



Workshop for Senior Executives on The Cooperative Advantage of Doing Business

The Alternative Way to Compete in a Free Market Economy

Wellington, New Zealand, 26–30 November 2007

The Objective

To share the business experience of successful cooperatives for enhancing the competitiveness of cooperative enterprises in the globalized market.

The Background

Over the last few years, corporate marketing culture has dominated the scene of global trade and the trend has been for businesses to distinguish themselves from their competitors and present themselves to a skeptical public in the best possible value ridden delight.

With the growth of globalization and the emergence of new markets, cooperative enterprises too must stake their futures on the values that provide them with unique advantage.

Key among them is their capacity to **respond creatively to the market opportunities left unmet by the corporate sector.**

In the Asia Pacific region, cooperatives are playing an important role in the agriculture, consumer, housing, banking and social sectors as an alternative model for the delivery of services that are vital to their members. In many communities, cooperatives are the linchpins for regenerating local economies and creating viable, sustainable employment through community owned, managed and controlled enterprises.

The basic question is **why are co-ops so invisible in our public discourse and in the public perception?**

Another parallel question is what we do about it, and

why it makes good economic sense for cooperatives to pay serious attention to the link between their cooperative and ethical values and the success of the cooperative enterprises.

There is plethora of evidence to show and prove the ways in which cooperatives distinguish themselves from other business models, particularly investor-owned companies. Unfortunately, the marketing has been redefined as corporate image selling by concealing the content part amidst the glowing mist of the corporate image rather than creating demand.

The domination of corporate imagery ideology over both private and the public spaces in our culture has reached a level where for many of us, the capacity to imagine alternative ways of reorganizing the way of doing business is fast fading away. But the growing consciousness among consumers about the value realization and safety standards may be seen as the blessing in disguise for the cooperatives who have the surest chance of competing by providing more definite answers to the questions of enlightened consumers and setting more beneficial terms to their hard core business partners.

In the present global context, **co-ops must be seen indulging in value-based marketing to show that they care for the individual client, customer, patron and what ever they deal with professionally.** It is now selling an image that is in dire need of repair following well-known accusations that corporates don't give a damn about small enterprises and routinely ignore small producers. **The growing urge of corporates to be customer friendly and loyal has to be seen as a wake up time for cooperatives.** The degree of ignorance regarding cooperatives is exceeded only by the reticence of many

successful cooperatives to advertise them as a co-op. Study after study is showing that the public trusts co-operatives, but given for the taken for granted attitude and unprofessional approach of many cooperative leaders and managers to position themselves in the fiercely competitive market, this trust seems to be confined to the appreciation of fundamental values alone. The corporate sector is now spending millions to fabricate the values which are core to cooperative ideology. But the difference is fundamental and cooperatives have to lay claims to these values as an integral part of their identity without overriding the demands for profits. **No co-op could survive if it were not economically viable but no co-op would be worthy of the name if it did not also fulfill the social mandate.**

The danger is that the corporate world is pre-empting the natural advantage of cooperatives and it not only deceives the public, it blurs the essential distinction between democratically-controlled cooperatives and capital-controlled corporations.

What is deeply inspiring is the enthusiasm that is generated when people see successful co-op enterprises and find it as the maiden experience of discovering a hidden treasure.

It establishes people's innate sense of values and their increasing alienation from false values. It also confirms the fact that people are longing for an economic and social ideal that they can believe in and that is credible. People are not stupid. They are unaware of the alternatives – cooperatives can show them where the opportunity lies.

Cooperatives can show that the values of fair play, client responsiveness, quality service, commitment to community and concern for social and economic justice are not just marketing slogans. Co-ops are living values that are consistent with and indeed follow from the principles that makes co-ops what they are and what investor owned corporations never can be.

Cooperatives have to improve on the efficiency front by adhering to the right standards to work and the right organization in which to work. In order to be efficient, members of the co-op must not only know the standards to which they are expected to work, they must also buy into those standards and work willingly to meet them.

Further, they must work within an organizational context that enables them to meet those standards rather than in an organization, which through bureaucracy or autocracy stifles initiative and prevents people from

achieving targets. There has to be a direct link between efficiency and motivation. Ohmae Kenichi in his book *The Mind of the Strategist*, calls these areas as the “key factors for success”. **A healthy body also requires a healthy mind and that is true of businesses as well as people. Co-ops are the businesses with healthy mind and healthy body.**

Suggested Path

In order to survive in the liberalized global business environment, cooperatives have to be positioned well in the minds of millions of customers who want to have fair deal and a reliable source to deal with. Co-ops, as we all know, ought to be managed professionally to optimally exploit the cooperative advantage, earn brand equity and showcase corporate social responsibility.

There are a number of different complimentary ways in which the cooperatives might influence the environment in which the business is undertaken and improve the share of cooperatives in mainstream trade and commerce activities:

- a. Enhanced capacity of cooperatives to enable businesses to thrive and compete in the globalize market.
- b. Integrate value chain into the operations to provide a greater all round benefits to the buyers and suppliers.
- c. Increased market access through increased inter-cooperative trade and brand positioning through legendary brand ambassadors like country heads who come from co-operative sector, co-op thinkers of eminence, academicians who have promoted the co-op ideology, successful co-op leaders and influential politicians who are ardent supporters of co-operatives.

Looking at each of these three approaches, we can build up a picture of the challenges required to enable the growth of co-operatives in globalize set up.

The successful cooperatives must try to show others that the cooperatives are the best option to: (a) compete locally and globally; (b) empowering the members; and (c) creating a just and equitable society where self-regulation, self-help and mutual assistance are recognized as the nucleus of individual dignity and commercial harmony that would form the basis for the trade at global level in coming decades.

VENUE



INTERCONTINENTAL WELLINGTON

INTERCONTINENTAL WELLINGTON

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Check-In Time : 02:00 PM

Check-Out Time : 10:00 AM

Local Time : GMT+12:00

Currency : NZ Dollar (US\$1 = NZ\$1.44)

Tariff : \$269.00 including GST per night, inclusive of breakfast for one.

\$289.00 including GST per night, inclusive of breakfast for two.

Downtown Info: Wellington (0.5 km/0.31 miles)

Area Airport Info: Wellington Airport (WLG)

* Distance: 10 km/6.21 miles NE

* Taxi fee: NZ\$29.00

* Time by taxi: 15 minutes

Attractions:

* Te Papa (1 km/0.62 miles)

* Parliament (1.8 km/1.12 miles)

* Cable Car (0.5 km/0.31 miles)



- * Lambton Quay Shopping (0.5 km/0.31 miles)
- * Karori Wildlife Sanctuary (5 km/3.11 miles)
- * Victoria University (1 km/0.62 miles)
- * Westpac Trust Stadium (1 km/0.62 miles)
- * Botanic Gardens (5 km/3.11 miles)



REGISTRATION

Registration Fee NZ\$180 NZCA member co-ops • NZ\$450 non-members

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Proposed Workshop Programme

26th Nov., Mon.	:	Arrival of participants
27th Nov., Tue		
08:00–09:00	:	Registration
09:00–09:30	:	Inauguration – Hon. Lianne Dalziel, New Zealand Minister of Commerce
09:30–10:00	:	Tea break
10:00–16:20	:	Technical Sessions: Presentations on The Cooperative Advantage of Doing Business by the following leading business cooperatives from the Asia Pacific Region
10:00–10:40	:	Ballance Agri-Nutrients, New Zealand
10:40–11:20	:	AMUL, India
11:20–11:40	:	Tea break
11:40–12:20	:	IFFCO, India
12:20–13:00	:	JCCU, Japan
13:00–14:00	:	Lunch break
14:00–14:40	:	NACF, Korea
14:40–15:20	:	UCCS, Kuwait
15:20–15:40	:	Tea break
15:40–16:20	:	SNCF, Singapore
16:20–17:00	:	Wrap-up and briefing on group discussions
28th Nov., Wed.		
09:00–13:00	:	Group discussions on following topics: Group 1: How to Link the Cooperative Advantage to Business Group 2: How to Effectively Serve our Members and Community
13:00–14:00	:	Lunch break
14:00–15:00	:	Presentation of group reports
15:00–15:30	:	Discussions on the group reports
15:30–16:00	:	Tea break
16:00–17:00	:	Plenary & Conclusion
29th Nov., Thu.	:	Field visits
30th Nov., Fri.	:	Optional: Lunch with the New Zealand Cooperatives Association following their Annual General Meeting
1st Dec., Sat.	:	Departure of participants

The presentations and the deliberations at the workshop will help achieve the following:

1. Personnel and HRD Policy direction for cooperatives and types of interventions required in building the capacity of the managers and members of the cooperatives to compete better and effectively;
2. Business development strategy to serve the customers reasonably well in a cost-effective manner and strengthen the sustainability of the co-op enterprise; and
3. Alternative ways to position the co-op brand image and build co-op brand equity globally.