

# Case Study: Suma

By **Cian McMahon & Sonja Novkovic**

International Centre for Co-operative Management  
Sobey School of Business  
Saint Mary's University (Halifax, Canada)

**ManagementStudies.Coop**

Case Study  
2021 | 01



The International Centre for Co-operative Management (ICCM) at Saint Mary's University excels in education, applied research and knowledge dissemination, focused on co-operatives, credit unions, and mutuals.

The Centre harnesses the extensive knowledge of our faculty, staff, students and partners to offer rigorous education and research, available to the co-operative scholars and practitioners worldwide.

The Centre's working paper and case study series publishes research papers and reports in the field of co-operative management, economics, and governance.

**International Centre for Co-operative Management**  
**Sobeys School of Business, Saint Mary's University**  
University, 923 Robie Street  
Sobey Building, Room 330  
Halifax, Nova Scotia  
Canada B3H 3C3

**Editors:**

Prof. Sonja Novkovic, Academic Director, ICCM  
[snovkovic@smu.ca](mailto:snovkovic@smu.ca)

Karen Miner, Managing Director, ICCM  
[karen.miner@smu.ca](mailto:karen.miner@smu.ca)

Cian McMahan, Research Fellow, ICCM  
[cian.mcmahan@smu.ca](mailto:cian.mcmahan@smu.ca)

**Editorial support:**

Rosa Poirier-McKiggan, Program Assistant, ICCM  
[rosa.poirier-mckiggan@smu.ca](mailto:rosa.poirier-mckiggan@smu.ca)



**Attribution- NonCommercial-ShareAlike**  
CC BY-NC-SA

**To cite this paper:** McMahan, C., & Novkovic, S. (2021). Case Study: Suma. *International Centre for Co-operative Management Working Paper and Case Study Series* 01/2021.

**The project is supported by the FWO Belgium – SBO project S006019N, KU Leuven**

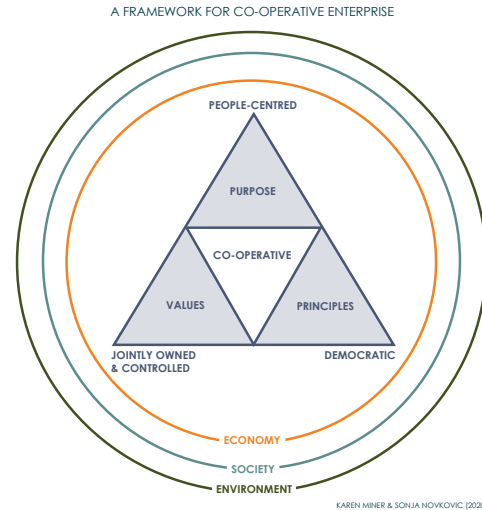
## Introduction

Suma worker cooperative is an ethically-sourced, vegetarian wholefoods wholesaler founded in 1977 in West Yorkshire, Northern England.<sup>1</sup> Having subsequently grown to become “the largest equal pay worker co-op in Europe”,<sup>2</sup> with over 200 worker-members and over 300 workers in total,<sup>3</sup> Suma is noted for its continued adherence to a participatory organizational culture. This lived ethos persists because the worker-members have dynamically adapted the cooperative’s governance structures and processes over time in response to the increased decision-making complexity that accompanies growing organizational scale. Suma’s commercial success notwithstanding, the worker-members have never lost sight of their founding cooperative values and principles as a worker collective.<sup>4</sup> This solidaristic outlook embraces the cooperative model’s basis in joint ownership and control, democracy, and people centeredness (see adjacent textbox).<sup>5</sup>

“As a co-op we are more than the sum of our parts. When we come together we create something amazing.”<sup>6</sup>

Suma emerged as part of the new wave of counter-cultural, alternative-lifestyle cooperatives aligned to the vibrant environmental and social movements of the 1970s. As such, the cooperative has always been “[d]riven by a desire to take better care of ourselves and our environment”.<sup>7</sup> These alternative cooperatives were pioneers in sustainable working and living; even if their ideals have since been co-opted and diluted by mainstream corporations, leading to increased market competition.

### **Cooperative Enterprise Model Conceptualization.** Source: ICCM, Saint Mary’s University



*The cooperative enterprise model is a trifecta of purpose, values, and principles coupled with three fundamental properties inherent in cooperatives as peoples’ organizations (people-centred, joint ownership & control, and democracy). These three properties, when operationalized, form the building blocks of the cooperative advantage in the context of increased complexity.*

**People-centred** (as opposed to capital-centred) governance and management assumes people are intrinsically motivated social beings, balancing their personal and group interests in accordance with general moral principles.

**Joint ownership and control** (distributed, rather than concentrated). Joint ownership is a hallmark of cooperative organizations, and it is intertwined with members as owners, controllers, and beneficiaries.

**Democracy** based on one member, one vote (rather than wealth-based). Self-governance is the underlying engine of cooperative enterprises, with the vital component being democratic decision-making by their members.

Regardless, Suma continues to flourish and outshine its competitors, holding strong to an authentic environmentalism rooted in workplace democracy. This solidaristic organizational culture percolates right throughout Suma: where sustainability is not merely one choice amongst many unsustainable alternatives, but a foundational ethical commitment.

## **Living the cooperative ethos**

The former Personnel Officer at Suma, Bob Cannell, credits Suma's continued success – as both a democratic collective and competitive business – to the organization's conscious efforts to foster a deep-rooted culture of cooperative working relations between worker-members (and, indeed, non-member workers). This can be seen most clearly in Suma's policies and procedures around “recruitment, selection, induction, assessment and training, [and] reviews and performance management”.<sup>8</sup> This targeted approach to member/worker reproduction<sup>9</sup> was formally instituted at the coop in the mid-1990s. Beforehand, Suma was a “mess of conflict”, even while still a relatively small-scale organization; but afterwards, “the intake of new members was significantly different, more cooperative, and by 1998 the business was taking off in a way previously unimaginable”.<sup>10</sup>

As Cannell sees it, building trust amongst the workers/members is key: “And the way to build trust is to build constructive relations by conversational communication. Sounds easy. It isn't. But conversational communications ([Complex] Responsive Processes of Relating) are what organizations actually are”.<sup>11</sup> This same basic philosophy still underpins the worker/member reproduction process at Suma today; and, at least partly (though Cannell would argue: *fundamentally*), accounts for the organization's continued success and vibrancy as a worker cooperative business.

## **Member and stakeholder participation**

A participatory outlook pervades Suma, forging strong ties both within the cooperative and between the cooperative and the wider community (suppliers, customers, society, and environment).

“The choices we make as a business are made democratically and transparently through collective decision-making, and we have an ethos of shared responsibility

and commitment. We will continue to adhere to the seven co-operative principles as set out by the International Co-operative Alliance.”<sup>12</sup>

Circa five to ten non-member workers become new members of the cooperative every year,<sup>13</sup> as ultimately decided by an assessment panel.<sup>14</sup> Hence, during the initial trial period, aspiring members have an opportunity to convince existing members that they are the right fit for Suma. To allow the members to make an informed assessment in this regard requires encouraging cooperative working relations between worker-members and non-member workers on an ongoing basis.<sup>15</sup> Relatedly, “all [member and non-member] workers are on the same, equal pay rate”, since “multiskilling and mixed duties” are a longstanding feature of the Suma job description.<sup>16</sup>

Suma is also a *unionised* worker cooperative, with much of the workforce organized mainly through a workplace branch of the Bakers, Food and Allied Workers Union (BFAWU). The Union and the coop have a mutually-beneficial relationship, working together closely on many shared concerns; and only crossing the table where individual or collective grievances/disputes arise. Given these generally cordial relations, Suma has thus far never witnessed a collective dispute or action; indeed, many workers are members of the Union more out of a sense of solidarity with the labour movement,<sup>17</sup> rather than primarily as a form of personal insurance/benefits. There is no collective bargaining process (or perceived need for one) at Suma, which appears odd at first glance from a conventional industrial relations/partnership perspective.<sup>18</sup>

***“The choices we make as a business are made democratically and transparently through collective decision-making, and we have an ethos of shared responsibility and commitment...”***

***The Member Dimension: Ownership, Control, and Benefit***

*Members are the foundation and heart of all cooperative enterprises. Their motivations will influence and ultimately dictate the way that the enterprise model is governed and managed.*

*Members jointly own, control, and benefit from the cooperative. Besides their primary type of engagement and patronage, the responsibility of membership includes participation in governance, capitalization of the enterprise, and other forms of support. Membership is a complex set of relationships that affect every facet of the cooperative.*

*The type of membership will have a profound impact on members’ concerns which will be reflected in the governance and management structures and processes. Why a member joins a cooperative will also determine what types of democratic structures are put in place to represent and protect member interests.*

But as a unionised worker cooperative, pay and benefits at Suma are very competitive by industry standards. Base pay at Suma is twice the industry norm in Yorkshire at £15 per hour for all workers,<sup>19</sup> and the coop maintained pay increases in the region of five percent per annum over the decade or so prior to the global coronavirus pandemic. Moreover, Suma pays out an annual bonus every December of at least an extra month's pay,<sup>20</sup> if not two, depending on yearly financial returns. The coop also "provides a group pension fund, substantial staff sales discounts, generous paid leave plus nonfinancial benefits including free meals and snacks. Combined gross financial benefits for a worker owner are about £40,000".<sup>21</sup> Along with job security, cooperative working relations, and opportunities for personal development, this has contributed to the very low levels of staff turnover.<sup>22</sup> Yet none of this has precluded Suma from registering impressive profit margins by industry (or, indeed, any) standards. This seeming paradox can be resolved by recognising that such practices are not just socially desirable and equitable, but also result in "a more efficient and effective business operation".<sup>23</sup>

***As a unionised worker cooperative, pay and benefits at Suma are very competitive by industry standards. Base pay at Suma is twice the industry norm...***

Importantly, as regards worker participation and control, management at Suma is seen more as a "[coordination] function, not a status"; and the coop's "collective self-management culture is 'consensual'".<sup>24</sup> This is essential to maintaining a relationship of trust amongst firm participants, both in terms of effective operations and purposive governance. Unusual for a relatively large organization, "Suma has no Chief Executive or Managing Director, Chairman or President".<sup>25</sup> The worker-collective has more power and influence in governance and management decisions than any single individual or leader.

***The worker-collective has more power and influence in governance and management decisions than any single individual or leader.***

The cooperative also strives to uphold a reciprocal relationship with stakeholders external to firm operations; giving something back to the community and environment in which Suma is consciously embedded. Staff are granted paid leave to engage in sustainability practices such as

tree planting schemes to offset carbon emissions, environmental stewardship (particularly of a close-by river), and biodiversity projects.<sup>26</sup>

Suma members are continually looking for ways to reduce their material footprint through a combination of: worker education; single-use plastic and recycling policies and processes; and exploring fuel alternatives (in particular, electric and hydrogen) to reduce transport emissions. People and planet are at the heart

***People and planet are at the heart of Suma's implementation of cooperative values and principles...***

of Suma's implementation of cooperative values and principles,<sup>27</sup> as per the International Centre for Cooperative Management's (ICCM) conceptualization of the cooperative enterprise model.

The coop has developed strong relationships with local food banks and food waste campaigns, for example, striving to ensure that none of its stock goes to waste. In terms of its suppliers, Suma has always maintained an ethical and practical commitment to the Fairtrade movement: almost 600 products distributed by Suma (including self-branded lines) are certified as such.

Goods are sourced "at the best possible quality and price within an ethical sourcing framework".<sup>28</sup> These sustainable environmental and social commitments are also seen as a way to advocate for the cooperative advantage more widely.

"We share this message by providing tours for business studies students and offering work experience placements for high schools and colleges. As one of the UK's biggest worker co-ops, we're keen to show that fairness, transparency and sustainability can go hand in hand with commercial success."<sup>29</sup>

This all points to a deeply-felt responsibility concerning multistakeholder engagement and dialogue at Suma; even if external interests aren't necessarily formally incorporated into the coop's legal membership and governance structures. There is a more general and informal recognition that social/environmental engagement serves the member-focus of cooperatives, and can even be construed as a competitive advantage. That so much of Suma's social and environmental engagement remains informal, however, represents an ongoing discussion at the coop.<sup>30</sup> Even recognising that the cooperative makes "good ethical decisions", Suma's existing policies and procedures are outdated.<sup>31</sup>

*“The word governance has its root in the Latin verb ‘Gubernare’ which derives from the Greek ‘Kybernan’, meaning ‘to lead, to steer, to be the head of, to set rules, to be in charge of the power’. Governance is related to vision, decision-making processes, power dynamics and accountability practices. The ultimate goal of governance is to effectively fulfill an organization’s goals in a way consistent with the organization’s purpose. Co-operatives are member owned and democratically controlled organizations. Their governance has to meet co-operative’s objectives, protect member interests and maintain member control. Co-operatives are also values-based businesses whose governance and management principles and practices need to reflect and safeguard their values.” (Novkovic and Miner 2015: 10)*

*The ICA cooperative principles and values (ICA, 2015) suggest that co-operatives institute participatory forms of democracy in their organizational governance and management, which respect and promote human dignity, democratic decision-making, and engagement of members, employees, and other key stakeholders. Further, those members engaged in governance activities focus on total value creation and equitable distribution of benefit.*

## **Unravelling the governance system: structure-processes-dynamics<sup>32</sup>**

“Governance has evolved at Suma, sometimes by deliberation and sometimes by drift and sometimes seemingly by magic!”

### *Organizational structures*

A separation of decision-making powers through multiple control centres (i.e. “network governance”)<sup>33</sup> initially emerged spontaneously and somewhat informally at Suma, owing to the founding worker-members’ philosophical and practical commitment to the cooperative values and principles. This meant a serious adherence to interactive and “people-centred coordination” throughout the organization.<sup>34</sup> As Suma grew from over 30 worker-members in the mid-1990s to over 200 worker-members in 2021, maintaining informal and emergent cooperative governance and management structures gradually became more of “a struggle”. There was simply too much work and information for the existing control centres to process “efficiently and humanly” (i.e. without imposing hierarchical control from above).<sup>35</sup>

### **Governing Complexity**

*Steering the organization according to the vision of its members, governance includes structures, processes, and their dynamic interplay. Dynamic interaction between processes and structures, one influencing the other, is how change is implemented in organizations.*

*In the case of cooperatives, democratic processes and enabling structures also generate the dynamics of change in the organization. Cooperatives differ from other enterprises due to their purpose and the nature of member engagement with the enterprise. Adding external context to the cooperative difference results in distinct governance frameworks.*

*Organizational structures include the nature of ownership and control, the type of governance bodies, and formal rules and policies.*

*Processes are defined as the way strategic direction-setting and control is carried out. Formal or informal, these processes are democratic and participative in well functioning cooperatives.*

*Governance structures and processes change dynamically over time due to evolving internal and external circumstances.*



This led to a greater formalisation of cooperative governance and management structures over time. But rather than resorting to top-down control, a more democratic solution was sought via the introduction of additional nodes of nested decision-making power. These new roles and responsibilities were designed to be held accountable to, and in an ongoing co-respective and co-responsive dialogue with, the wider membership.<sup>36</sup>

A case in point: as recently as early-mid 2019, Suma began to roll out its latest structural renewal and change process. A formal Board of nine elected non-coordinator/administrator worker-members replaced the previous so-called “Management Committee” of six persons.<sup>37</sup> Suma Company Secretary Ross

Hodgson<sup>38</sup> explained that, while the new Board has more decision-making power than had the previous Management Committee structure, there are also now more checks and balances on that power via the new supervisory “Member Council”. Separate to the Board, the Member Council similarly comprises nine elected non-coordinator/administrator worker-members. The BFAWU trade union had played somewhat of an informal supervisory role previously, scrutinising governance and management decisions; though the Union’s main focus remained on individual grievances.<sup>39</sup> It was felt that a more specialised formal structure (the Member Council) may be more effective in this regard – though a union official is permitted to sit on the Member Council.

The Member Council mediates between the Board and the membership as a whole, providing channels of communication, engagement, and feedback through surveys, forums, meetings etc. It also has the ultimate power to call a general meeting if it disagrees strongly with a Board decision. This provides a degree of protection against the threat of organizational capture and/or degeneration/demutualisation.<sup>40</sup>

In terms of operations, Suma’s previous “Functional Area Coordinator (FAC)” divisions<sup>41</sup> have been reorganized into three “Zones” (Logistics, Service, Commerce), with a “Zone Leader” and “Coordinator Group” in each. Coordinator groups are made up of coordinators spread across Operations, People

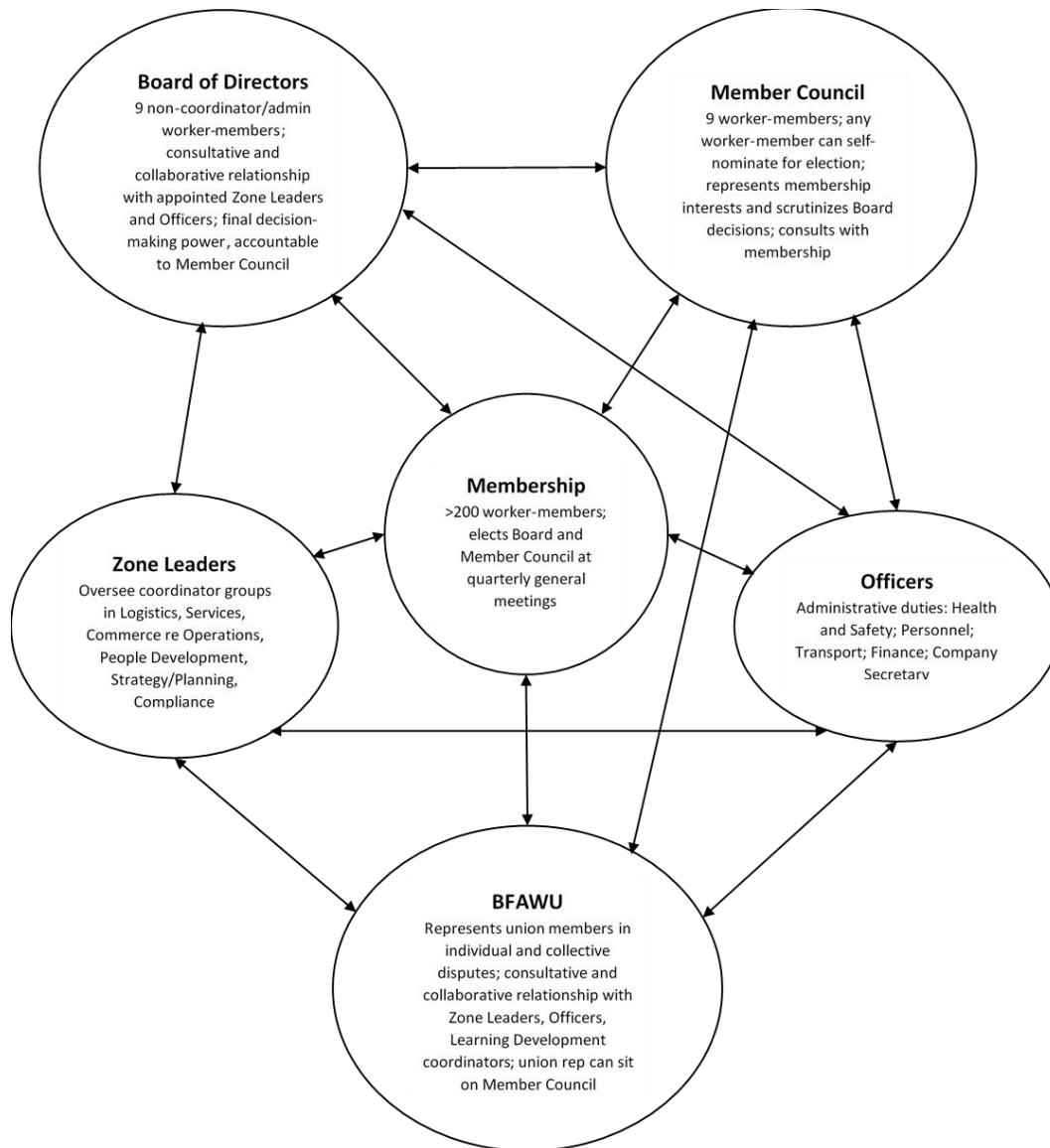
***...rather than resorting to top-down control, a more democratic solution was sought via the introduction of additional nodes of nested decision-making power.***

***The Member Council mediates between the Board and the membership as a whole, providing channels of communication, engagement, and feedback...***

Development, Strategy/Planning, and Compliance within each given zone. Zone Leaders and Coordinator Groups also then meet together to coordinate across zones. This increases the number of worker-members coordinating activities, allowing for greater knowledge specialisation and a more manageable work/information-load. The Zone structure also encourages increased teamwork and collaboration within and across divisions.

In addition to appointing Zone Leaders to oversee operations, the Board appoints five Officers to oversee administration at Suma concerning Health and Safety, Personnel, Learning Development, Transport, Finance, and Company Secretary duties.<sup>42</sup>

### Suma consensual governance communication flows



Overall, Hodgson feels that the new structure has allowed for greater worker-member participation at Suma, allowing “more routes in” in terms of communication channels and accountability. Before the recent reform process, and due to growth in membership, worker-member participation at quarterly general meetings had become somewhat “tokenistic” and was “not real engagement”. This shows that more decision-making centres (nested boards, councils, coordinators etc.) has the potential to actually increase, rather than dilute, worker/member participation and engagement in coop governance and management. Hodgson argues that this is “better” than fetishizing flat structures regardless of the situational context.

***...the new structure has allowed for greater worker-member participation at Suma, allowing “more routes in” in terms of communication channels and accountability.***

### *Participatory processes*

“Underlying the formal governance and management processes at Suma are a mass of unmeasured and informal communications. Suma is an ongoing conversation being participated in by workers primarily, but also by suppliers and customers. . . .

“Visitors to Suma remark on the feeling of high social and operational energy in the workplace. Workers move around in corridors and work areas quickly and talk to each other constantly. The canteen is the social centre of the business, serving free meals and snacks, packed and noisy at mealtimes and with a steady flow of workers coming and going, chatting and interacting freely.

“It is impossible for a visitor or a new recruit to spot the centres of organization and management in this environment. . . . Visitors often say ‘But there must be someone in charge of all this activity somewhere in this building. Where are they?’”<sup>43</sup>

The informal social communications described here by Cannell are in turn facilitated by the less immediate formal governance and management processes at Suma.

The cooperative is governed by a set of standard Cooperative Society Rules. The Board and Member Council are elected by the broader worker-membership at quarterly general meetings.<sup>44</sup> Any non-coordinator/administrator worker-member with two nominations can run for the Board,<sup>45</sup> and any worker-member can self-nominate to run for the Member Council. Elections for three positions on the Board and three positions on the Member Council take place every

year on a staggered basis. There is thus no Nominations Committee in place, given Suma's adherence to grassroots democracy.<sup>46</sup>

According to Hodgson, a tension still exists regarding the necessary level of expertise on representative bodies like the Board and Member Council. This helps to explain Suma's recent moves towards greater formalisation of Learning Development at the cooperative. It is only in recent years that the membership has felt in a position to begin taking a structured approach to worker education more seriously. Two new Learning Development coordinators have recently been appointed and ongoing discussions are underway with the BFAWU trade union in relation to educational resources.<sup>47</sup>

In the past, as Cannell explains, Suma eased this tension through the utilisation of "enthusiastic activists in cooperative team-working and conserving experience inside the business to replace the need for highly paid specialists"; alongside "[t]ime limited contracting with external consultants" where deemed necessary.<sup>48</sup>

An important tension also exists between the formal and informal processes at Suma, given the high degree of autonomy possessed by worker-members. This speaks to the so-called "reverse dominance hierarchy" characteristic of cooperative governance and management more generally.<sup>49</sup> The collective membership ultimately reserves the power to informally withdraw cooperation from decisions that have passed through formal structures and processes of nominal authority, in accordance with their ongoing assessment of outcomes. A threshold of agreement must therefore be reached across the organization before formal and informal structures and processes can reinforce one another. As Cannell explains:

"When this conversation is healthy, the huge number of details to be managed are dealt with effectively and informally outside formal processes, in passing in the corridor or at tea break or over lunch or in conversation by phone and other media. Unlike many other organizations where hierarchy suppresses, excludes or otherwise interferes with informal conversation, it flows freely in Suma."<sup>50</sup>

### *Change management dynamics*<sup>51</sup>

“[Suma] seems to be a living organism . . . but is a complex fractal reflection of its constituent intelligences, so no wonder it seems to be alive and responding to its environment.”<sup>52</sup>

In the early part of 2019, Suma underwent a significant reform of its governance structures and processes. These internal change management dynamics relating to scale were complicated and compounded in 2020 by external developments and pressures arising from the global coronavirus pandemic and the UK’s withdrawal from the European Union. Notwithstanding such unprecedented disruption to Suma’s operations and trading patterns, the new governance and management system appears both to have proven resilient in itself, and to have strengthened the cooperative’s overall resilience in the face of crisis.

### Internal pressures

A formal internal review of the governance system transition was conducted during 2020. This was in part precipitated by some teething problems regarding difficulties filling some of the new roles (more roles necessitating more administration of turnover etc.). But there was also a more encouraging general interest among Suma’s workforce in the outcomes of the change process, where governance concerns hadn’t really been to the fore in previous decades.

Hodgson communicated that the main takeaways from the review were mostly positive, in terms of the new system providing greater clarification of roles and responsibilities and allowing for “more routes in[to]” the strategic and operational decision-making process, as well as a better “work-life balance . . . for those taking on responsibility”.<sup>53</sup> The new structure has also enabled the Board to focus more on the detailed work of strategic direction, “knowing that there is a different board [the Member Council] for members to go to generally [if] they’ve got concerns”.

His overall impression was that worker/member participation in governance and management decisions has improved. The Board is also more decisive in deploying the powers at its disposal, whereas the previous Management Committee, which had many of the same rights, “perhaps didn’t use them as strongly”. There is now less nervousness over potentially making unpopular or unilateral decisions on the Board, given the existence of a formalized process of feedback,

consultation, and scrutiny via the Member Council, representative of the membership as a whole.<sup>54</sup> This helps to build greater consensus into the decision-making processes at Suma.

“So now you’ve got a Board that can agree [to] policies – and they have to go through [the] Member Council and they have to consult – but effectively they don’t have to go to a general meeting anymore, which as I say was always the case but I think the management committee historically were probably a bit fearful of doing that.”

The membership still in theory ultimately retains the right to call an extraordinary general meeting and vote to overrule or remove members of the Board in situations of conflict. But, to date at least, it has never come to this at Suma.

Hodgson argued that, while some may see it as a dilution of member participation once they no longer have a final vote on decisions, this isn’t necessarily so. Prior to the reform, where worker-members voted on most important strategic decisions, there was little real involvement of the wider membership in the actual policy formation and development through ongoing consultation, feedback, and scrutiny. Voting at general meetings then often amounted to little more than rubber stamping policy decisions handed down from above that weren’t fully understood by the membership at large. Meaningful democratic participation then, understood and practiced in a fuller sense, goes beyond mere appeals to “the vote”.<sup>55</sup> By building greater consensus about the way forward through ongoing conversation, the result is “a bit more of a robust [policy] at the end of it”.

There have also been some costs to the new system with more time spent on “coordination days” with the Board and the Member Council. The latter “probably meet more than we imagined they would. But, you know, that’s probably to be expected”.

Apart from bottlenecks in turnover due to the greater numbers of people involved in coordination, additional shortcomings were highlighted in relation to “the skills and experience that we have internally and how we match that up externally”. The transition challenges were “not entirely structure-related in that sense”. This has led to a greater focus on “people development” at Suma, as well as a greater receptiveness to the idea of “having the potential to coopt an external person onto the board”. He added that:

“We do use external people and companies [as consultants], you know, we get around it in those ways. But certainly there's times when you think well actually if you just have someone here [permanently] who knew about that [area of expertise] that would be a massive help to us . . . Well, they probably need a big discussion coop wide about the notion of having an external person on the board and certainly there'd be benefits to it.”

There was also a recognition of the need for more effective “change management communication”, especially when you are “trying to change so much” at once. Alongside external constraints and crises, these internal issues have meant that “a couple of years into it we're still adapting to it and getting used to it”.

### External pressures

The coronavirus pandemic disrupted operations with the introduction of new restrictions and requirements relating to social distancing (including more home working) and hygiene etc. But “largely the feedback's been that [the new system has] coped quite well” in dealing “probably more effectively” with such “crisis management”. This was particularly important in effecting a smooth transition and continuing to process orders and deliveries during a period of strong demand due to stockpiling. More non-member workers were also brought in on short-term contracts to deal with unprecedented levels of demand. That said, “there [are currently] about 15-20 people starting on their trial membership and they're all drivers and warehouse workers”.

The Member Council has been sending out weekly updates to the wider membership to keep them informed during the pandemic. The Board likewise send out a weekly information pack. The “Board and [the Member Council] are pretty good at reporting on what they're doing and what's going on. It's other meetings [coordinator and committee meetings etc.] where [the feedback sometimes] gets a bit lost”.

The impact of the virus has also underlined an ongoing shift away from a strict emphasis on job rotation and multiskilling as part of the Suma job description. While such practices and aspirations are still relatively widespread at the cooperative, greater scale necessitates more specialized positions, such as in an office and IT setting (financial and design expertise, for example). Moreover, “with the pandemic everyone's had to have pretty fixed roles because you've got to have your own little bubbles and groups in case anyone gets [infected]”. Before coronavirus, specialization wasn't so much a conscious decision as something that “just

gradually happened” as the coop grew in size. A greater number of part-time workers in this regard has also allowed for more set roles and responsibilities.<sup>56</sup>

“Certainly people [still] do have varied rota[tion]s and they might over longer periods of time develop that sort of mixed rota . . . But yeah it’s not as forced on [as before] and we’re trying to look at a bit more – although it’s not entirely formal – multiskilling within what you do . . . so that maybe you work with other areas on stuff or you can do loads of different things in your area rather than [rotating jobs across areas], which [has] drifted away a bit . . . It’s partly us changing [in scale] but partly us adapting to external things that face us as well”.<sup>57</sup>

***The global pandemic has highlighted environmental issues concerning habitat destruction and deforestation, not to mention the broader, if intertwined, biodiversity and climate change crises.***

The global pandemic has highlighted environmental issues concerning habitat destruction and deforestation, not to mention the broader, if intertwined, biodiversity and climate change crises. As such, Suma is now exploring a new coordinator role concerning “sustainability and ethics and reporting”, not only in terms of “legal requirements . . . but also [regarding] food waste and greenhouse gases [etc.]<sup>58</sup> . . . [and] trying to change our policy processes”. This is also early days, but they are making “gradual progress”.

Given the impact of the Black Lives Matter movement globally, Suma is also currently updating its policies and procedures around Diversity, Equity, and Inclusion. The cooperative, while by no means entirely homogenous, is admittedly “a very white organization”, partly reflecting local demographics. That said, Suma is also quite diverse in other ways: in particular, “compared to a lot of distribution wholesalers, you know, our gender balance is probably a lot better . . . Ironically, we probably have more women in positions of responsibility than men despite having more men in the workforce”.<sup>59</sup> Yet they are striving to do better across the spectrum, so there is now “a diversity champion on the Board” and a “Diversity Officer with Personnel”, affecting recruitment,<sup>60</sup> assessment, and training policies and practices. This is part

***Given the impact of the Black Lives Matter movement globally, Suma is also currently updating its policies and procedures around Diversity, Equity, and Inclusion.***



of why new members are now vetted by a panel rather than put to a vote of the membership. While this is all still relatively early days, “certainly a lot of those changes are happening now”.

Hodgson felt that the biggest external pressure on Suma’s internal governance related to aspects of the legal environment as the coop grows: “Probably the biggest force we find is that you’ve got to keep up with non-co-op law [regarding] . . . health and safety is probably the biggest one . . . distribution . . . [the] license regime . . . accounting . . . all that stuff doesn’t really take account of [the coop model]”.<sup>61</sup>

***The biggest external pressure on Suma’s internal governance related to aspects of the legal environment as the coop grows***

Asked about a hypothetical decision by Suma’s board to demutualize/sell, Hodgson responded that: “In theory . . . if the Board decided to do it, it could. But obviously the members could call [an extraordinary] general meeting and throw them out”. He also raised a topic of potential debate in worker coops, regarding “how much in control are the workers if they can’t ultimately sell the business”.<sup>62</sup> Cannell points out, however, that longer-term access to “good remuneration” at Suma is “a powerful disincentive [against] demutualization”. Moreover, “The Dissolution clause [in Suma’s rules] states [that] if assets remain [after liabilities are settled] they shall not be distributed among members; but transferred to common ownership enterprise(s), or central funds for the benefit of common ownership enterprise, or to charity”.<sup>63</sup>

## **Conclusion**

Suma enters a new decade (its fifth) faced with a series of overlapping and intersecting global and local crises rooted in the continued environmental, social, and economic degradation that the cooperative was founded to help counteract. Its inspiring example of an alternative world of work and living (if only in microcosm) has never been more relevant or necessary.

On the home front, Britain formally exited the European Union in early 2020, concluding its transition period at the end of the year. This presents Suma with a number of immediate and longer-term challenges. As Hodgson explains:

“The [EU-UK Brexit withdrawal agreement] deal has put in place plenty of non-tariff barriers, and in some cases also potential tariffs around reimporting rules. That extra

work will cost money to administer, or goods will be prevented from being exported. There are rule of origin and labelling requirements that we will hopefully find a solution to, but [which] are difficult to resolve. These may become clearer over the next few months, although this clarity might not mean [that things are made] simpler. We may need to change our strategy with [regard to] exporting to continue these sales. [In respect of imports], it seems less tricky to bring the stuff in, although [it] still [involves] much extra work . . . It will probably take some time to see how this pans out, although we've paused exporting currently.”<sup>64</sup>

This is not the first time Suma’s resilience has been put to the test, having previously navigated the global financial crisis, not to mention “a devastating flood and an almost equally damaging but less conspicuous whole system IT failure”.<sup>65</sup> Yet still the cooperative alternative persists and adapts. In the midst of the global coronavirus pandemic and the realities of Brexit, early indications are that Suma is well ahead of the curve in realizing its deep-rooted ethos of sustainable living and working as a competitive and cooperative advantage.

---

<sup>1</sup> For the story of Suma's origins, see <http://bobcannell.blogspot.com/2021/03/suma-origins-1975-to-1977.html>

<sup>2</sup> At the time of writing, Suma's latest accounts reported an annual revenue of £69 million (Ross Hodgson, personal communication, December 7, 2020). The cooperative exports all around the world.  
<https://www.suma.coop/about/our-co-op/>

<sup>3</sup> The latter figure includes over 100 non-member workers/employees. Interview with Ross Hodgson, Suma Company Secretary, November 25, 2019. Around two thirds of the workforce are permanent. It is against current policy to hire non-member workers on a permanent basis, so only a handful of permanent non-member workers remain at Suma (most historical cases have either retired or become members over time) (Ross Hodgson, personal communication, January 18, 2021).

<sup>4</sup> <https://www.suma.coop/about/our-values/>

<sup>5</sup> See also Novkovic, S., & Miner, K. (2015). Co-operative governance fit to build resilience in the face of complexity. International Co-operative Alliance. <https://www.ica.coop/en/co-operative-governance-fit-build-resilience-face-complexity>

<sup>6</sup> <https://www.suma.coop/about/our-co-op/>

<sup>7</sup> <https://www.suma.coop/about/why-vegetarian/>

<sup>8</sup> Bob Cannell, personal communication, November 22, 2019.

<sup>9</sup> In reference to healthy staff retention, upskilling, and turnover. See Stryjan, Y. (1994). Understanding cooperatives: The reproduction perspective. *Annals of Public and Cooperative Economics*, 65(1), 59-80.

<sup>10</sup> Bob Cannell, personal communication, November 22, 2019.

<sup>11</sup> Bob Cannell, personal communication, November 23, 2019. Cannell is strongly influenced in this regard by management scholar Ralph Stacey's Complex Responsive Processes of Relating (CRPR) thinking. See Stacey, R., & Mowles, C. (2016). *Strategic management and organizational dynamics* (7th ed.). London: Pearson; and Cannell, B. (2010). Break free from our systems prison: Implications of complex responsive process management thinking. Paper presented at the UKSCS Conference, Wales. Retrieved from:  
[https://www.academia.edu/36658111/Break\\_Free\\_from\\_Our\\_Systems\\_Prison](https://www.academia.edu/36658111/Break_Free_from_Our_Systems_Prison).

<sup>12</sup> <https://www.suma.coop/about/our-values/>

<sup>13</sup> Co-operative College (2020). *Union Co-op Solutions: A Manifesto*. Retrieved from: <https://www.co-op.ac.uk/event/union-co-op-solutions-a-manifesto>

<sup>14</sup> This was previously decided by a vote of the membership.

<sup>15</sup> Cannell, B. (2015). Co-operatives as Conversation: Suma Wholefoods UK. In Novkovic & Miner (2015). "The process takes nine months from initial job offer to acceptance as a new member by ballot of the membership" (p. 73). <https://www.ica.coop/en/co-operative-governance-fit-build-resilience-face-complexity>

<sup>16</sup> "The work involves product development, design, marketing and sales, HR, warehousing and distribution to shops and wholesale customers" (Co-operative College 2020, p. 12).

<sup>17</sup> It should be noted in this regard that it is often possible in a UK industrial relations context for an individual worker or group of workers to join a trade/labour union without the majority of the workforce voting in favour of forming a union branch/local. Union recognition and collective bargaining may or may not transpire on this basis. This contrasts with the general legal norms regarding majority recognition/certification in a North American context.

---

It stands to reason that the push for recognition and bargaining may be less of a priority for both union members and their representatives in a dignified and democratic workplace like Suma.

<sup>18</sup> Interview with Ross Hodgson, November 25, 2019. Nor does Suma officially recognize the Union, though there are ongoing discussions around this. Either way, it would be unlikely to change the situation regarding a collective bargaining agreement, given Suma's unique business model as a worker coop (Ross Hodgson, personal communication, December 7, 2020). "A lot of this stuff with the Union is quite informal . . . It's just an odd one in terms of how it sits and when it gets involved; I think in a worker coop setting that can be confusing . . . But obviously [it has] its place and people that support it and there's those individual disputes that [the Union] help people with" (Interview with Ross Hodgson, December 15, 2020).

<sup>19</sup> The UK Living Wage is circa 60 percent of the Suma wage. And while there is the potential for greater pay relative to experience elsewhere, it's more of a "political thing" to work as part of a worker cooperative (ibid.).

<sup>20</sup> The rest of Suma's financial surplus is retained within the business (Ross Hodgson, personal communication, December 7, 2020).

<sup>21</sup> Co-operative College (2020, p. 12). See also Cannell, B. (2015).

<sup>22</sup> Cannell (2015, p. 72) cites "statistically insignificant turnover (less than 2% annually)".

<sup>23</sup> Ibid. Cannell (personal communication, April 5, 2020) reports a Return on Capital Employed of over 130 percent prior to the pandemic – "in a food distribution business!" no less. See also Cannell (2015).

<sup>24</sup> Implying consent, if not necessarily consensus. Co-operative College (2020, p. 12). See Cannell, B. (2015).

<sup>25</sup> Cannell (2015, p. 70).

<sup>26</sup> See <https://www.suma.coop/about/our-values/>

<sup>27</sup> Ibid.

<sup>28</sup> Ibid. Sourced products are 100% vegetarian; do not knowingly contain harmful food additives; are GM free; are free-range if containing egg ingredients; are cruelty-free regarding bodycare/cosmetic/household goods; and, as far as possible, are "organic, fair trade, eco-friendly and co-operatively produced". See <https://www.suma.coop/about/buying-statement/>

<sup>29</sup> <https://www.suma.coop/about/our-values/>

<sup>30</sup> "We do try and do this more, certainly there is a level of auditing, and with things like the Modern Slavery Act there is more duty to ensure you are auditing your suppliers" (Ross Hodgson, personal communication, December 7, 2020).

<sup>31</sup> Interview with Ross Hodgson, November 25, 2019. Multistakeholder membership rights have never been seriously considered in discussions at Suma, since the existing members are inside somewhat of a "worker bubble" (ibid.).

<sup>32</sup> Eckart, M. (2009). *Cooperative governance: A third way towards competitive advantage*. Saarbrücken: Südwestdeutscher Verlag für Hochschulschriften.

<sup>33</sup> Pirson, M., & Turnbull, S. (2011). Toward a more humanistic governance model: Network governance structures. *Journal of Business Ethics*, 99(1), 101-114.

<sup>34</sup> Interview with Bob Cannell, November 25, 2019.

---

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> “Suma members meet in general meetings (GM) four times per year, and the GM is the sovereign body of the coop” (Cannell 2015). The Board is elected at the GM to lead the coordination of governance between GMs. Ross Hodgson confirmed that the Board still meet four times per year, though there are ongoing discussions about trying something “a bit more engaging” for the summer meeting in 2021. He also commented that participation at GMs has been about the same since switching to remote working/meeting during the pandemic. “Having a physical meeting excluded quite a lot of people and having an online meeting excludes some different people but includes some of the other people”. Yet participation is still relatively strong as there needs to be at least 50 percent of worker-members present to even allow a meeting to proceed. The average attendance is around 50-60 percent (Interview, December 15, 2020).

<sup>38</sup> The information in this section draws on our interview with Ross Hodgson (November 25, 2019), unless otherwise stated.

<sup>39</sup> Interviews with Bob Cannell and Ross Hodgson (November 25, 2019). It was also pointed out that a tension can potentially arise between the priorities of the membership at large and those of the Union, given that not all coop members are in the Union. The Member Council represents the entirety of the membership in this regard (Interview with Ross Hodgson, December 15, 2020).

<sup>40</sup> Hodgson further elaborates on how, in theory, the Board can overrule the general meeting; however, the latter retains the ultimate power to vote the Board out.

<sup>41</sup> FACs were essentially area managers overseeing operations in the warehouse, delivery, office etc. They constituted the “Operations Coordinators”, which were essentially the senior management team (now known as “Zone Leaders”). FAC divisions had roughly doubled from circa six to circa 12 before the reorganization (Ross Hodgson, personal communication, December 7, 2020). Suma prefers the term “coordinator” to “manager”, in that the former implies a more collaborative approach (Cannell 2015).

<sup>42</sup> The Company Secretary oversees all legal/constitutional aspects of Suma’s operation.

<sup>43</sup> Cannell (2015, p. 70-71). The authors can attest to this portrayal, having visited Suma on 25 November 2019. On that occasion, Cannell referred to the canteen as the “beating heart” of Suma. The hospitality and delicious food were much appreciated (like most positions at Suma, at least historically, the Head Chef is rotated – ours had been driving a delivery truck the day previous). Artwork displaying the cooperative values and principles adorned the bustling hallways, along with notices encouraging worker-member participation in the new governance structures. Warehouse operations could be viewed from an observation deck, as a diversity of workers moved around and communicated seamlessly on electric pallet jacks.

<sup>44</sup> Cannell (2015).

<sup>45</sup> “Essentially any member can stand for the [Board] roles, but if they hold some other roles (e.g. Officer, Zone Leader) they have to give that up to stand” (Ross Hodgson, personal communication, December 7 and December 15, 2020). More generally, it is only possible to hold one position across the Board, Member Council, Zone Leader, and Officer bodies.

<sup>46</sup> Interview with Ross Hodgson, November 25, 2019.

<sup>47</sup> Ibid. Regarding the Learning Development coordinators, “they do a lot with getting people on apprenticeships, inductions etc.” (Ross Hodgson, personal communication, December 7, 2020).

<sup>48</sup> Cannell (2015, p. 72).

---

<sup>49</sup> Basterretxea, I., Cornforth, C., & Heras-Saizarbitoria, I. (2020). Corporate governance as a key aspect in the failure of worker cooperatives. *Economic and Industrial Democracy*, 1-24. doi:10.1177/0143831X19899474

<sup>50</sup> Cannell (2015, p. 71). He also speculates that advances in information and communication technologies (ICT) may help to account for the relative vibrancy of Suma's "conversation" in recent decades – "the glue that brought together all the parts that previously clashed" (p. 72). Further, Cannell notes that, "Due to the experience and personality of individuals and their personal networks inside the organization, Suma cannot be perfectly flat in terms of status. Some individuals clearly have more influence and more personal freedom to act than others, usually, more recently arrived. Attempts have been made to map these informal power relationships" (p. 71). Counterintuitively, at least from a conventional governance perspective, a Social Network Analysis mapping exercise showed that, "In Suma the outliers were clearly the most personally powerful members whereas those in the centre with the largest number of interactions were less influential in the cooperative as a whole" (ibid.).

<sup>51</sup> This section is based on a follow-up interview with Ross Hodgson (December 15, 2020), unless otherwise specified.

<sup>52</sup> Bob Cannell, personal communication, February 15, 2021.

<sup>53</sup> Implying that coordinators are now less overburdened individually, given the increased numbers of people involved. This counts as much for personal and social/caring responsibilities taken on outside of the organization as for the roles and responsibilities taken on within.

<sup>54</sup> The Member Council gathers feedback from the membership through "member statement summaries" and raises issues with the Board once a threshold of 20 members has been reached. The entire workforce is then generally consulted on the matter. "Not big policy type stuff but just asking oh should we do this or should we do that".

<sup>55</sup> "Historically, I think it's very rare that a policy ever gets rejected when it goes to a general meeting. So, it's one of those sort of perceptions of democracy type things maybe, you know, 'I have my vote' – whereas now you've [still ultimately] got your vote but it just works in a different way".

<sup>56</sup> "You can [now become a member] on three days a week and so . . . there's less chance that you'll multi-skill as much because you don't have enough time for it". Hodgson elaborates: "It used to be [that] you could only be recruited as a trial member on five days per week, but effectively once a member you could reduce that contract" (personal communication, February 17, 2021). Bob Cannell adds that many members have worked "three days since the 1980s (at least). Suma always tried to fit in people as members who could not work full time for whatever reason: childcare, artistic creation, disability, self-employment, [etc.]. Consequently, the proportion of part-time workers at Suma is much higher than [at] other businesses. . . . I myself was Personnel Officer on three days per week for twenty years – one [day per week] of which I spent in the warehouse driving a forklift truck. [During] the other two [standard] working days I did other jobs, occupations and childcare outside Suma" (personal communication, February 15, 2021).

<sup>57</sup> In addition to the pandemic, Hodgson gave the example of licensing requirements for truck drivers at a larger operation.

<sup>58</sup> "Have you taken on board what your stakeholders think and all that sort of stuff which you know technically [isn't a legal requirement] on us. But at the same time there's probably good reasons to be thinking about well how are we doing that stuff".

<sup>59</sup> This is partly explained by a gender quota which requires at least three men and three women on each of the Board and Member Council.

<sup>60</sup> "For Suma, you've got to get into how we recruit really if you're going to start to affect those coordinator roles".

<sup>61</sup> See Cannell (2010) for a discussion of the assumptions underpinning standard company law, and resulting conflicts with the realities of worker cooperative governance and management.

---

<sup>62</sup> See <https://www.fiftybyfifty.org/2019/12/erbin-crowell-and-sonja-novkovic-esops-or-co-ops-depends-on-the-long-term-goal/>

<sup>63</sup> Bob Cannell, personal communication, February 15, 2021. Hodgson states that a 75 percent majority vote of the membership would be needed to approve any constitutional change in this regard (personal communication, February 17, 2021).

<sup>64</sup> Ross Hodgson, personal communication, January 18, 2021.

<sup>65</sup> Cannell (2015, p. 72).