

Business Plan
March 23, 2013

Executive Summary

The Delridge neighborhood of West Seattle does not have a grocery store. To purchase a head of broccoli, loaf of bread, or carton of eggs, most Delridge residents must travel at least 5 miles round-trip. Those for whom that trip is not feasible must make do with the limited, primarily heavily-processed and calorie-laden offerings of the neighborhood's many corner stores.

History

For many years, Delridge residents have envisioned a grocery store in the neighborhood. In 2009, a group of neighbors began working to make that dream a reality by creating a cooperatively owned neighborhood grocery store.

Products and services

The Delridge Grocery will open its doors in June, 2014. The store will offer a **full range of grocery** items with an **emphasis on local, organic and sustainably-grown, minimally-processed foods** such as fresh fruits and vegetables, dairy, eggs, meat, and bulk dry goods. We will also carry other grocery items, including breads and pastas, canned goods, oils, spices, ethnic foods, paper goods, green cleaning supplies, and much more. Through our low-overhead cooperative model, the store will offer competitive, **affordable pricing**. The store plan also includes a community room for neighborhood meetings and cooking demonstrations.

Marketing

The store's **location on Delridge Way SW, in the Brandon Node across from the Delridge Library**, will position us to be accessible by foot, bus, bicycle, and car. A survey of 183 Delridge Grocery stakeholders in October 2012 showed that potential members each expect to spend over \$200 a month on average at the new store. To bring in that business, we will implement a variety of marketing tools, from a new website, to public events, to promotions and great customer service.

Management and Operations

The Delridge Grocery will utilize a traditional organizational structure found in most retail consumer food co-ops that includes a general manager who oversees operations and clerks responsible for checking, cleaning, stocking, and customer service. All employees will have the option to become owners of the cooperative through Employee Membership.

The store will contain **1500 square feet of retail space**.

Financial Plan

Beginning with first full year of operations in 2014, 1st year sales are projected to be \$ 447,210 and grow to \$785,914 in Year 5. Sales per square foot build from \$298 in Year 1 to \$524 in Year 5.

Start-up funding for the Delridge Grocery is projected to come from a variety of sources, including:

- 80% from co-op members
 - o 32% from membership dues
 - o 68% from the Member Loan Campaign
- 20% from grants and fundraising and vendor credit and free fill

A total of \$250,000 start-up funding will be required.

Membership

Lifetime membership in the Delridge Grocery will cost \$100. Three types of membership will be available: Consumer, Employee, and Producer. Benefits of membership will include voting rights and dividends of annual store profits.

Conclusion

Delridge Grocery has the potential to develop into a sustainable community-based enterprise.

To make this happen, DG will need to grow its sales aggressively over the first three years. Continual market assessment and customer feedback will help develop an ongoing marketing strategy, forge a loyal customer base, and reach further into our potential market area. The cooperative advantage engenders a presence in the community and taps into an expanding network of customers and vendors. In addition to developing a solid customer base and growing sales, it will be imperative that DG management control of cost-of-goods, labor expenses, and other operating expenses in order to meet budget projections. The Board is confident that with proper planning, management and stakeholder support, Delridge Grocery will maintain a critical presence in our community for the long-term.