

RELEVANCE & RESILIENCE

2019 ANNUAL REPORT

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THANK YOU TO OUR FUNDER

For over 90 years, the Co-operative Retailing System (CRS) and Federated Co-operatives Limited (FCL) have increased the relevance and resilience of rural communities across western Canada. Their investment in Co-operatives First over the past four years is just one example.

Last year alone, the CRS directly employed over 20,000 people, returned millions in profits to local members, and drove billions in revenues

through the western Canadian economy – much of that within small, rural economies. The economic impact of the CRS in western Canada is enormous.

Thanks to this unique network of independent businesses, people in small towns have services they might not have otherwise, and farmers have access to essential crop inputs from a reliable and familiar source. These member owners – nearly 2 million of them – also receive a return by way of patronage payments,

which in turn helps fuel wealth in rural economies across western Canada. The relevance and resilience of the CRS has only increased over the years. In fact, FCL's vision is “building sustainable communities together” and we're proud to play a role in realizing that goal.

At Co-operatives First, we experience the positive impact the CRS has on rural communities every day and are very proud to be funded through

FCL by these uniquely western Canadian businesses.

To those managing and maintaining this legacy, thank you. Thank you for continuing to believe in the potential of rural and Indigenous communities throughout western Canada. And thank you for supporting and funding our mandate as we too do our best to improve the relevance and resilience of rural and Indigenous communities across western Canada and help them grow and thrive.



Monica Kreuger

*Chair of the Board of Directors,
Co-operatives First*



Audra Krueger

*Executive Director,
Co-operatives First*

LETTER FROM THE CHAIR AND EXECUTIVE DIRECTOR

The world is changing and the markets we operate in are learning to adapt to a world that is increasingly global, digital, and competitive. To remain relevant and resilient, those leading these communities are improving local infrastructure, digital competitiveness, and investment readiness.

What does this mean for an organization working to create co-operative start ups in rural and Indigenous communities across western Canada? In large part, it means we lead by example.

In 2019, we increased our online presence through improving our online business development resources, partnering with the University of Saskatchewan to produce another online course, and moving our accredited workshop online. We also turned to online technologies to reduce the cost and resource intensiveness of physical in-person meetings.

Thanks to our successful proposal to the federal government to provide online training for frontline federal employees on Co-ops in Canada, we developed an online Learning Management System allowing us to provide online courses and workshops with greater control and functionality. As people become more familiar with these technologies over the next few years, we expect to increase the reach and effectiveness of these types of meetings, presentations, and workshops. In large part, we expect them to nearly replace in-person meetings and reduce the significant cost of nonessential travel.

Besides the increased capacity and cost savings created by using online technologies, we have improved our relevance to community leaders and economic development professionals. For example, Canada is experiencing a wave of business transitions that will

continue and accelerate in the near term. We are positioning ourselves and the co-operative business model as a viable and valuable tactical option for both Business Retention and Investment Readiness strategies. The goal is to open opportunities to further educate economic developers on the model and encourage them to ensure the model is part of their business retention and expansion strategies.

Together, this blend of tactical and strategic developments will position us well to influence economic and business development in rural and Indigenous communities across western Canada. The result will be increased relevance and greater resilience of the organization, the co-operative model, and the communities we serve.

PEOPLE



Tanner and Jack
*Summer Students for
The Backroad Diaries*

With the support of Canada Summer Jobs, Season 2 of The Backroad Diaries brought with it two talented young journalists, Jack and Tanner. From rock festival to rail line and theatre to renewable energy, these two quirky travellers captured stories of the people behind 8 unique co-ops and the communities they support. Learn more at TheBackroadDiaries.ca



Nathan Schneider
*Platform Co-op Advocate
and University Professor*

Season 2 of The Common Share began with an exploration of the future of co-ops with Professor Nathan Schneider. The well-known advocate of platform co-ops hosted the MacPherson lecture at the University of Saskatchewan and was kind enough to stop by our office after to record a podcast with us. Listen to The Common Share at CooperativesFirst.com/Common-Share-Podcast



Adele Therias & Leah Karlberg
*Worker/Owners of
Neighbour Lab (BC)*

Adele and Leah are two of four innovative, young community planners, industrial designers, and geographers with a goal to make communities more resilient. This worker co-op incorporated with the support of the Co-operatives First team. Listen to their story on The Common Share at CooperativesFirst.com/Common-Share-Podcast



Lana Crowling-Mason
*Founder of West Interlake
Investment Co-op (MB)*

As manager of West Interlake Community Futures, Lana is the driving force behind an effort to create Manitoba's first investment co-operative. Co-operatives First is help the group incorporate and navigate provincial legislation. Learn more about our incorporation process at CooperativesFirst.com/Incorporation

PEOPLE



Daphane Nelson

Director with the Kamloops Public Market Cooperative (KPMC) and Interior Savings Credit Union

Daphane Nelson is a co-op enthusiast and trade expert working with rural and Indigenous communities throughout BC. After attending workshops on co-ops, including Creating Connections, she decided to host some herself and has launched a Co-op Café series in the Kamloops area. Co-operatives First is a proud inspiration and supporter of her efforts.



James Grieve

Certified Management Consultant and Senior Business Advisor with Catalyst Strategies Consulting

James Grieve has worked closely with Co-operatives First to start and guide several new co-operative businesses in western Canada. His talent for guiding groups towards a clear purpose and strategy, putting the co-op on solid footing as it works to grow the business.

“Co-operatives First is an incredible team of caring people who are passionate about seeing co-ops succeed. With Kyle’s help, Neighbour Lab made it through the incorporation process feeling excited and supported the whole time. If you are thinking of starting or strengthening your co-op, these are the folks to call.”

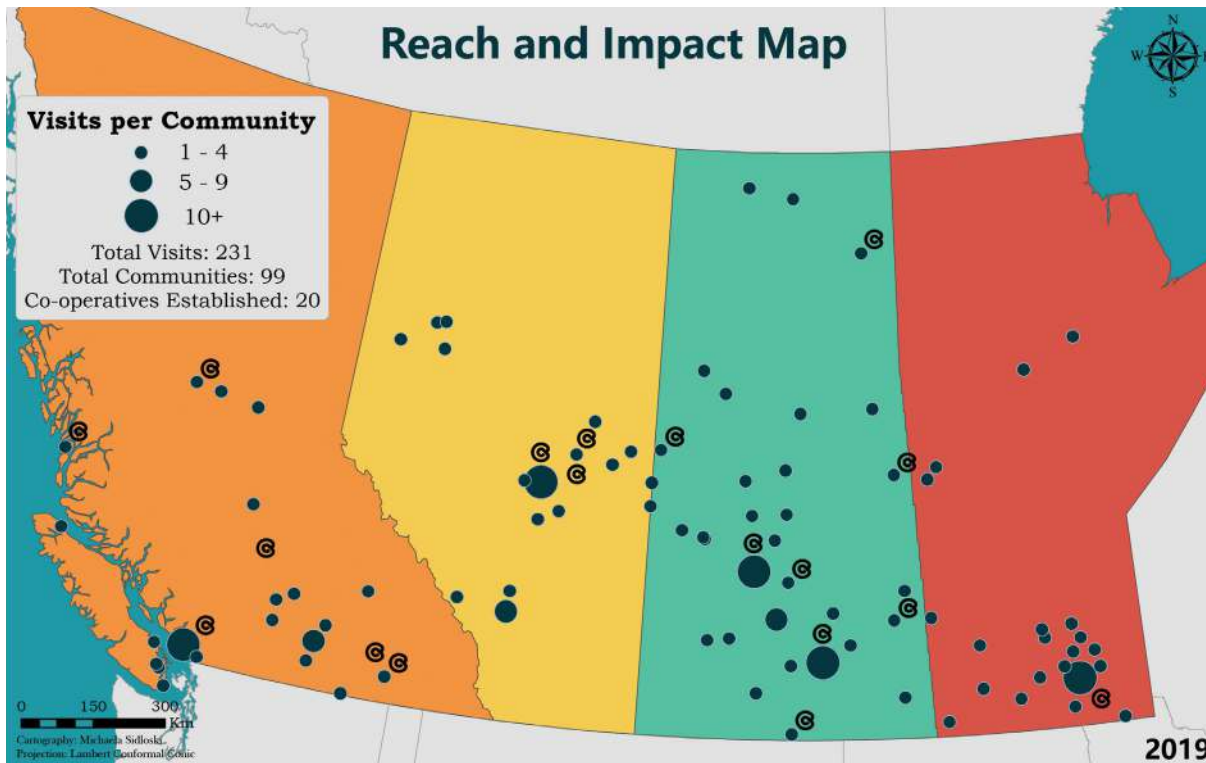
Google Review by Neighbour Lab

PLACES

By the close of 2019, Co-operatives First managed 91 projects, trained nearly 2000 students through online courses, incorporated 23 new co-ops, and trained hundreds of economic developers on the co-op model. Along the way, they reached

thousands across western Canada through presentations, workshops, articles, The Backroad Diaries and The Common Share podcast. Plus, the team added to their online courses and won an RFP to train federal government employees.

Each small step helps improve the resiliency of rural and Indigenous communities in a way that increases their relevancy and the relevance of the co-operative model.





POSITIVE CHANGE FOR A PRAIRIE COMMUNITY

First settled in the heart of what is now the grain belt, Yorkton got a post office in 1884 and officially incorporated as a town in 1900. Over the years, the community has maintained a lot of its rural character but today is a major agricultural hub in southeastern Saskatchewan.

With urban amenities like an impressive event centre and fibre optic internet service, this thriving prairie city has maintained a growing population and vibrant communities. And, while this characteristically prairie city has a rural heart, it has proven it can deliver for those with other interests as well.

Recently, two wellness practitioners — Laurie Renton and Sylvia Henheffer — identified an opportunity to work together with other consultants and collectively market their expertise. The biggest challenges to working individually were the cost of space, marketing, and capacity to deliver on a regular basis. Working together could help spread these costs out, create efficiencies, and offer opportunities not available to a lone consultant.

But how best to capture this opportunity? Co-operatives First had recently attended a Community Futures tradeshow and spoke with one of the

founders about co-ops. The idea was intriguing to these entrepreneurs. So, the group requested Co-operatives First present to a larger group of potential members. By the end of that meeting, the idea had more than enough interest and support to form a co-op.

By working together under a single brand, and with the varied talents of a larger group of consultants, this new co-op can serve this market, increase their capacity, and improve the wellbeing of people in the community all at the same time. Plus, by incorporating federally, they are positioned well to scale the model to other

communities across the prairies and possibly the country.

The goal of Life Matters Learning Centre Cooperative is to improve people's financial and professional wellbeing by hosting workshops on a variety of topics.

Since it opened in 2019, the co-op has hosted workshops on financial topics like investing and credit, as well as sessions on personal reflection tools like journaling and vision boards.

This co-op now provides the resources these individual professionals needed to scale their businesses and holds a lot of potential for future growth.



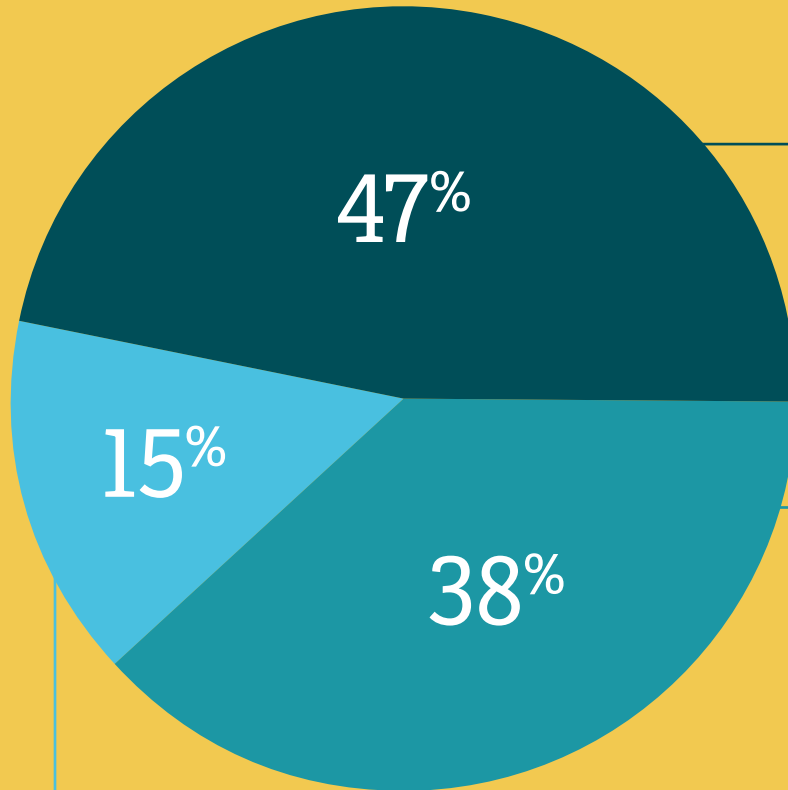
A STORY OF OPPORTUNITY

At Co-operatives First, we promote and support the development of businesses based on the co-operative model in rural and Indigenous communities across western Canada. This year, we spent our time and efforts evenly between these two activities.

Roughly 38% of our revenues contributed to creating and delivering educational opportunities, while 47% helped form and grow co-op start ups. Like many non-profits, our administrative costs hover close to 15%. Together, this represents a story of opportunity. A story where groups come together and grow their businesses, attract new business to their main streets, increase capacity, add amenities, or simply create a few jobs.

As a whole, this investment promotes the resiliency and relevance of both the co-op model and rural and Indigenous communities these new co-ops serve.

1.08 M TOTAL



DEVELOPING NEW CO-OPS

65 active projects
8 business plans
23 new co-ops

CO-OP EDUCATION

900 students in online courses
1 new course in partnership with U of S
267 workshop attendees
63K website visits
720K reached through social media
3.5M impressions through ads

ADMINISTRATION COSTS



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