

9 Co-operative Communications Limited

Co-operative Communications is a consortium of individual marketing businesses, which combine their expertise and marketing skills in a co-operative.

What it Does

Co-operative Communications offers a wide range of expert services covering every aspect of the marketing mix. Its range of services includes advertising, public relations, sales promotion, design, marketing consultancy and market research.

How it Came About

Co-operative Communications was formed in 1994 by a consortium of five independently owned businesses who shared a common experience of dealing with the consumer co-operative movement and brought together a relevant skills mix. A sixth member business joined after two years. No member business has left since the Co-operative's establishment.

Co-operative Communications trades almost exclusively with consumer co-operative societies. All the member businesses have a long association with this sector and a deep understanding of its history, culture and requirements.

Apart from a small number of arrangements, which predate the Co-operative's formation, any new business with the consumer co-operative sector is channeled through the Co-operative. The member businesses have trading arrangements with non-consumer co-operative societies, but these are not normally channeled through the

Co-operative. There is therefore a clear 'rule' as to what is channeled through the Co-operative and what is not, which reduces the risk of 'cherry-picking' that is a common problem among co-operative consortia.

The Co-operative takes a two per cent commission on work received, which is used to cover running costs of the Co-operative, which are low. Any profit left over at the end of the year is given to charity. This is usually around £2,000 per year divided between about four charities.

Governance Structure

Despite the variance in the size of the members, the Co-operative works on the co-operative principle of one member one vote. The rules allow each of the six members to appoint one person directly to the Board of Directors of the Co-operative. In the run up to the Annual General Meeting (AGM) each member is contacted, to confirm their nominee to the Board.

The Board meets infrequently as there are few changes of policy. Decisions about allocation of business are taken by informal discussion. Board meetings are often held only once a year, with the agenda comprising: review of previous year's performance, especially financial performance; plan for the next year's activities; approval of donations to charity.

Participatory Practice

In between Board meetings the business operates informally but with a high level of personal contact. The Co-ordinator says that members would expect to meet with each other in a normal week.

Facts & Figures

- Organisational Type – Co-operative Consortium with common ownership.
- Legal Form – Company Limited by Guarantee
- Date Established – 1994
- Location – Burnley, Lancashire
- Number of Members – Six member businesses
- Turnover – £200,000 for the financial year ending 31st May 2002



Produced for Lothian Borders and Angus Co-operative Society, and Colchester and East Sussex Co-operative Society.

The allocation of work between members is driven by this informal, but frequent, web of personal meetings. An enquiry would normally come to the Co-ordinator, who then allocates the work between member businesses. As there is little overlap, but great complementarity, in terms of the skills of each business, this does not present great problems. Where there is an overlap, the Co-ordinator will discuss with the member businesses involved. The usual principle is that the business with the strongest history with a particular client would get the work.

The fact that it is clear that all member businesses have benefited financially has helped to prevent problems emerging. There is a high degree of trust between members, so any issues have been resolved amicably to date. It would seem that a high frequency of direct personal contact moderates relationships between the individual businesses.

Stakeholder Engagement

The four co-operative societies who have done most business with the Society in the previous year are invited to nominate a charity to receive the distribution of the Co-operative's profits.

Measures of Success

The Co-operative has grown its business through a close knowledge of a specialised target market.

Key to Success

The Society has a detailed knowledge of the target market. All the members of the Co-operative were successful businesses before the Co-operative was established and well-known in the market place. They were therefore able to capitalise on a reputation for high quality, by pooling resources and skills in a co-operative consortium structure.

Vision for the Future

The Co-operative is likely to continue to be relatively stable in terms of membership, unless there are new areas of expertise that need to be brought into the team. If this happens new members are likely to be 'headhunted' as the Co-operative would want the new member to understand the specialised nature of its market. Expansion will take the form of greater penetration of the target market as the Co-operative's reputation brings it new business with societies with whom it has not previously traded.