only a small fraction of the money originally budgeted for store improvements last year, they resulted in an immediate return on the investment.

We have put tremendous focus on customer service in the past year, and I think that the difference really shows.

Finally, we have worked to

make our best deals on products more visible and more accessible to our shoppers; it seems that shoppers really appreciate it and are taking better advantage of monthly specials as a way to make quality food a little more affordable.

### Bathroom Wars

A considerable and consistent source of irritation for shoppers in Arcata is the customer restroom.

The City of Arcata has no public restrooms, and the Co-op has become the de facto public restroom for the downtown area.

Given the nature of our business, everyone is a customer—or potential customer—so it is nearly impossible to limit access to the restroom.



From early in the morning into the evening, the Arcata restroom is heavily in use, often by folks who really are not customers.

As a result of this excessive use it is difficult to keep the restroom clean and functional.

This is a great disservice to our members and regular shoppers.

So, what's the answer?

This situation will not get better until the City of Arcata takes responsibility for providing

public restrooms.

This is not just a concern for the Co-op—the City has a genuine obligation regarding public health—so I have contacted all members of the Arcata City Council.

Only Council Members Brinton and Ornellas have seen fit to respond.

If you live or operate a business in the City of Arcata, I would ask you to contact the Council and urge them to take responsible action.

Expecting the Co-op and our members to take responsibility for this problem is unfair.

### New Computer System Equals Lots More Options

Later this summer the Co-op will be installing a new Point-of-Sale computer system, what most of you think of as cash registers.

While this purchase (approximately \$175,000) is first and foremost a replacement of aging and long-past-its-prime equipment, it also will eventually allow us to address a number of long standing member needs.

The number one member request has been flexibility in using member appreciation discounts.

The new system should allow members to use their monthly discount as a “virtual coupon” on one day of their choosing each month.

We're not ready to announce a start date for the revised program, but hopefully we'll be able to do so in the September Co-op News.

The new system should also allow us to offer “member only” specials on a regular basis... look for these as well in the fall.

### Union Contract Negotiations

We have just begun the process of negotiating a new contract with

the United Food and Commercial Workers 101, the union that represents the majority of our workers.

A key issue that will have to be addressed is health care benefits, the costs of which have spiraled upwards over the past four years.

It is a difficult issue because in reality any savings to the Co-op will largely end up as a cost to our employees.

As I write this report we have just had our first meeting, and it feels like we all understand the problem and are openly and honestly seeking the best solution for all concerned.

### Loss Prevention

We have long suspected that shoplifting was a serious problem at the Co-op, but have not really had the ability to address it.

We recently began a program with a loss prevention company that has had experience working with several other co-ops, including Sacramento Natural Foods and Briar Patch Natural Foods in Grass Valley.

Frankly, our worst fears were realized as they apprehended a dozen different shoppers (in just four days!) who were stealing from the Co-op in a variety of ways.

Some were brazenly putting hundreds of dollars of merchandise into their shopping bags and walking right out the door.

Others put the wrong bin numbers on bulk purchases to pay a lower price, and still others ate snacks, sandwiches or cookies in the store without paying for them.

We are taking these incidents very seriously.

These people are stealing from their friends, their neighbors and their community.

They are driving food prices

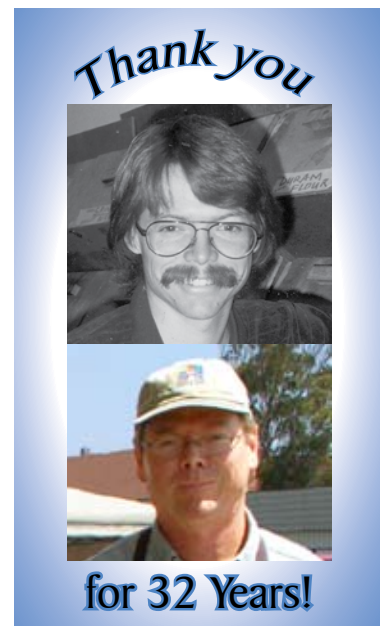
up for each and every one of us.

I'm sad to say that these are not all “transients”; many are “regular” members and shoppers.

Those caught stealing will be prosecuted, and they will lose their privilege of shopping at the Co-op.

### Staffing Changes in Eureka

Larry Crabb, our long-time Store Manager, has requested reassignment to another position.



Larry has worked for the Co-op for 32 years and has filled a variety of roles including Store Manager in Arcata and Store Manager at all three locations in Eureka.

While he has considered making this request for some time, the success and stability that the new Eureka store has achieved allows Larry to feel this is an appropriate time for him to make a change.

I'm very happy that Larry plans to continue at the Co-op doing what he does best: providing great customer service to our members and shoppers.

*Yours in cooperation,  
David Lippman  
Co-op #686*