



April 28th, 2019

General Manager's Report to Members-Owners - 2019

Dear Co-Op Members-Owners,

I started working at The Old Creamery almost a year ago to the day. It is great to see such a good turnout and many familiar faces.

Before I say anything else, I would like to thank, from the bottom of my heart, the staff for their tremendous cooperation. They have been flexible, focused, and supportive beyond measure: Annette, Daniel, Noelle, Peri, Toni, Seva, Sophia, Steve I am not going to call out all 34 names, but they know who they are. Some of the Creamery staff are so committed to the future of our store, that they voluntarily reduced their income over the lean times or gave short term loans to help the effort, which is an extraordinary gesture.

This gratitude also extends to our amazing volunteers such as Peter, Mark, Sadie, and many others too numerous to mention who have also put their time and their heart into our iconic landmark. If the Creamery had had to pay for the services the volunteers have provided, we would have shuttered the store and closed up shop many months ago.

I want to thank all of you who have been so supportive of me, the staff, and the Board's efforts over the past year working towards trying to save the Creamery by getting it to a sustainable level of financial viability. The store has been subsidized for years, as you all know, by the generous loans and gifts of its donor base, and there have been times in this past year when, but for their support, we would not have made ends meet.

It has been a sometimes-nerve-racking rollercoaster ride over the past year. I was honestly so distressed and distraught last November that I tendered my resignation, almost unable to handle the negativity directed towards me and the store by a vocal minority of the community and staff; but I am an optimist by nature and always work and hope for the best possible outcome in difficult situations. With staff changes and key team positions being filled with positive, upbeat, team members, I saw a new path, and a fresh momentum that encouraged me to stay on. I feel fortunate to now be working with a positive group energy pulling together to make this all work for the Creamery's future - a future that it is really important to me personally to see realized.

I would like to give a shout out to Grocery Store Manager Tom, and his right-hand woman Cassie, and chef Patty who is the very newest key team member.

It has been my primary focus to lift the Creamery beyond relying on donors to keep us afloat as this is clearly a business model with an expiry date. I was hired with the challenging task of having the cream rise to the top, so to speak, and we have had some modest success.

Since January of this year, up till the middle of April, despite a decrease in sales, the store is doing about \$5,000 better than the same time last year. This is due to a reduction in overall operational expenses. With revenue increasing throughout the summer, and with continued efficiencies keeping expenses in check, we expect the store to do much better. We still have a long way to go, but this is what we are doing to maximize the potential of the busy season ahead.

Despite what some shoppers have expressed, the grocery portion of the store is thriving. Produce, bulk, perishable items, beer, and wine often see double digit increases. There is much less waste thanks to prudent and well-considered purchasing, attractively fresh displays, methodical and accurate pricing, and the rearrangement of the store, have led to better visibility. We continue to work on this.

The greatest operational expense and drop in revenues continue to come from the food service. To begin to address this, we have streamlined the deli, increased grab and go selections, and introduced a soup and hot bar - still in its infancy but showing great promise. All these initiatives are decreasing wait times and anecdotally increasing customer satisfaction. (I hear this all the time.) We were not in the position to afford a chef until this spring, and last week we were blessed by the arrival of chef Patty to guide the kitchen. She is an expert in her field, eminently qualified to take on this project of creating a food service that will benefit the Creamery, and has an affinity for the store as she worked here as a cook over twenty years ago. We are extremely fortunate to have her join us.

To wrap things up I would like to say how much I appreciate the wise counsel, reflective opinions, and authentic commitment of the unparalleled Seth who has been with the Creamery since the beginning. You perhaps know that he has been looking forward to retirement and that we hired a bookkeeper to learn what Seth does. This has been a significant undertaking, as you can imagine, and unfortunately the woman we hired developed health problems so we continue the search, and Seth has assured us he will stay to ensure a smooth transition. We are so lucky.

I would also like to acknowledge my gratitude to and appreciation of the retiring members of the Board; Kim in particular, who has guided and supported me with grace, insight, and humor.

Thank you all.

Respectfully submitted

Karl S Sabo
General Manager
The Old Creamery Cooperative