

# Five Steps for Handling Co-op Conflicts

BY TIM BARTLETT

In my time as general manager at Lexington Co-op (Buffalo, N.Y.), I have made many decisions that have made owners angry. We moved the co-op in 2005 in the face of opposition from the neighborhood organization and a neighbor's lawsuit. The local alternative-weekly compared my leadership to that of Josef Goebbels. In 2006, we refused to drop a bread that was made by a religious group, the Twelve Tribes (that time, the alt-weekly ran the headline, "Hate Bread at the Co-op"). We ended member-work in 2007 with a letter and two weeks' warning—not good. In every case, the anger was exacerbated by my own incompetence at handling it.

I'm convinced that 100 percent of our owners want the co-op to thrive and succeed. I also believe that 100 percent of our owners agree that the world will be better if and when we achieve our Ends policies. But somehow, even when I feel like I'm doing my best to lead the co-op toward those Ends, we still have owners who get mad at me and at our board for the decisions we make. Over the years, I feel like I've gotten better at responding to angry owners. And I've also found that the better I get at responding to them, the fewer of them there are.

We've adapted Zingerman's "five Steps for Handling a Customer Complaint," and I think it works equally well for spoiled yogurt or member revolts ([www.zingtrain.com](http://www.zingtrain.com)). But in the case of member revolts, it's good to get as many people in the room for the discussion as possible. Here are five steps toward a productive process:

## Step 1: Listen.

What are they upset about? What do they want from their co-op that they aren't getting? It's important to listen to what they are saying and ask questions to make sure we understand. Often, our customers try to help us solve the problem, so they articulate a solution: "DROP all conventional foods!" Not so helpful. When we ask them questions and dig a little, we usually find that they are frustrated by a problem that the co-op IS trying to solve (build a world in which everyone has access to organic food). But we have to keep digging until we get them to articulate this so we can find common ground.

## Step 2: Acknowledge and validate.

We teach our staff to try to get on the other side of the table; see the problem from their side. This is hard to do when (a) we created the mess, and/or (b) we don't agree that it is a mess. But we do our best to draw connections between our decisions and their feelings. I find the most validating thing I can say to an owner is, "I'd be mad too if I were you"—because I usually would be.

One challenge we encounter when validating is that co-op owners will often exaggerate to make sure we hear them. And this exaggeration makes it harder to hear them. Once they feel validated, usually they will be more honest concerning what they are really upset about and how upset they really are. And it will be easier to hear them. Win-win!

## Step 3: Apologize.

As the general manager, I am responsible for everything that happens at the co-op. All of the co-op's weaknesses, mistakes, or problems happen

because I didn't do the work necessary to keep it from happening. This is an impossible level of responsibility, but it's what I signed up for when I took the job. Remembering this helps me to apologize for the decisions I made that created this reality and to let the owners know that I could have done a better job of leading the co-op on this issue. When I own my faults as honestly and openly as possible, I usually find that our owners' trust in me increases.

The worst thing we can do with angry customers or owners is to give them a non-apology, such as, "I'm sorry you feel that way." This phrase says loudly and clearly, "You are a pain, and I wish you would go away." Not so validating.

## Repeat Steps 1–3 until the membership is calm.

I find that a customer, owner, or group of owners will not calm down until they trust me to act as their agent. When repeating these steps of listening, validating, and apologizing, I try to convey that I want what is best for the co-op and all of its owners.

With large-scale complaints, we try to open the discussion up to a wider audience and to create the transparency that Brett Fairbairn talks about in his phenomenal paper, "Three Strategic Concepts for the Guidance of Co-operatives." (Find the Fairbairn paper at: [https://www.coopfoodstore.com/sites/default/files/3\\_strategic\\_concepts.pdf](https://www.coopfoodstore.com/sites/default/files/3_strategic_concepts.pdf), and a discussion in *Cooperative Grocer*: <http://www.grocer.coop/articles/making-member-relations-co-ops-organizing-principle>.)

- **Create transparency in how the co-op navigates the industry on behalf of the co-op members.** We're here to meet the owners' needs. This involves some pretty divergent paths: all-organic vs. a broad mix? Better wages vs. lower prices? More national brands vs. more local brands?

We as general managers make decisions all the time on the priorities within our co-ops. My friend Dan Gillotte at Wheatsville Co-op (Austin, Tex.) prioritized a project to improve prices a few years ago. He and his team did some great, groundbreaking work on it. And nine months after they started, their just-okay wage scale blew up into a social media crisis. If Dan had said, "You're right, our wages aren't good enough, and we need to get better at it," maybe the crisis would have blown over. Instead, he responded by saying that the staff survey shows their staff love working at Wheatsville. It sounded defensive, and it was. And the defensiveness fanned the flames. "I was so mad at the 2 percent of people who were lying, I couldn't validate the fact that I agreed it was a problem," Dan told me recently.

- **Create transparency in the diversity of member interests.** I love this rule. If the vegan owners can't see the meat eaters, they start to think the co-op should drop the meat. If the organic eaters can't see the conventional shoppers, they start to think the co-op should carry only organic food. We generally tell people that we aren't interested in what they DON'T want us to carry, but we're very interested in what they DO want us to carry—because we're here to meet their needs, after all.

- **Create transparency in the co-op's decision-making process.** We try to remind the owners as much as possible that they have all the power and what they have delegated to the board through their bylaws. We also >

*Conversations with owners about what the co-op is about and what it should do deepen my understanding and make me better at my job.*

remind the board what power they have delegated to the general manager through their policies. Lastly, we remind the staff that their job is to be the conduit from the ownership to the decision makers and to check their personal opinions at the door. It can be scary to do this. It's like handing the keys to the person who hates you. I usually overcome this fear by reminding myself that I believe in this business model and that I trust the board and owners to make good decisions.

**Step 4: Solve the problem.**

Sometimes, a solution involves taking a lower margin so we don't look stupid in the market. Other times, it involves a cooperative-wide engagement process to build a truly shared vision on the issue. At Lexington Co-op, we did that when we were developing our BIG Direction (thanks, Wheatsville!) vision of a thriving co-op in every community that wants one. Engagement isn't about buy-in or politics. It is about making the co-op better. If the owners don't agree to the vision, the co-op will lack the commitment to follow through on the change. (We also like to use ZingTrain's "bottom-line change" model to build owner commitment to big changes, but more on that in a future article.)

**Step 5: Thank the owners for expressing their anger and passion.**

A membership that is passionate about the co-op is one that will work hard to make the co-op succeed. Owner passion and anger is never the enemy. Apathy is.

A word about messaging: When creating solutions, we always give our cashiers and board members talking points to make sure the co-op is framing the issue in a consistent and positive way. The cashiers are the fastest way to get a message to the whole membership, but they also can undermine any trust you might build with a few timely eye-rolls. If your cashiers don't trust in the vision you are building, you either need a different vision or new cashiers.

A word about ego: Often, especially with owners who are consistently angry with me, I need help recognizing the validity of the complaint. In those moments, I find it really helpful to talk it through with someone I trust before I respond. Our finance manager, Jenny Bruce, has been with the co-op since the 1980s and is really good at giving me the perspective I need when I'm ranting about an owner complaint. She'll usually look at me and say, "Yes, but they are right, you know," and it disarms all my bravado and gives me permission to look at the issue from their point of view. Once I do that, it's a lot easier to own my role in causing their anger.

I've found that trusting in the process I've described here is a powerful thing for me and for the co-op. It reminds me to remain humble when confronted with my faults and weaknesses. It gives me an opportunity to have more conversations with owners about what the co-op is about and what it should do. These conversations deepen my understanding of the co-op and make me better at my job. It's really a phenomenal cycle, but it only works if I remember to do it.

Thanks to Rose Marie Klee and Dan Gillotte for help on these points. □

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