

COABC Draft Business Plan with Recommendations for Implementation

February, 2004

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1. Executive Summary:

2. Introduction:

In June 2002 COABC published the British Columbia Organic Sector Strategic Plan. At that time little emphasis was put on strategic planning for the organization itself. In 2003 the COABC directors commissioned research to examine the functioning of COABC and to consider various models for restructuring and financing. The goal was to improve the operations of COABC to ensure its ongoing viability and continued ability to carry out its mandate to increase the capacity for production and consumption of high quality organic products in BC. Following a board retreat and subsequent discussions, recommendations were made to the membership at the 2004 AGM. This business plan reflects the outcomes of the strategic planning exercise and makes proposals for its implementation.

3. Description of organization

COABC is the recognized leader of the organic movement in BC, promoting organic agriculture and representing approximately 550 certified farmers and processors through their certification agencies; the members of COABC.

Current organizational structure.

The board of COABC is made up of representatives from each certifying body and a director representing consumers/environment associations. Representation is proportional with an additional representative for each full 50 licensees beyond the first 50.

Services:

The core service of the organization is administering the BC Certified Organic Program which entails establishing and maintaining the organic standards and accrediting CBS across the province. Activities supporting this core service are the website maintenance and external relations with respect to regulatory issues impacting the BC Certified Organic Program.

COABC is also engaged in promotion, education, advocacy and research which support the development of organic agriculture in British Columbia. These are key parts of the mandate and mission statement, but are not considered core services. They include information and public education directed at consumers and governments.

Situation analysis Summary:

- § The organic sector in BC is growing but 69% of the COABC licensees gross under \$20,000/yr. The 20% of producers making over \$50,000 provide 50% of the income of COABC.
- § The financial situation is often precarious with current membership fees not meeting the minimum operating costs of the organization.
- § COABC is dependent on a small staff and volunteer commitment which cannot keep up with the demands made upon them.
- § COABC is a dynamic and vibrant organization, responding to the needs of the sector.
- § Many projects initiated provide considerable benefits to COABC Certified Organic enterprises and others who are not involved with the program, but ultimately these projects are a drain on the organization's resources and cannot be continued over the longer term.

4. Business Plan Objectives:

- § to ensure long term stability and financial viability of COABC
- § to put COABC on a sound financial footing whereby revenue from membership covers the core services of the organization and those that require a higher level of 'service' pay for it.
- § to fund key activities that support the development of the organic sector in BC by means other than membership fees.

- \$ to expand the volunteer base to carry out activities that support our mission
- \$ to engage supporters and consumers to build a stronger political lobby
- \$ to achieve the above while ensuring that the control of the BC Standard for Organic Production remains in the hands of the farmers

5. Strategies

A number of strategies have been identified which will contribute to the long term stability and financial viability of COABC while allowing the organization to fulfil its mandate. The strategies are discussed in the context of a 5 year plan to achieve the objectives identified; they are organized by type of activity.

[these strategies are to be modified/deleted or added to depending on decision made at Feb AGM and subsequent deliberations by COABC board of directors]

A. Budgeting and Fees

A 1. Restructure the annual budget

The proposed annual budget is to be restructured to separate core services from key activities. All activities are to be clearly delineated for greater understanding and transparency. In kind contributions are shown to demonstrate extent of support given to COABC activities.

Time frame:

- proposals accepted at the Feb 2004 AGM.
- Re-organization of books and accounting procedures to reflect these changes to follow immediately

(I am not sure how/when COABC plans to accomplish this - the 2004 budget does not reflect the separation of expenses as outlined by Patrick's Minimum Expenses for 2005 document. It would make sense to decide on one format).

Action by: president, treasurer, bookkeeper

A 2. Modify fee structure to cover cost of core expenses.

Fee schedules are determined annually to ensure that fees cover the expenses of core services and any increase will be determined a year in advance e.g. at 2004 AGM for 2005 fee increase. The situation will be monitored as part of the annual budget exercise and efforts made to ensure core expenses do not increase without the corresponding ability to pay for them.

Time frame: Feb 2004 AGM to be implemented 2005, and annually as necessary.

A3. Increase membership revenues by changing membership definitions of COABC.

This strategy is dependent on the decisions of the membership at the Feb 2004 AGM. Detail to be provided when these decisions are made. (I can not find any proposed resolution to support the more radical option 3 - is it there?)

The intent of the strategy is to increase membership revenues by adding additional categories for associate members. It may mean that individuals become members rather than CBS.

Time frame: define and implement following passing of motions at Feb 2004 AGM

A 4. Introduce additional fees for accreditation services

In general the work load associated with ISO accreditation involves more work for both the office and the volunteer accreditation committee than regional accreditation. However it is recognised that CBs with volunteer administrators often require more time of COABC office staff. *(I believe the board decided against proposing any annual fees for accreditation on top of current membership fee, if this is not the case it should be added here as c.)*

The following fees are proposed:

a) late penalty fee for CBS failing to provide annual reporting information according to determined deadlines \$?

Action: 2004

b) Application fee for any CB wanting ISO accreditation \$500 ? \$1000?

Action: Establish fee's at Feb 2004 AGM or at first board meeting

B. Administration and Staffing

B1. Office Reorganization (from office team's business plan Feb 2004):

Maintaining the COABC office is the most expensive aspect of the organisation. Yet the office is needed; when it was developed, volunteers could no longer cope with the volume of requests to the organisation. The challenge of the present office staff is to meet the needs of the organisation within COABC's budget.

The COABC Board of Directors has asked the office staff to find new office space and move the office. This will be accomplished early in 2004. This move will provide the opportunity to re-structure the office procedures, staff hours, and staff assignments. In developing new office procedures, priority will be given to office assignments (departments) in this order:

1. Core services identified by COABC Board i.e. Accreditation Board, SRC, Website maintenance, Requests from the executive
2. Third party delivery programs for which the COABC is receiving administration funding i.e. OSDP, Brand Name List Project, EFP (speculative)
3. Cost recovery services i.e. packaging and promotional materials
4. Requests from the membership (response according to described criteria)
5. Requests from the public (response according to described criteria)

Administrative staff time will be restructured to fit with office priorities and procedures will be established for dealing with telephone, email, website development.

Examples include:

- telephone messaging service with voice mail information to direct callers to website for answers to some questions
- generic email replies to direct enquiries to website
- FAQ's on website so public can be directed there for answers

Time line:

- 2004 to establish and fine tune new operating procedures.
- progress report on effectiveness of the changes will be prepared in time for 2005 budget deliberations.

Action In March Directors approve proposals elaborated by team.
Implementation by staff ongoing.

B2. Staff Assignments

Reassign staff and time allocations with strategic goals in mind. Increase staff capability to manage current workload, implement the business plan and provide long term stability.

Background-

There are 2 days of staff time allocated to COABC Administration and additional office assistance when funds allow. Currently the office administrator and assistant work 2 days each and a further 2 days of staff time are provided for by the OSDP funds to manage those projects.

Proposals for 2005 with a streamlined approach for core services reduce the office administration time to 2 days/week plus half day a week for liaison and an extra 2 days/month for committee support persons. Key activities are to be continued if funds can be raised to cover administration costs.

In the long term the effective administration of a complex organization would benefit from an Executive Director or Coordinator position with added responsibilities for fundraising, project management and liaison with other organizations. This could be achieved by:

1. In 2004 use the money still available for the strategic/business planning to hire an individual part time for one year to further develop and implement the business plan focusing on re distributing the administrative workload, raising funds for key activities and for an ongoing coordinator or ED position.

2. Over the longer term fully integrate such an individual into the COABC staff functions with responsibility for fundraising, project and office management, and liaison

Costs :

Year 1 2004 . Current staffing levels 2004 budget \$ 24,680

Part time Business planner: \$1200/month (hourly rate to be determined)

Year 2. 2005 Core staffing requirements (as per minimum expense proposal): \$24124

(excludes web site)

Part time Coordinator/ED \$1200/month or as funds allow (additional funds to be raised \$15,000)

Years 3-5. Half time coordinator/ED \$20,000

Other administrative staff \$25,000

C. Fundraising for key activities and additional staff support

C1. Hold at least one fundraising event a year

2004 Pilot. Invite proposals for a fundraising event- coordinator to be paid from budget. One or more locations/events can be chosen. Establish if feasible as annual event and make recommendations for 2005 on.

Result: At least \$3000 in first year

There is a potential for more/larger events if have larger volunteer base.

C2. Use AGM venue to raise funds with add-on activities and sponsorship.

This is an already proven method of fundraising and should be continued.

Expected Result: \$5000/yr.

C 3. Develop partnerships with other organizations for fundraising for projects.

As a first priority become a COG affiliate and develop a fundraising partnership with COG. This would allow COABC to:

- accept donations/offer charitable receipts for support for projects;
- fit regional projects within the context of the national strategic plan as well as the COABC strategic plan potentially increasing access to potential funders;
- take a percentage of any funds raised for office overheads.

{Laura has proposed that someone in each region take on the job to come up with a list of partners and priorities for the region. The partners (as a committee?) would then develop the content of the regional proposal which focuses on key themes with ultimate goal to increase organic acreage (as per vision in national strategy). COABC already has done a lot of this work and it would make sense to dovetail with a national program.}

GOALS:

2004 - working relationship with COG; identifying areas of common interest and potential funders.

2005 - write 3 or more joint funding proposals and initiate at least one project to achieve strategic objectives

C4. Identify potential projects for COABC delivery to fulfil mandate while providing additional revenues to organization.

2005 Write corresponding proposals ensuring projects are not a drain on resources and that they provide additional income for office overheads.

D. Increase volunteer base and political lobby

D1. Set up the Friends of COABC Society

(inclusion and in what form depends on outcome of AGM proposed options)

Use an existing society modifying the mandate to provide COABC with a willing group of supporters and volunteers aimed at providing financial and logistical support for key educational and promotional activities.

- Identify and recruit members from CSA's research community, key industry partners.
- request donations to support work
- develop a pool of volunteers who are not certified farmers to assist with fundraising activities or other events, or who could be called upon in times of need.

OR Set up new society to support COABC to carry out same functions as outlined above.

GOAL: Year 1. Membership of 100; funds raised \$3000; 20 active new non-producer volunteers.

Year 2 - 5 increase membership to 500 and funds to \$20,000/yr by end of 2005

E. Increase membership base of COABC and develop a strong organic sector

E1. Introduce alternative certification options

The objective is to keep producers linked to COABC and effectively continue to increase membership income. This includes possibility of reducing inspection requirements for small holders.

2004: Further research and discussion of possible solutions with objective of introducing alternatives at 2005 AGM

E2. Continue to develop a strong organic sector

Identify projects in C3 & C4 which will result in increased adoption of organic farming or higher incomes for established organic farmers and ultimately more funds to support COABC.

- Use OSDP funds and increased fundraising capability to introduce long-term projects to achieve this goal.
- Ensure that these projects can be funded on ongoing basis and all provide funds for COABC office overheads.

6. Implementation Plan:

6.1. Make any by-law changes and membership fee increases necessary at the Feb 2004 AGM

6.2. Let short term Business Planner contract (as long as money allows e.g. 12 months) to commence implementation plan and to fundraise for key activities and projects (and continued fundraiser/funding coordinator position). The business planner will work with the board and existing staff to carry out the following work plan.

Work Plan:

In order of priority assuming relevant changes have been made to the bylaws at the AGM

1. Prepare bylaw changes and submit to registrar and BCMAFF for approval.
2. Restructure office administration/workloads, prioritizing activities and streamlining procedures.
3. Initiate a membership campaign for new supporter category developing any necessary promotional materials/or work with new society to achieve same.
4. With COABC Directors and COG develop a partnership contract, identifying which key activities of COABC fall within COG's charitable mandate.
5. Coordinate regional committee which includes representatives of COG and other organizations to identify suitable projects and funding sources for regional projects or regional delivery of national projects to achieve national and regional strategy objectives.
6. Prepare detailed fundraising plan identifying sources of funds and developing personal contacts.
7. Hire contractor for a pilot fundraising event in 2004.
8. Start work on fundraising proposals
9. Recruit and activate a volunteer fundraising committee to assist with proposal writing and/or developing personal contacts.
10. Evaluate effectiveness of strategies prior to budgeting exercise for 2005.

6.3. Establish ongoing ED/Fundraiser/coordinator position to allow COABC to continue delivery of key activities as well as core services.

7. Five year projections

Attached as excel spread sheet – Actual numbers to be added once proposed changes finalized.