COOPERATIVES – THE BEST DEAL IN TOWN

Using The Fish Theory to Develop a Sales Marketing Program in Today’s Market
NOW – LET'S TALK ABOUT FISH!!!!

- Working in a Fish Market may not be too fun and may be a tad boring.
- The employees may be unmotivated and may just be performing the work functions that are required.
- People will buy their fish – but how do you make the people happy that they bought the fish.
- WELCOME TO THE WORLD FAMOUS PIKE PLACE FISH MARKET

THE FISH MARKET

- What are the keys to the success of the market?
  - It appears that each of the fish mongers really want to be there.
  - The people that are there to purchase are smiling.
  - The people that are there to purchase feel that they are involved in the purchase and that they are comfortable with their purchase.
  - The fish mongers are available to the customers at all times.

THE FISH MARKET

- In summary, the four "keys" to the success are:
  - Choose your attitude
  - Play
  - Make their day
  - Be Present
### Cooperative's Current Status - Tough Questions

- Does the Cooperative currently purchase the member's share when the member issues a termination notice?
- If so, what is the current transfer value?
- How long does it then take the management to sell the membership to an incoming member?
- Is the Cooperative selling the membership fee for the amount that is detailed in the bylaws or is the Cooperative?
- Is the incoming member paying the entire membership fee or are they entering a payment plan to pay over time?

### More Tough Questions:

- If the Cooperative does not buy back the membership fee, is the management office assisting the member in selling the membership share?
- Is there a sales fee attached to the assistance?
- Is the sales fee charged to the member at move out?
- If there is no assistance, how is the Cooperative working with the member to assist in the sale of the membership share?

### Even More Tough Questions:

- How many homes are currently vacant?
- How many membership shares are available for sale?
- How many notices has the Cooperative received for move-outs within the next thirty days?
- Sixty days?
- Ninety days?
- Do you have a qualified waiting list?
- How strong is it?
- Do you have deposits from applicants on the waiting list?
EVEN MORE TOUGH QUESTIONS

- Does the Cooperative have a screening policy?
- Does the Cooperative have a membership or screening committee?
- Who performs the initial review of the potential applicant?
- What information is given and reviewed by the membership committee?
- Who has final say?

EVEN MORE QUESTIONS

- Does the Cooperative have an orientation committee?
- Has the orientation committee published written material that can be given to incoming members?
- Does the orientation committee meet with the incoming member so that they can understand the advantages and disadvantages of a Cooperative?

NOW THAT WE KNOW THE ANSWERS—WHY DO WE NEED A MARKETING PLAN?

- Compete Against HIGH END Rentals
- Compete Against Homeownership Sales
- Competition Against Subsidy Programs
- The Other "guy" has a better product
- Convince the Next Member that your Cooperative is his/her best option
USE THIS PHILOSOPHY IN THE MARKETING PLAN

- Always be cheerful when addressing each guest – Remember – you are having a good time
- Create a “fun” environment
- Make the client feel like they are the only client in the world
- Be available to answer any and all questions
- Use these steps in the development of the marketing plan

THE MARKETING PLAN

- The Cooperative should develop a marketing plan to compete against the “other guy”
- WHO IS THE OTHER GUY

CONVINCE THE NEXT MEMBER: DEVELOPING A MARKETING PLAN

- Why should the next member Invest?
- I am buying a share in WHAT?
- What are my potential benefits?
- What are my potential Risks?
- What is my potential Equity Gain?
- What are my rights as a shareholder?
- What can the Cooperative Offer to me as the Incoming Shareholder?
- Why should I purchase here as opposed to the Cooperative down the road or in the next block
A Sample Marketing Plan Example: The Strategic Marketing Plan Outline.

10/20/2004 6:04:42 AM

A marketing plan is as important to the business as the "wind pipe" is to the newborn baby.

For the baby, a strong and healthy "wind pipe" means sufficient supplies of oxygen to nourish and sustain their growth.

Without a strong and healthy "windpipe," a newborn may require medical treatment, hospitalization and even surgery to get the necessary amounts of oxygen to their lungs.

For the business, a marketing plan is the "wind pipe" that supplies the enterprise with customers and revenue keeping it alive and well.

Ultimately, a business is only as healthy and strong - profitable - as its "wind pipe" or its marketing plan. Every business owner should care for their company's health like they would care for the health of a child. From conception through birth; infancy through adolescence; both the business and the child's health are sensitive to their environment. Both require constant attention, care, supervision and regular "check ups" to insure they grow and mature properly.

As with the child, a company's strength is dependent on the health of its plans and systems.

As a parent to premature twin boys, health, "wind pipes" and "check ups" are topics close to my heart.

My twin sons Edward and Phillip were born thirteen weeks prematurely and came without any advance warning. Weighing just one pound fifteen ounces and two pounds one ounce respectively, they weren't capable of drawing breath on their own.

Edward spent three months and Phillip spent the first five months of his life in a neonatal intensive care unit.

As you can imagine, the trauma of not knowing from hour to hour or day to day whether they were going to live or die was unbearable.

By their first birthday, my sons still weren't completely healthy. I had racked up $1 million in medical bills and countless sleepless nights. My wife and I were doing everything we possibly could for them and it still wasn't enough...

The Education Begins

At twenty seven weeks gestation, a newborn's lungs aren't fully developed.

From the moment my sons were born, both required a ventilator, supplemental oxygen and steroids just to breathe. Edward was ultimately weaned off life support equipment and medication. However, Phillip's lungs sustained damage from his premature birth. He required supplemental oxygen and was intubated - oxygen was forced through a tube down his throat for nearly seven months.

This process caused severe damage to his trachea or "wind pipe."

To eliminate further damage to his trachea from intubation, he was given a tracheostomy. From that moment forward, his lungs were supplied with their oxygen needs through a hole in Phillip's throat.

What does my son's hospitalization have to do with getting more customers and growing a business?

Raising children and running a business are similar in many ways. Whether you're playing the parent or manager, both roles require your time, undivided attention, energy and resources... Both children and businesses require substantial emotional and financial commitment. Although both can be tremendously rewarding, they can often demand more from you than you can possibly give...

As Edward eventually overcame his breathing problems, Phillip's breathing problems persisted.

From the moment Phillip was born, my wife and I were resigned to the fact we had to rely on the expertise of others - his doctors for his care. In the first year alone, we consulted seven medical specialists at four different hospitals. Because his medical conditions affected different parts of his body, each complication required a specialist.

With each new medical problem, I would have to ask the appropriate physician what Phillip's treatment options and risks were. In each case, no single doctor oversaw or was in charge of evaluating how treatment of one problem would effect the treatment of the others. This lapse in strategy - all of his problems were treated individually and not as a whole - left my wife and I helplessly in the center of every decision making process.

As Phillip's complications continued, our belief in his doctors' vehement prognosis that he would outgrow his problems became more and more difficult to reconcile with the fact his condition had not improved and was getting worse. With little improvement in Phillip's condition and a great deal of soul searching, my wife and I realized Phillip's doctors didn't have his "cure."

What do you do when you rely on someone for the "cure" and you don't get it? How many chances do you give them before you seek help elsewhere?

What would you do if your child's health depended on professionals whom you couldn't depend on anymore? On Phillip's first birthday, I finally concluded his doctor's didn't have the answers we needed.

How? I asked a direct question: Have you successfully treated or cured problems like Phillip's before? Their answer wasn't convincing. How could we expect to get a cure from someone who had never produced one before?

With nothing left to lose, we decided to get a second opinion.

Graduation Day

In Phillip's case, we decided seeking a second opinion wouldn't hurt us any more than watching him suffer had. We were still optimistic we could find a cure.

As a marketing consultant, I am usually contacted by a business owner after they too have concluded the treatment they were getting wasn't quite the "cure" they had hoped for.

At this point in Phillip's care, we had already seen seven different doctors at four hospitals - and time was running out. With Phillip's health at stake, we decided to "forget the rest and get the best." Looking for the best medical care for my son sparked in us the hope for new possibilities. Miraculously, we stumbled onto the interdisciplinary approach to medicine.

We found a group of specialists who worked together as a team to cure all of a child's medical problems at the same time within one hospital. This unique approach to treating medical problems is called the interdisciplinary team approach. With one call to their office, we had scheduled our appointment and were on our way.

After a year of waiting patiently for Phillip to realize his previous doctor's prognosis and
"Outgrow" his condition and after only three hours of examination by his new interdisciplinary team of doctors, we were informed Phillip would never outgrow his condition.

What a relief... having lived with the disappointment of him not outgrowing his breathing problems, we were then shown the medical reasons why he wouldn't outgrow them.

Microscopic pictures revealed Phillip's "wind pipe" had been permanently damaged beyond repair in five places.

More importantly though, we were given a new medical plan, corrective surgery options and an optimistic prognosis for Phillip's recovery.

Phillip's life was about to take a dramatic turn for the better...

Experience Pays

How did we know the advice we were getting this time was any better than what we had already received? To paraphrase a French philosopher - "the reason offered by the strongest is always the best."

How did we know these doctors were the strongest?

A problem clearly defined is halfway solved! Up until meeting his new doctors, no one had ever clearly articulated what Phillip's problems were! If you can't put your finger on the problem, how can you solve it? Once we were shown detailed pictures of his problems and heard their recommendations of how to solve them, we knew we had found the "cure."

In hindsight, the advice we got at first was academic, based on theory not actual experience.

Don't get me wrong - Phillip's doctors weren't inexperienced - they were experienced. They just weren't experienced in treating complex medical problems like Phillip's. Individually and collectively, Phillip's original group of doctors had only treated ten cases like his.

Phillip's "cure" came from his interdisciplinary team's academic mastery and their substantial experience treating problems like his. Combined, his interdisciplinary team of doctors had successfully treated one thousand similar cases!

Phillip's first group of doctors had enough knowledge to treat his problems. His interdisciplinary team of doctors' knowledge combined with their experience treating one thousand similar cases gave them the power to identify and cure his problems.

An Ounce Of Prevention ...

When I am called to evaluate a prospective client's business, numerous "cures" have usually been "prescribed" and "surgeries" performed by past or present staff.

Usually their "treatments" simply hid the source of the problem and did nothing to repair or replace the faulty underlying business plan. Often businesses are even left to "outgrow" their problems.

Like Phillip's experience with his first group of doctors, sometimes problems are beyond a person's capacity to successfully treat let alone identify and cure.

A Pound Of Cure

To get more customers through your doors and profits to your bottom line, your business must first have a healthy and strong "wind pipe" or marketing plan.

In most established enterprises, operations and finance systems are usually the strongest processes while the marketing plan is usually the weakest. Few if any resources are consistently directed toward adding and retaining customers, yet the steady flow of new and repeat customers is the oxygen that keeps a business alive.

A healthy, strong marketing plan has six components. Almost any business weakness can be
strengthened by initiating and installing one or more of the following six processes:

A Marketing Plan Example: The Strategic Marketing Plan Outline Includes

- Marketing Research and Analysis
- Customer Retention
- Public Relations
- Strategic Marketing
- Database Marketing
- Direct Marketing

Making these processes part of your regular business operational procedures will insure your "wind pipe" is constantly full of new and repeat customers. If you aren't using all six of these strategic marketing processes, how can you expect your business to stay healthy or grow?

More than likely, your business got to its present size by using just one or two of these marketing processes.

Imagine what would happen to your business if you were applying all six of these marketing processes...

Shouldn't the health and well being of your business be just as important to you as a child's health is to his parents?

Now is the time to give your business a "check up." Get a second opinion.

At the very least, a "check up" will confirm what you already know. At best, a second opinion may surprise you with the cure...

For information how to write a marketing plan visit the Marketing Software part of this site to download more information about tools for constructing Marketing Plan that is guaranteed to produce Marketing Breakthroughs.

A Strategic Marketing Plan Example:

1. Executive Summary
   a. Synopsis of Situation
   b. Key Aspects of the Marketing Plan

2. Situational Analysis
   a. Market Characteristics
   b. Key Success Factors
   c. Competition and Product Comparisons
   d. Technology Considerations
   e. Legal Environment
   f. Social Environment
   g. Problems and Opportunities

3. Marketing Objectives
   a. Product Profile
   b. Target Market
   c. Target Volume in Dollars and/or Units

4. Marketing Strategies
   a. Product Strategy
   b. Pricing Strategy
   c. Promotion Strategy
   d. Distribution Strategy
   e. Marketing Strategy Projection
5. Appendices

6. References

To learn more about our Marketing Plan Example or The Strategic Marketing Plan Outline visit the Marketing Products Catalog section of this site.
The Principles of Marketing: Marketing Principles

10/20/2004 6:04:05 AM

The 4 Principles Of Marketing (4 Ps)
by Tim Cohn
Marketing Consultant
www.marketingprinciples.com

"Marketing and innovation are the two chief functions of business. You get paid for creating a
customer, which is marketing. And you get paid for creating a new dimension of performance,
which is innovation. Everything else is a cost center."  Peter Drucker

E. Jerome McCarthy originally wrote his classic book Basic Marketing which defined the 4 Ps of
Marketing or as I call them the 4 Principles of Marketing. The 4 Principles of Marketing are a
good starting point for developing your marketing plan.

The following are my interpretation of E. Jeromme McCarthy's 4 Ps (4 Principles of Marketing):

Marketing Principles #1

Product

Individual goods, product lines, or services.

Strategy: This is obviously the most important part of any business. In order for a product or
service to succeed, it must offer clear, distinct and non-arguable value to the buyer. Supply and
demand are the judge and jury.

Tactics: Includes features, accessories, installation, instructions, service, warranty, packaging,
and brand names.

Marketing Principles #2

Place (Distribution Channels)

Getting the product or service to the customer.

Strategy: The saying - location, location, location holds true for new products more so than any
other type of product. If consumers don't know your product exists - how can they buy it?

Tactics: Channels, distribution systems, middlemen, warehousing, transportation, fulfillment, and
shipping.

Marketing Principles #3

Price

Strategy: Price meets it own demand. Price points are a function of the degree of innovation
found in the product. The more innovation and thus value added, the more latitude you have in
setting a price.

Tactics: Setting a price that serves the customer well and maximizes profits to the company is a
must.
Price flexibility, level pricing, introductory pricing, discounts, allowances, geographic terms.

Marketing Principles #4

Promotion
Communication with the customer

Strategy: Communication is defined as: Message sent. Message received. Message acted upon. If the product has been designed with customer desires and needs in mind, the communication necessary for getting a customer to pay for the product is already known and replicated in the media used to reach them.

Tactics: Personal selling, mass selling, sales promotion, sales personnel, advertising, media selection, copywriting.

Principles of Marketing Summary

A marketing plan takes considerable effort to understand and characterize the market, the customer, and the environment in which you are conducting business. The marketing principles are the controllable component of your marketing plan. A final way to look at this is external factors vs. internal factors:

* External / Uncontrollable—The current economic environment includes elements such as consumer confidence, degree of unemployment, new technologies that threaten to displace your own, competitors that suddenly appear on the horizon, government regulations thought up by your favorite legislator, and changing consumer preferences. You can’t control these.

* Internal / Controllable — The 4 marketing principles represent elements of your marketing strategy that you can control. They depend upon such known factors as your budget, personnel, creativity, etc. It is ultimately your responsibility to influence and control these.

To learn more about Marketing Principles or to buy Marketing Principles Products visit the Principles of Marketing Catalog.

Advanced Marketing Consultants

6403 NW GRAND BLVD, SUITE 208 NICHOLS HILLS, OK 73116 USA
TEL: 405-643-0169

Web Marketing Strategies | Marketing Plan | Target Marketing | Marketing Strategies | Company Marketing | Marketing Research
Marketing Strategies PDF | Marketing SWOT Analysis | Marketing Tools | Database Marketing | Marketing Software | Customer Marketing | Free Email Newsletter | Pricing Strategies | Microsoft .Net Framework | Marketing Course | Marketing Case Analysis
Marketing Analysis | Marketing Myopia | IMI | Marketing Definition | Marketing Services | Marketing Solution | Marketing Materials
Strategies | Marketing News | Google Adwords Marketing | SME Marketing | Principles Of Marketing | Tim W. Cohn Curriculum V
Marketing Communications | Link Building Service | Search Engine Marketing | DMOZ Open Directory ODP | Web Site Market
Adwords | Research On Google Adwords | Google Adword Management | Targeted Marketing | Google Adword Agency | IBM Par
Tool | Marketing Mastery

Contact AMC | Marketing Consultancy | AMC | Marketing Solutions | Tell A Friend | Privacy And Term

MARKETING PLAN - GET THE WORD OUT

- Walk Ins
- Word of Mouth
- Web page/Internet
- Waiting List Management
- Advertising
- Direct Mailings
- Networking
- Using your centers of influence
- Money
- Other

WALK INS

- Who is the first person that a potential applicant see?
- Who is responsible for selling the membership shares that are available?
- What is their title?
- Is the marketing representative a real estate sales licensee?
- Is the marketing representative trained?
- Who fills in if the marketing representative is gone?
- Is you current marketing representative a CLOSER?

WORD OF MOUTH – GET THE WORD OUT

- What does the community think of your Cooperative?
- What does the local politician think of your Cooperative?
- Is the "WORD" good or bad?
- If good, how do we promote the WORD.
- If bad, how do we change the perception?
- How to convince the next member that this is their next home.
What's New
- Legislative Issues
- What's New
- Calendar
- Annual Conference

Living in a Housing Cooperative

As a cooperative homeowner, you have certain rights and responsibilities. These are outlined in your cooperative's documents, which typically include articles of incorporation, bylaws, proprietary lease, occupancy agreement, subscription agreement, and house rules. As a shareholder, you have a right to elect board members, to remove board members, and to amend the bylaws. You also have the responsibility to pay your monthly charges on time as well as follow all other rules and regulations of the cooperative.

Video: Stabilizing Neighborhoods and Enhancing the Quality of Life

Video: Maximizing Autonomy for Seniors and Others with Special Needs

Individual
- Finding Co-ops
- Loans to Buy into a Co-op

Membership
- Benefits & Services
- Information
- Member Associations
- Publications
- Education & Training
- Awards
- Registered Cooperative Manager Program

Cooperatives
- Directors Code of Ethics
- Finding A Co-op Professional
- Cooperators Spotlights
- Young Cooperators
- Helpful Tips
- Glossary

Professional
- Advertising with NAHC
- Links
- Site Index
- FAQs
- Contact Us
- Home

Here are some commonly asked questions from residents in housing cooperatives:

Do I need homeowners insurance?
Yes, you need a special policy (HO-6), which is similar to renter's insurance. Your co-op generally carries a blanket insurance policy that covers damage to the cooperative's property from fire, water, or other disasters. However, this policy generally does not cover any damage to personal belonging inside your unit. Additional insurance is recommended to cover your personal possessions and for your personal liability in the event of an accident in your home.
How do property tax deductions work for cooperative homeowners?

Co-op housing residents have the same potential tax benefits as other homeowners, including taking their share of the mortgage interest and real estate taxes as a deduction on Schedule A of their 1040 federal income tax return. The deduction can be substantial but only if your co-op is able to pass the deduction to its members (complicated rules apply to co-ops with substantial commercial income), and you itemize your deductions on your tax return. If your co-op is able to pass through the deduction, you should receive notification from them of the amount by January 31st of each year. Section 216 is the section of the Internal Revenue Code that allows pass-through of mortgage interest and real property tax deductions from the cooperative housing corporation to the shareholders. You can find more information about it on the IRS website.

Am I responsible for capital gains taxes when I sell my membership/share?

By act of Congress, co-op shareholders are treated the same as single family homeowners when they sell. If your co-op has been your primary residence for two of the five years prior to selling, the first $250,000 ($500,000 if married) of gain is excluded from federal income tax. You can use the exclusion more than once.

Like single family homeowners, if, for some reason you do not meet the residency requirement when you sell (such as having to sell in the first two years of ownership), you should consult your tax advisor because you may be liable for taxes on all or a portion of any capital gain that you realize upon sale. Capital gain is calculated by adding the cost of

14
capital improvements to the original purchase price and then subtracting that adjusted basis from the selling price. Contributions to capital repair reserves are treated as if they were capital improvements, so keep records of information from the co-op each year. Tax laws change frequently and are re-interpreted by IRS and the courts from time to time, so ask your tax advisor for specifics before buying or selling.

Can I rent out my unit?
Some co-ops are generous in allowing subletting, but most cooperatives severely restrict subletting in order to preserve the owner/occupant character of the community. Co-ops that do allow subletting often have restrictions on the length of time for which you may sublet. Be sure to check what the policy of your co-op is. The policy can usually be found in your occupancy agreement or proprietary lease.

What are my rights and responsibilities as a cooperative member?
As a democratic organization that follows the cooperative principles, cooperatives give you a vote in the operation of your co-op. The rights and responsibilities of shareholders are set forth in the various co-op documents, including the bylaws, occupancy agreement/proprietary lease, and articles of incorporation. All shareholders are entitled to copies of these documents. You can request them from your co-op's office or from your co-op's management. If the co-op doesn't have a manager, ask the president or secretary.

If you're a shareholder in New York, visit www.oag.state.ny.us for guidance from your attorney general's office.
WEB PAGE/INTERNET
- Develop your own web page
- Set up your listing as a yellow page item under a
certain category that can be used as a key word.
- Set up your Cooperative under the web page of
  the National Association of Housing Cooperatives
- Midwest Association of Housing Cooperatives
  - Link
  - Pictures

WAITING LIST MANAGEMENT
- When is the last time the waiting list was
  reviewed?
- How many names are on the waiting list?
- How long have the names been on the
  waiting list?
- Do the applicants on the waiting list meet
  the requirements?
- Do the applicants on the waiting list still
  meet the requirements?
- Manage the waiting list

ADVERTISING
- Do you currently have an advertising
  plan?
- Do you need an advertising plan?
- Where should you advertise?
  - Newspaper
  - Local Shopping Guide
  - Flyers
- Do you have an affirmative marketing
  plan?
Cooperatives from AOL Yellow Pages

Lansing, MI 48911 | Change Location
Village Townhouse Co-Op 517-882-3461 Lansing
Rivendell House Inc 517-486-6520 Lansing
Elsworth Cooperative 517-337-3236 East Lansing
Raft Hill Co Op 517-337-2977 East Lansing

Sponsored Links: Provided by a third party and not endorsed by AOL
What is a Sponsored Link?

- Cooperatives - Discount new & used items. affil Search for cooperatives now!
  http://www.eBay.com

Matching Sites: Page 1 of 50201
Enhanced by Google

- University of Wisconsin Center for Cooperatives - Home - University of Wisconsin Center for Cooperatives studies and promotes cooperative action as a means of meeting people's economic and social needs. ...
  http://www.wisc.edu/uwcc/

- Welcome to Center for Cooperatives - Despite extensive support from the cooperative community, funding from the University of California for the Center for Cooperatives ceased on January 5, 2004. ...
  http://cooperatives.ucdavis.edu/

- National Council of Farmer Cooperatives - NATIONAL COUNCIL OF FARMER COOPERATIVES Representing America's Farmer-Owned Businesses Since 1929. ...
  http://www.ncfc.org/

- NAHC - National Association of Housing Cooperatives - Welcome to the website of the National Association of Housing Cooperatives, your source for information on housing cooperatives. ...
  http://www.coophousing.org/

- IA Coops - Iowa Institute for Cooperatives - Co-ops are Everywhere! Four out of every ten Americans have come to depend on cooperatives for a range of goods and services. There ...
  http://www.iacoops.org/

- http://csf.colorado.edu/co-op/ - http://csf.colorado.edu/co-op/

- COPAC Home Page - www.copacgva.org - Committee for the Promotion and Advancement of Cooperatives ...
  http://www.copacgva.org/

- Council of New York Cooperatives and Condominiums - Welcome to CNYC. The Council of New York Cooperatives & Condominiums. 32B-32J Contract BENEFITS COSTS INCREASE IN ALL 32B-32J BUILDINGS. ...
  http://www.cnyc.com/

- Euro Coop - European Community of Consumer Cooperatives - Euro Coop, cooperatives, consumers, Euro Coop, enterprises, representation, distribution, Euro Coop, commerce, sales, Rochdale, Euro Coop, organisation ...
  http://www.eurocoop.org/

- Welcome to Texas Electric Cooperatives, Inc. - systems. Visit our TEC Utility Supply & Service Web Site and TEC Treating Division Web Site. Texas Electric Cooperatives, Inc. 2550 ...
  http://www.texas-ec.org/
Village Townhouse Co-Op
Average Rating: Not Rated
5937 Haverhill Dr
Lansing, MI 48911
Main Phone: 517-882-3461

Additional Information
This Listing Appears in These Categories:
• Apartments
• Cooperatives

Ratings & Reviews
Average Rating: Not Rated (based on 0 ratings)
Information Finding Co-ops

Housing cooperatives are quite common in certain parts of the country such as New York City, Washington, D.C., and Chicago but can be harder to find in other areas. Often your local yellow pages will list co-ops under the apartment section. Our region member associations may also provide information. Some co-ops have chosen to be listed on our website below for an annual guide. Click below for a National Guide.

If you are interested in living in a co-op, keep in mind that costs for buying into a co-op can vary greatly depending on the type of co-op, neighborhood, and amenities. Some limited-equity co-ops have maximum income eligibility requirements. If you've previously lived in a cooperative, don't assume that another co-op will be similar to the one you are familiar with. Be sure to ask right questions to make sure you understand the policies and costs of the co-op.

### Cooperatives

<table>
<thead>
<tr>
<th>Location</th>
<th>Type</th>
<th>NA Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottsdale, Arizona</td>
<td>Market-rate</td>
<td>YES</td>
</tr>
</tbody>
</table>

### Arizona

**Scottsdale East Homes, Inc.**

www.sehcoop.com

284
<table>
<thead>
<tr>
<th>Location</th>
<th>Name</th>
<th>Address</th>
<th>Contact</th>
<th>Units</th>
<th>Type</th>
<th>Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>St. Francis Square Cooperative</td>
<td>San Francisco, California</td>
<td>300</td>
<td>Market-rate</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>1261 La Vista Cooperative</td>
<td>Atlanta, Georgia</td>
<td>70</td>
<td>Limited-equity</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Illinois</td>
<td>Cedarwood Cooperative</td>
<td>Park Forest, Illinois</td>
<td>544</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan</td>
<td>Branford Townhouses Cooperative</td>
<td>Taylor, Michigan</td>
<td>369</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Is your cooperative interested in being listed on the NAHC website? Find out more about how you can get posted here.
Rates for Website Listings

Rates for being listed on the NAHC website are below. If you are interested in being listed on the NAHC website, please contact the NAHC office.

<table>
<thead>
<tr>
<th>Membership</th>
<th>NAHC Members</th>
<th>Non-members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 50 units</td>
<td>$50 per year</td>
<td>$150 per year</td>
</tr>
<tr>
<td>51 or more units</td>
<td>$100 per year</td>
<td>$300 per year</td>
</tr>
<tr>
<td>Professional Firms</td>
<td>$150 per year</td>
<td>not available</td>
</tr>
</tbody>
</table>
DIRECT MAILING
- What is your Cooperative’s message?
- How do you communicate the message?
- What specific information should be included in the mailing?
- Where should the mailing be sent?
- How do we track the mailing?
- How do we find out if this method will be useful?
- Use the opportunity to find out about perception.

DEVELOPING A NETWORKING SYSTEM – GET THE WORD OUT
- "Networking" can be defined as structured, planned approach to identifying prospective members through referral sources.
  - National Association of Housing Cooperative Conferences
  - Midwest Association of Housing Cooperative Conferences
  - Be A Speaker
  - Rent a Booth

CONTACT YOUR CENTER OF INFLUENCES – GET THE WORD OUT
- Center of influences can be defined as, "people and groups of people whom you regularly interact in a personal and professional capacity.
  - Local Banker
  - Local Church
  - Local Non-Profits
  - Parent Organization
  - AFR
  - IBEW
  - NAHC
  - HACI
  - Local Clubs, such as Kiwanis Club, Lions, Eagles, etc.
WHERE DO WE GET THE MONEY?

- Does the Cooperative currently have an item in their overall budget for the development of a marketing plan?
- If not, it is budgeting time right now.
- The Cooperative Board needs to review the need for a marketing plan and must work with the management agent to determine what will be the best method to achieve the goals that have been set.

Collect Information

- Find out about local real estate trends
- Find out what is happening in the area and how the sales team can tap into the event and set up a marketing table or offer brochures
- Document events or trends for tracking purposes
- Watch for changing demographics in the immediate area

Intelligence Gathering

- Determine what your current members need by asking the members to complete surveys in order to develop a retention program.
- Hold orientation meetings for potential members and determine what it is that the members may need in the future by developing a questionnaire that they can complete when they come into the office for information.
- Attend local neighborhood and city council meetings to determine the future of the neighborhood and the city.
- We asked before — but the Board needs to determine if the general public is impressed with the Cooperative.
- Do the potential members have the impression that your property would be a good place to call home.
- How do you create a positive attitude toward your Cooperative?
LET'S TALK ABOUT THE MARKETING REPRESENTATIVE

- Is the marketing representative GLAD to be at work and does she/he enjoy their job?
- When a potential applicant walks in the door, what is the immediate feeling in the office?
- Does the marketing representative smile and greet the incoming guest?
- Do the potential applicants feel like they are at home and that they are having a good time – Do they want to stay?
- If the incoming applicant happy that they came in – if they are happy, they will fill out an application.

NOW – YOU HAVE THE ANSWERS

- Now that you have the answers:
- Now that you have scoped out the competition
- Now that you have analyzed the personalities in your office
- Now that you have researched and developed a working “white paper”
- Let us use the “fish theory to help us develop the marketing plan

THE FISH MARKET

- Remember – IN THE FISH MARKET, the four “keys” to the success are:
  - Choose your attitude
  - Play
  - Make their day
  - Be Present

  HOW WE CAN WE APPLY THESE KEYS?
CHOOSE YOUR ATTITUDE
- The fish guys choose their attitude each day
- "When you are doing what you are doing, who are you being?"
- Are you being impatient and bored?
- OR - are you being "world famous"
- You are going to act differently if you are being world famous
- Who do we want to be while we do our work?

PLAY
- The fish guys have fun while they work
- Fun is energizing
- Play makes you happy
- Happy people treat others well
- Fun leads to creativity
- When you are having fun, the time passes quickly
- Having a good time is healthy
- Work becomes a reward and not just a way to reward
- Energy is contagious
- IT IS OKAY TO ACT LIKE A KID

MAKE THEIR DAY
- The fish guys include their customers in their good time
- The fish guys engage their customers in ways which create energy and goodwill
- Who are our customers and how can we engage them in a way that will make their day?
- Know what the customers want so YOU CAN MAKE THEIR DAY.
- How can we make each other's day?
BE PRESENT
- The fish guys are fully present at work
- The fish guys pay attention to the needs
- The past is history
- The future is a mystery
- Today is a GIFT
- That is why we call it the "PRESENT"
- We need to be present for each other and for our current members and our future members

PUTTING IT ALL TOGETHER
- How do we begin to implement some of the ideas that are brought to us by the fish market?
  - Surveys
  - Flyers – encouraging a fun environment – almost saying "COME AND PLAY WITH US"
  - The current members will want to stay – they like coming to the office and they like living there.
  - The future members can not wait to move in

PUTTING IT ALL TOGETHER
- Four teams
  - A. Choose your attitude
  - B. Play
  - C. Make their day
  - D. Be Present
- Each team must come back to the group with three to five ideas as to how they would implement their assignment in their community
CLOSING COMMENTS

- SMILE - JUST CAUSE

- INTRODUCE YOURSELF TO FIVE PEOPLE YOU DO NOT KNOW - TELL THEM TO HAVE A GOOD DAY AND FIND OUT IF THEY ARE HAVING A GOOD CONFERENCE

- THE PARTICIPANTS THAT BRING ME FIVE NAMES AND PHONE NUMBERS - WILL BE IN THE DRAWING FOR THE FISH BOOK
Cooperative marketing in the new millennium

Randall Torgerson,
Deputy Administrator
Cooperative Services
USDA Rural Development

Structural change in the food and agricultural industries in the last quarter of the 20th century was phenomenal and appeared to be accelerating as we approached 2000. It even piqued the interest of Congress, where a bill was introduced to place a moratorium on mergers, acquisitions and consolidations - but the bill excluded cooperatives! Despite the bill's defeat in November 1999, it clearly defined public concern over concentration and other structural changes in the food and agricultural industries.

Farmer interest in structural change revolves around: (1) the growing disparity in market power between farmers and their suppliers and buyers; (2) the inevitable loss of market access as concentration accelerates; (3) the market challenge of competing with lowcost imports produced under conditions of fewer environmental, food safety and labor controls than are faced by domestic producers; (4) the increasing use of production contract terms that alter the entrepreneurial role of producers; and (5) the growing use of genetically modified organisms and related production and marketing controls placed on them by property-right owners. These issues suggest that producers must assume more control of their industry by working together through the development of effective cooperatives and a coordinated cooperative system.

An important opportunity, if farm operators are to have more control over their industries, is to make better use of
provisions of the Capper-Volstead Act of 1922. It allows them to organize and coordinate their marketing activity without fear of prosecution under the antitrust laws. This limited antitrust immunity not only enables producers to develop market power on their behalf to better deal with other competitors, but also helps them address supply chain issues from a well-coordinated position of strength. A major element of marketing in the new millennium will focus on organization for pricing of products and services offered by producers and on linking local value-added strategies with coordination among these otherwise fragmented cooperatives.

More cooperative bargaining
Contracting is on the increase in many crop and livestock sectors. Much of this increase is associated with the trend toward identity-preserved marketing based on special characteristics that are genetically incorporated into crops or livestock. Both marketing and production contract producers can organize to represent their interests through cooperative bargaining associations. The primary role of these associations is to negotiate acceptable price and service contract terms on behalf of producers. They also: serve important roles as clearinghouses for contract information; provide a member education role; promote product use in domestic and foreign markets; develop partnerships with similar groups in other countries; promote, foster and discuss marketing cooperative operations; and serve as a voice for producers in industry affairs. They are a core group in representing the occupational interests of producers as farm business persons in the policy arena and in the marketplace. To more effectively perform this role, cooperative bargaining associations whether single or cross-commodity - will work legislatively toward establishing institutional rules that augment the bargaining process. This will include provisions for good faith negotiations, dispute resolution mechanisms and enforcement procedures. These will be crafted to effectively represent both associations negotiating marketing contracts and those negotiating production contracts on behalf of piece-wage growers. The negotiation process will become more accepted as a method for producer/processor communications and problem resolution. As a result, it will establish the important fartrigate values of product and service that are so desperately needed as a benchmark.

Coordination of value-added cooperatives
Value-added marketing will continue to be emphasized in the 21st century as
a means of market development and bringing home to producers a greater portion of the marketing margin between the farmgate and the consumer's purchase price. The emphasis of many "new generation" cooperatives is on pooled marketing, using delivery rights as a basis for membership investment in processing and marketing activity. Vertical integration of this type assures producers of a market and the preservation of their role - through collective action - as farm entrepreneurs. The economic rationale for this strategic approach is that deliveries are limited to the delivery rights owned by cooperative members. Therefore, supplies can be better tailored to meet demand. More delivery rights can be purchased by existing members, or new members can be added, as the market for the product grows. A limitation to this approach is the potential for creation of many relatively small processing cooperatives at the very time major processors and retail buyers are procuring from fewer but larger suppliers on a managed delivery basis. This fragmented selling situation as characterized by many ethanol, egg and pasta producing cooperatives can be overcome by following the model established by beet sugar manufacturing cooperatives, which organized a marketing agency-in-common called United Sugars to market their output nationally. While markets for bulk commodities will still exist, the development of nutraceuticals and other bio-engineered crop varieties suggests that a more segmented marketing pattern could develop. It will involve marketing identity-preserved crops that incorporate some value-added characteristics and moving away from non-differentiated bulk commodities. It can be noted that publicly traded companies generally have not done well in commodity marketing, while privately held businesses have dominated. Cooperatives can build on their strength in local origination of grains and other commodities by engaging in orderly commodity marketing on a pooled basis. This implies engaging in storage, regular release of grain to the market and pricing it according to different uses or characteristics. A clear trend at present toward use of direct membership commodity marketing organizations will continue to grow in the new millennium. Small producers will find local marketing opportunities in fresh markets by using cooperative packing and primary processing (shredding, dicing, bagging) operations for produce. In a number of instances, farmers' markets can be organized on a cooperative basis to provide regular and attractive outlets for locally grown fruits, herbs and vegetables. Links with school districts, federal and state institutional facilities and other outlets can also be developed as market outlets.
Cooperative policy role
One important question about the future of cooperatives is whether favorable governmental policies will assist in their development - which, for the most part, has not been the case since the 1930s. Federal price-support programs, with the exception of cotton, have generally discouraged pooling through cooperatives and thereby diminished the price-stabilization role cooperatives play. The price floor was established by offering subsidies directly from the government to each individual farmer as either non-recourse loans or deficiency payments. A better alternative - clearly demonstrated and used by the cotton sector - gives farmers the option of receiving the government subsidy through a cooperative marketing pool. Forthcoming Congressional hearings addressing the adequacy of the Federal Agriculture Improvement and Reform Act, or lack thereof, will offer an opportunity to explore these and other pro-farmer features of farm policy. The rapid structural change in agriculture that threatens the existence of individual farm operations will be turned to advantage by recognizing the strength derived from building cooperative systems. Farm operators will be able to preserve their entrepreneurial role through cooperative action and, thereby, maintain dispersed ownership in agriculture, a distinctive quality of American agriculture that will persevere in the new millennium.

Farm supply cooperatives: a look on and over the horizon
E. Eldon Eversull,
Agricultural Economist
USDA Rural Development

looking for-ward into the new millennium, the mantra for cooperatives selling farm supplies will be as it has always been: faster, better and cheaper. But there are many other issues on the horizon that farm
supply cooperatives will have to face. There will continue to be more mergers and consolidations. Twentyfive years ago, there were numerous regional farm supply cooperatives that had their operations based in one or two states. Mergers, acquisitions, and bankruptcies have decreased the number of regional farm supply cooperatives that operate in such limited geographic trade territories and increased the number with national and international operations. This trend will continue in the new millennium, probably leaving two or three national/international farm supply cooperatives and one or two regional cooperatives with smaller, multiple-state operations. As farmers have decreased in number and increased the size of their operations, local farm supply cooperatives have also followed suit. There were more than 2,700 local farm supply cooperatives in 1975. By 1999, there were fewer than 1,400. In another 25 years, there could be much less than half this amount. Many local cooperatives will have statewide or multiple-state operations. With two to three of these large farm supply locals per state, there will only be 100 to 200 farm supply locals with many branch outlets to serve their members. There will be one area of new growth in the farm supply cooperative sector. They will be started and patronized by "hobby" farmers whose primary source of income will be from off-farm employment. These customers have grown accustomed to making Internet purchases and will start virtual cooperatives as buying clubs for their farm supply needs. Global economy
Meanwhile, the vertical integration and globalization of agricultural markets are fast becoming the defining pressures on agriculture today. One need only look at the recent breakdown of the Seattle World Trade Organization meeting to see global pressure on the agricultural sector. While weather is still a determining factor for yearly prosperity, producers can no longer monitor weather and agricultural commodities only in surrounding production areas. They must also monitor weather and agricultural commodity output in other countries. Information, or the lack of it, has become a valuable asset in and of itself. Industries are adapting to integration and globalization by designing products that have a common appeal and can be sold in just about any country. Business philosophies are also being adjusted. Reliance on bulk commodities for the masses usually means high volumes but low margins. Adaptation of new technology, market segmentation, customized production and market power as means to higher margins and a stronger market position seem to be the engines of future growth. Technology has spurred consolidation in the seed industry, much of it occurring in the last decade as several crop protection manufacturers have purchased the leading row crop seed firms. There was much synergy in this consolidation. In addition, they were driven by the ability to genetically modify plant material to include desirable traits or resist damage caused by popular crop protectants. Market segmentation has allowed firms to focus on the needs of larger, more prosperous farmers and offer goods and services that cater to their specific needs. In rum, organizations that adopt this segmentation can acquire farm accounts that produce higher sales volume. Market power is transforming the food industry as supermarket chains merge into fewer yet larger companies. By focusing on what their customers expect in the supermarket, these large chains then exercise considerable power over the whole food system. Ultimately, they can impact what and how farmers grow their fruits, vegetables, livestock or grains.

Can cooperatives adapt? Many farm supply cooperatives will continue to operate with the same philosophy as today: faster, better, and cheaper, and will do well. Some will look to technology and improved market position to prosper. Others will fail, even though using one or both of these philosophies. Cooperatives are owned by their users, so they reflect the desires of their farmer-owners. They also reflect what's happening within the cooperative's membership. Understanding membership's business and their expectations for the cooperative is essential.
to its survival. Currently producers are concerned about overproduction, low margins and income, government regulations and policy, changing markets and consumer opinions of genetically modified organisms (GMOs). A growing number of farmers are also asking about the future: can their cooperative develop more niche markets for specialty crops with desired traits? More farmers are also concerned about finding markets for their livestock and dealing with environmental issues, such as animal waste. Some farmers are marketing their livestock directly to consumers and don't have the knowledge or resources needed to deal with new environmental standards. Cooperatives will undoubtedly be asked to provide a bigger role than just providing feed. Their members will want more for-ward integration into livestock processing, marketing and waste handling.

Coopfarmsupplies.com
Technology is in the driver's seat for information dissemination and sales in the near future. A recent National Agricultural Statistics Service farmer survey found that 40 percent owned computers and 29 percent had Internet access. just two years ago, businesses saw the Internet mainly as an information and sales tool. Many people thought it would be a long, long time before consumers would pay for information or buy products from it. The Internet will continue to expand and will become an increasingly important input to agriculture and cooperatives. Most of the products that farm supply cooperatives sell are bulky items (feed, seed, fertilizer, crop protectants and petroleum products) that are hard to transport to distant customers at a reasonable cost. Service, or advice, lends itself well to the Internet. Information about products that farm supply cooperatives sell would be an excellent service on the Internet. For example, in feed sales, a cooperative could provide: product information and prices for rations available based on livestock type; measured performance of the feed in trials; disease prevention, identification and treatment; and record keeping on feed purchases made by the farmer. The Internet could also become a tool for dealing with the issue of waste management. There could be links from the cooperative's feed site to university-sponsored research on new digester technology, or technology that increases the oxygen levels in lagoons to promote faster decomposition of the waste. Perhaps feed cooperatives could link members with excess animal waste to members who need fertilizer. There is, of course, other information on the Internet that could help farmers make smart purchases of feed, seed, fertilizer, crop protectants, and petroleum products.
Farm supply cooperatives - on the horizon
The year 2025 is a long way off, but no longer than the time since 1975. Who would have guessed how ubiquitous the use of personal computers, genetically modified organisms, satellite technology, and the globalization of agriculture would have become in just 25 years? But what do these changes mean for farm supply sales? There will be more sales coordination. For feed sales, computers will design rations, maintain records on weight gain and performance and coordinate delivery. There will be more stringent regulations on feed ingredients, and feed cooperatives will test and maintain records for each customer.
Grain and livestock buyers, in turn, will want to know exactly what went into each animal or crop. They will want farmers and their cooperatives to track every last input and output, just as the manufacturing or the computer industries already have to do. With fewer farmers, global information systems and positioning satellites will be used to optimize delivery routes. Technology will have turned an animal waste product into a value-added product. Seed and crop protection sales will align closely as crop protection manufacturers integrate even more into the seed industry. Gradually, a majority of consumers will overcome their reluctance to accept GMOs and more seed modifications will be made. All farmers will demand more information and services. Cooperatives will provide extensive scouting services and problem solutions. Crop protectants will focus on specific types of seed and they will be applied with sophisticated equipment using new technology. Soil tests will be conducted for organic matter and crop protectants will be applied where needed, not broadcasted. The use of expensive equipment to apply crop protectants will further consolidate sales into farm supply cooperatives that can pool financial resources to buy the equipment and provide the information, service, and record keeping on use that will be necessary. Fertilizer sales will be further regulated as the damage of their over-use and even terrorist and illegal drug manufacturer misuse grow. GPS-type technology will allow farm supply cooperatives to apply only the necessary nutrients to specific field areas. Again, as with crop protectant application equipment, this equipment will also be expensive and will require large volumes to be cost effective. Record keeping of fertilizer use will be necessary. Pooling the resources required to provide this equipment and information is a farm supply cooperative's specialty. Fertilizer cooperatives will also need to align with feed cooperatives to handle animal waste
products. Pollution from animal waste misuse will mandate it while the loss of a valuable fertilizer resource will necessitate it.

Petroleum sales will also benefit from route coordination using a GPS (global positioning system) -type system. Computer-designed routes will aid bulk delivery of fuels. With fewer farmers and thus potential customers, more farm supply cooperatives will operate other businesses, such as convenience stores in predominately rural areas. The additional margins generated from non-farm customers will be needed to support agricultural operations in these cooperatives. Farm supply cooperatives that sell propane for home heating will become more closely aligned with rural electric utilities (RECs). The consumer will soon receive one bill for electricity, home heating fuel, cell phone, and satellite television provided through an alliance of RECs and farm supply cooperatives that sell petroleum products.

What's over the horizon?
In the first decade of the 1900s, a man was born in the Midwest and he started farming with a horse. He was happy to plow a couple of acres in a day. He had a son a half-century later who started farming with a 50 horsepower tractor that could plow about 10 times what his father could in a day. Another 50 years has passed and that son now writes articles on farm supply cooperatives. The land is rented. A plow has not touched any of the land in the past 15 years. What a difference a century has made. Transportation of farm supplies from cooperatives to their members will undergo vast changes. Carriers may use air-transport to ship bulky items to farms. If the science fiction technology of Star Trek someday becomes reality, perhaps supplies will be "beamed" from co-op to farm. Livestock within breeds will be genetically similar and rations will be developed for each farm based on specific traits desired in the livestock grown. Each animal will be remotely monitored and the cooperative will adjust rations based on the animal's health and production. Seed, fertilizer and crop protectants will be sold as a unit and applied in one pass. Cooperatives will operate application equipment remotely and the equipment will hover over the ground to minimize soil compaction.
Field sensors will monitor the crop's growth and notify the cooperative when crop protectants are needed. Petroleum will no longer be the energy source of choice. Fuel cells powered by hydrogen or some other environmentally friendly fuel will power farm equipment. Most equipment will be operated remotely, with farmers in their control center consulting cooperatives for advice when problems occur or service is needed. These over-the-horizon ideas about farm supplies in the new millennium will likely be far short of changes that will actually occur. But, as long as there are mouths to feed, there will be farmers who will purchase inputs and services from farm supply cooperatives that they own. These farm supply cooperatives will heed their members' needs, adapt to technology, deal with market pressures and opportunities, and continue to serve members in the new millennium.

Providing power beyond 2000

By Glenn English,
CEO
National Rural Electric Cooperative Association

Conventional wisdom holds that deregulation of any industry creates winners and losers. Of course, the big winner is supposed to be consumers, who are always told they will get greater choice and lower prices because the invisible hand of the marketplace will replace the heavy hand of government regulation. In reality, the big losers will be those who cannot compete because of high costs or unacceptable service. It came as no surprise to anyone that the electric utility industry was next in line to be "deregulated." Twenty years of deregulating financial services, transportation, telecommunications and natural gas industries made it inevitable that we'd be the next up on the block.

But that's old news.
The pertinent question is: Will we be able to help consumers be winners in the new millennium? First, we need to recognize that the playing field may change, but the game will still be played according to rules. Deregulation implies a wide-open marketplace without rules. That simply isn't going to happen. Electricity is key to our way of life and no responsible legislature, state or federal, is going to let fast-buck artists play loose and fast with such a critical service. What we're talking about is really re-regulation. Whatever happens, the electric utility industry will continue to be regulated. It will just be regulated differently. Our challenge is to make certain that any new legislation treats electric cooperatives fairly and preserves for them their unique ability to serve their owners. Fortunately, we are holding our own for the present. The recent bill reported out of the House of Representatives' Commerce Subcommittee does no harm to the electric cooperative industry. We will be on guard against amendments and new language that will certainly be introduced and which, if enacted, would do great damage to our owners. The highest priority we have is to protect their rights to control their own fate and our right to serve them. But with the rights come responsibilities. If the experience of the last 20 years tells us anything, it tells us that a successful transition from a regulated to a deregulated industry requires that businesses be more financially flexible in order to survive in a much more competitive marketplace. Success is measured by how fast a business moves with the market, responds to the market and, most importantly, makes the market. Specifically, those who prosper in a deregulated market learn to use marketing and pricing strategies based on market research that clearly segments customers into groups with similar needs. It really boils down to knowing who your customers are and what they want from you, and then producing it for the lowest possible price. The electric cooperative industry has a special relationship with its customers. As cooperatives, we are mandated to think first of our customers, not our bottom line. We can expect more and more Americans to wake up to the benefits of being served by cooperatives as it becomes clearer to them that the large investor-owned electric utilities must satisfy their investors first, not their customers, and that some classes of customers just aren't attractive to them. For the past three years, the electric cooperative industry has steadily differentiated itself from other segments of the electric utility market. The creation of a new brand, Touchstone Energy, is the most obvious part of that process. But the brand does more than renew our commitment to a longstanding practice of putting consumers first. It also provides a center around
which our industry can unify because the Touchstone Energy brand takes our already established commitment to the community and extends it to the nation. It makes it clear that the focus of the electric cooperative industry is the customer, not the bottom line. Research verifies that our status as cooperatives has enormous appeal to all consumers because they understand they have a say in how the cooperative is managed and the services it performs. This assumes even greater importance in a time of great uncertainty that always accompanies deregulation. Electric co-ops were created 60 years ago to bring electricity to rural America. Today, many parts of the country that were once rural are now suburban and even urban. Under deregulation, the benefits of being served by an electric cooperative will not be restrained by artificial boundaries, but will be open to all who have a common interest in protecting their access to reliable and affordable electricity. First Rochdale Electric Cooperative in New York City is only the forerunner of new electric cooperatives all over the nation. We also understand that the cooperative's value to the community is not based on the generation, transmission and distribution of electricity alone. Time after time, the owners of electric cooperatives have endorsed the common practice by cooperatives of providing them with propane and natural gas, telecommunications services, clean drinking water and wastewater management. It's all part of fulfilling our obligation to our customers to make certain they have access to services that either would not be available to our customers or would be prohibitively expensive. The creation of regional service cooperatives (Servcos) within our industry allows local co-ops to more effectively increase the number and variety of products and services that can be offered by combining service territories. This is a case where bigger is better for the right reasons. We can expect to see more Servcos because they provide a way for electric cooperatives to do even more to meet the needs of their members. But, as with any effort to "re-regulate," there are those who perceive they will be losers if anyone else gains. Among them will be those who do not welcome competition from the cooperatives and will go to any length to deny electric cooperative customers greater choice in selecting a provider for a specific service. This we have to expect. A competitive marketplace is not a tea party. Our industry will have to be prepared to fight for the rights of its owners to enhance their lives by having access to new services and products through the cooperative. If the marketplace truly works, then the costs of competing will determine whether the members of a single cooperative or a Servco composed of many distribution cooperatives wishes to add new products or services to
its menu. All this assumes, however, that we act like cooperatives, and that our entry into new markets with new products and services is motivated by a desire to serve our customers because they genuinely need whatever it is we're selling. If we have done our homework, we will know whether our consumers are likely to respond favorably. We will have told the owners about the opportunities and the challenges. We will have a full appreciation of the likely reaction from the community as a whole and we will have met it head-on. As we enter a new millennium and a new marketplace for electric power, we must ask ourselves if we're ready.

Being ready means we are:

- Price competitive
- Service oriented
- Knowledgeable about our members
- Proud to be cooperatives
- Involved in our community.

If, as an industry and as individual cooperatives, we can answer, "Yes," then tremendous opportunities lie ahead. Answer "No" to any one of them, and we have our work cut out for us.

Editor's note: Any opinions expressed in this article are those of the author, and do not necessarily reflect those of USDA Rural Development or its employees.
Charles E. Snyder  
President & CEO  
National Cooperative Bank  

As we turn the corner and enter a new century, the U.S. economy is at an all time high. As cooperative financial institutions, we too have been riding the wave of prosperity. Where do we go from here? Are we prepared to meet the challenges of the new century? If the past decade is any indication of what we have to look forward to, it is going to be a bumpy ride. The recent trends - industry consolidation, technological advancements and a shifting legislative agenda - offered a dizzying pace of change. Cooperative financial institutions will need to be able to turn these trends into opportunities in order to compete in the new millennium. We will need to continually adapt with customers to meet their needs.

Industry consolidation  

Industry consolidation will continue, especially within the financial services arena. Recent legislation providing for banking modernization will allow banking, insurance and stock brokerage to be sold under one roof. Competition with large and well-capitalized companies will increase as firms merge to provide one-stop shopping. With banks increasingly becoming more like fast-food outlets, there will be tremendous opportunity. Super banks will offer a cookie-cutter approach to business. They will tell customers to fit in their box. Cooperative financial institutions must react swiftly, listen to customer needs and offer creative solutions.

Technological advancement  
The use of computers and the delivery of products and services via the World Wide Web will be paramount to our success. E-commerce allows like minded people to cooperate with efficiency never
before seen.
Cooperatives, by their very nature, should be able to capture this value if they are able to manage change at "Internet speed." Evaluating how members can use the Web, how we can partner to deliver "added value" through a virtual world is critical. While still relatively unknown, cooperative financial institutions are well aware that the Web will change the face of how we do business. While still in its infancy, we know that over the next five years there will be strong customer demand for Web based products. By devoting significant resources to Web solutions today, cooperative financial institutions can position themselves appropriately for the future. At the same time, customers continue to demand that we provide services via traditional but more efficient means. It will be a challenge for us to balance these demands.

Shifting legislative agenda
We have already seen how to harness the power of cooperation in order to impact legislation. The grassroots effort of the credit union campaign in the late 1990s is a prime example of how to focus and use our fundamental strengths as cooperatives. The onus will be on all of us to promote the dynamic world of cooperation to ensure that cooperatives benefit from future legislation. We have our marching orders. To meet the new century's challenges head on, cooperative financial institutions must stay focused. We must look to our strength - that of cooperation - and exploit it. Our cooperative foundation offers us a few things the competition does not have - a unique ability to collaborate effectively, and an uncommon affinity with our customers. While the shape of cooperatives may change, it is our core values that will facilitate our growth in the new millennium.

Cooperatives build community values
Paul Hazen,
CEO
National Cooperative
Business Association

As we enter a new century, people across America are hopeful that the challenges and opportunities on the horizon will lead to better lives for themselves, their families and their communities. In their search for better times, they are also searching for values - values that some fear may have been lost during the 20th century. Yet, that is not the case, for the values they seek - self-help, self-responsibility, equality, democracy, honesty, openness and caring for others - are alive and well within cooperatives around the world. That is why I predict a cooperative renewal in this new century. This renewal, or renaissance, is already happening in communities throughout rural America. The heart of most rural communities is the businesses that occupy Main Street. Main Street businesses have long been icons of American life and are often the focus of economic, social and civic activity of rural communities. It is a well-known economic fact that $1 spent in a community will generate seven dollars in additional economic activity. Unfortunately, Main Street businesses faced severe challenges during the latter half of the 20th century. The corner grocery stores, fast food franchises and local hardware stores found themselves competing with national chains and box stores. These huge corporations had tremendous capital resources and purchasing power. Seeking to increase returns for their stockholders, for-profit companies sought the least expensive production costs and closed local offices and factories. Today, there are many vacant storefronts on Main Streets across America because these locally owned small businesses were unable to compete. When a multinational corporation takes profits out of a community, the only people who benefit are the investors outside of the community. Instead, people can participate in the cooperative sector of the economy to help build a community that benefits them and their neighbors. In many rural communities, cooperatives play an important role as the economic engine creating jobs and increasing rural incomes. As a result, rural communities prosper because the economic benefits that cooperatives generate stay in the local community. A locally owned, member-controlled cooperative doesn't move its operations overseas. Independent business owners are discovering the power of cooperation across the United States. There is an explosion of purchasing and marketing cooperatives owned by...
small businesses. Main Street businesses are competing successfully in a global economy against huge competitors because they belong to a cooperative. Currently, there are over 250 purchasing and marketing cooperatives serving 130,000 small businesses. Dry wall contractors, pharmacies, fast food franchises, electrical distributors, hotels and carpet stores are only a small sample of the types of businesses served by cooperatives. Volume buying, joint advertising, central billing, reservation services, employee training and benefits, financing and insurance are some of the services that purchasing cooperatives provide to their members. For example, a fast food franchise restaurant with $1 million in sales could cut 2 percent on food costs through a cooperative for an annual savings of $6,000. At the end of each year, it would receive a healthy patronage dividend from the cooperative. Many people never saw independent small business owners as natural allies and participants in the cooperative sector of our economy. But, increasingly, these small business owners are facing the same economic and social issues that consumers and farmers have competed against for decades. Keeping small businesses prosperous and on Main Street through cooperatives builds community. In this new century, these organizations will be the fastest growing segment of the cooperative sector of the economy. It is our cooperative values of self help, self-responsibility, democracy, equality, equity and solidarity that appeal to the owners of small businesses. Survey after survey, these are the same values that Americans everywhere yearn for and these are the values that foster trust in cooperatives trust that will also increase consumer use of cooperatives everywhere.