

# CO-OPPORTUNITY MARKET



**A 50-YEAR EVOLUTION**

# 1980s

## Retiring the volunteer-run store model and hiring Co-opportunity Market's first General Manager



**Written By Richard Gutierrez**

Richard served on Co-opportunity Market's Board in various roles throughout the 1980s.

When I first came onto the Board as Secretary in the early 1980s, we had seen an uptick in both membership and sales. The store was managed entirely by volunteers and they were overwhelmed, struggling to keep up. It was too difficult to stay on top of stocking shelves, unloading trucks, fulfilling orders, bagging groceries, etc so the Board began to recognize that we potentially needed dedicated, professional support. When they began discussing this option with Owners, there was resistance from some who felt this would make us fail to live up to the fundamentals of a co-op. These individuals felt that a true co-op needed to be Owner owned and Owner managed. But the empty shelves and orders not getting properly fulfilled told a different story. Somehow, we were able to put together enough funds and hire a consultant and his report was very clear —that we had gotten too big and needed professional management if we were to continue to stay in business.

Looking back, this may seem fairly obvious now but then, it meant going from that grassroots, everybody-is-involved, do-it-ourselves style that had founded us to a more hands-off approach. The idea definitely took getting used to.... so even though the feeling of "selling out" continued to persist among some Owners, and even a few Board members, we finally started to take steps to implement a professional management structure. We knew we had a good location and a loyal customer base and that would work in our favor. The Board put out notices to other professionally managed co-ops seeking a General Manager. We didn't interview too many people, but when the Board met Will Simon, we knew he would be a great fit. Will did not come from a background in co-ops, but had owned and managed several natural food stores in the 1960s and 1970s. The then Board President, Robin Wales, asked Will to start immediately, and I gained the distinction of hiring, firing, and re-hiring our new GM in a 24 hour period! When Will showed up for his first day at work, we were so ill-prepared for our first foray into professionalism that we did not have a contract for him! We used to joke that Will began his job as Co-opportunity Market's first General Manager based on a verbal agreement. Of course, we set that right and had a signed contract in place shortly after. And things started to turn around once he was on board—Will understood people well, he could adjust to different currents within the Ownership and was able to finesse the transition. Owners who were opposed to the professional model eventually came around.





# Early 1990s

## Choosing to sell meat at Co-opportunity Market



### Written By Michelle Jacobson

After 15 years in the restaurant business, Michelle moved to a career in community relations and philanthropy in higher education, a majority of it at UCLA. A proud mother of three Samohi graduates, she is often exploring the historic core of downtown Los Angeles with her architectural historian and photographer husband, Anthony Caldwell. Michelle was first elected to the Board in 1989 and served until 2015. After a three-year hiatus, she was re-elected in 2018. Currently serving as Board Secretary, 2025 marks her last year on the Co-opportunity Board.

In 1992, early in my first term on the Board, a small group of vocal Owners organized a No Meat boycott of the store since they did not want the Co-op to sell meat. However, our trusted General Manager, Will Simon, felt it would hurt our bottom line if we stopped. The Co-op had one small freezer case of specialty meats that were grass-fed and organically raised. Even though meat represented a small percentage of the sales, it was important for two reasons—it was our most profitable product category and we offered it as a convenience for meat-eating Owners who wanted one-stop shopping.

The store at that time had a mural that read, *Food for People, Not for Profit*. But a store that is not profitable will soon not be in business. Historically, the Board set a modest goal for the bottom line of a 1.5% profit, while traditional grocers aim for 4%. The sale of meat was a significant contribution to that bottom line. The Board was challenged to reconcile a co-op mantra with financial reality.

The No Meat boycotters eventually used a provision in the Co-opportunity Market bylaws to initiate a referendum. Any Owner could call for a binding vote by collecting a requisite number of signatures of other Owners in good standing. The No Meat referendum group was formed and easily gathered the required signatures. As was required by our bylaws, the Board set a date for Owners to vote on whether or not Co-opportunity Market should sell meat.

The Board knew that our Owners were overwhelmingly vegetarian and realized that the referendum to stop selling meat would pass unless we made our case to inform our Owners why it was important to keep meat in our product mix. At the heart of the issue was the right of a minority of our Owners to choose to eat meat, and not have to go to another store to get it. So the case for selling meat was framed as pro-choice, not pro-meat, which resulted in the No-Meat referendum being defeated by 80% of Co-op Owners.

That was the first of many opportunities I have had over the years as a Board member to see Owners make hard decisions to choose what is best for the Co-op as a whole.



# Mid 1990s to early 2000s:

Moving to the current Santa Monica location and implementing a policy governance structure



## Written By Steve Bornstein

Steve has been an organizational consultant and coach to media companies and nonprofits for 35 years after 10 years as an entertainment industry executive. He lives in Venice with his partner Susan and enjoys travel, bicycling and yoga, and of course, healthy organic local food. Steve first joined the Board in 1990 and served in various roles, including Board President, through 2021.

When I first joined the Board in 1990, Co-opportunity Market was located across the street at 530 Broadway. It was where the Volvo dealership now stands.

The Board had brought on a General Manager, sales and Ownership were growing, and it was clear they had outgrown the location. They had brought on a consultant to help them navigate finding a new location, but things were not working out so they brought me onboard.

I had previous experience with such negotiations so the Board put a special contract in place that would allow me to serve both as a Board member and as a consultant. I took the lead in negotiating a lease with the owner and got it through. In those days, there were no Co-op banks like we have with National Co-op Grocers (NCG) today. The Board worked with various lenders to secure a loan but there was no one to sign for to guarantee the loan, so we kept getting turned down. Finally, I found one bank that would lend to us and we were able to move forward. A new store was built specifically for Co-opportunity Market at its current Santa Monica location. We opened the new store in 1995, doubling our retail space. Pretty much immediately, we found that we were doing double the business of what we had projected!



By the early 2000s, when I was serving as Board President, the Board began to realize that we needed to be less involved in daily operations and focus on strategy. Michelle Jacobson, who also served on the Board at that time, was already active with National Co-op Grocers (NCG) and co-op governance. She encouraged me to learn more about the process, so I did, and we began our journey of developing a governance structure for Co-opportunity Market. This was a big shift from how the Co-op had been run in the past and the degree to which Owners were typically involved. Slowly but surely we worked through the process as a group with assistance from our consultant from Columinare (then called CDS Consulting Co-op), started to define our policies, put together policy reports, roadmaps, etc. The consultant, Mark Goering, played a critical role in keeping the Board on this path, helping us clarify the Board's role and bring a learning focus to the Board, which we did not in the past. In fact, he continued to support us for many years in this capacity.



# 2017

## Opening a second store location in Culver City

### Written By Dean Kubani

A Board Member for 18 years, starting in 2001, Dean Kubani served all executive positions including Board President from 2014 to 2017. Dean is a long-time Santa Monica resident and served as Chief Sustainability Officer for the City of Santa Monica until he retired in 2019. He now teaches part-time at Loyola Marymount University and is enjoying his retirement traveling and relaxing with his wife Catriona.

Around the time of Co-opportunity Market's 40th anniversary the Board began to seriously discuss opening a second store. That was also when lots of conventional chain grocery stores were jumping on the natural foods bandwagon that had been largely created by co-ops like ours. And while the conventional stores were just chasing profits, natural foods were part of our core values, and we wanted to expand so more people could benefit from them.

A nationwide study conducted by the National Co-op Grocers Association (NCGA) at that time found that for every dollar spent at a co-op \$0.38 is reinvested in the local economy, compared to \$0.24 for conventional grocers. And co-ops work with and support about three times the number of local farms and food producers that conventional grocers do. The NCG study also found that co-ops beat out conventional stores in organic produce sales 82% to 12%. At Co-opportunity Market, fully 100% of our produce is locally sourced and organic. If you check that number at the chain stores you'll likely find it to be less than 30%. So by opening a second store the Board saw an opportunity to multiply the benefits that the Co-op provides - we could buy and sell more local, organic, sustainable products, give more back to local communities, and help make the world a little bit better. And our expansion would make it that much easier for many more people to get local, organic and sustainable foods.

Opening a second store wasn't easy—in fact it entailed about three years of some of the most intensive work that our management team, Co-op staff and the Board has done to date. We spent months looking for suitable sites, evaluating sales figures, raising capital and seeking out loans, all while running a very busy Santa Monica store. We finally announced our second location in 2016 and all this work culminated in our beautiful new Culver City store that opened in the fall of 2017 and introduced Co-opportunity Market to a whole new community. The hard work felt worth it!



# Early 2020s

## Navigating the pandemic and hiring Co-opportunity Market's first CEO

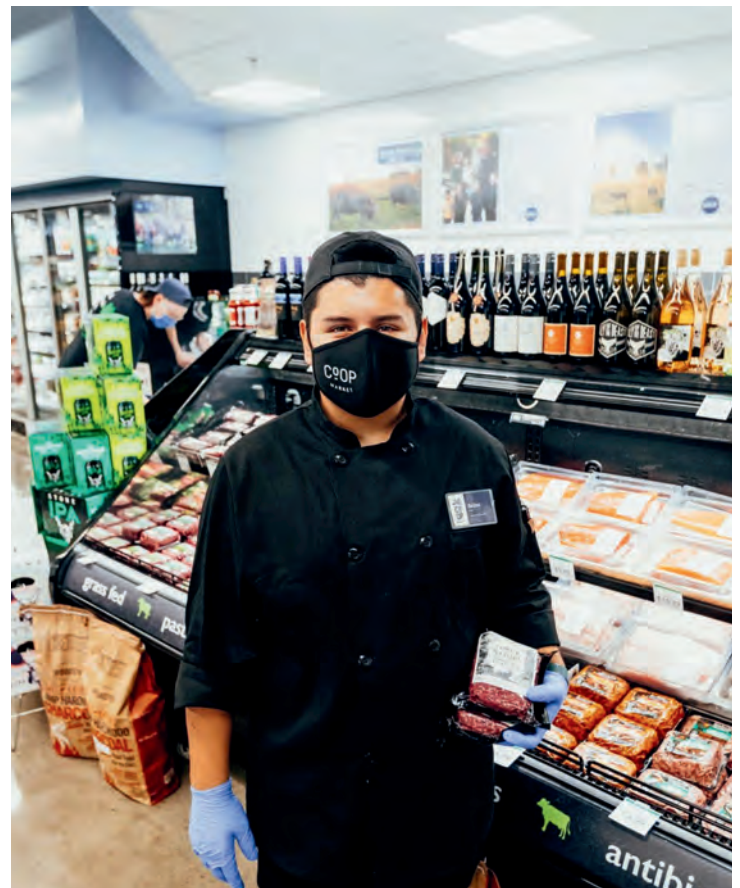


### Written By John Fischette

A resident of the Santa Monica community for nearly 25 years, John is a Business Consultant and an Executive Coach with over 30 years of experience in the field. He has helped leaders and businesses better serve their customers, improve their bottom lines, and achieve their goals. John has served on the Board since 2016 and was Board President from 2019 to 2023. Currently, he serves as Board Vice-President.

While we opened our Culver City location with much fanfare in 2017, we were faced with unprecedented challenges barely two years into its launch. Since going through the pandemic, the world and the grocery industry have gone through many challenges and changes. When COVID-19 first hit, the Board was focused on what needed immediate attention. Keeping our team members and customers safe was the Board's main priority. We responded with increased safety precautions and modified the way we provided goods to our community. Some of these modifications included online shopping, delivery, and curbside pickup options. During this time, like all other grocery retailers, we also had several supply chain challenges. Looking back now, we are proud to say that Co-op staff members all came together with support from the Board to maintain our high level of quality and our commitment to provide our Owners with local, organic foods that were sustainably grown. Thanks to our awesome team members and customers, we have been able to work together to adjust to the new "normal" we all have embraced.

Our Owners may have noticed we made another important change over the last couple of years. Managing two stores and navigating the pandemic made the Board realize that we were now in need of a CEO who had the leadership skills and expertise required to manage this kind of an operation and navigate the ebbs and flows impacting the grocery industry. We interviewed many candidates and selected Cindy Chikahisa who joined our team as its new leader in August 2022. As CEO, Cindy brought with her over 35 years of retail grocery industry and leadership experience to the Co-op. Her background and business acumen cannot be overstated. Indeed, we believe her level of expertise is what is needed for the Co-op to compete against major grocery competitors like Whole Foods, Trader Joes, and Erewhon. If you have not met Cindy yet, please make sure you say hello next time you are in our store. With new leadership and the dedicated support of our loyal Owners we look forward to what the future holds.





# 2024

## Onwards and upwards – looking to the future



### Written By Ann Gentry

Ann is the creator of Real Food Daily, and was the CEO from 1992–2017. In retirement, she returned to an acting career and took up backpacking in the High Sierras. Ann has served on the Board since 2018 and is currently the Board President.

Over the last few years, we've watched many of our favorite restaurants, local clothing shops, iconic movie theaters, and neighborhood grocery stores close their doors. Like others, we faced similar challenges and had to make the tough decision to close our second store in Culver City in April. However, we remain resilient and focus on our cherished Santa Monica store, marking its 50th anniversary this month.

We are grateful to everyone who has supported the Co-op by shopping with us, and we are delighted to see many familiar faces from the Culver City community. At Co-opportunity Market, we remain committed to providing high-quality natural food products and maintaining one of LA's most significant 100% organic produce sections.

The Board is working closely with our CEO, Cindy Chikahisa, to shape the future of our organization. Plans for the upcoming year include enhancing your shopping experience by refocusing on building community, supporting local businesses, and revitalizing the co-operative spirit that sets us apart from regular grocery chains and other natural food stores. We plan to increase our presence on social media, form more community partnerships, and improve communication from the Board to Owners. We will share further details during our Annual Meeting in October 2024. Once again, we express our gratitude to our Owners for your continued support. Indeed, you are the heart of our organization and set us apart.