

# MANAGEMENT OF CONSUMER CO-OPERATIVES

Summary of the Regional Workshop for  
Senior Managers organised by ICA ROAP/SNCF

*Singapore, February 2001*



ICA Library  
334.5 ICA-M  
ICA 00714

**International Co-operative Alliance**  
Office for Asia and the Pacific, New Delhi

ICA 00714

# MANAGEMENT OF CONSUMER COOPERATIVES

Summary of the Regional Workshop  
for Senior Managers Organised by  
ICA-ROAP/SNCF

*Singapore, February 2001*

24.5  
ICA 11



International Co-operative Alliance  
Regional Office for Asia and the P

ICA Library



001 0014

## **MANAGEMENT OF CONSUMER COOPERATIVES**

Summary of the Regional Workshop for Senior Managers

Organised by ICA-ROAP/SNCF

Singapore, February 2001

### **International Co-operative Alliance**

Regional Office for Asia and the Pacific

E-4, Defence Colony (3rd Floor),

New Delhi-110024, India.

Telephone : {91-11} 469-4989

TeleFax : {91-11} 464-4975

E-Mail : [icaroap@vsnl.com](mailto:icaroap@vsnl.com)

### *World Headquarters*

### **International Co-operative Alliance**

15 Route des Morillons.

CH-1218 Grand Saconnex

Geneva, Switzerland.

Telephone : {41-22} 929-8888

TeleFax : {41-22} 798-4122

E-Mail : [ica@coop.org](mailto:ica@coop.org)

2001

---

Typeset & printed at Document Press, HS-14 Kailash Colony Mkt, New Delhi-110048. Tel : 91-11-6432836 Fax: 91-11-6463593 E-mail : [amin02@id.eth.net](mailto:amin02@id.eth.net)

# Contents

Preface .....	5
Management of Consumer Cooperatives .....	7
Objectives of the Workshop .....	10
Workshop Organisation .....	10
Venue .....	10
Workshop Participation .....	11
Proceeding of the Workshop .....	12
Message from the Workshop .....	22
Inaugural Speech by Mr. Leow Peng Kui .....	25
Activities of ICA Consumers Cooperation Committee for Asia & the Pacific by Mr. Juku Ozawa .....	27
Programme of the Workshop .....	31
List of Participants .....	34

## Preface

Consumers cooperative movement has made much progress since the Rochdale Pioneers organised their first small store in England. Slowly and steadily it has grown in size and dimensions, permeated billions of households and covered almost all the pockets of the entire globe, apart from spreading the message of mutuality and democracy which constitute the very basis of Co-operation.

The last century has witnessed remarkable growth in the consumers business, whether in the private or the cooperative sectors. The small sized, single shop and one-man operated units have given place to supermarkets and chain stores aiming at satisfying variety of consumers needs under a single roof. The more recent development has been the emergence of computers and growth of information technology which has revolutionised the field of business and industry the world over. Another development has been the adoption of the concept of "open market" which has thrown the business and industry in the developed countries open to global competition. In this changed scenario only the fittest would survive. The units which refuse to change with the times are sure to be wiped out.

The Consumers Committee of the ICA has obviously been concerned with such problems which now face the consumers cooperatives. At its own level, the Committee has taken steps to organise workshops, the first one at Bangkok on the subject of Joint Buying followed by a Coconsumers Cooperative Forum in Indonesia. In continuation, the Consumers Committee has organised

the workshop on the subject of Management of Consumers Cooperatives, at Singapore. Singapore was chosen as the most appropriate situation purposefully. The FairPrice Cooperative Singapore is among the best managed consumers cooperative running as many as 78 supermarkets and having sales of the order of one billion Singapore dollars. It has computerised all its operations and has been taking advantage of the latest developments in IT apart from having an excellent human resource development programme.

Hopefully, this workshop report would send a message in the Region and enthuse the participant movements to further the cause of cooperation through training programmes of this type. The senior managers who have been trained in this workshop would prove to be an asset in such programmes.

– **Juku Ozawa**  
ICA ROAP  
Director, Special Programmes

# **Management of Consumer Cooperatives**

**A Report on the Regional Workshop for Senior Managers  
Organised by ICA/SNCF at Singapore, February 2001**

## **Introduction**

Times have changed; as they should, as they must. With memories of colonial exploitation fresh in their post independence/post war reconstruction era, most countries in the Asia Pacific Region boldly embarked on self-generating, self-regulatory strategies of economic development. Using their own resources, their own talent, their own man, power, their own entrepreneurship, they built localised markets, virtually closing their doors to foreign enterprise and competition. And this policy did produce results.

It was in these environs that the cooperative movements in this region developed, as instruments of State policy and underpinned their growth with State patronage. The overall objective of the States in the region being, as mentioned in a Government document, "to replace competition by association", the cooperative movements grew in what may be termed as a "non-competitive situation."

The last two decades of the previous century, however, witnessed a sea change in State policies. Words like 'liberalisation', 'privatisation', 'globalisation' and phrases like "free market economy" are overheard in every corridor of power and commerce. The FERA companies have been allowed to open their branches, use their trade marks freely and carry on trading activity as well as industry in the developing countries. Preferential treatment to lo-

cal institutions including cooperatives is now a thing of the past. Cooperatives have to adjust and reconcile themselves to the open market system and face competition both from the domestic private companies and multinationals. Specially, the multinationals operating with modern technology, large-scale production and modern management techniques pose a big and real challenge to cooperatives which had not yet dug their feet deep in the local markets.

Liberalisation has posed a challenge to the entire local trade and industry, specially the cooperative sector . Along with the rest of the sector, the consumers cooperatives have now their own competition to face. The global players making their entry into the markets with a bang cannot be taken for granted since their size and volume of sales is formidable, and their methods of retailing modern. Cooperatives, on the other hand, are suffering from many a deficiency. Their size is small, the loyalty of their membership is doubtful, their staff needs training, their operational methods are comparatively primitive. There are, however, exceptions. Looking around, it is not difficult to locate cooperatives which have taken the challenge seriously and made successful experiments with scientific techniques, resulting in reduced costs, enhanced income and better service to the customers.

The ICA Committee on Consumers Co-operation for Asia and the Pacific at its meeting held in 1997 decided to expose senior managers of Consumers Cooperatives in the Region to the successful experiments made here and there in various aspects of Consumers Management through regional workshops. One such workshop was held by the Regional Office of ICA for Asia and the Pacific in August 1998 ; the venue: Bangkok and the topic: *Joint Buying Strategies for Consumers Cooperatives*. The participants of this workshop were able to learn the actual concept and benefits of joint buying. As a follow-up of the Bangkok workshop a Consumers Cooperative Forum was organised at Bali in Indonesia in December 1999. In this Forum, the participants deliberated on subjects like Member participation, Community Impact, Employees' education, Trading among the cooperatives at International level and Joint Buying at National Level.



The ICA Consumers Cooperative Committee in its meeting held in June 2000, decided to carry the programme further by organising still another workshop for the senior managers of the consumers cooperatives in the countries of the Region , this time at Singapore, on Management of Consumers Cooperatives

## **Objectives of the Workshop**

The objectives of the Workshop were:

- 1) To discuss issues relating to the management of Consumers Cooperatives in the Asia Pacific Region,
- 2) To learn from the operational and business experiences of the NTUC Fairprice in retail management, and
- 3) To deliberate on how to incorporate such experiences in their own Consumers Cooperatives to enhance their operational and business efficiency.

## **Workshop Organisation**

The workshop was organised by the ICA Regional Office for Asia and the Pacific, New Delhi in collaboration with The Singapore National Cooperative Federation, Ltd. [SNCF] and the technical support from the NTUC Fair Price Cooperative Ltd, Singapore.

Academic support was given mainly by Mr. Juku Ozawa, ICA ROAP, Director, Special Programmes, Mr Poh Leong Sim, General Manager NTUC FairPrice Cooperative, Mr Victor Chai, Category Group Manager, Purchasing NTUC FairPrice Cooperative and Mr Andrew Lim, Group Manager Operations, NTUC FairPrice and Ms Juliana Tan Manager, Training.

Field trips were arranged to GLS [Grocery Logistics of Singapore] Hougang Point Branch and Hougang A Branch.

## **Venue**

The workshop was held the Hotel Park Royal, Singapore, Beach Road, Singapore.

## **Workshop Participation**

Twenty four senior managers of Consumers Co-operatives from India, Indonesia, JCCU Japan, Mauritius Consumer Coop. Federation, Singapore, Vietnam participated in the workshop. Mr Juku Ozawa, Mr A.K. Taneja and Ms Christina Jang of the ICA ROAP managed the workshop.

# Proceedings of the Workshop

## Inauguration

Workshop was inaugurated on 21st February, 2001. After the brief opening remarks of Mr. Juku Ozawa, Mr. Leow Peng Kui, Chief Executive of the Singapore National Cooperative Federation made his Inaugural speech.

Immediately after that Mr. Juku Ozawa ICA-ROAP Director, Special Programmes, read out a report of the ICA Committee on Consumers Cooperation for Asia and the Pacific. The report contained an account of the activities of the Committee during the previous two years. The activities included:

- The organization of the workshop on Joint Buying Strategy held at Bangkok, Thailand in August 1998. It enabled the participants to team the concept and benefits of joint buying. The Committee also published a Report on this workshop,
- The Organisation of a Consumer Coop: Forum [first of its kind] at Bali, in Indonesia in December, 1999, as a follow-up of the Bangkok Workshop and based on case studies,
- The establishment of the Staff Training Program Project comprising five members from the region and chaired by Mr. A. Kurimoto of Japan,
- In its 33rd meeting the Committee decided to organise this workshop at Singapore.

## Central Theme of the Workshop

Serious deliberations of the workshop centred round the operational strategies of the NTUC Fair Price Cooperative Ltd., a cooperative founded in early seventies by The National Trade Union Congress of Singapore [NTUC], which now holds as many as 3,783,595 shares of one S dollar each in this cooperative. Other institutional shareholders include 64 primary trade unions and 17 Cooperative societies. It caters to the requirements of as many as 250,000 individual members through its 78 large retail outlets. [The largest one covering an area of 40,000 sq. Feet]. Its sales during the year 2000 touched the one billion Singapore Dollars mark. The following financial profile of this Cooperative indicates the strides it has made during the last five years:

### Financial Profile of NTUC Fair Price Cooperative Ltd. last five years

*[Figures in million S. Dollars]*

S.No	Item	1996	2000
1.	Share capital & Reserves [Statutory Reserve Fund]	172.4 27	246.6 30
2.	Fixed assets	179.8	277.4
3.	Turnover	626.7	989.6
4.	Operating Profit	58.2	69.6
5.	Profit before Contributions	47.9	69.6
6.	Net Profit Margin	7.64%	7.04%
7.	Rate of return	22.2%	22.6%
8.	Dividend declared	6%	5%
9.	Rebate on Sales	8%	5%

A survey conducted in 1999 by AC Nielsen revealed that this Cooperative had captured 58 percent share of the local supermar-

ket industry as compared with 54 percent share two years back. Another survey conducted by the same institution revealed that among all major local supermarkets, most shoppers have the best impression of the Fair Price Cooperative and about 80 percent of the sample population believed that the Fair Price offers the most attractive prices. It also revealed that Fair Price Cooperative held a very high place in customer service, quality of fresh food products, variety and innovation. The Fair Price also has the rare distinction of being the first local supermarket to attain the quality certification. Fourteen outlets of this cooperative have been awarded the 9002 certificate after due ISO audit.

To meet the consumer needs, the Fair Price have recently set up *Homemart* stores which specialise in merchandise like knock-down furniture, household furnishing, decor products, kitchen wares and home appliances, a concept which has been well received in new housing colonies where people are starting new homes.

At Fair Price, caring for the customer goes beyond the sale of consumers goods at best value. It has in conjunction with the National Healthy Lifestyle campaign, taken up several programmes to promote healthier eating and living for the members. They have engaged qualified nutritionists to provide professional advice on food and nutrition issues. They have showcased nutrition information and healthier products as well as health equipment Their monthly magazine carries articles on health problems and their solutions.

Mr. Poh Leong Sim the General Manager, Corporate Services of the Fair Price who , through his learned talk, exposed the participants to the success story of the Fair Price Cooperative discussed with the participants the various strategies to which the success of the cooperative could be attributed. The same are briefly summarised as follows:

*Pricing:* The Fair Price has adopted a pricing policy through which a basket of 200 essential items are cheapest when compared to other retailers. Apart from value, the customers are also assured of freshness and quality.

*Convenience:* With a network of as many as 78 retail outlets,

it is not difficult for the customers to reach a Fair Price outlet nearby.

*Productivity:* The workflow has been completely computerised both in the head office and the outlets. The Fair Price has recently, at a whopping cost of 20 million dollars, developed a fully integrated system integrating the front line operations with backend functions like financial and warehousing management. They have upgraded the point-of-sale machines and aligned them with the integrated system. The system of bar-scale scanning of prices has been introduced at the check-out counters. This has reduced waiting period at the check-out counters and also reduced pressure on the cashiers who need not now key in the price of each item purchased separately. The Fair Price has thus become the first in the country in introducing the most modern retail technology.

*Attractive Rebates:* In order to tap the continuous support and loyalty of the members, attractive rebates are given to them on their purchases. This is over and above the weekly Thursdays promotions and special offers launched from time to time with attractive prizes. In addition, members also receive dividends on their shares.

*Strategic Alliances:* Strategic alliances have been formed with external parties such as property developers, bankers etc., for the purpose of acquiring new sites and funding the expansion.

*Public Relations :* Publicity campaigns are organised to make the Singaporeans recognise that Fair Price is their own home-grown supermarket. It organises annual charity sales, a certain percentage of their proceeds is give to charity. Last year 200,000 dollars worth of study grants were given to the members' children. Fair Price also contributed 11 million dollars to the Singapore Labour Foundation and another 800,000 dollars for the wellbeing of workers in Singapore. During the year 1999, Used Text books project was taken up which benefited 8000 students. Assistance was also given to the Singapore Antarctica project .

*Own Products :* Since the Fair Price does not have enough resources, nor competence enough, it has decided not to enter the manufacturing line on its own. It has, however, tied up with major

suppliers who produce selected items under the housebrand of NTUC Fair Price. By now there is at total of 200 such products, mostly essential items such as bread, cooking oil, flour etc.

In the discussion that followed the above exposition, the participants appreciated the gigantic strides being made by the Fair Price Cooperative. The participants expressed the view that apart from the reasons narrated by Mr. Sim, still another and fundamental reason of success of the Fair Price could be the homogeneity of the membership of the cooperative. Members mostly belonged to the working class, had common interests and had similar intellectual equations. Even the Rochdale Pioneers of England had developed the consumers cooperative ideology among the factory workers. The participants from India corroborated by informing that in India the Consumers stores organised by the Central Government Employees and those organised by the railway employees were doing well.

The participants decided that they would, on their return home, make suitable recommendations in the light of the observations made by Mr. Sim.



## Merchandise Policy

Mr. Victor Chai, Category Group Manager, Purchasing in the Fair Price introduced the subject, “Merchandise Policy of FairPrice.” He said that a purchase manager has to be very careful in selecting the merchandise for a consumers store, otherwise sooner or later the store would be left with a large load of unsold stock and consequential losses. He explained the ‘A’, ‘B’, ‘C’, analysis which was followed for ranking of items before determining the assortment. In all cases the *consumer demand* has to be kept in mind:

‘A’ category should be given to items which sell rapidly and produce results and improve the store image. About 20 percent items stored should be [fast movers] as give 80 percent sales.

‘B’ category should be given to items which though not very fast moving still have a consumers demand. Their stock should be maintained in limited assortment.

‘C’ category will be such as have a limited consumer demand and should be stocked very sparingly.

Another considerations for listing of items should be

1. Does the product fit in with the company objectives?  
Does it really add to the stock assortment rather than merely duplicate the existing lines?  
Does it conveniently fit into one of the merchandise groups?
2. Does the product represent good value in terms of price and quality?  
Will it suit enough the consumer.

If it is a new product, the following questions need to be attended to”

- Is it equal or better value than the existing lines?
- Will it have special extra appeal to the customer?
- Does the supplier have a good record/ reputation of new product acceptance and ability to supply?
- Will the supplier provide promotional and media support for launching the product and beyond?
- Does the product present any problems regarding handling or shelf space requirement?
- Is the product really different from those already stocked, is it well packaged attractively?
- Will the item generate extra sales and profit?
- Does the product have a significant growth potential?

## Management of Supermarket Store

**Mr. Andrew Lim**, General Manager - Operations of Fair Price Cooperative, introduced the subject of Management of a Supermarket store. A Super market always operates through various departments into which the merchandise is divided. Each department is a strategic business unit, retailing specific category of items and having its own budget and responsibility to produce enhanced business results.

It is the overall responsibility of the General Management of the store to assign specific items to each of its departments. This division of items into departments is also called Categorisation, which means the grouping of like trading products or product ranges in accordance with the similar needs of the customers. Books and stationery may for example be one category. Shoes and leather goods may be another category. The FairPrice Supermarkets have categorised their merchandise into ten departments namely essentials, grocery, beverages/drinks, titbits, frozen, fresh, personal care, consumables, and general merchandise. Each category has further to be divided into sub-segments and given a separate key number for purposes of computerisation. [In fact, category management in Singapore started with the development of the Space Management Software in 1991].

It is then the responsibility of the department manager to decide which sub-segments to carry, in what quantity, at what time, at what price, with what space, etc. He has also to prepare realistic sales and profits budget. He has to negotiate trading terms, decide the pricing strategy, and monitor competitive activity.

The above aspects were discussed in detail by the learned Mr. Lim.

## Human Resource Development

The subject of Staff Training and HRD was introduced by **Ms Juliana Tan**, Manager Training, Fair Price Cooperative. She said that the employees were the most important asset of a consumer store. Unless they are given adequate training and also kept upto date with the latest developments , they will not be able to achieve the business goals of the institution. She quoted from the Annual report of Fair Price. It says: “ Our people are our most important asset. To ensure that our asset will not depreciate in value over time, we have put in place an integrated human resource development system to build up a dynamic workforce . . . Just as products have expiry dates, job skills also have “run out” dates, as new techniques and trends develop. To prolong the “shelf lives” of our people’s job skills, we have designed a PDS system so that it will allow our staff to constantly update their skills.

She explained the organisational structure of the Fair Price and then listed the duties of the team leaders. Briefly a team leader in a supermarket is responsible to manage his department. He plans using collected data to achieve good results; optimises all resources available, supervises and monitors plans and efforts to achieve best results and above controls all resources and activities to attain excellence. He also evaluates the standards of work and performance of staff and takes up programmes to train the staff in his department. His daily routine should include 1) morning checks, 2) morning sales review, 3) make trading checks, 4) make space allocation checks, 5) review advt. plans, 6) review the activities of competitors, 7) prepare sales plans, 8) review staff manning plans and 9) take action on other routines as scheduled.

What has given an edge to the Fair Price over its competitors

is the adoption of latest technology. Fair Price has invested a large amount in developing software system to completely computerise the entire working of the supermarkets and the head Office operations. Major thrust of the training programmes being conducted now is on giving expertise to its employees in the use of this advanced IT.

# **The Message from the Workshop**

## **GROUP 1**

### **FACTORS CONTRIBUTING TO THE SUCCESS STORY OF NTUC FAIRPRICE**

1. CLEARLY DEFINED GOALS
2. VERY LARGE MEMBERSHIP
3. STRONG GOVERNMENT AND TRADE UNION SUPPORT AND COOPERATION
4. PROFESSIONALISM, LATEST IT TECHNOLOGY
5. WELL DEFINED HRD POLICY IN ORGANISATIONAL STRUCTURE AND STAFF TRAINING
6. BUILDING AND PROMOTING HOUSE OWNED BRAND (EXAMPLE – BREAD RICE, DRY FRUIT)

## GROUP II

1. TO EXPLORE THE POSSIBILITIES OF IMPLEMENTING TECHNIQUES AND METHODS OF NTUC FAIRPRICE IN EXISTING SETUP OF RETAIL OUTLETS/SUPER-MARKETS.
  - CREATE ATMOSPHERE FOR LARGE MEMBERSHIP
  - MERCHANTILE DISTRIBUTION SYSTEM
  - STAFF TRAINING
  - HUMAN RESOURCE DEVELOPMENT
  - UPGRADATION OF IT
2. APEX BODY OF THE CONSUMER COOPERATIVES WILL CONSIDER TO CONDUCT SIMILAR WORKSHOPS TO ENHANCE THE KNOWLEDGE OF MEMBERS
3. TRY TO INVEST IN IT.

### **GROUP III**

- ◇ ICA SHOULD TAKE LEAD THROUGH NTUC FAIRPRICE TO OFFER 'OJT' TO MANAGERS FROM CONSUMER COOPERATIVES IN THE REGION
- ◇ ENSURE TO ARRANGE DEPUTATION OF NTUC FAIRPRICE EXPERTS TO CONSUMER CO-OPS IN THE REGION
- ◇ ARRANGE TO CREATE ATMOSPHERE OF JOINT/POOL BUYING
- ◇ TO FURTHER ELABORATE SUBJECT COVERAGE OF THE WORKSHOP
- ◇ FUTURE REGIONAL WORKSHOPS RECOMMENDED
- ◇ THIS WORKSHOP TO BE FOLLOWED UP TO REVIEW IMPLEMENTATION. IF POSSIBLE INVITE SAME PARTICIPANTS TO MAKE PROGRAMME RESULT ORIENTED
- ◇ ICA TO PROVIDE FINANCIAL SUPPORT FOR ATTENDING SUCH TRAININGS TO THE MEMBERS IN VIEW OF FINANCIAL CONSTRAINTS
- ◇ MAURITIUS MAYBE CONSIDERED AS AN ASSOCIATE MEMBER OF ICA IN THE ASIA-PACIFIC REGION.



## **Inaugural Speech by Mr. Leow Peng Kui, Chief Executive, SNCF**

I am pleased to welcome you to Singapore and to this Workshop. I extend a special welcome to our guests from Mauritius which is not in the Asia-Pacific region. There has been a strong expression of interest from Mauritius on the Consumers' Co-operative in Singapore and I am grateful to ICA-ROAP for accepting the two officials from Mauritius.

NTUC FairPrice, our largest consumers' co-op, has become a household name. Its objective is to keep the cost of living low for our people. You will be briefed and will have the opportunity to dialogue with the General Manager and key Senior Managers on the various aspects of NTUC FairPrice operations.

Please do single out the principles involved and you need to ask yourselves as to what would be applicable, with appropriate variations, in your own context. It has taken us 30 years of hardwork, toil and sweat to reach our present position. It did not happen overnight. You will, likewise, need time, efforts and considerable resources to develop further your co-operatives. You will meet with success and failure along the way. Do not be discouraged but remain firm in the conviction that we have an important social mission to fulfil and that our efforts will make a positive difference in the lives of our people in our respective countries.

I thank the NTUC FairPrice for sharing their valuable experiences with fellow cooperators in the ICA-ROAP group and hope that you will develop your contacts further bringing about better synergy amongst co-operatives in the region.

I wish you a fruitful workshop and a pleasant stay in a multi-racial and multi-religious Singapore. Please do take this opportunity to see for yourselves some aspects of life in Singapore.

# **The ICA Committee on Consumer Cooperation for Asia and the Pacific**

**JUKU OZAWA**

## **1. Activities of the Committee for the Last 2 Years**

In accordance with the Activity Plans approved by the Committee, a Joint Buying Strategy Workshop was held in August 1998 in Bangkok, Thailand. The participants, through this workshop, were able to learn the actual concept and benefits of joint buying. They were really benefited by sharing their experiences with each other. The Committee also published a report entitled "Joint Buying Strategies for Consumer Cooperatives – A report from the ICA ROAP/JCCU Workshop."

Also, a Consumer Co-op Forum (first of its kind) was held at Bali, Indonesia, in December 1999. The concept of establishing a Consumer Co-operative Forum was a follow-up of the Regional Workshop on Joint Buying Strategies. The main purpose of the Forum was to exchange experiences and expand the scope of the Consumer Co-operative Movement. The Forum discussed several case studies under the overall title of "Values of Consumer Co-operatives in Asia".

Mr. Mats Ahnlund from ICA headquarters presented a report on ICIS of ICA and Mr Romy Villamin presented a paper on "Values of Consumer Co-operatives in Asia". The participants pre-

sented, deliberated and shared experiences on the following subjects (i) Member participation, (ii) Community Impact; (iii) Employees' Education, (iii) Trading among Coops at International Level, and (iv) Joint Buying at National level.

In the 32nd meeting of the Consumer Committee held at Bali, it was decided to establish a Staff Training Program Project. The following persons would be its members:

- |    |                              |             |
|----|------------------------------|-------------|
| 1. | Mr. A. Kurimoto, Japan,      | Chairperson |
| 2. | Mr. T.T. Adhikari, India     | Member      |
| 3. | Ms. M. Climaco, Philippines  | Member      |
| 4. | Mr. Poh Leong Sim, Singapore | Member      |
| 5. | Mr. Juku Ozawa, ICA ROAP     | Secretary   |

## **2. Inaugural Meeting of the Staff Training Program Project Committee**

The 33rd meeting of the ICA Consumer Co-op Committee was held in Singapore in June this year. Also the 1st meeting of the Project Committee was held in Singapore in June this year.

The importance of the staff training was recognized from the conclusions of the Joint Buying Workshop and First Coop. Forum.

In its first meeting in Singapore, the Project Committee discussed about the prospects of organizing study visit, workshop and training program etc. in the Asia-Pacific Region for bringing in Qualitative improvement in the management of Consumer Cooperatives.

This meeting will further deliberate on the recommendations of the Project Committee. For ready reference of the members here, the broad proposals given by the committee are as follows:

1. A Regional Workshop on Management and Training of Senior Officials of Consumer Cooperatives may be organized in Singapore for 3 days in October 2000. This workshop will be aimed at development of management techniques among the senior executives of the Consumer Cooperatives. The work-

shop will be a combination of study visits, discussions and classroom exercises. Depending on response and success of this program, such other workshops would be organized in other places/countries of the region.

2. Regional and Sub-Regional Workshops and Seminars may be organized in different parts of the region, which might start with a few programs in India, to utilize the available infrastructure for the benefit of member organizations.
3. The Committee also recommended to formulate a training module for the ICA Consumer Cooperatives with specific roles of member organizations and ICA. It was decided by the committee that such issues will be deliberated further in subsequent meetings. It was also decided that in the meantime the host country/sponsoring organizations might organize the workshops and training programs etc. in association with the ICA, JCCU and NFUCA. It was also decided that ICA ROAP should primarily concentrate on organizing the seminars, workshops and training programs, etc. for the senior level management personnel and the member-organizations should take responsibility for the middle level functionaries of consumer cooperatives in their respective countries.

It was agreed that all the programs would be on self-financing basis as far as possible. However, the Committee can consider the requests for financial assistance to some extent from member-organizations to implement the above proposals.

### **3. Action Plan of the Fiscal Year 2001**

1. To strengthen the network among consumer cooperatives;
  - 1.1 To organize the Consumer Committee Meeting in Seoul in conjunction with the ICA General Assembly in October 2001;
  - 1.2 To draft a proposal to make the committee more active;
2. To support Consumer Coops. in the region to upgrade management skills and techniques:
  - 2.1 To organize a Consumer Coop. Staff Training Program

- Project Committee meeting;
- 2.2 To support National Seminars on Consumer Coops;
- 2.3 To organize a Regional Workshop on Management and Training of Senior officials of Consumer Cooperatives in Singapore in October, 2000;
- 3. To strengthen and support University Cooperatives and its network:
  - 3.1 To organize a Sub-Committee Meeting in Seoul in October 2001
  - 3.2 To organize the 3rd Youth Seminar in Tokyo, Japan in June 2001;
  - 3.3 To support the National Workshops in the region;
  - 3.4 To publish the leaflet of University/Campus Coops;
  - 3.5 To publish the Newsletter of University/Campus Coops.
- 4. To exchange activities on ICA ROAP Homepage.

# Programme

February 21, 2001

- 12.30 - 13.00      Registration
- 13.30 - 13.40      Opening Remarks  
By Mr. Juku Ozawa  
ICA-ROAP Director, Special Programs
- 13.40 - 14.00      Welcome/Inaugural Address  
By Mr. Leow Peng Kui  
Chief Executive,  
Singapore National Co-operative Federation
- 14.00 - 14.45      Topic Presentation-I  
**Activities Report of the ICA Committee on  
Consumer Cooperation for Asia and the  
Pacific”**  
By Mr. Juku Ozawa,  
ICA-ROAP Director, Special Programs
- 14.45 - 15.00      Coffee Break
- 15.00 - 16.30      Video Presentation
- 16.30 - 17.00      Topic Presentation-2  
**Managing Retail Business in a Competitive  
Economy the Experience of Singapore  
FairPrice**  
By Mr. Poh Leong Sim,  
General Manager, NTUC FairPrice

17.00 - 17.30 Questions & Answers and Clarifications

18.00 - 20.00 Welcome Dinner

### **February 22, 2001**

09.00 - 09.45 Topic Presentation-3  
**Merchandise Policy of FairPrice**  
By Mr. Victor Chai,  
Category Group Manager, Purchasing

09.45 - 10.30 Topic Presentation-4  
**Store Management of FairPrice**  
by Mr. Andrew Lim,  
Group Manager, Operations

10.30 - 10.45 Coffee Break

10.45 - 11.30 Topic Presentation-5  
**Staff Training and Human Resource  
Development in FairPrice Organisation**  
by Ms Juliana Tan,  
Manager, Training

11.30 - 12.30 Questions & Answers and Clarifications

12.30 - 13.30 Lunch

13.30 - 17.30 Field Trip:  
i) GLS (Grocery Logistics of Singapore);  
ii) Hougang Point Branch  
iii) Hougang A Branch

### **February 23, 2001**

09.00 - 10.45 Group Discussions:  
i) Summary of Learning;  
ii) Plan of Action



10.45 - 11.00	Coffee Break
11.00 - 11.30	Presentation of Group Discussion Reports
11.30- 12.30	Reflection on the Workshop; Closing Session
12.30 - 13.30	Lunch
<b>Afternoon</b>	Departure

## List of Participants

### India

1. Mr. Masood Ahmad Khan  
Branch Manager,  
National Co-operative Consumers  
Federation of India Ltd.  
Deepali Building, 5th floor,  
92, Nehru Place,  
New Delhi, India.
2. Mr. Ved Prakash  
Deputy Manager,  
National Co-operative Consumers  
Federation of India Ltd.  
Deepali Building, 5th floor,  
92, Nehru Place,  
New Delhi, India.
3. Mr. Shankar Sitaram Shinde  
Asstt. General Manager (Purchase)  
Apna Bazar Coop. Dept. Stores  
106 A, G.K. Road, Naigaum,  
Mumbai, India
4. Mr. P.B. Lagad  
Department Manager  
Sahakari Bhandar  
Hotel Majestic, Opp. Regal Cinema  
Colaba, Mumbai, India.

5. Mr. S.A. Sawant  
Asstt. General Manager  
Sahakari Bhandar  
Hotel Majestic, Opp. Regal Cinema  
Colaba,  
Mumbai, India.

7. Mr. Jaykrishna Shintre  
Market Development Manager,  
Apna Bazar Coop. Dept. Stores  
106 A, G.K. Road, Naigaum,  
Mumbai, India

**Indonesia**

8. Ms. Wiwin Winarti  
Secretary,  
Koko Bandung  
(Bandung Consumer Coop.)  
Jl. Aria Utama No. 19, Aria Graha,  
Bandung 40294  
Indonesia.

9. Ms. Nina Yuningsih  
Manager,  
Koko Bandung  
(Bandung Consumer Coop.)  
Jl. Aria Utama No. 19, Aria Graha,  
Bandung 40294  
Indonesia.

**JCCU Japan**

10. Mr. Kazunari Suzuki  
International Department,  
Japanese Consumers Co-operative Union  
Co-op Plaza, 3-29-8, Shibuya,  
Shibuya-Ku,  
Tokyo 150 8913  
Japan.

11. Ms. Wong Yan Peng  
Prod. Co-ordinator  
Co-optrade Japan Ltd.  
Singapore Representative Office  
20 Cecil Street,  
#14-07 Singapore Exchange  
Singapore 049705.

12. Mr. Nakase Hiroo  
Manager.  
Co-optrade Japan Ltd.  
Singapore Representative Office  
20 Cecil Street,  
#14-07 Singapore Exchange  
Singapore 049705.

**Mauritius**

13. Mr. Yogendrasing Sreepaul  
Chief Executive  
Mauritius Consumers Coop. Federation  
Ltd.,  
Plaine Lauzun – P.O. Box 901  
Port Louis, Mauritius.

14. Mr. Suttihudeo Tengur  
President,  
Mauritius Consumers Coop. Federation  
Ltd.,  
Plaine Lauzun – P.O. Box 901  
Port Louis, Mauritius.

**Singapore**

15. Mr. Leow Kim Piew  
Senior Sales Executive, Books Division,  
National University of Singapore  
Multi-Purpose Co-operative Society Ltd.,  
Ground Floor, Central Library Building  
Kent Ridge, Singapore 119260.

16. Ms. Teo Lye Chan  
Retail Manager  
National University of Singapore  
Multi-Purpose Co-operative Society Ltd.,  
Ground Floor, Central Library Building  
Kent Ridge, Singapore 119260.

**Sri Lanka**

17. Mr. DSK Pathirana  
General Manager  
Sri Lanka Consumer Co-operative  
Societies Federation Ltd. (COPFED)  
No. 11 Saunders Place,  
Colombo-12, Sri Lanka.

**Vietnam**

18. Mrs. Nguyen Thi Nghia  
President, General Director  
Saigon Union of Trading Co-operatives  
199-205, Nguyen Thai Hoc Street,  
Dist. 1, Ho Chi Minh City,  
Vietnam.

19. Mr. Nguyen Ngoc Hoa  
Deputy General Director  
Saigon Union of Trading Co-operatives  
199-205, Nguyen Thai Hoc Street,  
Dist. 1, Ho Chi Minh City,  
Vietnam.

**Resource  
Persons**

1. Mr. Poh Leong Sim  
General Manager,  
NTUC FairPrice Co-operative Ltd.,  
680, Upper Thomson Road,  
Singapore.

2. Mr. Victor Chai  
Manager  
NTUC FairPrice Co-operative Ltd.,  
680, Upper Thomson Road,  
Singapore.

3. Mr. Andrew Lim  
Manager, Group Operations  
NTUC FairPrice Co-operative Ltd.,  
680, Upper Thomson Road,  
Singapore.
4. Ms. Juliana Tan  
Manager, Training,  
NTUC FairPrice Co-operative Ltd.,  
680, Upper Thomson Road,  
Singapore.

**SNCF**

1. Mr. Leow Peng  
Chief Executive,  
Singapore National Co-operative  
Federation (SNCF)  
# 12-02, 510 Thomson Road  
Singapore.
2. Mr. Lee Lup Poon  
Manager, Co-op. Development,  
Singapore National Co-operative  
Federation (SNCF)  
510 Thomson Road  
# 12-02 SLF Building  
Singapore 298135

**ICA ROAP**

1. Mr. Juku Ozawa  
Director, Special Programmes  
ICA Business Office Singapore  
ICA Regional Office for Asia  
and the Pacific  
510 Thomson Road  
#04-01A SLF Building  
Singapore 298 135.

2. Mr. A.K. Taneja  
Program Officer  
International Co-operative Alliance  
Regional Office for Asia and the Pacific,  
E-4, Defence Colony,  
New Delhi, India.
  
3. Ms. Christina Jang  
Admin. Assistant,  
ICA Business Office - Singapore  
ICA Regional Office for Asia  
and the Pacific  
510 Thomson Road  
#04-01A SLF Building  
Singapore 298 135.

# STATEMENT ON THE CO-OPERATIVE IDENTITY

## Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

## Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

## Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

### 1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organisations, open to all persons able to use their service and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### 2nd Principle: Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

### 3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

### 4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

### 5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

### 6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

### 7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

