

## Pathway to Membership

INFRA is a purchasing cooperative owned and governed by independent natural and organic food retailers of all sizes working together to leverage our voice in the industry. We unite our members for the purpose of providing operational support, leveraging purchasing power, and engaging in other marketing activities.

*"Strengthening our members through collaboration to forge a sustainable future"* is our mission. Since our inception we have focused on bringing independents together to strengthen their voice in the industry. With more than 10 years now established, we are implementing a new opportunity for independent retailers to be introduced to the cooperative as an Associate Retailer.

INFRA offers two ways for interested natural and organic retailers to be affiliated with INFRA and participate in programs and services; Associate Retailers and Member. These two levels offer different benefits and access to INFRA and both are designed to improve store operations and build a strong and dynamic peer network.

To affiliate with INFRA, retailers must meet the following criteria:

- Retailer must be an independently owned natural food retailer. Publicly traded corporations, those with ownership comprised of 50% or more by venture capital or private equity fund(s), and consumer cooperatives may not be considered.
- Retailer's primary business must be the sale of natural and organic foods. "Primary", as defined by the Association, means that at least 50% of total store sales or 50% of the retail footprint must be in natural and organic foods. Retailer may be required to provide proof of such sales volume or retailer footprint.
- Retailer must be in good standing in the natural foods industry and in the business communities where they operate.
- Retailer must be in good standing with the IRS and in compliance with state and federal business regulations and employment laws.
- Retailer must be willing to support and engage in, the activities of INFRA and uphold the vision, mission and goals, and policies as set by the INFRA Board of Directors.
- Retailer must be willing and legally qualified to enter into contractual agreements with the Association for products, programs, and services.
- Retailer must have a history of profitability, or trending towards such, and be able to verify this to the Association upon request. Additionally, retailer should be able to exhibit competent plans for future growth. INFRA may choose to request additional information prior to approval of affiliation in the Association. The additional information can include, yet is not limited to; credit references, submission of most recent tax returns, or submission of P&L and Balance sheet.
- Retailer should have, or is planning for, installation of a Point of Sale System.
- Retailer must be willing to sign and adhere to a confidentiality and Associate Retailer or Membership agreement.

Start-up retailers may also be considered. Retailer must a legal ownership structure in place and have completed a draft business plan demonstrating potential viability for the retailer.

Both levels of affiliation with the cooperative are organized regionally into five regions – Northeast, Southeast, Northwest, Southwest, and Central. Each Associate Retailer is assigned a Region Manager who is dedicated to serving the development needs of the retailer. In addition, Associate Retailers have access to the expertise of all INFRA staff.

Further details on the benefits and requirements of each affiliation are listed below.

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## Associate Retailer

Food retailers with an illustrated commitment of natural and organic practices, continuous improvement, and values based operations are encouraged to begin the path of member ownership in INFRA.

Retailers are invited to participate in INFRA as an Associate Retailer prior to becoming a Member of the cooperative. By providing a pathway, the retailer and INFRA can determine if member ownership is a good fit. Because there are additional benefits to member ownership, INFRA staff will support the Associate Retailer in becoming a Member. We anticipate this process will take between 12 to 18 months.

The Associate Retailer category is a non-ownership method of affiliation with INFRA. This means that there are no investment requirements and no ownership rights, such as voting. However, there are many other benefits and programs available to Associate Retailers.

### Benefits

Associate Retailers have access to the following programs, services, and peer networking:

- Academy of Retail Training, ART (Online staff training)
- Category Management webinars
- INFRA's Listserv to share business discussions
- CoMetrics financial benchmarking
- Annual educational conference and tabletop show
- Marketing and Human Resources Sharing Series
- Regional Share Groups, store peer reviews, best practice sharing, and presentations from industry experts
- INFRA staff expertise

### Financial Requirements

The annual fee for Associate Retailers is set at \$800 to be paid \$200 per quarter. The first \$200 is due at the time of approval.

Associate Retailers are not required to make an equity investment in the cooperative. Associate Retailers are not eligible for patronage rebates and annual fees are not used in calculating ownership rights or patronage rebates.

### Registration Process

Interested retailers that meet the criteria and characteristics of the Associate Retailer will be invited to submit a registration form for review. Once a completed registration form has been submitted with all the required documents, the following steps will be followed:

- The registration form is reviewed by the Director of Member Relations to ensure the retailer meets the eligibility and qualification requirements for Associate Retailer status.
- If the qualifications and requirements have been met, the registration form is submitted to the CEO for approval. The retailer is then notified if they have been approved for Associate Retailer status.
- Once accepted, the retailer must submit a signed Associate Retailer Agreement and \$200 for quarterly dues. Once this information is received the retailer is eligible to join INFRA.

# Pathway to Membership

## Member Owner

Membership in INFRA is ownership in INFRA. INFRA is owned and governed by independent natural and organic food retailers of all sizes working together to leverage our voice in the industry. Membership carries the responsibility of investment in INFRA, and brings governance rights such as voting and input on the organization's direction. In addition, INFRA Members are eligible for patronage rebates as determined by the INFRA Board of Directors.

Members have access to all INFRA programs and services. These services and programs are designed to provide an organized national effort to increase purchasing power and increase differentiation and identity for retailers.

### Benefits

Members have access to the following programs, services, and peer networking:

- Online staff training (Academy of Retail Training, ART)
- Category Management webinars
- Discounted retail business services
- Distribution pricing agreements
- CoMetrics financial benchmarking
- Aggressive pricing on monthly product promotions with flyer & digital formats, distributor Co-Brands, EDLPs, and store supplies such as deli containers and paper bags
- Reduced prices on technology programs from ECRS, SPINS, and Aisle7
- Access to the members' library which includes materials such as handbooks, job descriptions, policies, and procedures
- INFRA's Listserv to share business discussions
- Annual educational conference and tabletop show
- Marketing and Human Resources Sharing Series
- Regional Share Groups, store peer reviews, best practice sharing, and presentations from industry experts
- INFRA staff expertise

### Financial Requirements

Members are required to contribute to INFRA's capital base as well as pay annual dues. A one-time equity contribution is required to become a member. The investment is based on .05% (1/20<sup>th</sup> of one percent) of the prior year's annual sales. Minimum equity investment is set at \$500 and maximum equity investment is set at \$6,000. Should a member choose to leave the cooperative, equity investment is returned based on Board Policy. The one-time equity investment is carried on the retailer's balance sheet.

Dues are a recurring expense to Members and are separate from the equity investment. Dues provide ongoing operating funds to cover INFRA overhead and are billed quarterly. Annual dues are based on .05% of sales. Minimum annual dues are set at \$800 and maximum dues are set at \$6,000. Dues are an expense and should be reflected on the retailer's P&L.

### Registration Process

INFRA is incorporated as a purchasing cooperative in the state of Minnesota. In accordance with cooperative law, the Board of Directors must approve all new Members.

- Once the qualifications and requirements have been met for membership, a recommendation will be made to the CEO by the Associate Retailer's Region Manager and the Director of Member Relations.
- The CEO will bring the recommendation to the Board of Directors for approval. The retailer is then notified if they have been approved for Member status.
- Once accepted, the retailer must submit a signed Member Agreement and equity contribution. Once the documents and investment are received, the retailer is eligible to become an INFRA member.

# Pathway to Membership

## Join Us

Independent Natural Food Retailers Association is a business service cooperative that works to secure a sustainable future for independently owned food retailers. We hope you'll be as excited about joining and participating in INFRA as we are about building a strong natural and organic food system.

Working together is how independent retailers compete and differentiate themselves in the marketplace. The INFRA community has a shared vision and commitment that allows participants to bring high quality organic food to their individual communities. INFRA is able to facilitate this through the programs and services that are offered to its affiliates.

INFRA Programs/Benefits	Associate Retailers	Member Owners
<b>Events</b>		
Share Groups	\$	\$
Intensives	\$	\$
Annual Conference	\$	\$
<b>Marketing</b>		
Marketing Campaigns	\$	✓
Marketing Webinars	✓	✓
<b>Operational Support</b>		
Academy of Retail Training (ART)	\$	✓
Category Management Webinars	✓	✓
CoMetrics	\$	\$
Listserv	✓	✓
Members-Only-Area (MOA)	✓	✓
National Cooperative Bank	✓	✓
SPINS	✓	✓
<b>Purchasing Programs</b>		
Aisle7	✗	✓
Business Services	✗	✓
Co-Brands	✗	✓
Delicious Living	✗	✓
ECRS	✗	✓
EDLPs	✗	✓
INFRA Deals	✗	✓
Independent Choice™ Control Label	✗	✓
New Placement Offers	✗	✓
Operational Supplies	✗	✓
Supply Agreements	✗	✓

Interested in joining INFRA? Please fill out the inquiry form located [here](#).