

Are Your Member Communications Hitting on all Cylinders?

Phil Kenkel

Bill Fitzwater Cooperative Chair

The cooperative business form is unique in that it is owned and governed by its customers. That means that every member has multiple relationships or roles with the cooperative. The customer role involves marketing commodities and purchasing goods and services. Cooperative websites and newsletters are full of information relating to the customer role. Information on market conditions, marketing programs, product specials and risk management services are all useful to cooperative members in their customer role.

The second role in a cooperative is that of a patron. A patron is simply a customer who has the opportunity to share in the profits of the cooperative. The patron role is a key component of what distinguishes a cooperative from an investor owned firm. Information relating to the patron role is less prevalent in cooperative communications. The CEO may discuss patronage distribution in the annual meeting report, but information relating to profit sharing and patronage is otherwise sparse. Profitability and efficiency are the driving force behind almost every decision in a cooperative. Many cooperatives miss opportunities to remind their members that they are the ultimate recipients of those efforts.

The third role in a cooperative is that of an owner. In most agricultural cooperatives that ownership role is built by the cooperative distributing a portion of profits in the form of revolving equity.