

# Report

from Swedish Co-operative Centre

10th and 11th International Co-operative Seminars

September 14 — October 28, 1970

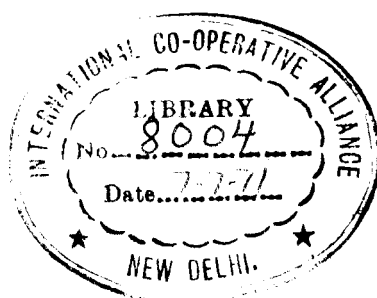
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## **Co-operative management of department stores**

10th Seminar

## **Co-operative education**

11th Seminar



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SWE.

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Swedish Co-operative Centre, SCC  
S-104 65 Stockholm 15  
Sweden

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The SWEDISH CO-OPERATIVE CENTRE (SCC), in collaboration with the SWEDISH INTERNATIONAL DEVELOPMENT AUTHORITY (SIDA) and the INTERNATIONAL CO-OPERATIVE ALLIANCE (ICA) REGIONAL OFFICE AND EDUCATION CENTRE, New Dehli, India, arranged its 10th and 11th International Co-operative Seminars in Sweden from September 14 - October 20, 1970.

A joint preseminar was held in New Delhi, September 7 - 13, for all the participants. Further to the study programme in Sweden, comparative study tours to other Scandinavian countries were included, and the Seminars ended with a joint study tour to Denmark and England during October 21 - 28, 1970.

The topic for the 10th International Co-operative Seminar was: CO-OPERATIVE MANAGEMENT OF DEPARTMENT STORES and for the 11th Seminar: CO-OPERATIVE EDUCATION.

The Seminars were attended by altogether 14 participants, all of them well familiar with the topics, dealt with in the Seminars.

This report contains some observations and evaluations, written by the participants themselves.

Responsible for the organisation of the Seminars in Sweden were Mr. Malte Jönsson, Miss Anna Lisa Kjellström and Miss Siw Backlinder.

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SWEDISH CO-OPERATIVE CENTRE  
10th International Co-operative Seminar (Mini)  
September 14 - October 28, 1970

CO-OPERATIVE MANAGEMENT 1  
OF DEPARTMENT STORES

Seminar participants:

INDIA

Mr. K.G. MATHUR  
Chief Director (CC)  
Department of Cooperation, Ministry of Food, Agriculture  
C.D., & Cooperation  
Government of India,  
NEW DELHI

Mr. K. NARAYANAN  
General Manager  
The Cooperative Super-Market  
COIMBATORE-2 (Tamil-Nadu)

Mr. S.K. SALWAN  
General Manager  
Central Cooperative Consumers Store  
Amritsar Super Bazar  
AMRITSAR (Punjab)

Mr. T.H. SENGUPTA  
Business Manager  
National Cooperative Consumers' Federation  
NEW DELHI

Mr. Sheokaran SINGH  
Chief Executive Officer  
Haryana State Federation of Consumers Cooperative  
Wholesale Stores  
CHANDIGARH

Mr. N.N.P. SINHA  
Joint Registrar (Consumers)  
Chairman, Patna Central Consumers' Cooperative Stores, and  
Member of the Executive Committee  
Apna Bazar  
PATNA

(ILO-FELLOWSHIP)

Mr. V.P. SETHI  
Dy. Chief Director  
Consumer Division  
Department of Cooperation  
Ministry of Food, Agriculture, C.D. & Cooperation  
Government of India  
NEW DELHI

(ILO-FELLOWSHIP)

Mr. K.K. TAIMNI  
Reader  
Vaikunth Mehta National Institute of Cooperative Management  
POONA

SWEDISH CO-OPERATIVE CENTRE  
11th International Co-operative Seminar (Mini)  
September 14 - October 28, 1970

CO-OPERATIVE EDUCATION

2

Seminar participants:

CEYLON	Mr. S.J.S. BANDA Principal School of Cooperation POLGOLLA
MALAYSIA	Mr. T.H. CHONG Lecturer Malaysian Teachers' College PENANG
INDIA	Mr. P.R. DUBHASHI Director Vaikunth Mehta National Institute of Cooperative Management POONA
REPUBLIC OF KOREA	Mr. Kang Tae LEE Assistant Professor Agricultural Cooperative College KOYANG-KUN
PHILIPPINES	Mrs. Violeta C. SAGUIN Instructor & Head of the Member Education Division Agricultural Credit and Cooperatives Institute College LAGUNA

7.9	Forenoon 1300 - 1500 1600 - 1700	Registration of participants Luncheon at the Vikram Hotel OPENING SESSION AT THE ICA OFFICE Introductory remarks by Mr. P.E. Weeraman, Remarks by Mr. Ragnar Arvidsson, Course Leader
	1700 - 1730 1730 - 1900	Tea Film Show
8.9.	0900 - 1100  1100 - 1115 1115 - 1300  1300 - 1430 1430 - 1545  1545 - 1600 1600 - 1730	SWEDEN, ITS HISTORY, GEOGRAPHY AND CULTURE Introduction by: Mr. Folke Lövgren, Royal Swedish Embassy Tea SOCIAL DEVELOPMENT AND GOVERNMENT ECONOMIC POLICY IN SWEDEN Introduction by: Mr. Folke Lövgren, Royal Swedish Embassy LUNCH SWEDISH COOPERATIVE MOVEMENTS Mr. Ragnar Arvidsson, ICA Tea STRUCTURE OF THE CONSUMER AND AGRICULTURAL COOPERATIVE MOVEMENTS IN SWEDEN Mr. Ragnar Arvidsson, ICA
9.9.	0900 - 1100  1100 - 1115 1115 - 1300  1300 - 1430 1430 - 1545 1545 - 1600 1600 - 1730	MODEL RULES FOR COOPERATIVES IN SWEDEN Mr. Ragnar Arvidsson Tea FINANCING AND CAPITAL FORMATION OF COOPERATIVE MOVEMENT WITH PARTICULAR REFERENCE TO CONSUMER COOPERATIVES Mr. Ragnar Arvidsson, ICA LUNCH SWEDEN AS VIEWED BY ASIANS Tea SWEDEN AS VIEWED BY ASIANS (CONTINUED)
10.9.	0900 - 1100  1100 - 1115 1115 - 1300  1300 - 1430 1430 - 1545 1545 - 1600 1600 - 1730	INTRODUCTION OF WORKING PAPERS BY PARTICIPANTS AND DISCUSSIONS THEREON Tea INTRODUCTION OF WORKING PAPERS BY PARTICIPANTS AND DISCUSSION THEREON (continued) LUNCH INTRODUCTION OF WORKING PAPERS (continued) Tea INTRODUCTION OF WORKING PAPERS (continued)
11.9.	0900 - 1100  1100 - 1115 1115 - 1300 1300 - 1430 1430 - 1730	DISCUSSIONS ON SIMILARITIES AND DIFFERENCES BETWEEN THE COOPERATIVE MOVEMENTS IN SOUTH EAST ASIA AND THE COOPERATIVE MOVEMENT IN SWEDEN Tea Discussions continued LUNCH FINAL SESSION
12.9.	1930	FREE FOR SIGHTSEEING AND SHOPPING Dinner by the Regional Director
13.9.	0205	Dept to Sweden by flight BA 923

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> Sept. 14  Mr. G. Mathur Mr. S.J.S. Banda	9.00 GENERAL 12.00 INFO  Mr. Malte Jönsson SCC	13.00 Photo 14.00 Info cont'd	
<u>Tuesday</u> Sept. 15  Mr. K. Narayanan Mr. P. DUBHASI	9.00 CONSUMER CO-OP -12.00 IN SWEDEN Review of ac- tivities during seven decades Mr. Herman Lamm, KF	14.00 DOMUS DEPART- -17.00 MENT STORES. Background info. Mr. Börje Lööv, KF	
<u>Wednesday</u> Sept. 16  Mr. S.K. Salwan Mr. D.G. VIR	7.45 Breakfast 8.15 Bus dept 9.30 AGRICULTURAL CO-OP. IN SWEDEN Dr. Helge Kristersson SL, Klara Norra Kyrkogata, Stockholm	Lunch, SL  13.30 SIGHTSEEING IN STOCKHOLM by bus	18.00 Dinner at coop.rest. Wallonen  19.30 "The Magic Flute" at the Royal Opera
<u>Thursday</u> Sept. 17  Mr. T.A. Sengupta Mr. K.T. LEE	9.00 MANAGEMENT -12.00 EDUCATION FOR CO-OP MANA- GERS Mr. Lars Gunnar Lind- berg	14.00 CO-OP EDUCA- -17.00 TION IN SWEDEN Mr. Alf Carlsson, SCC Mr. Herman Lamm, KF Mr. Eric Ericsson, SL	19.00 SWEDEN - its social and political develop- ment Dr. Ulrich Herz
<u>Friday</u> Sept. 18  Mr. S. Singh Mr. Ch.T.H. CHONG	9.00 CULTURE -12.00 COMMUNICATION Prof. Karl-Erik Knutsson	14.00 SW. INTERNA- -17.00 TIONAL DEVE- LOPMENT AUTHORITY Mr. B. Andreasson, SIDA Mr. Alf Carlsson, SCC	
<u>Saturday</u> Sept. 19  Mr. N.N.P. SINHA S.A. OLA	9.00 INFORMATION -12.00 GROUP WORK	F R E E	
<u>Sunday</u> Sept. 20	F R E E	F R E E	

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> Sept. 21  Mr. Sethi	9.00 ESTABLISHING OF TUMBA DEPT. STORE Mr. E. Asplund Konsum Södertörn	14.00 PLANNING OF A DEPT. STORE  Mr. Kjell Johansson KF	GROUPWORK: Selected problems on establishing a Dept. Store
<u>Tuesday</u> Sept. 22  Mr. Taimni	9.00 Dept Minibus 9.30 STUDY VISIT 11.30 TUMBA DOMUS Mr. Anders Gustavsson Mr. L.G. Lindberg	14.00 GROUP DISCUSSIONS REPORTWRITING Mr. L.G. Lindberg	
<u>Wednesday</u> Sept. 23  JOINT PROGRAM 10th, 11th Sem. Mr. Mathur	9.00 GEN. INFO KONSUM SÖDER- TÖRN 10.00 Dept by bus for Study Visits Mr. E. Asplund, Kon- sum, Södertörn	12.15 Lunch Skogshöjd 13.00 Dept by bus RETAIL TRADE FROM SHOP TO DISCOUNT HOUSE OBS Mr. Nilsson	
<u>Thursday</u> Sept. 24  Mr. Narayanan	7.30 Breakfast 8.22 Dept by train 9.10 Arr. Stockholm C INVESTMENT FINANCE AND OPERATIONAL BUDGET, KF Mr. I. Nordengren Mr. G. Naglitsch	12.00 Lunch KF 13.00 Discussion on group report from Sept. 21 16.44 Dept by train 17.30 Arr. Södertälje	19.00 OPERATIONAL DEPT, KF Their activities connected with dept stores Mr. J Henriksson KF
<u>Friday</u> Sept. 21  Mr. Salwan	7.45 Breakfast 8.30 Dept minibus 9.30 DEPARTMENT STORE (comp. study, Indian conditions) Mr. G. Savås, KFAI	12.15 Lunch KF Östgötag. 10 13.30 DEPT. STORE Furniture and fixtures Mr. L.O. Rylander KFAI, Magnus Ladu- låsg. 2, plan 5	
<u>Saturday</u> Sept. 26  Mr. Sengupta	GROUPWORK: To plan a dept. store in India  Reportwriting Mr. L.G. Lindberg	F R E E	
<u>Sunday</u> Sept. 27			



Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> Sept. 28  Mr. SINGH	9.00 HOW IS A DEPT STORE ORGANIZED? Mr. D. Sjödin, KF Interpreter: Mr. Joshi	13.22 Dept by train 13.44 Arr. Tumba COMPARATIVE STUDIES AT TUMBA DOMUS Interpreter: Mr. Joshi	
<u>Tuesday</u> Sept. 29  Mr. SINHA	9.00 COMPOSITION OF ASSORTMENT FOR DEPARTMENT STORES Mr. Karl Olsson, KF Interpr: Mr. Joshi x	14.00 FRUIT AND VEGETABLES (LC-BUYING) Mr. Anthony Johansen, KF	x RETURN FLIGHT ARRANGEMENTS TO BE SETTLED IMMED. AFTER LUNCH TOGETHER WITH RESO REP. Mr. Karl Erik Nilsson
<u>Wednesday</u> Sept. 30  Mr. Mathur	7.30 Breakfast 8.00 Dept minibus 9.30 ASSORTMENT (RFD) Mr. Torsten Petterson, DOMUS ENKÖPING Lunch Enköping	14.30 GROUP WORK 16.30 DOMUS TUMBA 1. Towels 2. Baby Food 3. Shirts 4. Shoes 17.30 Dinner Skogsh.	18.30 Dept minibus SHOP INVENTORY Konsum shop, Rosenlund Mr. Erik Asplund, Konsum, Södertörn
<u>Thursday</u> October 1  Mr. NARAYANAN	9.00 SHOP INVENTORY 11.00 Follow up disc. Mr. E. Asplund 11.30 Lunch Skogshöjd 12.00 Dept minibus for Västerås	14.30 COOPERATIVE WAREHOUSE (lagercentral) Västerås Mr. Tore Vester, Information Manager	18.00 Dinner Skogsh. 19.00 Groupwork Reportwriting Mr. L.G. Lindberg
<u>Friday</u> October 2  Mr. SALWAN	9.15 Dept minibus 9.30 TUMBA DEPT STORE 12.00 Groupwork: 4 sales groups with diff. articles. Rate of conversion. Cost calculation	12.00 Lunch Skogsh.  cont'd System of price reduction	22.30 Dept by train for Oslo Sleeping compartments
<u>Saturday</u> October 3  Mr. SENGUPTA	8.00 Arr. Oslo Ø  ACCOMODATION: Hotel Viking, Oslo 9.00 Coffee in Dehlikjelleren	9.30 Info on cooperation in Norway (Consumer and prod.) Mr. Harald Korsell 12.00 Lunch in the Dehlikjelleren AFTERNOON FREE	19.30 The Norwegian Opera THE BARBER IN SEVILLA
<u>Sunday</u> October 4  Mr. Sethi	10.00 Dept by bus to Sollihøgda-Sundvollen-Krokkleiva	12.00 Lunch Sundvollen 13.00 Dept for Bygdøy 14.00 Visiting Kontiki - Folke-museet - Viking Ship	

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> October 5  Mr. SINGH	7.00 Breakfast 8.00 Dept train for Fredrikstad 9.22 Arr. F-stad THE BUYING ACTIVITY OF THE COOP DEPT STORE	cont'd Mr. Fagerberg, Domus, Fredrikstad	19.31 Dept train 23.10 Arr. Göteborg 23.40 dept "
<u>Tuesday</u> October 6  Mr. SINHA	6.18 Arr Södertälje 8.22 Dept by train 9.30 TUMBA DOMUS 12.00 Groupwork: 4 sales groups with diff. articles. Rate of conversion. Cost calculation	12.00 Lunch Domus 13.00 Cont'd  SYSTEM OF PRICE REDUCTION	
<u>Wednesday</u> October 7  Mr. SETHI	7.45 Breakfast 8.30 Dept by bus 9.30 CENTRAL SALES PLANNING Mr. Folke Karlström KF - Gröndal	12.00 Lunch 13.30 Dept by bus 14.00 KONSUMENTTJÄNST WHY AND HOW INFO & SERVICE TO CONSUMERS Mrs. Greta Bergström Consultant	17.30 Dinner at Gyllene Cirkeln Mr. A. Holmberg Mr. H. Lamm
<u>Thursday</u> October 8  Mr. TAIMNI	7.45 Breakfast 8.22 Dept by train 8.44 DOMUS TUMBA SALES PLANNING AT TUMBA DOMUS Co-ordination, national - local	11.40 Dept train 12.02 Arr Södertälje Lunch 14.00 Group work Report writing  Mr. L.G. Lindberg	
<u>Friday</u> October 9  Mr. MATHUR	9.00 BUYING DEPT KF FOOD SECTION	12.15 Lunch 14.00 CENTRALISED BUYING, NON- FOOD  Mr. Knut-Uno Thörn- qvist	
<u>Saturday</u> October 10  Mr. NARAYANAN	9.00 Groupwork: PREPARING A SALES PLAN FOR A COOP. WHOLESALE ORGANI- ZATION IN INDIA Mr. L.G. Lindberg Mr. Herman Lamm	REPORTWRITING	
<u>Sunday</u> October 11  Mr. SALWAN	11.15 Dept Södertälje  LUNCH ONBOARD THE TRAIN	13.20 Arr. Linköping 14.00 Sightseeing Old Linköping 19.00 Dinner Domus Linköping	

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> October 12  Mr. SENGUPTA	9.00 PERSONNEL POLICY (Local level)	14.00 JOB ANALYSIS, PERSONNEL PLANNING, BUDGETING  Mr. Rolf Holmgren	20.20 Dept by train. 22.23 Arr. Söd.
<u>Tuesday</u> October 13  Mr. SINGH	9.30 Dept minibus  Visa formalities British embassy	12.15 LUNCH 14.00 Domus Tumba PERSONNEL PLANNING, BUDGETING  Mr. L.G. Lindberg	
<u>Wednesday</u> October 14  Mr. SINHA	8.45 Dept Minibus 10.00 Vår Gård, Cons. Coop. College Info Brevskolan  Mr. Gert Hansson Mr. Stenåke Johanson	12.00 Lunch 14.00 ANNONS-SVEA KF's Adver- tising Agency	19.30 Dinner at the Indian Ambassador's Residence
<u>Thursday</u> October 15  Mr. SETHI	9.00 BUDGET AND RE- SULT CALCULATION (Marginal pricing)  Mr. L.G. Lindberg	14.00 cont'd	
<u>Friday</u> October 16  Mr. TAIMNI	7.45 Breakfast 8.22 Dept. train 9.30 CONTROL SYSTEM Domus Tumba  Mr. L.G. Lindberg	11.40 Return by train 12.15 Lunch Groupwork: Apply control system to Indian conditions	19.00 Report- writing
<u>Saturday</u> October 17  Mr. MATHUR	9.00 Discussion on control system Reportwriting  Mr. H. Lamm Mr. L.G. Lindberg		
<u>Sunday</u> October 18			

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> October 19  Mr. NARAYANAN	9.00 Seminar Evaluation by SIDA Mr. L. Annersten Mr. S. Ringensson 11.00 Discussion on group report Mr. H. Lamm, R. Holmgren	14.00 Cont'd discussions on group report Mr. H. Lamm Mr. R. Holmgren	
<u>Tuesday</u> October 20  Mr. SALWAN	9.00 Discussion on group report Mr. H. Lamm Mr. L.G. Lindberg	14.00 Cont'd discussions on group report	19.30 FAREWELL DINNER
<u>Wednesday</u> October 21  Mr. SENGUPTA	11.00 Lunch	12.00 Dept by bus for Arlanda 14.00 Dept SK 409 15.30 Arr Copenhagen Bus transfer	ACCOMMODATION Hotel Absalon Helgolandsgade 19 COPENHAGEN
<u>Thursday</u> October 22  Mr. SINGH	9.00 Visiting ANVA Dept store 11.00 Introd to Da. cooperation Central Coop Comm. of Denmark	13.00 Lunch at EKKO 14.00 LOK, Agricultural Info and Conference activities	
<u>Friday</u> October 23  Mr. SINHA	8.45 Bus dept 9.30 FDB Coop. Wholesale Society, Albertslund	14.00 Agricultural Info Office (Audio-Visual Aids etc)	
<u>Saturday</u> October 24  Mr. SETHI		14.00 Sightseeing by bus in Copenhagen	
<u>Sunday</u> October 25  Mr. TAIMNI	9.30 Bus transfer 11.05 Dept Flight BE 741 from Kastrup	12.45 Arr London Transfer 15.00 Sightseeing	ACCOMMODATION Hotel New Ambassadors, Upper Woburn Place, London WC1

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> October 26	10.15 Joint visit to the ICA Office in London. General infor- mation. Dr. S.K. Saxena, Director	FREE FOR SHOPPING	
<u>Tuesday</u> October 27	10.30 Dept by train 11.01 Arr. Luton Visit to LUTON IND. CO-OPERATIVE SOC. Mr. F.J. Maggs, General Secretary	Lunch given by the Luton Society  Cont'd information	
<u>Wednesday</u> October 28		13.36 Dept by train 13.59 Arr. Woolwich Arsenal 14.15 Royal Arsenal Co-operative Soc. GENERAL INFORMATION Mr. T.G. Lewis, Dry Goods Trades Off.	Departures
<u>Thursday</u>	Departures		

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> Sept. 21 Mr. Banda	7.30 Breakfast 8.00 Dept by minibus 9.30 STAFF TRAINING AND EDUCATION PHILOSOPHY DISCUSSION. Coop. College Vår Gård	Lunch at Vår Gård Cont'd a.m. Mr. L.G.Lindberg Mr. S. Karlsson p.m. Mr. H. Königsson	Dinner at Vår Gård Return to Skogs- höjd by Minibus
<u>Tuesday</u> Sept. 22 Mr. Dubhasi	9.00 STAFF TRAINING AND EDUCATION (NATIONAL) Mr. Nils Erik Persson KF (Interpreter Mr. Joshi)	14.00 STAFF TRAINING AND EDUCATION (CENTRAL) AGRICULT. COOP. BRANCH ORG. Mr. B. Hjalmarsson, SLF Mr. Folke Dahl, SLR	
<u>Wednesday</u> Sept. 23 Mr. Vir JOINT PROGRAMME 10th, 11th Sem.	9.00 GEN. INFO KONSUM SÖDER- TÖRN 10.00 Dept by bus for study visits Mr. E. Asplund, Konsum Södertörn	12.15 Lunch Skogshöjd 13.00 Dept by bus RETAIL TRADE FROM SHOP TO DISCOUNTHOUSE OBS. Mr. Nilsson	
<u>Thursday</u> Sept. 24 Mr. Lee	7.30 Breakfast 8.00 Dept minibus 9.30 STAFF TRAINING AND EDUCATION (NATIONAL) Agr. Coop. College. Sånga Säby	Lunch at Sånga Säby Mr. T. Pettersson, Princ. Mr. A. Secher	17.00 Dinner at Sånga Säby
<u>Friday</u> Sept. 25 Mr. Chong	9.00 TEACHING METHODS Mr. Lennart Ek Mr. Peter Mörck	14.00 TEACHING METHODS Mr. Lennart Ek Mr. Peter Mörck	
<u>Saturday</u> Sept. 26 Mrs. Saguin	9.00 GROUPWORK REPORTWRITING	F R E E	
<u>Sunday</u> Sept. 27 Mr. Banda	7.00 Breakfast 8.05 Dept by train SÖDERTÄLJE Sö for MALMÖ	13.38 Arr. Malmö Sightseeing	ACCOMMODATION HOTEL ADLON, Mäster Johansg. 13 Malmö C Tel. 040/71560

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> Sept. 28  Mr. DUBHASHI	9.00 STAFF TRAINING AND EDUCATION (Local) Agr. Co-op Society Skånska Lantmännens Centralförening Stortorget 9, Malmö	12.00 Lunch at Rest. Kung Karl 13.30 Dept by bus for study visits to some societies	23.40 Dept by train for Söder- tälje Sleeping compart- ments
<u>Tuesday</u> Sept. 29  Mr. VIR	6.48 Arr Södertälje Sö 9.00 STAFF TRAINING AND EDUCATION (LOCAL) Cons. Co-op Society * Mr. Jonnie Svensson	14.00 REPORTWRITING	* RETURN FLIGHT ARRANGEMENTS TO BE SETTLED IMM AFTER LUNCH TOGETHER WITH RESO REP. Mr. Karl Erik Nilsson
<u>Wednesday</u> Sept. 30  Mr. LEE	7.30 Breakfast 8.22 Dept by train for Älvsjö 9.00 BREVSKOLAN - Correspondence School, Väst- Berga Allé	Mr. G. Levin, Mr. Sten Åke Johansson LUNCH AT BREVSKOLAN 14.00 ANNONNS SVEA KF's Adverti- sing and PR Agency 16.44 Return by train	
<u>Thursday</u> October 1  Mr CHONG	9.00 MEMBER EDUCA- TION AND INFO Philosophy discussion Prof. K.F. Svärdström Mr. Alf Carlsson Mr. Malte Jönsson	14.00 MEMBER EDUCA- TION AND INFO (National)  Mr. G. Larsson, Vi-skolan	
<u>Friday</u> October 2  Mrs SAGUIN	7.30 Breakfast 8.22 Dept by train 9.15 MEMBER EDUCA- TION AND INFO (National) Sveriges Lantbruks- förbund Mr Arne Secher, SL	14.00 Cont'd Publicity Section LT Mr. K.F. Björn 16.44 Dept by train	
<u>Saturday</u> October 3  Mr Banda	9.00 GROUPWORK Reportwriting	F R E E	
<u>Sunday</u>	ABF COURSE ON INTERNATIONAL QUESTIONS WITH PARTICIPANTS FROM TRADE UNIONS WILL BE HELD AT SKOGSHÖJD DURING THE WEEKEND OCTOBER 3 - 4, 1970. ABF IS VERY MUCH INTERESTED IN YOUR PARTICIPATION AND INFORMATION ABOUT ABF WILL BE GIVEN TO YOU.		

AGENDA, SCC Seminars  
 Wednesday, Sept. 30, 1970

- 09.00 - 09.45 Introduction  
 Picture strips "Brevskolan 1919 - 1969"  
 (Mr. Olle Karlsson)  
 Showroom, plan 10
- 09.50 - 10.20 Refreshments  
 Cooperative Education in the 1970's  
 (Mr. Stenåke Johansson)  
 Conferenceroom, plan 4
- 10.20 - 10.50 "How the courses are used"  
 (Mr. Göte Levin)  
 Conferenceroom, plan 4  
 a) Which persons do we turn to?  
 b) Different study groups:  
     Group studies: Study groups for teachers, letter  
     circles, evening correspondence school.  
     Individual studies: Indiv. correspondence studies  
     TV-Radio courses  
 c) Evaluation of knowledge: Secondary school courses,  
     ground course in social science, cooperative courses,  
     trade union courses  
 d) How to form a study circle?
- 11.00 - 11.20 How to prepare the courses  
 (Mr. Göte Levin)  
 Conferenceroom, plan 4
- 11.30 - 12.00 Sightseeing, Brevskolan  
 (Group 1: Mr. Levin  
     Group 2: Mr. Johansson)
- 12.00 Lunch  
 The Restaurant, plan 10



Host of the day Day/Date	A.M.	P.M.	Evening
Monday October 5 Mr. Dubhashi	9.00 MEMBER EDUCATION AND INFO (Central) Mr. Folke Dahl, SLR	12.15 Lunch 13.30 Dept minibus 14.30 MEMBER EDUC. AND INFO (Loc) ESKILSTUNA CONS.COOP SOCIETY Mr. Stig Ottosson	18.00 Dinner Skogshöjd 19.00 GROUP WORK AND REPORT-WRITING
Tuesday October 6 Mr. Vir	7.45 Breakfast 8.30 Dept minibus 9.30 MEMBER EDUCATION AND INFO Agric.co-op society Mr. P. Jacobsson, MC Söder, Sockenv.- Huddingevägen	Lunch at MC Söder 14.00 British Embassy visa formalities.	19.00 Report-writing
Wednesday October 7 Mr. Lee	7.45 Breakfast 8.30 Dept by bus 9.30 CENTRAL SALES PLANNING Mr. Folke Karlström KF, Sjöbjörnsväg 62, Gröndal	12.00 Lunch bus to 14.00 KONSUMENTTJÄNST 17.00 Sveavägen 12 WHY AND HOW INFO & SERVICE TO CONSUMERS. Consultant, Mrs Greta Bergström	
Thursday October 8 Mr. Chong	9.00 ADULT EDUCATION Mr. Bengt-O. Johanson Mr. Carl Fredrik Follin	14.00 Study visits to HAGABERGS FOLK HIGH SCHOOL AND VUXENSKOLAN, Turingegatan 43 Södertälje	19.00 GROUPWORK AND REPORT-WRITING
Friday October 9 Mrs. Saguin	7.45 Breakfast 8.30 Dept by bus  <u>BRING YOUR PASS- PORTS ALONG!</u> =====	12.00 At Skeppsbron 13.00 Dept by SVEA JARL 13.30 Lunch onboard	Dinner onboard
Saturday Mr. Banda	9.00 Arrival in Helsinki  See special programme for the Finland study tour		

11th International Cooperative Seminar on Cooperative Education  
September 14 - October 24, 1970

PM

concerning ABF (Workers Educational Association) weekend course on "Why International Studies" at Skogshöjds Turisthotell. Södertälje. October 3 - 4, 1970

1. ABF is arranging a course for some 35 participants. The participants are trade unionists, responsible for course activities at different jobs, students, or persons otherwise concerned with adult education.
2. The course is going on between 10.00 a.m. October 3 - 5.00 p.m. October 4th.
3. The course participants are supposed to have studied in advance a book called "We call them developing countries", which is especially prepared for study circle activities. The book is made by TRU (Committee for Radio and Television Education).
4. Saturday's programme will start with information about developing countries by a TRU representative. Thereafter groupwork.
5. On Saturday evening, say after dinner, the 11th Seminar is warmly welcomed to participate in the ABF course and you are kindly asked to give the ABF participants some information about your countries and problems especially concerning the cooperatives.

Anna Lisa Kjellström will be interpreting.

Saturday's programme is estimated to end at 8 or 9 p.m.

6. On Sunday the course will continue with information from SIDA representative about "Why and How Swedish Technical assistance to developing countries". The programme will further deal with the Trade Unions and the International relations as well as "Why International studies".
7. We think it could be very interesting for you to contribute with some relevant information to the ABF people. At the same time, of course, you will have an excellent opportunity of seeing, how such a course is carried through.
8. Enclosed you will find the booklet Adult Education in Sweden by Sven-Arne Stahre.

If you have any further questions about ABF, please write them down and pass them to Anna Lisa not later than Saturday lunch.

30 9 70

Anna Lisa Kjellström

PROGRAMME FOR 11TH INTERNATIONAL CO-OPERATIVE SEMINAR

8th October 1970      ADULT EDUCATION

0900 - 1200 and 1400 - 1700

Introduction

Short historical outline

Today's school situation

The Adult's educational position

What different opportunities are offered to adults?:

a) Municipal education

b) The State's schools for adults in Norrköping and Härnösand

c) The Study Associations

Study circles

University circles

d) SR-TRU

e) Correspondence education

f) Folk High School

g) Popular education Associations

h) Library activities

i) University Studies

Study allowances

Social aspects

AMS- Retraining courses

1400 - 1530

Visit to Hagabergs Folk High School

Coffee together with the students

1600 - 1700

Visit to Vuxenskolans premises

Material, the set-up of the Study Associations

Lecturer: Carl-Fredrik Follin, Bengt Olof Johansson

Material given to the seminar participants:

SÖ av 15.8.1968

ADULT EDUCATION IN SWEDEN

SI FS 39d 1969

EDUCATION IN SWEDEN

SR-TRU 1970-71

VUXENUTBILDNING I RADIO OCH TV

SV 1970

DETTA ÄR STUDIEFÖRBUNDET VUXENSKOLAN

STUDY TOUR TO FINLAND  
October 10 - October 17, 1970

Saturday, October 10

- 9.00 Arrival in Helsinki  
From harbour to the Hotel Hospiz
- 10.00 The Co-operative Institute of the University of Helsinki,  
presentation: Professor Vesa Laakkonen

Sunday, October 11

- 10.30 Sightseeing

Monday, October 12

- 9.00 The co-operative banking organisation - member education and information, staff training and education, Mr. Johan Lindberg
- 11.00 Lunch
- 12.00 Visit to the Co-operative Banking Institute
- 14.30 Staff training and education in the Co-operative Society Elanto

Tuesday, October 13

- 9.00 The E-cooperative Movement, Mr. Pekka Kuoppala  
Member education and information, Mr. Kyösti Suonoja
- 11.30 Lunch  
The Consumer Information Section of the Central Co-operative Society OTK and its activities, discussion about consumer problems, Miss Liisa-Maria Piila and Mrs. Sirkka Räikkönen
- 14.30 The Co-operative E-Institute - training and education of the staff and the members of the administrative organs, Mr. Sakari Kiuru
- 17.00 Dinner

Wednesday, October 14

- 9.00 Agricultural co-operation in Finland - member education and information, Mr. Kyösti Eskelinen
- 11.00 Lunch
- 12.00 Visit to the Professional School of the Hankija  
Information activities of the Hankkija, Mr. Kalervo Selander  
Staff training and education, Mr. Simo Arras

Thursday, October 15

- 9.00 The SOK Co-operative Movement, Mr. Esko Särkkä  
Member education and information, training of the members of the administrative organs, Mr. Pentti Törmälä

- 11.30 Lunch  
The SOK Co-operative College - staff training and education,  
Mr. Veikko Lahdenpää
- 15.00 Departure to Karkkila
- 16.00 Visit to the Co-operative Society Tuki - member education and infor-  
about mation  
Dinner
- 19.00 Departure to Forssa
- 20.00 Arrival in Forssa and accommodation in the Hotel Kaupungin-hotelli  
about of the Co-operative Society Tammi

Friday, October 16

- 8.30 Visit to the Mustiala Agricultural College
- 11.00 Lunch  
The Co-operative Society Tammi - member education and information,  
staff training and education
- 14.30 Departure to Koski
- 15.00 Visit to the co-operative bank Kosken Tl Osuuspankki, information  
about about its organisation and member contacts
- 16.30 Departure from Koski  
about
- 17.00 Arrival in Turku and accommodation in the Hotel Turku  
about

Saturday, October 17

- 9.00 The Co-operative Society Turun Osuuskauppa  
- department store  
- member education and information, staff training and education  
Visit to the museum Käsityöläismuseo at Luostarinmäki  
Lunch
- 14.00 Visit to the old castle of Turku  
Visit to the department store of the Co-operative Society Tarmola  
Sauna and meal in Ruissalo
- 22.00 Departure by boat to Stockholm

Host of the Day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> October 19  Mr. Banda	09.00 Seminar Evaluation by SIDA Mr. L. Annersten Mr. S. Ringensson 11.00 Discussion on Group Report	14.00 Cont'd discussion on Group Report Mr. A. Carlsson Mr. A. Holmberg Mr. E. Ericsson	
<u>Tuesday</u> October 20  Mr. Dubhashi	9.00 Discussion on Group Report Mr. A. Carlsson Mr. E. Ericsson Mr. A. Holmberg	14.00 Cont'd Discussion on Group Report	19.30 FAREWELL DINNER AT SKOGSHÖJD
<u>Wednesday</u> October 21  Mr. Vir	11.00 Lunch	12.00 Dept by bus for Arlanda 14.15 Dept SK 409 15.30 Arr. Copenhagen	ACCOMMODATION: Hotel Absalon, Helgolandsgade 19 COPENHAGEN
<u>Thursday</u> October 22  Mr. Lee	9.00 Visiting ANVA Cons. Coop. Store Vesterbrogade 11.00 Intr. to Danish coop. at Landbrugets Rødsmodesal, Axeltorv 3, 1	13.00 Lunch at EKKO, given by the Central Coop Committee of Denmark 14.00 LOK, Agric. Info and Conference activities	
<u>Friday</u> October 23  Mr. Chong	8.45 Bus dept from hotel Absalon 9.30 Visiting FDB Coop. Wholesale Society Albertslund	14.00 LIK Agricultural Information Office (Audio-Visual Aids, etc)	
<u>Saturday</u> October 24  Mrs. Saguin		14.00 SIGHTSEEING BY BUS IN COPENHAGEN	
<u>Sunday</u> October 25  Mr. Banda	9.30 Bus dept for Kastrup Airport 11.05 Dept Copenhagen BE 741	12.45 Arr. London Bus transfer to hotel 16.00 SIGHTSEEING BY BUS IN LONDON	ACCOMMODATION: Hotel New Ambassadors, Upper Woburn Place, London, W.C. Tel. 387145

Host of the day Day/Date	A.M.	P.M.	Evening
<u>Monday</u> October 26	10.15 Joint visit to the ICA OFFICE in London. Ge- neral informa- tion Dr. S.K. Saxena, Director	FREE FOR SHOPPING	
<u>Tuesday</u> October 27	12.48 Arrival Loughborough	13.05 Lunch 14.00 Mr. J. Hammond, Officer for Member Education. Attend lecture for the Diploma in Co-op Development	16.15 Tea with Mr. R.L. Marshall 17.00 Tour of the College, Mr. P. Yeo 19.00 Dept by taxi for dinner at Cossington Mill
<u>Wednesday</u> October 28	8.00 Breakfast 9.30 Discussion on the Co-op. College, Mr. P. Yeo 10.45 Tea 11.15 Panel discussion Ways of Making Co-op. Education and Training practically orientated for the benefit of the participants in Over- seas Courses	13.00 Lunch 14.15 Education Dept. Discussion on Corres- pondence Course provision Mrs. H. Sharp	Departures

G R O U P R E P O R T

1. General introduction to the Domus System
2. Establishment of a department store
  - A. General norms
  - B. Tumba Department Store
  - C. Investment - finance and operational budget
3. Organisation of a department store
4. Personnel policy
  - A. Central
  - B. Local
  - C. Principles of personnel budgeting
5. Budgeting as a tool for management
6.
  - A. Stock control system
  - B. Composition of assortment in a department store
7. Central buying
  - A. BOF-system
8. Uncentralised buying for department stores  
(Example from Norway)
9. Sales planning



## 1. General introduction to the Domus System

1.1. In the beginning of the 1950's, the Consumer Co-operative Movement in Sweden was faced with the need to take drastic action to augment its competitive power, in order to meet the challenge posed by private trade, and by the developing trends in retail trade. In 1952, the position was that KF (Kooperativa Förbundet - the Swedish Cooperative Union and Wholesale Society) had seven department stores, with a sales turnover of about 115 million Swedish Kronor per annum, and about 400 "special" shops, (i.e. shops dealing in non-food items), with a sales turnover of about 500 million Sw.Cr. per annum. On the other hand, its competitors in private trade (EPA and TEMPO chains of department stores) owned 70 department stores with a sales turnover of about 550 million Sw.Cr. per annum. KF conducted thorough investigations concerning this matter for about 2 years, and the following facts emerged:

- I Profits of the 400 "special" shops were poor.
- II The stores had only once a year turn-over (as compared 3 now).
- III The assortment and sales policy differed from shop to shop.
- IV It was estimated that during the following 10 years, the consumption of "special" goods would increase by 70 % per annum, and of foodstuffs by 15 %. Steps had to be taken to meet this demand.
- V Increasing industrialisation and urbanisation brought a shift in the population from rural areas to urban areas.
- VI The societies had a weak organisational and financial structure, and there was need for adaptation to the changing conditions.

1.2. After careful study, the National Congress held in 1956 decided that the cooperative movement should establish a common department store organisation, with the aim of taking over the running and planning of department stores - almost in the same way as Svensk Hushållsförening SHF - The Swedish Consumer Society - had been functioning, since 1919, for the development and improvement of weak societies and their shops.

1.3. This organisation, VARUHUSFÖRENINGEN DOMUS (Domus Department Store Association), was, to start with, organised as a subsidiary of KF, with KF's Board of Directors also being that of Domus. Any Society wishing to establish one or more department stores

within its area of activity, and which wanted some sort of assistance from KF in the matter, was offered membership in the Domus Association. An agreement was drawn up between the society and Domus, providing that the society would assign all planning and running of the department store to the Domus Department Store Association.

- 1.4. In the agreement, KF guaranteed financial investment and also business results, large enough to cover costs, consolidation and dividends. Thus, in reality, the main responsibility for running the department stores was concentrated with KF.
- 1.5. Under the planning and management of the Domus Association, the number of department Stores established and their sales turnover have been as follows.

Year	No. of Dept. stores	Sales turnover (m.Skr) (approx.)
1955	23	200
1960	51	375
1968	146	
1969	156	3.200

- 1.6. Under Domus Association management, the department stores in the country have developed also uniform lines, with a common name, "DOMUS". Attractive, standardised lay-outs and shop designs, common marketing techniques, centralised buying, uniform and standardised assortment of goods, graded according to the size and sales potential of the store, common administrative, accounting, financial and operational procedures, and common personnel policy may be seen.
- 1.7. The Domus Association, which was responsible for the planning, establishment and management of department stores, received powerful support from other affiliated and subsidiary organisations of KF, and completed the process under which all other activities were concentrated with KF. These include the services rendered by the Architects' Office, the common banking system, programmes for the training of co-operative personnel and member education, audit and, above all, centralised buying and distribution of goods, manufacturing and processing, imports and exports. The management of department stores could concentrate its attention on the selling of goods, while all buying and manufacturing as well as distribution became solely the concern of KF, leading to all round improvement of operational efficiency and business economy.
- 1.8. From about 1966 onwards, the Domus Association discontinued its activities, and the management of department stores was handed over to the societies. This was done as the number of department stores had greatly increased and decentralisation of management was considered necessary. Besides, by the process of amalgamation of societies, their

number had been reduced. At the same time, the societies, which had become larger in size, had been able to build up their own department store management. The Domus Department store Association still exists, but only formally, and also the Domus agreement between the Association and the retail societies.

- 1.9. This, however, does not mean that the societies have terminated their collaboration with KF. In fact, having regard for past benefits, close collaboration continues between them, to their mutual interest, in matters such as purchasing, determination of assortment, marketing, capital accumulation, and in planning and running department stores. The functions of Domus are now performed by the Retail Division of KF, through its Planning and Establishment Department and Operations Department, in a consultative and advisory role. The actual management and final decision is the concern of the society. The society has, as a rule, to follow the advice given by the concerned department of KF, as it also generally depends on financial assistance from KF for implementation of new projects. A high degree of collaboration and integration, thus, characterises the working of the Consumer Co-operative Movement in Sweden.

## 2. Establishment of a department store

The approach to planning a Department Store in Sweden reflects the following principles.

1. Estimation of population growth the next three decades in the area to be served by the shop and corresponding consumption potential of the population, based on estimated per capita consumption. This estimation takes into account probable mobility of population within the next three decades.
2. Estimation of retail trade turnover in the locality and the share of co-operatives regarding same including likely increases or decrease of co-operative share over the next decade.
3. Preparation of Finance (Investment) budget and operational Budgets on the basis of principles stated in points (1) and (2) above.

### A. General norms

Minimum Sales Turnover	I.	A Department Store to be economically viable must have a minimum sales turnover of about 7 million Swedish kronor including 5 million kronor in food and 2 million kronor in non-food items.
------------------------------	----	--

- Area of operation II. The area to be served (Catchment area) by the proposed store is determined first with reference to the population of the area, its standard of living, the transport and communication system available and the proximity to other large shopping centres (including OBS).
- Population III. An estimate of the current population with prognostic estimate of growth for the next decade is made.
- Consumption potential IV. The Consumption potential of the population for the next decade is projected by multiplying per capita annual consumption, with population. Such estimates are made respectively for food and non-food items and are then summed up.

The per capita consumption in Sweden for Food and Non-food items are indicated below: - (national average).

<u>Example:</u>	1970	Kr 4.511:-
	1975	Kr 5.046:-
	1980	Kr 5.665:-
	1985	Kr 6.381:-
	1990	Kr 7.210:-
	2000	Kr 9.287:-

- Retail trade turnover & Prognostic coverage by Coops. V. The Retail trade turnover of the locality in Food and non-food items for the next decade is first estimated and according to the rate of growth of the business under co-operative sector, anticipated share of the Department Store out of the retail trade turnover for the next decade are projected. At present the aim is to cover (under Coop. fold) 28 % of Food and 20 % of Non-food retail trade turnover in Sweden.
- Proximity of other Coop shops VI. A study of operation of other co-operative shops is also made and a decision is taken, if the other shops will continue or one or more of them may be closed as they will lose their utility after the Department Stores are established in the area. On the average, shops with an annual turnover of about 1.5 million kronor per year are closed, if they are not located at such a distance, so as to inconvenience the customers after they close. In this matter, existence, location and turnover of the private shops are also considered.
- VII. Stores with an annual sales turnover above 25 million kronor are considered as class A stores and below that as class B. It is on the basis of this classification that planning for inventory, assortment and expenditure, etc. are made.

### VIII. Areal requirement

The Department Stores may either be located on rented premises or on its own land. Whenever new land is obtained for such a purpose, the area of the land should be 1 1/2 times the present requirement of the Department Store, for the facility of future expansion, whenever required. Also there has to be adequate parking space for the motor vehicles.

The areal requirement of the store consists of goods handling area (comprising sales area and stock area), technical area and staff area.

Following norms of sale per square meter of the area have been evolved for the department stores.

Food item	8.000 kr per annum
Non-food	4.000 " " "

For working out areal requirement, again, the anticipated change in offtake of sales turnover, whether upwards, downwards or static are taken into consideration and the building plan is decided accordingly. For example, in case of a rather steady growth of sales turnover, the requirements for only a 15 year period are worked out to avoid an unnecessary blockade of funds in capital investment.

#### Location

The site for the location of the store is selected keeping in mind the central shopping area and future expansion of the town etc.

#### B. Tumba Department Store

The Domus Department store in Tumba was organised in 1965 on the basis of the extensive market survey conducted by KF as to the potentiality of the store.

Tumba is a suburb of Stockholm, well connected for transportation. Around 60 % of its population work in Stockholm. As such, Stockholm absorbs a good share of the buying potential of the area. OBS in Vårby, also has proved a big competitor to Domus in Tumba.

The area of operation of Domus in Tumba, has a radius of about 12 km with Tumba as the central point. The following places fall within the area served by Domus.

Tumba  
Botkyrka Municipality  
Grödinge  
Tullinge  
Salem

Prior to 1965 there existed a number of Consumer Shops in the area most of which dealt mainly in food items. Also the shops were not very strong sales-wise. Two shops in Bruket and Grödingevägen were liquidated. This state of affairs and also low coverage of retail trade in Non-food items by Consumers Coops led to reorganisation of the Konsums within the area and organisation of Domus, Tumba in 1965.

At present there are 6 Consumer Shops in the area in addition to Domus and the particulars concerning these are given below:

<u>Location of the Consumer shop</u>	<u>Sales turnover 1970</u>
1. Tumba	1.8 million kr.
2. Tumba	1.8 " "
3. Storvreten	5.0 " "
4. Tullinge	2.0 " "
5.	1.1 " "
6. Summer Shop	1.0 " "

#### Population

The population of the area covered by Domus, Tumba was 15,816 in 1962 and rose to 32,500 in 1970. This basis of population was the first premise on which a subsequent survey was conducted.

Prognostic growth of population was forecast as follows:

<u>1962</u>	<u>1966</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>
15,816	19,189	32,500	53,000	64,900

#### Consumption potential

The Consumption potential for 1962 in Food items was calculated at 35 million Kr and for Non-food items at 28 million kr. Thus the total consumption potential of the area for 1962 was 63 million kr. The consumption potential (Food and Non-food) up to 1980 was forecast as follows:

<u>1966</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>
96 million	173 million	311 million	397 million

#### Retail Trade Turnover

Retail Trade Turnover of the area for the corresponding period of 1962 in Food and Non-food items was 24.5 million kr and 7.5 million kr respectively, 32 million kr for Food & Non-food combined.

The Retail trade covered about 71 % of the consumption potential in Food items, 27 % in Non-food items and 51 % of Food and Non-food items combined.

This situation more than justified organisation of a Domus in Tumba for the following reasons:

1. There was a substantial gap between the Consumption potential of the area and the retail trade turnover, which covered only 51 % of the Consumption potential in Food and Non-food items combined. This gap represented the sales that Stockholm and OBS in Vårby drew from the people of the area. Thus a properly organised Department Store could remove a good portion of this untapped consumption potential, which finds its way to stores outside Tumba.
2. Most of the shops dealt only in food items and as a result, the coverage of non-food trade by co-operatives was insignificant. There was no co-operative Shop dealing widely in non-food items.
3. According to the target set for co-operatives, 25 % of Retail Trade Turnover in Food Items and 15 % to 20 % in non-food items were to be covered by co-operatives. According to this standard, co-operatives were to command by 1966 a turnover of about 11.3 million kr in food-items and 3 million kr in non-food items, in addition to capturing consumption potential not hitherto covered by the local retail trade.
4. Most of the Stores were financially weak. In fact, 2 of the shops had to be closed down and the whole chain of co-operatives in the area needed reorganisation.

#### Areal requirement

According to the general norms

in food            1 m<sup>2</sup> of area could command sales of 8,000 kr per annum  
 in non-food      1 m<sup>2</sup> of the area could command sales of 4,000 kr per annum

As against above norms the Tumba Store has the following floorspace:

Food	-	1,400 m <sup>2</sup>
Non-Food	-	750 m <sup>2</sup>
Technical area	}	550 m <sup>2</sup>
Staff area		
Restaurant		
		2,700 m <sup>2</sup>

Compared to this, Domus, Tumba has a floor area of 2,700 m<sup>2</sup> including the Restaurant.

The present sales figures at Domus Tumba has justified the forecast of the planners. While a Domus to be viable has to achieve a total Sales Turnover of 7 million kronor per annum including 5 million kronor in food and 2 million kronor in Non-food, the sales figures of Domus, Tumba are as follows:

<u>Year</u>	<u>Sales turnover</u>		
1966	8	million	kronor
1967	9.9	"	"
1968	12.2	"	"
1969	14.4	"	" (Food & Non-food 50:50)
1970	16.8	"	" (Food & Non-food 52:48 budgeted)
1971	18.11	"	" (Food & Non-food 53:47 budgeted)

### C. Investment - finance and operational budget

The Investment budget is the most important part in the planning of a Department Store as it constitutes an economic evaluation of the investment made on a Department Store.

Various components of the Investment Budget are given below:

On the basis of the anticipated turnover (prognosis) for the unit for 1970, -'75 - '80, total areal requirement is determined as per norms fixed for the same.

#### 1. Building Cost

The average building time for various categories of stores are given below:

Food stores and Supermarkets	6 months
Class A Department Stores	12 months
Class B Department Stores	18 months

Building costs basically depend upon site conditions and character of the project.

Building costs vary between 600 to 1,200 kr per sq. meter, depending on the location of the shop. In larger cities building costs would be proportionately higher and vice-versa. Preliminary building costs is worked out by multiplying the area of the project with preliminary building costs per square meter.

#### 2. Site Cost

A Site Cost may comprise either cost for a partly owned and partly purchased site or of a wholly purchased plot. Obviously for plots to be purchased, no norm can be laid down, except that in large cities, the site cost would be higher. Also in case of sites to be purchased, the area should be 1 1/2 times the present requirement for the facility of future expansion and parking space etc. Central location is another important factor which will influence site cost.

#### 3. Required yield - Building

The required yield or annual rent from the Building consists partly of running costs and of interest and depreciation for building, parking space & site.



a) Interest and depreciation are calculated at annuities which work out to 7.75 % of the investment on building and site. For the purpose of calculation of depreciation, the life of a building is estimated at 75 years (for tax purposes). But currently, the life of the buildings are being revised to 66 years, which would mean a corresponding increase in the rate of depreciation per annum. For a building of more temporary character, a shorter life of 10 to 15 years is calculated.

b) Running costs

Running costs include maintenance, heating, cooling and other recurring expenses which is around 4.15 %.

4. Investment in fixture and fittings and annual fixture and fitting costs

The principles for calculation of these costs are enumerated below:

Cost of fixture and fittings

- (1) Food stores - 500 kr per sq. meter  
or 500 kr x goods handling area.
- (2) Non-food stores - 400 kr per sq. meter  
or 400 kr x goods handling area.
- (3) Furnishing store - 125 kr per sq. meter  
or 125 kr x goods handling area.
- (4) Restaurant - 800 kr per sq. meter  
or 800 kr x goods handling area.
- (5) OBS - 300 kr per sq. meter  
or 300 kr x goods handling area.

Furniture and fixtures are written off in 7 years and depreciation at approximately 19.7 % per annum and interest on investment of furniture and fixtures are calculated in annuities.

5. Stock investment and annual stock interest

(a) For the purpose of calculation of stock investment and stock interest, the rate of turnover of gross stock are taken as follows:

Food: rate of turnover of gross stock - 30 times.

Non-food: rate of turnover of gross stock - 4 times.

Thus stock investment is calculated as follows:

x Food:  $\frac{\text{Sales Turnover}}{40} = \text{stock investment net stock.}$

$$x \quad \text{Non-food: } \frac{\text{Sales Turnover}}{7} = \text{stock investment net stock.}$$

x = stock investment is calculated on a conservative basis.

(b) Interest on Stock

Non-food = Net stock (total) of non-food, items x actual interest rate. The actual rate of interest at present is 8 %.

The interest on stock is included in the operational budget for non-food items.

Thus the Investment Budget indicates the estimated total Investment of volume, cost of building including site, cost for furniture, fixtures, stock, annual rent of the building including operating costs, depreciation for furniture and fixtures and interest on non-food stock.

Operational Budget

The operational budget is supplementary to the investment budget in as much as it shows operational results of the investments made.

Normally the operational budget covers a span of five years of which the first should correspond to the first whole year of activity.

The operational budget includes provisions for food, non-food items, cafeterians and all. This budget covers the following points:

1. Sales turnover (anticipated)
2. Gross surplus which the anticipated sales turnover will show after deduction of cost of merchandise, dividend and purchase or sales tax.
3. Wages payable

This will include the total wages payable by the store. Following are the norms for wage costs for various categories of department stores:

A Dept. Stores  
10 % of Sales turnover

B Dept. Stores  
9 % of Sales turnover.

In a food store with a turnover of 10 million kr which are few in number, annual wage costs work out to 4 % of annual sales turnover. In most of food store cases this wage cost varies from 5.1 % to 5.6 %.

4. Social costs in the form of facilities, prerequisites and securities extended to the employees represent about 27 % of wage costs.
5. Rent for Building Site:
  1. Interest and depreciation at 7.75 %.
6. Depreciation on Furniture and fixtures:
  - a) 19.2 % of the value of furniture and fixtures.
7. Interest on stock is calculated at 8 % on the net stock investment of non-food items.
8. Sundry operational costs are costs for daily operation of the store e.g. maintenance, heating, cooling, electricity, etc., which are of the following order:
 

Class A Dept. Stores	4 %	of sales turnover
Class B Dept. Stores	4 %	of " "
Food stores	1 %	of " "
9. The covering or the difference between the gross surplus and the expenses stated above would give the estimated annual result of the Department Store.

### 3. Organisation of a Department Store

The department stores can be broadly characterised into 3 categories:

- 1) Large
- 2) Medium
- 3) Small

These categories are based primarily on volume of sales. To put it precisely, the large store will have an average annual sale of 25 million skr or more, the medium sized 12 million skr and the smaller one less than 12 million skr. The sales are further divided into two groups, food and non-food items.

A large department store is expected to have sales to the extent of 75 % in non-food and 25 % in food items.

A medium size department store should have a 50 % sale in non-food and 50 % in food items.

A small department store should have a 25 % sale in non-food and 75 % in food items.

Besides sales, the size of a department store will be governed by two other factors, assortment and number of employees.

The organisation for department stores covers:

DIVISION OF WORK  
JOB DESCRIPTIONS  
WAGE BUDGET

Division of work determines the basic proportions of full time and parttime staff. Day to day work consistent with satisfactory sales will determine the strength of full time employees. With the increase in work of supply and sales, part-time workers are employed to the extent necessary.

#### Job descriptions

It defines the duties, responsibilities and authority vested in each job and their relation to other jobs.

#### Wage budget

The wage budget defines wages and costs in relation to the budgeted sales. This budget is drawn up for the following year per department and month and is divided into full time and part-time staff.

A large department store is generally composed of the following departments:

- 1) Food Department
- 2) Non-food Department
- 3) Inventory
- 4) Advertising
- 5) Restaurant
- 6) Repairs

The above departments are subdivided into sections on the basis of anticipated sales volume and assortment of goods, as the aim behind establishment of department stores is to have maximum sales, homogenous composition of assortment and geographical integrity.

The formation of department stores and their subdivisions along with their relative salient features is elaborated upon below.

#### Food department

This department deals in pre-packed frozen food, fresh fruits and vegetables, dry fruits, jams, canned goods, eggs, bread and butter, milk, cold drinks etc. In other words this department has a full assortment of food articles.

As a rule the sales are on a self-service basis and payment is made at the checkout stand.

#### Non-Food Department

This department is sub-divided into the following groups or sections:

- 1) Ladies wear, ready to wear and children's wear and cosmetics
- 2) Gentlemen's wear, ready to wear and shoes
- 3) Hardware and soft wear
- 4) Furniture, sundry goods and household goods.

Sales in these departments are based on the system of self-selection, self-service and payment at the counter or check out stand.

In order to provide product information to customers in items such as watches, cameras, sophisticated electrical goods and certain selective items of costly cosmetics require separate counters with trained sales service personnel.

#### Inventory department

This department is common to all sales departments. The work of this department comprises:

- 1) Receipt, unloading, counting and unpacking of goods.
- 2) Price marking and arranging goods in store room or shelves (but food articles are directly passed on to sales sections).

#### Advertising department

This department is responsible for advertising, publicity, interior decoration and window displays. Also this department is common to all departments in a store and is primarily meant for sales planning.

#### Restaurant

The restaurant differs from other departments in that it produces what it sells and has different working hours.

#### Repairs department

This department has to undertake the alteration of garments and repairs television sets, radios and other equipment.

#### Staff Pattern

To achieve maximum administrative and business efficiency, it is essential to decentralize functional operations, but centralize responsibility. In conformity with these principles the organisational set up of the staff is formulated as indicated below:

A department store, as stated above consists of several departments. Each department has a department manager who assumes responsibility for running the department. To assist him, there is an assistant, who hereafter is called group leader. The number of group

leaders in a department will depend on the volume of work in the department. This number generally varies from 3 to 5.

Below this level there are special functionaries attending to the work, which is divided into three parts.

- a) Sales
- b) Stock calculation
- c) Shelf replenishment

This pattern is applicable to food and non-food departments.

As regards the inventory department, there will be a department manager having overall responsibility for running the department. The manager will have assistants to look after:

- a) Arrival of goods.
- b) Arrival control, involving unpacking, counting and price marking.
- c) Arranging goods on store room shelves. The number of assistants to be determined by the volume of business. The driver of vehicles attached to the store will also be under his charge.

#### Advertising department

The department will have a department manager and one assistant with rank of group leader.

#### Restaurant

The restaurant is run by the restaurant manager, whose immediate subordinate is the chief cook. There will also be one or more cooks, dish washers, counter service personnel and a cashier. In the absence of the manager, the chief cook will perform his duties.

#### Repairs department

This department will be in the charge of one of the group leaders and will have technicians.

#### Office

Office routines are aimed at removing as much of the work load as possible from the department store and having it done at the society's head office. The office work at the store level has to be organised to form a common service, which is divided into four parts.

#### Informations Cash Office

Where all matters concerning money are grouped.

#### Department store office

Where all matters concerning merchandise control are grouped.

Stock management

Where all routines involving arrival of goods are grouped.

Staff supervision

Where all routines regarding staff, purchases and working hour files are grouped.

The first two departments are directly under the department store manager and the latter two are under control of his assistant.

Overall management

The overall management of the store rests with the department store manager and his assistant.

The assistant looks after:

- sales supervision
- wages costs
- staff matters and supervision
- working hours
- educational supervision

Where the system of payment is checkout stands, the cashiers are directly responsible to the assistant and are led by the first cashier. In the absence of the store manager, he will perform the manager's duties.

Overall responsibility for satisfactory working of the store lies with the manager of the store. Medium and small sized stores differ from larger ones mainly in:

- 1) Lower Sales figures
- 2) Fewer employees
- 3) Simpler assortment in non-food items
- 4) Major sales are in food items
- 5) Checkout system of payment

Besides department stores, there are other types of stores, namely

OBS and Domus Interiör.

OBS stores are located on trunk roads, outside cities and towns. They are essentially self-service with checkout stands aiming to sell things cheaper than department stores having economies of business viz larger sales and lesser operational costs. In special counters selling small but valuable items, sales personnel are provided.

Domus Interiör stores are exclusively meant for sale of furniture and fixtures and such articles, which are required for interior decoration.

#### 4. Personnel Policy

##### A. Central

The basic principles of Personnel Policy at central and local levels of the Swedish consumer movement are similar and derive as they do, their strength from the integrated and closely knit relationship between the central organisation and retail outlets. The salient features of this policy are as follows:

a) To improve the productivity of the staff

This is ensured through various methods such as:

- 1) Adoption of modern selling methods and improved technique by application of scientific equipment.
- 2) Linking of wage above minimum level with performance efficiency.
- 3) Creating conditions congenial to improved efficiency including welfare measures and involvement of staff in running the societies.
- 4) Maintenance control with a tolerance limit which could be about 1 1/2 % for leakage and shortage.
- 5) Adequate training facilities for staff.

b) Boosting of Morale is provided in the following ways:

- 1) Objective assessment of performance of staff.
- 2) Scope of promotion from rank.
- 3) Linking of wage with performance efficiency and protection given to employees by Trade Unions in the negotiation of minimum wage.
- 4) Good working conditions.

c) Continuity of services by employees is ensured by:

- 1) Promotions from the ranks.
- 2) Objective agreement of performance and
- 3) Proper placement of staff.

Synchronizing with the broad objectives stated above, KF has adopted various measures in personnel management policy which may be outlined as follows:

- 1) Adequate arrangement for staff training. KF has directly and indirectly sponsored training programme at local level, through correspondence courses and finally through the Vår Gård Institute. Also magazines, journals and information bulletins, seminars, conferences and staff meetings supplement the institutional training courses.
- 2) KF maintains records listing experience, qualifications, performance in Vår Gård's courses etc. of the staff working in various co-operative institutions and advises various stores in the matter of appointment of suitable staff.



- 3) Whenever a new department store is opened, KF determines the assortment group of the store and also its classification based on anticipated sales turnover. KFAI gives the store plan for layout for furniture and fixtures. On the staffing side, KF has also evolved a four tier hierarchy staff for department stores depending on this classification. These tiers consist of manager, department manager, group leader and sales personnel. For any category of store the staff requirement and pattern have been meticulously worked out with reference to assortment classification, number of sections etc in the store. Hence KF by these norms and devices very much regulates the staff planning even at local level. Employees today feel proud of being employed in KF. From time to time KF issues instructions and manuals which serve as guidelines for the managerial staff.
  
- 4) KF through periodical meetings with Domus Managers, assesses and gets acquainted with social environments and changing conditions of the trade and employees, the feelings and thoughts of the people and international developments etc. KF also negotiates with educational departments and trade unions for creating better services and working conditions for the employees of the movement. KF negotiates with Trade Unions through KFO regarding fixation of basic wages, overtime pay, work per manday, holidays and weekly working days of the employees. Generous salaries, various staff welfare measures, fixing wages on the basis of performance efficiency are all results of such deliberations continuously held by KF.

#### B. Local Level

At the local level the Personnel Policy aims at satisfying the following requirements:

- 1) Selection of right people

In the matter of recruitment following factors are taken into consideration:

Education

Experience

Attitudes of the candidate are judged through personal discussions and interviews.

- 2) Utilisation of staff

After employment of the staff, their duties, responsibilities and authorities are defined and explained to them so that they become interested in their work and also understand their responsibilities and feelings of importance. Again the assessment of individual performance is evaluated in terms of performance efficiency.

- 3) Good environment and working conditions is created to increase the productivity of the staff and bring about a sense of involvement. Various administrative measures are taken to secure these conditions.
- a) The new employee is warmly welcomed in the society. The society, its various departments and personnel are introduced to him while touring the store while the objective and functions of the store are also explained. This makes him feel welcome, important and generates a sense of involvement.
- b) A good salary, a free in-service training facility, objective assessment of performance and scope of promotion help to bring out the best in the staff.
- c) Good working conditions also includes working practices. There is a revolving 5 day week by shift and holidays given each year. Working hours in 1970 total 2,123 per man.
- d) Protection against injury while on duty is one active step taken by the management as a measure of industrial and personal safety.
- e) Orderliness is strictly followed in the store. Every item has its place. Such orderliness is maintained so as to enable the employee to work continuously without interruption.
- f) Communication with the employees

Communication with the employees is an essential ingredient of personnel management. The employees must be informed about what is going on in the shop and what is to take place in the future. Such discussions will also facilitate more and more employee participation in the affairs of the shop.

The following methods of communication are generally used

- 1) Enterprise Board Committee consists of General Manager Personnel Officer, Restaurant Manager, 3 Board members, 2 representatives from Domus, 2 representatives from provision stores, 1 from the Bakery, 1 from office staff, 2 representatives are also elected by the Trade Union.

The Board informs the employees about the news of the section and the department, including that of the last 3 months of the future programme. Retrenchment and other staff matters also figure in such discussions. They meet quarterly.

- 2) Personal Messages are conveyed through magazines.
- 3) Newspapers and magazines are published by KF and some societies for the staff.

4) Representation of employees for membership. Three employees of the society are granted membership with voting rights and participation rights in the deliberations of the meetings.

5) Meeting of General Manager with Store Managers.

6) A daily personnel information meeting lasting approximately 15 minutes is to be introduced into some societies starting next year. At present weekly staff meetings lasting 30 minutes each are being held in Department Stores.

The object of such measures is to:

a) involve the staff in decision making on a local level

b) to educate employees as assets of organisation

c) to maintain better personal contact with the staff.

7) Social welfare programmes

a) A group insurance scheme covering contingencies such as death, disability etc., which the co-operative society administers and helps, pay.

b) Old age pension. The society contributes 10 % of the average of 5 highest salaried years of the employees towards this fund. In addition 65 % is contributed by the state.

8) Personnel Clubs are organised for social evenings, outdoor programmes, contests, family get-togethers etc.

9) Attempts are made to maintain good relations with employees even after they terminate and causes for this action looked into.

### C. Principles of Personnel Budgeting

1) Staff planning in a department store is based on sales potential and the assortment class of the store. Staffing is made according to the category of the store. For staff planning the store is taken as one unit.

2) Number of working days and the work per man day are estimated with reference to anticipated sales turnover.

3) Salary above the minimum level should be related to performance efficiency.

- 4) The strength of the regular staff is determined with reference to minimum sales expected and parttime help is engaged to handle sales over the minimum stated above, as hiring part-time help is regulated on a shorter term span than in case of regular staff.
- 5) For staff planning requirements of other functions like cashier work, deliveries in the store etc. are also taken into account.
- 6) The salary cost should be within 7 to 8 % of the annual sales turnover.

In practice a study of the sales turnover of the store for the corresponding week of the last year is made. Then, any special occasion which may contribute to higher sale are taken into account and the man day required to handle such additional sales are calculated. The available free hours of existing employees are worked out to match it against additional man day requirement for such special sales occasions. The residual vacancies are filled by part time employees but such requirements are computed into man days (one man day = 7.1 hours).

To sum it up, the personnel budgeting takes into account the anticipated sales turnover computed into man days, available manpower, number of part time employees required to handle additional sales within the limitation that the cost on account of salary budget should be within 7 to 8 % of the annual sales turnover.

#### 5. Budgeting as a management tool

Budgeting as a management tool may be discussed in two distinct aspects

- a) budget planning
- b) budget control.

Any exercise in budgeting essentially implies:

- a) defining attainable and quantitative objectives for a given future period.
- b) to chalk out a specific plan of action to achieve these objectives and carry out such a course of action, and the objectives in economic terms.

Budgeting as a management tool is useful in that while working out the budgets, management has to consider all possible imponderables, which it might have to face in the given future period in order to achieve its objectives. Thus such a process affords management an opportunity to plan for overcoming obstacles. It also provides easier targets for all those working in the organisation and against which their performance can be evaluated. It makes management by objectives possible.

Budget planning may be further divided into physical budgets for various activities at the level of a Domus store.

### Sales budgeting

The sales budget is the most important budget in the organisation and provides the basis for all other budgets. It also quantifies the objectives of management for further planning.

The basis of sales budgets are:

- 1) Guidelines concerning objectives given by the top policy making body within the organisation, and
- 2)
  - a/ passed sales
  - b/ inflation in economy
  - c/ changes in consumption standards
  - d/ changes in assortment policy
  - e/ changes in competition
  - f/ changes in service matters
  - g/ other special activities

On the basis of this information sales are forecast on a monthly performance basis.

### Purchase budgets

Next in line is the purchase budget which is prepared in terms of sales value, commodity group wise for the two periods, that is February 1 to August 31, and September 1 to the end of January.

Budgeted sales are divided in terms of purchases of various commodity goods for these two major seasons. For simplicity KF has linked range with a commodity group with assortment classes which at the moment number 11. This type of division helps in both sales budgeting as well as in purchase budgeting.

### Personnel budgets

Personnel budgets are made in 4 parts

- a) personnel budget for full time employees
- b) personnel budget for part-time employees
- c) personnel budget for common services, and
- d) total salary budgets.

All these budgets are prepared on the basis of sales budgets.

These budgets are prepared on a monthly basis. The main aims while preparing these budgets are:

- a) salary costs should remain within a predetermined percentage of sales
- b) distribution of additional manhours on a rational basis to meet the fluctuation in sales from time to time.

### Advertising and publicity budget

This budget is again based on the sales budget and consists of three parts:

- a) salary of the staff
- b) cost for advertisement, publicity material etc.
- c) cost of window display, fixtures etc.

This budget is prepared within the framework of a sales plan and is worked within the limitation as may flow from a pre-determined cost on this head as percentage of sales.

### Result budget

This is the main budget which brings out the economic results of the planned operations. The general approach of the result budget is based on a cost center accounting system and is divided into the following groups of cost:

- a) direct fixed costs
- b) joint costs

Direct cost includes purchase value of the article VAT and dividend to the members. The difference between sales and these costs taken together is called TBAI.

Joint cost which is defined in relation to a particular activity and with reference include salary cost, rent cost and other common costs.

The difference between TBAI and joint cost is called TBAII. For the purpose of results TBAI and TBAII are used for working out ratios and for the measurement of efficiency and profitability, as also to carry out a break even analysis.

### Other budgets

Other budgets which are prepared are:

- 1) financial budgets including investment budgets and cash budget, capital budget,
- 2) education and training budget, etc.

### Budgetary control

The process of budgetary planning assumes meaning only if necessary follow up measurements are taken in the shape of control which are usually built in the performance used for budgetary planning.

The emphasis that management should constantly review various activities in relation to the planned operations with a view to take remedial measures, whenever there are serious deviations.

Result Calculation

The approach for result calculation is the same as previously mentioned under Result Budget. The following key figures are calculated in order to check the results:

- 1 degree of coverage =  $\frac{\text{TBI} \times 100}{\text{Turnover}}$
- 2 break even =  $\frac{\text{direct fixed costs} \times 100}{\text{degree of coverage}}$
- 3 break even level =  $\frac{\text{break even} \times 100}{\text{turnover}}$
- 4 safety margins =  $\frac{(\text{turnover} - \text{break even}) \times 100}{\text{turnover}}$
- 5 utilization of capacity =  $\frac{\text{TBI}}{\text{direct fixed costs}}$
- 6 TBI per kr of payrole =  $\frac{\text{TBI}}{\text{wages}}$
- 7 TBII per m<sup>2</sup> of selling area =  $\frac{\text{TBII}}{\text{area m}^2}$

Key values and their use

Key values are used:

- a) In order to facilitate the assessment and analysis of results and
- b) experience provided with certain limits for the key value which enables the management to apply the term good, normal or poor to the results.

6. A Stock Control System

Stock-in-trade and cash are highly susceptible to leakage unless they are subjected to a fool-proof system of control. The control shall incidentally protect employees against unjustified suspicions in the event of large shortages.

Cash Control

For every sale, a receipt is given as a rule, utilising a mechanical cash register. Every cash register is exclusively in the charge of a cashier, who is responsible to account for the cash for all receipts issued by the cash register. Other employees are not allowed to tamper with the cash. At the close of the business day, the cashier prepares a cash statement (in triplicate) setting out the total amount of

cash collected by way of sales and bundles up the amount in a bag to a bank. The second copy is sent to the Manager and the third copy is retained by the cashier. When there is more than one cashier in a store, the cashiers hand out these money bags along with the money statements to the chief cashier.

The chief cashier acknowledges the receipt of cash in the third copy of the cash statement with the cashiers. The chief cashier takes the moneybags to the bank, where the cash in each of the bags is counted by the bank-clerks and receipts are duly given. The bank receipts along with the cash statements (first copies) are sent to the store daily. The daily cash statements and bank receipts are accumulated for periods of 10 days and an abstract of the cash statements is prepared. The abstracts with the cash statements and bank receipts are sent to the society at intervals of 10 days. The cash statements and bank receipts are verified daily at the stores and differences, if any, are reviewed.

At the store level the total amount of sales as recorded by the cash register in the "total register" is verified with that given by the cashier in the cash statement on the next day. This is the daily routine of the Manager at the beginning of business each day. Differences, if any, are taken up for review. After verification the cash register is reset at point '0'. Differences up to 0.5 skr for a sale of 1,000 skr are tolerated. Differences in excess of this amount are taken seriously. At first the reasons for differences are examined. The cash register is examined for technical defects. If there are no defects the differences are discussed with the cashier and he or she is told to safeguard against recurrence of the differences. If the differences do recur, the store is left with no other alternative but to take disciplinary action against the cashier which entails even his or her dismissal. Under no circumstances should the deficit cash be recovered from the cashier.

The cash register is operated under double lock. The cashier has one key and the Manager has the other. The cashier's key is enough to operate the cash register and issue receipts. The other key enables the Manager to have access to the "total register". The cashier can not tamper with the total register, with dishonest intentions unless it be with the unholy alliance of the Manager.

To facilitate supply of coins to the cashiers a definite amount of cash is entrusted to the assistant in charge of the information counter. Payment towards sales returns are made against vouchers from this cash. Other kinds of payments at store level are not allowed. A daily statement of account is obtained from this counter and cash replenished by the society as and when necessary.

All sales to employees are strictly against cash payment. They are allocated a special time to make their purchases and pay the amount to a special cashier. They are given a special type of receipt. Their purchases are checked with the receipt when they leave the store at the close of the business day.



Stock Control

Stock-control may be reduced to a simple formula namely:

Opening stock + receipts = issues + closing stock + leakage.

Receipts include the following transactions:

- 1) Purchases
- 2) Transfers from other shops
- 3) Price increases
- 4) Sales returns

Issues include the following transactions:

- 1) Sales
- 2) Sales on credit (unaccounted)
- 3) Purchase returns
- 4) Transfer to other shops
- 5) Price reductions
- 6) Damaged goods
- 7) Goods utilised in the store

A stock control report containing the above headings, is prepared every month at the office of the society. The values under the different headings stated above are in selling prices.

Except for the months when physical verification of stocks is made, the "book value" of stocks is adopted as opening stock value.

As regards purchases, the arrival of goods at the store level is controlled by verifying the goods with the proforma invoices received along with the goods. After this verification a goods-receipt-slip is prepared in duplicate, showing the details of goods, selling prices and their value. The original is sent to the society and the copy retained in the store. The goods-receipt-slips are accumulated (for 10 or 15 days) and sent to the society in batches. The society maintains a monthly abstract of goods-receipt-slips. When the supply invoices reach the society, they are checked with the postings in the monthly abstract.

As regards other transactions, they are recorded then and there in the forms specially kept for that purpose. They are consolidated for a month and taken over to a stock-control report. The monthly stock control report is sent to the Manager of the stores for his study and comments. After the Manager returns the report it is finished by the society.

An estimated figure (based on previous results) which may range up to 1.5 % on sales is adopted as leakage in the stock control report. Actual leakage, if any, can be found out only in the months when physical verification

of stocks is conducted and this value is adopted as closing stock. Leakage up to 1.5 % on sales are tolerated as a normal business hazard. Anything in excess of the tolerable limit is taken up seriously for further action. The stock control reports are checked thoroughly. If they are correct, the sales personnel concerned are called in and the matter is discussed seriously with regard to further steps to be taken for stopping similar leakages. If need be, security guards are posted to determine sources of leakage. The frequency of physical stock verification is also increased as a counter measure for checking leakage. With respect to this leakage, the Manager is held responsible and it is his duty to check the leakage. If this fails, it is a reflection of his inefficiency in the management of the stores. He is then shifted out of the stores. Under no circumstances, must value of shortage be recovered from any employee of the stores.

#### 6. B. Composition of assortment in a department store

Before 1950, KF ran the business activity as a wholesale and industrial concern and after discovering that there was no cooperative assortment outline it was realized that the co-operatives were not developing very well compared to private competitors like EPA and TEMPO. Therefore a lot of time was spent in choosing best assortments from various whole-salers and manufacturers.

To solve this difficulty, it was decided around 1955 to reorganise a Purchasing Department in KF, solely responsible for purchasing what the Department stores should sell in a more applied manner. Accordingly KF's Purchasing Department was rationally reorganised to enable the society to switch over from wholesale to central buying. To facilitate merchandize groupings and assortments, assortment councils were formed, comprised of buyers for groups concerned, together with the representatives from the central department store organisation and also sales staff from the department stores.

The detailed assortment lists for various groups were also drawn up and the assortment was classed into three sizes, A, B and C corresponding to large, medium and small department stores. Such assortments were based on processed data of buying and sales figures compiled at KF level. In short the assortment classification is based on a methodical processing of the resultant figures that have been recorded for the various merchandize groups. A systematization which means that every store is recommended that assortment class for each merchandise group which corresponds to stores sales potential in direct relation to available selling space in the store. The basic merchandise chosen by the Assortment Councils were obligatory for all the stores.

Composition of assortment means groupage of goods which are similar in function. There are 4 to 8 assortment grades within each group with assortments of varying departments to suit the various store sizes. For each assortment class there are precise requirements regarding sales, rate of turnover and real requirements for its placement in the store. Based on the conditions prevailing in various stores, the store is allocated

the assortment grade it is to stock in each merchandise group. This classification of assortments is the same for the various functions, for planning the store, business follow-up and supply (i.e. buying function).

Broadly speaking the country is divided into 3 zones, North, Central and South and the merchandise groups are as follows:

1)	Mens wear	300
2)	Ladies wear	400
3)	Ladies articles	100
4)	Children's articles	500
5)	Shoes	700
6)	Furniture, fixture, household and sports	600
7)	Food	100
8)	Capital goods, viz TV, radio, transistors etc., etc.	900

KF Code number are given to each group assortment and each item for use throughout the country. The classification of assortments is as follows (out of a total master assortment list of 3,000 food items and 63,000 non-food items):

Class A Is meant for Department Stores, with a clientele of 45,000. For this class non-food articles are 80 % to 100 % of standard assortments and food 100 % assortment (i.e. 30,000 to 60,000 non-food items and 2,400 food items or more).

Class B This assortment comprises 50 % to 80 % non-food and 100 % food items mentioned under Class A. This assortment applies to stores having about a clientele of 8,000.

Class C This assortment is meant for Konsum stores and supermarkets with the norm of national customers up to 2,500. These stores have 20 % to 50 % of the non-food range of Class A items, and 100 % food assortment. In non-food assortment only utility essential goods (about 10,000 in all) are taken.

Note: In the case of OBS (Discount Houses), the concentrated assortment of non-food items is the same as for Class A stores and 100 % food assortments.

To sum up it is the KF buyer who chooses the store assortment in collaboration with the representative of the department store, depending upon the size of the store (both regarding sales volume and sales area). The buyer is given particulars as to what class of assortment the store belongs to. After this, it is the buyers task to decide, together with the store representatives, which articles are to be included in each assortment class.

The periodical orders are based on an order form whereas the assortment is particularized and specified (by KF) for each Department Store. In case of newly established stores, a survey and check-up regarding assortment and selling space is made two months after the opening of the store, but re-adjustments take place after one year's operation (after 5 years or so major re-adjustments are also made).

## 7. Central Buying

### Introduction

Central Buying essentially presupposes that the decision to buy rests at the Central level. Such a decision includes not only the quantity to be bought but also the quality and variety.

In Sweden today Central Buying connotes "Buying Activities of KF", which is the Central or main buyer for the consumer co-operatives. In a different perspective, as in India today, buying may be centralised at national or state level. But the essential ingredient of Central Buying is "Efficient-Buying" wherein better terms can be obtained because of such bulk and centralised buying. As such the most important determinants of Central Buying are:

- 1) Volume of Buying
- 2) Bargaining power of the Buyer because of bulk buying

### Advantages

- a) Central Buying enables the Buyer to place larger orders with manufacturers and to concentrate on fewer articles. This, on one hand, helps the buyer to bargain for better financial terms and to obtain supplies in packing, patterns, models with price labelling as per specification prescribed by the buyer. On the other hand it makes it possible for the manufacturer to produce the commodity at a lower price. This means active buying where the buyer dictates the terms, and controls the production of the manufacturer and influences its production cost.
- b) Central Buying will logically lead to a more systematic and scientific assortment in department stores resulting in a uniform co-operative assortment outline and more effective marketing of the merchandise.
- c) Such buying helps specialisation in both buying and selling sectors. While buying departments will specialise more and more in buying activities, the sales units (a Department Store or a retail society) would be free from the burden of buying and concentrate solely on leading sales activities. This in turn will result in better stock economy and higher productivity in buying and selling.

When under a well developed centralised Buying System it would not be surprising to find no salesman is needed at central level and no buyer at the retail level.

- d) Central Buying eliminates the hazards and risks of buffer stocking at intermediate and primary levels. Also the Coops at lower levels including the retailer are saved from financial investment in storage.

#### KF's Buying Policy

- 1) Under active buying policy KF goes out in the market and specifies its requirements. This specification relates to raw material, quality, design, manufacturing and fabrication quality, colour, pattern, size and measurement. To ensure this KF selects suitable suppliers from the viewpoint of machinery, capacity, effectiveness, financial standing, etc. After a good producer is selected, continuous collaboration with him or the supplier follows to facilitate long-term production planning, supervision of production and quality control, etc. This buying policy leads to concentration to a limited number of main suppliers so chosen as to supplement one another within the merchandise group concerned.
- 2) Based on the construction and design of the merchandises, it becomes easier for KF to choose its suppliers abroad with greater freedom from the risk of neglecting its requirement regarding quality and design.
- 3) The whole buying operation is subject to elaborate and exhaustive technical tests in laboratories to ensure quality control. KF runs its own Laboratories to check samples of suppliers' production and all merchandise planned to be bought must be subject to such quality testing.
- 4) Apart from technical testing, the aid of designers and fashion consultants is sought in determining the appearance and function of the commodity.
- 5) The buying activity is regulated by the expected retail price of the merchandise. The KF buyer shall under no circumstances distribute the merchandise at prices above what the store could obtain from the supplier. The recommended retail price for any article must not exceed the market price. Prices for purchase and retail sale must be set in such a way as to give budgeted productivity of the Buying Department and decided margin of the Department Store.
- 6) KF obtains supplies of merchandise through the following agencies:
  - own production units
  - import
  - from other suppliers

It is the responsibility of the buying department to ensure supply of the merchandise to shops in the right quantity, at the right time and place.

- 7) It is the responsibility of the buying section to market what they have bought.
- 8) The Buying Policy aims at capturing larger share of the market, which is reckoned at 28 % for food and 20 % for special items.

#### Buying Organisation

The work of buying is divided among various buying departments and organised according to the articles' affinity and function. The division of assortment between buying departments also corresponds with such division in retail outlets and with the way in which the related merchandise groups are placed within the store.

The buying departments are divided into buying sections where the work of buying is specialised into smaller merchandise groupings, buying groups with a marketing section dealing with all marketing questions, the finance section, responsible for matters regarding budgeting, result calculation etc.

#### Department Councils

The Department Council of the Buying Department decides the general outline for assortment determination and the pricing policy. The Department Council is under the administrative control of the retail operation Department.

The Council consists of the following:

- 4 Dept Store Managers
- 2 Chief Buyers
- 2 members of the retail operational department (Chairman and Secretary)

Its primary duties are:

- 1) Drawing up outline of assortment policy
- 2) Drawing up outline of price policy
- 3) Supervision of economy and productivity
- 4) Drawing up outline for gross margin on which retail price is based
- 5) Reports on sales experience and sales techniques
- 6) Recommendations for common routine in goods supply
- 7) Development and promotion of long-term planning
- 8) Collection and processing of reports on the area supervised

#### Reference group

The Reference group consists of representatives from the buying and sales sides. It is constituted to consider the details in a merchandise group or of related problems. The reference group is given a fixed procedure to follow in its work. Reference groups are not fixed or regular bodies. The reference group is dissolved by the Department Council after completion of its assigned work.

Food items

The buying department in the food section of KF has the following 5 departments:

- flour mills
- vegetables and perishables
- breweries
- coffee and tea
- canned food

Sources of supply

The purchases are made from the following sources:

a) Import includes

foreign private market  
European co-operative joint buying  
Scandinavian coop wholesale society

## b) KF industries, numbering 40

## c) Swedish Private market

Salient features

Salient features of the activities of the Buying Department (Food) may be categorised as follows:

- a) Common assortment of merchandise. Today there is a national assortment which is to be stocked by all LC's. The special assortment committee, consisting of KF buyers and representatives of societies and regional warehouses decides upon the items to be included in national assortment.

In the Swedish market today the assortment comprises about 12,000 items, and the KF assortment covers 3,000 items and are stocked in regional warehouses. An average department store has 2,600 items of assortment in its Food Section.

- b) Short term weekly sales plans are made for the department store, which is fed by periodical ordering of staple goods.
- c) The coverage of Retail Trade in food items by the co-operative section which at the moment is reckoned at 28 %, is the guiding principle of the buying activities and distribution has to be at the right time and quantity to achieve this aim. More than profitability, share of the trade is a more important determinant of purchase policy.

The Board of Directors and the Central Marketing organisation of KF provide the strategy and guidelines for broad policy while the purchase budget at the retail level forms the quantitative base for the buying activities.

## Components of buying activities

The components of the buying activity are as follows:

- 1) Volume Determination
- 2) Marketing Plan
- 3) Budget and Result Economy

1) Volume Determination. Volume of purchase to be made are determined through the following process:

- a) Study of the sale of the commodity for the past few years and sale statistics
- b) Prognos's of sale for next 3 years
- c) Break up of such sales in groups and single units
- d) Quantity determination
- e) Delivery Plan

In determining the volume of purchase to be made, continuous market surveys are conducted to find out the production capacity and share of other suppliers both in respect of imports, production and supply from private markets and its own production plan is oriented accordingly.

For the purpose of its own production and supply arrangements, the commodities are divided into the following groups:

- B) Compulsory assortment where off-take from the store is guaranteed. This assured off-take helps planning of production and procurement, facilitating better bargaining terms.
- T) Optional items which the stores may order.

In forecasting sale potential, elaborate technical tests of the products in the market are undertaken and prices with references to quality are studied.

## 2) Marketing Plan

### a) Introduction of New Products

The buying department examines the list of probable new products that are likely to be marketed by the producers and distributors. There is adequate collaboration with private producers and suppliers in this respect and production, import and purchase programs (inland) of KF are synchronised with that of other producers.

- b) Preliminary elimination on the basis of market research, consumers' preferences, product strength etc., and preliminary elimination of items are made.
- c) Marketing Policy is then determined tentatively which covers production plan, price policy, sales promotion measures, and distribution, at step level etc.

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- d) The programme is then transmitted to advertising agents for working out advertising plans to support the marketing plan.

The final plan is then formulated on the basis of the investigation and studies made through the above agencies and processes.

### 3) Budget

#### Result Economy

The fund requirements of various divisions and sections are determined as per their purchase programme.

The administrative department (Retail department) then examines the economic results of the departmental budget. Each department is to indicate the expected returns on funds drawn by them (Assumption of returns). However, calculation of return has no reference to the cost of the section.

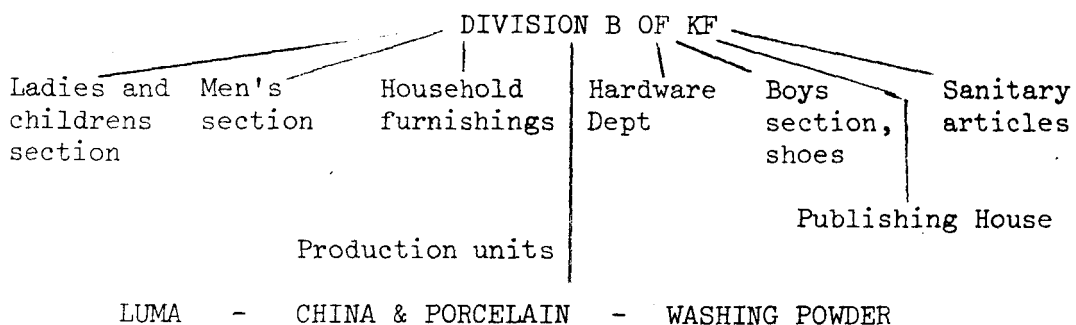
Over-head costs within the section are then determined.

The possibilities of revision of estimates on return are then examined before the preliminary budget of the section is prepared.

The budgets are made for each section and then computed into a budget for the whole department.

#### Non-Food Items

The buying activities for the "non-food" section are organised within Division B of KF. The buying section is divided into the following buying departments:



In the non-food section also, there are departmental councils, reference groups to formulate the policies and the core of executives to implement these policies.

The structure of this department appears as follows:

Section chief - aided by Marketing adviser

Merchandise Manager

Buyers

Distributors

Thus the built-in organisation also provides a proper mechanism for merchandising and distribution of the products bought through the merchandise manager and the distributor. Merchandise Managers are product managers who look after individual groups of products.

The important key-man is the buyer in the section. The buyers are aided by fashion and design specialists, laboratories and technicians.

#### Salient Features

The strategy of the buying department is enumerated below:

- 1) An active buying policy is pursued.
- 2) In settling price, the department bases its calculation on the retail sale price at which the product should sell. The retail price again has to be competitive.
- 3) As a result of active buying and rigid quality control KF has been able to create its image and brand name, which sells itself. "Vinson" and "Vinetta" are popular household words in Sweden today. Consumers today feel confident that whatever Domus buys and sells passes the quality control-test.
- 4) The wide scope of exchange of goods in any Domus irrespective of where it is bought, has created a sense of purchase security in the consumer.
- 5) The assortment council of the Buying Department determines the assortment for department stores, depending on its sales turnover, layout etc. The store cannot change its assortment though it may vary the quantities ordered within the assortment group. For this purpose about 670 commodity groups in 11 assortment classes have been worked out for Domus.

The buyer is responsible for buying merchandise for the department stores. He is to work along the lines drawn up by the department council with respect to both choice of commodity and assortment in detail. He has the freedom to buy merchandise within the prescribed assortment ranges. As such he is subject to only 3 limitations:

- a) Assortment outlines drawn by the council
- b) Retail Price of the merchandise must not be higher than market price
- c) The retailer must get supply of merchandise from KF and Regional Warehouses on most competitive terms

Conditions for the success of the central buying system

Central Buying should satisfy the following needs:

- A/ Volume of buying should be large enough to work as incentives to the supplier. Also such large volumes will help the buyer to obtain better terms of supply and apply better control on quality, design, etc.
- B/ Derived from the above premises, large volume buying will help the buyer to follow active buying instead of passive buying policy.
- C/ Proper assortment of merchandise whether at National or Regional Level is the essential condition of central buying.
- D/ The buyer should be financially sound to support Central Buying.
- E/ Central buying can never succeed without close coordination between the buying agency and the sales outlet, which is attained in KF through Retail Operation Dept. It is on the efficiency of the sales outlets that the buying capacity of the buyer depends.
- F/ There should be perfect functional coordination between the buying and sales agencies as that alone will lead to higher degree of specialisation (functional) of these agencies.

7. A. BOF System

BOF is essentially a computer based inventory control system, which is built on fixed frequency ordering principle for non-food articles, i.e. period of re-ordering is predetermined and the basis of the rate of turnover of the article and the quantity to be re-ordered is determined on the basis of stock on hand, demand potential in a given future period and the safety stock to be maintained for each articles. The safety stock is closely linked with the degree of service which the management wishes to offer to the customers.

Literally BOF means:

- B stands for Beställning = ordering of goods from the central warehouse to the co-operative sales outlets
- O stands for Order = ordering of goods from the supplier to the central warehouse
- F stands for Fakturering = invoicing

BOF is built of three modules, which makes it possible for the system to function during the different periods.

- |                                 |  |
|---------------------------------|--|
| 1) Invoice module:              | It gives the invoice for each order  |
| 2) Sales measurement module:    | It gives the measurement of sales of each single outlet article wise   |
| 3) Module for fashion articles: | With the aid of punch cards received from the shops, this module is obtained and is used to exercise inventory control on fashion articles |

#### Systems of programmes in BOF

- B. An order goes to KF's purchase group for distribution of goods from the central warehouse to the co-operative sales outlets.
- O. An order goes via KF's purchase groups to the supplier for distribution of goods to KF's central warehouse, regional warehouses and co-operative sales outlets.
- F. Invoicing of delivered goods from KF, central warehouse, and suppliers to the sales outlets and regional warehouses together with purchases for the central warehouses is done.

#### Functions of BOF Systems

1. Stock bookkeeping of KF's central warehouse
2. Sales measurements in co-operative stores
3. Collection storage and possibly at a later date, to interpret the data for KF's buying sections on their purchases and deliveries.

This in fact shall ultimately lead to automatic inventory control at the Domus level and normally no ordering at this level will be necessary.

4. Integration of general data with regard to payments deliveries, returns from and to KF and its regional warehouses and to and from shops, suppliers and production units.

#### Some other aspects of the BOF System

The BOF system automatically produces order blanks (BU) for sales outlets according to an order plan built in the system. The stores receive the order blanks a few days before inventory day.

Parallel to BU an assortment list is also produced by the computer which, as with BU, contains sales statistics in the previous periods and data about price, size, packaging, etc. in codes mutually agreed to by the societies and KF. This document is also sent to the society along with the BU. Whereas the BU is returned to KF after filling in the column for ordering. The document is retained by the society.

Sales outlets complete the inventory according to the list of goods, given in BU. Based on BU statistics and inventory, the sales outlets determine their requirements of goods for delivery. Ordering takes place by filling in the BU and sending it to KF.

All BU's are prepared on the basis of sections and commodity groups constituted by KF, and thus provide invaluable data in the process of budgetary planning.

#### 8. Uncentralised buying for department stores (Example taken from Norway)

Uncentralised buying for department stores essentially means that decisions with regard to buying of inventories are taken at department store level. In the case of Domus Fredrikstad, which the group visited during its study tour to Norway, uncentralised buying was followed.

The processing of buying in this organisation can be divided into 3 inter-related parts.

- 1) Preparation of Purchase Budget
- 2) Buying of inventories, and
- 3) Control Mechanism.

The basis of all buying activities is the Purchase Budget, which also provides the specific guidelines to the buyers with regard to the quantity and price at the time of buying.

#### Purchase Budget

Organisationally at the Domus level, there is a General Manager, an Assistant General Manager and managers of the various departments, which in the case of Fredrikstad numbered 8. The Sales Budget, which provides the basic material for the Purchase Budget, along with other types of budgets are separately prepared for each department by a team which in each case consists of the GM, the Assistant and the Department Manager of the department concerned. The Purchase Budget is made each month on the basis of sales value in respect to each department.

#### Buying activity

Actual buying of merchandise is done by the Department Manager within the framework of the purchase budget, with due regard to the demand, potential and actual stock on hand of each single article of merchandise.

The decisions of the Department Manager are governed by its limitations as may flow from the budgets, but are otherwise independent in respect to source.

In a few cases, where the central organisation has entered into agreement with suppliers and Domus obtains advantages, the Department Managers are constrained to place the orders through the central organisation, which places a bulk order with a supplier for direct delivery, but sends its own invoice.

Apparently, at times it happens that the Department Manager of different Domuses' but otherwise units of a society, may purchase an article separately from the same or any other source. A decision has been taken by the society to centralise purchases by the three Domuses' and a special committee has been set up for the purpose. Even otherwise steps are being taken to centralise purchases on a national level through N.K.L.

#### Control Mechanism

Control with regard to quality, quantity, price, time and source of purchase of inventories is exercised on the basis of operational results of the department concerned and the rate of turnover and its performances as compared to the budgeted figures. So long as these are achieved, no control is exercised over the buyer.

However, if wrong purchases are made reasons for this are identified and suitable remedial measures are taken to avoid future mistakes. Such measures may even include change of personnel.

#### Stock Control Mechanism

##### Stock-taking

Taking stock is necessarily done at least twice a year in Sweden with a view:

- 1) to find the leakages
- 2) to control the inventory levels
- 3) to detect the old deteriorated stock, and
- 4) to work out the actual value of stock on hand for the balance sheet.

#### Procedure

The whole store, for the purpose of taking stock is divided into convenient sectors. To each sector a team of 2 persons is assigned consisting of a caller, who is an employee of the store and works within the section, of whose inventory is being taken and the poster, who is not an employee of the store.

This team carries out the physical verification of stock in terms of actual units of each article, which is then evaluated in terms of its sales value.

The caller counts the articles and the poster writes the names of the articles, its quantity and selling rate in a form, in triplicate. Both sign each sheet used for the purpose.

The verification work is carried out under the supervision of the Manager and a representative of the local committee (called stock-taking supervisor). He takes samples and test-checks some of the items. This is completed almost within four hours after the normal working hours. All workers are compensated for this extra work.

At the end of the verification the representative of the local committee takes all the inventory sheets, signs and seals them in a packet and hands over or sends it to the head office of the society.

### Precautions

Some useful precautions which may save time and ensure correct stock-taking are:

- 1) pre-arranging of stock by the sales staff
- 2) all goods should be price marked
- 3) all goods should be properly arranged
- 4) each completed inventory sheet should be signed both by the caller and the poster, who should also check each other
- 5) a summary of all stock lists used in the process of taking stock should be made to control inventory sheets.

## 9. Sales Planning

1. Sales planning is an integral part of planned sales. It can be defined as an essential auxiliary activity to achieve anticipated sales for a definite period of time. Again, planned sale provides the basis for planned purchase. In this context, the purchase programme, in its shape and content, requires to be matched with sales planning activities. Thus purchase, sales and sales planning activities require to be inter-linked with one another in a scientifically planned business activity.
2. In the Swedish co-operative Movement, the Swedish Co-operative Union and Wholesale society (KF) is the buyer and/or supplier of merchandise to the societies for sale at department stores, supermarkets and food stores, run by them. In other words, buying is centralised at KF and selling is decentralised at the levels of local societies. Against this background, sales planning has developed into a joint responsibility of KF (central level) and the societies (local level).

3. The sales planning activities at the central level are given below:

- a) The Board of Directors of KF determine the selling policy for the coming year.

The Marketing Council in KF follows up the Board's selling policy and makes arrangements for formulating sales planning activities for the coming year. This work begins a year before the activities actually take place at the selling units, namely department stores, supermarkets and food stores.

- b) The council entrusts this work to the food and non-food buying departments in KF for drawing up the lines of action of sales planning for the coming year. There are five buying sections in the food department. Each section has a Marketing Manager. Similarly there are six buying sections in the non-food department. Each of these sections also has a Marketing Manager. These Marketing Managers, in collaboration with the buyers in their respective sections, work out the lines of action for sales planning. Before setting out to formulate their plans, they collect suggestions, views etc. from the societies. These section-level plans are consolidated into department-level plans. Thus, the consolidated plan frame is in two parts, one relating to food articles and the other relating to non-food articles.

- c) KF has established a subsidiary of its own which is an exclusively professional advertising and publicity agency and is called "Annonss-Svea". The consolidated plan frame containing lines of action of sales planning is forwarded to this agency for suggestions with regard to sales and publicity campaigns. 'Svea' incorporates its special suggestions for the campaigns and returns the plan of action to the buying departments for approval. Upon approval, 'Svea' works out definite plans for sales and publicity campaigns. Now a total plan is ready at the central level.

- d) The plan contains various forms of activities. They are:

1) activities founded on seasons, celebrations and special occasions. (E.g. summer, Christmas, Easter, holidays, jubilee celebrations, etc.) In this, the service aspects will be focused.

2) activities in which the centre of emphasis will be merchandise.

3) activities in which KF brand goods (Vinson and Vinetta) will be brought into focus to draw the customers attention.

4) activities which will take the form of special and introductory offers, price reductions, etc.



## 5) demonstrations of food and non-food articles.

In the plan, the above activities are time-scheduled. For this purpose, the plan-year is divided into six periods of 8 weeks each. Each period is so fixed as to cover the activities referred to under points 1 and 2 above.

- e) The details for the activities in the annual plan are worked out by the buying sections concerned. The detailed plans contain the goods involved in sales and publicity campaigns and demonstrations. These details form a supplement to the annual plan and constitute the "detail plan".
- f) The annual plan and the detail plan are circulated to the societies, and their views are obtained. Whenever necessary, suitable alterations are carried out in the annual and detail plans in the light of the suggestions received from the societies. Now the plan is in full shape for implementation and is circulated to all societies, selling units and all others concerned with producing, buying, storage and distribution of goods to the societies.
- g) Alongside the annual and detail plan, KF despatches information to the societies. This information can be divided into three parts:
  - 1) Sales information
  - 2) Product information
  - 3) General information

Sales information contains proposals for publicity of brand goods, special and introductory offers, price reductions, demonstrations, etc. Besides, it contains details of display and advertisement and publicity materials, placards, posters, etc., which will be supplied for use in connection with the sales planning activities and also details of overall institutional advertising that will be released by KF through different media. It also contains details of selling points in selling units, where the activities should be carried out.

Product information is different from sales information, in that it has nothing to do with planning activities. This part of information devotes itself to convey details of new products proposed to be introduced, of stock-outs, and of changes in prices, discounts and methods of distribution.

General information relates to matters such as product development, testing, sales, sales results, personnel changes, etc.

- h) It is significant to note that information and materials for sales planning activities are supplied by KF, its buying departments and 'Svea' generally three weeks in advance, in accordance with a schedule drawn out for the purpose.

- i) KF publishes two periodicals at intervals of 45 days and distributes them to all Managers of selling units, executives of societies and those connected with producing, buying, storage and distributing operations. These periodicals serve as media for conveying these three types of information to the personnel.
- j) This three-fold information helps the selling units in gaining a clear understanding of sales planning activities in detail and in implementing them strictly in accordance with the schedule and the manner envisaged in the plan.

#### 4. Local level activities

Local level activities are divided into two parts. They are:

- 1) activities at the regional level
- 2) activities at the selling unit level.

##### a) Activities at the regional level

For this purpose Sweden has been divided into regions. Each region has a sales council comprising the representatives of societies working in it. This council is mainly concerned with sales planning activities pertaining to food articles. In some regions, the councils also concern themselves with non-food articles. This council determines what goods are to be promoted at the selling units in the course of planning activities. The information circulated by KF is helpful to the councils in making a right decision in the matter.

##### b) Activities at the selling unit level

The Manager of the selling unit is primarily responsible for carrying out these activities. He is assisted by the chief of his advertising department. But the size of the activities, however, depends upon how large the selling unit is and how much funds the unit may spend on the activities. The store will, of course, undertake these activities only in respect of goods sold in it. The information circulated by KF and the regional councils provide exact guidelines for the general manager to carry out the work. At this level, he ensures that the goods involved in the activities are stocked in adequate quantities, and well in advance. He also ensures that the goods are displayed and/or demonstrated, as the case may be, in the right way and at the right time.

Special sales publicity may also be carried out at the store level, by the General Manager on his own initiative, taking into consideration local conditions. For example, this may be done if there is a local celebration, or if local competition develops in a particular form.

#### Evaluation of sales planning

At the end of every sales and publicity campaign, KF gathers data from the societies and calculates sales-results and sends them to the societies.

During 1970 KF has spent about 51 m skr on advertising and publicity campaigns as shown below:

Commodities relating to advertising and publicity	Amount spent (in m skr)	Total sales of the articles in Coop. Sector (1,000 m skr)	% of advertisement and publicity costs to the sales-amount
food	24	5.7	below 0.5
non-food	23	2.3	about 1.0
information	4		
<b>Total:</b>	<b>51</b>	<b>8.0</b>	

It is understood that about an equal amount as that expended by KF is also spent by the societies on advertising and publicity campaigns.

### Co-operative education and training in Sweden

This report of the 11th International Seminar on Co-operative Training and Education is based on visits to a number of institutions and discussions with many individuals, who have made contributions to the programme of co-operative training and education in Sweden. Through these visits and discussions emerged gradually but fully the profile of the Swedish programme at the side of consumer co-operation and agricultural co-operation. Its main underlying principle also became apparent. The Swedish programme of training and education consists of many activities. But they are not isolated items. Together they constitute what may be called a system in which the various constituent parts reinforce each other. The parts consists of institutional training courses in the national institutions of training, local programmes of training sometimes arranged in local schools, correspondence education and study circles. In what follows, an attempt has been made to analyse and evaluate each of these in seriatum. It has, however, to be kept in mind that for presentation purposes, the constituent elements are dealt with separately. They have to be understood as an integrated whole to realize their full significance. Also "on-the-job-training", learning by experience, evolving principles, methods and procedures of training and of practical experience of the fundamental ideas, underlying the Swedish system of training and education.

#### 1. Institutional training

The term "institutional training", as used in this report, implies the presence of three basic elements: trainees, a faculty of trainers, training facilities and courses.

Two national institutions of co-operative movement were studied by the group. The first, Vår Gård, provides the consumer co-operatives of Sweden with a comprehensive residential training program for employees in its scenic Saltsjöbaden campus. The second, Sånge-Säby, located on an island by that name, is situated west of Stockholm and is the course and conference centre for all agricultural co-operatives in the country.

##### 1.1. Vår Gård

Vår Gård was established by Kooperativa Förbundet (KF) in 1924 in order to meet the needs for training employees of the expanding consumer co-operative system. From its humble building in Sjöudden, it has developed into a modern complex, which includes a new school building, a dining hall, two conference rooms, three student dwellings, which accommodate 112 persons, staff quarters, a reconstructed old consumer shop, two houses for students and domestic staff and the Nordic Rochdale monument. In 1969, alone, 3.340 trainees attended its courses.

Vår Gård's training programmes are part of an overall system within the movement for employees training based on a scheme of continuous and progressive education. Its educational activities complement and supplement a well-integrated plan for employee development through on-the-job practice, local staff training, correspondence studies, study circles and residential courses. Vår Gård's role in the plan centers on the provision of the latter. But it does not just serve as a training institute, it also serves as the clearing house of educational programmes within the movement and as the nerve centre of the consumer co-operative movement manpower development.

### Approach

In approach, the Vår Gård programme of education combines both theoretical and practical aspects of job training. This is achieved by specificity and continuity in its training schemes. Courses revolve around specific training for particular job tasks, while at the same time providing the theory behind such tasks. Continuity is achieved through a series of planned short courses, implemented on a "step-by-step" basis.

The residential courses which are part of the "step-by-step" employee training scheme comprise Vår Gård's major programme. The "step-by-step" scheme is carried out in close coordination with the societies and KF's department of personnel management. Details of these plans, are discussed fully later in the section.

### Training courses - their scope and content

To attract young people of at least vocational school qualifications into the movement, Vår Gård opened a trainee education plan in 1959. Applicants take an aptitude test and those who qualify are given systematised training up to BK (Befattningskurser) level, after which they work in stores corresponding to their interests. If they do well, they may ultimately rise in position and qualify for the assistant course which takes two years.

In 1968, Vår Gård also started the first of the multiphased course in marketing. Besides the above programmes, Vår Gård holds managerial seminars, special subject seminars and conferences. The managerial seminars are intended for middle supervisory to top management groups. The special subject seminars focus on subjects such as business economics. Conferences of a contact nature are also given and conferences for high-school students. Vår Gård also holds some seminars for co-operative members and elected officials in collaboration with Vi-skolan, the member education department of KF.

### Training material

Vår Gård mainly relies on basic course books and manuals based on results of teaching and experience, which it has developed especially for co-operatives in its educational programmes, though textbooks and other publications of a general nature are also used especially for the two year assistant course. Methods used at Vår Gård vary with the subject matter, type of educational activity and the qualifications of trainees. These include lectures, group discussions, laboratory, surveys, individual studies and others. Emphasis is placed on classroom work. The magazine Vår Tidning is also used as an important instrument for training and training follow-up. Film strips and radio broadcasts are freely used for training purposes.

### Financing

The college is financed by two major sources. About half of the funds are supplied by KF. The rest comes from contributions sent to Vår Gård by all consumer societies.

Under the latter type of financing each consumer co-operative society remits one percent of its net surplus to Vår Gård. The society then sends its employees to the college. Training, administration expenses and the board and lodging of trainees is credited against the co-op's account. Also, the society is charged for the allowance of the trainee, which is equivalent to his usual salary. It is co-op's responsibility to see to it that it uses all the resources equivalent to its contribution, as the balance if any, is retained by Vår Gård. Costs above the remittance are borne by the co-op.

### Training Faculty

To carry out its programmes, Vår Gård has a staff composed of a principal and thirteen teachers. Each teacher is a specialist in a specific field and keeps in touch with developments within the movement, relating to his specialty. He also assists in the administration of the college. In addition to the regular staff, twelve trainees chosen from the participants in the second year of the Assistants course are employed as Educational Assistants by the college and help the regular faculty, both administratively and academically in the conduct of courses.

#### 1.11. Step-by-step programme of training

A well-coordinated, highly systematised scheme of staff training is based on the principles of continuity through progressive courses and on practicality from the core of staff training and education in the consumers co-operative movement.

The scheme, often called the "step-by-step" courses, entails close collaboration by the societies, the correspondence school, Brevskolan, and the co-operative college of Vår Gård.

Upon employment at a consumers co-operative, the new employee is given an information course of 20 session hours and is required to take a minimum of two correspondence lessons. The sessions and lessons are centered around information, co-operative philosophy and on imbuing the employee with a sense of service. Subsequently, he undergoes a three-phased training programme at the society. Details concerning these will be discussed in local staff training. After phase 3, he is sent to Vår Gård for a seminar on specialised subject matter related to his job. By the time he finishes the seminar, he will have been with the movement for three to five years and is now ready for phase 4. He prepares himself by taking a leadership course (supervisor development course) at his society and thus qualifies for the first formal course at Vår Gård, the Grundkurs, or GK. This basic course lasts for three weeks and the subjects taken are those related to his particular departmental line of specialisation, i.e. food stuffs, restaurants, etc.

The employee undergoes a series of these preparatory courses conducted by his society employer, combined with the residential Vår Gård course. Phase 5 courses are intended for acting or prospective shop and department managers. The six-week residential, or BK, course, Befattningskurser, covers 244 session hours. It deals with co-operation, social economics, planning, selling, general information, theory, practical exercises and other subjects. Phase 6 is a continuation course which qualifies trainees for higher posts within the movement. The residential course, Fortsättningskurs, or FK, covers 208 session hours. Phase 7, the last of the series, is an advanced management course, which focuses on personnel administration. The Vår Gård course, Påbyggnadskurs, or PK, requires eight weeks to complete.

Below is a sketch of the step-by-step plan. Here it may be pointed out that the step-by-step plan ultimately leads to the forming of "future leaders" of the co-operative movement through the two year Assistant training programme. From participants in the earlier short term courses, the College selects about 12 persons each year for higher training.

Vår Gård

Residential course on national basis)

PK

FK

BK

GK

Specialised dept. courses

Local training  
(on-the-job, study circles, correspondence courses)

Step 7

Step 6

Step 5

Step 4

Step 3

Step 2

Step 1

Description

Information course  
20 hours session

2 correspondence courses

(co-op philosophy and sense of service)

Branch Education course  
Special courses for jobs performed and goods handled

Continuation course  
Subjects on selling, control and costs

Local training on leadership  
Vår Gård basic course

Courses for shop and department managers. Six-week residential course on economics and staff supervisor

Continuation courses.  
Five-week residential course.

Advanced management courses.  
Eight-week residential course.



### 1.2. Producer Co-operative Movement - Institutional Training at National/Central Level

Education in the agricultural co-operative movement has by tradition been general in character, embracing in common programmes both members and salaried executives. Until recently, the educational standards in rural areas were comparatively low. Hence the agricultural co-operative movement had to provide complementary applied training of general nature to make good the gap in the educational equipment of its officebearers and employees alike. Recently standards of public education have improved and agricultural business has grown more complex. Thus now systematic staff training programmes as an integral part of development of personnel for modern business are being evolved. Both at the national level and the regional level integrated programmes are being evolved in different branches of the agricultural co-operative movement.

Institutional training, activities in the producer co-operative movement are held on a national level on a residential basis at the Sånge-Säby and in the different regions. These programmes are sponsored mostly by the SL, the RLF and the branch organisations.

#### 1.21. Sånge-Säby

Sånge-Säby serves as the national seminar centre for the farmers' co-operative movement in Sweden. The centre is owned by the Federation of Swedish Farmers and forms part of its Study Department. Its facilities include four lecture rooms, twenty group rooms, a library and accommodations for 100 participants. It is located in a 125 acre farm on an island, thirty kilometers west of Stockholm.

The centre is operated by a subsidiary company controlled by the Federation, the Farmers Union (RLF), and six of the largest farmers associations, organised into specialised co-operatives, (sometimes called "branch organisations").

Sånge-Säby does not have a faculty of its own. Its programmes consist mainly of seminars for employees of different categories in the farmers' associations and seminars and conferences for members of their board of directors and for elected auditors. The seminars last from two days to six weeks. Its main emphasis is on training Board Members who obviously cannot be graded.

Usually, the SL organises residential courses on subjects which are needed in common by the societies in its various branches. Its courses are thus diversified in nature. Some examples can be given: courses for foremen, which last from one to two weeks, public speaking courses for leading members and employees, and book-keeping courses are some

examples. The RLM and the branch organisations, especially the Rural Credit Association, sponsor courses at the Institute for their employees on their own specialised branches. Most of the courses are held during the first and last months of the year. When facilities are free, the centre rents them to other outside groups.

For its courses Sångå-Säby makes full use of lecturers from the movement and specialists from other sectors.

Federations which use Sångå-Säby pay for the administration expenses of courses sponsored by them. The societies sending trainees shoulder fees and salaries of participants.

Presently, the producer co-operative movement is developing its own step-by-step plan. The agricultural credit co-operative movement, for one, has adopted a plan composed of an introductory course on elementary banking with correspondence courses at the society for new employees. This is followed by a four week Boarding Course I on specialised banking techniques, at Sångå-Säby, on-the-job training through correspondence for six to twelve months, followed by Boarding Course II, also at Sångå-Säby. There is a close integration between Sångå-Säby courses and regional courses.

### 1.3. Evaluation

1. The participants of the 11th International Co-operative Seminar on Co-operative Education were particularly impressed by the idea of sequence of courses to match career development, a distinct feature of staff training in Sweden. Training becomes a continuous process, spread over a period of years.

The group also noted the well-knit scheme of complementarity of residential courses, on-the-job training, study circles and correspondence courses.

2. Another desirable feature of the system is the use of specific materials provided for the courses, which are suitable and adopted to the needs of its users. These materials are the results of joint efforts by KF, Vår Gård and Brevskolan in the case of the consumers co-operative movement, and of SL, SLK and Sångå-Säby for the agricultural co-operatives system.
3. At the end of each course there is a session of trainers and trainees on "How shall I plan future studies?" This greatly helps continuity and follow-up of the training programmes.
4. Performance in courses at Vår Gård is considered for the assessment of a candidate for future development.
5. Also worth citing are the excellent residential facilities of the training institutions. Both Vår Gård and Sångå-Säby have outstanding provisions regarding classrooms, living quarters for participants, audiovisual equipment, etc.

6. Furthermore, these training facilities are located in scenic surroundings where atmosphere appears to be very conducive to learning in terms of remoteness from the distractions of city life, distance from the societies where the participants work (thus providing peace of mind for better concentration on studies) and beauty of the campus.
7. The group also noted the assistant education programme which allows the employment of twelve executive trainees as part of the teaching faculty of Vår Gård. It was mentioned that this plan enriches the educational programmes of Vår Gård, from the viewpoints of both substance and of number of staff members, while at the same time helping develop the trainee.
8. In general, the staff training programmes are marked by absence of examinations.
9. One of the strong inducements for employees to attend residential courses at both Vår Gård and Sångå-Säby is the fact that they are paid their regular salaries while attending the courses. At Vår Gård, this allowance is charged to the amount remitted by his co-operative to the college. Trainees at Sångå-Säby, on the other hand, receive their salaries direct from their employer co-operatives.
10. Vår Gård has a museum which includes the reconstruction of one of the oldest consumer co-operatives in the country. The store contains authentic furnishings and merchandise. Participants of this seminar observed that this memorial commemorating the beginning of the movement, would have an inspiring effect on participants at Vår Gård and is a feature of a co-operative training institution worthy of emulation in their own countries.

## 2. Staff Training and Education at Local Level

Training and Education as major contributory factors for efficient management of co-operative organisation is so well recognized in Sweden that no effort is spared in giving every member and employee sufficient education and training in co-operative matters. The over all plans for staff training and education in different branches of co-operative activity, as explained earlier, have provided for local participation by employees and members in centrally drawn up educational and training programmes as well as in educational and training programmes, independently organised by local and regional societies.

The system of co-operative training and education is not only flexible but also supplementary to other programmes of adult education. In the co-operative sphere the local and central programmes complement each other.

Local level education and staff training embrace all training and educational activities undertaken by co-operative societies themselves. For this purpose, yearly budget is provided by the societies, while in others ad hoc provisions are made. For instance a large society like SLC does not have a separate annual budget for staff training and education, although it undertakes and sponsors programmes out of its general administrative budget.

### 2.1. Consumer Co-operative Movement

The local education programme is greatly assisted by the Association of Adult Educations, viz. Vuxenskolan, which organizes under its auspices numerous programmes through local study organizations. The success of consumer co-operation in Sweden is largely due to the general acceptance of the concept that education is a profitable investment, rather than a cost factor. Training occurs because of the accomplishment of the movement and its practicality. The programme is so arranged that it is partly local and mainly central with coordination between the two. In section I above we have already discussed the programme at the Co-operative College, Vår Gård, which as stated is a sort of clearing house for consumer co-operative education and staff training. KF, the main consumer organisation makes use of Vår Gård for man-power development within the movement. By working with the personnel department of the societies, Vår Gård assists in planning their future educational requirements and arranges for training to be offered at the school and decides which types of seminars or courses are to be conducted. To make use of the facilities available at Vår Gård, the local societies provide basic training courses for new trainees.

Training courses are thought to complement practical training. A new trainee may attend local classes held during working hours while at the same time following correspondence courses provided by Brevskolan. The introductory course known as the information or Ground Course is usually followed by a correspondence course. Basic courses provide general knowledge on co-operation, sales methods and cost control, etc. The first correspondence course consists of five lessons, which students complete at their own pace. After basic training provided at the local level, the door is open for step-by-step progress up to assistant education.

Some of the larger societies have their own schools known as "Konsum Skola" while others hold classes in rented premises. Problems of adjustment and coordination do exist between these and the Central institute Vår Gård.

The methods adopted for training and education are lectures, group work, private exercises and discussions. Experience gained on the job fortified by local training and correspondence studies qualify a recruit to use ambitious and well recognised training at Vår Gård. The co-operative sector also takes advantage of technical training provided by vocational schools. As courses are held during and after work hours, facilities are provided for group work as well as individual studies. Basic education in the Consumer Co-operative Movement is quite adequate and comprehensive.

## 2.2. Producer Co-operative Movement

Agricultural education and training programmes are not so well arranged or systematic as in the consumer co-operative movement. Employee training is more dominant in the Consumer Co-operative Movement, while training of Board Members is more evident in Agricultural societies.

Training of local staff by local societies in agricultural societies is also systematic and well developed and is a recent phenomenon.

It is said that more than twenty years ago, the employees of agricultural co-operatives had only five years of elementary education. This made training and education imperative in the agricultural sector, although the existence of different types of societies and federations in the agricultural sector made it a more complicated task. SL, the main agricultural organisation arranges central courses at Sångå-Säby for farmers, who are board members or auditors of local societies. Foremen of local societies are also trained at Sångå-Säby. Courses are also held for employees of local societies at their insistence. In short all branches or national organisations affiliated to SL have their own central courses located in Sångå-Säby. In the producer sector the Rural Credit Association has the most intensive education and training programme, which pattern SLC also follows. Their local courses are complemented by central courses at Sångå-Säby and LTK correspondence courses.

In the agricultural sector too, training and education are job oriented. There is consultation among the local level societies and the national organisations with regard to education and training programmes.

Consequently there is a general agreement on a years' educational or training programme. Special courses are also arranged as in the Consumer Movement. A remarkable factor is the joint or combined courses for employees and Board Members.

Unlike the consumer movement, educational and training programmes in the agricultural sector at the local level are very often ad hoc special programmes chalked out to meet special needs. They are job oriented and often organised by the staff of the SL through the Regional Societies. The educational training programmes organised by local societies are backed by national organisations and the SL, while all central courses are held at Sångå-Säby. Now an attempt is being made to hold training classes at the local level. The courses are usually short, the longest is for General Managers (6 weeks). Every training programme is alternated by correspondence courses and supplemented by adult education programmes.

### 2.3. Evaluation

A marked feature of the education and staff training at the local level is the complementarity of local and national level educational and training programmes. There is a built-in mutual assistance system both for planning and implementation for local and national level training and education. The other distinct feature is fusion of the managerial and technical content of these programmes. For instance, managers are taught agriculture and farmers are taught business methods and supervising management work. The general acceptance and appreciation of co-operative education and training is a praise worthy feature deserving emulation by all developing countries. A systematically planned programme backed by adequate funds evokes the enthusiasm of all for efficient and better business and farming. Another good feature is the provision for training as an integral part of personnel administration. A commendable feature are the provisions in the budget of local authorities for assistance to popular movements. The payment of salaries and educational costs to trainees by societies has a salutary effect on the morale of the employee, which undoubtedly helps to build up loyalty towards the organisation. Besides these incentives the efforts of the employees are further simplified by the widespread use of audiovisual aids for education training.

While the consensus of opinion is that these techniques and features may be adopted suitably and in varying degrees by developing countries, it was also felt that SCC may consider the advisability of providing developing countries with teaching aids like the overhead projectors which are practically unknown to them.

3. Correspondence course service to the Consumer co-operatives is rendered by Brevskolan and to the Agricultural co-operatives by LTK.

#### 3.1. Brevskolan

Brevskolan is a company owned by many organisations among which are KF, the temperance movement, educational association of the Trade Union Movement (ABF) and others. It operates on a non-profit basis so as to remain purely a service department of the owner organisations. Brevskolan was started 50 years ago as an educational branch of KF but today it has grown up as a Correspondence Institution for many Popular Movements in Sweden. It is used as an Adult Education Medium to serve individuals as well as Study Circles by offering about 300 courses which cover 14 main subjects ranging from specialised courses to general education courses, which include languages.

The Correspondence Courses offered by Brevskolan are used by Radio, TV, Evening schools and Co-operative Societies. Audio-Visual Aids for teaching purposes are also offered.

Brevskolan has a staff of 30 editors who are responsible for planning and production of study material. The priority of material produced is decided after consultation with the owner organisations. Today approximately one million persons make use of study material produced by Brevskolan. 80 % of the material is sold to voluntary associations and 20 % to schools and businesses. Total sales of materials amount to 11 million Sw. kronor but as already pointed out, Brevskolan operates on a non-profit basis. 90 % of the courses and materials offered are for general information and campaigns, and out of total material sent out about 10 % gets a response in the form of answers which are sent back to Brevskolan for correction.

The correspondence courses are linked with local training in Konsum Schools and institutional courses at Vår Gård in a step-by-step process of training.

### 3.11. Evaluation

This Seminar considers the functions and methods of Brevskolan to be very useful and effective, and recommends introduction of similar institutions in developing countries.

These recommendations are based on the following reasons:

1. It is a remarkable institution whereby Popular Movements unite to educate the public.
2. Such an institution can be used as a main information media for mass education in developing countries.
3. Government subsidy to the various groups for the cost of purchasing study materials is an encouraging gesture.

This seminar recommends that Governments in developing countries take the initiative in helping various organisations form institutions similar to Brevskolan.

The seminar further requests SIDA to give financial assistance for establishment of correspondence schools in developing countries. It also requests that SCC donates a package of audio-visual aids to the respective institutions 11th seminar participants belong to.

### 3.2. LTK

This correspondence school for the agricultural co-operatives was started in 1945 by LT, printing Co of SL.

The correspondence school is a part of three departments in the agricultural co-operatives education set-up, i.e.:

- a. The SL Study Department
- b. The SL Publishing Department and
- c. The Correspondence School.

The central institution for training owned by the Agricultural Co-op. is at Sånge-Säby where courses, conferences and seminars are arranged. These are preceded and followed by correspondence courses. Thus the institutional training at Sånge-Säby links up correspondence education and study circles.

One special feature is the choice of special themes e.g. forest farming or taxation for campaigns periodically launched by SL.

The Education Department of SL maintains links with the various affiliated Co-operative Organisations for the production of suitable study material and campaigns. The study material is used at local study circles organized under the auspices of the Vuxenskolan, one of the popular associations engaged in adult education especially for farmers.

### 3.21. Evaluation

This group regards the use of correspondence material for various campaigns as a particular feature worthy of adoption.

The group was also impressed by the Director of the Publishing Department of SL, and his devotion to and enthusiasm for his work. The choice of practical topics such as forest farming, pig breeding etc. is worthy of adoption in developing countries.

### 4. Member education and information

Co-operation is a different concept in different environments. In the Swedish context the pragmatic rather than the idealogical approach in education activities is apparent. Co-operative member education and information in Sweden is therefore aimed at providing specialised knowledge and skills on a wide variety of subjects.

4.1. Consumer Movement member education can be divided into three main fields, namely:

- (a) Consumers' Information which aims at helping and assisting members in obtaining information as consumers.
- (b) Members' Information through materials used in study circles and publications prepared and published by Brevskolan and Vi-skolan.
- (c) Seminars and Conferences for elected officials held at Vår Gärd.

Among materials used for (a) and (b) above are:

1. Well edited and colourfully illustrated pamphlets on specific subjects which are distributed at the shops by local societies, e.g.

- (i) Råd & Recept 1968 series
- (ii) Tjäna på att veta
- (iii) Nytt hem - Hösten/Vintern 1970, etc.



2. Monthly and quarterly magazines distributed to the members e.g.
  - (i) Vi - produced and published monthly by KF
  - (ii) Hemtips - produced and published quarterly by local society (Eskilstuna and North Sörmland Consumer Society)
3. Special campaign materials e.g. "Co-operation in the 70's", produced by Brevskolan and used in study circles organised by local societies.
4. Sales promotion methods like shop demonstrations and programs like "Housewives Gymnastics".

In Seminars and Conferences held at Vår Gård participants take correspondence courses and study the materials individually or in study circles before they are accepted at Vår Gård. The method of a two-day conference followed by four "lessons", and another two-day conference followed by another four "lessons" is now favoured. The subjects are based on the provisions of the by-laws and they include, among other topics, annual accounts, budgeting, planning a department store, co-operative education etc.

At the local society level similar courses for elected representatives are also held and the subjects in this case are more elementary, including discussion of the principles and practices of co-operation, staff matters, meeting procedures and economic problems.

#### 4.2. Agricultural Co-operative Movement

Member education of the Agricultural Producer Movement is conducted along similar lines with slight variations.

1. Courses are conducted at Sånge-Säby by SL and member federations for elected officials. They last from one to two weeks. A programme is planned and worked out each year with assistance from the Study Department of SL. To meet specific needs some courses are conducted by member federations. Each of the 12 member federations has an organisation department which includes a study section that takes care of education.
2. The agricultural Producer Movement also has a correspondence school (LTK) although on a smaller scale than Brevskolan. It produces vocational training courses for farmers, for use in study circles organised by the constituents of the member federations. The materials are also used for employee training.
3. Concerted campaigns are also employed by SL as part of its member education and information programmes. Examples of such campaigns are:
  - (i) Skogsgården Växer (Forest Farms)
  - (ii) Consequences of new farm taxation laws.

4. The use of pamphlets e.g. New Perspective and magazines e.g. Jordbrukarnas Föreningsblad, produced by SL is another feature of member education and information programmes.
5. A useful information service is the weather forecast which can be obtained by telephone.

#### 4.3. Evaluation

1. The most striking feature of the member education programme of both the Consumer and Agricultural Producer Movements is the richness of practical and quality materials which are produced and distributed to the members and the effective use of these materials in study circles.
2. Another feature is the provision of information and advisory services as part of the business programme.

#### Study Circles

A study circle was described as a small group of persons (8 to 10), who meet regularly (weekly or fortnightly) to study and discuss a subject of common interest. In Sweden study circles are organised by different organisations such as trade unions, co-operatives, workers' educational associations, political parties and adult educational institutions. The technique of group discussion is widely used in schools and training institutions. So study circles have a natural foundation in Sweden's democratic way of life.

The study circles are organised around variety of subjects filling the needs and interests of participants. For example, several study circles have been organised by political parties to familiarize voters on election procedures for the general elections scheduled to be held on September 20, 1970. In this way, study circles are used in educating the masses.

Study material especially produced is widely used for study circles and discussion groups. Such material has been found very useful in providing information and stimulating discussion among members of study circles. They contain illustrations, provide leading questions and answers for groups discussions. Institutions, such as Vi Skolan in KF and Brevskolan, correspondence institute, supported by KF are engaged in production of study material for study circles and correspondence courses. In addition, the Test Kitchen and Information Department of KF produce and distribute useful material and visual aids of interest to consumers.

Study material is moderately priced so that individual or social institutions may be able to buy it for their use. The organisers of study circles are paid a moderate sum per meeting, organised or conducted by them. This remuneration is paid by the sponsoring organisations such as co-operatives, workers educational associations (ABF) or municipal authorities. The study circle meetings may be held at a place of common access such as Community Halls, ABF buildings, private houses etc.

The following advantages of the study circle method were mentioned.

1. Because of the small size of the group, participation by all the members in the group discussion is possible, and this is considered important.
2. Group work is encouraged in study circle meetings, as against individual competition.
3. Study circles provide members with opportunities for social contact and intellectual stimulation.
4. Informal exchange of views and experiences among members takes place, under the guidance of a leader.

Some limitations of the method are mentioned below:

1. The group discussions demands time and perseverance from members.
2. It may be less useful as an approach to make for rapid progress of an individual in a particular subject.

In some countries in South East Asia, initial efforts have been made to organise study circles for co-operative education of members of co-operative societies. In most cases, these efforts have not borne fruit for finding out most suitable adaptations of study circles to local conditions and for want of arrangements for feed back.

Efforts have not been made to integrate study circle activities in the social way of life of local communities and coordinate these with related development activities. The group therefore suggested the following:

1. Study circles should be used as a tool of adult education and closely related with the social way of life of the local community.
2. As in Sweden, correspondence course approach should be adopted for co-operative education in South East Asian countries. These courses should be intimately related with needs and interests of participants so that local initiative and action may be activated.
3. The leaders and organisers of study circles should be persons of drive and perseverance. They should be well prepared and be given adequate support by the sponsoring organisations.
4. Readable study material and attractive audio-visual aids on a variety of subjects should be produced for the study circles.
5. As production of study material is a specialised task, suitable agencies should be established for the purpose.

6. Existing agencies such as libraries, reading rooms, adult education classes, etc. should be effectively utilised and coordinated with study circle activities.
7. Suitable arrangements should be made for planning, implementation, publicity and feed back of study circles activities.
8. The quality rather than the quantity should be emphasised in organising study circles.
9. Arrangements should be made as regards continuous evaluation of study circles as tools of mass education and member information.

### Training and Education Programme of the Finnish Co-operative Movement

#### 1. Introductory

In Finland there are three co-operative groupings divided in terms of their basic tendencies, namely:

- 1) the Pellervo Society with its member organisations
- 2) the co-operatives embodying the Progressive Co-operative Union, and
- 3) the Swedish speaking co-operatives connected with the Swedish co-operative union FSA.

There is a division in two language sectors, the main sector Finnish, serving the main part of the country and the people, and the smaller Swedish sector serving the 7 % - 8 % Swedish speaking population in their specific areas along the west and south coast of Finland.

Co-operation has developed into a central feature of Finland's economic life and social structure. This is indicated, among other things, by the fact that its share is over one third of the nation's wholesale and retail trade.

The co-operative movement split into two different parts, which, since the date of their division have operated separately. The organisations compete with private business and also with each other though there is some co-operation in a few economic activities.

The total membership in both of the organisations is about the same, each having more than half a million members. Most of the Pellervo/SOK co-operatives are situated in rural areas, while the emphasis in the activities of the Progressive (KK) organisation is in rural and industrial areas. The consumers' co-operatives are chain organisations. The largest having hundreds of business locals covering several rural and or urban communities e.g. Elanto which has its head office in Helsinki.

TABLE I

FINNISH CO-OPERATIVE EDUCATION AND TRAINING

	CONSUMER		AG. PRODUCER	
I. NATIONAL (Institutional Training)	Progressive Movement (E-movement - KK)	Neutral Movement (Pellervo - SOK)	Neutral Movement (Pellervo)	Progressive <sup>x</sup>
	E-Institute	Finnish Co-operative College (SOK-Jollas)	1) Hankkija Profes- sional School 2) OKO Co-operative Banking Institute	
II. LOCAL (N.B.-programs studied by group)	1) Elanto-school and local pro- gramme such as those at	1. Turun Osuuskauppa	1) Kosken II Osuuspankki	
	2) Centrum (Turku) 3) Tammi Co-op. Society			
III. MEMBER EDUCATION	1) Consumer guilds and councils		Branch offices of Hankkija local banks affiliated to OKO	
	2) Publications Newspapers and Magazines	- same -		
	3) Festivals and consumer days			

IV. UNIVERSITY CO-OP. INSTITUTE (training and research on all types of co-ops), University of Helsinki

<sup>x</sup> NB. The Progressive Movement's consumer shops own farms, dairies and orchards etc. The personnel engaged may also be receiving training and education but the group had no opportunity to observe or study this.

Table I below shows the structure of the co-operative training and education programme in Finland.

## 2. Institutional training (National)

### 2.1.a) The E-institute

The KK movement has had a central training institution since 1920 but since 1930 year-round courses were organized at the Central organization. At the beginning of 1970 it was re-organised into the E-Institute which serves a number of co-operative organisations under the Progressive Wing.

The aim of the establishment of the E-institute is to integrate and intensify the training work of the Progressive (E) Movement. Besides the training given to the employees of the societies belonging to the Progressive (E) Movement, it also trains employees within the central organisations. Special attention is paid to the improvement in training managers and other supervisory staff. Courses at the local level and courses for elected officers are also developed at the Institute.

#### Scope and content of training

The Institute has five different departments:

- 1) Dept. for business management training (2 year duration)
- 2) Dept. for central training courses
- 3) Dept. for local training courses
- 4) Dept. for training elected officers
- 5) correspondence school

A research secretary ascertains the needs for training and plans the courses. The Institute's programme for 1970 includes more than 70 courses and seminars of different kinds, including seminars in business management for managers and other supervisors, courses and seminars in marketing and sales promotion, courses for shop managers, etc. It has a staff of 4 with 40 part-time lecturers.

### 2.2. The Finnish Co-operative College (SOK, Jollas)

Jollas, the Finnish Co-operative College, is the training school of the SOK. The SOK training programmes started as early as 1909 and by 1919 a co-operative school was established and operated for 42 years in rented premises until the building at Jollas was completed in 1961.

#### Scope and content of training

Since 1961, managerial courses have been concentrated at Jollas, while the basic and sales courses are conducted at the local level with the aid of district secretaries and educational supervisors who act as liaison officers for Jollas.

### Distinct features of training methods

A distinctive feature of Jollas training is that the practical and course periods alternate so that theoretical knowledge is firmly based on practical work. The latter is discussed in course periods, and knowledge thus gained is applied in practice.

Another distinct feature of training here is the research work and task assignment carried out by the trainees. They collect factual information in field work, classify and group them, and each trainee acquaints himself with his own specialisation and the solutions of problems in his field.

The group work method is employed which increases the observation and experience of the participants.

The aim of the training at Jollas is to keep knowledge and skill of personnel training up to date and at a competitive level with long term courses lasting 1 or 2 years as well as short conferences for senior staff at various levels. The objective of long term courses is to provide senior personnel with the knowledge required for efficient and rational discharge of their responsibilities.

### Evaluation

1. Training consists of 3 to 7 periods lasting 2 to 6 days each. These periods are preceded and completed by directed study with exercises and research assignments ("tasks") given throughout the training.
2. In Finland certificates and diplomas are presented to trainees in managerial and other supervisory courses, whereas Swedish counterparts do not favour such practices.
3. There was also the use of model shops in the Finnish institutes while the Swedish movement now favour actual experience in department stores.
4. The original Tampere shop reconstructed at the Institute provides inspiration to the trainee and reminds them of the beginnings of the consumer co-operative movement in Finland.

### 2.3. Central or National Training in Co-operative Banking

OKO, the Central Co-operative Bank of Finland, is affiliated to the main organisation of the neutral co-operative movement in Finland, namely the Pellervo society and serves as its ideological wing.

Gebhard Opisto is the national co-operative Banking School in Finland. It is owned by OKO and is at the disposal of OKL for training and educational activities.

The objective of the institute is to impart professional training in banking matters to managers, officials and administrative board members of the co-operative banks.

Scope and content of training

The institute conducts courses at three levels leading to 1) the official examination, 2) the executive examination and 3) the business management examination.

The first group of courses begin with a one week preparatory course for the new trainees. Newly employed secretaries in the Bank are trained through these courses to learn elements of bookkeeping, how the organisation works and how to treat customers. This is followed by 5 to 8 months of practical office training and correspondence training, plus guided private study. During this period employees are required to study literature contained in a list given to them by the training centre. Senior bank officials are appointed as guides. This is followed by a two week basic training course where the subjects dealt with are accounting, book keeping and banking law. After the course an examination is given after which employees may take various continuation courses which last from one to two weeks. They are related to specialised work like that of the loan department.

The second group of courses is meant for those who pass the official examination creditably and also for holders of high school diplomas. This begins with a one week preparatory training course followed by practical office training and guided study for 6 months.

After this comes Part I of the basic training course which lasts three weeks. This is followed by continuous practical office training for 8 weeks. During this period, the trainee has to prepare a short study on some allocated topic. Then comes the second part of the basic training course, lasting over three weeks. This series ends in the executive examination of a high standard which entitles a person to hold the post of Head of a Department or Manager of a small Bank. Various continuation courses may be taken after the examination in Business Management, Banking law etc.

The third of the highest programme of training is for those who take the executive examination, academic graduates with 2 years experience or persons with at least 5 years experience in executive positions. This programme has two specialisations - (1.) Outside work, i.e. marketing of banking services to the customers and (2.) internal work of the Bank, i.e. accounts. A person may take 6 partial examinations during a minimum period of 1 year. At the end a complementary seminar is held.



### Physical facilities

The centre has its own building completed in 1968. It has living accommodations for about 100 persons. It can conduct 3 or 4 courses at a time and about 50 courses a year with over 2,000 trainees participating. It has also set up a dummy bank for customer service training.

### Evaluation

- 1.) The training programme is comprehensive and covers personnel at all levels
- 2.) It is arranged for successively higher levels of responsibility
- 3.) It combines intensive institutional training with on-the-job study, guided training and self study of selected material. This is a special characteristic of the Finnish programme of co-operative training
- 4.) The faculty is considerably reinforced by visiting lectures from the OKO
- 5.) Terminal examination forms as in other branches of co-operative education, a regular form of assessment.

### 2.4. Hankkija - Staff Training and Education

Hankkija is a farmers' supply and marketing co-operative which has also undertaken extensive consumer activities. Its activities vary from selling consumer goods and farm equipment, to the sale of outboard motors, boats and snowmobiles.

The staff training system in Hankkija had no tradition to speak of since it is of recent origin. Professional school where technical and advisory training is given was started in the early sixties (1963-64). General and commercial training organised by the Head Office started in 1967. This section has a staff of only 3 men and two secretaries.

'A' courses are constituted of elementary courses for clerks, salesmen, commercial foremen (managers) and for sales management. 'B' courses are special or provisional courses mostly intended as continuation courses for sales managers and secretaries etc. Special programmes like customer service days and celebrations are also included in this group.

The courses consisted of A courses and B courses. (See diag.) There are liaison men in every branch and department to make arrangements for training. Certificates are issued after the exams.

Hankkijas Training School conduct courses for machinery and automobile fitters. These courses divided into theoretical and practical periods take two years to complete. In addition, this school also arranges for shorter courses outside this training programme.

### 2.5. The Co-operative Institute at the University of Helsinki

A systematic teaching of co-operation started in 1920 and by 1950 co-operation became a subject of study at the University of Helsinki. In 1955 a special research foundation for co-operation was established. The establishment of the Institute of Co-operation at the University of Helsinki in 1957 was the climax in a series of such developments. Now, there are five lecturers in Co-operation and many students from the faculty of Agrarian Policy and Political Science follow lectures on co-operation. This institute conducts seminars and helps the Ministry of Foreign Affairs conduct seminars for foreigners. This institute also undertakes research on topical subjects in consultation with the Movement. No such institution exists in Sweden although co-operation is highly developed there.

## 3. Local Staff Training

### 3.1. The progressive movement (E movement)

The programs of societies for local staff training are centered around the provision of basic training for lower eshelon personnel and on supporting the E-Institute's courses on higher management training by making provisions for on-the-job training. For instance, Elanto, the largest consumers' co-operative society in the country with over 145,000 members and 510 shops, has its own employee training institute, "The Elanto School". It offers a basic commercial training course for new employees which combines on-the-job training with formal sessions. This course involves a three month probationary shop training course, one-day orientation, then three hundred hours of sessions, and five months of shop training. Those completing the course may undergo a two-week study course on a specialized department (meat, fruits, etc.) after which they may take a shop manager training course. Those qualified for higher management positions are sent to the E-institute for further training.

In many cases, the local societies organize courses or conferences for their employees and invite staff members from the Department for Local Training courses of the E-institute to conduct them.

The societies also participate in the E-institute's program by providing supervision and evaluation of the latter's on-the-job phase of training.

### Evaluation

1. Elanto School provides a unique example of a training institute set up and operated by a local society. The group noted that its practical and progressive courses are preparatory and complementary to the E-Institute's program.

### 3.2. Local Staff Training - Central consumer's movement

Staff training of the movement is highly centralized with the Finnish Co-operative College at SOK Jollas as the center for the program. Generally, the activities of societies along this line are mainly preparatory to and supportive of the curriculum of the College.

However, the societies also have their own staff development schemes. In Turun Osuuskauppa, for example, the Assistant Store Manager is responsible for the program. As part of the programme, each section manager is responsible for evaluating the development of each staff member under him. Based on the Section manager's evaluation, seminars and corresponding courses are arranged by the society in co-operation with the Finnish co-operative College.

### Evaluation

The group noted the stronger and more direct involvement of the local society in the SOK Jollas program for management training.

### 3.3. Local Training in Banking

The local audit societies or banks conduct training programmes for Board members and regular members. The Central Bank helps the local banks by seconding lecturers. Courses for members last 2 days.

## 4. Member Education and Information Activities

At the local level the co-operatives in both movements have information activities and educational work through members guilds, films and celebrations.

The progressive and neutral consumer co-operative movement, the Central Co-operative Bank, Hankkija and other producers' organisations have their own arrangements for member education and information. Hankkija has a Public Relations department and Field level workers for its business districts. The department and its field staff takes care of information activities.

### Member Education

Member education in Hankkija takes the form of providing information through branch offices and distribution of magazines

and newspapers. For instance the publication Hankkija Saroilta with a circulation of 80,000 is sent to every farmer. The PR Department keeps contact with national newspapers, agriculture, radio and TV. There are press conferences, guilds and clubs and other informal meetings which spread information on Hankkijas activities. Every Department of Hankkija has a liaison Officer who will supply technical and commercial information wherever required. PR men at the local level are visited, guided and assisted by PR personnel from the Head Office. Branch Officers have advisory committees and PR men maintain good relations with the two best known agricultural magazines.

The general member educational work is carried out through:

- the magazine Kulattaaja
- general informative advertising
- information given on television
- co-operative celebrations, etc.
- special campaigns.

Many educational programmes have been directed towards housewives. They varied between household activities and activities carried out through member guilds. Attempts have been made to find and develop special forms of contacts suitable for youth. The Swedish speaking population is another member group which is reached through meetings, celebrations and Swedish editions of magazines such as "Elanto" and "Konsumenten".

#### 4.1. KK's Education Programme

According to KK's balance sheet for 1965, the total amount invested directly in educational programme was 500,000 Fmks. The KK has field level instructors to help in conducting courses for member societies.

There is a separate Education and Publicity Department in KK, with about 25 employees. In addition there is a section dealing with a co-operative press with its own editor. KK also has a printing department for publication of material.

Special courses are arranged for members of administrative bodies.

The Education and Publicity department collaborates with other departments in KK, such as the Information Secretariat Dept., the Quality Control Dept., the Savings Funds Dept. and the Department of OTK and local co-operative societies.

The OTK Consumer section deals with questions related to consumer education, information and protection. It has undertaken the following activities:

1. Publishing booklets on household economics and other subjects of consumer interest.
2. Production and use of sources of studies and other audio-visual aids.
3. Promotion of informative material.
4. Organisation of consumer corners in department stores and handling of consumer complaints.
5. Operation of an Experimental Kitchen, which tests goods and issues useful information.
6. Organisation of consumer panels.

The consumer department also helps in developing consumer policy and development of assortment in department stores. It has 9 employees including 6 teachers trained in home economics to carry out educational work.

The E institute has a department for the training of elected officers, members of administrative bodies and for continuation training of the E guild members.

#### 4.2. SOK's Member education

The SOK has an Education Section especially conducting educational programmes for members of representative bodies with the help of its field staff. Such programmes are in the shape of:

- 1) district conferences for members of administrative section.  
(Duration 2 days)
- 2) national level administrative courses for those who have attended district conferences.  
(Duration one week)
- 3) Seminars for the chairmen of the boards of administration, at the Finish co-operative College.  
(Duration one week)
- 4) Advanced administrative training is arranged in several phases for selected representatives in leading positions. These are selected from each district and form a work group during the training courses.

In addition, all the participants of this training complete correspondence courses on subjects such as co-operative law, auditing, co-operative economy, etc. The SOK have several magazines both in Swedish and Finnish for member information. The local societies also publish popular magazines.

#### Evaluation

The co-operative movement emphasised education of members through member guilds, courses for youth, celebrations, member meetings etc.

There are magazines, pamphlets and other study material used for member education. The absence of study circles which are the principal tool in member education in Sweden was surprising.

Here the correspondence courses for elected representatives are less developed than in Sweden.