

Proceedings of the UK Society for Co-operative Studies Annual Conference, September 1997

Re-asserting the Co-operative Advantage **Society of Co-op Studies Research and Development Project.** **Report on conference meeting by Roger Spear**

Many co-operators will be all too familiar with the factors prompting this project. The well publicised but equally well thwarted Lanica bid for CWS, the demutualisation of building societies (including the more recent hostile attempts on Nationwide) and the gradual conversion or decline of co-ops, for example conversions in the farming sector. However at the same time, these problems represent an enormous opportunity to respond positively and vigorously. There are numerous examples of co-operative innovation and good practice, and there is a mood for reassessing features of co-operation that "make the difference" - in business terms and ethically. Indeed there is a strong sense that good business and high standards can be a winning combination. But something needs to be done fast to help tackle the problem and to capture the spirit of re-asserting co-operative advantage.

The Society for Co-operative Studies (SCS) responded to this challenge, through an early initiative by Rita Rhodes, followed by discussions at Congress between Peter Davis, Rita, and Roger Spear. A research proposal was then put to an executive committee meeting. The resulting paper was then presented to the SCS annual meeting at the Co-op College by Roger Spear. He began by reminding co-operators of all the theoretical advantages that co-operatives may lay claim to, and then provided some evidence, through examples, of where this advantage has been developed into practice. The proposal for the research project was then presented, and was followed by a lively and incisive debate. This led the project partners - the Open University, Co-operative College and Leicester University - to widen the approach to include co-op board members and active members, and place greater emphasis on the development phase of the project. The project proposal is still developing

based on conference and subsequent discussions, in conjunction with the three partners and potential sponsors. So watch this space in subsequent issues of the Journal.

Proposal for a project on Re-asserting the Co-operative Advantage

It is proposed to conduct a study with the aim of involving managers in the identification and evaluation of innovative and best practice for re-asserting co-operative advantage.

It will involve the following activities:

- identifying innovative/good practice and evaluating it;
- examining key business issues;
- evaluating competitive strategies and good management practice;
- defining success in co-operative terms (values and value for money);
- developing models of best practice.

Approach

The overall approach will be to identify innovative and best practice so that case studies can be undertaken evaluating that practice. It is the intention to cover most areas of business/co-operative activity. Thus Oxford, Swindon and Gloucester Co-operative Society might be a good case study for evaluating the effectiveness of an innovative approach to improving member relations. Similar cases will be identified for other areas (governance, marketing, etc). The study will have a number of phases which would constitute research but it will also aim to achieve a substantial degree of mutual learning about good practice. It will also be developmental in achieving the reassertion of co-operative advantage.

Phase one will to identify the levers for change and the barriers to change. It will also involve examining key business issues and selecting cases of effective strategies and good co-operative business practice. This will involve interviews with senior managers and board members. Clearly the support of top managers will be essential, and researching their views on good

practice crucial, but their support and involvement in the design of the process for subsequent phases will also be a key part of this phase. It may also be appropriate to target other groups such as influential buying groups lower down the hierarchy.

Phase two will research the selected sites of good innovative practice by gathering evidence and views through interviewing and working with focus groups of managers; similar sessions will be held with other stakeholders such as active and board members (and consumers where relevant). In some cases choice of good practice sites will be designed to throw up different or contrasting approaches to similar problems in order to stimulate creative responses to local differences.

The third developmental phase will be firmly oriented towards stimulating change both in terms of the adoption of best practice where relevant, and in terms of regenerating a stronger understanding of what is distinctive about co-ops and reasserting a belief in the co-operative advantage amongst members, the board and managers. The sector of most interest would seem to be the consumer sector, but there may be scope for extending the study to include the financial services sector (banking and insurance).

Project organisation

It is envisaged that the project will be co-directed by Roger Spear, Co-operatives Research Unit, Open University, who is also Chair of the ICA Research Committee and has extensive research experience, Peter Davis of Leicester Business School, who has pioneered a distance learning course for member organisations, and Alan Wilkins of the Co-operative College, who has been leading a series of workshops on co-operative values and competitive advantage. The work of the project will be shared equally between these three (and their fellow researchers). A managing committee comprising members of SCS and the funders will be set up to advise and oversee the project.

The project will commence as soon as funding is secured, and will be completed within a year. The dissemination phase could begin after some case studies have been completed (ie after the first 6 months) and it could then run in parallel with the main study.

Outcomes

The outcomes should not be backward looking, but new, positive and compelling - demonstrating the payoffs of good practice, and stimulating a will for implementation.

A publishable report will provide:

- Analysis of key business issues and evaluation of options available;
- Identification of defensive measures;
- Identification of best practice;
- Provision of arguments and evidence supporting the co-operative advantage.

The Report on best practice will be disseminated widely within the co-op movement. It will inform the actions of managers, boards and members. It will have the additional advantage that focus groups will have prepared the ground for change and generated a positive climate for re-asserting co-operative advantage.

Potential sponsors

It is envisaged that various parts of the consumer co-operative movement might be interested in funding this research, for example CIS, The Co-operative Bank, CWS; alternatively a consortium of societies might be willing to contribute. The involvement or support of other influential players such as the Institute for Public Policy Research would also be sought. It might be possible to make the developmental phase a separately sponsored phase in order to extend its work if demand is there. Whatever finance is raised might be complemented through application for European Union funds. Some local authorities might also be prepared to contribute.

An alternative approach to funding would be by setting up a "Fighting Fund for Co-operation and Mutuality" - this fund would aim to fund research for the practical benefit of co-operatives and mutuals, and practical outcomes would be key to every project with integral developmental phases in all projects. The SCS and its presidents could play a vital role in establishing such a fund and guiding its first project.

Development phase

This phase will be carried out through the Co-op College, with Alan Wilkins playing the lead role. The aim will be to work in parallel with the research phase developing key players in the co-op movement and ensuring that the findings of the research phase are seriously addressed by those in a position to make changes - managers, the board and members. This is not seen as a phase where findings are blindly implemented, but a much more interactive phase where debate, selection, and adaptation are crucial to developing changes appropriate to widely differing contexts.

The format will be one already tried and proven at the Co-op College - a workshop programme for promoting change using focus groups and involving experts or participants from "best practice" cases. The people involved will be managers primarily but also other stakeholders - such as boards, and active members.

Promotional phase

It is anticipated that one outcome of the research will be arguments, stories, quotes which vividly illuminate the value of co-operative business. These could provide the basis for individual society promotional campaigns, or a movement wide promotion. Such benefits will not be limited to publications arising from the study, since extracts could be used for advertising, promotion and news communication both within and outside the co-operative movement.

Dr Roger Spear lectures at the Co-operatives Research Unit of the Open University and Chairs the Research Committee of the International Co-operative Alliance.