



GENERAL MANAGER REPORT

BOARD OF DIRECTORS MEETING

DATE: 9/6/2017

- **Owner Update:**
 - There were 43 new Owners for the month of July.
 - Number of Owners are 3227
- **Sales Update:**
 - July Sales were \$329267 - Budgeted Sales \$306084
 - Daily Average \$10,621
 - This Year's Sales to date \$653537
 - COG's were \$195411 (41%) – Budgeted COG's \$187959 (39%) (make by \$15701)
- **Staff Update: (Hiring.)**
 - We are evaluating management staff for a GM successor. The board is evaluating the management for who might be the best fit.
 - I will also be assessing the rest of the Mgmt Team to evaluate if we have the right people in the right place.
 - Meat Department – we need to find some staff for this department and groom a successor for the Meat Manager, who is planning retirement in the upcoming year.
 - Renee is leaving wellness. We are working to groom Mike Hehn to possibly be the successor.
- **Marketing/Advertising Update:**
 - We've noticed the website being a little buggy, so Lea and Rita are taking the opportunity to go through the website and work out the bugs.
 - We've also started a Weekly deals program to build sales in certain categories where we see some lost opportunities. (1 Meat, 1 Fish, 1 Lunch Meat or Cheese, 1 Grab-N-Go as a staple, and open it up to other departments to promote great items or new items to build business.)
 - While realigning prices, this has resulted in some price drops where we now get a better deal than we did in the past. Lea is going to start promoting those price-dropped lines. Something everyday or so, so that we capture people's attention.
 - While working on the budgeting calculator, I have been working on having a marketing budget baseline of \$1000, and once we catch up bills, it will grow with the sales growth.
- **Operating Results:**
 - I've realigned the operational budget to better mirror our existing P&L. Once I have the refinements in place, I will share it with the finance committee and begin training the GM & OM once they have been announced.
 - I've put together an Organizational Chart and Pay Scale sheet. With pay ranges, and all the disclaimers surrounding it. The Mgmt all understands this is all effective as of 8/31/17 and is on board.
 - We will have Manager Meetings/Sales Meetings as well as one-on-one consults with staff members to better our service to our customers.

- We've had 39 Vendors return our vendor form. That is the lion's share of our vendors. Robyn will go through and see if we missed any.
- We also have some old outstanding checks that have never cleared, Robyn is going to call and revisit these as our financial position improves.
- The management team has voted to start a fundraiser tip jar to raise money to get a Dish Washing Machine. Lea is going to also get the word out. This will help shave labor and supply costs in the deli, but also make it possible to have reusable plates and cutlery which is more sustainable and more in line with the co-op culture.

➤ **Financial Report:**

- Sales trending close to projection this month, budgeted to do \$306084, actual was \$329267.
- As of 8/31 our cash position was \$62421.53
- KeHE has put us on a payment plan of \$25,000 per week, with a purchasing cap of \$14,000. We have discovered that if we go over it, they won't notify us. They just simply cut it off the truck.
- COG's - \$195411 (41%). COG's (Cost of Goods) we were budgeted to spend \$187959 (39%). We were expecting a hard snap-back. We were all pleasantly surprised. Upon review, we determined it was because we replenished our 80/20 rather than simply hitting holes. Our top sellers are what pay the bills, so we focused on them. It looks like it paid off. *(Side note: If you shop downstairs, all the items with a dot on the shelf tag, these are the best sellers in the store.)*
- Labor – Total Payroll was \$72211. Budget was \$71593. Only off by **\$618**. Straight wages were \$62065, on a budget of \$59962. **(miss -\$2103)** *{the previous month miss was -\$14292}*
- Operational Net Profit/Loss – **-16505.26**. *(Note: We had other fees that did not present themselves in previous months that amounted to a bid chunk of change.)*
 - Professional Fees - **\$14522.26** (big number)
 - Parking Lot Lease - **\$2438.19** (I don't recognize this)
- Straight Wages Budgeted - \$63780, Actual - \$78073 **(miss -\$14292)** Total Payroll budgeted \$76152, Actual - \$83360 **(miss -\$7208)**

➤ **Special Events:**

- Member Appreciation Day is September 30th.
- Working on an Octoberfest

➤ **Other Goals:**

- Producer Payments – making progress, still playing catch-up. We have projected 2 months. A number of them have been caught up. Please be patient.
- Payroll. Started realigning salaries. We were with \$618 of budget last month.
- Sales trend was good for August. Trending a little light for September but we are addressing that.
- COG's are in line...pleasantly surprised.
- ECRS – still having reporting issues.
- I'll reach out to Amanda this week about inventory.