



25th October 2016

ICA Québec Summit 2016 – our call to action



Right from the poignant [introductory video](#), which lasts for just over four minutes, this year's Québec summit was a powerful call to action for the world's billion-member co-operative sector. Appropriately themed *Co-operatives: the power to act*, the event attracted 2,950 attendees from 116 countries plus a social media reach exceeding three million.

There were 14 new [studies](#) presented, for more information on the Summit check out [ICA online](#), otherwise read the extensive coverage in [Co-operative News](#), including the co-operative leaders' commitment to the United Nations' 17 Sustainable Development Goals (SDGs).

When viewing the introductory video, the problems facing the world are daunting and mind-blowing to say the least, many would say insurmountable. The statistics listed are compelling. Despite this I felt inspired and motivated when considering the co-operative movement and how it is best placed in supporting the UN in achieving its SDGs by 2030.



Almost two months ago I sent you an article which I had written titled: [“Transforming Our World, The UN's 2030 Agenda for Sustainable Development and How NZ Co-ops Can Help”](#).

This article relates strongly to much of what was discussed at the ICA Summit earlier this month. In my view, NZ faces all of the issues and challenges that are being addressed by the UN with its 17 SDGs however on a smaller scale.

In my article I talked about how kiwis are well known for being innovative in meeting our challenges as a nation (e.g. geographical remoteness resulting in higher costs in getting product to market, small local market size, relatively high cost of labour etc.), however we also need to be far more **co-operative and collaborative**.

Co-operation amongst co-operatives here in NZ

Viewing the above introductory video, and putting the world and its problems to one side with a focus on NZ instead, I couldn't help but think about the positive effects on NZ business if we all worked more collaboratively.

Take our co-op Member base, for example, which represents approximately 15% of the NZ economy at present based on revenues. In September I launched a **"Co-operation amongst Co-ops"** initiative and encouraged our Members to consider working more closely with fellow Members in six key areas:

1. Purchase of specific products and/or services from other co-ops at mutually beneficial terms and conditions
2. Selling of specific products and/or services to other Co-ops at mutually beneficial terms and conditions
3. Sharing of information so that duplication is avoided, efficiencies improve, costs are reduced and market size/share increases
4. Sharing of resources to complement respective peak and low season volumes, avoiding duplication and lower costs
5. Combining overall purchasing requirements with another Member(s) leveraging on increased volumes and lowering costs
6. Establishing a shared support services function with another Member(s) so that admin costs reduce and services improve.

As an example of #5 above (procurement opportunities), I asked our Members to consider other fellow CBNZ Members which are likely to procure the same products and services that you do. Examples include computer hardware and software, mobile phones and telecommunications, insurance and banking services, office cleaning, security, office stationery and consumables. Just think of the benefits that would be gained by combining volumes so that cost prices are lowered and supplier terms and conditions are improved.

As an example of #6 above (shared support services), I asked our Members to consider fellow Co-operative Business NZ Members which would replicate their own support services. Examples include accounts payable/receivable and debt recovery, payroll, financial reporting, ICT support (help desk, servers, software licensing and upgrades, website development), warehousing and distribution of product etc. There is so much needless duplication and additional cost (collectively) that results from this.

I had asked for expressions of interest in each area above by the end of October and so far, 12 of our 57 Full Members have come back to me, all but two strongly in favour of working together more collaboratively with fellow Members. If you would like your organization to be part of this initiative, please advise me by 31st October.

Thanks

Kind regards,

Craig Presland.