

Executive Leadership Program: Co-operatives and Mutuals



Supported by



16-21 August 2015
(Fully residential program)



THE UNIVERSITY OF
WESTERN AUSTRALIA



Australian
Institute of
Management
WESTERN AUSTRALIA



Executive Leadership Program: Co-operatives and Mutuals

This is a six day residential program, commencing 10am on Sunday 16 August 2015.

SUNDAY

We begin with a detailed description and explanation of the major leadership components from the LSI instrument and your LSI 360 degree evaluation. We will walk you through your own report and explain how to interpret your results. We will follow this with one-on-one debriefs throughout the week. The LSI will be used to encourage personal reflection on your leadership strengths and challenges in relation to the various topics throughout the program.

In the evening, all participants will attend a dinner to launch the program and Professor Tim Mazzarol will provide an overview of the program schedule. This is also a great opportunity for the participants and facilitators to get to know one another to encourage networking and a free exchange of ideas.

MONDAY (Module 1)

Understanding Co-operative and Mutual Business Models

Morning

This module will take a global approach and exhaustive analysis of the theory and practice of the business model concept and how it applies to co-operative and mutual enterprises. The analysis includes case studies from around the world.

Afternoon

Participants will undertake a critical analysis of the business model in their own organisation. Participants will be challenged to examine their personal leadership effectiveness in ensuring their model is effective, coherent, and clearly communicated.

Evening

An evening session will be used to debrief the program readings and discuss their relevance to the co-operative and mutual organisations of the participants.

TUESDAY (Module 2)

Governance and Leadership in Member Owned Businesses

Morning

This module addresses the issue of managing within a democratic organisation, including the three interconnected tensions of; representing the interests of members, managing controlled growth and supporting executive managers. Several theories will be examined using case studies as examples.

Afternoon

The afternoon session will focus on the specific challenges of governance in the organisations of the participants. Leadership responsibilities and proactive approaches to ensuring governance issues are met and addressed will also be examined.

Evening

Informal discussion will focus on leading individuals and teams in co-operative and mutual organisations. Participants will get the opportunity to consult with the program facilitators and coaches to discuss particular leadership issues in their organisation.

WEDNESDAY (Module 3)

Marketing Our Co-operative Advantage (MOCA)

Morning

This module examines the co-operative or mutual as a service organisation with the purpose of delivering value to members. Factors around member satisfaction, value recognition and converting these into member identity and loyalty will be addressed.

Afternoon

Participants will apply best practice marketing theory and practice to the specific requirements of their organisations to ensure member engagement.

Evening

Benefit from the experience of some of the leading co-operative and mutual executives at our dinner and panel discussion.

THURSDAY (Module 4)

Financing Co-operative and Mutual Businesses

Morning

This module is focused on the financial management of co-operative and mutual enterprises and the differences between them and investor owned businesses, including; corporate reporting requirements, capital structures, the use of Co-operative Capital Units (CCU), and specific financial reporting requirements for co-operative and mutual businesses in Australia.

Afternoon

Financial challenges and the unique financial situations of participant organisations will be work-shopped.

Evening

A debrief of the previous evening's panel discussion will be conducted with an in-depth look at leadership strengths and competencies.

FRIDAY (Module 5)

Legislative Structures and their Impact on Co-operative and Mutual Enterprises

Morning

This module examines the legislation specific to the co-operative and mutual business sector in Australia, including the Co-operatives National Law (2012), plus the various State and Territory Co-operatives legislation and associated regulations.

Afternoon

Participants will get the opportunity to assess the legislative impacts on their businesses. Finally, participants will develop an action plan to meet their organisational and leadership challenges, and to plan topics for a Master Class to be held in six months.



Program Details

AIM WA•UWA Business School Executive Education

The University of Western Australia Business School and the Australian Institute of Management Western Australia together have more than 150 years' experience supporting the education and training needs of individuals and organisations locally, nationally and internationally. Their joint venture, AIM WA•UWA Business School Executive Education, continues this proud tradition. Based in Perth, and servicing clients around the world, Executive Education brings the intellectual depth of one of Australia's leading business schools together with the applied focus of Western Australia's foremost learning and development institution. It's a partnership that focuses on equipping senior leaders and managers with the individual and organisational tools to succeed at work and life.

About the Program

The program has been designed by Winthrop Professor Tim Mazzarol and Dr Elena Limnios, recognised experts in the field, following extensive research into the needs of co-operative and mutual organisations. The program will focus on sustainability, performance, and resilience of co-operative and mutual organisations. The program will apply theory and industry best practice to the organisational realities of the participants.

In addition, the leadership requirements of high performance co-operative and mutual organisations will be assessed and participants will be given the opportunity to better understand their own leadership strengths and opportunities. This self reflection will be achieved through sessions that are both challenging and respectful, allowing participants to learn from each other's leadership styles.

The Crucial Need for the ELP-CM

The ELP-CM has been specifically designed to address the unique challenges faced by managers in co-operative and mutual enterprises.

There are already a significant number of management development programs in the market. However, many of these courses do not meet the specific requirements of managers from the co-operative and mutual enterprise sector. The need for a dedicated course for these managers is due to the unique nature of the co-operative enterprise business model.

Many aspects of the way co-operative and mutual enterprises are managed are similar to more conventional businesses. However, there are also many important differences. These relate to areas such as their governance, accounting procedures, distribution of share capital and voting rights, human resources, communications, marketing and strategic purpose.

Program Objectives

At the conclusion of the program participants will be able to:

- Compare and contrast the co-operative and mutual business model with that of investor-owned businesses
- Exhibit knowledge of the co-operative and mutual business model as it exists locally, nationally and internationally
- Demonstrate an ability to apply their understanding of co-operative and mutual enterprise business model dynamics to the solving of managerial problems
- Have greater insight into their personal leadership strengths and weaknesses and how they relate to their organisation's imperatives

- Evaluate the impact and make strategic decisions in relation to:
 - government policies and legal environments
 - competitive market dynamics
 - social cooperation within their member community, and
 - the impact of the natural environment
- Understand the nature of member loyalty and engagement within a co-operative and mutual enterprise and how to strengthen and retain member commitment.

Duration: 6 days

Location: AIM WA, 76 Birkdale St,
Floreat, WA, 6014

Dates: 16 – 21 August 2015

Fees: \$7,800 plus GST
\$7,200 plus GST (Corporate/
Professional Members of AIM WA)

The program fee covers all program materials, accommodation, transfers, all meals and follow-up Master Class.

Program Sponsorship

We are delighted that CBH Group have joined us as the first sponsor of this program. There is an opportunity for organisations to contribute to the development of the sector by becoming a full or partial sponsor of the program. This would mean the funding or part funding of places on the program to provide opportunities to organisations that may not have the opportunity to otherwise attend. Benefits would include:

- Establishing your organisation as a leader in the co-operative and mutual community
- Demonstrating to your owners that the organisation is living the ethos of co-operation and mutual benefit
- Promoting the health of the co-operative and mutual business model through ongoing partnerships and learning
- Establishing a common force for advocacy to government and regulatory bodies.

Program Facilitators

The substantive content of the program is designed and facilitated by Professor Tim Mazzarol and Dr Elena Mamouni Limnios who are both world experts in the Co-operative and Mutual sector. They have conducted extensive research and have authored many publications outlining the key issues, advantages and challenges that face co-operative and mutual organisations. Both Tim and Elena are also highly skilled and engaging facilitators, who take an experiential approach to adult education, which challenges and inspires participants.

Dr Katy Tindall and Dr Steve Brown, Manager of Executive Education are both experienced Organisational Psychologists who have worked for a leading co-operative organisation. Katy and Steve will provide expertise in applying leadership development to the specific requirements of the sector. As part of this process, participants will complete an extensive 360 degree evaluation of their leadership competencies. Katy and Steve will then assist participants to self-examine their leadership and develop an action plan for continued development.



Winthrop Professor
Tim Mazzarol FAIM



Dr Katy Tindall FAIM



Dr Elena Mamouni Limnios
Assistant Professor
UWA Business School



Dr Steve Brown FAIM
AIM WA-UWA Business School
Executive Education

The Executive Leadership Program for Cooperatives and Mutuels was a great opportunity to step away from the business and think more deeply about why the Geraldton Fishermen's Cooperative exists, and what it can do to better engage with and serve its members. The depth and breadth of information and analysis was impressive, while the commitment of the presenters to the subject matter was beyond what you would normally encounter in a standard executive training program. The opportunity to meet and work with peers in the cooperative community was invaluable, especially given the regional location for many of the attendees. It's clear that everyone left the program with a clear list of concrete actions to implement in their respective organisations.

Wayne Hosking
Chief Executive Officer
Geraldton Fisherman's Co-operative Ltd

Congratulations to the team for building and delivering the Co-operatives and Mutuels program. The time invested in researching the material has built a foundation so that we can all gain a better understanding of Co-operatives and their role in society. The program was fast paced and loaded with worthwhile information and interaction, I have walked away with many new ideas to share with my business colleagues.

Stephen Birch
Head of Supply
Capricorn Society

MODULE 1:

Understanding Co-operative and Mutual Business Models

Module Description:

This module examines the theory and practice of the business model concept and how it applies to the co-operative and mutual enterprise. It will adopt a global approach using examples and case studies from around the world. The strengths and weaknesses of the co-operative and mutual enterprise business model will be reviewed and students will be asked to undertake a critical analysis of the business model applying the theory to their own organisation. Attention will be given to the creation of a clearly articulated Member Value Proposition (MVP) through the clarification of the organisation's purpose, and the configuration of its resources, processes and financial structure.

Learning Objectives:

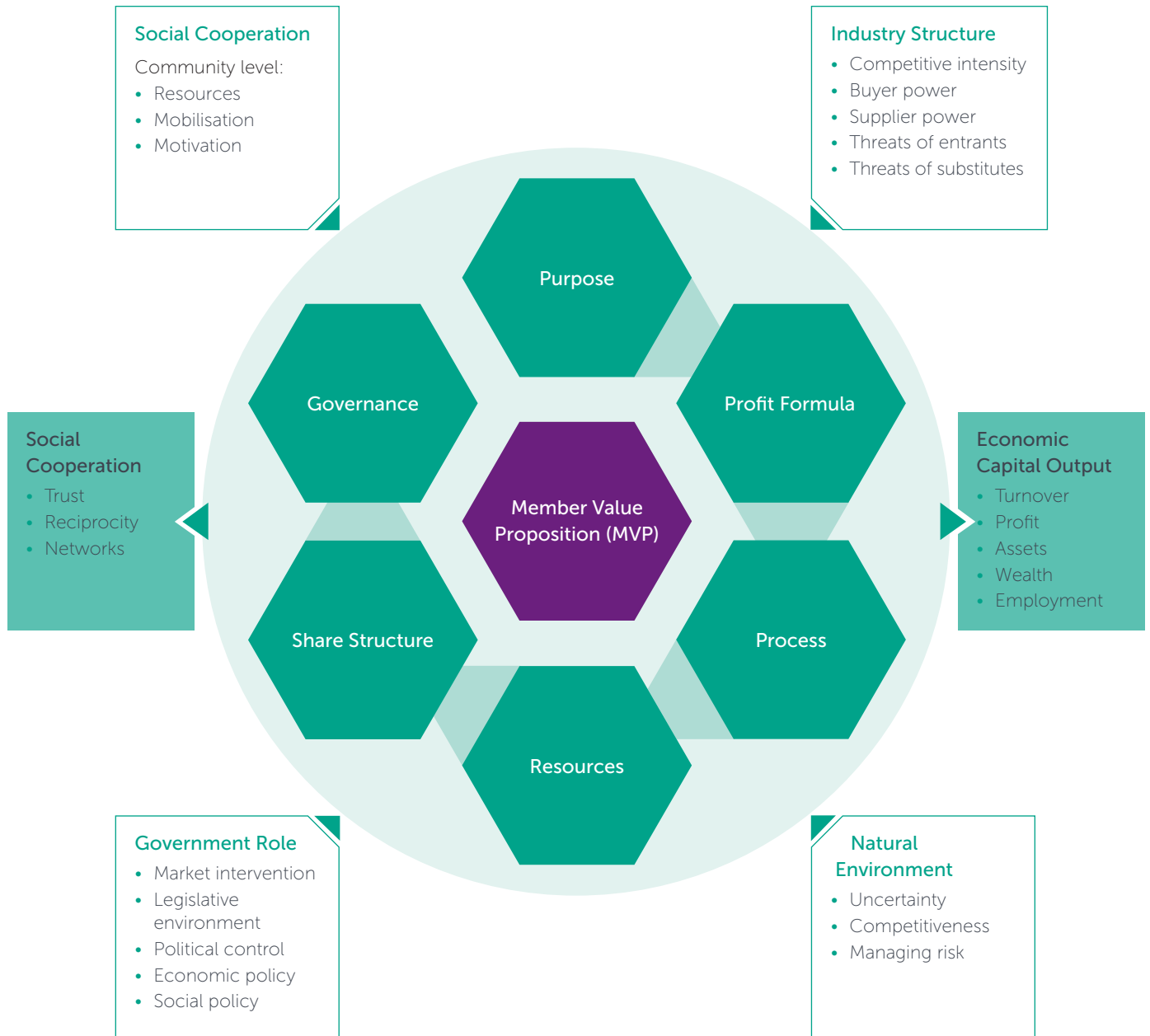
Managers who complete this module should be able to:

1. Understand and demonstrate knowledge of the theory and application of the business model concept.
2. Identify and correctly classify the key components of the business model framework that apply to co-operative and mutual enterprises.
3. Demonstrate the ability to differentiate the business model of the co-operative and mutual enterprise from those of investor owned or not-for-profit businesses.
4. Examine their own organisation's business model and critically assess its strengths and weaknesses with a view to identifying the organisation's ability to sustainably deliver a MVP.

Business Model Analysis:

Participants will prepare a business model analysis of their own or a third-party business. This will involve examining each of the elements and assessing their strengths and weaknesses as well as the extent to which they are formally recognised and measured.

The Business Model Framework



MODULE 2: Governance and Leadership in Member Owned Businesses

Module Description:

This module examines the specific challenges facing the board and executive management of a co-operative or mutual enterprise. In particular, the module addresses the issue of managing within a democratic organisation. Key factors explored are the three interconnected tensions facing board members representing the interests of members, managing controlled growth and supporting executive managers. Attention will be given to theories of Agency, Stewardship, Stakeholder, Resource Dependency and Managerial Hegemony to understand the tensions faced by Boards and Executive Managers within co-operative and mutual enterprises. Also examined will be the role of the co-operative as a coalition or strategic network and the dynamics of managing within such organisations. Case studies will be used to guide the learning process.

Learning Objectives:

Managers who complete this module should be able to:

1. Understand and demonstrate knowledge of the theory, nature and implications of governance within member owned businesses.
2. Examine different types of member control within member owned businesses and the implications this has on board structure, articles of constitution and bylaws.
3. Demonstrate an understanding of the responsibilities and duties of directors of member owned businesses and the differences between governance in these and other types of organisations (e.g. investor, owned, and not-for-profit enterprises).
4. Examine their own organisation's governance and board structure and critically assess its strengths and weaknesses with a view to identifying areas for improvement.



MODULE 3: Marketing Our Co-operative Advantage (MOCA)

Module Description:

This module examines the co-operative or mutual as a service organisation with the purpose of delivering value to members. The factors that influence member satisfaction, value recognition and then convert into member identity and loyalty will be addressed. How member value is recognised and measured within member owned businesses; and the theory and practice learnt from services marketing will be overviewed. Students will apply a Service Dominant Logic (S-D Logic) framework to examining the marketing and member engagement activities within the enterprise. Students will be tasked to undertake a member satisfaction, identity and loyalty review of their own organisation using standard measurement tools.

Learning Objectives:

Managers who complete this module should be able to:

1. Understand and demonstrate knowledge of the theory and practice of marketing within member owned businesses including the concept of Marketing Our Cooperative Advantage (MOCA).
2. Examine different types of member engagement with a co-operative or mutual (e.g. patron, investor, owner and community member) and how this impacts on their loyalty and expectations of value from membership.
3. Demonstrate an understanding of the concept of S-D Logic and how it can be related to the co-operative and mutual business.
4. Examine their own organisation's approach to member engagement and marketing, and then critically assess its strengths and weaknesses with a view to identifying areas for improvement.





MODULE 4: Financing Co-operative and Mutual Businesses

Module Description:

This module examines the financial management of co-operative and mutual enterprises and the differences between them and investor owned businesses. It addresses the corporate reporting requirements, capital structures, of distributing and non-distributing forms and the use of Co-operative Capital Units (CCU). The need to balance patronage and investor interests in the design of corporate financial structures will be examined along with specific financial reporting requirements for co-operative and mutual businesses in Australia. Students will be tasked to undertake a review of their own organisation's financial structure.

Learning Objectives:

Managers who complete this module should be able to:

1. Understand and demonstrate knowledge of the theory and practice of financing member owned businesses including the use of CCU's.
2. Examine the nature of ownership rights over share capital and the problems of vaguely defined shareholder rights in the structure and governance of co-operatives.
3. Demonstrate an understanding of the interplay between control rights, governance and ownership within member owned businesses and how this impacts on the financial structure and strategy of the enterprise.
4. Examine their own organisation's approach to equity structures, ownership rights and financing, and then critically assess its strengths and weaknesses with a view to identifying areas for improvement.

The Financial and Business Strategy of Member Owned Businesses

Pricing Strategy for Members

- Revenues and costs must be accurately allocated among members in line with their performance and cost causalities.
- Cross-subsidisation will cause larger members to leave if they suspect they are charged for someone else's costs.

Capitalisation

- Retention policy reflects desired financial profile.
- Balanced distribution of profits over collective and member capital.
- Introducing member liability enhances debt capacity.

Alignment of co-operative structure to member base and business & financial strategy

Voting System

- In principle a non-homogenous member base implies that voting power will be linked to volume.
- Volume linked to voting rights become more important if capital invested by members is also related to volume.

Governance Structure

- Plays a key role in the communication between members and co-op and should enhance the involvement of the members with the co-op.
- Should enable the co-op to react quickly and decisively.

MODULE 5:

Legislative Structures and their Impact on Co-operative and Mutual Enterprises

Module Description:

This module examines the legislation specific to the co-operative and mutual business sector in Australia. This would include the Co-operatives National Law (2012), plus the various State and Territory Co-operatives legislation and associated regulations. Co-operatives that operate as non-profit organisations, those registered under the Corporations Act (2001), but trade as unlisted public companies will also be examined along with the pros and cons of each structure. The specific requirements of financial mutual enterprises will also be examined. This will address the regulation of financial mutual firms by the Australian Prudential Regulation Authority (APRA). Comparative legal environments will also be examined with reference to legislation in other countries.

Learning Objectives:

Managers who complete this module should be able to:

1. Understand and demonstrate knowledge of the legislative and regulatory environment relating to co-operative and mutual enterprises within Australia and overseas.
2. Assess the impact of this legislation on the establishment and operation of member owned businesses.
3. Demonstrate an understanding of the role government policy can play in enhancing or impeding the growth of co-operative and mutual enterprises.
4. Examine their own organisation's compliance under relevant legislation, and then critically assess its impact with a view to identifying areas for improvement.





The program brought together the key fundamental principles of "What Makes a Co-operative", and tied them together with real life case study analysis. This combination provided some real tools and learnings that can be implemented in our own organisation.

Mike Waddell
General Manager
Wesbuilders Co-operative Ltd

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*Co-operatives and Mutuals
Participants 2014.*

AIM WA•UWA Business School

EXECUTIVE EDUCATION

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