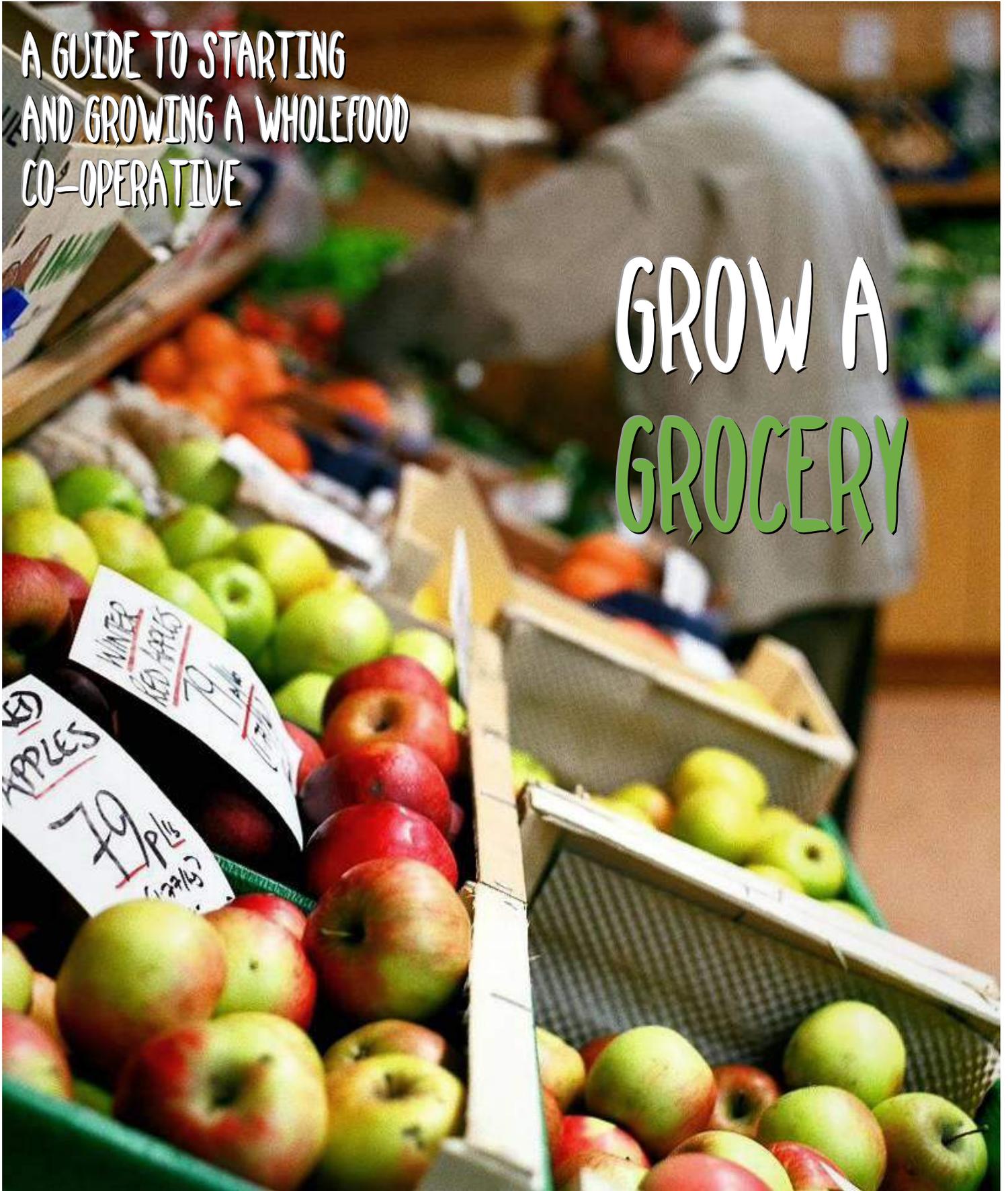


A GUIDE TO STARTING
AND GROWING A WHOLEFOOD
CO-OPERATIVE

GROW A GROCERY



GROW A GROCERY

A GUIDE TO STARTING AND GROWING A WHOLEFOOD CO-OPERATIVE

© Unicorn Grocery Worker Co-operative 2010. Revised 2015.

The Grow a Grocery Guide was produced by Unicorn Grocery with support and funding from the Food Co-ops and Buying Groups project run by Sustain: The alliance for better food and farming. The Food Co-ops and Buying Groups project is part of the Making Local Food Work programme, which is funded by the Big Lottery. The views expressed in this publication are not necessarily the views of those acknowledged or of Sustain's membership, individually or collectively. All errors and omissions are entirely those of the author. Further, while great care has been taken in compiling this guide, it is not intended to act as a substitute for specific legal advice.

CONTENTS

INTRODUCTION	4
WHO WE ARE	6
Background	6
1 PEOPLE	9
Skills	9
Employment opportunities	10
2 PLANNING	11
Timeline	11
The Market	12
3 PRODUCE	14
What we sell	14
Product Range	17
Sourcing	17
4 PREMISES	19
Choosing your neighbourhood	19
Finding a site	19
Leasing	20
Planning permission	20
5 PRACTICAL RESOURCES	21
Fitting out and equipment	21
Environmental footprint	23
Finances	23
Risk management	26
6 PROCEDURES AND PRICING	27
Trading	27
Pricing	28
Veg	29
Packing	30
7 PROMOTION	32
Education and marketing	32
8 POLICIES AND PRINCIPLES	35
Principles of purpose	35
Registering a worker co-operative	36
Why a worker co-operative?	37
Governance and co-operative structure	38
9 PERMITS AND LICENCES	42
10 PROGRESS	43
Personnel	43
Recruitment	45
Training	46
CONCLUSION	48



INTRODUCTION

This guide is designed to help bring more wholefood co-operatives into the world by spreading the business model tried and tested by Unicorn Grocery Worker Co-operative since 1996. Whether starting a new food shop or expanding an existing co-operative, you may choose to follow this model completely or utilise elements of our experience.

The supermarket cannot last

As a business, Unicorn has been fairly successful; as revolutionaries we still have work to do. The need for an alternative food system is as strong as ever, as a handful of companies control 80% of the UK grocery market. Despite the growth of farmers' markets, box schemes and community food enterprises, the march of the multiples continues to restrict our choices of how and where to shop. Cheap, exploitative, industrially-produced food continues to rule.

We need more options

Unicorn Grocery was established to provide a real alternative to the supermarket norm. We have achieved this goal on our premises, but we have not really fulfilled our purpose until people stop driving across the country to shop with us. Our business model is just one of many alternatives on which to build better food system.

The grocer is back

Food retailing has not been a popular career choice while an economy of excess prevailed; food became a commodity rather than the staff of life. As economic fortunes change, we envisage new aspirations and a new status for the food shop: a meeting point between the dinner table and the field. While globalised out-of-town sheds begin to falter, businesses trading within local communities emerge, offering fresh, real food.

Introduction



This guide can help

Our model is not suitable for every location or group of people, and the internet offers many other guides on setting up a co-operative or food shop (see below). However we think Unicorn's experience could make starting and growing your own shop just a little easier, and with this guide we offer our business model to be used, built upon and improved.

Useful links

Starting a co-operative (Co-operatives UK)

<http://www.uk.coop/document/starting-co-operative>

How to set up a workers' co-op (Radical Routes)

<http://www.radicalroutes.org.uk/publicdownloads/setupworkerscoop-lowres.pdf>

Food co-ops toolkit and other resources (Sustain)

See Toolkit at www.foodcoops.org



WHO WE ARE

Situated in Chorlton, South Manchester, Unicorn Grocery is one of the biggest and most successful independent wholefood shops in the UK (The Observer Food Monthly's 'Best Independent Shop' and Radio 4's 'Best Local Food Retailer' in 2008). Unicorn has far surpassed the scale, success and market penetration of the average wholefood shop, with a 1,250m² premises and a yearly turnover of over £6 million, or £115,000 in a typical week (see [Statistics](#) for more details on sales). Over 6,000 transactions go through our tills each week, from a regular customer base of approximately 5,000 people.

Background

Unicorn Grocery Ltd began trading on a 550m² site in September 1996, after over two years of preparation – mostly searching for the right premises! The business grew out of the founders' experience at the Daily Bread Co-operatives and Roger Sawtell's [Blueprint for 50 Co-ops](#).

In 1980, Northampton's Daily Bread attempted to replicate the economical cash and carry approach of Community Foods Ltd in London, but soon found the most promising market in the general public, not traders. The Blueprint outlines this model, a neat combination of clear ethics and efficient trading. While Unicorn has grown beyond Sawtell's vision, especially in fresh food sales, the essence remains: direct buying, competitive prices, wholesome foodstuffs and strong values.

Who we are

The Unicorn model in a nutshell

- Wholefood grocery store (*not* a health food shop)
- Fresh, wholesome, quality produce
- Direct and bulk buying, alongside minimal handling
- Large premises (at least 400m²) with half retail, half warehouse area
- Accessible location near market centre; also parking, lorry access, non-high street rates
- Sourcing based on clear nutritional and ethical criteria
- Broad range of products with a focus on staple cooking ingredients
- Prices (like for like) competitive with supermarkets
- Value added through on-site packing (and later, fresh-cooked food)
- Good relationships with suppliers (honest trading and prompt payment)
- Co-operative ownership with a flat management structure
- Dedicated staff, shared principles underpinning all business decisions
- Strong customer loyalty based on trust and clear, consistent ethics
- Welcoming, friendly image

Good prices in a good shop

Unicorn achieves success through unusually competitive pricing (comparable with supermarkets), and a broad, high-quality product range. This combination requires a shop of a certain scale, plus car parking to encourage shoppers to visit for their weekly shop. Those considering a much smaller site may need to investigate an alternative business model. In addition to these basic requirements, the following points are also critical to our success.

Strong ties to customers and suppliers

Unicorn commits to educating customers and the wider community on food and trade issues to ensure deeper, more loyal relationship with the shop. Our customers are also our primary form of advertising; 88% of customers first visited the shop after hearing about us from someone else.

We work continuously to build good relationships with our suppliers and bring them closer to our customers with in-store information and events. Buying direct from suppliers and growers is a cornerstone of our business model, allowing for bulk purchases at lower prices. We deal with around 200 suppliers, including approximately 160 primary producers.

Principles

A strong set of Principles of Purpose underpin our business. We have created a place where we would like to shop and we are proud to work. Unicorn is a wholefood grocery that strives to make trade sustainable for people, animals and the environment, and our remit is affordable, wholesome food with a focus on organic, fair-trade, local and ethical sourcing. We estimate that approximately half of our sales are organic; other criteria (local, regional, fairly-traded, etc.) are more difficult to measure, but we know we offer a significant proportion of ethically-sourced lines. For a relatively mainstream retailer, it is a start, but there is much more work to do.

Customer base

Unicorn customers tend to live nearby; according to our 2014 customer survey, 79% reside within two miles and 45% travel by bike, bus or on foot. Some of customers also travel from outside South or Central Manchester, indicating widespread and unmet demand for our 'offer' in other parts of the Northwest. Most of our shoppers are people who like to cook, or those with young families. While our stock is entirely vegan-friendly and we appeal particularly to people with specific dietary requirements, we aim to provide a range of goods to satisfy the bulk of any customer's weekly shop.

Who we are

Wholesome food

We focus on basic ingredients for tasty, interesting and affordable cooking, and steer clear of food containing artificial additives and refined sugar. Nearly one-fifth of our sales come from our dry goods range of grains, pulses, dried fruits, nuts and seeds packed on the premises. By keeping prices low, we aim to improve access to healthy, sustainable food for those on lower incomes. However, we still have work to do; although one-third of our customers identify as low-income, around half of the total UK population fall into this income bracket.

Co-operative working

As a worker co-operative, the shop is owned and run by the people who work in it. Unicorn maintains a relatively flat management structure, in which all members earn the same hourly rate and make decisions by consensus. Despite the challenges of this way of working, co-operative workers report higher job satisfaction than in comparable retail jobs, as reflected in high retention and low sickness levels (see [Statistics](#)). Unicorn currently provides a living wage for around 60 co-operative members and ten casual workers (see Recruitment section for an explanation of casual labour).

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Statistics (Sales figures, job satisfaction, retention)

On the web page see Produce: Statistics

Unicorn Principles of Purpose

<https://www.unicorn-grocery.coop/our-co-op/our-values/>

Customer base

On the web page see Promotion: Customer survey

Useful links

Blueprint for 50 co-ops

<https://www.unicorn-grocery.coop/wp-content/uploads/2018/07/Blueprint-for-50-Co-ops-2006.doc>

Daily Bread Co-operatives

www.dailybread.coop



1 PEOPLE

The first stage in setting up a new co-operative is to find a group of interested people and set up a working group. Unicorn's initial working group was small, as preparatory work can often be most efficiently achieved by two to four people. Develop a clear, well-crafted vision at the outset, and it should not be hard for others to join the group and assist with further development at a later date.

SKILLS

A worker co-operative, like most small businesses, must meet the challenge of acquiring the necessary skills to operate from within a small group of people. This range must encompass personnel/human resources, finance and accounting, marketing, trading and negotiation, IT and strategic planning. Strength in some fields may compensate for weakness in others, but all areas must be covered. In addition, everyone in this initial group needs healthy reserves of diplomacy, determination and graft.

The [Member Job Description](#), [Teams List](#), and [Overview of Rotas](#) give some ideas of practical skill requirements, e.g., forklift driving licence, first aid, health and safety, food hygiene, merchandising, rota management, bookkeeping, employment law and trade negotiation. The Training section suggests courses and qualifications, although visiting, working, or volunteering at a similar shop may provide some of the most useful training. Keep in mind that roles evolve and increase or decrease in size as the business develops.

Efficient recruitment and HR procedures are essential to maintaining a successful team. See Personnel and Recruitment in the Progress section for ideas about the required approach, useful documents (e.g., [Member Terms and Conditions](#) and [Personnel Policies](#)), which will hopefully facilitate quick, fair people decisions without excessive loss of sleep. Turning down a candidate after an interview and work trial (or, less ideally, a probationary period) will always be easier than firing someone, and there is no room for 'alright' workers in a healthy co-operative. Any successful small business, co-operative or otherwise, begins with good people decisions.

People

We cannot overemphasise the importance of recruiting the right number of the right people – committed people who are *needed* by the business. Unicorn works constantly to avoid excessive labour costs (as a proportion of sales) or the opposite problem (an understaffed shop disappoints customers and burns out workers). Idealism alone may not fuel the team, but alongside decent wages and respect in the community, a strong sense of ownership and pride helps sustain the business through tough times. By understanding and feeling part of their enterprise, small business owners – especially co-operatives – can outperform the competition.

EMPLOYMENT OPPORTUNITIES

Work not charity

Unicorn employs some people with learning disabilities, following on from the Daily Bread Co-operative offer of employment to people recovering from mental illness. These positions are not charity; but rather employment opportunities for people who can be perfectly productive if given the chance. As members, these employees earn the standard wage level; government support may be available to top up wages for people of less than average productivity.

A job to suit an individual

After supported or independent work trials, a prospective placement may be offered a contract as a probationary member. In conversation with the employee, plus any carers or support workers if applicable, Unicorn arranges working hours and roles to make best use of the person's skills and abilities. All co-op workers gain independence and pride in their work as well as a real wage.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Member job description

On the web page see Progress: Job Description Member & Casual

Teams list

On the web page see People: Teams list

Overview of rotas

On the web page see People: Rotas

Personnel documents

On the web page see Progress: Personnel Policies, and Member/Prob Terms and Conditions



2 PLANNING

Good planning is essential in setting up a new retail outlet on this scale. The overall timescale for setting up a shop may be one to two years, or longer if the right premises cannot be found.

TIMESCALE

The following timeline gives an indication of the different stages of setting up a new shop, assuming an 18-month period to opening. Familiarise yourself with the ups and downs of others' experiences, e.g. the Unicorn [Prehistory](#) and [Chronology](#), or get in touch with shops and ask!

First:

- Establish working group. As soon as a small team exists, assign key roles (e.g., premises, finances, legal requirements, stock). Meetings increase frequency as workload rises.

By three months:

- Consider suitable locations and target market.
- Talk through, set out and finalise aims within three months. Early clarity is important. New people join and add to the vision, not reinvent it.
- Develop statement of purpose and necessary policies (see box at the end for ideas).
- Define who you are and what story you want to tell in your first publicity materials for investors. Launch summary document (e.g., a [Prospectus](#)) around three months and gather expressions of interest from potential investors as soon as possible.

By four months:

- Find a suitable company structure and register soon after three months.
- Continue searching for premises. The right site is crucial and can take years to find.
- [Join Co-ops UK](#) and ask about similar businesses in your region.
- Contact your local co-operative development agency or national co-op enterprise hub ['The Hive'](#) for financial/other advice, and [Locality](#) for funding ideas.
- Open bank account (consider ethical options, e.g., Triodos, the Co-op).
- Write [business plan](#) (including forecasts). Start with guides listed at the end of this section and examples online. Consult accountant regarding financial elements. Revise as required.

Planning

By six months:

- Assemble capital and approach lenders from six months.
- Narrow down search for premises. This step can be time consuming and exasperating (just like house buying), with the greatest ability to affect timescale and planning.

By fifteen months:

- Locate building. Unicorn did not sign a lease until 6 weeks before opening!
- Fit out premises and buy equipment. Develop rough plans at 12 months; refine at 15 months. Put up a 'Coming Soon' sign! Be on site three to four weeks before opening.
- Build product range and supplier contacts. Opening offer should be comprehensive.
- Set up procedures and bureaucracy. Ensure contracts, Personnel knowledge, health and safety, food safety and other legal requirements before opening.

By eighteen months:

- Undergo training and refine roles.
- Engage marketing and publicity. How are you different? Put leaflets through doors and advertise in the neighbourhood from 16 months.
- Test systems and equipment, e.g., tills and fire alarm, in last weeks before opening.

Night before opening:

- Do not spend the night in the new shop, it could set a bad precedent!

THE MARKET

At an early stage in your planning, start researching suitable locations and carry out market research to determine if Unicorn's model fits your target area, potential customer base, and existing competition. The [Radical Routes guide](#) and resources from the US-based [Food Co-op Initiative](#) include basic information on market research and business planning.

For several decades, a market for wholefoods and organic produce was a given in many areas due to the lack of supply elsewhere. Today's shops must be more savvy with USPs, with more 'ethical' products in supermarkets, box schemes, on-line shopping, and other developments.

Who?

Most of Unicorn's customers fit into one or more of the following categories.

- People who cook with basic ingredients
- Families with young children
- The 'green middle class'

Market researchers suggest that 5-10% of consumers qualify as 'green' (regularly seeking sustainable products), and another 60% or more may qualify as 'light green' (occasionally seeking). Unicorn works to appeal to a cross section of the (mainly suburban) public, and avoids being seen as a niche shop. Labels like 'green', 'organic' or 'vegan' matter less than good quality, affordable food.

Where?

Location is crucial. Lots of passing foot traffic is ideal, especially alongside convenient cycle, bus and road links, and car parking for weekly shoppers. Selling to an educated, food literate or aspirational population will be easier than to people who rarely cook from ingredients. Before locating in Chorlton we had a shortlist of areas around Manchester where our primary market groups were in abundance, and economic fortunes looked rosy (e.g., Sale, Northenden, Didsbury and Prestwich). Although most of our customers still live within two miles, we have witnessed the ability of a decent food store to slowly increase its initial catchment area. Keep in mind Sawtell's suggested population density as a minimum (500,000 people within twenty miles) and see Premises section.



Supermarket competitors

Unicorn knew from the start that it wanted head-to-head positioning with the multiples, and supermarkets provide our most direct competition. However, now that most supermarkets have a large number of wholefood lines, many of Unicorn's early USPs (unique selling propositions) are gone, and price competition is fiercer than ever. A significant minority still prefer to go anywhere but a supermarket but far more customers will shop wherever they consider their food requirements best satisfied. Unicorn is down the road from a Morrison's outlet, but with the right products at the right price, sold by trusted people in a convenient place, we can appeal to everyone.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Unicorn chronology and prehistory

On the web page see Planning: Chronology and Prehistory

Summary document

On the web page see Planning: Prospectus 1996

Business plans

On the web page see Practical Resources: Business Plan 1996

Employment Contracts

On the web page see Progress: Member & Probationer Terms and Conditions

Useful links

Co-operatives UK

www.uk.coop/membership/join

The Hive co-operative enterprise hub

<https://www.uk.coop/the-hive/>

Locality

<https://locality.org.uk/>

Radical Routes guide, including business planning

<http://www.radicalroutes.org.uk/publicdownloads/setupaworkerscoop-lowres.pdf>

Food Co-op Initiative resources, including forecasting

<http://www.foodcoopinitiative.coop/resources>



3 PRODUCE

Unicorn is a wholefood grocery, providing and promoting affordable, wholesome food and a more sustainable form of trade. Where possible, our products are organic (all fresh fruit and vegetables, alcohol and bread, plus much more), fairly-traded, local, regional or otherwise ethically-sourced.

Our buyers constantly evaluate products for affordability and ethics; we try to trade as sustainably as possible while still accessing a price-conscious mainstream market. Our range reflects this dual purpose, from products that may not differ much from those in your corner shop, to more radical (but still affordable!) fair-trade 'plus' lines like Zapatista coffee or Kitchen Garden spices, and everything in between. Generally, we focus on selling basic grocery lines at realistic prices.

WHAT WE SELL

Unicorn's Principles of Purpose include guidelines regarding the products on our shelves, and we draw a few clear lines in support of our aim for more wholesome, sustainable food. We do not stock products derived from animals or containing cane sugar, and we largely avoid refined grains. Although we promote alternatives, we never focus on what we do not sell. Unicorn has never marketed itself as a 'vegan' or 'sugar-free' store, which would have turned away the majority of our customers before they set foot inside. Nor are we a health food shop, we do not stock supplements or natural remedies.

Produce

PRODUCT RANGE

From our opening stock of 400 lines (see [Early Pricelist](#)), we now stock around 3,000 different products (with some seasonal and other fluctuations) from over 200 [suppliers](#). The shop is split into departments and groups of types of products. Sales percentages are approximate (see [Statistics](#) and [Top Sellers](#) for sales information, or see [website produce pages](#) for current pricelists).

- Branded 'ambient' (food that can be stored at room temperature) grocery lines, plus household, bodycare and baby care (31%)
- Organic fresh fruit and vegetables (29%)
- Packed goods (18%)
- Chilled foods (10%)
- Deli and fresh food (7%)
- Organic alcohol (3.5%)
- Organic bread (2.5%).



Fruit and Veg

Unicorn's entirely organic (and 'in conversion') fresh fruit and vegetable section provides one of our greatest attractions. In addition to the basics, we sell produce not normally found in supermarkets, such as broad beans, kohlrabi, ship-freighted exotic fruits and the widest range of squashes and pumpkins (over 20 varieties) you will find in autumn.

We buy directly from growers, over 90% for our UK fruit and vegetables, much of which arrives within one or two days of harvesting. However, a full year-round offer – a requirement for a good level of market penetration – still relies heavily on Europe and beyond. Roughly three-quarters of Unicorn's total annual fruit and vegetable sales come from abroad, although we have worked to decrease this proportion by supporting local growers and buying land ourselves.

Quality control is the hallmark of our fastidious [Veg Team](#). To ensure a good-value, delicious and fresh-looking produce section, we rely on correct [storage methods](#), rotation, tasting (especially fruit), and reducing prices to shift sub-par produce. In addition, with a high quality offer and no need to differentiate between organic and non-organic, we can sell our fresh produce unpackaged. Customers can buy exactly what they need, save on waste and packaging, and by handling loose produce, they see, feel and smell its freshness.

Packed dry goods

In 'own brand' packaging, we offer all the essential ingredients to make a complete meal (around 130 products, each in several sizes). We showcase not only the most wholesome basics of the culinary world, but also unique products and quantities that are not available elsewhere, from brown Jasmine rice to vanilla pods to three kilogram bags of pumpkin seeds.

Bread

Our bread range distinguishes us from the industrially-produced standard, containing no additives or preservatives, just the ingredients you would use at home. Craft bakers making Real Bread are not ten-a-penny, but they can be found without compromising all-important freshness. Unicorn has bolstered its range by working closely with local bakeries, and midweek fresh bread deliveries correspond with some of the busiest times in the shop.

Produce

Household and Bodycare

We offer a sustainable alternative to mainstream non-degradable cleaning products and synthetic, animal-tested 'beauty' products. As so-called 'eco' products flood the supermarkets, our definition remains stringent. Our bodycare range avoids ingredients like synthetic perfumes, parabens, and SLES (see [Faith in Nature](#) for more information), while the household section steers clear of enzymes, phosphates and chlorine bleaches (see [Bio-D](#)). In addition to specially developed ecological ranges, we stock cheap and effective traditional cleaning products like white vinegar and soda crystals.



Alcohol

Our organic wines, beers and spirits are made without animal products in the clarifying process. We order directly from a wide range of micro-breweries, from basic ales and lagers through to seaweed and ginger ales, from cider and perry to specialist beers fermented by "wild yeasts from heaven." Unicorn's licensee (see [Permits](#) section) carefully chooses tasty, good value wines and spirits from UK organic alcohol wholesalers.

Delicatessen

Our deli counter has always offered pulling power with top sellers like houmous and olives, and spicy snacks and pasties for the lunch crowd. In recent years, our Deli team has greatly improved its proportion of sales to wages by making their own innovative range of prepared foods for sale both in the deli and the chiller. Starting with sandwiches and daily soups, and with an increasing range of salads, truffles and other treats, on-site fresh food preparation provides the two standbys of grocery glory: USPs (something unique) and added value (something profitable). In addition, the flexibility of our fresh food offer is useful for promoting certain lines and making use of oversupply or 'use soon' produce.

Chilled

In addition to more top-selling houmous, our fridges boast a wide selection of tofu and tempeh, plus plenty of vegetarian burgers and sausages. Chilled goods provide some of the best opportunities for innovation, and we have built on our original offer with fresh juices, yoghurts and an evolving range of wholesome prepared foods (some of which are made in-house at our deli). We watch development of these luxury items carefully, and avoid stocking products that will challenge our reputation for good value.

Freezer

Unicorn has a small freezer with a limited number of frozen fruit and veg lines, plus organic wholemeal pastry, burgers, and the delicious Booja Booja ice cream. A freezer offers opportunities for frozen UK-grown fruit and veg to help through the annual "hungry gap." In considering frozen food, we keep in mind the impact of long-haul chilled transport and the value of the pound against the euro (many frozen ranges come from Europe), plus our overall commitment to meals cooked from wholesome, fresh ingredients, and seasonal and local food.

Produce

SOURCING

Suppliers

Unicorn relies heavily on the cost savings of buying direct, and currently deals with around 160 suppliers and growers. However, smaller businesses will not be able to meet minimum order requirements for all primary producers. In some cases, wholesalers may offer better discounts and bulk purchasing options, which can minimise administration and invoicing costs. For a reasonable ambient grocery offer, a start-up may want to aim for around 25 suppliers. (Our wholesalers appendix provides some initial information, or see a more comprehensive list of Unicorn's suppliers.)

Ethical Purchasing

Like all our business decisions, we choose suppliers in line with our Principles of Purpose. While we are not able to trade exclusively with companies that exactly match our own ethics, we prioritise ones that do and we attempt to avoid the worst offenders in global trade, e.g., by discontinuing lines when small manufacturers are bought out by objectionable corporations.

Innovate

Innovation always appears in food production – even a return to basics can be a new fad! Keep abreast of food trends in popular culture and trade magazines; small organisations benefit from being quick to recognise change and act accordingly. New lines or sources may be more receptive at launch than once established. Unicorn attracts submissions of plenty of products we do not want (e.g., 50 types of olive oil or ever-more processed foodstuffs) and we work hard to track down good products. The food business requires 'foodies,' with the eyes and ears of the whole working team on other people's shops, kitchens and conversations.

What to look for

Original ideas are few but a successful grocery should add a twist to the expected offer. Our remit is food that tastes good with non-toxic ingredients, while many larger food manufacturers add profit primarily through more processing. Look to rich food cultures such as Italy, Lebanon, Sri Lanka or Thailand for ideas. Only sell products tasted by you or someone you trust, as rushed introductions may trip you up later. Consistent good quality and freshness are requirements. Be realistic – no matter how ingenious, ethical or delicious, certain price tags on certain products do not sell.



Fill gaps

Product gaps quickly become obvious but finding someone to fill that gap can be slow and painstaking. Unicorn has spent years seeking receptive bakers and processors to craft longer-life versions of dishes made fresh at home. We rely on good relations and a minimum purchase agreement to convince suppliers to amend recipes (i.e., animal-, sugar- or additive-free) for sale in our shop. For basic commodities and key lines, find a secondary supplier – no grocery should ever run out of porridge or tinned tomatoes.

Produce

Keep an ear to the ground

We visit supermarkets and other shops in the UK and abroad, and all members offer product ideas to be harvested and tweaked. Product fairs are invaluable, even early on, for building relationships and identifying new products (especially [Biofach](#) and [Natural Products](#)). No food store offer is static; sourcing is a permanent state of mind. While Unicorn's 3,000 grocery lines compare to 25,000 in the multiples, hyperchoice has not necessarily led to happy shoppers – it is choosing the right food that counts.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Early pricelist

On the web page see Produce: Early Pricelist

Statistics and sales figures

On the web page see Produce: Statistics

Top sellers

On the web page see Produce: Top Sellers

Wholesalers

On the web page see Produce: Wholesalers

Unicorn suppliers

On the web page see Produce: Supplier List

Storage methods and presentation for fresh produce

On the web page Procedures and Pricing: Veg Storage and Presentation

Veg Team Sourcing and Trading Guide

On the web page Procedures and Pricing: Veg Trading

Useful links

Unicorn sugar information

<https://www.unicorn-grocery.coop/info-sheets/cooking-unicorns-sweeteners/>

Unicorn wholegrains information

<https://www.unicorn-grocery.coop/info-sheets/using-whole-grains/>

Unicorn pricelists and product lines

At www.unicorn-grocery.coop/our-produce/ see each department page

Real bread

www.realbreadcampaign.org

Faith in Nature

<https://www.faithinnature.co.uk/ingredients>

Bio-D

<http://www.biodegradable.biz/about-us>

Biofach

www.biofach.de/en/default.ashx

Natural Products

www.naturalproducts.co.uk



4 PREMISES

It is impossible to overstate the importance of the right premises in the right neighbourhood!

CHOOSING YOUR NEIGHBOURHOOD

Consider the following attributes in creating a shortlist of ideal locations.

- Majority of market within reasonable travelling distance (i.e., two miles)
- Close proximity to district or town centre
- Along well travelled roads, e.g., commuter routes into town
- On bicycle, bus or pedestrian routes
- Availability of buildings with suitable car parking and lorry access, and warehouse space (at least 400m², and more below)
- Population density of area (500,000 people within twenty miles)

Although smaller catchments are possible depending on the percentage of the populace attracted, supermarket competition is a major factor. Measure local knowledge against Government statistics on socio-economic trends, and rely on careful spreadsheets, cautious variables and common sense to choose target areas. Mixed areas are good and by building a following you can help shape the neighbourhood, although it may take time.

FINDING A SITE

Once you choose an area, the right premises may prove trickier to find. Site availability delayed Daily Bread and Unicorn as much as it delays the multiples. Search – preferably on foot or by bicycle – for ‘to let’ and ‘going out of business’ signs in your prospective neighbourhoods, speak to shop owners and estate agents and read the local classifieds. Evaluate each site closely for parking and accessibility (for customers and trucks), and proximity of residential neighbourhoods and other shops – the new shop must be in the heart of the community with plenty of passing foot traffic.

Premises

The parameters listed below will help narrow your search.

- Building size above 400m² (Unicorn began around 500m² and then doubled in size, see [Floorplans](#)), including:
 - 150m²-200m² retail (approximately half of the site)
 - Most of remainder as storage and a small packing space
 - Minimal office and meeting space
 - Staff area may be a compromise – Unicorn's staff room and green roof deck arrived after ten years!
- Retail and storage space, including cold store, must be ground floor
- Accessibility (an architect may offer free initial opinions)
- Adjacent car park remains critical, if reducing
- Good visibility and easy pedestrian access (our pedestrian custom was initially underrated)
- A forklift-friendly building is essential to our model (pallet-based purchasing for best deals)
- Access by articulated lorries (due to fuel efficiency, most food still arrives on big trucks)



LEASING

Purchasing a building provides security if cash is available, but leasing is usually the most suitable approach for new shops. However, leases may take the better part of a year to arrange; be prepared for frustration and try to find a back-up plan so you can walk away (or threaten to) if the landlord makes it difficult. Research standard rents in your neighbourhood and speak to other shopkeepers about rates. Negotiations are more fruitful with empty properties in the area. Try obtaining a rent-free period, break clause, rent reviews (up or down), and repair provisions – but be aware that negotiations may slow the process even further! Hire a sympathetic surveyor to negotiate on your behalf, these expenses may save you much more in the long term.

PLANNING PERMISSION

Planning permission for retail selling must also be present or obtained. If required, consult an architect and start the process as quickly as possible – see [Permits](#) section for more information.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Floorplans

On the web page see [Premises: Floorplans](#)



5 PRACTICAL RESOURCES

FITTING OUT AND EQUIPMENT

With a cunning mix of frugality, functionality, durability and aesthetics, you can achieve a relaxed place of commerce without trashing your budget. Equipment is not generally as expensive as buildings, fitting out and paid time, but every site is different. Employ known or recommended contractors where possible. (See [Useful Contacts](#) for a starting point.)

The internet offers a good starting point for researching prices and availability (e.g., ebay or other auction sites for second-hand goods), but on-line purchasing may not be ideal for products that require customer support. With machinery or till equipment in particular, a reliable, nearby company who can provide in-house training and support is especially important. Local providers usually offer better service and flexibility, if not better prices; speak to other shopkeepers for ideas.

Note all prices are approximate in 2015.

Functional points to bear in mind

- Lorry and customer access
- Level concrete floors that pallet trucks will negotiate
- Sunshine (heat and light) and window glazing
- Shop/warehouse temperature (below 20°C all year round ideal but challenging) and heating
- Security of structure, shutters, bars, gates, alarms
- Tough floor coatings or coverings
- Best practice for merchandising (i.e., stock display and shelf filling)
- Electronic tills and conveyors (to get customers through briskly)
- Visibility in shop (for security, overview of customers and shop needs)
- Aisles big enough for trolleys to pass each other

Practical resources

Aesthetic considerations

- Wood is preferable to plastic wherever possible
- Tiled floors (or perhaps linoleum) are retail floors
- Light the goods, not the ceiling; daylight is best (but consider what products get direct sun)
- What looks good through the window: representative, colourful, not too expensive or dull
- Simple, clear, consistent signage and logos; Blackboards for fresh/changing information
- Eye level is buy level; not too high with the shelves (use drawers below for restocking throughout the day) for an open, pleasant feeling
- End Caps (the ends of shelf runs) offer prime selling space
- Clean windows, floors and shelves and frequent 'refreshment' of painting and finish

Basic equipment list

- Pallet trucks X2 (£350 second-hand)
- Forklift, minimum one tonne lift and not just the cheapest option (lease for reliability from a supplier with good reputation, £300/month)
- Store Racking (£2,000-£4,000 second-hand)
- Cold Storage, minimum 10m² with external heat exchanger (£6,000)
- Display Fridge, 3m long with external exchanger (£6,000 second-hand)
- Shopping trolleys and baskets (£2,500 second-hand)
- Trolleys X2-4, for picking and packing (£250 each)
- Till checkout stands (£2,500 each including fitting)

IT and communications

- Tills with linked scales and scanners, X2-3 (around £5,000 each). Modern tills are EPOS – electronic point of sale – systems, which include capacity for sales reports, pricelists, shelf tags, picking lists, packing lists, etc. Be sure to choose a system that can scan, weigh and offer multiple touch menus for nonbarcoded/loose items. Choose a recommended local supplier to install and train key staff, and also offer rapid on-site support in the settling-in period.
- Card machine for each till, X2-3 (around £30 each/month plus transaction charges)
- Computers, X2-3 including one for EPOS database (£500 each, plus standard software)
- Printer, X1-2 with ability to print coloured shelf tags/signs, plus laminator (£150 each)
- Database software if needed for bag labels or general flexibility (e.g., Filemaker, £250)
- Bag Label Printer (e.g., SATO type, £1,250, or computer printer if lower volume)
- Bookkeeping software (e.g., Quickbooks, MYOB or Sage, £200)
- Back-up programme (e.g., Retrospect, £50)
- Broadband service and phone lines (non-analogue options may give long-term cost savings)
- Fire and security alarm system with police response (£2,000-£4,000)

Packing Equipment

- See above for label printer.
- Stainless steel tables X2 (£500 each second-hand)
- Weighing Scales X3, up to 10kg (£250 each for electric, e.g. Avery)
- Mixing Tubs X5, food grade (£200 each)

Deli Unit

- Optional perhaps but would require sinks, serve-over fridges and worktops
- Programmable scales that produce price-embedded barcodes (e.g., Digi)
- A soup kettle, pie warmer, or cooker may be something to work towards

Practical resources

Organising the site

Consider functional, aesthetic and practical issues when deciding how to lay out your shop, store room, offices and tills. Good customer flow means two trolleys can pass each other, with more in popular areas (for us the fruit and veg and till areas). Identify, minimise and manage pinch points.

At Unicorn we carefully organise shelves by category so customers can find and compare products easily. When deciding how many faces of a product, think about “eye level buy level”, how fast it sells (price is key!), and of course the width/height of each line. Ideally you can fit a day’s worth on the shelves, although busy days need extra restocking. Full cases may not look great but, for popular items, can save time and money in “double handling.” Our store is divided into sections that match the shop, with products in roughly the same order as per the “picking list” for that section. There are some exceptions for big sellers or pallet-based lines which may stay on the pallet to avoid double-handling.

ENVIRONMENTAL FOOTPRINT

Beyond our focus on products and suppliers with a lower environmental impact than the norm (e.g., organic, local, less disposables, etc.), Unicorn works to minimise its retail ‘footprint’ as follows.

- Recycling, reusing and composting waste wherever possible
- Considering packaging options carefully; see customer [Packaging Leaflet](#), [Riverford Study](#), or [Useful Contacts](#) for more information
- Photovoltaic and water-heating solar panels
- A green roof to minimise water run off and improve local biodiversity
- Purchasing electricity from a renewable supplier
- Improvements to thermal envelope to save on heating costs
- Contributing self-imposed ‘carbon tax’ to tree-planting scheme (currently 0.07% of sales)
- Continually investigating new ‘green’ options as technology and circumstances change

We hope that any new retailer would consider ways to minimise the environmental impact of the business and dependency on non-renewable resources, both for the sake of long-term business security and environmental sustainability.

FINANCES

A wide variety of financing exist for fledgling co-operatives, depending on legal structure and profit-sharing rules. Choose a mix of financing options to allow flexibility in future business development, i.e., allow enough for initial asset purchase and some working capital (day-to-day costs such as wages), with the option to raise more money at a later stage.

Loanstock

A registered Co-operative and Community Benefit Society may issue loanstock, fixed term bonds that enable the co-operative to raise money from members of the public without relinquishing control. The challenge, of course, is to find people to buy your loanstock bonds! Start with relatives and friends, and build a network of local sympathisers to help with loanstock and other challenges. Brief postcards or on-line updates can keep supporters abreast of plans and demonstrate the benefits of the proposed shop, and loanstock holders may foster a strong bond with the business.

Offer loanstock bonds for a fixed period of time, at one or a choice of interest rates, e.g., 0-6%. Loanstock holders do not have any control over the business, and will be repaid after banks and other creditors should the business fail. At the end of the fixed period, ensure sufficient cash is available to repay all loanstock, although another loanstock issue would permit current investors to re-invest. See a previous Unicorn [loanstock](#) agreement for sample terms and certificate.



Member shares or loans

More conventionally, your chosen legal structure may allow members to buy shares, although in a co-operative these will be subject to a limited return to ensure equity. Alternatively, members may make formally drafted loans to the business.

Bank loans

Initial seed capital, particularly from founders, encourages other lenders (e.g., social banks such as [Triodos](#) or the [Co-operative Bank](#)) to consider a loan. Ten-year or longer loans provide time to build a business, while repayment over five years can be too steep. Banks are unlikely to offer more than 70% of start-up costs and may well offer much lower amounts. Lending on buildings is a less complex risk than assessing the people skills in a new business. Take care to balance potential interest rates with convenience and flexibility of sources of finance.

Other sources of funding

Grants may be available if you are creative in where you look for help, Daily Bread in Northampton was renovated by workers as part of a Government recession measure. [Co-operative and Community Finance](#), formerly ICOF, loaned money to Unicorn in the early days and provides funding to co-operatives and social enterprises. Also contact Co-operatives UK

regarding ethical lenders and available grants. [Locality](#) is another resource for funding information, even if not up to date it offers some ideas. Registered not-for-profit companies are eligible for more grants than for-profit legal forms; the links to alternatives in the 'Registering a worker co-operative' section provide more information.

How much?

If Unicorn started with £45,000 (in 1996) then one could assume a comparable business with more refrigeration equipment might need £150,000-£200,000 in 2015. Much depends, as cashflow [forecasts](#) will show, on the business's ability to grow sales sufficiently quickly. See the draft of Unicorn's [original business plan](#) or [more recent business plan](#) for more ideas.

Break-even planning

Unicorn's eighteen-month break-even point fortunately proved a little cautious, but the journey there tested our nerves nonetheless. The 'break-even point' refers to the moment when the business starts to become profitable and recoups start-up costs. Financial sources other than sales revenue need to cover costs until this time. Break-even times can be roughly calculated on spreadsheets, however the further into the future one tries to predict, the greater the degree of potential variation. Several scenarios are necessary. External economical factors should be considered in the planning, as should the cost of servicing the loans. Our [Forecasting Tool](#) may provide a starting point, but consult a business advisor for help with initial forecasts (also see Unicorn's [original business plan](#) for an example).

Practical resources

Financial management

The initial workgroup will need a certain amount of financial know-how, see the [Finance Induction Pack](#) for a start. In-house training for numerate and conscientious staff to fulfil finance roles will save on expense. Accurate, up-to-date forecasts are vital, using accounting software or another method. Businesses frequently fail because they run out of cash to pay suppliers or wages, rather than through being unprofitable.

It is useful to choose a user-friendly accounting package at the start. Bespoke spreadsheets may seem easier, but limit usability to new members in the future. Speak to an accountant and consider factors such as: the level of available support, capacity to grow, initial and future costs (be aware that some reasonably-priced start-up packages can become expensive as the business grows), flexibility, reliability of the software company.

To keep abreast of our financial situation, Unicorn schedules a regular routine of [finance tasks](#) into the working week and financial year.



Stock management

The business must have up-to-date management accounts at all times, although the expense of time-intensive manual stocktaking hampers how accurate assessments can be for much of year. [Sample accounts](#) show the impact of 'opening' and 'closing' stock levels on gross profit.

The computerised stock monitoring systems used in supermarkets help to assess profitability throughout the year (and automate ordering levels). At Unicorn, the sheer number of suppliers and deliveries, frequent last minute changes, human error and other variables render such a system too inaccurate to be useful. We rely on manual ordering and yearly stocktakes, which means we don't know our exact gross profit for most of the year. Still, we do check off each delivery as it arrives and match the delivery note to the invoice before payment.

A membership responsibility

The owners need to know that cashflow is healthy, trading is profitable, and projected activity is plausible. Trained finance staff must spend time interpreting accounting material to ensure that all members have a reasonable grasp of the financial position and resist the temptation to 'leave it to the experts.' Unicorn devotes several fortnightly Training sessions each year to reading and interpreting financial statements and indicators, and ensuring widespread familiarity with Profit and Loss, Balance Sheets and Forecasts (see our [accounts appendix](#) and [forecasting tool](#)). While every detail may not be clear to all members, we focus on certain key performance ratios such as gross profit and wages as a percentage of sales (see [Statistics](#) and [Finance Induction Pack](#) for more).

Investment

Co-operatives may tend towards conservative investment planning; however, calculated, informed risks are essential to growth. Decisions should follow careful analysis of alternative options, break-even points, and external factors (e.g., competition, the wider economy, exchange rates, oil prices). Consider the less obvious financial benefits of a project, especially in terms of USPs or long-term security. For example, a deli counter or on-site bakery may not offer high returns but may draw more business to the shop; purchasing land is no moneyspinner but may secure fresh produce supply in an uncertain future.

Practical resources

RISK MANAGEMENT

Every business should carry out an annual risk assessment. See [Risk Management](#) appendix.

Shrinkage

As well as planning for expansion, a business must plan for a decrease in sales. In a co-operative, wages constitute a large portion of expenditure, second only to purchases. To keep hours in line with weekly and seasonal sales patterns, Unicorn engages casual workers for around 10% of required labour. In case of a downturn, casual hours may be reduced with the least possible adverse effects on staff and the business. Otherwise, good stock management and monitoring of sales form the basis of a secure strategy.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Useful Contacts

On the web page see Practical Information: Useful Contacts

Loanstock

On the web page see Practical Resources: Loanstock samples

Unicorn's business plans

On the web page see Practical Resources: Business Plan 1996 and 2002

Card Charges

On the web page see Practical Resources: Card Charges

Forecasting

On the web page see Practical Resources: Forecasting Tool

Finance induction pack

On the web page see Practical Resources: Finance Induction Pack

Finance tasks

On the web page see Practical Resources: Finance Tasks

Accounts

On the web page see Practical Resources: Accounts

Risk management

On the web page see Practical Resources: Risk Management

Statistics

On the web page see Produce: Statistics

Useful links

Packaging leaflet

<https://www.unicorn-grocery.coop/wp-content/uploads/2018/03/packaging-leaflet-2018.pdf>

Riverford Study

<https://www.riverford.co.uk/aboutus/environment-ethics/how-green-are-we/packaging>

Triodos

www.triodos.co.uk

The Co-operative Bank

www.co-operativebank.co.uk

Locality funding options

locality.org.uk



6 PROCEDURES AND PRICING

In addition to the Trading, Pricing, Veg and Packing sections below, see the [Rotas](#) appendix.

TRADING

Key points

- Remember, price rules.
- ...Followed closely by freshness, quality and ethics.
- Buy as direct as possible.
- Buy in bulk, enabled by correct warehouse to shop ratio (i.e., 1:1).
- Check competition constantly and price with margins as a guide.
- Trade honestly, pay on time and build good relations with suppliers.
- Ensure accessible location and friendly staff.
- Build a consistent, broad range that can satisfy bulk of weekly shop.
- Be clear as to why you trade, make decisions based on that and let customers know.
- Form a committed working group to oversee pricing, sourcing, buying.
- Use 'new product' or 'promotion' displays in prime selling spaces.
- Add value on site (see Packing section below).
- If you do not have the necessary expertise, then get training.

Price rules

In recent years some commentators tried to argue that convenience and presentation mattered more than price. Perhaps they did not do the shopping, and now the credit crunch has renewed the importance of the good value model. Unicorn uses some economy of scale and buys as near to source as possible to achieve market prices, i.e., the same or better than supermarket competition. Price checking is second nature in grocery. In addition to keeping an eye on the supermarket shelves, Unicorn's buyers regularly compare pricelists and switch between primary and secondary suppliers (e.g., for bulk commodities) as prices fluctuate.

Procedures and pricing

Buy in bulk

A good negotiator should use 'trade prices' – the listed price in a wholesaler's catalogue – as a reference point from which to arrive at the real price (expressed as a certain percentage off the trade price). These reductions relate most critically to volume; a pallet may cost £45 to transport £200 worth of goods or £2,000, but the servicing costs (invoicing, handling, processing) are diluted on the larger order. In the early days, Unicorn didn't have anything like its current selection – we wheeled pallets of one type of orange juice, beer or baked beans straight onto the shop floor. Focus on the basics, keep prices low, and offer a broad range of goods to satisfy most of any weekly shop.

Pay on time

Timely payment provides the basis of a trading reputation. Unicorn aims to establish relationships with companies that may endure for many years, to mutual benefit. A supplier may offer further reductions off the trade price for prompt payment (e.g. within one week).

Negotiate

Telephones remain a great negotiation tool. Homework beforehand makes for confident negotiations; look at websites for concise background and investigate selling prices elsewhere, rival brands and ingredient details. Initial resistance can be frustrating but if you need the product then persevere. Do not take written terms or stated discounts at face value – these are a starting point for your negotiations. The mention of a rival brand could be necessary to interest a supplier and crucial to a strong bargaining position. If you have a 'Plan B,' you can walk away, but if you do not, it is difficult to hide that fact. Still, competitive businesses must avoid paying above the odds to subsidise low prices for the multiples.

Leverage or negotiating power relates to volume, hence the seriousness of the UK supermarket 'oligopoly.' A manufacturer dominated by one or two buyers finds itself in a weak position. This dependency may account for the enthusiasm of many existing Unicorn suppliers, although some of the largest suppliers will now only deal with multiples. We hope 'cheap food' ploys such as retrospective discounts or funded promotions will be regulated or illegal in the future (see Joanna Blythman's book *Shopped* for some background on supermarket trading practices).

See the [Veg Trading Guide](#) for some useful details that apply to all areas of Trading.

PRICING

In pricing your products, standard margins (approximating the desired gross profit) are only useful for USPs that cannot be found elsewhere. Unicorn's concept of 'good value' pricing also takes into account prices in the supermarket, prices for similar products on our shelves, and the quality of the product.

Where products are directly comparable to those sold by our competitors (supermarkets), Unicorn's Buying team generally squeezes margins or negotiates better deals rather than losing sales or creating the perception we are expensive. We research 'known-value items' (products that people expect to buy for a certain price) and price these goods especially carefully, e.g., bread is a grocery basic and high prices would just send customers elsewhere.

Unicorn chooses to sell a few higher-priced specialist or hard-to-find lines, but lots of expensive goods affect customer perception of the whole shop – it does not take many bottles of pure vanilla or fancy olive oil for a first time shopper to walk out in disgust!

Procedures and pricing

VEG

Unicorn's all-organic fresh fruit and vegetable section is one of our primary USPs (unique selling propositions), cultivated over years of experience with the world of growing. One of Unicorn's founders also started one of our oldest, most local vegetable suppliers – originally Glebelands Market Garden, and now called Glebelands City Growers. For more on how to reduce the distance from field to fork, see the [Glebelands Market Garden Model](#).

UK suppliers

As far as possible, Unicorn buys directly from farms. Most fresh produce still comes from the east of the country in Norfolk, Yorkshire and especially Lincolnshire. To the west, milder coastal land, e.g., Cornwall or Pembrokeshire, yields a good winter supply. Herefordshire and Devon also offer a good density of growers.

To find growers, try the certifying bodies, grower events or trade magazines listed at the end of this section. Speak to local farmers, pop into farm shops, visit your nearest box scheme – and always look for labels with farm names, producer certification numbers or, better still, phone numbers.

Organic wholesalers (found in most urban wholesale markets) are useful when volumes are small. The bigger organic box schemes may also supply wholesale (see 'Useful links').

European growing

Unicorn relies heavily on Europe for much of its range, and has met its best European wholesalers at [Biofach](#) and through UK wholesalers. As with the UK, know the particular strengths of different European climatic areas (see [European growing](#) appendix).

Trading and pricing

The [Veg Trading Guide](#) covers trading, negotiation and ordering in the world of fruit and vegetable supply – although much of this guide applies to all areas of trading. The Pricing section offers some ideas, and as ever use margins only as a starting-point. Try to educate customers about growing realities when they do not tally with retail expectations. However, be realistic; no matter how much sympathy you evoke for growers during summer floods, no one wants rotten overpriced onions.

Ethical considerations

Aside from an outright refusal to purchase any airfreight or non-organic produce, Unicorn's Veg buyers juggle an ethical minefield in sourcing fresh food. Regarding the carbon footprint of our fruit and vegetable section, local is not always better – e.g., gas-heated tunnels in the UK cause their own environmental damage and ship-freight can be more efficient than lorry freight (see the [Riverford study](#)). In addition, buying from desertified areas with water shortages remains a bit of an unknown.

As for social considerations, we favour grower cooperatives partly because more money will end up with the grower. We often have little concrete information on labour conditions but Unicorn avoids buying from countries with a poor social record.

Organic certification

Unicorn complies with Soil Association guidelines regarding the sale of organic produce, as described in the [Soil Association Standards Guide](#).

Storage and presentation

Our shop entrance leads customers straight into the fresh produce section, and our stringent quality control standards ensure we make a good first impression. See the [Veg Storage and Presentation Guide](#) for information on how we achieve a bountiful, fresh display, and the [Veg Aftercare website page](#) for further tips.

Procedures and pricing



PACKING

Like Daily Bread, Unicorn relies on the simple but clever system of repacking bulk foods on site into small retail-sized bags. Unicorn's packed goods range represents our core offer of basic cooking ingredients, and provide a basis for the Unicorn 'brand' (basic, wholesome, informative, good value). Packing also provides a much-sought grocery opportunity for 'added value' – turning relatively low-cost commodities into higher-value products. Especially in the case of mixes such as breakfast cereals, Unicorn mix recipes have so far proved better quality and value than the competition and often very profitable.

Advantages to on-site packing

This system adds value, provides local wages, minimises the cost of purchases (as lower value bulk is turned into higher value as required), helps create our brand identity and significantly helps with the grocery bane of variations in customer flow. Seasonal planning is obvious, but fluctuations throughout the week or day can be drastic as well. With the packing room as a 'labour buffer', workers always have a productive task to return to in quieter moments on the shop floor.

Alternatives

These advantages must balance against the management of another specialist area that requires expertise, equipment, training and commitment. The more specialities under one roof, the greater the complexity of the overall enterprise, but the greater the potential attraction to customers if all are done well. Self-service bins can work in certain shops, but may not appeal to some mainstream shoppers rushing through their weekly shop. Bags can be packed off-site, but this means double-handling, potential evaporation of tight margins, and no 'labour buffer'. Many suppliers offer pre-bagged foodstuffs at competitive prices, but a pre-bagged supply may offer less flexibility, e.g., in responding to fluctuations in demand, requests for different bag sizes, or the potential for mixes.

How to do it

The Unicorn packing room operates according to a strict set of procedures in order to maximise efficiency (see Packing Guide). We closely monitor the packing rate (the time it takes to set up, pack, clean down and put out packed goods) to ensure it remains around 40 bags per hour for our margins to be profitable. With our new packing machine, we sometimes reach around 55 bags per hour. As with other products, any standard margins are a starting point to be checked against similar products in our shop and competition (see Pricing section).

Organic

In order to label some of our packed goods as organic, we comply with Soil Association requirements. The all-important daily Packing List details what products need stocking up on the shop floor (by type, bag size and quantity) and records what products are ultimately packed, including how many, by whom, and the delivery date for organic goods. Each organic bag label on the shelves contains a 'packed' date, leading to a delivery date on the packing list, which points to a delivery note from the original organic supplier and proves organic provenance. For more details, see the Soil Association Standards Guide.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Veg Sourcing and Trading guide

On the web page see Procedures and Pricing: Veg Trading

Veg Storage and Presentation guide

On the web page see Procedures and Pricing: Veg Storage and Presentation

Veg Aftercare

On the web page see Procedures and Pricing: Veg Aftercare

Margins

On the web page see Procedures and Pricing: Margins

Packing Guide

On the web page see Procedures and Pricing: Packing Guide

Packing List and Packed Goods Range

On the web page see Procedures and Pricing: Packing list sample

Rotas

On the web page see People: Rotas

European growing

On the web page see Procedures and Pricing: Veg Europe

Useful links

Glebelands Market Garden Model

www.glebelandsmarketgarden.co.uk/andysarticle (look under Food Retail for original toolkit)

Growers

- **Soil Association**
www.soilassociation.org
- **Organic Farming Magazine**
www.soilassociation.org/farmersgrowers/magazine
- **Organic Farmers and Growers**
www.organicfarmers.org.uk
- **Department for Environment, Food and Rural Affairs**
www.defra.gov.uk
- **NFU**
www.nfuonline.com
- **Organic Growers Alliance**
www.organicgrowersalliance.co.uk
- **Farmers Guardian**
www.farmersguardian.com
- **Woodlands Farm**
www.woodlandsfarm.co.uk
- **Organic Pantry**
www.theorganicpantry.co.uk
- **Boxfresh**
www.boxfreshorganics.co.uk

Biofach

www.biofach.de/en



7 PROMOTION AND PUBLICITY

EDUCATION AND MARKETING

With a great product (tasty, wholesome food at affordable prices) and respect for customers, there is no need for a hard sell. A recommendation from a friend is infinitely more effective than an advert, and Unicorn largely relies on word of mouth to establish our reputation. Our sales levels depend on regular return visits, not occasional ones, so a positive customer experience is paramount. Worker-owners should all be on board with the same message and display a motivation and sincerity that impresses the public – no robot shelf stackers here!

A presence in the community

Door-to-door flyers can be useful, especially in the early days, but in 13 years we have spent little on conventional advertising. We use other methods to build a presence in the community, which are more meaningful than a flyer through the door. A branded jute bag on the arm of a friend or tasting food at a community event carries more weight than a poster or an advert.

Press

Unicorn has benefited from the attentions of the BBC, Guardian, Manchester Evening News and other media. As in the running of the shop, we keep our message consistent and do not make claims we cannot substantiate with trading practices. In addition, we only seek press attention when we have something valuable to say. Be prepared for new customers after such attention; nothing is worse than spoiling a good recommendation or disappointing a first-time shopper!

Customer feedback

We rely on customer feedback, e.g., our Comments Book or customer surveys, to monitor our reputation and public perceptions. Knowing our customer is as important as knowing our offer; good customer information (e.g., how people travel to the shop, what they buy, queuing times, what they buy elsewhere, etc.) helps us keep existing customers and attract new ones. With shop floor work as a vital part of our member responsibilities, we have an intrinsic understanding of our customers. "Look after your customer or someone else will!"

Ground rules

Unicorn never preaches or bombards people with overcomplicated information. Instead, we use humour, colourful displays, thoughtful price comparisons and practical suggestions. We stay positive and focus on what we *do*, not what we *don't*. On hotly contested debates around food, nutrition and ethics, we stay on topic and avoid inaccurate claims that damage customer trust.

Promotion and publicity

First impressions

With new customers visiting the shop each week, and a good first impression is critical – a welcoming entrance, a fresh, bountiful looking fruit and vegetable display, good lighting and smells, fully stocked shelves, competitive prices, positive displays, a clean shop and small queues. Look with ‘customer eyes’ in designing the shop layout and merchandising (signage and labels). Customer service is just as important; most customers do not speak to anyone aside from the till clerk, so these (and any other) interactions must be positive and friendly.

Team roles

Although the Education and Marketing team itself is small, every co-operative member participates by suggesting ideas, taking on projects, or just getting our message across on the shop floor. The team oversees all activities that promote who we are and what we do, both in the shop and in the community:

- Designing our brand, including the look and feel of the shop
- Creating merchandise (bags, pinnies, etc.)
- Promoting products and how to use them
- Providing information on eating well and special diets
- Promoting good value
- Keeping the shop floor accessible, fun and interesting
- Letting customers know what we’re up to
- Supporting community events and campaigns
- Building good media relations, to use when we have something to say (not just for self promotion)
- Strengthening relationship with customers by promoting our message little by little (the ‘drip drip’ approach)
- Keeping consistency and clarity between what we do and what we say

How do we do it?

Each year the team outlines the priorities for the next twelve months (based on the current economic climate, relevant popular campaigns, industry trends and member visions) and creates a plan for how to address those priorities using a number of techniques:

- Reusable bag designs and other merchandise
- Stalls at community events
- Price comparisons with local supermarkets
- In-store boards and displays
- Information leaflets
- Events and speakers
- Customer newsletters
- Product information (signs, labels, leaflets)
- Food demonstrations and recipes in the shop
- School visits
- Talks to local groups
- Participation in local campaigns
- Supporting (by donating produce or money) local projects or events
- Community notice board
- Website

Promotion and publicity



Education and marketing

Marketing comes with education at Unicorn. By increasing community awareness of food and the food system, we show how we differ from the norm. The impact of volatile weather and banana price wars are stories to build a picture for customers – a grocery shop is global trade under a microscope. We have built a different kind of relationship with our customers, with loyalty based on an understanding our mission.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Customer survey

On the web page see Promotion: Customer Survey

Useful links

Education and marketing materials on our website (food info)

<https://www.unicorn-grocery.coop/our-recipes/>



8 POLICIES AND PRINCIPLES

PRINCIPLES OF PURPOSE

Unicorn is based on a set of founding Principles of Purpose, originally derived from the Daily Bread Co-operative. This document is not an afterthought – it has always guided the direction of our business, informed our decisions, and clearly set out our intentions in a time of commercial insincerity and distrust. As so many discredited company mission statements make the format virtually redundant, a good set of principles says only what you intend to carry out and stick to through thick and thin. Respect is gained slowly but can be quickly lost.

1. Secure employment

We aim to provide secure employment for our members. We seek above all to provide a livelihood for ourselves with some control over our working environment. We accept the responsibilities and rewards of this challenge.

2. Equal opportunities

We believe that all should have an equal opportunity to undertake paid work. Ignorance and prejudice should not be an obstacle to this. The ability to carry out a minimum of 20 hours useful work per week entitles a worker to apply for membership. The respect and income derived from a job are important to many people in our society which is one which values paid work highly.

3. Wholesome healthy consumption

We aim to trade in wholesome foodstuffs and household goods of non-animal origin. We trade in foodstuffs which have undergone minimal processing, in contrast to the steady trend towards a highly processed diet in this country. Specific product guidelines include the avoidance of added sugar, salt and animal derivatives. We strive to sell products of organic standard and maximum nutritional value whenever we can find or generate a market. Provision of food educational materials help in this aim.

Policies and principles

4. Fair and sustainable trade

We aim to trade in a manner which supports a sustainable world environment and economy. We trade preferentially in products which follow the "Fair Trade" ethos and alert our customers to the problems cash crop agriculture. We are concerned that much of world trade is to the disadvantage of poorer nations with a consequence for people's health and lives. We operate a fund from which to support projects addressing and challenging this imbalance. 4% of our wage costs are contributed to this fund. We trade in products which in themselves and in their packaging produce minimum impact on the environment because we are concerned at the current large scale disposal of inorganic waste. Wherever possible we lobby for the use of reusable packaging (e.g., glass containers of standard size).

5. Solidarity in co-operation

We aim to support like minded ventures, co-operatives or otherwise. We acknowledge both competition and co-operation as fundamental to human nature. We seek to encourage co-operation by operating a fund to support projects which share our vision of community and society in the United Kingdom. 1% of our wage costs are contributed to this fund. We promote co-operative structures and spirit through all our trading, social and educational activities.

Donations

As responsible traders, our Principles pledge to support like-minded projects in the UK and in the Global South. We donate an amount proportional (5%) to our annual wage bill rather than a percentage of profits, which means this fund is less affected by sales fluctuations. Thoughtful donations can also motivate co-operative members and Unicorn solicits feedback on achievements from recipients of larger bids.

Four-fifths of the fund is designated for projects in the developing world, where global trade most affects communities and the environment. We aim to develop reliable, long-term relationships with charities rather than one-off gifts, and now commit in advance to specified annual sums for some organisations. Any member may propose a donation at a members meeting, although in smaller amounts may be agreed at the fortnightly 'Forum' meeting or by the Education and Marketing team.

REGISTERING A WORKER CO-OPERATIVE

Unicorn Grocery Ltd is both a worker co-operative and a registered society under the Co-operative and Community Benefit Societies Act. The guide below provides an introduction to the formal structures of our business.

Co-operative and Community Benefit Society

While 'worker co-operative' is Unicorn's organisational structure, this classification has no legal standing. Of several possible legal forms (see below for links regarding the various alternatives), we are a Registered Society under the Co-operative and Community Benefit Societies Act. This structure has recently replaced our original form as an Industrial and Provident Society (IPS), a model with a proud nineteenth-century heritage (see [Rochdale Pioneers](#)). The absolute structure is not critical, although this model reinforces principles such as ownership by participants, limited liability, an asset lock, a social agenda, and a commitment to wider society.

For further details on legal structure, see the [Co-operatives UK 'Simply Legal'](#) toolkit on possible legal forms and model company rules for co-operatives.

Policies and principles

Worker co-operative

As a worker co-operative, Unicorn Grocery is controlled, directed and owned by its workforce. After a successful probationary period, a worker becomes a member and director of the company. All members are directors and all directors are workers. Unicorn maintains a flat structure (see Governance) based on consensus decision-making and the sharing of shop floor-based and administrative tasks. In addition, Unicorn employs casual workers who are neither members nor directors (see Recruitment section for more information on the nature of and reason for casual staff).



International Co-operative Alliance

Worker co-operatives are autonomous businesses and membership is free and voluntary, as defined by the International Co-operative Alliance (ICA). The ICA has established an internationally-recognised set of values and principles, initially laid out by the Rochdale Pioneers in 1844, adopted by the ICA in 1937 and revised in 1966. Co-operatives will fail or struggle if these values are not taken to heart.

Co-operatives UK

In addition to providing information on possible legal structures, Co-operatives UK provides invaluable resources and advice for any co-operative. See the Worker Co-operative Code of Governance, based on the ICA principles.

WHY A WORKER CO-OPERATIVE?

As directors, all employees work for the benefit of the business and engage fully in its successes and failures. Every member has an insight into the business needs, operations and finances – and should act accordingly. Our till workers understand our pricing policy, our IT specialists know what works in practice. If a customer asks a questions on the shop floor, we can answer not just how something is, but *why* it is so! Co-operative working has its challenges, but with pride in our shop, and the ideas and inspiration of dozens of fully engaged members, we stay a step ahead of the competition.

Some challenges of co-operative working

- Individual identification with collective outcomes
- Maintaining sense of ownership and pride (saying 'we' not 'they')
- Equitable level of commitments (who stays late?)
- Freedom and support to be heard at members meetings
- Structure as membership increases
- Raising and maintaining a capital-intensive business
- Use of dividends and stakeholding
- Career development, retention of long-serving staff
- Being good employees *and* employers (do we look after ourselves?)
- Providing a living wage for our local area
- Balancing conventional workplace tendency towards rank and hierarchy with ability to value a wide range of skills, mutual respect, collaborative coexistence
- Awareness among all members of Principles of Purpose, financial position, wider co-operative context and food retail competition

Policies and principles

Alternatives and further information

Other structures may offer vehicles to achieve the same results. The following resources provide summaries of options and plenty of technical information.

- Making Local Food Work
www.makinglocalfoodwork.co.uk
- Co-operatives UK start-up resources
www.uk.coop/simplystartup
- Sustain Food Co-operatives Toolkit
www.sustainweb.org/foodcoops

Legal and organisational structures matter less than principles, honesty and a good offer – while many Unicorn customers only vaguely understand our organisation, most possess a clear idea of what they expect from us in our trading and ethics.

GOVERNANCE AND CO-OPERATIVE STRUCTURE

For the first eight years, Unicorn's membership did not exceed fifteen members, a family-sized group that enables high levels of transparency, active involvement and efficient communication. As trade and size of premises increased, Unicorn decided to accept a larger membership, ideally 90% of the labour required to run the shop, and a representative flat structure.

Co-operative working

All co-operative members are workers and company directors, with equal responsibility for the decisions that govern our business, from long-term strategy, to budgets and recruitment, to procedures that run the shop each day. Regular group training sessions and opportunities for external training contribute to personal development among our members (see Training section). These aspects of Unicorn's structure, in combination with our Principles of Purpose, incorporate the seven principles laid out by the International Co-operative Alliance.

Flat Structure

As a fifteen-member (and smaller) co-operative, Unicorn's membership met formally each week, and informal discussions helped to run the business between meetings.

In Unicorn's larger incarnation, a complicated rota governs regular meetings of the twenty teams and subteams that manage different areas of the business. These 'spokes' link to the rest of the business through a fortnightly Forum meeting (the 'hub'), the quarterly members meeting (the 'wheel' itself). Thus, the structure balances the specialised knowledge of teams, the ability to act quickly in operational matters, and scrutiny by the entire membership. (See [Devolved Structure](#) and [Teams List](#) appendices for more details.)

Flat pay

A diverse range of skills is vital in any co-operative. We know that the insight and energy of a new recruit is as valuable as the experience gained from long service. By offering a flat rate of pay, Unicorn encourages an equal sense of ownership and worth in all members.



Consensus decision making

From four members to 40, we have always made decisions as a collective. In the larger co-operative, consensus requires more careful preparation and facilitation, but the advantages are still well worth it. If one member (or two, in the case of the larger group) objects to a given proposal, that proposal is 'blocked' and withdrawn or carried forward to a workshop for interested parties. In most cases the workshop produces an amended or alternate proposal; in the rare case that this proposal does not find consensus following the workshop, a vote takes place.

As you may imagine, this method requires enormous respect, and occasionally, commercial decisions may require a fair degree of patience. More often, the process of reaching consensus – clear information in advance, questions, discussion, amendments, and even objections, 'blocks' and workshops – helps us to make strong, well-founded decisions upheld by a unified and active membership. (See [Consensus Decision Making](#) for details, and [Structure Policies](#) for the original policy from Radical Routes.)

Core tasks

Unicorn takes the term 'worker co-operative' seriously and everyone contributes to the day-to-day running of the business, e.g., working on the till, serving at the deli, unloading deliveries. Each member spends at least two hours in the packing room and a half-hour cleaning each fortnight, in addition to numerous other shop- and store-based duties.

Business structure: A human-sized group

In the early stages, a small working group (two or three people) provided most of the impetus for devising a business plan, finding premises, raising funds and setting up the fledgling shop. Five members signed the founding documents, and the membership grew and developed as trade increased. As emphasised in the Blueprint for 50 Co-ops, fifteen people is the limit for frequent (e.g., fortnightly or weekly) member-director meetings, a high level of efficient transparency and easy social cohesion. Until 2004, hour-long members meetings took place each fortnight to review progress, take operational decisions and implement strategy.

A few teams developed organically as Unicorn grew and it became useful for people with specialised roles to meet and share tasks, both to relieve stress and ensure cover. These informal teams included Personnel, Deli and Education and Marketing, although they generally still brought most business directly to the entire membership at the fortnightly meeting.

On alternate weeks, the Training session developed and spread knowledge about products and practices within the membership. In addition to the weekly meetings, an annual Away Day took place for bigger discussions, 'visioning' and strategising away from the pressures of the shop.



participants' aspirations, the Principles of Purpose, and the working realities, it is the right one.

A larger co-operative structure

In 2003 Unicorn's landlord moved to sell our premises, and we had to choose to buy the building (and expand) or move. The site purchase brought a sudden increase in trade levels, and the membership chose to expand rather than shift to a more conventional dependency on casual labour and shop assistants. Thus, in 2004, Unicorn adopted a devolved structure and became a very different organisation.

Basic principles such as efficiency, accountability and engagement remain at the centre of the co-operative. (See Expansion appendix for a longer exploration of the benefits and challenges of expansion.) As before, individual members must take responsibility for being connected, proactive directors. To make this task as easy as possible, we regularly review our business structure and continually work to improve tools and methods for good governance.

Tools for good governance

See Governance Tools and other appendices listed in 'Useful links,' for information on ongoing business strategy, reviews, meetings, policy lists, communication and budgets.

A work in progress

A flat structure – especially rare in larger organisations – is a great aspiration but does not guarantee success. We can only worry about policy decisions if we sell enough baked beans to pay for them. Hierarchies of age, experience, knowledge and expertise may be unavoidable; as long as they are transparent, open to change and defer to the collective, they will not challenge the flat structure. If a structure reflects the

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Consensus decision-making, Structure Policies

On the web page see Policies and Principles

Devolved structure, Expansion Pros & Cons

On the web page see Policies and Principles

Governance Tools, Meetings, Communication systems

On the web page see Policies and Principles

Teams List

On the web page see People: Teams List

Reviews

On the web page see Progress: Reviews and membership system

Regulations and finance

On the web page see Practical Resources: Regs & Finance policies

Personnel and Benefits policies

On the web page see Progress

Rotas

On the web page see People: Rotas

Staff Diary, Staff Newsletter, Agenda/Minutes template

On the web page see Policies and Principles

Task Checklists

On the web page see Procedures and Pricing

Business Plans

On the web page see Practical Resources: Business Plan 1996 and 2002

Useful links

Rochdale Pioneers

en.wikipedia.org/wiki/Rochdale_Society_of_Equitable_Pioneers

Co-operatives UK SimplyLegal Structure guide

www.uk.coop/simplylegal

International Co-operative Alliance

www.ica.coop

Worker Co-operative Code of Governance

www.uk.coop/workercode

Radical Routes

www.radicalroutes.org.uk



9 PERMITS AND LICENCES

Refer to GOV.uk or your local authority to ensure your prospective shop complies with all relevant legislation. Some areas to consider include:

- Planning permission
See www.planningportal.gov.uk
- Public liability, buildings and any other insurance
See www.co-operativeinsurance.co.uk/businessinsurance
- Alcohol license (for the premises and for a named person)
See www.gov.uk/personal-licence-to-sell-alcohol
- Trading Standards
See 'Help and advice' at www.tradingstandards.gov.uk
- Taxes and payroll
See 'Employing People' and 'Business Tax' at www.gov.uk
- Organic certification
See 'Certification' at www.soilassociation.org
- Waste packaging obligations
See www.gov.uk/packaging-waste-producer-supplier-responsibilities/producers
- Registering food premises, food hygiene and trading standards
See Sustain's food co-operatives toolkit at www.sustainweb.org/foodcoopstoolkit/permits



10 PROGRESS

PERSONNEL

Personnel, or Human Resources, may be one of the least popular and underrated jobs in a co-operative. Smaller business may think a Personnel person or team is unnecessary, but a dedicated team removes the need for everyone to know confidential information and provides accountability for certain vital roles.

Why bother?

Consider an example. Someone's partner is ill. The person does not want to discuss it with the whole workforce, but s/he wants to mention it to someone because s/he needs time off more often and will not have the same level of concentration. Who does s/he tell?

- No one? This is not good for the person affected.
- A close friend? If the friend defends the person, everyone just thinks it is out of friendship.
- Everyone? But s/he does not want to discuss private issues with everyone, or to be asked about the partner's health every day. S/he just wants to get on with the job.

If, in this case, only the Personnel person knew, the member of staff would have an advocate who had agreed to be confidential and fair.

Who can do Personnel?

Confidentiality is the most important aspect of the job. In the absence of sufficient employees with HR experience, Unicorn has paid for qualifications for several members (CIPD courses are pricey but they approve other institutions who offer less expensive options). Personnel will be easier for some people than for others, and interested parties should be invited to volunteer. A thick skin, a lot of patience, diplomacy and people-management skills are critical.

Personnel job description

- Being there for staff; be approachable and have an open ear
- Acting as a mediator; an independent person to resolve even small complaints
- Providing up-to-date legal and procedural advice, familiarity with employment law
- Ensuring all staff, including those with different needs, are treated fairly and procedures are consistent
- Looking after staffing levels, skill gaps, internal or external recruitment
- Encouraging staff development and overseeing reviews (see below)
- Maintaining up to date job descriptions, employment contracts, and policies
- Managing absence, holidays, pensions, other employment benefits
- Overseeing disciplinary and grievance procedures (see below)
- ...and so many other roles! See Structure policies for Personnel's role at Unicorn; an agreed definition as policy may be useful.

Try to anticipate Personnel issues, rather than reacting as problems arise and wishing you had planned your response or formulated a policy in advance. In Unicorn's experience, the formal training on legal aspects is worth the investment – it is cheaper than an employment tribunal.

Reviews and membership

In a co-operative, no single boss or manager keeps track of an individual's performance – everyone must participate. For probationary members, the reviews serve to evaluate suitability for membership, and feed into the decision of the membership committee.

For members, the purpose is less clear. Our structure does not offer promotions or pay rises, but reviews offer a chance to commend a job well done, identify the need for change or areas for improvement, and encourage development and training.

See the Reviews appendix for an outline of Unicorn's review and membership decision system, and sample review forms.

Disciplinary and grievance procedures

Fortunately these procedures are rarely required, but good practice is vital for a fair workplace – and in order to avoid expensive legal costs! Please refer to ACAS for legal requirements. In the absence of a hierarchical management system, Unicorn elects committees annually to carry out these procedures when they arise. (See Personnel policies and employee contracts for current procedures.)

Troubleshooting

- Institute good informal and formal mediation and support systems for staff, or use external services. Catch problems (and potential problems) as early as possible!
- Become a Co-operatives UK member, they offer free legal advice
- Do not discuss confidential issues. Make general enquiries; if you ask friends or other businesses, be vague and never use any names.
- If you think the matter could be serious, find a good solicitor.
- Join the Federation of Small Businesses who offer advice and insurance.
- Join the CIPD and leave a note on the on-line forum for less urgent matters
- Ask other co-ops how they do things, e.g., job descriptions, interview process
- Information in this guide should be up-to-date as of 2010, but always check for compliance with current guidelines and legislation.

RECRUITMENT

Unicorn's success relies on member co-operation, and membership requires serious commitment, energy, capability and drive. Recruitment is costly and training is time consuming, and we have carefully tweaked our recruitment process over the years in order to choose the best candidates.

Job description

Any recruitment search begins by identifying gaps in hours, people and skills. Unicorn recruits for only two possible posts, Casual Worker and Co-operative Member, although most people also have team roles written into their contract. Our common [job description](#) provides a standard for annual reviews, and alongside the person specification clearly explains the nature and requirements of the job. A well-written job description and person specification ensure the applicant is not disappointed and the recruitment process is fair. Consult [ACAS](#) for details on legal compliance.

Casual labour

Unicorn employs casual workers to assist in the day-to-day running of the shop. Although we do not guarantee a minimum number of hours per week, casual workers accept or decline shifts on a weekly basis. We fix casual wages at 80% of the member rate (due to fewer responsibilities), and we encourage suitable casuals to apply for membership. The arrangement is mutually beneficial: Unicorn provides low-skilled work for people who cannot commit to regular hours, while a flexible 'bank' of casual labour allows us to adjust wage costs as sales fluctuate. Casual workers stay at Unicorn for up to one year, and we encourage anyone still interested in working at Unicorn beyond this duration to apply for probationary membership.

Recruitment team and the role of Personnel

At Unicorn, a team of at least three people reads applications, creates a shortlist and conducts interviews. Comparing the skills, experience, and knowledge of people who want to work in a co-operative can be complicated; someone who has studied physics may be as suitable as someone who has worked in retail. The recruitment team aims to act confidentially and fairly on behalf of the co-operative, and includes a Personnel-trained member familiar with relevant legal issues. See [Recruitment guide](#) for details.

Internal Recruitment

In case of skill gaps, Unicorn first looks to existing staff before spending a lot of time and money recruiting externally. Does anyone have extra 'admin' time or headspace, or want to increase his or her hours? Have we overlooked anyone with certain skills, or the desire and potential to acquire those skills?

Benefits

People with skills in IT, Finance and Personnel are particularly difficult to attract to a relatively low-paid grocery job. Some people are not motivated by money, but Unicorn has had most luck investing in external training to build these skills into our workforce (whilst not overloading current staff). What we cannot offer in wages we try to make up for in – debatably more useful and motivational – training and other benefits.



TRAINING

Unicorn's training philosophy focuses on enabling existing staff to develop and pass along skills, rather than buying in high-paid consultants. The programme includes induction training (comprehensive for probationary members, task-focused for casuals), weekly Training sessions for (and by!) all members and probationers, and external training. A designated person or team may oversee training, but all members contribute to its execution.

Induction

Following recruitment, Unicorn offers seven-month probationary

contract to successful candidates, after which a membership committee decides whether or not to offer the individual membership (see [Reviews](#) for more).

Induction training can be a steep learning curve, and all members of staff are responsible for teaching skills and assessing the new probationary member. Although induction appears less formal in a smaller business, it is likely to include many of the same elements. Consider a handbook of the following:

- Overview of staff procedures (contracts, wages, benefits, etc.)
- Ethics and history (Principles of Purpose, history, policies, what it means to be a co-operative member, consensus decision-making)
- Training in core areas of the shop (customer care, packing, store room, shop floor, etc.)
- Visits (e.g., to suppliers, or supermarket competitors)
- Probationer 'projects' or 'tests' (e.g., price and margin checking)

See appendix for the full probationer [induction programme](#). For casual workers, health and safety and training in the core tasks (packing, till work, customer care, shop floor, cleaning) comprise a briefer induction.

Regular Training sessions

Fortnightly Training sessions offer a chance to share knowledge, host speakers, establish (or reiterate) standard procedure, and meet face to face (or in the case of the larger organisation, in two halves).

Each session includes a chance to approve prospective new products, updates on changed, out of stock or delisted lines, a brief 'Product of the Fortnight' presentation, security updates and other items that need verbal reinforcement. The main topic may be drawn from a [yearly programme](#), with participation and contributions from all.

Progress

Further training

Career development in a flat organisation translates to new challenges, such as changing teams or roles, visiting related business, attending trade fairs, or undergoing courses.

To help maintain consistency in procedures, file all up-to-date internal training documents (post-induction) in an accessible, central place training file or team folders. In most cases it is a member's responsibility to identify the need (or desire) and request further (or re-) training; alternatively the annual member review may highlight in-house training needs.

External training, while more costly, usually will enrich the business directly (see [Further Training](#) for ideas). Unicorn's investments in sending people to product fairs or Personnel courses have been repaid many times. Depending on financial constraints and relevance, Unicorn offers different levels of support (see relevant [benefits policies](#)).

Everyone agrees that training is important, but the day-to-day running of the shop often seems to get in the way. By building a good organisational culture that does not rely on key individuals, Unicorn uses training to maintain operational consistency and offer staff the prospect of personal development.

More information on the Unicorn website for this section

<https://www.unicorn-grocery.coop/our-co-op/grow-your-own-grocery/>

Job descriptions

On the web page see Progress: Member & Casual and Job Description

Contracts

On the web page see Progress: Member & Probationer Terms and Conditions

Personnel policies and Employment benefits

On the web page see Progress: Personnel policies or Benefit policies

Structure policies

On the web page see Policies and principles: Structure Policies

Reviews

On the web page see Progress: Reviews and membership system

Recruitment guide

On the web page see Progress: Recruitment guide

Induction programme

On the web page see Progress: Induction programme

Yearly training programme and Further Training

On the web page see Progress: Further Training

Useful links

Chartered Institute of Personnel and Development

<https://www.cipd.co.uk/>

ACAS

www.acas.org.uk

Federation of Small Businesses

www.fsb.org.uk



CONCLUSION

The grocery industry remains characterised by the increasing presence of a few multiples. The dwindling choices on the high street will, to some extent, create a customer base interested in an alternative – but a new grocery cannot rely on this trend alone. The key is a good offer, and, despite the multiples' unrivalled buying power, there is still a gap in the market for a business strategy based on strong ethics, direct buying, minimal handling, on-site packing and all-round honest trading.

A lot of what we do differs little from the day-to-day running of any conventional grocery store: stacking the beans, sweeping the floor, etcetera. No shopkeeper can completely escape the realities of running a business and the difficult decisions and compromises that sometimes have to be made. Hard work and boring tasks are not banished when a co-operative is formed, but the rewards that come with this – of running your own business, as much to your principles as possible – make it all seem worth it.

The mechanics of selling groceries remain achievable and, as Roger Sawtell said twenty years ago, entirely graspable. There is room for a Unicorn-type store in every city in the UK, at least. It is up to us to grab hold of food supply as nineteenth century co-operators did – both out of a need for food security and a belief in social justice and stable, sustainable economies. Co-operative, socially-minded entrepreneurs have ample cause to act and take up the market. We hope this guide helps you to do so!