

2019 Strategic planning process

Purpose, vision and values

*Members workshop
30 April 2019*

Pre-reading pack

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1. Objective and agenda

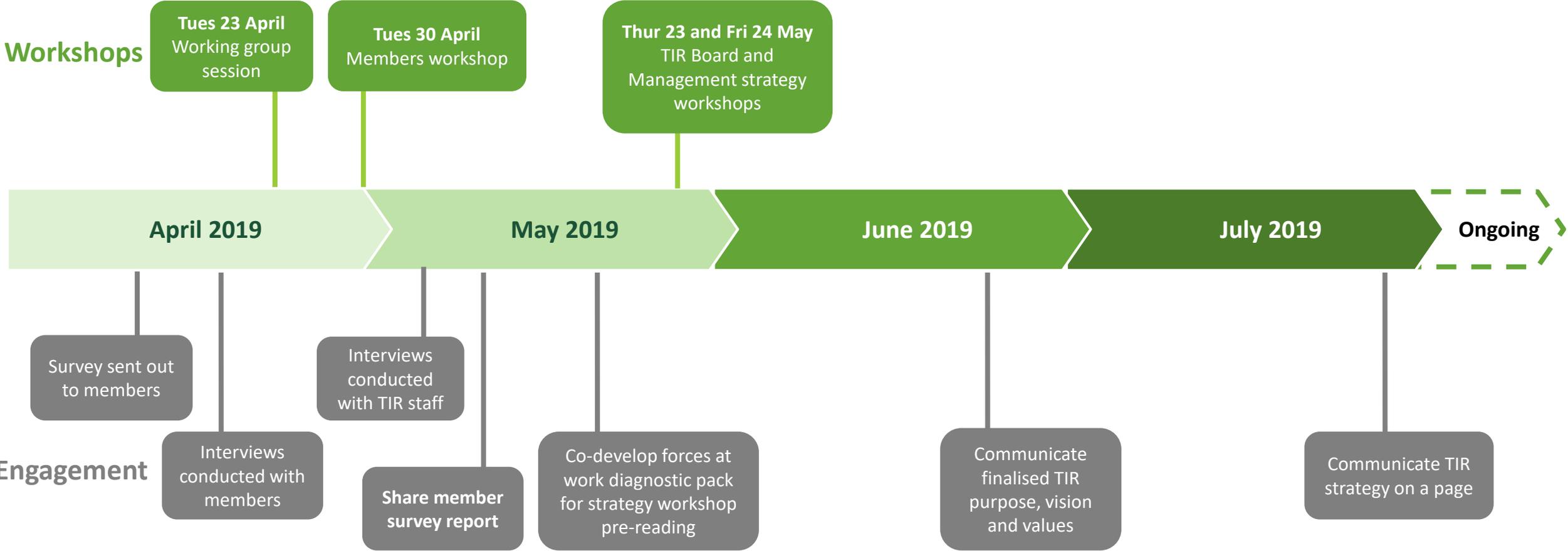
Date	Tuesday 30 April 2019
Venue	Launceston Country Club, Country Club Avenue Prospect 7250
Facilitator	Zoe Pappas and Linda Deng (Right Lane Consulting)

Objective:

- Engage members in the co-development of TIR's purpose, vision and values statements

TIMING	AGENDA ITEM	DISCUSSION LEADER
12:00pm – 12:30pm	<i>Lunch</i>	
12:30pm – 1:00pm	Welcome, introductions and outline of the strategic planning process	Michael, Zoe
1:00pm – 2:15pm	Share our draft purpose and vision statements	Zoe, Linda
2:15pm – 2:30pm	<i>Afternoon tea</i>	
2:30pm – 3:45pm	Test our draft values and behaviours statements	Zoe, Linda
3:45pm – 4:00pm	Summary of outcomes and next steps	Zoe, Michael

This is the start of an inclusive strategic planning process and a genuine opportunity for members to provide input and direction



3. Member survey synthesis – purpose, vision and values

2019 Strategic planning process

Member survey synthesis - purpose, vision and values
April 2019

Introduction

During April 2019, members of TIR were invited to complete a survey administered by Right Lane Consulting. The survey gathered members' feedback on purpose, vision and values, the satisfaction of current services and perspective on the future direction of TIR. The responses to the survey will be used as input into the TIR strategic planning process.

This pack contains the members survey responses to section A, which includes:

- Purpose
- Vision
- Values and behaviours

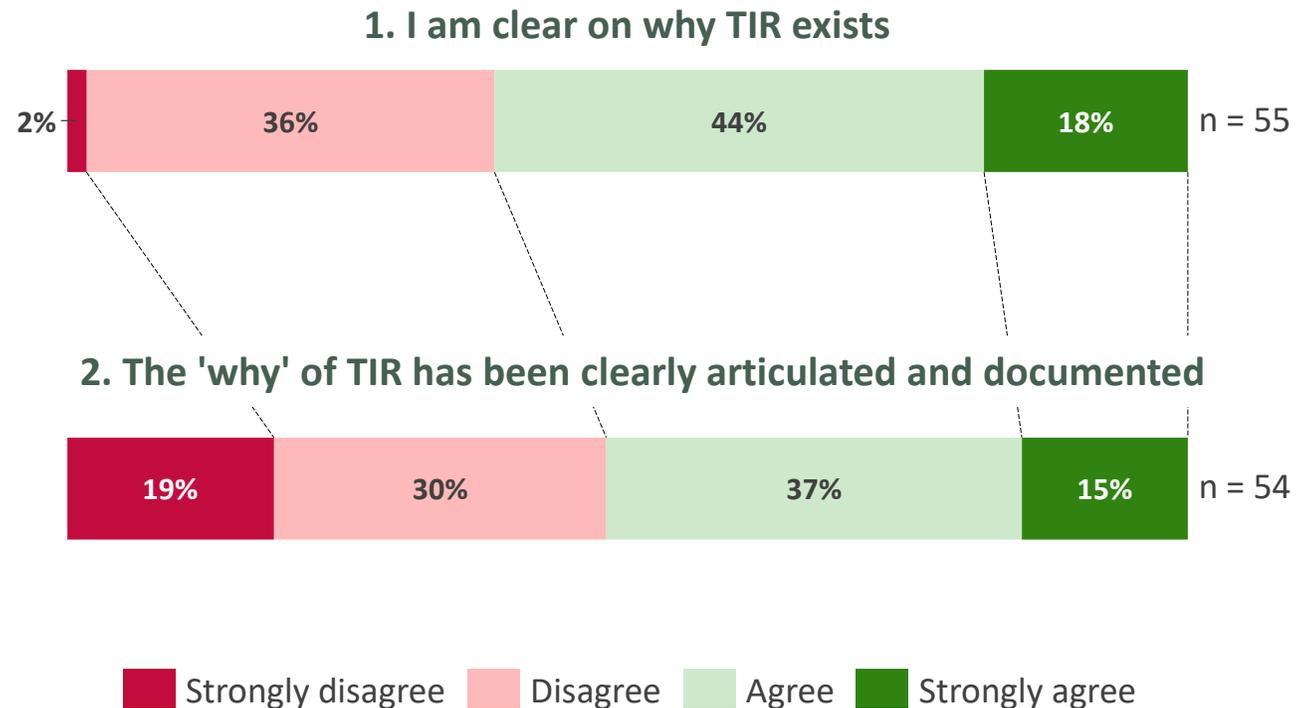
The pack also includes selected questions from section B (Q11 and Q29) relating to the value proposition of TIR.

Please note the remaining questions from section B, relating to members satisfaction, will be used as input into developing the goals and initiatives of the strategic plan. The survey responses will be shared in a members survey report in May 2019.

Purpose

62% of members are clear on why TIR exists while only 52% believe it is clearly articulated and documented

Responses to the TIR member survey – Q1 and Q2



Members think TIR exists to advocate and support independent retailers and create collective purchasing power (1/2)

Respondents were asked the question: *Why do you believe TIR exists?*

Theme	Member responses	# responses
<p>To advocate for and support all independent retailers</p>	<ul style="list-style-type: none"> • 'To support independent retailers' • 'To service independent retailers' • 'TIR exists to serve the independent store owner in Tasmania. ALL independents in Tas, not just those under the IGA branding' • 'An organisation to help independent retailers be a stronger body. Advocate for small supermarkets' • 'To keep an independent franchise going' • 'To help us as small retailers in every way they can' • 'To help the independents' • 'To furnish that need of a united independent retail grocery sector' • 'To organise independent stores into a viable trading force in the state. to provide us with direction & facilitate retail programmers' 	<p>9</p>
<p>To create a collective that has purchasing power</p>	<ul style="list-style-type: none"> • 'To bring independent retailers together and provide assistance in providing competitive prices to end consumers' • 'To enable Tasmania to be part of the IGA Australian Network' • 'Act as Cooperative in the interest of its retail members. Purchasing power' • 'It has to or i don't have a buying group' • 'Numbers' • 'Collectively, Tasmania's IGA group of stores need TIR to maintain a strong local supply and distribution network. To streamline invoicing, pricing, promotions and advertising. To maintain standards expected within IGA' • 'They were started as a co op for members to collectively purchase groceries together to get a better price for the members' • 'Strength in numbers to increase individual stores buying power and increase profits' • 'To give us access to the warehouse' • 'It should be there for a collective for buying power and to help smaller individual business people in the grocery trade. but it has lost its way into an organization that tell us what to do how to do it, not the help that we as members really need. It now seems to function as a company franchise to make money from its customer, when the customers are actually its owners. some TIR employees don't care about the direction and make strange and wrong actions, all just for themselves not the members. They stuff up and still get there wages, but members loose out' • 'The idealistic opinion would be to join a team of independent traders who all benefit from the purchasing power and as a coop receive the dividends' • 'To achieve buying power' 	<p>12</p>

In addition, members believe TIR is there to provide advice and support to members' businesses (2/2)

Respondents were asked the question: **Why do you believe TIR exists?**

Theme	Member responses	# responses
<p>To provide advice and support to its members</p>	<ul style="list-style-type: none"> • 'To support, enhance and grow our business while being a strong and stable business leader providing direction, education/training and advice while pursuing world best practice in all aspects of retail business with a competency/skills based board and staff' • 'To give support and advice in business' • 'To provide assistance with ongoing day to day business decisions and negotiating member benefits / deals' • 'To achieve better results for the supermarkets who own TIR' • 'To assist and improve members businesses' • 'To assist their members in every way, shape and form to be competitive, profitable and valuable businesses' • 'To help our organisation at store level and assist in promotions for the brand to continue' • 'TIR exists as a plat form and structure to facilitate and coordinate the business activities of Individual owners of Retail Supermarket Businesses' • 'To oversee our businesses in a good way and get the best benefits they can for us' • 'To assist Members' • 'Its supposed to be a co-op acting for the best of its members' • 'Due to the stores holding membership and shareholders. The stores make TIR exist' • 'To support the IGA chain in Tasmania' • 'It should exist for the benefit of members and to grow the profits and value of the members businesses' • 'To support its members' • 'As a marketing and management tool for members' • 'To serve its members' • 'TIR exists to help IGA store owners run their businesses efficiently and effectively' • 'For its members and to help them run a profitable business' • 'TIR exists to be a body that represents and supports the independent stores that are members of the organisation. It assists in making IGA competitive in each of the areas IGA is located, especially where the 2 major competitors are of close proximity' 	<p>20</p>
<p>Other</p>	<ul style="list-style-type: none"> • 'No idea' • 'As a finance broker to facilitate the ego of a few individuals' • 'At the moment, just to serve itself, board members and a clique of certain members of management and store owners who get looked after' • 'To feed the fires of Metcash. Simple, when Metcash says "Jump" all TIR want to know is "into which fire"' • 'You need to belong to something' • 'Because they have network of independent stores to support them' • 'To give Customers a choice between the Majors and IGA, Now IGA Stores exist in towns where the majors wont go to due to size of population' 	<p>7</p>

Participants identified four key reasons for joining TIR: receiving business support; accessing a grocery wholesaler; improving bargaining power with suppliers; and using the IGA brand (1/2)

Respondents were asked the question: **Why do you choose to be a member of TIR?**

Insight	Member responses	# responses
<p>Many members joined to receive business support, such as outsourced corporate services, market information and advice, etc.</p>	<ul style="list-style-type: none"> • 'Advertising' • 'To have support and backing in our business' • 'To benefit from the 'power' of group of like minded businesses' • 'TIR helps our business to deliver a service and an IGA store to our local community' • 'TIR help keep us up to speed on changes and they are there to look out for our best interests' • 'TIR provides the vehicle for me to operate my business with success' • 'Having been part of 2 major National and International Retailers over my 42 years in the Retail Business, I wanted to develop my own Independent Retail Business were I could still compete in an arena at the same level but with a Totally independent focus and infrastructure that provided the same level of opportunity as the Major National and International Retailers and is were I could see TIR providing me with the basis to continue my Business career in Supermarket retailing' • 'To help with the management & supply of goods to my business' • 'To grow my business' • 'Because we are very fortunate to have the best supermarket / warehouse model in the country' • 'To access the warehouse' • 'Belonging to a group' • 'To be involved with like-minded retailers so that our collective focus can be used as a compass to guide our independent productivity and profitability' • 'Support' • 'Promotion Program, buying group, retail support, and IGA group' • 'Having the opportunity to compete with the market' • 'To help facilitate the IT/admin side of my business, for their constant support in organising promotional activity on my behalf. For store support, fit-out and general problem solving' 	<p>17</p>
<p>Some members joined because they needed access to a grocery wholesaler</p>	<ul style="list-style-type: none"> • 'We had no choice' • 'There is no other option in Tasmania' • 'We have no other choice for a grocery wholesaler in the state' • 'There is little other opportunities for small retailers to access products' • 'Don't' • 'Good Question: When we first joined the group over 50 years ago, it was a co-operative. TIR is no longer a co-operative but has evolved into a self centered marketing operation and finance broker. Why are we still a member: Because at present there is no viable alternative' • 'That is a very difficult question. When we first jointed which is something over 50 years ago, it was an opportunity to participate in buying and promotional programs and compete with local opposition.. Why are we still a member; because at this stage no viable alternative exists' • 'Because is the only buying group in Tasmania' • 'Because we own an IGA' • 'I own a store' • 'Because we own a supermarket' • 'As I am a store owner' • 'Because there is no other major Supplier, and TIR is supposed to be a "business partner"' 	<p>13</p>

Participants identified four key reasons for joining TIR: receiving business support; accessing a grocery wholesaler; improving bargaining power with suppliers; and using the IGA brand (2/2)

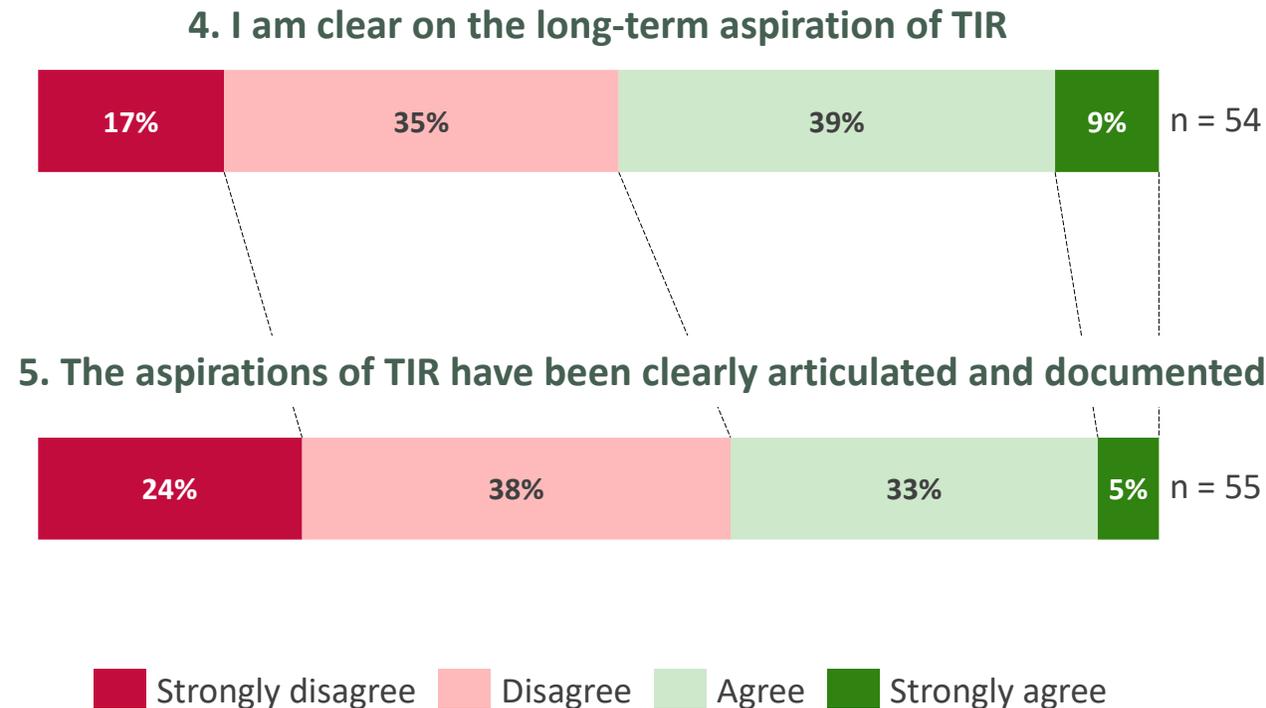
Respondents were asked the question: ***Why do you choose to be a member of TIR?***

Insight	Member responses	# responses
<p>The improved bargaining power of a collective vehicle was the selling point for some members</p>	<ul style="list-style-type: none"> • 'Share the benefits of being part of a buying group to drive better value for our customers and profitability for our business' • 'To get my rebates. To get a good range of grocery products for customers at a good price' • 'Assists our business to be in business and access better deals etc.' • 'Part of group to enhance buying power, marketing and branding' • 'For the buy power and branding' • 'Because I believe that a united independent grocery retail force is the only way of having any hope of competing against the chains' • 'The idealistic opinion would be to join a team of independent traders who all benefit from the purchasing power and as a coop receive the dividends' • 'Collective bargaining power and support' • 'In the hope of more competitive pricing and stronger buying power' • 'To be competitive' 	<p>10</p>
<p>Branding stores with the IGA banner was a primary motivator for several members</p>	<ul style="list-style-type: none"> • 'TIR is the buying and supplying group for IGA stores' • 'To be part of the IGA banner. For local support in all aspects' • 'TIR is the buying and marketing group of IGA supermarkets' • 'To operate as an IGA' • 'There is no other option! I want to be part of the IGA group' • 'In order to be an IGA and access their stock and banner' • 'Want to be part of IGA group' • 'To have access to the IGA banner, and promotional program' 	<p>8</p>
<p>Other</p>	<ul style="list-style-type: none"> • 'Professionalism of staff' • 'When I joined it was a buying club, now it just seems to be there to serve itself and employees, but no longer for members. it now is an organization that only serves itself' • 'To be a shareholder and able to voice my opinion' 	<p>3</p>

Vision

The aspirations of TIR are less clear with 52% of members strongly disagree or disagree on the clarity and 62% believe it is not clearly stated

Responses to the TIR member survey – Q4 and Q5



Survey respondents identified many objectives, outside of providing traditional business support, that TIR should aspire towards in the longer term (1/2)

Respondents were asked the question: ***What do you think TIR should aspire to in the longer term?***

Theme	Member responses	# responses
Providing business support to independent stores	<ul style="list-style-type: none"> • ‘To further improve its services to members.’ • ‘Be more proactive to members and help them not be negative and unsupportive’ • ‘They should aspire to service their members to an exceptional standard and have members that provide a service to their customers that is unmatched in their catchment area.’ • ‘Continuing the same or more support where needed, being honest and transparent when it comes to new legislation and practices. An active role in store working on maximising profitability.’ • ‘To maintain sustainable business, to support and advice all independent business’ on how to plan and work to the future’ • ‘Supporting their members’ • ‘To be as supportive as necessary in assisting Members’ • ‘To return to it’s original objectives of a buying and marketing co-operative dedicated to the survival of each and every member, irrespective of store size, turnover or personality.’ • ‘Create a low-cost supportive environment of support for independent retailers.’ • ‘To be an organisation that will provide support or assistance when it is required’ • ‘Continuing on a good clear path, with plenty of communication with the members.’ • ‘Keep the members informed’ • ‘Achieve the BEST competitive prices for ALL members, and act as a spokesman for the industry to achieve the BEST result for all.’ • ‘Keeping up with the times and keeping a finger on the pulse of small family business needs.’ • ‘To create and follow a methodology that regenerates member trust through maximising store value through a focus on delivering large rebates, competitive pricing and valuable services.’ 	15
Helping stores grow in revenue and profitability	<ul style="list-style-type: none"> • ‘Improve the service and offerings while aiming to maximize profit margins.’ • ‘Having a management team that has a long term focus on the ever changing industry and work closely with the members to have better returns’ • ‘Should be an aggressive in the retail world’ • ‘To help make it easier for store owners to stay in a profitable business’ • ‘To help stores grow and improve’ • ‘They should always push the idea they are there to help stores achieve profitability and help them run their store easier and they only exist if the stores are profitable and are there to serve each store on its own issues to help, this is the core of TIR’s service issue problems, the stores don’t feel like they are getting looked after from TIR and the stores are the owners which makes it all the more harder that TIR have lost there way in realising that TIR is only there to service the owners of the stores, TIR is an advertising/buying group, not a real estate investment firm, not a franchise watchdog for IGA, they are a members owned co op, just there for members’ • ‘Making members more profitable and stronger in turn will make TIR the same’ • ‘Increasing market share and profitability in the stores. IGA stores in some areas are competing against themselves.’ • ‘To work for the owners (members), to increase turnover trade and margin.’ • ‘To grow the independent trade, and help to ensure the stores are the best they can be.’ • ‘To gain market share and margin enhancements’ 	11

Survey respondents identified many objectives, outside of providing traditional business support, that TIR should aspire towards in the longer term (2/2)

Respondents were asked the question: ***What do you think TIR should aspire to in the longer term?***

Theme	Member responses	# responses
Building a cohesive co-op of stores with a level playing field	<ul style="list-style-type: none"> • 'A level playing field for all supermarkets in Tasmania' • 'Continue to keep our brand in Tasmania strong, and support all stores at all levels the same' • 'As above, to help ALL store owners, not just a few' • 'Building a strong third force in supermarkets in Tasmania' • 'Treating everyone fairly and equitably.' • 'To be the best co-operative that is possible for the benefit of its members.' 	6
Building the IGA brand	<ul style="list-style-type: none"> • 'To remain relevant & protect the IGA Brand & focus on gaining more market share.' • 'Should be aspiring to improve the IGA branding and offer.' • 'Under the IGA brand we need an in house product range. No matter what value message we try to send to the customer it will never be successful if we are trying to compete against the majors without a cheaper option, in house product range.' 	3
Improving governance and management	<ul style="list-style-type: none"> • 'Much improved governance, including a competency based board with required skill sets, more opportunities to engage with executive staff and board in both formal and informal situations. Provide more security for members business including protecting areas/zones and pushing for better value for members in advertising, marketing, return on investment and purchasing power.' • 'To be more open and transparent about the job they are doing' • 'Employing a Senior management which is of the highest caliber unlike at present' 	3
Providing thought leadership innovation	<ul style="list-style-type: none"> • 'Be proactive in business innovation and leadership that provided the basis for individual success along with total success as an Independent Retailer Group' • 'It should have endeavour to be the most innovative retailer in Australia and provides members with significant cost advantages' • 'Be forward thinking instead of following others. Always too late when following.....be leaders instead of reacting.' • 'Best practice i.e. encourage members to the greatest heights.' 	4
Other	<ul style="list-style-type: none"> • 'A FOODLAND Model Co-op.' • 'More on local and less corporate' • 'Interest free loans to members' • 'As mentioned in previous question, a long term focus on the communities and customer loyalty, with several stores being opened around city areas and not so much the rural areas the focus seems to have shifted to competing with WW & Coles as they are close to these stores instead of focusing on what impact IGA can have in the small-town communities.' • 'A progressive and healthy member network that competes in the grocery and fresh food retail segment in Tasmania.' 	5

Most participants suggested providing a ‘helping hand’, or growing revenue and profitability, as the impact TIR should aim to have on members and the industry (1/2)

Respondents were asked the question: ***What impact do you believe TIR should aim to have on its members and the industry?***

Theme	Member responses	# responses
<p>Provide a 'helping hand' through the provision of business support and advice</p>	<ul style="list-style-type: none"> • ‘Providing support/coaching for members, better accuracy in data processing and driving the best possible return on investment for members’ • ‘I think they should support members to be the best they can in a very competitive market. They should be willing to share smart and efficient ways on how to improve our businesses. The TIR Team should work tirelessly for the very best possible outcomes for their members and indirectly our customers’ • ‘Provide confidence to its members & support the industry’ • ‘Clear understandable guidelines, support and encouragement in all the business’ • ‘To support them to survive in the retail industry’ • ‘They should be more helpful’ • ‘Positive and helpful’ • ‘To be supportive to the members and drive everyone to be the best they can be’ • ‘To work with there members to benefit the best out come for both member and TIR’ • ‘I believe TIR should have a very strong focus on providing Independent owners of Business a long term strategy of building an Independent retail Brand in our state that provided the Retail consumer with an offer that exceeds that of the Multi National chains with meaning full points of difference in the Market place that in conjunction with supply chain partners builds a win-win partnership for our Independent business’ • ‘It should be there to help us, the general store owners not just a chosen few, who all seem to be related’ • ‘To support its Members in all aspects of their business’ • ‘Promote and support the survival of the independent retail sector’ • ‘To ensure they provide a promotional program that is profitable and to advise on business improvements. To also understand members circumstances in relation to business operations and difficulties’ • ‘Support for independent retailers as independent retailer; recognising the very different needs and capabilities of every individual’ • ‘Support in all major facets’ • ‘Lead from the front foot. Achieve the best outcomes for all Active Members’ 	<p>17</p>
<p>Grow the revenue and profitability of independent retailers</p>	<ul style="list-style-type: none"> • ‘Equipping us with the tools to operate a profitable/competitive business’ • ‘Improve the service and offerings while aiming to maximize profit margins’ • ‘They should be there to help us navigate through the enormous complexities and regulations we face in this business. Help us be more profitable’ • ‘Make more money for members and more flexible payment terms’ • ‘Should aim to provide a competitive, profitable and supportive platform to increase market share of IGA within the grocery industry’ • ‘Helping stores increase profit margins and still being completive in the market. Store support in the changing retail market’ • ‘To assist independent stores to enhance profitability’ • ‘Help make them as viable & profitable as possible in the relevant business climate’ • ‘To help make the stores profitable’ • ‘We should always aim to be competitive in the marketplace and to remain profitable’ • ‘Increase a members profitability. Enable them to survive and compete’ 	<p>11</p>

Most participants suggested providing a ‘helping hand’, or growing revenue and profitability, as the impact TIR should aim to have on members and the industry (2/2)

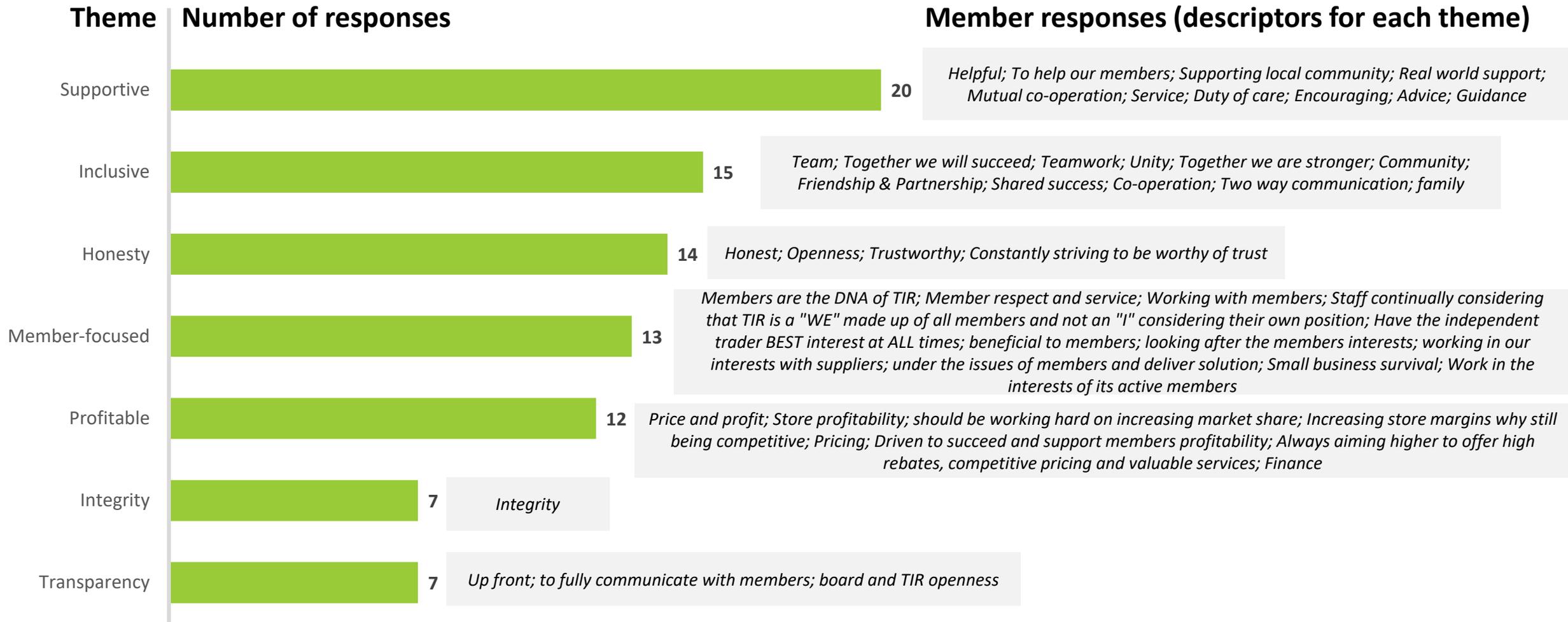
Respondents were asked the question: ***What impact do you believe TIR should aim to have on its members and the industry?***

Theme	Member responses	# responses
Improve supply chain outcomes through collective bargaining power	<ul style="list-style-type: none"> ‘TIR should be assisting its members to compete with the major supermarkets by obtaining better trading terms & passing the savings on to members not hoarding huge amounts for no purpose’ ‘TIR should be a buying group that helps its members get the best buying price as a group for all products and services e.g. power, groceries, etc. and promote a group that looks good in marketplace but still maintains store goals of return on investment of the store, most new store owners don't realise they are a part owner of TIR’ ‘Professionalism, keep up to date with the latest trends, and achieve the best trading terms in order to have better pricing’ ‘Achieve the BEST competitive prices for ALL members, and act as a spokesman for the industry to achieve the BEST result for all’ 	4
Build a ‘retail force’ through an alliance of independent stores	<ul style="list-style-type: none"> ‘To unite the members into a retail force rather than just individual shops’ ‘And also create a strong independent group’ ‘Act as a spokesman for the industry to achieve the BEST result for all’ ‘To provide a central point of everything related to the brand. The ultimate impact TIR should have would be that if you are not support by TIR it will be difficult to survive as a supermarket.’ 	4
Improve the standards of independent retail stores	<ul style="list-style-type: none"> ‘Unlike it does now it should be ensuring that ALL members stores are of the highest standards and fully meet the Metcash requirements. This currently works with a high degree of pressure on the newer or incoming members but mates are given exceptional dispensation’ ‘To improve the standard of the retail independent grocery offer. Whether that is by improving the conditions for its members to trade in or by providing services to assist independent grocers’ 	2
Other	<ul style="list-style-type: none"> ‘Better communication and a more even balance of commitment to all stores not just some this has certainly been noticeable and a lot of store owners have lost interest in TIR focus’ ‘The impact it should have is to act fairly & equability for its members’ ‘Be more open’ ‘Good’ ‘A positive one we hope’ ‘Serving there customers as a Co op were all money is distributed to members’ ‘It needs to be an innovative retailers which tries and arbitrages Coles and Woolworths and is a real alternative to Coles and Woolworths’ ‘I don't believe there needs to be an impact, just continuing on as it does now, but always continuing to try improve’ ‘Not too much’ ‘TIR, are very well respected in the industry, I feel 85% of the members feel the same way, it is particular group which is causing all this angst’’ ‘It seems that TIR have a real drive to compete with the 2 majors through the programs and promotions they currently run. In my opinion (probably due to our location) this has got to change! I agree with having some competitiveness with WW & Coles pricing but currently its too expansive and it's on the wrong type of products in some cases. IGA customer bases have a good idea on what IGA is about and understand that we don't have the large range and prices that the 2 majors have. When I commenced work in the IGA system the focus seemed to be community, customers and helping each other, this flowed on to the customer support that builds loyalty to the IGA brand. This hasn't seemed to have been a strong focus from "TIR to store" and I believe TIR should re-visit ways and develop ideas and programs that focus on rebuilding that focus’ ‘A massive impact to counter-act the benefits that autonomy provides their members major competitors’ 	12

Values and behaviours

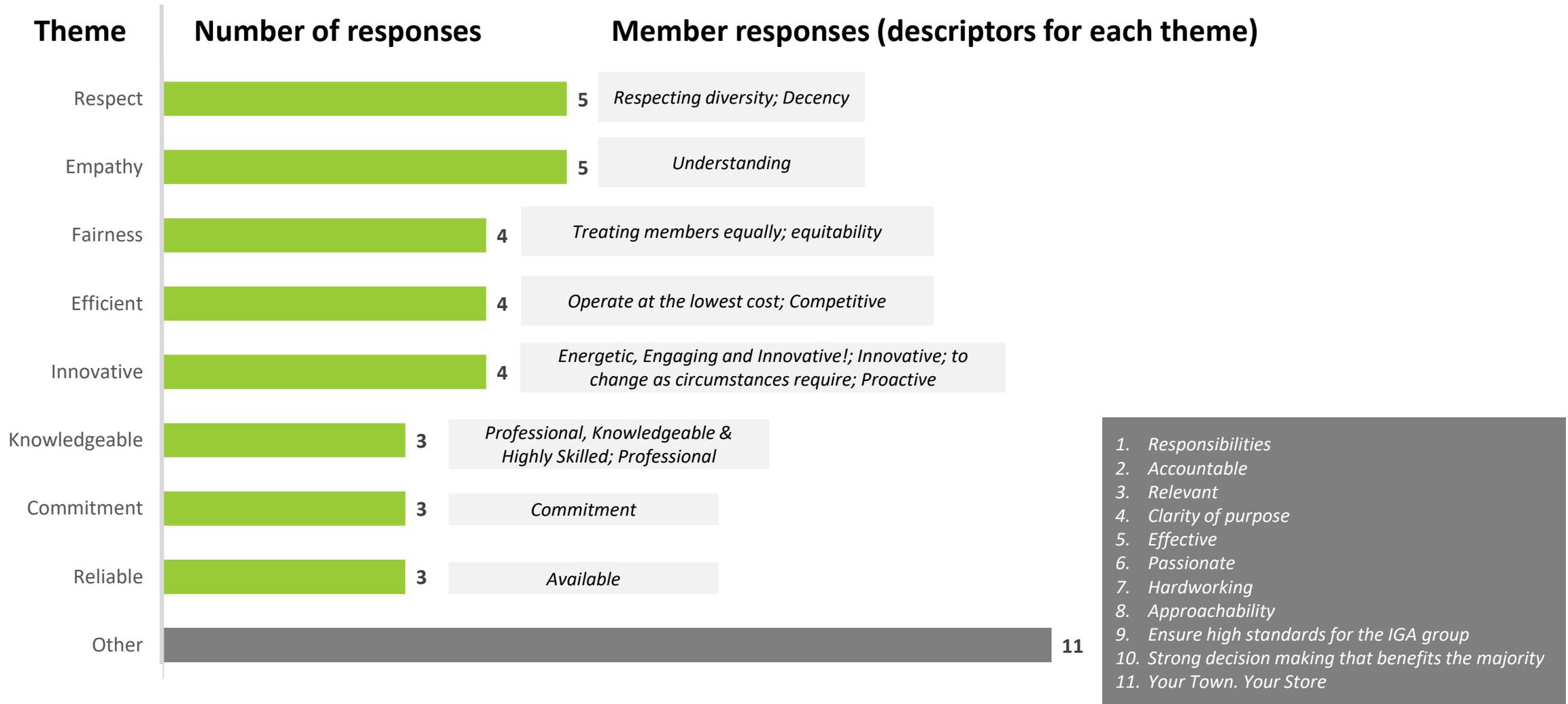
When asked to think about what TIR's values should be, members responded with a range of words (1/2)

Respondents were asked the question: *What three words, or phrases, come to mind when thinking about what TIR's values should be?*



When asked to think about what TIR's values should be, members responded with a range of words (2/2)

Respondents were asked the question: *What three words, or phrases, come to mind when thinking about what TIR's values should be?*



When asked about the behaviours TIR should demonstrate in dealing with members, participants agreed on a few key behaviours

Respondents were asked the question: ***What behaviours do you believe TIR should demonstrate when dealing with its members?***

Theme	Member responses	# responses
Treat members with respect and fairness	<ul style="list-style-type: none"> • Treat all members equally and with respect; Evenness; Fairness at all levels • Respect and fairness in dealings; Respect and two way communication; Helpful, respectful • Some stores a told one thing, then other store told something else by customer service reps, they don't seem to be given a clear orders from management on how to help stores and they cant make a decision straight at the store it always has to go back and ask management then you never hear back again • TIR should treat everyone with respect, not rude snide remarks • Honesty and respect for all store owners, we often get talked down to, like we are just lowly employees and surfs • Respecting the differences and diversity between each store, each area, each community they are in and maybe consulting with members a bit more before introducing major programs. • Duty of care, Empathy, respect and understanding • To not threaten or bully members • Fair, hard working and empathy • Trustworthiness, directive over authoritative, professionalism, respectful 	15
Focus on the members needs	<ul style="list-style-type: none"> • Integrity and a focus on the members • Treat members as exactly that members! not make us feel like we need TIR (so to speak) • TIR needs to remember that it exists because of and for it's members not the other way around, sadly I think subtle cultural changes internally has diluted this message over time • Votes on upcoming issues • Each employee of TIR seem to guard their [patch] and have lost the reason they are there, I think we need some new blood to make changes • To help members not to be negative and to remember that we are the shareholders and we employ the staff and not to treat members like they are the boss of is store owners • Acknowledgement that its members are all independent store owners and that each may have entirely different business plans, objectives and most importantly financial and personal capabilities. • To be there to help the members in the best possible way. to members it is more than just a job • More business minded when making decisions that could affect all our livelihoods • Professional 	10
Being open and honest	<ul style="list-style-type: none"> • Openness; Transparency; Honest / Honesty • To be open & honest and not a boys club • Transparency, honesty, and a proven ability to achieve the best prices both at the wholesale level and the RRP • Professional, courteous and honest to individual retailers • Professional, honest conversations with members to bring them to a level where all IGA's should be measured. • Having open conversations about profit margins and CODB. Store support in operational delivery compared to our competitors. 	8
Transparency and communication	<ul style="list-style-type: none"> • To more transparent • A more open book approach on board decision's with more member surveys • Considering the members own TIR and being a co op, TIR need to clearly communicate with members when required, clearly there are items which the members don't need to know, that's why we elect a board • Any decisions for de-bannering or disciplining should be made by the and implemented by the Board and not delegated to Senior Management and their bullying and threatening tactics • Communicate more regularly • Hardworking, transparent, efficient, agile, member focused 	6

When asked about the behaviours TIR should demonstrate in dealing with members, participants agreed on a few key behaviours

Respondents were asked the question: ***What behaviours do you believe TIR should demonstrate when dealing with its members?***

Theme	Member responses	# responses
Listing to and understanding members	<ul style="list-style-type: none"> • Understanding is primary. There is a lack of understanding of its members, their needs and restrictions. Very few of our key people have worked in independent stores, much less owned one and as such they do not understand the financial and mental stress that storeowners work under. • Understanding of all the differing situations in Tasmanian businesses, e.g. location • Listening and understanding the situation. Then always come back with a solution. • To listen to store owners and their opinions; Listen and involve • Empathy – making money in small business is not easy, so working with rather than iron first 	6
Supportive	<ul style="list-style-type: none"> • Work together • 1) supportive 2) co-operative 3) innovative • More supportive for all stores and providing coaching/development/feedback opportunities for open dialogue between other members • It should be responsive and endeavour to have a Lean culture which fixes problems . they need to understand the retailers issues at the front line • Proactive; Flexibility 	6
Compassion	<ul style="list-style-type: none"> • Professional, humble & compassionate to members • Compassion, Real World Support, understanding and acceptance of individuals, and accept the reality of what is practically and/or financially achievable by each and every independent member • Compassion as it is not always easy dealing with the public and employees 	3
Other	<ul style="list-style-type: none"> • The stores seem to have a real them and us feel now where as years ago we were a big family feel • Coming from a National and International back ground were Policies and Procedures are developed and rolled out not in necessarily in a dictatorial way but yes through Management Hierarchy procedures are delivered and enforced. But in the Case of TIR and the Brand being made of many individual Business owners were the Buck starts and stops right in the Pocket of the Individual Retailer and is were the Group Retail operations Team needs to have a very high ability to mandatorily communicate in a way that demonstrates empathy respect that is achieved by the fact that Operations people have the appropriate communication skills and qualifications to lead develop and control operational standards that that reflect in individual business operators success. Not all operators have the skills I have but many Operators have fallen into our industry with no real Business or Industry experience hence the need of an excellent team of Retail Operations and senior executives that can lead a group of Individuals to a common goal of success 	1

Value
proposition

Members identified support, buying power and rebates as the three most important value TIR provides

Respondents were asked the question: ***What do you value most from your membership with TIR?***

Theme	Member responses	# responses
The support which TIR offers	<ul style="list-style-type: none"> • ‘Support at hand if needed’ • ‘Support from our Retail Development Officer’ • ‘Speaking with experienced staff’ • ‘The support that is available when requested, e.g. relays, instore support, and the rebate program’ • ‘...the relationships I have built with key staff. I value that my voice or opinion is always listened to and considered. I value the frank assessments I receive from the business team...’ • ‘Being able to communicate with anyone anytime, arranging the best possible prices with specials etc. They are working in our interests’ • ‘The support - in all areas’ • ‘A unique opportunity to be supported in our daily work environment while sharing issues/problems and assisting in profitability of our business’ • ‘Support in improving service and margins’ • ‘Being able to provide products to our customers that offer satisfaction’ • ‘..access to the warehouse’ • ‘they provide a service of supplying our goods to store. Help when required, & store help’ • ‘team help, rebates, overall organising of the independent’ 	13
Improved buying power	<ul style="list-style-type: none"> • ‘Being part of a team, being part of the greater collective to achieve maximum profit through a collective purchasing power’ • ‘The buying power, rebates and collective cheaper advertising’ • ‘Marketing and buying power’ • ‘We value the price of product and minimal price of the services we receive. PIP payments nice to’ • ‘...organise the best buying prices as a group...group deals on utility’s cost e.g. power, Telstra, EFTPOS fees etc. advice on running our store in a polite way not the current disrespectful way’ • ‘The ability to compete head on with Multi National Chains with and Independent Brand that is My Brand with the input of both the Group and my personal efforts to attain recognition as a superior Retailer in a very competitive industry with personal financial rewards’ • ‘the ability to keep our store prices at a competitive rate’ 	7
Rebates	<ul style="list-style-type: none"> • ‘My rebate’ • ‘Benefits we receive from being in a group, pricing, rebates and help’ • ‘the rebate as most times I get no help, and have many members of the senior management who being rude and condescending’ • ‘Rebates’ • ‘Rebates, Services, Pricing’ • ‘rebate cheque profitable margins worked out for me...’ • ‘Charge back’ 	7

In addition, members valued advertising, relationship with Statewide, branding and ability to be independent; three members responded there is currently little or no value

Respondents were asked the question: ***What do you value most from your membership with TIR?***

Theme	Member responses	# responses
Advertising	<ul style="list-style-type: none"> • 'Advertising' • 'Advertising and buying areas. Food safety' 	2
Relationship with Statewide	<ul style="list-style-type: none"> • 'The relationship with Statewide. Statewide is operated by Woolworths and delivers efficient logistics to TIR without statewide TIR would be cactus.' • 'The relationship with statewide' 	2
Branding	<ul style="list-style-type: none"> • 'IGA branding' • 'Brand Name' 	2
Independence	<ul style="list-style-type: none"> • 'The fact that we are a co-op that has the ability to control it's own destiny unlike retailers on the mainland that deal with Metcash' • 'The fact that we are part of a co operative that should be working for all our benefits whether you have a big or small supermarket' 	2
Nothing/very little	<ul style="list-style-type: none"> • 'Very little the way it is heading' • 'Nothing at the moment / at present' 	3

Members identified a wide range of things which TIR could do to add value to their business and to the network (1/4)

Respondents were asked the question: ***What are the three most important things TIR can do to add value to your business and to the network?***

Theme	Members responses	# responses
<p>Providing stores with more operational support</p>	<ul style="list-style-type: none"> • ‘Senior management needs to be assisted more’ • ‘Ongoing support from Area Manager’ • ‘Help the smaller stores more. It seems that the bigger your turnover the more help you get’ • ‘Assist smaller stores with a suitable product range’ • ‘Support’ • ‘Keep giving assistance in-store.’ • ‘Provide ongoing support to improve service delivery’ • ‘Continue to be critical and supportive at store level’ • ‘Be more accessible’ • ‘Follow industry best practices and provide continual improvement to operations’ • ‘Understand that sometimes a helping hand would be good rather than doing an assessment and then heading off for a coffee.’ • ‘Assist stores more in the day to day stuff instead of recommending a tablet program to buy. Things such as HR, policy & procedures, WHS, financial management and marketing etc.’ • ‘Enhance instore support with "coaching" model instead of a "directive" model for instore support’ • ‘Offer training for owners of the business in how to run a supermarket’ • ‘Knowledge’ • ‘Provide assistance with store developments’ • ‘Focus on basic and informative information’ • ‘Help me on compliance, not just tell me i am crap’ • ‘All members to get equal support at equal cost.’ 	<p>21</p>
<p>Offer better rebates to members</p>	<ul style="list-style-type: none"> • ‘Better rebates’ • ‘Increase Rebates’ • ‘Increase profitability through rebates rates’ • ‘Lower operating costs of TIR and increase rebates’ • ‘Return almost all of their profits to members’ • ‘Increase the rebate’ • ‘Rebates’ • ‘Negotiating with suppliers to maximise our profitability in relation to promotions (passing on full rebate)’ • ‘Discuss with Statewide about access to more products from SIW, I would like to deal with less direct suppliers (maximise SIW rebate)’ 	<p>9</p>

Members identified a wide range of things which TIR could do to add value to their business and to the network (2/4)

Respondents were asked the question: ***What are the three most important things TIR can do to add value to your business and to the network?***

Theme	Members responses	# responses
<p>Working towards improving margins</p>	<ul style="list-style-type: none"> • 'Improve margins' • 'Better margins' • 'Make more margin' • 'Maximising gross profit margins, bigger awareness to individual business operators potential GP% and CODB' • 'Drive better cost prices with suppliers' • 'Lower costs' • 'Keep advertising costs down.' • 'Lower the purchase price of goods. Tougher on suppliers' • 'Improve our competitiveness by buying better' • 'Reducing the cost to deliver to store' • 'Store profitability' • 'Profit' • 'Profitability' • 'Improve gross profits.' • 'To be profitable' • 'Reduce labour costs at store level by being smart' 	<p>19</p>
<p>Operating in a more collaborative and inclusive way</p>	<ul style="list-style-type: none"> • 'Listen to concerns when raised and not dismiss it' • 'Seek input' • 'Listen to feed back from members' • 'Treat retailers as partners and not as employee's (Mutual Respect)' • 'Better communication on what's going on it the industry' • 'Involve all stores in decision making as they are the co op' • 'Treat everyone the same and without favour.' • 'Become member focused and respect employees, customers' • 'Continue trying to understand our needs' • 'Unity' • 'Be fairer in charge through' 	<p>11</p>

Members identified a wide range of things which TIR could do to add value to their business and to the network (3/4)

Respondents were asked the question: ***What are the three most important things TIR can do to add value to your business and to the network?***

Theme	Members responses	# responses
Offer more competitive pricing	<ul style="list-style-type: none"> • 'Competitive pricing' • 'Best purchase price available to increase GP \$' • 'Best pricing for capital equipment i.e. Fridges' • 'Re-evaluate prices... Pricing programs, pricing structures, promotions & margins' • 'More sensible pricing' • 'Achieve competitive pricing through a collective purchasing power' 	8
Provide better advertising and marketing services	<ul style="list-style-type: none"> • 'Advertising' • 'Better marketing' • 'More promotions' • 'On going advertising' • 'Individual store promotions' • 'Good promotional program' • 'Merchandising' 	7
Take a more proactive role	<ul style="list-style-type: none"> • 'Be nimble and efficient' • 'Be proactive not reactive' • 'Get a Board which is proactive and not there to protect the CEO' • 'If things are agreed to change. Change them' • 'To act and lead should it be warranted' • 'Act' 	6
Improve Island Fresh Produce	<ul style="list-style-type: none"> • 'Fix Island Fresh' • 'Get stronger in fresh' • 'Get island fresh operating better' • 'Work harder at fresh specials pricing' 	4

Members identified a wide range of things which TIR could do to add value to their business and to the network (4/4)

Respondents were asked the question: ***What are the three most important things TIR can do to add value to your business and to the network?***

Theme	Members responses	# responses
Offer interest free loans	<ul style="list-style-type: none"> • 'Offer interest free loans for capital works' • 'Interest free loans to suitable applicants' 	2
Other	<ul style="list-style-type: none"> • 'Strong focus on fresh departments' • 'Food safety assistance and resources' • 'Investment buy opportunities' • 'Strengthening of Coops purchasing power' • 'Establish contracts such as those with Aurora to help bring overheads down in our business' • 'Establish a separation of supermarkets and corner stores' • 'Extended trading terms' • 'Own brand, get community Co. at reasonable price' • 'Keep doing what they are doing.' • 'Level the playing field' • 'Less emails no one has time to read them all' • 'Get rid off locked down prices as it has decreased our margins' • 'Listen to & work with the majority, not the minority whiners' • 'Listen' • 'By not having so many specials, it is not viable to a smaller store' • 'Just respect the store independence as a owner' • 'TIR needs to push info concerning range within stores' • 'Increase Purchase Incentive Payment percentages.' • 'Supplier relationships' • 'Focus on the independence of independents' • 'Repair price match program' • 'Senior management has to stay in touch with reality for example meat prices' 	22

Introduction

On Tuesday 23 April 2019, representatives from TIR board, management and members participated in a working session facilitated by Right Lane Consulting.

The objective of the working session was to use the member survey responses to draft TIR's purpose, vision and values statements.

The agenda for the working session was as follows:

- Immerse in our members' experience;
- Articulate our purpose and vision;
- Develop our value and behaviour statements; and,
- Putting it all together

The following slides are the outputs of the working session. **The members workshop on 30 April 2019 will be an opportunity for members to provide further input and feedback on the draft statements.**

Draft purpose and vision statements

Purpose

Support our members to achieve success and sustained growth using the power of the co-operative

Vision

To be a force in Tasmanian [*food / grocery*] retailing with a thriving network [*of local stores*] trusted and favoured by our [*local*] communities

Draft values and behaviours statements

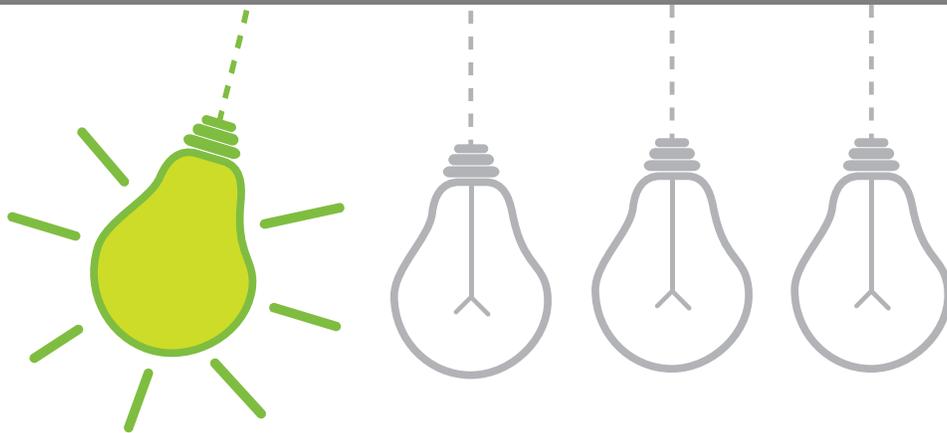
We are here for our members	<ul style="list-style-type: none">• We strive for our members to be successful and profitable retailers• We make business decisions based on the best interests of the member network
We support you	<ul style="list-style-type: none">• We strive for effective and cost efficient delivery of support services• We provide encouragement, guidance and advice for stores to grow their businesses• We act with integrity and professionalism in our dealings with our members
We are open and honest	<ul style="list-style-type: none">• We will build trust through clear two way communication with our members• We will follow through with actions• We will provide consistent and transparent feedback
We grow and innovate	<ul style="list-style-type: none">• We will encourage our people to innovate through training and exposure to new ideas• We will explore the world for new ways to do things• We welcome ideas from our people and members
We care and listen	<ul style="list-style-type: none">• We are here to understand the needs of our members and our people• We will work together to include our members in our decision-making• We treat our members and our people with empathy, respect and fairness

5. Right Lane Consulting; adapted from Patrick Lencioni (2002) 'Make your values mean something' *Harvard Business Review*, Harvard Business School



Make your values mean something

By Patrick m. Lencioni,
Harvard Business Review, July 2002



Adapted by Right Lane Consulting, 2016

1. Understand the different types of values

Too often, executives mistake other kinds of values for core values. The resulting hodgepodge bewilders employees and makes management seem out of touch.

Companies, therefore, should establish some basic definitions to ensure that people know what they're talking about and what they're trying to accomplish. It can be helpful to organise the values into four categories:

'Core' values

- Deeply ingrained principles that guide all of a company's actions
- Serve as cultural cornerstones – inherent and sacrosanct
- Can never be compromised (either for convenience or economic gain)
- Authentic
- A source of a company's distinctiveness

'Aspirational' values	'Permission to play' values	'Accidental' values
<ul style="list-style-type: none"> • Values that a company needs to succeed in the future but currently lacks • Need to be carefully managed so they do not dilute the core 	<ul style="list-style-type: none"> • Minimum behavioural and social standards required of any employee • Tend to be fairly standard across companies within a single sector or industry • Do not help to distinguish you from competitors 	<ul style="list-style-type: none"> • Arise spontaneously and take hold over time • Usually reflect common interests of employees (can be positive or negative)

Remember:

- Values ≠ Aspiration
- Standard 'permission to play' values don't easily set a company apart from the pack

We are aiming to articulate 'core' values

EXAMPLE



One fashion apparel company, the Sak Elliot Luka, initially struggled to distinguish its accidental values from its core. Located in the edgy south of market district of San Francisco, its early employees were single adults who partied on weeknights and owned a disproportionate amount of black clothing; accordingly the company was accidentally imbued with the values of these employees – trendy, youthful and cool.

But as the company grew, two things became apparent to executives: there would be no way to adequately staff the company if only young, hip 'Sak looking' people were hired. And older, married workers who could make great contributions might be inadvertently overlooked. So the company actively worked to help employees understand that hiring only trendy people had nothing to do with Sak's core values of trust (being honest and credible), action (making independent decisions), and ownership (treating the company as if one were a founder). Even 'unhip' people should be recruited, as long as they shared the company's cherished core values. Today the Sak is a truly diverse organisation, and it has broadened its product line to appeal to a much wider market.

2. Be aggressively authentic

Many companies view a values initiative the same way they view a marketing launch – a onetime event. Even executives that take values seriously can sabotage them by adopting blandly nice ideals that fail to differentiate their companies from competitors.

Consider the mother and apple-pie values that appear in so many companies' value statements – integrity, customer satisfaction, teamwork, ethics, quality and innovation.

Values claimed by Fortune 100 companies:

- Integrity (55%)
- Customer satisfaction (49%)
- Teamwork (41%)

While these are inarguably good qualities, such choices hardly provide a distinct blueprint for employee behavior.

EXAMPLE

WEBCORBUILDERS

Webcor Builders, a leading construction management firm in San Francisco, used its core value of innovation as a strategic compass in 2001 when it decided to purchase one of its vendors, a consulting firm that wired construction firms with high-bandwidth technology.

The acquisition might have seemed foolish for a bricks and mortar company in the stodgy construction industry, but it worked. Thanks to Webcor's new business, architects and engineers who formerly relied on telephones and unwieldy blueprints were now collaborating electronically, saving both time and money. According to the CEO the more was 'motivated by our cultural commitment to innovation as much as it was by market opportunity.'

Cookie-cutter values don't set a company apart from competitors, they make it fade into the crowd.



For a values statement to be authentic, it doesn't have to sound like it belongs on a Hallmark card. Some extremely successful companies adhere to tough, if not downright controversial, values.

Aggressively adhering to one's values can create a distinct market position, as well as helping a company make clear, focused decisions.

3. Own the process

To engage employees, many executives roll out employee surveys and hold lots of town-hall style meetings to gather input and build consensus. That's precisely the wrong approach. Values initiative are not about consensus, they're about imposing a set of fundamental, strategically sound beliefs on a broad group of people. Through consensus, a team inevitably seems to choose soft, comfy values that do little to energise people to achieve outstanding results.

The best values efforts are driven by small teams that include the CEO, any founders who are still with the company, and a handful of key employees.

A good values program is like fine wine – it's never rushed. It's far more important for a team to arrive at a values statement that works rather than rush to a decision it may later regret. Ultimately, values must be chosen based upon how they will play out within the corridors of the organisation.

Values initiatives have nothing to do with building consensus – they're about imposing a set of fundamental, strategically sound beliefs on a broad group of people.

How to develop core values

- Don't leave it to HR – this is an important activity that has to involve a cross section of the organisation
- Don't survey staff to identify values
 - This will give voice to people who may not fit the company values in the first place
 - Creates an impression that all input is equally valuable
- Don't rely on consensus – lead from the top
- Remember core values impose a set of fundamental, strategically sound beliefs on a group
- A small team, including the CEO and a handful of key employees, should lead the effort
 - Seek to identify employees who personify the values you want to see
 - Take your time (this is likely to take several weeks and involve a number of iterations)

EXAMPLE



The CEO of pharmaceutical company MedPointe wanted his business to have a unique culture, so he knew better than to make the values discussion a democratic process.

Working with seven top managers, many of whom had helped launch the company, he focused on two core values: a can-do attitude and the tireless pursuit of results. The group chose those values based on an analysis of a few employees who personified qualities that executives most wanted to see adopted through MedPointe's culture. As for those employees who can't embrace or embody these values, he explained 'That's okay. They might be a better fit at another company.'

Executives should discuss values over a number of months; they should consider and reconsider how the standards will play out within their corridors.

4. Weave core values into everything

So let's say you've nailed down the right values to take you to the top. If they're really going to take hold in your organisation, your core values need to be integrated into every team-related process. From the first interview until the last day of work, all team members should be constantly reminded that core values form the basis of every decision the company makes.

After a company has embedded its values into its systems and rewards, it should promote those values at every turn. Given the cynicism surrounding values these days, executives would do well to repeat them every chance they get.

Many companies publicise their values on T-shirts and coffee mugs, but the most effective mechanisms are far simpler and less expensive. Story-telling is an effective means of celebrating the victories in relation to the core values (see Nordstrom example).



Given all the hard work that goes into developing and implementing a solid values system, most companies would probably prefer not to bother. Indeed many shouldn't, because poorly implemented values can poison a company's culture.

Make no mistake – living by stated corporate values is difficult. After all, it's much harder to be clear and unapologetic for what you stand for than to cave into politically correct pressures. And for companies trying to repair the damage of a bad values program, the work is even harder. But if you're willing to devote your time and energy to creating an authentic values statement, there's a better chance that your company will succeed on new levels and stand the tests of time.

EXAMPLE

NORDSTROM

Nordstrom, a well-known example of a values-driven organization, constantly reminds employees of its core value of customer service. New employees are told elaborate stories recounting the lengths fellow employees have gone in order to wow clientele. This reinforces people's belief that they work for an extraordinary company.



Wal-mart also continually communicate its values – often on the verge of corny! From company cheers to computer-based training, the retail giant constantly stresses its core values of excellence, customer service and respect for employees. The entire organisation reinforces the core values through actions.