

Madison Cooperative Development Coalition
Cooperatives in Development Grant Application
November, 2019

Community Pharmacy was founded in 1972 by the Wisconsin Student's Organization. Two years after being initiated, the pharmacy was given to Peter Kiesch and Jane Greischar, two pharmacists, who created our worker's cooperative structure and formatted the business in order to own itself.

Our mission statement is as follows: "Our mission is to provide you with a full range of health alternatives, to be a positive influence on the health of our community, and to provide ourselves a living wage. As the workers and managers of Community Pharmacy, we want our store to thrive so that we can continue fulfilling these goals."

Community Pharmacy has become a place where people turn to for accurate knowledge about herbs and supplements. Our intention is to create a space where people feel seen, heard and cared for. In this increasingly fractured world, we want our store to foster community and compassion. I recently overheard my coworker say in conversation, "we are here for the people who are strange and sick and may have problems that doctors cannot see or help with. We are here to love people and support them in the ways that we are able to." This sums up a lot of the work that we do.

We provide safe and natural options to address people's health concerns and support overall wellness. We offer a large selection of herbs, many types of supplements including vitamins, amino acids, greens and minerals, and natural health and beauty products including natural makeup and bulk natural body care products. Our bulk herb and body care sections both offer accessibility of natural products for the economically disadvantaged.

An aspect that is unique to us in the wellness industry is our prescription dispensary. Our pharmacists are knowledgeable about herbs/supplement/prescription interactions and bridge the western medical model and other complementary modalities. We take pride in providing a safe space where transgender individuals may fill their prescriptions without harassment or unnecessary red tape.

Community Pharmacy strongly believes in the worker cooperative model as a backbone of a democratic and just future. We are a longstanding workers cooperative and employ approximately 25 people. As an example of the resilience and economic viability of the cooperative model, we want to continue to be an example for other businesses in Madison to follow. Being rooted in the Madison community, we care deeply about our impact.

As a business, we strive to make our products accessible to everyone. As mentioned above, our bulk herbs and beauty products are an accessible way for people to engage with natural products. We intentionally do not markup the prices of our herbs and supplements as much as other businesses to be in service to the community. In addition, our markup on over the counter items is also lower than other pharmacies. Corporate pharmacies often will up the price of items aggressively to maximize profits. Our profit motive as a business is only to make enough money to support the store and ourselves in an ethical way.

One aspect of our mission statement that we are not fulfilling is to provide ourselves a living wage. We do not pursue profits in the way other businesses do. The combination of this fact and the atmosphere of declining retail sales has made it difficult to pay ourselves a living wage. We feel an ethical imperative to pay our coworkers a living wage. As well as from a business perspective, it is difficult to retain people and hire new talented people. We need help reorganizing our business structure to make this possible.

In terms of racial justice, we, like all institutions, have racial bias to unpack and heal from. While several of our coworkers are people of color, we can do more as a business to work against racism. Antiracist and social justice activist Rachel Cargle writes, "Unless the racism is addressed and eradicated in the places you are looking to make 'diverse' you are simply bringing people of color into violent and unsafe spaces." We absolutely want to see more people of color on staff; this work needs to start with unpacking our own bias. Recently, we connected with a person in Madison who leads racial justice trainings for businesses and would be interested in using a portion of the grant money to put towards a training. We have been recommended to contact the Nina Collective cooperative, who also do racial justice work. We plan to reach out to them in the near future.

The future holds big changes for Community Pharmacy. It is very likely that our landlords will not renew our lease when it is up in two years. From what we have gathered, they plan to demolish the building. While we are sad to leave our downtown location, we see this as an opportunity. Some of our operating practices do not work as well as they could and need to be updated. Moving locations offers us a time to implement necessary changes to our business; restructuring both internally and externally. We plan to hire consultants to help guide us through this process.

Several of our co-op members have been with the pharmacy for 20 plus years. Four of our most senior members are Barb Brown, Jackie Nikolus, Scott Chojnacki and Michelle Wichman. They all have a wealth of experience in cooperative business management, personnel-related decisions, and knowledge of the health and wellness industry. Barb Brown has been with the Co-op 34 years and oversees much of the business's finances, along with our business team. Jackie Nikolus has been here for 30 years and has significant experience in personnel and staffing for the co-op. Scott Chojnacki has been with the co-op for 26 years and manages many of our advertising and marketing campaigns. Michelle Wichman has been with the co-op for 27 years and oversees many of the financial aspects of the business along with Barb, including payroll and monthly sales reports. All 25 staff members have years of experience and bring an abundance of knowledge to the table. After six months, or 910 hours of employment, workers are granted voting rights and considered full members. The large majority of our staff are voting members. We hold monthly full staff meetings where businesswide and financial decisions are discussed and voted on democratically. For daily operations, we use a team management structure. Our teams include business, personnel, PR/outreach, merchandising, tech and pharmacy.

We do not work directly with many organizations other than through our outreach programs. Some of our staff donate portions of their paychecks to Community Shares. In the past, we worked with Life Point to create a needle exchange at the pharmacy. Despite our wish to continue, LifePoint took their program in another direction. The Co-op donates many gift baskets through our outreach program to local organization's fundraisers. We coordinate with various local organizations and event organizers to teach classes. Finally, our pharmacy works with the UW Madison School of Pharmacy to host students in their rotations. During better financial times in our past, we had a monthly budget for donations. If we had the financial resources and structural capacity, there is a lot of outreach and donation based work we would love to engage with.

The main objective for the grant money is to bring in consultants to analyze our business and offer us best practices for cooperative structure and management. We desire to seek help with organizing our business to increase operational efficiency, raise wages, increase staff communication, and generally update our business so it can run as well as possible. We reached out to the UW Center for Cooperatives and they put us in touch with Columinate consultants. They presented their services over a conference call to our staff; their written proposal is as follows:

1. Assessment

In order to continue to serve the community, a viable strategy for moving the organization forward requires the commitment of the entire cooperative. As such, all staff will participate in an online survey to determine areas of greatest concern for the cooperative, as well as goals and suggestions for internal readiness. Data from the survey will be collated and analyzed to determine targeted follow-up interview questions to gain greater insights into the data. Follow-up interviews will be conducted on-site in a concentrated time period. A final report will be prepared with survey results as to key issues employees want addressed as well as a recommended sequence of next steps to fully address the issues within the subsequent three months.

2. Business Plan

Based on the survey results, we will work with employees to create a business plan to achieve their stated co-op goals.

3. Structural support

We will work with the co-op to identify best practices for structural organization and decision-making. We will support the employees in working through the plan to create the decision making process necessary for Community Pharmacy to reach the next stage of operations in their new site.

4. Operational efficiencies and compensation support

As defined by worker owners per the assessment, we will work with the co-op to review operational systems, make suggestions for efficiencies and adjust compensation scales commensurate with the cost savings realized through the operational efficiencies, according to cooperative goals.

We will work with the co-op to take the results of the survey and make suggestions for operational efficiencies. We will take the savings realized through this process to adjust compensation scales.

Columinate broke down their services into a budget of \$10,000.

- Assessment, including survey, interviews and report - \$5,000
- Business plan, initial financial review and projections - \$1,250
- Template for operational improvements to improve sales and cash position based on survey information, financial review documents and discussions with owners during financial review and training - \$3750

As mentioned above, we believe we need some training around diversity and racial justice. It is possible that we as a staff would want to shift some of the funds away from the Columinate consulting to use for these trainings. We would communicate that fully and clearly if that in fact becomes the case.

As mentioned previously, this consulting service comes at a time when the downtown pharmacy will most likely have to move locations. This timing offers us an opportunity to implement structural and operational changes before relocating. If the grant is approved, we plan to move forward with Columinate after the holiday season. According to Columinate, their consulting services will span approximately six months in total. Community Pharmacy hopes to continue serving the Madison community and we are applying for this grant in that spirit. We appreciate this opportunity and appreciate the support and guidance we have received in this process.