

Tillamook Creamery

Here in Tillamook County, Oregon, we tend to focus our attention on one thing - cheese. As a farmer owned cooperative, we take pride in continuing the tradition of quality cheese making started a century ago. We believe it takes a purity of purpose to make cheese like Tillamook. That's why we've used the same great cheese recipe for over 100 years, and why we'll continue to use it in the future.

Thanks for taking the time to visit Tillamook Cheese online. We hope you enjoy yourself, and continue to enjoy Tillamook cheese and our entire line of quality dairy products.

Process of Discovery

George and John met at Tillamook Cheese to observe the culture and to interview Michele Ruby, the communication Director. We also reviewed the web site and looked at their marketing materials. John has a past life, albeit short, in cooperative business and has included a one-page article on what it means to be a cooperative business, customer, and owner. This confirms nicely what we found out talking with Michele.

We used the questioning guidelines that John had developed for his web survey. They worked well, however we found that there were questions that were unclear, and there were questions that needed to be split as they actually asked for more than one answer.

The process of integrating John's input with George's input is a two-stage process. John will first write up the introduction, notes on web and cooperative business, and the survey. George will complete interviews with coop owners and other observations, and will integrate this input into the review and finish the analysis, as John will be out of town until Friday of the class.

October is: National Cooperative Month Cooperative Business, A Model for Success

By John Inman (Past) Marketing Director Wilco Farmers Co-op

In a world dominated by short term perspectives and where executives make decisions based on quarterly returns, the cooperative business model stands out as a business model based on the long term benefit to the owner and customer. There is a lot to be proud of if you are a co-op member/owner, employee, or customer and not enough is known about the benefits of cooperative business. There is no other business model that more typifies our democratic society than the cooperative business and yet many probably do not know what a co-op is. So what is a cooperative business and what types of businesses are cooperative in nature? According to the International Cooperative Alliance, *a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned*

and democratically controlled enterprise. Many of the products we love and use are supplied by cooperative businesses. Orange juice supplied by Sunkist, grape juice supplied by Welch's, ice-cream supplied by Tillamook Creamery, insurance supplied by mutual insurance companies, outdoor supplies and clothing supplied by REI, butter supplied by Land O' Lakes, we even get our news from a co-op, The Associated press, and this is just to name a few. These are just a small sampling of the types of products supplied by cooperative businesses.

It is even more likely that many people are using cooperative businesses and do not even know it. Credit unions are co-ops, ESOP's (employee owned corporations) like United Airlines are co-op's, Rural utilities are co-ops, there are farm co-ops that are farmer owned like Wilco Farmers, and one of the most prevalent cooperative business types is the consumer co-op such as food cooperatives. Regardless of the type of co-op, they are founded on the same types of values. *These values could just as easily come out of a self-help book on creating a successful life.* They include self-help, self-responsibility, democracy, equality, equity, and solidarity and in the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

If I had the choice to buy co-op or not, I sure would choose to buy products from cooperative businesses and I am not alone. In 1994, the Gallup Organization did a survey on the awareness and image of business cooperatives and found that given the choice to buy co-op or not, two thirds of the respondents indicated that they would choose to buy from a retailer that was a co-op. Two thirds of the respondents also indicated that they believed that cooperatives have the best interests of the customer in mind when conducting their business. And you know what? They do! And this equates to a powerful advantage to both the customer and the cooperative business.

So what is the problem when this business model is so positive and positively viewed by customers? The problem is that many people in our communities have lost sight of the benefits of cooperative business and younger people have not even been exposed to cooperative business as an opportunity for careers or for products to support their families and this is where education becomes critical. This is what National Cooperative Month is all about! Education! Those of us that are in cooperative business must communicate our cooperative attributes of quality service, trustworthiness, our customer dedication, high-value products, and competitive prices and continue to build the cooperative tradition in America. We can all start by supporting the cooperative businesses in the communities within which we live.

If you would like to have more information on cooperative business, there are a variety of places to go for information. A simple starting point to get information for all cooperative types of businesses is the Northwest Cooperative Federation in Seattle. Ask for Leslie Fritchman for information at 206-632-4559.

Cultural Assessment

We were very fortunate to be able to interview Michele Ruby as she had just stepped out of a board meeting. She was kind enough to sit down with us and let us ask her the questions we had from John's cultural assessment web tool. We discovered in the process of asking questions, that there were some questions that were unclear and some that were asking for more than one answer. Some adjustment in language is definitely in order.

Organizational Attributes:

Clarity/Direction: The degree to which the unit is clear on its mission, objectives, and actions. **High**

Individual Initiative: The degree of responsibility, freedom, and independence that individuals have. **Medium High**

Risk Tolerance: The degree to which employees are encouraged to be aggressive, innovative, and risk seeking. **Medium High**

Integration: The degree to which units within the organization are encourage to operate in a coordinated manner. **Medium Low to Medium**

Management Support: The degree to which managers provide clear communication, assistance and support to the team members that report to them. **Medium High**

Control: The number of rules and regulations and the amount of direct supervision that is used to oversee and control team member behavior. **Medium High: Note, as a food processor, they have very strict procedures**

Identity: The degree to which members identify with the organization as a whole rather than with their particular work group or field of professional expertise. **High: Note, this was one of the questions in which we found ambiguity. The employees highly associate with the company but also as very tight working units.**

Reward System: The degree to which reward allocations (that is, salary increases, promotions) are based on employee performance criteria in contrast to seniority, favoritism, and so on. **Medium High**

Conflict Tolerance: The degree to which employees are encouraged to air conflicts and criticisms openly. **Medium High**

Communication Patterns: The degree to which organizational communications are restricted to the formal hierarchy of authority (can you get to anyone and get a response without going through boss). **High: They have an open door policy**

How do employees learn culture:

Formal vs. Informal: Specific orientation and training programs are formal and informal would be where an employee is put directly in a job with little or no special attention.

Orientation Formality is: Medium Low to Medium: Tends to change by department

Individual or Collective: Socialization is done individually or is done in a group setting with other new hires. ***Collective Socialization is: Low***

Fixed vs. Variable: Is the time period for new team member to go from an outsider to an insider done in a fixed period of time or is the transition unscheduled and variable.

Fixed period transition is: Medium High to High: They integrate people very quickly.

Serial vs. Random: Role models or mentors are assigned in a serial socialization or withheld in random socialization. ***Serial socialization is: Low: Learn by doing***

Investiture vs. Divestiture: Team members qualities and qualifications are confirmed and supported vs. organization trying to shape new team member into the proper role (like a pledge) as in divestiture. ***Divestiture is: Low***

Organizational Personality Style (very much like individual personality style)

Pace: Is Tillamook Creamery a fast paced or slow paced organization?

Pace is: Fast

Formality: Is Tillamook Creamery a formal or an informal organization?

Formality is: Medium High

Responsiveness: Is Tillamook Creamery a relationship (high responsive) or a task focused organization (low responsive)?

Responsiveness is: Medium High

Dominance: Does Tillamook Creamery attempt to be in a dominant or supportive role?

Dominance is: High

Risk: Does Tillamook Creamery take risks or is it risk adverse?

Risk aversion is: Medium Low

Directness: Is Tillamook Creamery direct in its communications or indirect?

Directness is: High

Summary Thoughts from Assessment

Organizational Attributes

People know what business they are in and are empowered to insure that the mission of the organization is carried out. People are encouraged to take risks within the given mission and this is part of the empowered environment. The operating units work fairly autonomously as tight work teams. Management supplies clear directions and provides resources necessary to get work done. Due to the fact they are in food processing and this is a highly regulated industry, control and procedures are very high. Team members are proud of being a Tillamook Creamery team member and at the same time identify with their individual team highly. Team members feel that they can count on the organization to reward fairly, they are a union shop and favoritism is risky. Communication is open in the company with an open door policy and the space to air issues openly.

How do employees learn culture

The learning culture is fairly informal and tends to be controlled by department. New team members learn the culture on their own in a random fashion but are expected to be up to speed very quickly. There seems to be a strong culture of learning within the work group as you go with peer input and assistance.

Organizational Personality Style

Tillamook creamery seems to be an expressive organization tempered by the policies and procedures required in the food processing industry. True to form as a cooperative, they are very close to the customer and relationship oriented. They are driven to be at the front of the industry to insure the health and viability of the cooperative and have the typical drive towards vision of an expressive firm.

As we had mentioned above in the description of cooperative business, regardless of the type of co-op, they are founded on the same types of values. They include self-help, self-responsibility, democracy, equality, equity, and solidarity and in the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Given this definition, we believe that Tillamook Creamery is a living example of these values. The difference we find is in the innovation and drive to be at the top of the industry. Even though farmer cooperative owners tend to be very conservative, this cooperative is marketing driven and not shy about building its dominance in the market place. The culture they have built seems to support the vision and mission of the organization.