



COOP Institute *for*
EXCELLENCE



National Confederation of Cooperatives

INSTITUTIONAL DEVELOPMENT SERVICES

“helping the coop manage change and improve performance”

Volume 1: Facilitator's Manual

Contents

Introduction	
Conceptualizing the IDS	1
What is the IDS?	1
What is the Purpose of the IDS?	2
Who are the Participants of the IDS?	3
Addressing the Challenges of Change	
The New Environment	5
Co-op Challenges Today	5
Managing Change	7
Diagnosing the Organization	
What is Organizational Diagnosis?	12
Organizational Diagnosis from a Historical Perspective	19
Understanding the Co-op's Market	
What is a Market?	29
Identifying Markets	29
The Co-op's Market	33
Customer Satisfaction	35
Developing Strategy	
What is Strategy?	39
SWOT Analysis	41
Alternative Strategies	44
Selecting a Strategy	49
The IDS: An Organizational Diagnosis Approach	
Process	53
Interpretation	56
Diagnosing the Co-op	67
Implementing the IDS: Pre-Workshop	
Data Gathering	73
Co-op Data Presentation	73
Staff Climate Survey	74
Logistics	74
Implementing the IDS: The IDS Workshop	
Workshop Schedule	75
Ground Rules	76
Steps in the Process	76
Implementing the IDS: The Feedback Report	81

Annex A	Letter of Acknowledgment	82
Annex B	Coop Organizational Data/Information	83
Annex C	Checklist of Documents/Materials	98
Annex D	The Four-Room Apartment	99
Annex E	Competitor Analysis Worksheet	101
Annex F1	Internal Strengths Worksheet	103
Annex F2	Internal Weaknesses Worksheet	104
Annex F3	External Opportunities Worksheet	105
Annex F4	External Threats Worksheet	106
Annex G	Six-Box Puzzle	107
References		109

~ Introduction ~

Conceptualizing the IDS

The Co-operative Institute for Excellence implements a program called Institutional Development Services or IDS in conjunction with its professional development program. These two programs comprise the Institute's major approaches to help build successful co-operative enterprises.

The IDS was initially conceived as a support service to the Institute's formal learning courses, which were and are still being provided through tie-ups with higher learning educational institutions. The IDS was intended to be the essential link from the classroom to the workplace. Its aim was to help ensure that co-op staff who went through the formal courses would then return to an environment that was open and supportive of their learnings. But because co-ops that collaborated in the piloting of the IDS were not exactly those that had staff enrolled in the formal courses, the target clientele was expanded to cover any co-op that was interested to go through the IDS experience. Thus, any co-op that seeks to improve its operation and make itself more effective as an organization is now a potential client of the program.

What is the IDS?

The IDS is an organizational diagnostic methodology and process by which a co-op is assisted to scrutinize and analyze what goes on within its systems and to make decisions and take action based on the results or findings. It seeks to establish a widely shared understanding of the system and from this understanding, help the co-op determine whether change is desirable. The process is facilitated by Institute facilitators but which the co-op can own, as it involves its major stakeholders, including its board, management, staff and members.

The IDS process is participative. It brings together in session the co-op's board, management and staff to identify problems and opportunities and correspondingly determine solutions and strategic options. Surveys conducted among the members and the staff provide feedback and inputs to problem definition and the decision making process.

The IDS combines both people and situation and is a form of action research. It may also be called "action learning." Each individual and group brings to the process their own perception of how the organization is and how it should be, defining problems,

opportunities, and strategic options from their particular points of reference in the co-op's structure and their own personal realities. The board, for example, may have the perception that management is not doing enough. The manager, on the other hand, may feel that he and his team could do more if only the policies and plans within which they work were clearer and more flexible. The IDS tries to address the systematic relationship between these different views.

The IDS is envisioned to serve as a benchmarking tool as it enables the Institute to gather information and data by which, through a careful analysis, standards on co-op internal operations can be established. Once established, a co-op manager can then see how his or her co-op's processes, practices, and methods for each function of the co-op compare with those of other co-ops in the movement.

Lastly, the IDS provides scope for practical collaboration and interaction across co-ops. Participating co-ops are expected to be active actors in an ever widening network of supporting relationships - sharing information, linking executives together, helping each other with new ideas and solutions to common problems, and collaborating in many other useful ways. The formation of this network will be facilitated if some co-op managers who have gone through the IDS experience take the initiative to form sub-networks within their respective areas or regions. Such a network, when set up, redounds not only to the benefit of individual co-ops but to the development of a stronger, more cohesive co-op sector in the country.

What is the Purpose of the IDS?

The purpose of the IDS is made clearer when considered in the context of the Co-op Institute's mission and core beliefs. The Institute's mission is to "help build successful co-operative enterprises" and the ultimate measurement of this success is the satisfaction of the members. For the Institute, member satisfaction is the bottomline.

The Institute also believes that it is co-operative identity that gives co-operatives their unique advantage in the marketplace. Co-operatives become successful by being more, not by becoming less. The Institute likewise affirms its belief in the learning organization. Improvement or success of the co-operative is premised on its being able to own the process of change and development.

The IDS is designed to help develop customer-focused co-op organizations that are effectively positioned in the marketplace. Today's business environment requires a different approach. It is no longer the objective of maximizing profit and price that is the objective of present day businesses but rather being able to satisfy customer needs and expectations, to ensure growth and survival. Now, profit is a result of satisfying the customer.

The idea of developing a learning organization pervades the IDS process. Peter Senge (1994) defines a learning organization as one "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole." The use of "action learning" starts the co-op on a learning process.

Specifically, the IDS strategy seeks to help the co-op:

1. identify problems and opportunities
2. determine strategic options
3. improve or enhance operational systems
4. identify competency needs
5. foster co-operation with other co-operatives.

Who are the Participants of the IDS?

The IDS is premised on the open-systems thinking of organizational development. This view holds that organizations are complex, open systems. In such systems, all the parts or subsystems work together to achieve the purpose of the whole organization. As such, the IDS seeks to work with the entire co-op system and is focused on "getting the whole system into the room." Different stakeholders in the co-op are mobilized to look at and think out loud together about the organization and its future. As a result, it is hoped that the group will then be energized enough to take action toward a common preferred future.

The board of directors represent the co-op's leadership. They are concerned with the broad strokes of the co-op including its policies and direction. Their commitment and support to any performance improvement effort is crucial. Bringing the board in face-to-face contact with other parts of the system enlarges their perspective and enables them to make more informed and better decisions.

The General Manager, together with the board, provides leadership in the co-op. The main responsibility of the manager is to operate and maintain the organization efficiently, ensuring that it provides useful services to the members at the lowest possible cost. The manager is close to the day-to-day operations of the co-op and the membership. The manager is therefore an important participant in any change effort in the co-op, providing inputs, analysis and management expertise to the effort from start to finish.

As many of the staff as can participate are involved in the IDS process. The importance of staff involvement was underscored by Marvin Weisbord (1987) when he said "there are no good alternatives for employee involvement in reorganizing organizations." The staff include middle managers, supervisors, as well as those at the bottom of the hierarchy. More often than not, it is the people at the bottom who have a deeper appreciation of the range and origin of problems affecting the organization. The staff have their own valuable inputs to the process.

The members are certainly of prime significance to the co-op. They are the co-op's *raison d'être* and it is to service their needs that the co-op exists. Although the members are not directly involved in the IDS process, their input is obtained through a survey, to complete the picture of the co-op. Through the survey, the "voice" of the members is established.

Institute facilitators act as outside consultants who guide the participants through the process and, at the same time, provide input based on their own diagnostic and documentation work.

Presently, the Institute works with a very lean staff of facilitators, but their number is expected to increase as the Institute takes in co-op managers who have gone through the IDS experience and are willing to be part of its pool of facilitators. This manual has been especially prepared for them. The manual provides a comprehensive reference material on the IDS as it sets forth the concepts, rationale, and methodologies particular to the process.