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## **NEWS! Taking it to another level! A research into how the national associations of European World Shops can increase their professionalisation**

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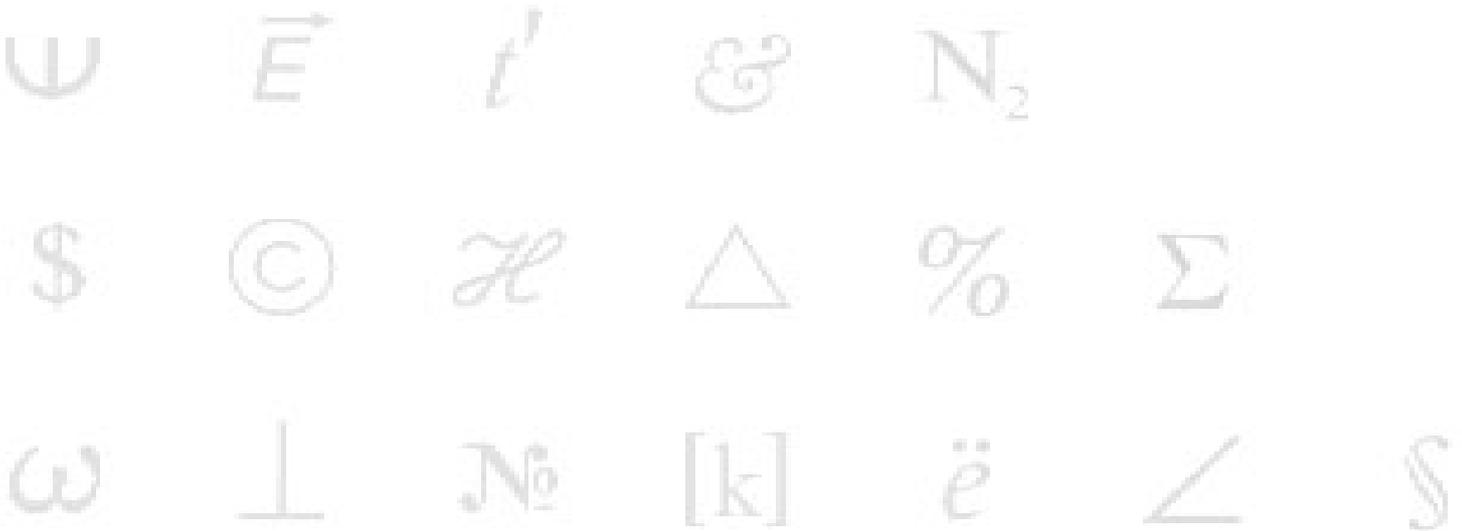
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A research into how the national associations of European World Shops can increase their professionalisation

Marjolein Vijver

EC 147

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## Preface

This thesis marks the end of my study of Management and Organisation at the *Rijksuniversiteit* Groningen. It is also the end of my research project at NEWS! and the six months internship at the Landelijke Vereniging van Wereldwinkels in commission of the Science Shop of Economics and Management & Organization. Although it involved much travelling from Groningen to Culemborg, it has been a pleasant time. And the trips to Brussels, Paris and Lille were a nice alteration of my computer work.

Hereby, I would like to thank all my four supervisors, Erika Spil from NEWS! and Caroline Quispel, Daan Tavenier and Elise Kamphuis from the University of Groningen for their feedback and contribution to this research.

I also want to thank my family, friends and my boyfriend Matthijs for their support, especially in the stressful moments right before the deadlines. Your distraction was also very welcome during the considerable lonely work of writing a thesis. In particular I would like to thank my two brothers: Martijn for correcting my English spelling and Jeroen, for the many sleepovers in Amstelveen, which made my travel time to Culemborg much shorter every week.

Finally, I would like to wish you all a pleasant reading of this report.

Marjolein Vijver  
Groningen, July 2004



## Management summary

NEWS! is the Network of European World Shops which coordinates the cooperation of the affiliated national associations of World Shops. World Shops are not-for-profit organisations that sell all kinds of Fair Trade products. Their national associations support the World Shops in their selling activities, organisation of campaigns for awareness raising among the public and lobby with policy makers for more favourable trade policies for the producers in the South. The national associations that are members of NEWS! display an enormous variety in levels of professionalisation, organisation and finance. The executive board of NEWS! asked itself if and how some national organisations could learn from the more developed and professional ones. The objective of this research is to develop guidelines for the professionalisation of the national associations of World Shops. The research question therefore is: *“How can the national associations of European World Shops reach a higher level of professionalisation?”*

The research question was answered in two steps. The first step involved the determination of the different levels of professionalisation of the national associations of World Shops and the second the design of guidelines to transform national associations of World Shops to a higher level of professionalisation. To determine the different levels of professionalisation literature was studied and interviews were conducted with 11 NEWS! representatives. These interviewees represented the countries Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden and the United Kingdom. This resulted in a professionalisation framework with four levels. The national associations could be placed in this framework on the basis of indicators.

The first level and lowest level of the framework is characterised by the start of the organisation. The national associations that fitted this level were: Finland, Italy, Spain, Sweden and the United Kingdom. The indicators for this level are, that:

- the national office has one coordinator;
- the personnel of World Shops is offered a newsletter and incidental trainings;
- the World Shops have different product assortment;
- the national association focuses on the past.

At the second level of the framework the emphasis lies on the development of operational systems. Denmark and France were placed at this level. The indicators are, that:

- the national office employed more personnel (more than 1 fte.);
- the national association has developed a mission statement and a strategy plan (for 3-5 years);

- the national association makes use of single-loop learning and its focus is on the present.
- the personnel of the World Shops is offered a handbook and annual trainings;
- the World Shops have the same ratio of food/non food in their product assortment and a common name and logo.

The national associations at the third level were mostly occupied with the development of management systems. The national associations that reached this level were Austria, Belgium, Germany and the Netherlands. The indicators for this level are, that:

- the national office has divisions for its personnel;
- the national association improves its financial structure (become less reliable on subsidies), develops longer term strategy plans/visions (more than 5 years), uses double-loop learning, focuses on the future and offers a computerisation project to the World Shops;
- the personnel of the World Shops is offered trainings multiple times a year and on request;
- the World Shops; have a common image in the form of a shop concept, are located at A and B locations, and emphasize their product assortment on high-quality handicraft products;

No national association reached level four at which the emphasis lies on constantly looking for potentials. The indicators for level four are, that the organisation has a never-ending cycle of improvement; uses holistic leadership; has leaders that come from within the organisation; has a corporate culture and philosophy; has all its elements aligned with each other; uses triple-loop learning and a 'flow' time frame.

The second step of the research involved the design of guidelines to transform national associations of World Shops to a higher level of professionalisation. To develop these guidelines best practices from inside and outside NEWS! were used in combination with a literature research concerning changes in organization structures. Inside NEWS! these best practices were derived from the four national associations that operate at level three. Employees from these national offices were interviewed. For the best practices outside NEWS! three experts of retail and not-for-profit organisations were interviewed. The guidelines to reach a higher level are:

From level 1 to 2:

- stop being a mutual support organisation;
- start a discussion in the national association about the future direction;
- develop a mission statement; strategy plans and handbooks;
- start giving trainings to World Shop personnel;

- work with coordinators and paid staff in the World Shops;
- introduce a contract, a time of probation and progress conversations for the volunteers;
- develop a common name and logo;
- use single-loop learning;
- start focusing on the present.

From level 2 to 3:

- define the roles and responsibilities of the staff of the national office;
- choose between the service-delivery and federal model for the national association;
- improve the financial structure;
- develop a vision;
- start focusing on the future;
- make use of double-loop learning;
- improve the communication flow within the national association;
- decide what the positioning of the World Shops should be;
- offer a location analysis for the World Shops;
- develop a shop concept;
- extend the training facilities for the World Shop personnel.

From level 3 to 4:

- develop a corporate culture and philosophy;
- develop holistic leadership;
- use a time frame that covers past, present and future;
- use home-grown management;
- make use of triple-loop learning;
- continuously search for improvement.

If national associations of World Shop follow the guidelines, it could take them to a higher level of professionalisations!



## Conclusions and recommendations

### Conclusions

The examined 11 national associations of World Shops operated at different levels of professionalisation. At the four levels of professionalisation based on the indicators: mission, vision, philosophy, strategy, structure and marketing, five national associations operated on level 1, two on level 2 and four on level 3. The national associations that operated at level 3 were Austria, Belgium, Germany and the Netherlands. None of the associations reached the highest level of professionalisation, level 4. Only a few national associations satisfied all the indicators of one level: most associations satisfy indicators at two levels. Therefore, national associations placed at the same level were not necessarily comparable with each other. Moreover, the performance of national associations at the same level could differ per indicator. Thus, national associations at the same level could also learn from each other.

The national associations grew in professionalisation and in size when they go from one level to a higher level. Organisations normally grow over time and the national associations are only able to provide more services to the World Shops when the organisation is larger. Therefore the size of the national office has to grow, with more personnel specialised in different subjects.

The national associations of World Shops are unique organisations, because they combine characteristics of retail organisation with characteristics of not-for-profit organisations. The organisations work with volunteers and at the same time have to meet the conditions of the market. This could cause conflicts. Although literature is available about not-for-profit and retail organisation, literature that combines both does not exist. The World Shops are shops that need to compete with other regular shops to survive. However, the personnel mostly exist of volunteers and the whole organisation has a tradition of performing as a not-for-profit organisation. This cannot be changed easily and maybe should not be changed at all.

The best practices of national associations showed that national associations at level 3 performed better than the national associations at lower levels. One important criterion of level 3 is the new shop concept. Research by the national associations of the Netherlands and Austria concluded that the turnover of World Shops that implemented the new shop concept increased, so their national associations received more income and developed further.

The national associations, except for Germany, that operated at level 3 were also the ones with the oldest national offices. It has taken these national associations about 30 years to come from level 1 (start of the national office) to level 3. Germany has a national office since 1998. The national association of Germany developed extremely quick compared to the other

organisations at level 3. This could be due to the increased cooperation between the national associations that exists since the establishment of NEWS! in 1994. The national associations in Austria, Belgium and the Netherlands could not benefit from the cooperation in NEWS! and maybe that is why their development took longer. Nowadays, national associations have the ability to learn from their colleagues in other countries.

However, the members of NEWS! could use each other's knowledge much more and could work much more together. The 5-year plan of NEWS! formulated, for example, that NEWS! wants to motivate the national associations and World Shops to improve by providing models of success (5-year plan NEWS! 2001-2005, 2000). However, there is only one person at the NEWS! office who focused on the professionalisation of the members and not much models of success had been collected. It was difficult for NEWS! to take clear decisions, because the members had different interests. Some members were more interested in the awareness raising part of the World Shops and others in the sales part. However, a beginning with the improvement was made by providing the handbooks of the different national associations on the website so that the other members could use these for their own organisation. In addition, national associations interested in a new shop concept visited the Netherlands that introduced this concept. These kind of bilateral initiatives could be more promoted by NEWS!. NEWS! should than possess the knowledge about which members performs best on which issue. This report provides already insight in the best practices of Austria, Belgium, Germany and the Netherlands for the issues of strategy, structure, marketing and mission.

In addition, some national associations did not have knowledge about the performance of their World Shops. Clear data about, for example, the turnovers of World Shops were not available from all countries. Moreover, the members of the national association of World Shops always disagreed about the ways to achieve their goals. Employees of the national offices often had more professional approaches in mind than the individual World Shops. This made it difficult for them to convince the members of the advantages of their approaches. Not-for-profit literature confirmed that volunteers often are reluctant to change and reluctant to use management terms like strategy and marketing.

The recommendations focus on how commitment can be created within the association to move to a higher level with the whole association. However, if there are still World Shops that are reluctant to any change and cooperation one should ask why these World Shops are member at all and that it could be wiser to only go through with the members that want to invest in the national association.

## **Recommendations**

The guidelines for the national associations of World Shops are presented as the recommendations in this section. The guidelines are based on: the literature, the best practices inside NEWS! and the best practices outside NEWS!

It is recommendable that the national association first tries to improve the elements that belong to the level it is currently at. These elements are suitable for the kind of organisation the national association currently is. If the national association tries to use elements from higher levels before it has focussed on the elements of its own level, then the organisation is moving too fast. It could be that the members of the association are not ready for all these changes. Or that the organisation is very far on the point of improving its shops with a shop concept, but forgets to train the personnel that have to work in these professional shops that require qualified personnel. This development could be noticed at the national association of Denmark, which has a brand new shop concept (level 3 indicator), but no handbook for its personnel (level 1 indicator). Thus, the professionalisation has to be taken step by step.

### **Guidelines from level 1 to level 2 based on literature**

#### *1. Start focusing on the present*

For individual World Shops it can be difficult to give up their own name and logo and change their way of working. These World Shops need to stop fixating on the past and the way everything used to be and start focusing on the present. They need to be convinced of the advantages of the new way of working in a clear way.

#### *2. Make use of single-loop learning*

Single-loop learning occurs weekly or monthly. If it happens consciously and not just on an individual level the organisation can learn from this and improve its way of working.

### **Guidelines from level 1 to level 2 based on best practices inside NEWS!**

#### *3. Discuss with the members the future direction*

The national association need to discuss with all the members the future direction of the association. The members should ask themselves what it is they want to achieve and how they want to achieve this. If the goal is to improve the livelihood of the producers in the South, there are several ways to achieve that. The producers themselves want high orders for their products. To sell more the World Shops should be attractive. Marketing tools have been proven useful for this purpose. However, in some World Shops marketing is a bad word, but it must be kept in mind that these objections against marketing are the ones of the members, not the objectives of the producers for who they volunteer. Convincing all the members of the

need for change and a more professional approach in selling is a long process and requires a mentality change. The World Shops should be seen as real shops instead of solidarity shops.

#### *4. Develop strategy plans*

Strategy plans give direction to the organisation and can be made for 3-5 years. These plans include the future direction of the organisation, its capabilities, and its future threats and opportunities. These plans then need to be translated into one-year operational plans that state exactly what must be achieved in which amount of time. A strategy plan must have measurable goals and targets so it can be easily determined when a goal is reached and a new target can be set.

#### *5. Develop handbooks*

A handbook describes the practical things that need to be known when running a World Shop. Most countries have one, the countries that do not can take the information for the handbook from the website of NEWS! in the near future. This information could also be available through the intranet of the national associations. A handbook on the internet or intranet saves printing costs.

### **Guidelines from level 1 to level 2 based on the best practices outside NEWS!**

#### *6. Introduce a volunteer contract combined with a time of probation*

People can volunteer for various reasons. The motive to volunteer can influence the tasks the volunteers want to perform in the World Shops. A volunteer contract with the rights and duties of the volunteer ensures that the volunteer knows what is expected from him or her and avoid conflicts between the employer and the volunteer. The contract can be combined with a time of probation to see if the volunteer is suitable for the job. By means of progress conversations between the volunteers and the coordinator one can find out what the volunteers like in the World Shops and which things can be improved and vice versa.

### **Guidelines from level 1 to level 2 based on the best practices outside and inside NEWS!**

#### *7. Stop being a mutual support organisation*

World Shops used to be gathering groups where people could come in and talk about Third World issues. These kind of World Shops exist for the people in the shops and not for the people in the South. Most World Shops do not operate as a mutual support organisation any more. However, the one that still are, should change to serve the interests of the people in the South.

#### *8. Develop a mission statement*

The discussion of the future of the national association can lead to the development of an organisational mission statement. A mission can motivate volunteers to apply for the

organisation. The mission of the organisation states the basic purpose of the business in one or two sentences.

*9. provide trainings for the World Shops personnel*

The personnel of the World Shops need to be trained to become quality sales people. The trainings should be about sales techniques and Fair Trade. The national associations can offer these trainings to their members for free or charge a fee.

*10. Apply coordinators in the World Shops*

Specially in large volunteer groups, where volunteers do not have regular contact with each other a co-ordinator is needed, so there is one person who is available for everyone with questions and who has an overview over different working groups in the World Shop.

*11. Work with paid staff*

The advantages of a paid coordinator are continuity, responsibility and time to intensively deal with problems. It is possible for World Shops with turnover over € 100,000 per year to hire a part-time coordinator. This will be the case for the Shops in the larger cities.

*12. Develop a common name and logo*

With a common logo and name the World Shops can be easily recognised all over the country. The customer then knows what to expect when entering a World Shop. Therefore, the kind of product assortment, for example the ratio of food/non food in the shop, needs to be comparable as well in the shops. This is the first step to a new shop formula, although this can take a while. But it is good to keep in mind the following step and to build the new concept further on the existing common materials. This prevents that the World Shops need to change everything again and, therefore, saves money.

## **Guidelines from level 2 to level 3 based on literature**

*1. Define the roles and responsibilities of the staff*

The role of the employees at the national office in relation to the board and the members of the association is not always clear when the organisation grows. Therefore, tasks and the responsibilities of the employees need to be formally defined.

*2. Choose between a service-delivery and federal model*

The service-delivery organisations are national associations which choose to use the World Shop just as a shop at a local level and perform the political work at a national level. These World Shops have more strict rules they need to adhere to, with regard to, for example, the appearance. These rules can be written down in a contract between the national association and the individual World Shop. This kind of organisation can be compared with a sort of franchise concept. The federal organisation is a model in which the political work is also present at the local level. Not so much in the World Shops, but in special action groups that organise and carry out the campaigning work. The World Shops can then concentrate more on the selling activities, knowing that the campaigning work still is carried out. In an

organisation that carries out the two activities it is harder to keep the members as tight as in the service-delivery model. But a lot of elements of the service-delivery organisation can be used, like qualification of personnel, and presentation of the shops.

*3. Start focus on the future*

To focus on the future a vision has to be developed and the financial structure improved. With a more solid financial structure the continuity of the organisation cannot come in jeopardy.

*4. Make use of double-loop learning*

Double-loop learning is necessary when internal or external signals make clear that just adjusting the rules does not solve the problems. Then the insights behind the rules have to be changed as well so that the organisation can change its current way of doing business.

**Guidelines from level 2 to level 3 based on best practices inside NEWS!**

*5. Improve the financial structure*

For a national organisation it is inefficient to depend on subsidies, because subsidies require additional activities. In addition, it can endanger the continuity. Therefore, national associations should try to finance the core activities, like costs of the office, personnel and the program costs with internal money based on a certain percentage of the turnover of the World Shops. This way the income of national association increases with the growth of the world shops. An alternative is that national associations receive directly a percentage of the turnover of each product. This means that the prices should slightly increase for the customer.

*6. Develop a vision*

A longer-term vision (more than 5 years) is necessary to provide direction and to derive new strategy plans. This vision should include:

- the range and mix of business of the organisation
- identification of a target group and product range (food/non food)
- the basis on which the organisation intends to compete
- the future scale of the organisation (number of shops and employees)
- the philosophy and values of the organisation
- the structure, management systems and operating culture of the organisation.

*7. Improve the information flow within the national association*

The cash registers in the World Shops should be computerised, so that data about sold products become easily available for the national associations. World Shops and the national association can learn much from these figures, for example, which products sell well and which not. The computerisation makes it also possible to measure the performance of the World Shops.

#### *8. Offer a location analysis*

The risk of investing in a new location can be taken if it is carefully analysed what the expected turnover will be. A location analysis can be a helpful tool for this. Elements of a location analysis are the price/quality ratio of the shop, the location of the shop (counting of passers-by), the suitability of the shop and eventual adaptations to the shop before opening.

#### *9. Extend the training facilities for the World Shop personnel*

The training facilities can be extended by offering multiple trainings per year by the national associations or by offering trainings that can be ordered by the World Shops. If World Shops in the same region order the training together and split the costs the training becomes cheaper. To provide training in specialised areas cooperation with external non-commercial institutes can be advantageous in case the employees of the national office are not specialised in these areas. Trainings that are most appreciated by the personnel are the ones that are practical and can be directly applied to their own situation.

### **Guidelines from level 2 to level 3 based on best practices inside and outside NEWS!**

#### *10. Determine the positioning of the World*

It is recommendable to position the World Shops in the specialty goods market. This market is characterised by small shops, personal service, up-town locations and a high price level. The product range should then be mainly non-food products. If the World Shops still want a large share of food then the positioning should be on the preference goods market. These are local shops or special corners in other shops with a medium price level and social contact.

#### *11. Develop a shop concept*

To develop a shop concept some pioneer shops are needed that like to try the new concept. Successful shops that carry the new concept can encourage the other World Shops to use it as well. This shop concept can be implemented in a couple of steps:

- convince the members of the advantages of the new concept over the existing situation
- analyse the present situation
- translate the needs of the customers into a new concept (with help of external people and some members of the national association)
- make sure that this concept can be used by all the different World Shops
- rebuild the first pilot shop and let the members all take a look
- explain the new concept in detail and give an estimation of the costs
- discuss the problems the members see and make some space for compromising, for example, that it can be possible to use existing furniture instead of new ones.

### **Guidelines from level 3 to 4 based on literature**

#### *1. Develop holistic leadership*

The organisation needs to have holistic leaders who make sure that the values and corporate culture are present in the organisation. These leaders see their organisations in a larger context in the environment and do not only look into their own organisation to help develop their potentials and that of their people, but to the outside as well.

#### *2. Use a 'flow' time frame*

These leaders should be able to sustain for themselves and communicate to their members an appreciation of the rich legacy of the organisation's past, an in-depth knowledge of the present state and a vision of the future they want to create.

#### *3. Use home-grown management*

The organisation needs to develop an excellent management development and succession planning. The new inside leaders understand the organisation very well, and more importantly, the corporate culture and are more likely to be accepted by the organisation members than outsiders.

#### *4. Make use of triple-loop learning*

The organisations at level 4 should have discussions about their essential principles about every 5 or 10 years when single- and double-loop learning does not provide solutions anymore. High-performing organisations learn to learn (meta-learning) and are conscious of the learning process and the knowledge that exists within the organisation.

#### *5. Continuously search for improvement*

The organisation needs constantly scanning new potentials for the organisation. The national associations should not be afraid of change, but should see it as a process that offers new opportunities. The organisation needs to be all about continuous improvement.

### **Guidelines from level 3 to 4 based on literature and best practices outside NEWS**

#### *6. Develop a corporate culture and philosophy*

The philosophy of an organisation exists of corporate values that are the guiding principles for corporate actions. First, it needs to be defined within the association what these values are. This can be reached with a discussion in the national association, just like the one about the mission statement. Then a formal method of transmitting these values throughout the organisation should be developed. The purpose of this philosophy is that every member in the organisation has the same vision of what the organisation should become and uses the same values in their actions at work to get there.

If all these guidelines and recommendations are followed then it could take the national associations of World Shops to another level!

## **Justification**

The recommendations in this chapter are mainly based on the experiences of the national associations in Austria, Belgium, Germany and the Netherlands. The starting point of the research was that the best practices of these countries could be applied to the rest of the national associations. However, no market research had been done in the 11 countries so no guarantees can be given that the customers in all these countries act the same.

The results of the first step of this research were mainly based on the information provided by NEWS! representatives. If for some reason these representatives happen to have a view on the situation of their national association that differs from reality this can cause a less reliable outcome. In addition, almost all interviews (except the Belgian and Dutch) have been conducted in English, which is a foreign language to both the respondents (except the British representative and the two retail best practices interviewees) and the researcher. It is possible that this has caused some misunderstandings on both sides.

Since the research was carried out from the national office in the Netherlands it is plausible that the researcher is more familiar with the Dutch situation than with situations in the other countries. This influenced the research: best practices of the Netherlands have been used more than of the other three national associations.

With regard to the best practices inside NEWS!, two Dutch chairmen of World Shops have been interviewed to get an impression of how the local World Shops experienced to work with the new concept. However, it was not attempted to investigate the opinion of the Dutch World Shops about the new concept. Thus, the enthusiasm of these chairmen does not have to be representative. To find out the opinion of the employees of Dutch World Shops or of employees of World Shop in the other countries, another research is needed.

Another point for further research concerns the issue of the service-delivery and federal model. In this research only an intention to these models has been given. The extent in which it is possible to work with such models is not clarified. Specially with regard to the federal model this is not certain, since this research focused on the selling activities of the national associations of World Shops and not on the campaigning and advocacy side.



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# 1 Introduction

## 1.1 Introduction

This research has been conducted for the Network of European World Shops. In Europe there are more than 2,500 World Shops, selling all kinds of Fair Trade products. The World Shops strive for better conditions for producers in the South. Most of the World Shops are united in a national association and these have joined together at a European level in the Network of European World Shops (NEWS!). The executive board of NEWS! thinks that there is a great diversity in professionalisation between these national associations. The World Shops are not-for-profit organisations, but the need to keep up with market developments forces them to act in a more business-like way. Some of the national associations have already managed to develop into more professional organisations; others have difficulties to adapt to the changing environment. The researcher has been offered the assignment to find out how the national associations of World Shops in Europe can become more professional in their way of working.

This chapter introduces the design of the research and the client, NEWS!. In section 1.2.1 it starts with the formulation of the aim of the research and the research questions. Section 1.2.2 explains how each sub-question will be researched. Section 1.2.3 elaborates on the literature study. The description of the literature ends with an explanation on the used research strategy, the case study. Next, it introduces the client: NEWS!, the Network of European World Shops. Section 1.3 introduces NEWS. It starts with the establishment of NEWS!. Section 1.3.2 deals with its activities and section 1.3.3 explains NEWS!' five-year strategy. The last section gives some concluding remarks about the roles of the different national associations in NEWS! and introduces the design of the report.

## 1.2 Research design

### 1.2.1 Research objective and questions

Some national associations of World Shops are small and weak; others are quite well developed and can offer lots of services to its shops. One of the functions of NEWS! is to support its members by exchanging information in order to let the national associations learn from each other and professionalize (NEWS!-HIVOS, 2000). The executive board of NEWS! wants to know how all the national associations of World Shops can be more professional organisations so they can perform better. Analysing the best practices of national associations that are performing well and deriving guidelines from these best practices for the other national associations can do this. Because the communication between the countries is not optimal at the moment, these best practices are only vaguely known to the other members.

This poor communication is also a problem in itself, but this is not the focus of this research. The exchange of information between the national associations has already been studied and a new communication system for the whole Fair Trade movement has developed and will be implemented in the next couple of years. The communication between all Fair Trade players should be improved if this Global Information System operates (Caserta, 2001).

The above lead to the research question of this research: *how can the national associations of the European World reach a higher level of professionalisation?*

Two steps were needed to answer the research question. The first was to distinguish what level of professionalisation the national associations were at. The following sub questions have to be answered in the first step:

1. *What levels of professionalisation can be distinguished for the national associations of World Shops?*
2. *What are the current levels of professionalisation of the national associations of World Shops?*

The second step was to find ways for the national associations to reach a higher level of professionalisation. The following sub-questions deal with this step:

3. *What are the best practices for professionalisation inside NEWS!?*
4. *What are the best practices for professionalisation outside NEWS!?*
5. *How can these best practices be translated into guidelines so that the national associations of World Shops reach a higher level of professionalisation?*

By answering sub question 3 the learning experiences of countries that are at a higher level of professionalisation could be used for the ones who did not reach a higher level. The answer of sub question 4 provided a broader view than just the experiences of the organisations inside NEWS! The professionalisation path in this research was based on the best practices from inside and outside NEWS! combined with a literature study.

### *Limitations*

To delineate the research it should be understood that this research concentrates on the sales activity of the World Shops, so the two other major activities of the national association, advocacy and awareness raising, were not taken into account. Because of lack of money it was not possible to visit all the national associations that were member of NEWS!. The meetings of the General Board, however, gave the opportunity to interview the NEWS! representatives of the national associations. Eleven of the fourteen representatives were present at these meetings and therefore these national associations have been taken into account in this research. The other three, Portugal, Switzerland, both German-speaking and French-speaking have been left out of the research.

### 1.2.2 Research framework

Figure 1.1 provides a schematic rough representation of the steps to be taken to realise the research objective. These steps are related to the sub-questions.

*Sub-question 1 What levels of professionalisation can be distinguished for the national associations of World Shops?*

The research started with desk research and explorative interviews. The desk research consisted of studying internal documents of NEWS! and previous studies that have been done to the differences in organisation between the national associations that are member of NEWS!.

The explorative interviews were held with two members of the executive board of NEWS!, namely Britta Coy, the coordinator of NEWS! and Erika Spil the Dutch NEWS! representative. In addition, an interview was held with Riet van Tuil, the manager of the Dutch national association of World Shops. The desk research provided an idea about the international organisation and the national associations, so that the organisation NEWS! could be described in section 1.3.

The literature study was carried out to determine different levels of professionalisation in organisations. The topics of the literature were: not-for-profit and retail organisations, organisation structures, strategy, marketing, professionalisation and mission, vision and philosophy. Also literature about organization change was studied, because of the changes that have to take place in these organisations to become more professional. Chapter 2 elaborates on these theories. On the basis of this literature study the theoretical indicators for the professionalisation framework could be identified. The deskresearch, explorative interviews and a literature study lead to the development of a professionalisation framework. This framework consists of different levels of professionalisation and provides the answer to the first sub-question.

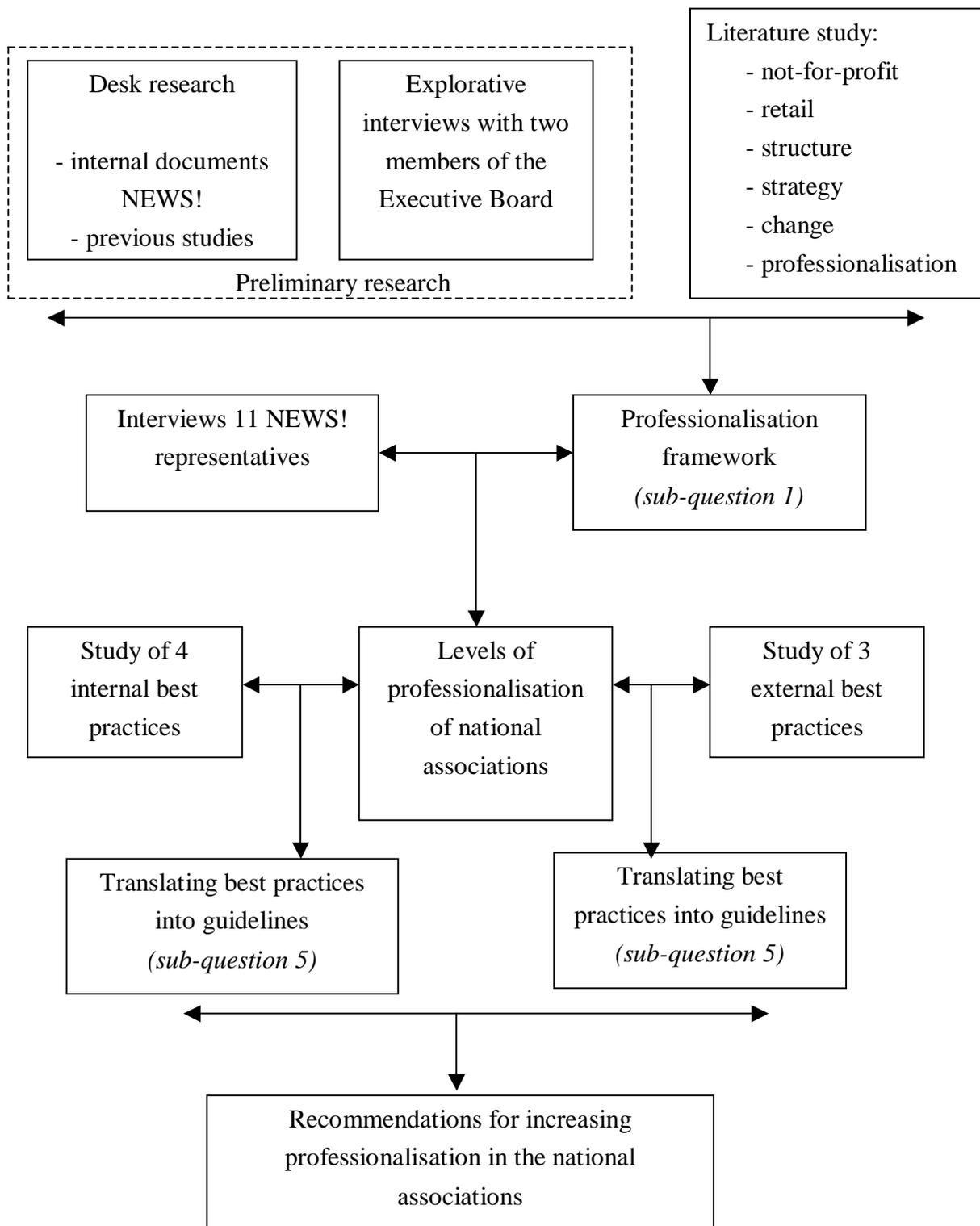


Figure 1.1 Research framework

*Sub-question 2 What are the current levels of professionalisation of the national associations of World Shops?*

The professionalisation framework represents criteria and on the basis of these criteria the different countries can be put in the framework. To determine at what levels of

professionalisation the national associations of World Shops were, interviews with NEWS! representatives from 11 national associations were held<sup>1</sup>. From these interviews practical indicators could be derived for the levels of the professionalisation framework. These representatives worked at the national office, or were in the board of the association. Some of them run a World Shop as well. Nine interviews were conducted at the General Board meeting in Paris at February 13<sup>th</sup> -15<sup>th</sup> 2004. Two more interviews took place at the NEWS! conference in Lille at March 12<sup>th</sup> – 14<sup>th</sup> 2004, because those representatives were not present at the Paris meeting. The topics of the interviews were: structure, mission and strategy, retail marketing and professionalisation of the national association. The questionnaire contained standard questions; the actual questions for the different representatives were adjusted to the individual situation of the national associations. The outcomes of these interviews are presented in chapter 3 (for the extended answers to the questions see Appendix IV.) The confrontation of the outcomes of the interviews with professionalisation framework in chapter 4 forms the answer to the second sub-question. With the answers to the first two sub-questions the first step of the research is finished.

*Sub-question 3 What are the best practices for professionalisation inside NEWS!?”*

This phase of the research is concerned with the second step of the research, to find ways how the national associations can come to a higher level of professionalisation. Two instruments are used to take this step. One an analysis of the best practices of national associations that are highest in the professionalisation framework and the other an analysis of the best practices from experts outside NEWS!. To learn from the best practices of national associations inside NEWS! and outside NEWS! a second round of interviews was held in the period April-May 2004 (for a list of all the interviewees inside and outside NEWS! see Appendix V). Inside NEWS! employees of the four most professional national associations were interviewed and internal documentation was studied. Of the Austrian, Belgian and German national association one employee of the national office was interviewed by telephone. Of the Dutch national office three employees were interviewed face-to-face, so each employee could answer the questions of his or her specialisation. In the other countries these questions were answered by just one person (for the questionnaire see Appendix VI). To gain insight in the experiences how people have professionalized their World Shop two interviews were held with the chairmen of two Dutch World Shops. Chapter 5 describes the results of these interviews (for the detailed results see Appendix VII). All the interviews together provide the answer to the third sub-question.

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<sup>1</sup> For a list of the people interviewed see Appendix II and for the questionnaire see Appendix III.

*Sub-question 4 What are the best practices for professionalisation outside NEWS!?*

To learn from best practices of organisations comparable with NEWS! three interviews outside NEWS! were held with experts on retail organisations and voluntary organisations. The first interviewee on retail organisations worked for The Body Shop and the other has worked all his life as a management consultant. These interviews were conducted by telephone, because the respondents lived abroad. The interview with the expert on voluntary organisations was conducted face-to-face during a study day for Dutch transformed shops. This respondent worked for Civiq, a Dutch consultancy agency and information centre for voluntary organisations. These expert interviews provided an answer to the fourth sub-question: The results of these interviews are presented in chapter 5 (for the detailed results see Appendix VIII)

*Sub-question 5 How can these best practices be translated in guidelines for the national associations of World Shops reach a higher level of professionalisation?*

The last phase involved the confrontation of these best practices with the national associations of World Shops. The best practices needed to be analysed and translated into guidelines that are applicable for all the national associations. This is the answer to the fifth sub-question. This is done with the help of literature. The outcome of this sub-question is presented in chapter 6.

The answers to all the sub-questions provide an answer to the central question and this all together leads to the objective of the research project: the recommendations for increasing the professionalisation of the national associations.

### 1.2.3 Conceptual model

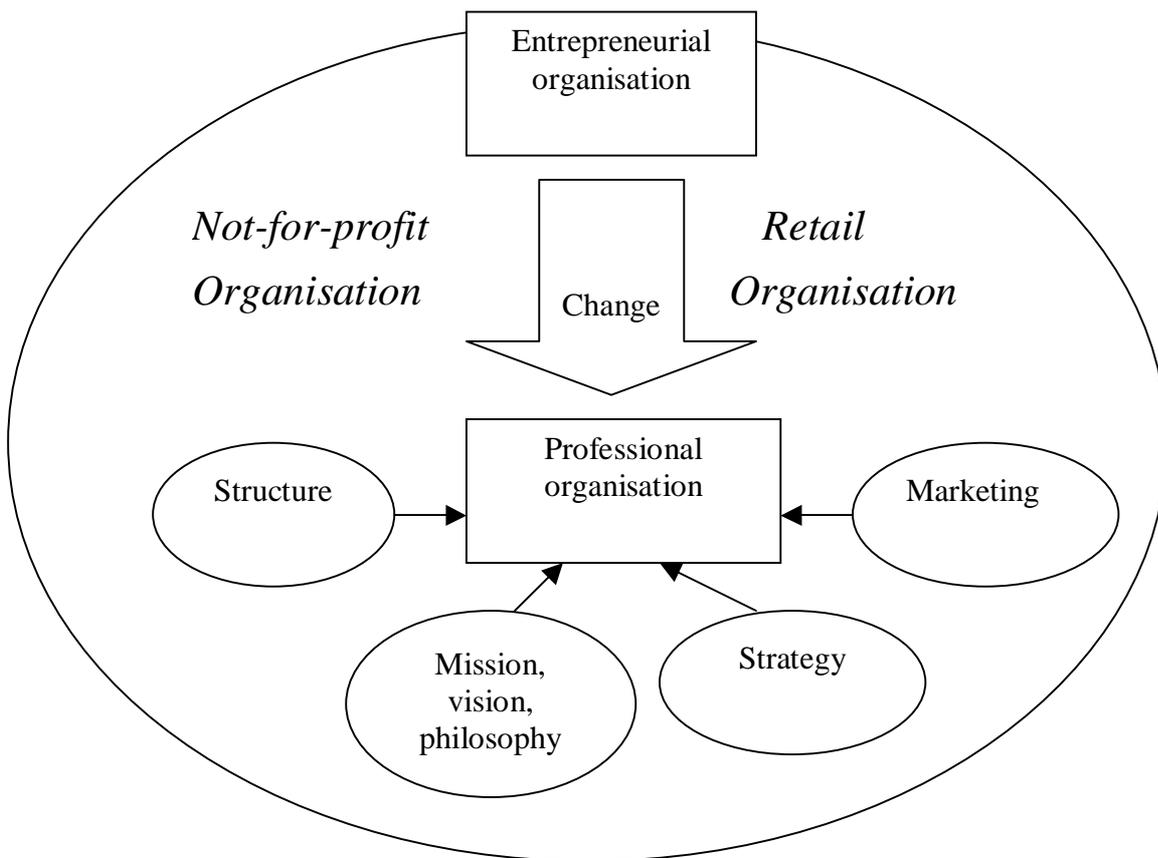


Figure 1.2 Conceptual model

The national associations of World Shops are at the same time retail organisations with a network of World Shops and not-for-profit organisations. The big circle represents the national associations of World Shops as being not-for-profit and retail organisations. Therefore, theories about both kinds of organisations is used in this research. When organisations, either for-profit or not-for-profit, start they can be characterised as entrepreneurial. This research aims to change the national associations of World Shops that are still in the entrepreneurial phase into more professional organisations. Entrepreneurial organisations are often small and informal when they start. However, formalisation is a natural progression for an organisation as they develop, even for a not-for-profit organisation (Butler, 1990). The four subjects, structure, strategy, marketing and mission, vision and philosophy also exist in the entrepreneurial phase, although they maybe not that visible. In a professional organisation on the other hand, these four subjects are issues that are carefully thought of because they determine the way of doing business of the organisation. This way of working in an organisation is first of all determined by the mission, vision and philosophy of the organisation. The strategies of the organisation are based on these principles. Besides strategy, also structure is important in the management process. Managers must attend to both

aspects when delineating the future direction of the organisation (Butler, 1990). Another important aspect for the World Shops is marketing. A professional national association also exists of professional World Shops and theories about retail marketing can help to increase their professionalisation as well. Therefore, these are the eight subjects this thesis will discuss: not-for-profit organisations; retail organisations; transition from entrepreneurial to professional organisation; organisational change; mission, vision, philosophy; structure; strategy and marketing. The theories about these subjects are further explained in the literature study in chapter 2.

#### **1.2.4 Research strategy**

The strategy in this research was a case study. In a case study a small number of research units (cases) is studied to gain a profound insight. Because of the small number of cases a quantitative analysis of the data gathered is not possible and a qualitative research method must be used. This means that the emphasis must be put on comparing and interpreting the results. The case study is characterised by more depth than breadth and this is realised by labour-intensive methods of generating data, like face-to-face interviews. Also typical of a case study is that the cases are studied in their natural environment. This means that the organisation is visited and people are interviewed at the organisation and documents are studied there. This has the advantage that the results of the research project will be accepted more readily by the people in the field, because the researcher is close to the organisation during the research project. A final characteristic is that a case study has a holistic approach and tries to gain an overall picture of the objects as a whole. The holistic quality manifests itself in the use of qualitative, unstructured, but open way of gathering data, such as the open interview and the interpretation of material. The advantage of a case study is that it does not require a high level of prestructuring, which means that it is relatively easy to change course during the research project (Verschuren and Doorewaard, 1999).

### **1.3 Network of European World Shops, NEWS!**

#### **1.3.1 Establishment of NEWS!**

NEWS! is the Network of European World Shops which coordinates the cooperation of the 14 affiliated national associations of World Shops. World Shops are specialist shops that sell authentic and original Fair Trade products from different cultures. These products can be food, like coffee, chocolate and spices, or handicrafts like basketry, jewellery and toys. World Shops are not-for-profit organisations and are mainly run by volunteers. World Shops also organise activities and campaigns to inform their customers and the public about Fair Trade (Handboek Wereldwinkels, 2003). Currently the national associations in Austria, Belgium (Flanders), Denmark, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland (German- and French speaking) and the United Kingdom are members

of NEWS!, representing altogether 2,500 World Shops. The three main functions of the national associations are:

- coordinating the national campaigns for awareness-raising among the public;
- lobbying with policy-makers for changing trade policies;
- supporting the world shops with their business.

Examples of their activities are: certification of importers, offer trainings to the World Shops and support the establishment of a new World Shop. Although, it is difficult to obtain aggregate sales figures for World Shops, since some national associations do not know the retail value of their members' sale, a total net retail value of all European World Shops in 2001 was estimated to be over € 92 million (Krier, 2001).

NEWS! was established in 1994 during a European World Shops Conference organised by the Dutch national association to celebrate its 25<sup>th</sup> anniversary. \ This was the first time of cooperation between the World Shops on the European level; during previous European meetings the representatives of the World Shop owners did not go further than exchanging their experiences and ideas. However, the need for a type of cooperation on this level became more apparent with the changed European market; since 1993 the internal European borders have diminished, and trade agreements are decided upon on the level of the European Union. To have any impact, the alternative trade movement had to influence politics on the European level. European cooperation was needed in order to develop a common position on Fair Trade issues and a common political lobby towards the European political institutions. An European office has established in order to coordinate all activities (NEWS! Yearbook '97/'98). This NEWS! office was situated in Brussels since its establishment and has moved to Mainz in 2004. The office employed four people; the coordinator, two employees for the European campaign and one employee who concentrates of the extension of the network with East-European World Shops.

The structure of NEWS! is a foundation, with a General Board, which consists of one representative of each national association. The General Board is responsible for the management of the foundation. It meets three times a year and these meetings rotate from country to country. The General Board elects from its members an Executive Board, consisting of at least three members. Added to this Executive Board is the coordinator of the NEWS! office, who is not a member of the General Board and has no right to vote. This head of the coordination office is responsible for the day-to-day management of the office and is employed by the foundation. The Executive Board makes decisions on more urgent and day-to-day matters and meets six times a year (Articles of Association, 1998). Figure 1.3 illustrates the structure on the local, national and international level.

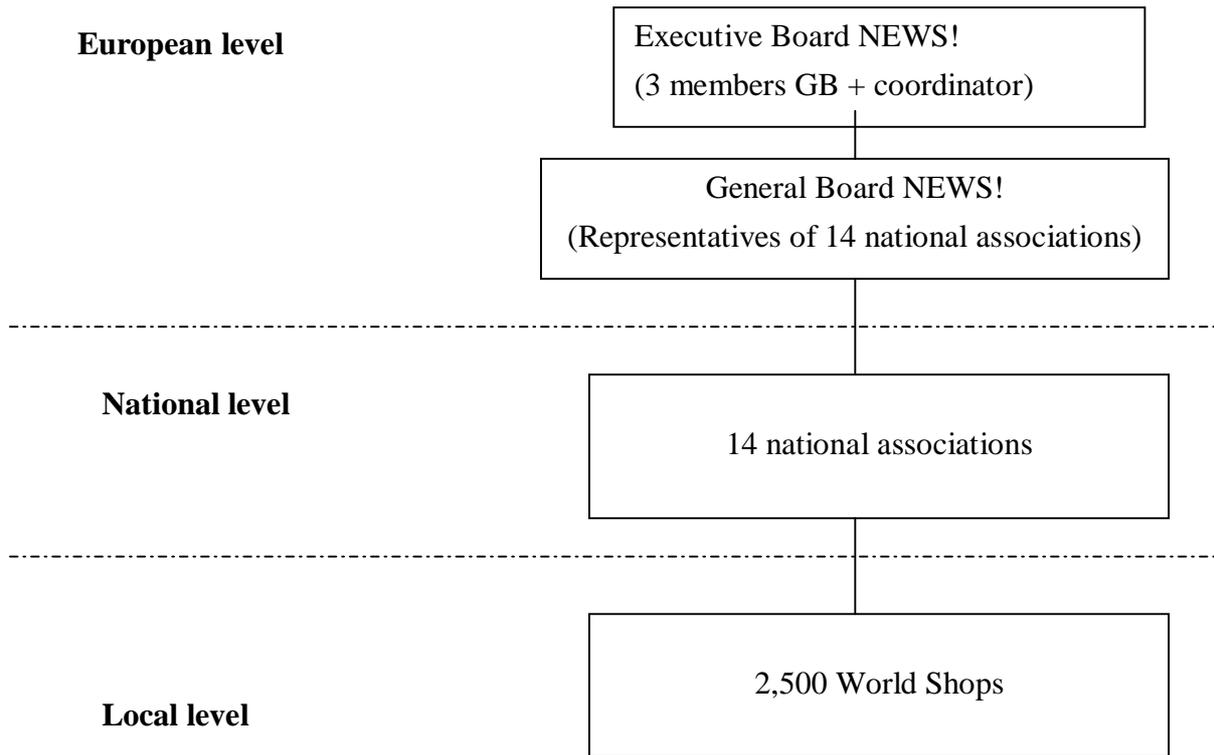


Figure 1.3 Structure of NEWS!

### 1.3.2 Activities of NEWS!

NEWS! has four functions (NEWS! Presentation, What's about development, 2004):

1. support the national associations;
2. promote Fair Trade and World Shops;
3. work together with other organisations in the field of Fair Trade;
4. advocate.

NEWS! supports the development of national associations by linking the World Shops and their national associations throughout Europe. This provides the opportunity to network and exchange information between its members. An example of this networking is the European World Shops Conference, which is organised biennially together with one of the members. At this conference the World Shop keepers talk to their colleagues from other countries and get new inspirations from workshops, presentations and displays.

The second function of NEWS!, the promotion of Fair Trade and World Shops, is performed through the development of campaigns that can be used in whole Europe. In 2004-2006, the campaign focussed on youngsters, with special attention for the ways in which footballs and chocolate are made in the conventional trade. Two employees for NEWS! have been hired to coordinate this campaign. NEWS! coordinates also the annual European Fair Trade. The

primary aim of this day, with activities organised on local, national and European level, is to promote the World Shops and different themes of Fair Trade to as wide a public as possible (NEWS! Yearbook '97/'98).

The cooperation with other organisations in the field of Fair Trade is the third role of NEWS!. It is an active member of FINE, which consists of four umbrella organisations, namely FLO (Fair Trade Labelling Organisation: labelling organisations), IFAT (International Federation of Alternative Trade), NEWS! and EFTA (European Fair Trade Association: importers) (NEWS! Yearbook '97/'98). The fourth function, the advocacy work, is performed together with these three other organisations. A special advocacy office has been set up in Brussels in 2004 to join forces and to make the advocacy work more effective. With this activity contracted out to the advocacy office, the NEWS! office can concentrate on its other activities. Through FINE also a common definition of Fair Trade has been developed in 1999 to make clear to all members what they stand for. This definition is formulated in box 1.1:

**Box 1.1 Definition of Fair Trade:**

"Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."

(<http://www.eftafairtrade.org/definition.asp>)

NEWS! received subsidies from the European Union and financial contributions from its members.<sup>2</sup> The membership fee for the national associations is composed of a fixed fee of € 1000,- and a flexible part of 0,4 % of each member's turnover of the previous year, with a minimum of € 100,-. In 2003, these membership fees totally added up around € 30,000,- (Financial report NEWS!, 2003). The other part of the budget of NEWS! depended on subsidies. In 2003, NEWS! received no subsidies and its income only consisted of the membership fee. Therefore, it was only able to pay for an office and a part-time coordinator. The European Union could provide subsidies for different projects, but this means that the organisation itself has to bring in at least 25% cash as well. For 2004-2006 NEWS! has received a grant of € 360 thousand from the European Union for the youngsters campaign, but had to bring in € 130 thousand itself. Several possibilities for co-financing has been explored,

<sup>2</sup> <http://www.worldshops.org/news/>.

but no decision has been made yet at the time of this writing. (NEWS! presentation: What's about development?, 2004).

### **1.3.3 Strategy of NEWS!**

The long term goal of NEWS! is to change world trade and to improve the livelihood of disadvantaged producers in the South. In the 5-year plan of 2001-2005 (2000) NEWS! has set itself the following key targets to achieve this objective (5-year plan NEWS! 2001-2005, 2000):

1. to strengthen the World Shops movement
2. to strengthen the Fair Trade movement
3. to make World Shops and the Fair Trade concept more attractive to a wider public
4. to have more influence on decision makers at all levels to change trade rules and policies.

To achieve the first target the national associations need to build up their capacity. The aim is that by 2005 they should all have a central office, paid staff and the capacity to organise national activities, trainings and support to their shops. Furthermore, the movement wants to have more shops, covering more regions in Europe. The focus is now especially on Eastern Europe. The shops should be professionally run, have an increased turnover and invest more in awareness raising and campaigns.

NEWS! wants to accomplish the second target by unifying the different parts of the Fair Trade movement, in order to reach more consumers with the Fair Trade message and to sell more Fair Trade products. By 2005 there should be a common key message and a common set of minimum standards Fair Trade organisations need to adhere to. The recognition of World Shops within the movement needs to be increased as well the strengthening of the position of the producers.

With regard to the third target, NEWS! would like the World Shops to become familiar to a wider section of the general public and that the general public gets a clearer understanding of the issues behind Fair Trade.

To achieve the fourth target NEWS! likes to strengthen the capacities of the World Shops movement. The awareness of fair and unfair trade rules should be increased (locally, nationally and internationally at all government levels. The market access for small producers needs to improve and commodity prices should increase.

### **1.3.4 Structure of Fair Trade**

The national associations of World Shops were established independently from each other, and therefore their strategies were not harmonised across Europe. Some national associations have more affinity with the political side of the work, like campaigning, as is the case in France, Spain and Belgium, while others pursue a more sales focussed strategy as Austria and the Netherlands. Also the age of the national associations differs. In North Europe the first World Shops opened their doors in the 1970s while in South Europe the World Shops only

started operating in the 1990s. Not only the number of shops that a national association represents varies from 7 (Denmark) to 400 (Germany and the Netherlands), but also the number of employees supporting the World Shops at the national office varies from national associations with one coordinator to national associations with a staff of over 15 people (Krier, 2001).

In the trading chain of Fair Trade leading from producers in the South to consumers in the North four different kinds of organisations are involved. These are:

- producer organisations;
- Importing organisations;
- World Shops;
- Labelling organisations.

The importing organisations buy from the producers, paying them a fair price, i.e. one that enables them to live adequate lives. In their home countries the importing organisations sell these products to the World Shops. But the importers can have shops of their own as well, which is the case in many countries (Krier, 2001). These shops are also a sort of World Shops, but sometimes have a different name. Mostly, they are run more professionally, because the importer has the money to support these shops. Although, they can be members of a national association of World Shops, they have different rights and duties than the other World Shops. An example of an importer that acts as a retailer is EZA in Austria. The biggest food importer in Belgium, Oxfam, is also the national association of the World Shops. The importer can sell its products through the regular trade channels as well, like supermarkets and organic shops. The importing organisations are associated in the European Fair Trade Association (EFTA) (Krier, 2001).

The labelling organisations have to expand the market for Fair Trade products and to bring these products into the mainstream sales outlets. They put a label on the products that ensures the buyer that these products are fairly traded. To be able to mark the products they have a set of criteria for the Fair Trade business and a monitoring system (Krier, 2001). The most well-known example of a labelling organisation is Max Havelaar. The labelling organisations of 17 countries are associated in Fairtrade Labelling Organisation (FLO).

**Box 1.2 Criteria for World Shops:**

1. The shop endorses, through its own mission or values statements, publicity material and actions, the definition and principles of Fair Trade.
2. The primary purpose for existing as a shop is to promote Fair Trade. Fairly traded products therefore take up the most important share of the shop's stock.
3. The shop reinvests the profits from its sale of products into the Fair Trade system.
4. The shop informs the public about its aims, the origin of the products, the producers and about world trade. It supports campaigns to improve the situation of producers, as well as to influence national and international policies.

(NEWS Yearbook '97/'98)

The structure of the Fair Trade organisations in Europe varies. In some countries there is one largest importer which is working close together with the national association of World Shops, in other countries there are dozens of smaller importers.<sup>3</sup> These differing structures also lead to different organisational structures of World Shops in Europe. To ensure that the World Shops in all countries have certain standards their criteria have been harmonised through NEWS! in 1998 (see box 1.2).

These criteria entail a set of minimum standards which World Shops need to adhere to. There are also criteria for importers and producers they need to conform to before claiming to be Fair Trade. If they wish to do so, the organisations are free to adopt stricter criteria. European-wide commitment to these minimum criteria should provide consumers with assurance that the products in the World Shops have been fairly traded and produced (NEWS! yearbook '97/'98).

## 1.4 Concluding remarks

This chapter introduced the methodological approach of the research that was carried out for NEWS! The aim of this research project is to assist the national associations in becoming stronger and more professional organisations. Then differences of the national associations come into play. As some older associations are more developed, the smaller ones can learn from their experiences. NEWS! is a heterogeneous network; the national associations differ in age, development, size of national office and number of associated World Shops. This has influence on the roles of the countries in NEWS!. Some countries provide knowledge and

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<sup>3</sup> For an exact overview of all the Fair Trade organisations in Europe the reader is referred to the survey of Krier, J., *Fair Trade in Europe 2001*, Maastricht, European Fair Trade Association, 2001

invest in European cooperation; others have a more passive role. Although the associations in all countries have the same goal of creating a world trade system that is more fair, there can be differences in ideas how to achieve this goal. In most countries the World Shops pursue this goal by carrying out the three activities of sales, awareness raising and advocacy. However, the members across Europe attach not equally importance to these activities. Some countries have more interest in professionalisation issues for the sales function of the shops, while others have more interest in common campaign materials or effective advocacy work. This affects the organisation of NEWS!, since all the countries have equal power in the General Board. The advocacy work has been contracted out so this activity is less of an issue anymore, and now the balance has to be found between sales and awareness raising. Two people in the NEWS! office are obliged with the 2-year European wide campaign; one focuses on East Europe. This leaves only the coordinator to concentrate on the professionalisation of the existing World Shops that are network members, despite the 5-year strategy plan in which professionalisation is recognized as an important issue. Not all countries have the same concerns in being a member of NEWS!, but all need to benefit from their membership. When NEWS! want to develop its organisation and the national associations it has to take the different concerns and roles of its members into account.

## **1.5 Design of the report**

Chapter 2 describes the literature study that was conducted to distinguish different levels of professionalisation. Next, the current levels of professionalisation of the national associations were determined by interviews held with the NEWS! representatives of the 11 national associations of World Shops. Chapter 3 describes these current levels of professionalisation. Based on the literature study in chapter 2 and the interviews in chapter 3 a framework was developed that provides indicators to classify the 11 national associations into different levels of professionalisation. Chapter 4 provides this framework and the classification of the national associations. To determine how the national associations can reach a higher level in this framework, best practices of the most professional associations were analysed by interviews with the employees of these national associations. The results of this analysis can be found in chapter 5. In addition, interviews have been held with experts about retail and volunteer organisations, since the national associations of World Shops can be characterised as being both. Chapter 5 deals also with the outcomes of these interviews. With the results of the interviews and the literature study, guidelines were formulated for the national associations of World Shops to transform to a higher level of professionalisation. These guidelines are formulated in chapter 6.



## **2 Theoretical indicators professionalisation framework**

### **2.1 Introduction**

This chapter reviews the literature that was studied as a basis for the professionalisation framework. From theories indicators for professionalisation can be derived. To determine how these theories relate to the reality of the national associations of World Shops interviews with employees of the national associations need to be conducted. This literature study therefore also serves as an input for these interviews.

The conceptual model in figure 1.2 has linked several topics with each other. The theories on these topics are discussed in this chapter. Section 2.2 focuses on not-for-profit organisations considering the issues of structure, strategy and marketing. Section 2.3 discusses these same concepts, but this time for retail organisations. The next section deals with the theory of Wilson (1992) on the mission, philosophy and vision of an organisation. Literature about organisational change is presented in section 2.5 and the next section explains how an organisation can make the transition from an entrepreneurial to a professional organisation. The last section concludes with identifying the theoretical indicators for the professionalisation framework.

### **2.2 Not-for-profit organisations**

#### **2.2.1 Introduction**

Because there is some confusion about the terms non-profit, not-for-profit and voluntary organisations, these terms are discussed first. There is no real definition for all these terms, because there are simply too many different organisations in the ‘grey’ area between government and market, especially in international context (Meijs et al., 1998). Jackson et al (1999) used the term not-for-profit instead of non-profit because although profit is not a goal of the organisation and there are no shareholders, some organisations are still expected to make a profit in the sense of an operational surplus. This profit can be reserved or used to reinvest in the organisation. Not-for-profit organisations have the following features in common: organised, privately run, and non-profit oriented. The last feature means that they have a non distribution constraint (Meijs, et al., 1998). Another organisational feature is that values, ideologies and government policies can have a much larger influence on the decision making process than the market they are operating in (Drucker, 1992).

The term “voluntary organisation” is defined by Meijs (1997: 228) on the functions volunteers perform:

1. Volunteer-governed are organisations in which the goals and policies are formatted by volunteers in the board of the organisation. The preparation and implementation of policy as well as carrying out the primary activities are done by paid staff.
2. In volunteer-supported organisations primary activities are done by paid personnel and volunteers perform only (valuable) support roles.
3. In volunteer-run organisations, policies and goals are prepared, set and implemented by volunteers who also perform the primary activities. Sometimes, these volunteers are supported by paid staff.

The following sections discuss the structure, strategy and marketing of not-for-profit organisations. In section 2.2.2 Handy (1988) provides three different types of volunteer organisations that can be distinguished. These types have influence on the organisational structure. Next, Meijs (1997) explains that it is not easy to control the local chapters in national volunteer organisation. Section 2.2.3 describes the resistance that traditionally exists against the use of strategy in not-for-profit organisations. Courtney (2002) and Handy (1988) discuss the importance though for developing strategies in these kinds of organisations. Hereafter, section 2.2.4 deals with not-for-profit marketing according to the theory of the Kotler (1996) and Broere (1994).

### **2.2.2 Not-for-profit structure**

Handy (1988) distinguishes three types of voluntary organisations. These are:

- Mutual support organisations;
- Service-delivery organisations;
- Campaigning organisations.

These types can be distinguished by how they view the management of their voluntary organisation. Mutual support organisation are organisations which are created in order to put people with a particular problem or enthusiasm in touch with others like themselves so they can give each-other understanding, advice, support and encouragement. The only qualification for membership is fitting the description. A mutual support organisation only needs the minimum amount of organisation to service the members. At most they want to be serviced by a secretary or a coordinator; organising is something the members of the organisation do together. This is in contrast to a service-delivery organisation which is all about organisation. These organisations are set up to provide help to those who need it. The people that work here expect to be selected, trained, managed and even dismissed after a bad performance. Thus to be a member, it is not sufficient to share the goals of the organisation. The campaigning organisation is set up to campaign for a cause or to act as a pressure group in a particular interest. Campaigning organisations are rather led than managed and are in fact more a movement than an organisation. The only qualification for belonging to this movement is

believing. Like the mutual support organisation the campaign organisation sees organisation as necessary, but does not want to devote much time to it.

It is not rare that voluntary organisations do multiple things and the types described above start to overlap. This creates confusion and problems because the different types require different forms of management and the organisational assumptions will clash (Handy, 1988).

The most common structure for the decision making process in a national association of World Shops is that there are meetings with the representatives from local or regional level to set new policies. The accepted point of view is that all the local chapters follow these decisions because their representatives were involved in the process. However, when the national associations grew larger, this democratic body is not working anymore and people at the local level do not function as the national level expects them to do (Meijs, 1997). This is not because they intentionally go against the national policy, but because they do not share the same perspective and priorities as the national office does. Sometimes they do not have much interest in national concerns as producing standard financial reports and forget or postpone requests from the national office. Their focus is on the primary mission of the organisation and sometimes they just want to work in a different way. That is why it is not easy to control or direct the local chapters without loosing them altogether (Meijs, 1997).

### **2.2.3 Not-for-profit strategy**

As also for not-for-profit organisations the competition increased, they looked for ways to manage and develop their organisations in a way that is true to their mission and values (Courtney, 2002). This can be by making use of business areas like marketing, finance, human resources or information technology. In addition, they need to find appropriate ways to address questions about how to determine and achieve their missions and long-term goals. These fundamental questions fall into the concept of strategy (Courtney, 2002). There are many definitions of strategy and Johnson and Schools (1993) have formulated one of them: ‘Strategy is the direction and scope of an organisation over the long term, ideally which matches its resources to its changing environment and in particular its markets, customers and clients so as to meet stakeholder expectations.’

For many people in the voluntary not-for-profit sector management was a bad word, because it was associated with capitalism, business and bureaucracy. They believe that the organisation they worked for was not a business, so they did not need anything called management (Drucker, 1992). Handy argues, however, that not-for-profit organisations need to be more business-like, because they do have clients and they provide services. ‘It makes just as much sense to ask a voluntary organisation what its strategy is as it does to ask a business. It is not sinful to be business-like’ (Handy, 1988: 4).

Strategic management in the not-for-profit sector started to be perceived in the 1970s. There are a number of reasons why strategic planning tools and techniques can be beneficial to the

not-for-profit sector. The first is that the direction of the organisation is clarified so everyone is pulling in the same direction. Another is that the distinct values and principles of the organisation are built on and clear, achievable objectives and standards are identified that people can work towards. A strategy is also helpful because it enables the employees to know if these objectives have been achieved (Courtney, 2002).

#### **2.2.4 Not-for-profit marketing**

Although not-for-profit marketing is different from regular marketing, existing marketing theories can be used. In not-for-profit marketing the organisation wants to influence the behaviour of the consumer. The consumer is asked to exchange something they value for something beneficial provided by the not-for-profit organisation. So the consumer needs to incur costs or to make some sacrifices in return for some promised benefits. These kinds of costs are economic when they are related to a service-delivery organisation. In that case the consumer has to give up money or goods to a charity or to buy a product or service (Kotler, 1996). The costs linked to a campaigning organisation for consumers are that they have to change their view of the world or have to sacrifice old patterns of behaviour. Another kind of cost that can apply to all three types of organisations is the sacrifice of time and money, for example, to perform a voluntary service. In return for these kinds of sacrifices consumers receive benefits of three basic kinds: economic, social and psychological (Kotler, 1996).

There are various reasons why it is so hard to sell not-for-profit. Consumers are asked to make sacrifices and changes in behaviour where they are often largely indifferent about the issues. Before the consumer is convinced about the new behaviour he or she should perform, large amounts of information must be communicated. Sometimes it is hard to sell not-for-profit, because consumers simply do not see the change they realise with their change in behaviour (Kotler, 1996). Also the resistance within the not-for-profit organisation against marketing is usually large. It is thought of to be manipulative and a waste of money (Broere, 1994).

Most of the time marketing is also present in not-for-profit organisations, but is not visible as such because there are only a few elements that are used instead of the whole marketing mix. Often good research into the needs of the consumers lacks because the organisation is only oriented on the product they sell (Broere, 1994). The direct occasion to introduce marketing in a not-for-profit organisation is usually that customers stay away and the management thinks this may be solved with the instrument of communication without a real marketing plan. It is better to introduce marketing gradually. Most not-for-profit organisations are internally oriented. This means that the organisation thinks its products are good and people should need them. When success lacks this is subscribed to the customer who is indifferent. Marketing does not really exist; there is no market research and marketing is thought of as just communication. Instead of being an internal oriented organisation, the organisation must be customer oriented (Broere, 1994). That means the organisation needs to determine the

perceptions, needs and wants of target markets and satisfies them through the design, communication, pricing and delivery of appropriate and competitively viable offerings. A customer-centred organisation is one that makes every effort to sense, serve and satisfy the needs and wants of its clients within the constraints of its budget. The organisation must make use of the full marketing mix available and must rely this marketing mix on customer research (Kotler, 1996).

## **2.3 Retail organisations**

### **2.3.1 Introduction**

Retail organisations are more easily to define than not-for-profit organisations. One definition of retailing is provided by Berman (1992:3): ‘Retailing consists of those business activities involved in the sales of goods and services to consumers for their personal, family or household use. It is the final stage in the distribution process.’

Section 2.3.2 focus on the structure of retail organisations and the retail strategy theory of Dikken (1991). In the section about retail marketing the aspect of a shop formula is described and the importance of trained personnel.

### **2.3.2 Retail structure and strategy**

Retail business can have different kinds of ownership, for example, stores that are independently owned or franchisee-operated. An independent retailer only owns one retail unit (Berman, 1992). Franchising involves a contractual arrangement between a franchisor and a retail franchisee, which allows the franchisee to conduct a given form of business under an established name and according to a given pattern of business. In a typical arrangement, the franchisee pays an initial fee and a monthly percentage of gross sales in exchange for the exclusive rights to sell goods and services in a specified geographical area (Berman, 1992). There are two broad types of franchising arrangement: product/trademark and business format. In the first type, franchised dealers acquire the identity of their suppliers by agreeing to sell the latter’s products and operate under suppliers’ names. Dealers operate relatively autonomously from suppliers. In business format franchising exists a more interactive relationship between the franchisor and the franchisee. The franchisee receives assistance on site location, quality control, accounting systems, start-up practices, management training in addition to the right to sell goods and services (Berman, 1992).

#### *Retail strategy*

A retail strategy is the overall plan that guides the firm. Such a strategy influences the retailer’s business activities and its response to market forces, such as competition or the economy (Berman, 1992). To survive in highly competitive environment a business must create a competitive advantage and differentiate from its competitors. The retail organisation must offer superior value to give customers more reason to visit its shop than those of the

competitors. This is the challenge of retail management: to create differential advantage. The primary focus needs to be a customer orientation (Ghosh, 1994).

According to Dikken (1991) the most strategic choice in retailing is the one of positioning. A shop can position itself in four quadrants (see figure 2.1):

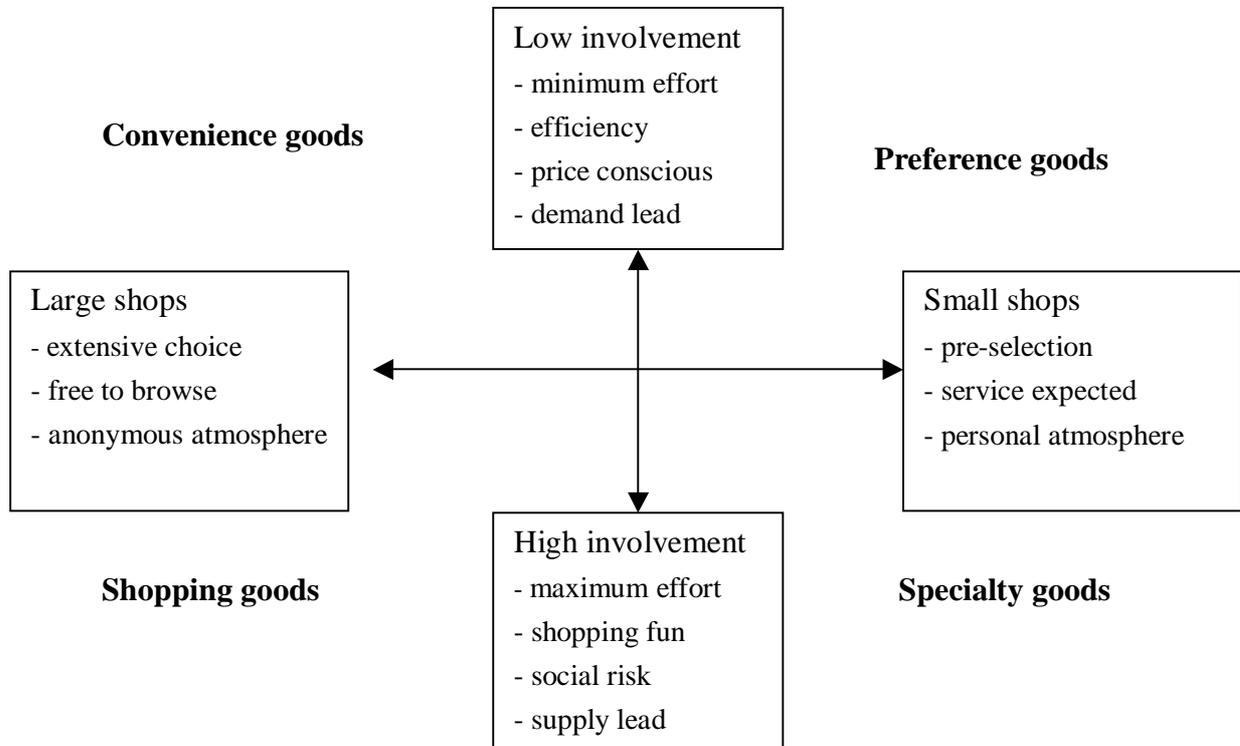


Figure 2.1 Positioning in retailing (Dikken, 1991)

The retail industry consists of four markets, divided by two main criteria: the size of the store, supply criteria, and consumer behaviour, demand criteria (Dikken, 1991). These four markets mean that the customers of one market have the same expectations concerning the shop, service they expect and involvement with the commodity. Different goods require different marketing approaches. Low involvement means routine purchases, which have mainly logical and economical considerations. High involvement means an active search and orientation behaviour. The clients are open for new and specific information and want to pay a higher price for extra value. There is no strict distinction between high and low involvement. The definition used here is that someone is highly involved with a product if the product contributes to the image of that person. With that product that person wants to show he or she wants to belong to a group or not. Convenience goods and shopping goods are both for sale in the larger stores and have a large offer and free choice. Convenience goods are the necessary daily purchases; shopping goods are the more fun shopping items which often need an orientation first. Specialty goods are sold in the smaller stores which are specialised in

differentiated articles. Preference goods can be daily products for which a consumer has a special preference, like brands or a good advice (Dikken, 1991).

Although the choice for positioning is the most important one, not all shops can be divided in just these four quadrants, a combination is possible as well. But still, the different types of goods the shop sells require different approaches to the customer. Once the choice has been made to position oneself in one of these four markets the other marketing instrument decisions can be made. These are described in the following section about retail marketing that use the theory of Dikken (1991) and Van der Kind (1996).

### **2.3.4 Retail marketing and training**

Van der Kind (1996) argues that in retailing the marketing mix exists of two components: the external and the internal marketing mix. This is because in retailing the visitors of the shops are not always the same people as the customers: visiting a shop namely does not necessarily mean buying the products. Therefore, the external retailing is focused on the image and to attract people to visit the shop and the internal marketing mix makes sure that the people who are in the shop actually buy the products. In retail marketing there are several instruments at the disposal, the traditional P's. For the external mix these are the public, product, place, price and promotion. The internal mix has the other four P's: presentation, personnel, physical distribution and productivity. The marketing mix that is especially relevant for this research has to do with the broader definition of the product.

According to Van der Kind the product also involves the formula or shop concept. This includes product assortment, presentation, place, price, promotion and personnel. All these instruments together make sure that the shop concept is recognisable for the customers: the formula. The instruments depend on the choice of positioning. The place (location) decision of the retailer has already been influenced, because the kinds of goods determine if the shop needs to be located in a high street or maybe in a small village. Convenience goods are distributed through superstores and supermarkets, preference goods are sold in the local shop or in special corners, while shopping goods and special goods have a specialist outlet, the first in large stores, and the latter in small independent shops. Also the product assortment has been determined when opting for one of the four quadrants. Regarding price, the shopping and the convenience goods will be lower priced than the preference and specialty goods (Dikken, 1991). The way of approaching customers has to do with presentation within the store, but also very much with the personnel in the store..

#### *Trained personnel*

Retail firms have realised in their search for new business strategies that this has consequences for their personnel, because the sales staff needs to become more qualified to provide the customer better services (Kruse, 1994). The quality of the retail staff is very important, because in the eyes of the customer, a staff member is the retail store. If the

perception of the store has to be developed in a consistent way then training of the staff is required (Sullivan 2002). Poorly qualified personnel can be an important obstacle to the competitiveness and the future development of the firm. That is why more and more retail firms acknowledge the need for training of their employees. However, small firms still think they can not spare the time and energy to devote to employee training (Kruse, 1994).

Staff that has most contact with customers has become the main target group of training in the retailing. It is becoming a current practice to devote training to improve product knowledge and to put special emphasis on the attitudes and behaviour of staff in order to enhance the envisaged company image. The basic contents of training are mostly knowledge of the products sold at the outlet and sales techniques, based on service and customer attention. There are several teaching methods available. The first one is self-study, this can be through correspondence courses, textbooks or audio-visual materials. Others are simulations of situations at the workplace, business games or short meetings to discuss common interest matters in the work environment. The staff is usually more motivated by a concrete approach to their daily problems than by an academic type of training. This is the reason why among current practices there is little classroom training and more on-the-job-training (Kruse, 1994).

## **2.4 Change**

### **2.4.1 Introduction**

If the national associations want to reach a higher level of professionalisation certain features of the organisation need to be changed. Therefore, this section reviews the literature about changing an organisation. Change can be incremental or radical; these differences in change are examined in section 2.4.3 with the theory of Costello (1994). When organisational change is planned, many factors must be taken into account. In section 2.4.4 the literature of Proehl (2001) is discussed. She determined eight factors that are critical in changing a not-for-profit organisation and developed a plan for implementing change. The next section discusses the different types of organisational learning on the basis of the literature of Swieringa and Wierdsma (1990). The section starts with a description of mission, vision and philosophy of organisation, the guidelines to change an organisation.

### **2.4.2 Mission, vision and philosophy**

For volunteers the mission and philosophy of the organisation is important, because this is the reason they devote time and energy to their volunteer work. The voluntary organisation often reflects the preoccupation of its time and tries to improve the quality of life by striving for its mission (Gann, 1996). According to Wilson (1992) a mission of an organisation states the basic purpose of the business, its fundamental reason for being. It also defines the company's relationship to other organisations and sets general objectives. It is related to the philosophy of an organisation. This philosophy of the organisation is timeless, just like the mission,

which means it does not change when the environment of the organisation changes. The philosophy contains the corporate values that are the guiding principles for the organisation. The values have intrinsic value and importance to those in the organisation. The management style, organisational culture and the relations with the stakeholders are based on this philosophy. There are differences between the mission and the vision of an organisation. The vision is not timeless; it expresses the mission and the philosophy of the organisation at a particular time. A vision describes the future business and sets specific goals. A vision is part rational (the product of analysis) and part emotional (the product of imagination) (Wilson, 1992).

Wilson (1992: 453) defines a strategic vision as: ‘A coherent and powerful statement of what the business should aim to become. It must be realistic about the market, competitive, economic and regulatory conditions and reflect the values and aspirations of management, employees and stakeholders. In uncertain and difficult times visioning is vital to establish direction.’ The strategy of an organisation should be based on the vision.

### **2.4.3 Levels of change**

Costello (1994) identified three levels of change:

- Developmental change;
- Transitional change;
- Transformational change.

The smaller changes that occur when an organisation is growing and improves its way of working is known as developmental change. This is often the improvement of some parts of the organisation, like the extension of the training programs for employees. These improvements are often adjustments to the existing operational work of the organisation and generally involve an improvement of the quality or an increase in the quantity. This type of change is the least threatening to employees and the easiest to manage. Employees frequently respond to this kind of change as positive because they view it as an enhancement over the existing operations. Developmental change can be instituted within the existing structure of the organisation (Costello, 1994).

Transitional change occurs when a decision has been made to change what currently exists and to implement something completely new. To achieve this, organisation members must abandon their old way of functioning and adjust to the new situation. This kind of change is implemented over a period of time and includes reorganisations, introduction of new technology systems or the implementation of new programs. Transitional change can have more impact than developmental change on the employees, because the organisation members have to develop new skills or attitudes to adjust to the new structure (Costello, 1994). Transformational change is the most drastic form of change and involves the implementation of an evolutionary state that requires major shifts in the organisation’s vision, strategy and often structure. Unlike transitional change it is not possible to plan for this new state, the

future state is generally unknown until it takes shape. This contributes to the enormous anxiety that transformational change evokes among organisation members. This type of change often evolves out of necessity (Costello, 1994).

#### **2.4.4 Critical factors**

When an organisation plans a transitional change, it must take a number of factors into account. Proehl (2001) has identified eight critical factors:

1. Well-defined mission;
2. Change is built on organisational values;
3. Importance of outcomes;
4. Change must be holistic;
5. Empowerment;
6. Collaboration with other organisations;
7. Leadership;
8. Change is customer-focused.

A well-defined mission helps the organisation to focus on their priorities. The mission is understood by all the members of the organisation, which means that they all know in which direction the organisation is going. The change needs to be in line with this mission. Most organisations have defined a mission, but being a mission-focused organisation is much less common. This hangs close to the second factor that change is built on organisational values. Especially voluntary organisations have strong established cultures and initiatives and attempts to radically alter those cultures are destined to fail. Successful change occurs when the mission, values and norms of the organisation serve as the foundation for the change and the point from which all new activities evolve.

The third factor, the importance of outcomes motivates people. Because they notice that the change has effect and works. The change must be holistic, because a change in one part of the organisation affects also the other parts. This is in many cases not recognised. A holistic approach requires coordination between the different parts of an organisation. The involvement of front-line employees can be necessary, because they have the knowledge of the day-to-day work and their help is often useful. This also creates more feeling of the employees to belong to the organisation when their help is recognised.

Collaboration with other organisation is important because not-for-profit organisations are mostly not able to invent successful programs just by themselves. Therefore, it can be helpful to develop these innovative programs with collaborating partners from other fields and sectors which have more knowledge about the issues the organisations wants to change. Leadership is also important, because leaders can define the future of an organisation, align people with that vision of the future and inspire them to make it happen despite the obstacles that need to be faced. Finally, the attention of the organisation must be focused on the customer. The first

step in any change should begin with asking questions like: 'What business are we in, what is our mission and who are our customers?' (Proehl, 2001).

To bring about change there must be a great deal of cooperation, commitment of time and energy and willingness to make sacrifices. The first thing in implementing change is to convince the people of the need to change. If they do not recognise the need there is no way that the change will be successful. The direction, outcomes, constraints and resources for the changes also must be clarified to all the people concerning the change. If a shared vision is created there will be much more commitment in the organisation for the intended changes. An important role here is for the leader who can explain the new vision to the employees. This new vision should explicitly be not in contrast with the mission and organisational values. What must be kept in mind is that the change is customer-focused. Therefore, the present situation needs to be analysed first to determine what is possible with the organisation as it is now and what needs to change in order to let it perform better. The vision which contains what changes are necessary to serve the customers' needs better need to be translated into a plan which determines exactly what features of the organisation should change. The change must be holistic, and in line with the organisational values. When the plan is developed clear outcomes and strategies to come to these outcomes are essential. To be able to execute the plan collaboration with other agencies can be an option.

Before the plan can be implemented it must be made clear what kind of information needs to be communicated to the people who are affected by the change. After the implementation, the change must be evaluated and sometimes also altered to some wishes of the employees who have to work with it. To convince other employees of the good concept of the change, pilots are a good way of showing the new change concept in its full context (Proehl, 2001).

#### **2.4.5 Learning organisation**

As with change, in learning also different levels can be distinguished. Swieringa and Wierdsma (1990) discuss single, double and triple loop learning. Single-loop learning occurs when an organisation improves its existing operations. This can be compared with the definition of Costello of developmental change. Double-loop learning is learning on a higher level; not only the rules are changed, but also the insights behind these rules. This is illustrated in figure 2.2.

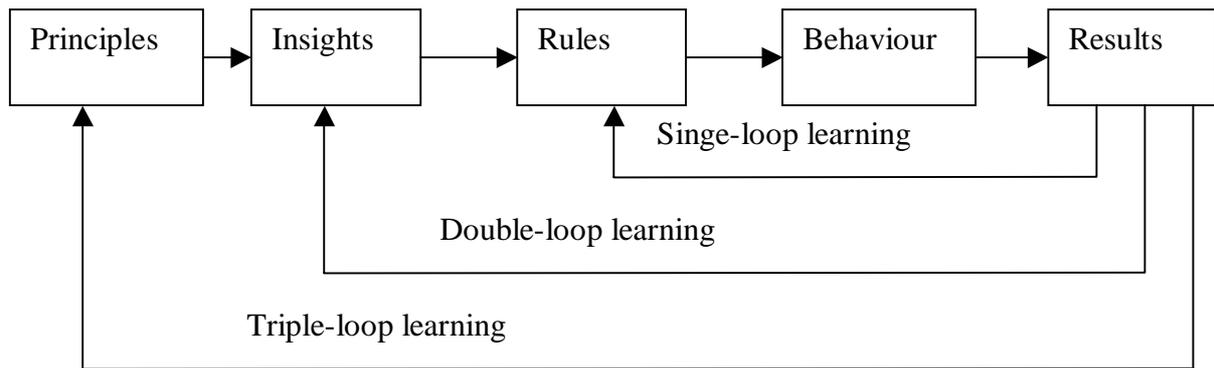


Figure 2.2 Organisational learning (Swieringa and Wierdsma (1990))

Double-loop learning is concerned with ‘why’-questions, asking about why the rules are as they are; it is asked at the level of knowing and understanding. Single-loop learning just asks about the ‘how’ of the rules and just involves improvement, while double-loop learning involves renewal. Triple-loop learning occurs when essential principles on which the organisation is based come to discussion. These are questions about the business the organisation wants to be in and the role it wants to fulfil. This kind of learning is called development (Swieringa and Wierdsma, 1990). Pennings (1997) claimed that triple-loop learning can be seen as an organisation that learns to learn (meta-learning). Organisational learning is a constant cycle. Single-loop learning occurs daily, weekly and monthly, double-loop learning can take several months and triple-loop learning has a cycle of multiple years (Swieringa and Wierdsma, 1990).

## 2.5 Professionalisation

This section introduces three authors who have distinguished several development stages of organisations. The ideas of these authors form the basis for the professionalisation framework that is presented in chapter 4. The first section describes two models of organisational development of regular organisation; one of Nelson and Burns (1984) and one of Flamholtz (1984). The theory of Meijjs (1997) concerning the development of voluntary organisations is discussed in section 2.5.2. Collins and Porras (2000) researched elements that make an organisation visionary, as they call it. Some of these elements are discussed in the several sections.

### 2.5.1 Development of organisations

Nelson and Burns (1984) developed a framework that organisations can go through in their development. This framework is presented in figure 2.3. The lowest frame, called the reactive organisation, is not the stage in which the organisation starts, but the stage in which the survival of the organisation is in jeopardy. In this kind of organisations there are no well-

focused goals. This has the effect that the organisation is at drift, because it has not focus on the future. In stead of looking at the future, the organisation members fixate on the past. However, this past does no longer exist and rather than being pulled by a vision of a future, the organisation is driven by a fear of not being able to justify its existence. This is not a healthy state for organisations and therefore the organisation needs to be pulled to another frame.

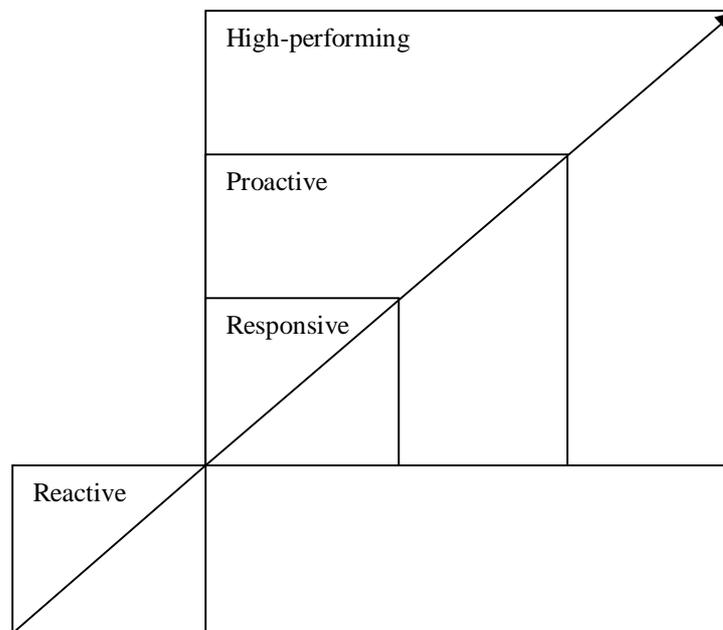


Figure 2.3 Framework for transforming organisations (Nelson and Burns, 1984)

The most important step to get there is to re-focus the members of the organisation. The members must have goals they can work towards. These goals can be formulated in a year-plan or described in projects. It is important that the goals are specific enough to clarify the outputs, so that employees become no longer focused on the past, but on producing outputs in the present through activities planned to achieve near-term goals. Nelson and Burns (1984) call this kind of organisation a responsive organisation. The organisation is no longer struggling for survival anymore in this frame, but is not at it best yet.

The following, proactive, frame includes the responsive frame but also extends it. The focus becomes on the future now, instead of the present. This future should be captured in a vision that includes the organisation's values and long-range plans and strategies must be developed which serve as a goal for the organisation members. To maintain progress and to ensure that future results are achieved, decision-makers need to establish performance-feedback systems. With a few critical performance indices managers can inform themselves on significant changes and performance trends. Change is planned for and is needed to keep the organisation clearly focused on its purpose.

The largest frame is the frame for the highest performing organisation. In this kind of organisation members are oriented on scanning for potentials. They are constantly seeking for what might be possible for the organisation and use a time flow of the past, present and future to develop their strategy plans (Nelson and Burns, 1984). This kind of organisation does not ask itself the question: “How well are we doing?” but “How can we do even better than we already did?” High-performing organisations do not see superb execution and performance as an end goal but as the result of a never-ending cycle of self-stimulated improvement and investment for the future. There is no ultimate finish line, the organisation can always do better (Collins and Porras, 2000).

Leaders that can manage such an organisation should have a holistic leadership style. This means that this leader does not only look into its own organisation and its people, but also to outside the organisation to help develop its potentials (Nelson and Burns, 1984). Collins and Porras (2000) add that in high-performing organisations it is not the quality of leadership that separates these kinds of organisations from other organisations, but that it is the continuity of leadership that matters. There should not be just one visionary leader, but a line of leaders that are qualified. The authors recommend that these leaders should come from inside the organisation instead of attracting a saviour from outside into the organisation. They call this home-grown management (Collins and Porras, 2000)

Flamholtz (1986) has also identified four stages of organisational growth. These stages are presented in figure 2.4. He states that at the first two stages the organisation can be characterised as entrepreneurial and that at stage 3 and 4 the organisation has become professional.

stage no.	description	critical development areas
I	new venture	markets and products
II	expansion	resources and operational systems
III	professionalisation	management systems
IV	consolidation	corporate culture

Figure 2.4 Stages of organisational growth (Flamholtz, 1986)

#### *Stage I: New venture*

Stage I of organisational growth involves the inception of a new venture. During this stage the organisation has to perform all the critical tasks necessary for organisational success, but the greatest emphasis is on defining markets and developing products. If an organisation successfully completes the key developmental tasks of stage I it will reach stage II.

*Stage II: Expansion*

This stage involves the rapid expansion of the organisation in terms of sales revenues, number of employees and so on. The emphasis is on improving the operational systems that keep the firm going. In this stage the organisation has to deal with a new set of developmental problems. The entrepreneurial organisation has always operated with a considerable degree of informality. It may have lacked well-defined goals, responsibilities, plans or controls, but still prospered. However, once a critical size is achieved, many of these practices and procedures must be increasingly formalised. Flamholtz (1986) has identified five signals that tell the organisation, it should change its way of working. These are:

1. Too much time is spent on short term crises;
2. Lack of perceived direction;
3. Lack of coordination;
4. The feeling that organisational meetings are a waste of time;
5. Lack of follow-up.

The first signal is that too much time is spent on dealing with short term crises. This problem usually results from a lack of long range planning. The organisation lives from day-to-day, never knowing what to expect. This can result in a loss of organisational productivity, effectiveness, and efficiency. Another result of a lack of long range planning is the second signal; lack of perceived direction. The employees do their day-to-day work, but do not have a vision in mind of what the organisation should become.

The third signal, a lack of coordination causes that employees are unaware of the exact nature of their jobs and how these jobs relate to those of others. These problems usually result from the lack of an organisation chart and precise role and responsibility definitions.

The feeling of organisational members that the meetings are a waste of time is the fourth signal the organisation should change its way of working. Meetings are planned to increase the coordination and communication between the employees. However, sometimes these meetings are nothing more than discussions between people. There is no planned agenda, and often no designated leader, so that people feel frustrated. The last signal hangs close to this is a lack of follow-up on decisions that have been made so that these decisions are not properly executed. The meetings in which goals are set for the company can be a waste of time if people fail to monitor their progress towards these goals (Flamholtz, 1986)

*Stage III: Professionalisation.*

As these growing pains occur, the organisation must realise that a qualitative change in the nature of the organisation is needed; the organisation is pushed to stage III. The emphasis at this stage is on the development of management systems. These systems help to coordinate the functions of the personnel, provide direction to employees and motivate employees to achieve organisational goals. Management systems formalise many of the activities that earlier, when the organisation was small and growing, were performed through face-to-face

interactions with personal leadership. A professional organisation needs to have management systems like planning, organisation and control. These are tools that have not been explicitly in use when the organisation was smaller (Flamholtz, 1986). The differences between the use of planning, organisation and control in entrepreneurial and professional organisations are summarised in figure 2.5.

	<b>Entrepreneurial organisation</b>	<b>Professional organisation</b>
Planning	- Informal, ad hoc planning	- Strategic planning
Organisation	- Informal organisational structure with overlapping and undefined responsibilities	- Written role descriptions that are mutually exclusive and exhaustive
Control	- Lack of formal measurement and performance appraisal systems	- Organisational control system with objectives, measurements, feedback, evaluation and rewards

Figure 2.5 Differences entrepreneurial and professional organisations (Flamholtz, 1986)

The first issue is planning. Strategic planning is one of the management systems that an organisation must develop, if it desires to function effectively. It is one of the major tools by which management can create a shared vision of what a company wants to become. Strategic planning involves decisions about the future direction of an organisation and the organisational capabilities that are needed to achieve the organisation's goals. It involves an analysis of the organisation's environment to assess future opportunities and threats, a formulation of objectives and specific goals to be achieved and the development of action plans to attain them. A formal, written business plan is therefore necessary for a professional organisation. Operational plans also should to be developed with clear goals and targets.

Second, the organisational structure of an entrepreneurial differs from a professional organisation. The first one has an informal organisational structure with overlapping and undefined responsibilities and the second has a set of written role descriptions that clearly state responsibilities. These descriptions are designed to be mutually exclusive and exhaustive.

The last issue of control of operations tends to be lacking or at least piecemeal in entrepreneurial organisations. The organisation has no formal measurement or performance appraisal systems. A professionally managed organisation has a formal, planned system of organisational control. This system makes full use of objectives and goals, measurements of performance, feedback, evaluation and rewards (Flamholtz, 1986).

*Stage IV: Consolidation*

Once an organisation has made the transition to a professionally managed firm with workable systems for planning, organisation and control, the organisation must turn its attention to an intangible asset: the corporate culture. The development of a corporate culture is the main task of stage IV of organisational development. When the organisation was smaller it was easier to transmit the culture all over the organisation. But now the organisation is larger, a more conscious and formal method of transmitting the corporate culture throughout the organisation should be developed (Flamholtz, 1986). Another important feature is alignment: the corporate culture should be translated into all the elements of the organisation like goals, strategies, processes, management styles, etc. The organisation creates a total environment in which the organisation's ideology can not be misunderstood. By alignment it is meant that all the elements of the organisation work together in concert within the context of the organisation's ideology and the vision it aims to achieve (Collins and Porras, 2000).

**2.5.2 Development of voluntary organisations**

In the development of a volunteer organisation Meijs (1997) distinguishes the following three stages:

1. The start of the movement;
2. Focus on the primary activities of the organisation;
3. Focus on the management of the organisation.

The first stage is characterised by emotion. People come together to organise mutual activities. This can be activities that have to do with shared interests, or maybe shared concerns. This starts out as independent activities, but when these activities are organised at a regular basis, the need for more organisation becomes apparent. This can be in the form of a regional or national network that is established. In the second stage of the volunteer organisation, the focus will be on the primary activities of the organisation. These are the activities which are executed by the operating core. People invent new ways in which this work can be done more efficiently and effectively. In the third stage the volunteer organisation is paying more attention to the management of the organisation. The primary activities are now performed in a more professional way, but the structure needs to adapt to this as well. It could be necessary to change the structure and start formalising (Meijs, 1997). Formalising is a natural progression of not-for-profit organisations as they develop and brings some fundamental implications for the management (Butler, 1990). An example is that volunteer organisations employ people who have a business background.

## 2.6 Conclusions

This chapter discussed several theories concerning organisations and changes in organisations. With these theories theoretical indicators for the professionalisation framework can be identified. Meijs (1997), Nelson and Burns (1984) and Flamholtz (1986) distinguished three or four stages in the development of an organisation. These are summarised in figure 2.6.

Professionalisation framework	Meijs (1997)	Nelson and Burns (1984)	Flamholtz (1986)
Level 1	Start of movement	Reactive	New venture
Level 2	Focus on primary activities	Responsive	Expansion
Level 3	Focus on management	Proactive	Professionalisation
Level 4		High-performing	Consolidation

Figure 2.6 Levels professionalisation framework

These three authors have identified many indicators for the levels they have distinguished. The indicators that can be useful for the national associations of World Shops are put in the framework in figure 2.7. Although Nelson and Burns (1984) argue that the reactive state is not the state in which an organisation starts this professionalisation framework exists of four frames that include and extend each other.

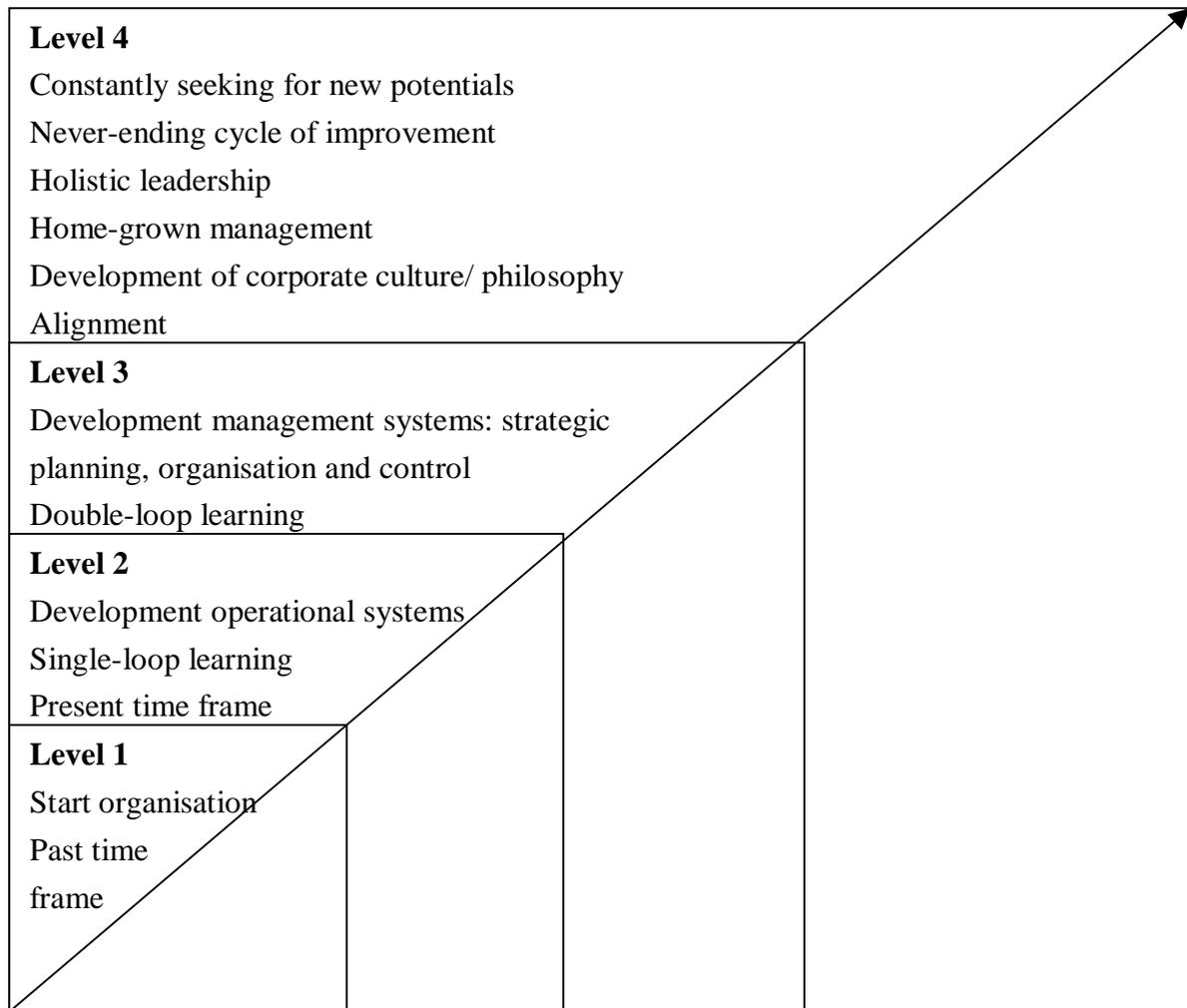


Figure 2.7: Theoretical basis professionalisation framework

Both Meijs and Flamholtz say that level 1 is the start of the organisation, at level 2 the organisation is focused on improving its primary activities, or operational systems and that level 3 is characterised by the focus on improving the management of the organisation. The development of the corporate culture at level 4 comes from Flamholtz. The time frame indicators (past, present, future and ‘flow’) are based on the theory of Nelson and Burns. Also the potential seeking and the holistic leadership aspect is derived from them. The single-, double- and triple-loop learning are from Swieringa and Wierdsma (1990). Single-loop learning takes mostly place at level 2 of the framework when the primary activities are improved. Double-loop learning can occur when the insights behind these activities are improved; the management, this is the case on level 3 of the framework. Triple-loop learning finally has most to do with the fourth level of the framework; the high performing organisation learns to learn. The change of the essential principles of the organisation of triple-loop learning suits with the development of the corporate philosophy that was already

identified as a level 4 indicator. The other level 4 indicators: alignment, never-ending cycle of improvement and home-grown management come from Collins and Porras (2000).

The other theories discussed in this chapter can not be filled in yet. Interview questions have been prepared about the subjects of structure, strategy, mission and marketing to determine which indicators can be identified on these subjects. The results of these interviews with the NEWS! representatives are presented in the next chapter. From these results conclusions can be drawn about the other indicators for the framework.

## **3 Practical indicators professionalisation framework**

### **3.1 Introduction**

This chapter covers the results of the interviews with the NEWS! representatives of 11 national associations. The purpose of these interviews was to find practical indicators that can be used for the professionalisation framework and to determine at what levels the national associations can be placed in this framework (see Appendix II for the list of the respondents and Appendix III for the questionnaire). The interviews were structured along the issues structure, mission, strategy and marketing. Section 3.2 describes the organisational and financial structure of the national association. The next section outlines the answers the respondents gave to the questions about mission and strategy. The marketing of the national associations is discussed in section 3.4 and elaborates on the issues of personnel, location, assortment and image (for an extended overview of the answers see Appendix IV). Finally, section 3.5 presents the practical indicators for the different issues derived from these interviews.

### **3.2 Structure**

#### **3.2.1 Organisational structure**

The first country where a national association started was the Netherlands in 1970. Belgium and Germany followed in 1975 and in the early eighties France, Austria and Finland set up their national association. For the rest of the countries it took till 1995 before they started. The legal form of all 11 the organisations is the association; this means that the members of the association choose the board which develops the policy of the organisation. The exact structure differed among the countries, because of different national regulations.

Also the size of the national offices was very different. The biggest one is the Belgian national association that counts 20 full-time employees. The smallest ones only have a part-time coordinator working at the office; this is the case for Italy, United Kingdom, Spain and Finland. The other national associations vary from 1 to 15 full-time employees. Austria, Belgium, France, Germany and the Netherlands work with different divisions at the national office.

The structure of the World Shops in Spain was different than in the rest of Europe. There is no national association of World Shops, but an umbrella organisation for Fair Trade, which includes about 30 member organisations. The 60 World Shops are grouped under a subcommittee, but do not have a coordinator for just supporting the World Shops.

The number of associated World Shops in the European countries varied from 7 to 400. The smallest one was Denmark with 7 shops and the largest ones were Germany and the

Netherlands with both 400 World Shops (see figure 3.1, Number of World Shops). A note must be made that not all World Shops in a country were members of the national association, that means that there were much more World Shops (or shops that claim to be World Shops) in Europe. These were not taken into account, because they paid no contribution to the national association and received no services from it (see table A1 in Appendix IV for the exact figures about the age, size and turnover of the 11 national associations and their shops).

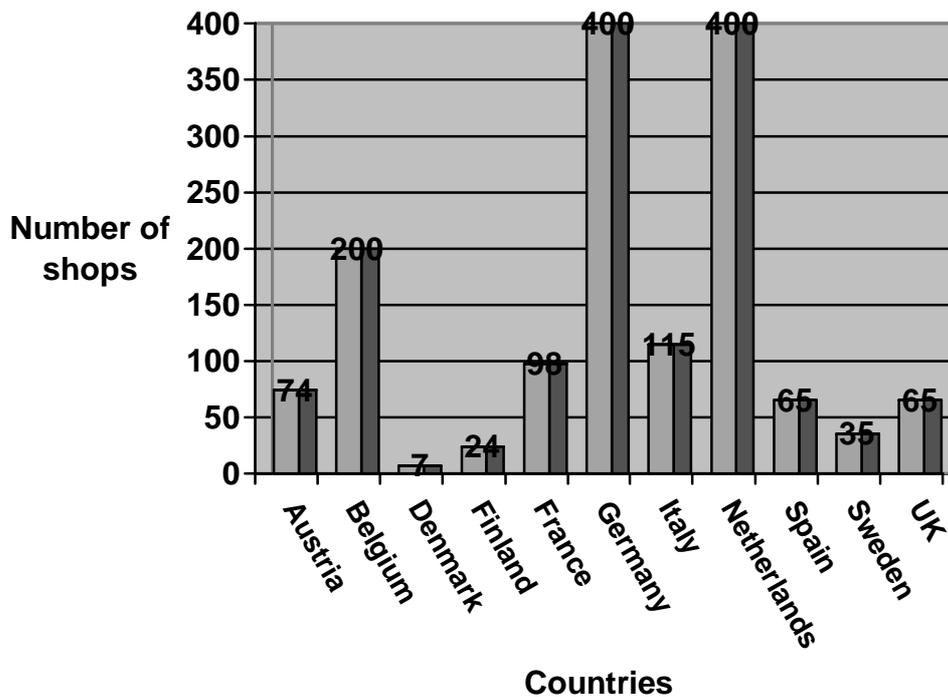


Figure 3.1 Number of World Shops

### 3.2.2 Financial structure

All the national associations, except for Belgium, received income from the contribution of their members. The height of the contribution depended on the turnover of the individual World Shops. The Netherlands had the highest turnover. For all the 400 World Shops together, this was € 27,5 million. The United Kingdom was second with € 11.1 million with just 60 shops. Austria, Belgium and France had a turnover of about € 7 million. The turnover in Finland, Sweden and Denmark was around € 500 thousand. The total turnover of course depends on the number of shops.

Another source of income were the subsidies the national associations received to perform their work. The dependency on subsidies varied from 40% to 90% of the budget of the national association. Austria received subsidies for its campaigning work and financed the support for its shops from contribution fees and an importer's fee. In the Netherlands the

largest importer paid money to the national association, in addition to the subsidies,. In addition to the subsidies, the United Kingdom received money from the importers that pay to be in the importers' directory from which the World Shops are allowed to purchase their products. According to the representatives in France, Germany and the Netherlands the national associations realised that the dependency on subsidies harms the continuity. Therefore, these countries developed plans to improve their financial situation.

The income of the national association in Belgium was somewhat different, because the Belgian national association also imported Fair Trade food products. Since last year the functions of importer and national association were more separated. The World Shops in Belgium did not pay a contribution fee to the national associations, like in other countries. The Fair Trade food products that were sold to the World Shops in Belgium have a margin that goes to the national association.

### **3.3 Mission and strategy**

Six of the national associations have formulated a mission statement. This was often related to the mission statement of Fair Trade (see box 1.1). In Denmark, Finland, Italy, Spain and Sweden however, there was no special formulated mission statement for the national associations. The Belgians believed that the mission is important and they discussed a whole year about their mission. Together with all its stakeholders and members the Belgium national association tried to come to a new mission from which they could build their strategy plans. The content of the strategy plans also differentiated between the countries; the French and Belgian World Shops have more affinity with the political side of the work

Eight national associations had a strategy plan for their national association. These strategy plans covered a period of 3 to 5 years. Only the Italian, Swedish and Spanish World Shops did not have anything like this. The Dutch and the Austrians were the only ones that developed a vision for a longer term (more than five years) which described a future about what the national association should look like in 10 years. The representatives said that was hard to align the strategy of the national association with the needs of the World Shops. There were different problems in the different countries. What seemed to be hard was the campaigning issue on the one side and the professionalisation issue on the other side. The representatives of France, Austria and Finland said that this seemed to give some struggling. The Dutch and German representatives perceived another problem in their countries, namely that the World Shops were more conservative and less open to change than the national office was. The last issue, which was relevant for Italy and the United Kingdom according to their representatives, was that the shops worked autonomously and did not have a common vision. An aspect, which the representatives claimed to be important for the World Shops, was that the national association could take stand in political issues when necessary. So the World did not need to do this locally. According to representative of the United Kingdom most British

World Shops did not need a lot of support from the national office, because they became a member just for the external representation.

### **3.4 Marketing**

#### **3.4.1 Personnel**

All the respondents, but the Spanish one, said that their national association had a magazine or newsletter for their members, which is published several times a year. In Denmark, the seven shops published their own newsletters. The intranet is increasingly used as a tool to keep the volunteers updated about what is going on in the association and to get information about for example the producers to inform the customers.

A handbook for the World Shops was available in 8 of the 11 national associations. Only the United Kingdom, Denmark and Italy did not had a handbook, but they were working on it. Topics in the handbooks were usually practical issues a World Shop is confronted with, like employment issues, insurances and financial administration.

Next, the national association could provide trainings for the World Shops. The national associations in the Netherlands and Belgium were able to give training programs for their volunteers on request. Germany and Austria had regular trainings, respectively two or three times a year. France, Denmark and the United Kingdom had a training program once a year. The other four national associations were not able to provide regular workshops for their members.

The World Shops keepers could also receive personnel advice from the national office. In Belgium there was a special telephone number for the volunteers for all their questions. When people planned to open a new World Shop, the national office assisted them with the business plan, the location and contact with other World Shops. The national office in the Netherlands provided the same kind of service. Austria and Germany had a handbook for starting World Shops. The other 7 national associations only brought the starting entrepreneurs in contact with other existing World Shops in the neighbourhood.

#### **3.4.2 Location, Assortment and Image**

##### *Location*

None of the respondents confirmed that all the World Shops in their country were located at A locations. In Austria, Denmark, the Netherlands, Spain and the United Kingdom about 25% of the World Shops was located very well. The rest was situated on B or C locations. In Belgium, Finland, and Sweden most World Shops were located at a B location. According to their representatives most of the French, German and Italian World Shops were situated in a bad location.

### *Assortment*

In all the countries, except for the United Kingdom, all the World Shops sold food. In the United Kingdom only half of the World Shops sold food; while other shops were specialised in selling just bags, clothes or carpets and three shops used only mail order or the Internet to sell their products. The product assortment of the Italian and Spanish World Shops also varied across the country. In Austria, Denmark and the Netherlands the focus of the product assortment was mainly on handicrafts. The Dutch representative said that they want to be on the market for handicrafts more than on the food markets, because they were too small to compete with the large supermarkets and their prices were relatively high. In addition, the margins on food products were much lower than the margins on the non-food business. However, since food has always been in a World Shop and some customers come specially to the World Shop to buy Fair Trade food, the food products would stay in the assortment. In the other countries the food has a larger share in the assortment. Belgium has the largest share of food, namely 85%. This is because the Belgium national association is also a food importer. There has not been much attention to the handicrafts in the shops; but this would change in the next years according to the Belgian representative.

### *Image*

The World Shops in the United Kingdom had no common logo, identity or name. Instead they had only a sticker for the shopping window, which stated that the shop is a member. In Finland and Italy the World Shop did also not reveal uniformity. In Finland the national association developed a common logo and encouraged the members to use it, but most were reluctant to do so; they did not want to change their names and lacked the finance for it. Since Spain is the only member of NEWS! without a national association, the shops in Spain were all different. In Spain, the Fair Trade market is dominated by three big importers which all had their own World Shops as well. The World Shops had a variety of styles due to the different backgrounds and the particular importer with which they were associated. In France, the World Shops also did not want to have a common image, so general guidelines for the presentation of the shops did not exist, just a common logo and name. The Swedish World Shops were absent. All the Shops had the same name and logo and three shops discussed a new shop concept with each other at the time of writing this report. The Shop in Germany and Belgium also just had a common name and logo, but were introducing a new shop concept. In Austria, Denmark and the Netherlands a new shop concept was already introduced. The shop concepts of the three countries were all different. The Austrian and Danish shops were almost all rebuilt, in The Netherlands 25% of the shops used the new Dutch concept and by 2006 all the World Shops should be rebuilt. The Austrian and Danish concept existed of several new elements the shop could use; not all the elements had to be used. The Dutch introduced the most radical new concept, because all the World Shops had to take all the elements of the new concept. This new concept existed of new logos, new colours, new

furniture and new materials to be used by the World Shops. This costs more time and money than changing just some elements in the shops. With the new concept the Dutch World Shops planned to position themselves as exclusive gift shops with the emphasis on high quality products. In Austria and Denmark all the shops needed to take a minimum of new elements, this would also be the case in Germany. In Belgium the World Shops had no obligations at all and could change when they planned to.

Part of a new shop concept was a computerisation project. Austria, Belgium, Germany and the Netherlands started to use new cash registers in the new World Shops. With this new cash registers data about sold products were more easily available for the national associations, so it was possible to determine which products sold well and which did not. The new system also had a database of all products that linked information about the products with the products. The computerisation project of the Austrians and Germans was not the same as the ones in Belgium and the Netherlands.

### **3.5 Practical indicators**

On the basis of the results of these interviews practical indicators for the professionalisation framework can be identified. The framework presented in section 2.6 had four different levels. If an issue was present at all national associations this was seen as a level 1 indicator. If it is used by more than half of the national associations, this was seen as a level 2 indicator. If it is just used by less than the half of the countries, it was identified as an indicator for level 3. The fourth level is for high-performing organisations that are not afraid to change the corporate culture. This was not the case for any of the national associations of World Shops. The members did not always share the same vision and the national associations were afraid of change. The third level is mainly concerned with the development of the organisation and the management systems and the second level with the development of operational systems.

#### *Structure*

For the issue of *organisational structure* it was noticed that the national associations could be divided in three levels qua size of the national office. These levels are summarised in figure 3.2. The first level is the start of the organisation. National associations at this level have one part-time coordinator. A feature of level 2 is that the organisation starts to expand and hires more people at the national office; these are the national associations that have more than one coordinator. At the third level the organisational structure is more formal and different divisions have been formed at the office.

<b>Organisational structure</b>	
1	Part-time coordinator
2	More personnel at the national office
3	Different divisions at the national office

Figure 3.2 Organisational structure levels

For the financial structure also an indicator could be identified. The income for the national associations depended for a large part on the turnover of the World Shops, because this determined the height of the contribution. So, the countries with World Shops with a high turnover have more income than the countries with less successful World Shops. The other part of the income mainly exists of subsidies, which is not a certain source of income and harms the continuity. Three countries worked on their financial situation. An *improvement of the financial structure* is therefore seen as a level 3 indicator.

#### *Mission and strategy*

Four countries did not have a mission statement. Having a *mission statement* is therefore seen as a level 2 indicator. The theoretical framework showed three different time frames for three levels. These time frames could be used for the division of the use of *strategy plans* in the national associations. The first level is associated with a past time frame; at this level the national associations have no strategy plans at all. At the second level the organisations focus on the present and the national associations develop short-term strategy plans. The third level corresponds with organisations that focus on the future and have a time horizon longer term than 5 years. The strategy plans and corresponding levels are summarised in figure 3.3.

<b>Strategy plans</b>	
1	No strategy plan
2	Strategy plan for 3-5 years
3	Development of longer term strategy/vision

Figure 3.3 Strategy plans levels

#### *Marketing*

*Newsletters* for the members as a communications device seem to be something that can be placed as an indicator for level 1, since all the countries, except for one, used this type of communication.

A handbook for the personnel in the national office was available in 8 of the 11 countries. Because a handbook is related with the improvement of primary activities it is seen as a level 2 indicator. The same applies to trainings for the personnel. However, the results of the interviews showed that three different kinds of trainings could be identified (see figure 3.4). At the start of the organisation trainings were incidentally offered. At the second level the national associations improved their operational systems and offered regular courses once a year. The development of the trainings did not stop at level 2 and at level 3 more trainings were offered multiple times a year and sometimes on request of the members.

<b>Trainings</b>	
1	Incidental trainings
2	Training once a year
3	Training multiple times a year and on request

Figure 3.4 Training categories

The *product assortment* can improve from level 1 to level 2, because at level 1 national associations have different product assortment across the country; the World Shops all sell different kinds of products. At level 2 the ratio of food/non food is more or less the same in all the World Shops with a large share for food in the assortment. The product assortment still develops at level 3 where national associations decided to put the emphasis on high quality handicrafts (see figure 3.5).

<b>Product assortment</b>	
1	Different product assortments
2	Ratio food/non food same in all shops; food large share
3	Emphasis on high quality handicraft products

Figure 3.5 Product assortment categories

Since marketing has most to do with level 2, the creation of a *common image* also starts at level 2. Figure 3.6 presents the different levels of common image. At the start of the organisation, the first level, there is no common name and logo. This is changing at the second level, when a common name and logo is used by the World Shops. However, the issue of a common image is taken further at the third level when a common image is created in the form of a shop concept

<b>Common image</b>	
1	No common logo or name
2	A common logo and name
3	A common image in the form of a shop concept

Figure 3.6 Common image categories

The improvement of the location of World Shops should be an issue for level 2, since at this the situation of the World Shops needs to be improved. Because, the respondents could not give a good answer to the question of the location of the World Shops it is hard to identify an indicator for this issue. However, the national associations that implemented a new shop concept were also the ones that push the World Shops to better locations. This new shop concept is a level 3 indicator and therefore World Shops at A and B locations can also be seen as an indicator for level 3.

The last issue is computerisation. There are four countries which have a *computerisation* project for the World Shops and this is therefore seen as a level 3 indicator.

These indicators can be put together in a model. The result is the framework shown in figure 3.7.

In the next chapter these practical indicators will be combined with the theoretical indicators of the previous chapter to complete the professionalisation framework, so that the national associations can be placed in the model.

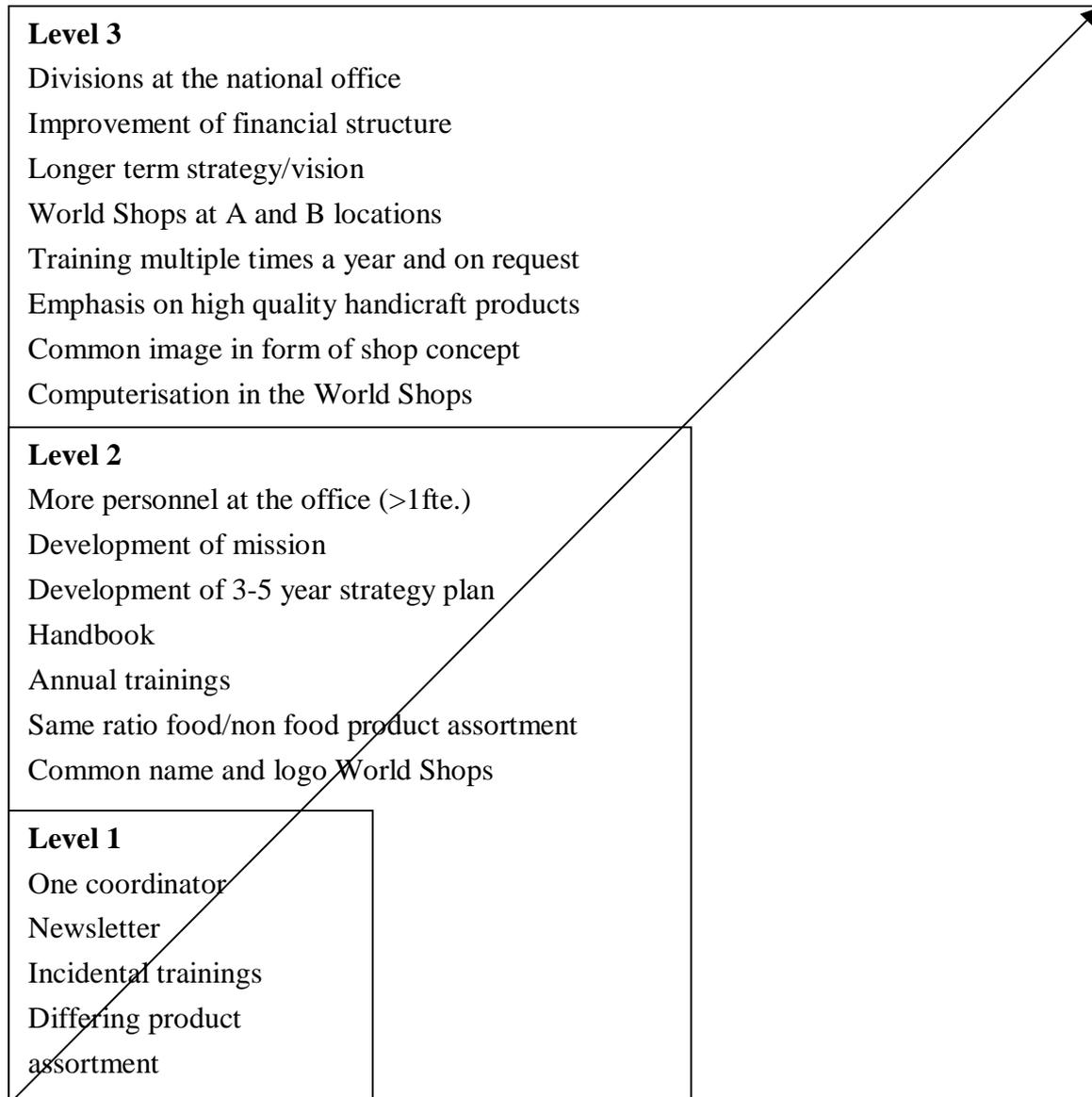


Figure 3.7 Practical indicators professionalisation framework

## 4 Professionalisation framework

### 4.1 Introduction

In this chapter the first two sub-questions: “*What levels of professionalisation can be distinguished for the national associations of World Shops?*” and “*What are the current levels of professionalisation of the national associations of World Shops?*” will be answered. First, in section 4.2 the theoretical indicators from chapter 2 with the practical indicators from chapter 3 are combined to complete the professionalisation framework. Next in section 4.3 the indicators are linked to specific national associations so that each national association can be put in the framework presented in section 4.4.

### 4.2 Framework

The theoretical and practical indicators can be combined into one framework. The theoretical framework distinguishes four levels; the practical model only three. The first three levels in both models show much resemblance. The first level in the theoretical model represents the start of the organisation; this is also the case in the practical model. At this level the national offices are still small. In both models the emphasis of the second level is on the improvement of the operational systems of the organisation: the sales function of the World Shops. The same goes for the third level where both models put the emphasis on the management of the organisation. However, in the practical model level 2 shows characteristics of the third level of the theoretical model and vice versa. No practical indicators that can serve for level 4 could be derived from the results of the interviews with the NEWS! representatives. Therefore, it was concluded that the national associations were not operating at level 4. Figure 4.1 shows the framework that combines the two models. The italic text in the framework presents indicators derived from the literature, the other indicators are derived from the interviews. The framework will be explained below.

#### *Level 1: Start of the organisation*

The first level is characterised by the start of the organisation. The World Shops formed a network and a national association, but there is little cooperation between them. At this level the shops have different names and logos, do not want to give up their autonomy, are fixated on the past and sell different kinds of products; there is no policy about the share of each product category. Only one part-time coordinator, who has little opportunities to support the World Shops, runs the national office. The coordinator offers incidentally workshops to the personnel of the World Shops. To get the feeling of belonging to one association, the communication in the network has to be improved. One thing that national associations have at this level is a newsletter or magazine for the World Shops.

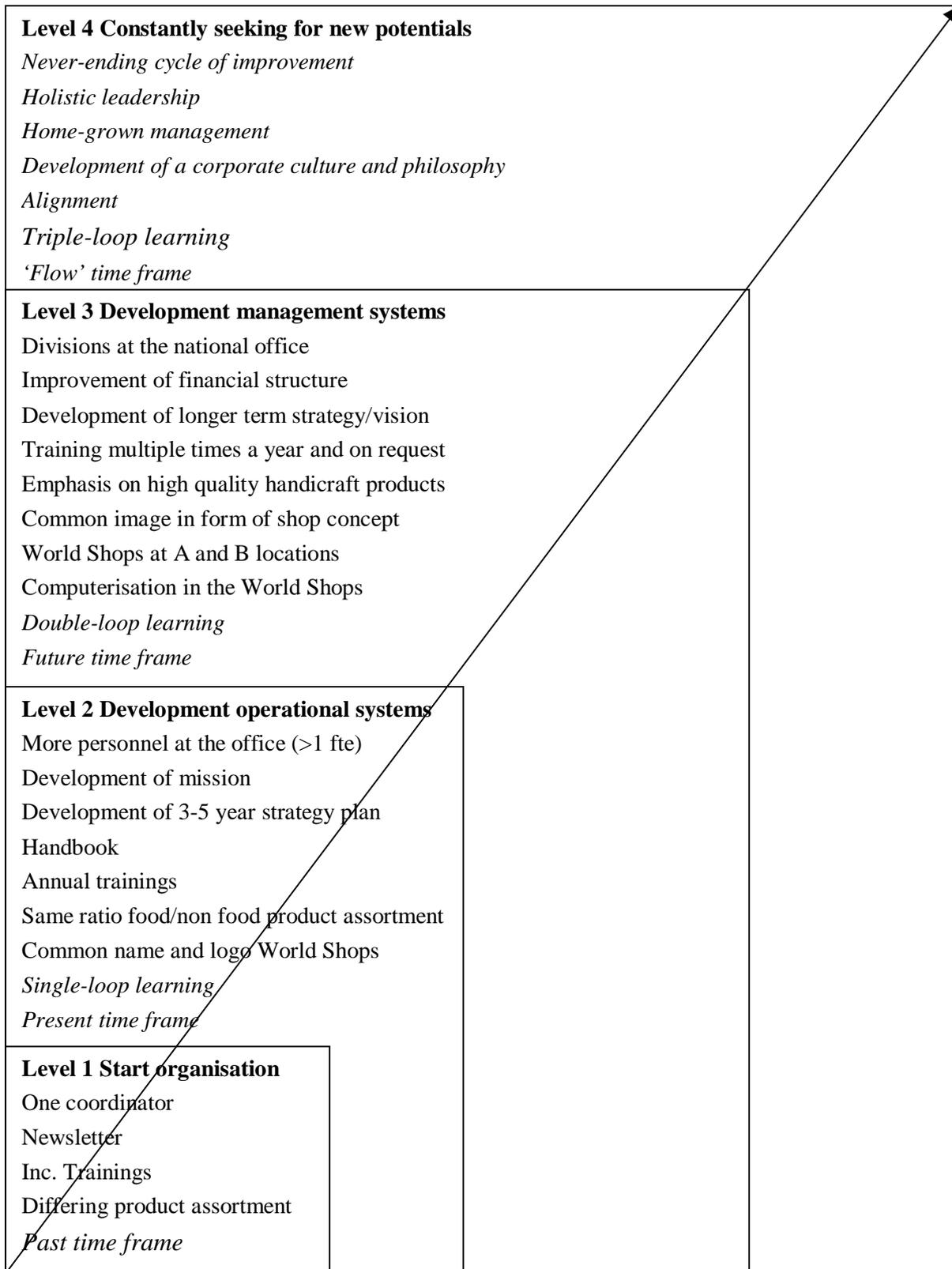


Figure 4.1 Professionalisation framework<sup>4</sup>

<sup>4</sup> The indicators printed in italics are derived from the literature, the other indicators from interviews with representatives of the national associations.

*Level 2: Development of operational systems*

When the national association grows, more personnel can be hired to work at the national office. These new people focus at the improvement of the World Shops, which are the operational systems. Single-loop learning does this. A handbook is present for the World Shops with all kinds of practical information about running a shop. In addition, trainings for the World Shops are organised on a more regular basis with yearly workshops. Another feature of this level is that the national office starts to develop some materials for a common image, like a logo and price tags that can be used by all World Shops. The World Shops also use the same name all over the country. The product assortment is more or less in the same in all the World Shops, with the same ratio of food/ non-food. Instead of fixating on the past, the World Shops focus on the present and aim for a higher turnover. Some features of a future time frame are also present in this phase; the national association develops a mission and strategy plans for 3-5 years.

*7. Level 3: Development of management systems*

At this level the emphasis is on the management and structure of the organisation. The insights behind the familiar way of operating are changed. This is called double-loop learning. The organisation has grown and the national office employs more personnel. The national office has divisions like Sales, Campaigning and Advocacy. The national association has a future time frame and realises that it is not good for the continuity and the longer term planning to be dependent on subsidies. Therefore, the national office improves the financial structure. With more certainty a longer-term strategy or vision can be developed. Also, the World Shops become more professional. The start of the common image made at the previous level is taken further and a shop formula is developed. The new shop concept has more demands that shops need to adhere to than before. There are requirements for the whole look of the shops, inside as well as outside. The purpose is to improve the image of the World Shops. Therefore, the World Shops move more and more to better locations in or near the high streets. The emphasis of the new shops is on selling high quality handicraft products. Having qualified personnel is also a requirement in the new shops and the training facilities for the shop personnel are extended. The World Shops are computerised so it is easier to determine which products sell well.

*Level 4: Constantly seeking for new potentials*

An organisation at this level uses a time frame that takes the past and present into account, but focuses on the future. This kind of organisation is never satisfied, but is constantly improving and seeking for new potentials. The leader that suits such an organisation makes use of holistic leadership which means that he or she takes also the environment of the organisation into account. The leaders come from within the organisation. The organisation uses single, double-loop learning and triple-loop learning (meta-learning). As the organisation has

extended many new employees are hired and the corporate culture and philosophy of the organisation needs to be transmitted all over the organisation. All the organisation members have the same vision about the future of the organisation and use the same organisational values in their work. This is called alignment.

### 4.3 Indicators for the national associations

This section elaborates on the professionalisation level of the individual national associations. Therefore, the indicators of specific issues in the previous chapter are applied to the different national associations.

#### *Structure*

The first issue is the organisational structure. Figure 4.2 shows the scores for individual countries on the organisational structure at the different levels.

<b>Organisational structure</b>		
1	Part-time coordinator	Finland, Italy, Spain, UK
2	More personnel at the national office	Denmark, Sweden
3	Different divisions at the national office	Austria, Belgium, France, Germany, the Netherlands

Figure 4.2 Organisational structure categories

Finland, Italy, Spain and the United Kingdom had one part-time coordinator. Sweden had two part-time coordinators summing up to one full-time employee and Denmark 1,5 person in full-time equivalent (fte) at the national office. Austria had three national offices representing 4 fte.; each office had a different division. Austria had a manager and, therefore, introduced some hierarchy. Germany employed 6 fte, without hierarchy, but the national office planned to introduce some hierarchy. In Belgium, France and the Netherlands more than 10 fte was employed at the national office. These national offices also had hierarchy and three or four divisions.

Improvement of the financial structure is a level 3 indicator. France, Germany and the Netherlands are the countries that tried to improve the financial structures, while Austria and Belgium already had a more solid financial structure. Austria only received subsidies for campaigns and financed its professionalisation project with its own income. Belgium had a more stable situation, because the national association and the importer were one organisation.

### *Mission and strategy*

The issue to have a mission statement is a level 2 indicator. The countries without a mission statement and therefore did not receive level 2 were: Denmark, Finland, Italy, Sweden and Spain.

In figure 4.3 the three levels of strategy plans are presented. It shows the levels of the individual countries. Italy, Spain and Sweden were at level 1, because they did not had a strategy plan for their national associations. The other eight countries had strategy plans for 3-5 years. In addition, Austria and the Netherlands developed a vision beyond five years. The Belgian national association was not that far, but it has discussed intensively its mission and formed an idea about where the association would be heading in the future. Therefore Belgium, has also been placed at level 3.

<b>Strategy plans</b>		
1	No strategy plan	Italy, Spain, Sweden
2	Strategy plan for 3-5 years	Denmark, Finland, France, Germany, UK
3	Development of longer term strategy/vision	Austria, Belgium, the Netherlands

Figure 4.3 Strategy plans categories

### *Marketing*

The indicators for the issue marketing were: handbooks, newsletters, trainings, product assortment, common image and computerisation.

Having a newsletter for the World Shop members is a level 1 indicator. Spain was the only national association without a newsletter for its members. Having handbooks for the World Shops personnel was a level 2 indicator. UK, Denmark and Italy did not had a handbook, but were planning for one.

The scope of the training for the members is divided in three levels. Figure 4.4 places the national associations at these three levels. It showed that Finland and Sweden were not able to give any training at all. Sweden used to give marketing trainings, but had to quit with this because of lack of money. Italy had also no means to offer regular trainings, but offered trainings about special occasions, like the introduction of the Euro. Spain organised a training session once for the shops, but the participation of the members was really low. Denmark, France and the United Kingdom had yearly seminars. Austria organised World Shops conference weekends three times a year with workshops. Germany organised seminars each year in spring and autumn. The national association in the Netherlands contracted trainings out to a professional office which were given on request to the World Shops. Belgium had the most extended training facilities; it was called the World Shops University. It provided

workshops on set dates and places and it offered a whole variety of other workshops which were held in local World Shops at request of the members.

<b>Trainings</b>		
1	Incidental trainings	Finland, Italy, Spain, Sweden
2	Training once a year	Denmark, France, UK
3	Training multiple times a year and on request	Austria, Belgium, Germany, the Netherlands

Figure 4.4 Training categories

Figure 4.5 put the national associations at the three levels of product assortment. The assortment of the Italian World Shops was very different; some shops were specialised in a particular subject like organic food, sustainable development or ethical finance, which affected the assortment of products. The shops in Spain had also different product assortments, because three different importers determined each the sale of products in the World Shops. In the United Kingdom half of the World Shops did not sell food and some shops only sold bags, clothes or carpets. At the second level, the shops in Belgium had the largest share of food; more than 80%. The share of food products in the shops in Austria, Denmark and the Netherlands was much lower. These three countries introduced a new shop concept with the emphasis on handicrafts.

<b>Product assortment</b>		
1	Different product assortments	Italy, Spain, UK
2	Ratio food/non food same in all shops; food large share	Belgium, Finland, France, Germany, Sweden
3	Emphasis on high quality handicraft products	Austria, Denmark, the Netherlands

Figure 4.5 Product assortment categories

Austria, Denmark, the Netherlands reached also level 3 for the common image as presented in figure 4.6. In Austria and Denmark almost all World Shops used elements of a new shop concept developed by the national association. In the Netherlands not all the World Shops had the new image, because this took a lot of time, since the World Shops needed to be fully rebuilt. In Germany a few pilot shops were rebuilding, but the aim was that all the World Shops would use the new German concept within a few years. Belgium developed new

elements and materials as well, but left the choice to the World Shops whether they would use it or not. In Sweden some of the shops discussed a new concept, but they did not had concrete plans. The World Shops of the countries at the second level used the same name and logo. This is not the case at level 1. In Italy and the United Kingdom the world shops had only a small sticker at the shopping window that states that the shops are member of the national association. The World Shops in Spain were all different depending on the different importers they were associated with. The national association in Finland developed a new logo, but the shops were reluctant to use it.

Common image		
1	No common logo or name	Finland, Italy, Spain, UK
2	A common logo and name	Belgium, France, Germany, Sweden
3	A common image in the form of a shop concept	Austria, Denmark, the Netherlands

Figure 4.6 Common image categories

The last indicator was the computerisation project. Austria, Belgium, Germany and The Netherlands introduced such a project for their World Shops.

#### 4.4 The national associations in the framework

Now the national associations are linked to the indicators, it is possible to put them in the framework in figure 4.7. In Italy the national association had only level 1 indicators and can therefore be put on level 1. This is also the case for Spain, although Spain has a handbook, an level 2 indicator, but is the only national association without a newsletter, an level 1 indicator. Finland can also be put on level 1, because of its product assortment, although it had three indicators of level 2: a strategy plan and a handbook. Sweden had level 2 indicators for product assortment, common image and having a handbook. For organisational structure Sweden was at level 2 as well, but at the bare minimum because it had 2 part-time employees. The majority of indicators put Sweden at level 1 though. The United Kingdom was put on level 1, because it had mostly level 1 indicators and three level 2 indicators, namely mission statement, strategy plan and yearly trainings.

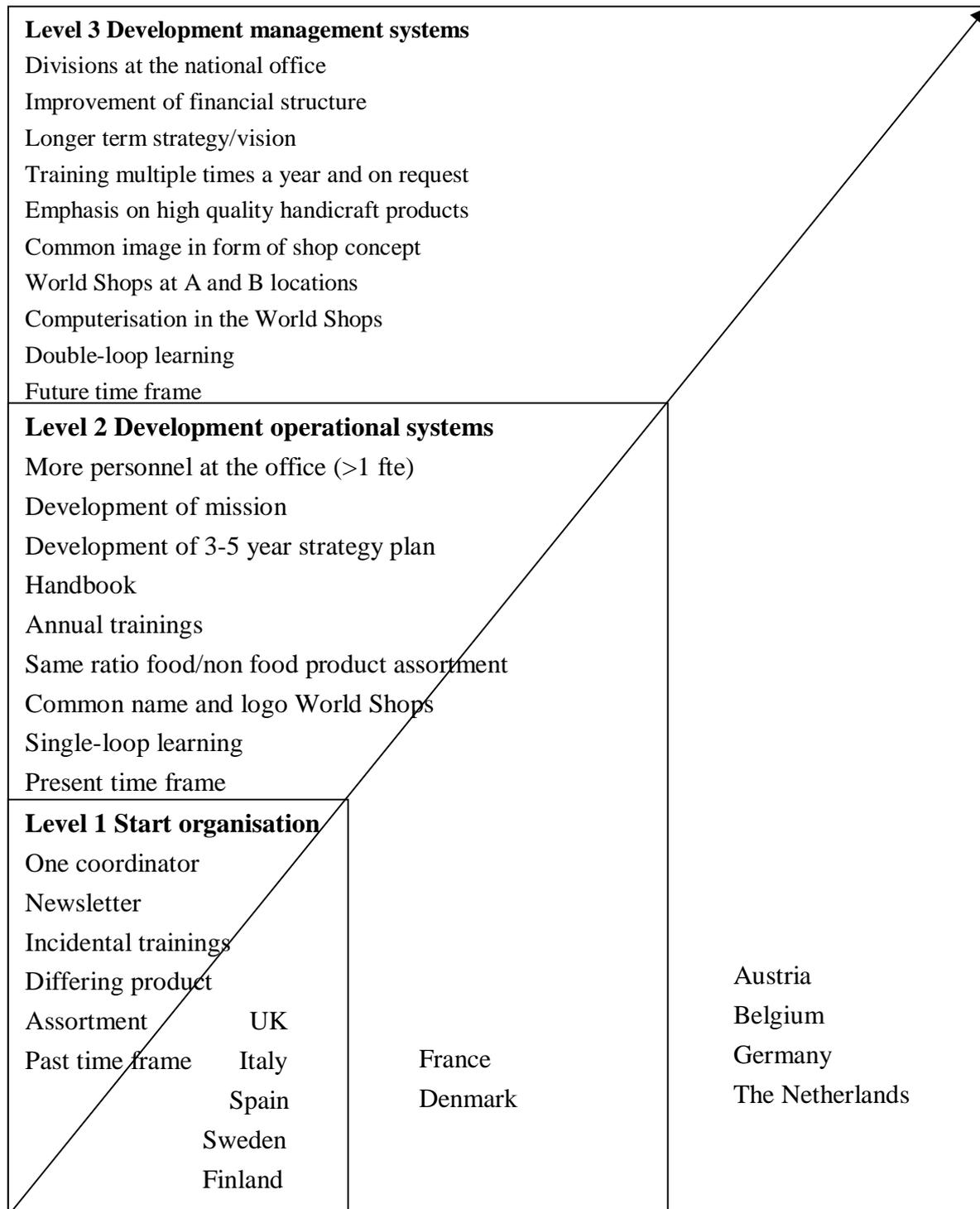


Figure 4.7 Countries in the framework

France was the country with most level 2 indicators, although qua organisational and financial structure it reached level 3. It was difficult to place Denmark in the framework, because it had features of all three levels. Indicators that put Denmark at level 2 were: organisational structure, strategy and training. For product assortment and common image it could be put at

level 3. But it has no mission statement and no handbook yet, which is a level 1 indicator. Most indicators point to level 2, so Denmark is placed at this level.

Austria and the Netherlands had only level 3 indicators and could thus be put at this place in the framework. Belgium had most indicators for level 3, but was behind on product assortment and common image. Germany had indicators for level 2 for strategy plans, product assortment and common image. This common image however would be introduced in the coming years. The level 3 indicators were: organisational and financial structure, training and computerisation. Since there are slightly more indicators for level 3 than level 2, Germany was placed on level 3.

#### **4.5 Concluding remarks**

Austria, Belgium, France, Finland and the Netherlands had the oldest national offices, so it was likely that these offices were more developed than the others. This was the case for Austria, Belgium and the Netherlands. However, the associations of Finland and France operated at respectively level 1 and 2, while the national office of Germany that existed since 1998, reached a lot of level 3 indicators. Denmark had a national office since 2001 and reached some level 3 indicators on the issue of product assortment, common image and the development of a new Danish shop concept. On the other issues, however, this country lagged behind and operated at level 1 indicators. It is likely that the Danish national association had focused on one thing, namely the development of a new shop concept, but did not pay attention to organisational issues, like financial structure, mission and handbooks.

The first step of the research, to determine the actual levels of professionalisation of the national associations, is finished. The next two chapters give an answer to the second step, finding ways to reach a higher level of professionalisation.



## 5 Best practices

### 5.1 Introduction

This chapter attempts to provide insight in the best practices of the national associations which are at level 3 in the professionalisation framework and in the best practices of organisations outside NEWS!. To learn from the best practices of national associations employees of the national offices have been interviewed. The results are presented in section 5.2. The respondents of the national associations in Austria and Germany worked at the national office since its beginning. The Dutch manager worked at the national association since 1991 and experienced the transition of moving from level 1 to level 2. The respondent of the Belgian national association worked at this organisation from 1993 on. Two chairmen of Dutch World Shops who both have worked for more than 10 years in their World Shop, were interviewed about their experience with the new Dutch shop concept (see, appendix V for the list of persons interviewed, appendix VI for the questions list and for the detailed answers Appendix VII).

In section 5.3 the results of the interviews with experts from outside the Network of European World Shops are discussed. Interviews were held with experts of the retail business and voluntary organisations (see for the list of people interviewed appendix V, for detailed results of the interviews appendix VIII). The best practices of these organisations can help the national associations with their development to be professional organisations. The section starts with the results of two interviews with experts about retail organisations. Next, the results of an interview with Marie-José Vervest that focuses on best practices of volunteer organisations are presented.

The interviews in sections 5.2 and 5.3 focus on the issues of: organisational and financial structure; mission, vision and strategy; and marketing.

Section 5.4 answers the third sub-question: “What are the best practices for professionalisation inside NEWS!?” and the fourth sub-question: “What are the best practices for professionalisation outside NEWS!?”.

### 5.2 Best practices inside NEWS!Structure

#### 5.2.1 Structure

##### *Organisational structure*

The development of organisational structure in the four countries is discussed per national association.

In Austria the national office exists since 1987 and Barbara Kofler has been the coordinator since. She worked alone till 1999 when the national office was able to hire an extra person for

the marketing issues. In the beginning it was hard to offer services to the World Shops because only one person worked at the office. When the national office started in 1987, 32 shops were associated; in 2004, 78 World Shops were member of the association. The national office organised 3 meetings a year. These were easy to manage because only 30 people needed to attend these meetings. In 2004, the national office consisted of three small offices; one for the management, one for the sales division and one for the youngsters' project.

The Belgium national association and the main food importer were always combined in one organisation. Ten years ago 12 people worked for both the importer and national association. In 2003, the importer decided to extend its supply to other shops than World Shops. Therefore, the tasks of the two organisations became more separated: the legal structure differentiated and each organisation got its own managing director. The divisions in Belgium were: Sales & Marketing, Campaigning, Volunteer support and Producers & Education. The supporting divisions of the two organisations, as finance and the secretariat, were still shared. The national association employed 20 people and the importer 35 people. Four years ago the regional offices moved to the national office. Therefore, the contact with the members diminished. When the organisation grow larger the responsibilities of the national office's employees became less clear and it became less clear when the members needed to decide. The national office started to research which new democratic structure would be suitable for the new organisation. It wanted to improve the relation with the local World Shops and tried to visit the shops more often to create the feeling of belonging to the same association.

Another new idea was to change the structure of the local World Shops. It was thought that another structure for Fair Trade than just World Shops should be possible. One of the ideas was that action groups should carry out the awareness raising and campaigning task of the World Shops. The sales and the action work would be more separated this way. The idea behind this new structure was that many people, for example students, were willing to promote the message of Fair Trade, but did not have much time or did not want to work in a shop. Forming just action groups for these people could be a solution.

In Germany the national office started in 1998 with Markus Frieauff as coordinator. However, the World Shops association already existed since 1975. The respondent said that at first he was mostly occupied with day-to-day work and solving short-term crises. In 1999, the national association received its first EU subsidy with which it was able to hire two extra persons for the support of the World Shops, like giving trainings. In 2004, about 400 World Shops were member of the national association of the about 600 World Shops in Germany. The German national office had 9 part-time employees and no divisions or a hierarchy. The board was the main deciding body in the organisation. The board did not only make strategic decisions, but also practical and operational ones. However, board employees were not

always qualified to make these decisions; the national office staff had more expertise. Therefore, the role of the board and the role of the national office's employees was researched to find a more workable solution.

The Netherlands had a national office since 1975. This office was merely used for the administration and lobbying work. In 1991 about 5 people worked at the office and four times a year a meeting was organised with all region workers. The region workers educated the World Shops about the principles of Fair Trade. The World Shops served as a meeting place for people to discuss Third World issues and where these people could get some coffee or sugar as well. The focus was on the awareness raising part of the work. In 2004, 20 part-time workers worked at the national office. New personnel for the national office could be hired because the national association received a large subsidy for the new shop concept in 1999. These new people supported the implementation of the new concept. The national office had three divisions: Communication, Trade policy and Shop support. Furthermore, it has two managers and a secretariat.

The Dutch national association had a plan for a new organisational structure. In 2004, its organisational structure was a democratic one, where policies were discussed at regional and district meetings. The only problem was that members of the board and of the regions were people who like to make policies and are mostly men. They were not very suitable for selling products and therefore performed other tasks. However, they did not represent the people in the shops, which were mainly older women. That is the idea of a formula council arisen. This council should only discuss issues of the shops and should consist of people that worked in the shops. The same idea was carried out for the advocacy council, where people who are interested in this area could become a member of. This plan was not approved at the time of writing this report, because the new shop concept had such an impact that the members were tired of changes.

#### *Financial structure*

In Belgium, the national association was legally combined with the importer, so it was able to finance its core activities internally. The Austrians also only got subsidies for awareness raising work, but not for professionalisation work. They received more income, because the shops paid a percentage of their increasing turnover to the national association. The local World Shops had a contract with the national association that stated that member World Shops needed to have a turnover of at least 30 thousand euro per year.

The Dutch and the Germans, however, depended heavily on subsidies (about 80% of their income), that also financed the support to the shops. They both realised that the system of subsidies was inefficient and harmed the continuity. In addition, subsidies had all kinds of limitations and the rules became more and more strict. The money received for the application

had to be spent exactly in the way described in the application and this could not be changed, even it became clear that another way was better. Subsidies also required additional activities from the national association. The national associations in Germany and the Netherlands wanted to finance the core activities as the costs of the office, personnel and the program costs internally. The Germans hired a new person who researched the possibilities of fundraising. Possibilities could be that the membership fee increased, because it was relatively low in comparison to other countries. Maybe sponsoring and cooperation with other companies could be an option as well.

The plan of the Dutch was already concrete but was not approved by the board at the time of writing this report. The idea was that the shops should not contribute a percentage of their turnover, anymore but that a tax should be levied on the products. In addition, the shops should pay a fixed fee which varies from € 100 to € 1000, dependent on the kind of shop (top, royal, core or ambulant). This fee would be used for mutual public activities (like campaigns).

### **5.2.2 Mission, vision and strategy**

In Belgium the discussion about the mission of the national association started four years ago. The reason was that the movement was growing and all kinds of developments took place that led to the situation that the national association had lost direction. Therefore, the association started to discuss with all its members and stakeholders about how they saw the movement and in what direction they thought it should go in the next years. For this purpose the association wanted to come up with a mission that covered the goal of the national association and from which the strategic goals for the coming years could be derived. The mission had been discussed for over a year in several rounds and became captured in one sentence of two lines: “Oxfam-Wereldwinkels is a democratic volunteer movement which stands up for everyone’s right at a life worthy of a human being through her fight for righteous world trade.” The goal was that every person in the world should lead a life worthy of a human being. This could be achieved by making world trade fair. According to the Belgian respondent the national association got more direction with this new mission. It was clear where the association wanted to head and that it perceived Fair Trade in a larger context, together with sustainable development.

The Austrian and the Dutch national association did not discuss the mission statement, but developed a vision for the longer term for the national association. This vision described what the World Shops movement should be like in the future. The Dutch vision, called Visie 2010, was written in 2003 and presented the future for the national association in 7 years. The first 3 pages outlined what has happened from the perspective of 2010 and what the organisation of the national association and the World Shops would look like. A more concrete elaboration on the organisational structure and financing is enclosed in the appendices. The Dutch manager told that the vision was heavily criticised, because the members thought it was not fair to

describe a future they thought they could never achieve. The Austrian manager wrote a vision for 2015. In this vision the shops all have the same concept, but there are also other outlets, like Fair Trade coffee bars. The national association maybe wanted to work with a sort of a franchise concept in the future.

The four national associations worked with strategic plans covering three years. This plans included strategic choices concerning market share, turnover, positioning, finance, organisation, etc. These plans did not contain measurable goals. These were outlined in the one year plans that contain clear targets that could be measured.

#### **5.2.4 Marketing**

In this section issues of personnel and a common image are discussed. The common image was eventually translated into a new shop concept. In 2004, all Austrian shops used the Austrian concept, and in the Netherlands more than 25% of the shops were rebuilt. In Germany and Belgium, the first pilot shops were rebuilding in 2004. However, the Belgians did not see the concept as a plan that had to be implemented in the next years, but as a concept available for the shops that would like to change. Since the projects in the other three countries were more extended, this section describes the examples of Austria, Germany and the Netherlands.

##### *Personnel*

The four national associations had a newspaper for the members almost since the start of the association. The German employee said that in 1997 it was decided to distribute the newsletter to all the World Shops, and not to only the member World Shops. This was done to improve the communication from the national association to the World Shops and to promote their work to increase the number of members. The result was that the number of World Shops that were member of the association almost doubled.

The handbooks for members of the Austrian and German national association were created about the same time that the trainings were developed. The handbooks in Belgium and The Netherlands became increasingly available through the intranet, so that a cost reduction was released, because of saving on printer costs. Another advantage according to the Dutch communication employee is that parts of the handbook can be updated easily and the shops can print the handbooks themselves. What was important according to the Belgian respondent was that information could easily be found. Although, all information is available on the intranet, the Belgian World Shops still called the information number of the national office, because they could not find the information they looked for.

All the four national associations examined the option to offer trainings to the World Shops. Belgium was furthest in offering trainings, because this national association offered the largest number of trainings and these trainings were for free. In Germany, the trainings were also offered for free. But the national association thought about charging fees for the trainings to create more income. Especially, since the World Shops that were not members of the national association could profit from the free seminars.

There were two types of trainings: trainings that can be ordered and trainings that are offered at a specific place and time where the World Shops can enrol. For the trainings that were ordered the organisational part of the course (the location and catering) is mostly done by the World Shops that ordered the training. These World Shops also bear the organisational costs. Trainings where World Shops have to enrol for were common in Belgium and The Netherlands. In Austria and Germany these trainings were less often offered.

In Austria and The Netherlands the trainings were contracted out to an external agency, because according to a Dutch communication employee an external agency is able to give more courses about more subjects and it saves the secretariat a lot of paperwork. The national office in the Netherlands used to give the trainings itself, but it was not possible to have someone who is specialised in all the subjects. The costs varied from € 45 for a correspondence course till € 1000 for trainings that take multiple days. These costs were 2,5 times lower than the market prices. This was possible through cooperation with non-commercial training institutes, some subsidies and bargaining. Still, World Shop members sometimes thought it was too expensive. The costs for a course were about € 1000 in Austria. In Belgium most courses were about the stories behind Fair Trade. This was more education than practice, but ensured that the World Shop employees had more knowledge about the products in the shop and its background. In Austria and the Netherlands, the trainings focused on the selling side and the practical things one should know when one works in a World Shop. In Germany, two seminars about the same subject existed; one seminar taught about the political side of the subject and the other about the marketing side of the story (for example the PR work). The trainings for the shops included theory and practical parts, so that the participants could practice what they have learned. This could take place in the shop itself, in case of, for example, window shop dressing course or in a role play in which someone plays the customer at the customer treatment course or the volunteer at the volunteer management course.

#### *Coordinators and paid staff*

In Belgium and The Netherlands the national associations encouraged the World Shops to have a coordinator in the shop. One person or two who work together could fulfil this job. The task division between volunteers is another point of concern. Since 2003, in Belgium courses existed for being a coordinator with subjects as efficient meetings, volunteer management, etc. This led to more paid coordinators in the shops.

The policy of the Belgian national association was that the paid employee should not take over tasks from the volunteers. If there is a paid employee, he or she should perform functions that otherwise could not be done, like education at schools and being responsible for the sales of large packages to companies or schools. The 15 paid workers in Belgium all worked in the shops in the larger cities, where it was difficult to get volunteers for larger tasks. In the Austrian World Shops 90 people were paid. The advantage over a volunteer according to the Austrian respondent was that paid people had more knowledge and guaranteed more continuity. The German respondent confirmed that paid staff ensures more continuity and that that they can deal more intensively with problems, because they have more time for it than a volunteer. In Austria, the paid workers were mostly responsible for the purchasing policy of the shop, so products were purchased that sell well, instead of products liked by the volunteers. The association examined that the turnover of the shops that worked with paid staff has risen. The volunteers noticed that it is worth to work with paid coordinators and did not have a problem with it. When the shops had a turnover of € 100.000 a year, it was possible to pay for a part-time coordinator. The Dutch shop support employee agreed with this and claimed that in the larger cities the large shops should be able to hire a paid coordinator.

#### *Common image*

In 1991, the national association in Netherlands started with a common image, after a discussion with all the members. It decided to take the sales function of the World Shops seriously. Next, the choice was made to develop common logos and to use the concept of marketing. The regional workers came to work at the national office. These regional workers had to support a group of World Shops and a specialisation with which they could help all the World Shops in the country. This could be for example marketing or window dressing.

The Austrian World Shops all had different names in the past and it was difficult to improve the image of World Shops according to the Austrian manager, because there was no common image. In 1992, the association started the discussion with the World Shops about a new common image. There were 65 shops at that time. After long discussions, it was decided that members of the national association needed to sign a contract. This contract contained all the rights and duties of the national association and the World Shops. This included at least 25 opening hours a week, buying products from only certificated importers, use of common design, having business plans, investment of profits back in the World Shop or World Shop movement and participating in national meetings. Seven shops did not agree and resigned. The other 58 shops had to use the new common logo and the name World Shop. The logo and contract was in use from 1997 on. The common image only existed of several items, it was not possible to have an extended line of common image products because of lack of money.

The common image of the German national association started in 1999. The German respondent said that the German World Shops always believed that their goal could be achieved by both the political and the selling work of the World Shops. The focus, however, shifted over the years to the selling side. This started with the EU subsidy with which the national association was able to support the World Shops better. When they wanted to sell more, the shop keepers needed to have more capabilities which could be improved by training. Then also the need of a common logo and name became apparent.

### **5.2.5 New shop concept**

#### *Development new concept*

The ideas for a new shop concept elaborated on the existing common image with the common logos and names. The respondents said that it was a long process which could not be implemented over night. In the Netherlands the discussion about professionalisation started in 1989 and resulted in the development of common accessories. In 1993, the first ideas about the new shop concepts existed, but it was too soon to carry out these ideas. The main reason was that the members of the national association were not ready; the transition of going from a campaign organisation to a real shop had a large impact on the members. It took some time for them to change their way of working and thinking.

The professionalisation discussion in Austria also started early. The contract for the World Shops dated from 1997 and from this time the shops used the common logo and materials. A next step was the common image project and because of the contract the shops had signed they needed to cooperate. The German professionalisation concept was also an extension of the common design that already existed.

To understand what should change about the existing concept of the World Shops research was needed. In the Netherlands the national association received a subsidy from the government of € 350 thousand to do market research. The research showed that the World Shops were too much product-oriented in stead of market-oriented. The older customers of the World Shops associated themselves with the alternative atmosphere in the shops, but the younger customers thought that the World Shops could use an update.

The reason the Austrian national association updated their shops according to the Austrian managers was that it was thought that the World Shops must be seen as normal shops and not as solidarity shops. These shops had to compete with other shops and therefore had to develop, just like other regular shops.

The German World Shops had an image problem and needed an update to attract new customers. In 2003, a German consumer organisation conducted a marketing research. For that purpose shops filled in a questionnaire concerning information about their customers. With the help of this information the new concept was developed. The goal of the new concept was uniformity for public appearance and promotion.

Germany, the Netherlands and Austria all hired external people to let them develop the new concept. Also people from inside the association, as successful World Shop keepers had a say in the project. The Dutch association explicitly did not want all the members to have a say in the project because most volunteers were women of 40 years and older who did not know what youngster really want according to the Dutch manager.

### *Implementation*

In the Netherlands the result of the new shop concept was presented to the members in the form of a pilot shop where the members could take a look. The Dutch manager had chosen not discuss the concept before the rebuilding of the shops because then the members wanted to have a say in all the different little details, like the colours, so that it would take a long time before it could be implemented. The shop keepers liked the new shop concept, but were afraid they could never implement it themselves, because of lack of money, etc. There were also complaints that the decision making process was not democratic. Four different shop concepts were developed for the shops, depending on their size and location, so that every World Shop had a chance to rebuild. Because of the criticism on the way the Dutch national office managed the development of the new shop concept, there was more compromising in the implementation phase. A plan was developed to implement the shop concept in different phases. Old materials could be used, as these met the requirements, so the World Shops did not need to purchase everything new.

In Germany, there was also some compromising. The purpose was that the shop concept must be taken as a whole package, but some shops only used parts of it, so the image was not exactly the same. However, for some shops it was not possible to buy all the new furniture so some exceptions were made.

### *Resistance*

Some German World Shops argued that they were not able to transform because of lack of money. However, according to the German respondent, a lot of German World Shops send their profits to the producers, while they could use these profits for transforming.

The Belgian respondent said that the association did not want to pressure the World Shops top-down; it wanted a more relaxed atmosphere with the World Shops. The longer term vision of the association was that it is important to change the World Shops with the new concept. The Belgian respondents thought that it was better to let the World Shops see for themselves they should change and that it was not possible to pressure every shop to change, because it costs a lot of money.

According to the Austrian respondent, most of the Austrian World Shops agreed with the professionalisation of the shops. Nowadays the employees in the shops are younger than 10 years ago and it is not an alternative movement anymore. The people really wanted to work in a professional shop. The newer volunteers saw the Fair Trade in a different light than the

older ones. The one World Shop that disagreed is not a member anymore. Also the argument that the producers wanted the shops to be more professional was a strong one in Austria. The producers saw the shops and told the national association that they would like to have nicer shops for their products, if that would mean a higher turnover. The Austrian World Shops were not forced to take the whole concept, so the discussion about the money was not as heavily as when they should have taken the whole package.

The interviewed two Dutch World Shop keepers both runned a World Shop with a new concept. The chairman of the World Shop in Dalfsen said that the volunteers in the shop were all enthusiastic about the concept and since they knew about the new shop concept was coming they saved money for it. The rest of the money was raised with sponsoring and due to connections with local entrepreneurs lots of goods were given for free or for the purchase price. The chairman of the World Shop in Heeze had the same experience with the finance of the new shop concept. But the board of her World Shop needed to convince the volunteers some more strongly, before they agreed with the new concept. At the first proposal for transforming, the members foresaw all kinds of difficulties. The finance was a problem as well. But after a while the board came with a clear proposal with a work scheme and a financial plan. The members approved it, because now it was clear what exactly had to be done and how this could be achieved. The Dalfsen World Shop's chairmen argued that some World Shops felt that the new shop concept was something that was forced upon them. She thought that this was not the fault of the national office, but of these World Shops, because they did not show up at the meetings, so they did not take part in the decision making process of the national association.

### *Results*

The national associations in Austria and The Netherlands experienced that World Shops became enthusiastic when they saw the results of the World Shops with the new concept. Research also showed that the new shops were much more successful. The turnover of the new Dutch World Shops rose on average with 66%. For the shops with a new concept and that moved at the same time to a better location this was even 92%. For the shops which stayed at the same location the raise in turnover was 22%.

### *Financing*

The Dutch national association received a subsidy of € 1 million for the development of shop concept project for 4 years. The shops paid € 1450 for the support of the office for the new concept. To stimulate the transformation of shops completely, they received € 500 back when they finished the transformation. The transformation of a shop of 40m<sup>2</sup> cost about € 22 thousand paid by the World Shop. The costs depend on the re-use materials and what kind of shop it becomes.

The German shops had to pay € 1,200 for the help of the national association. This included training and advice. The national association received a subsidy for the development of the concept, so the price could be kept low. The shops also had to invest another € 10 to € 15 thousand in the new furniture. The Austrian national association did not receive any subsidies for the professionalisation plan; the association had to finance this with its own money.

### *Location*

Since World Shops with the new concept often move to a better location, the national associations in Germany and the Netherlands offered a location analysis for these shops. In Germany this was part of the service for the new shop concept, in the Netherlands World Shops had to pay € 135 for it. The location analysis offered by the national office involved an analysis of the price/quality ratio of the shop, the location of the shop, the suitability of the shop and eventual adaptations to the shop before opening. The town was also analysed, to see what kind of function the town has (region function for villages). In Austria and Belgium the national associations did not offer a location analysis, but in Austria the people were advised how they could do this themselves, like counting of passers-by and where they could search for information. The Belgians thought to offer a location analysis because many World Shops requested for such an analysis.

## **5.3 Best practices outside NEWS!**

### **5.3.1 Best practices retail organisations**

#### *The interviewees*

Christine Gent had experience in the retail sector; she has worked at The Body Shop in the United Kingdom as a purchaser for non-lotions. The Body Shop was a franchise company that produced and sold naturally inspired skin and hair products. It operated in 50 countries and had more than 1,900 outlets. Corporate social responsibility was an important part of the way of doing business for The Body Shop: the organisation even called it its reason for being.<sup>5</sup> The respondent had also experience in the Fair Trade business; in 2004, she worked for IFAT on the development of a common Fair Trade logo. Lawrence Watson worked as management consultant and retired three years ago. In 2004, he worked on voluntary basis as a consultant for the Fair Trade movement, in the North and in the South. He worked for 9 organisations in the South (mainly Asia) and for 2 in the North. One of the projects he consulted was the separation of the importer and the national associations function of Oxfam-Wereldwinkels in Belgium.

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<sup>5</sup> <http://www.thebodyshop.com>

### *Structure*

Christine Gent was of the opinion that economies of scale and a central coordination office are very important. Her experience with The Body Shop was that regional offices in different parts of the world were inefficient, because they replicated each other's work. It was better to keep everything centralised she said; the values of The Body Shop were also better maintained this way. Another advantage of economies of scale would be a central monitoring system for the producers. Every national association of World Shops monitored its certified producers itself, however, some national associations did not have the capacity for doing this right, so the real value of Fair Trade could be lost. When certification is carried on a European level, products that would sell well in one country could also be traded in the other countries. The producers would receive higher orders and could improve their way of living. The increase in their output, could make them able to sell through the regular channels in the future. Due to the national systems of certification this is impossible, because the quantity of their output is too small for regular trade.

### *Mission*

The opinion of Christine Gent was that the mission of an organisation plays an important role. This mission should have simple language and must be understood by everyone exactly. This adds not only value to the customers, but also to the personnel working in the shops. They need to be proud of the organisation they work for. The values of The Body Shop were clearly stated and known to each employee. These values included: against animal testing, defend human rights, support community trade, activate self esteem and protect our planet.<sup>6</sup> Anita Roddick, the founder of The Body Shop resigned as co-chair of the company in February 2002 and the American Adrian Bellamy took over as executive chairman. According to the respondent, since then the emphasis of the strategy of The Body Shop was less on the mission than before. The result was a high staff turnover and less motivated personnel. She thought the retail advantage of the Body Shop was lost, because it left its corporate values.

### *Marketing*

Christine Gent said that The Body Shop always used parts of its mission in its PR work. It never advertised for the products of its shops, but used image building as a marketing tool. This image tells the consumers what the shops stand for and what kinds of products could be found in the shops.

Lawrence Watson's opinion was that the emphasis of the World Shops should be less on Fair Trade and more on the quality of the products. He said that the World Shops operated in a niche charity market, but believed the shops needed to operate in the gift market. According to him the food market was not a profitable business to operate in, because most food was

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<sup>6</sup> <http://www.thebodyshop.com>

sold through the mainstream channels like supermarkets. He thought that if the World Shops focus more on handicrafts, they should be able to charge higher prices for the products. When consumers only come in to do something good for charity they are not spending much on a product. However, if they want to buy the product anyway because they would like it they would spend more. The respondent runned four shops in Belgium himself that used the principle of Fair Trade. This was not visible on the outside; the consumers noticed it when they enter and Fair Trade is then an extra bonus they get. These shops had standard opening hours, a good presentation inside and outside the shop, were used to paid labour and had a good location. He claimed that these shops were doing quite well.

Both respondents agreed that having a shop concept is important. Lawrence Watson said that it is better for the World Shops to have one common brand in their country instead of all small individual brands. Then the shops can work on their image together and the consumers can identify themselves with this brand. Christine Gent experienced that it helps that The Body Shop is very easily recognisable in every country. Although the shops had been restyled over the years; the green colour stayed the same. The result was that customers knew what they could expect when they entered the shops.

### *Personnel*

The experience Christine Gent has with The Body Shop is that the personnel in the shops were trained about sales techniques and about the standards and the values The Body Shop worked with. She thought it is important to have personnel in the shops which have knowledge about what the shop stands for and which would be able to sell. She believed that paid coordinators can add value to the shops, because if people are paid they have more time to spend in the shop and this makes coordination easier.

Lawrence Watson believed that an organisation should always have a great working climate. This means that employees should be satisfied in their work, have a challenging job and that the people who perform well should be rewarded and the ones doing not so well penalised. This makes sure that the personnel is motivated by performance. He used paid labour himself in his shops and thought that this has an advantage over volunteers, because people with a mainstream business background bring in expertise that some volunteers lack.

Both respondents were very clear on the issue that people in the World Shops should realise that their goal is to improve the situation of the producers in the South. What these producers want is more revenues so they can build a decent living. According to Lawrence Watson only very few producers groups became independent after a period of 30 years of Fair Trade, despite the objective of Fair Trade. He said that the volunteers should realise what they are in business for and should act like that, which means more sales. A small shop with a low turnover could not contribute much to the lives of these producers so what they should do is make their shops more attractive

### **5.3.2 Best practices volunteer organisations**

Marie-José Vervest was a consultant at Civiq, a consultancy agency and information center for voluntary organisations. She thought that if the World Shops want to act more professional and have more quality that it is important that the volunteers in the shops are qualified and that they should fit the image of the World Shops.

The respondent distinguished traditional from new volunteers. The traditional volunteers do the volunteer work, because their parents did it or because they have always done it. They volunteer because of the ideals of the organisation and not because there is a relation between their own qualities and the job of the volunteer. The new volunteers like to have clear tasks, are flexible, want to learn, have a personal interest, see it as a challenge and want to know what they get in return. The new volunteers have little time and do not want to bind themselves for a longer period of time. She emphasised that traditional volunteers are not always the older volunteers and the new volunteers the younger ones. She thought that World Shops could attract more of these new volunteers, if they would be more flexible in the work they offer, like short-term work for volunteers that do not run the shop and not have the time to work every week, but are able to spread leaflets in the village every three months.

Marie-José Vervest believed that is always important for volunteer management to have a good working environment. Volunteers want to be proud on their organisation. If the World Shops are professional shops, this can also attract other volunteers who are more interested in gaining working experience in a shop than in the ideals of the World Shop (an example of the 'new' volunteer). This volunteer wants to know what is expected from him or her. Therefore a coordinator for volunteer management is important who makes these kinds of things clear to the volunteers. Volunteer work did not mean it is work without engagement, but clear arrangements are needed to be made in order to make clear what is expected of the volunteer. A time of probation is also common in other volunteer organisations.

Marie-José Vervest recommended to have progress conversations with volunteers to find out what the volunteers like about working in the shops and what they think need to be improved. In these conversations the coordinator could also point out to the volunteer which things he or she thinks can be improved in the functioning of the volunteer.

## **5.4 Concluding remarks**

### **5.4.1 Lessons learned from best practices inside NEWS!**

What could be noticed from the interviews in section 5.2 is that it took quite some time for the national associations to develop. Below the steps the four national associations made to come from one level to the other are pointed out.

*From Level 1 to Level 2*

Although the Netherlands started a national office in 1975, it took till 1989 before the discussion about professionalisation started. This point can be marked as the transition from level 1 to level 2: the national association starts to work on its operational systems, the World Shops. This discussion was long; the common logos were only in use in the beginning of the 1990s. This was also the time the national associations started working with multiple year strategy plans and that the association got a mission statement. The national office in Austria existed since 1987 and had the professionalisation discussion in 1992. Five years later, the national association started to work with a contract and common materials. Germany started with an office in 1997 and moved quickly to level 2 in 1999 when the trainings and the common design came in use.

The handbooks of the four national associations were developed around the same time of the start of the common image and the trainings. The handbooks became more and more available at the intranet. A disadvantage is that some World Shop employees did not know how to use Intranet because of lack of IT knowledge. Handbooks and trainings for this should be provided as well.

The advantages of paid personnel in the shops are more continuity and knowledge. These paid people should not be necessarily the coordinator of the World Shops. All respondents agree that a coordinator in a World Shop, either paid or voluntarily, had a positive effect.

To summarise, the national associations have moved to level 2 by the following actions:

- Start of a discussion with the whole national association about its future direction;
- The decision to see World Shops as real shops instead of solidarity shops;
- The development of a mission statement;
- The development of strategy plans for about 5 years;
- The development of handbooks for the World Shops;
- The start of trainings for the World Shops;
- The use of coordinators in the World Shops;
- The use of paid staff in the World Shops;
- The development of a common logo and name.

*From Level 2 to Level 3*

The ideas about the new shop concept in the Netherlands were invented in 1993. Because of lack of money and the necessity to change the culture to be more sales oriented, it took some years to introduce the new shop concept. In 1998, the first market research was done, and in 2001 a subsidy was available to rebuild the first World Shops with the new concept in which Dutch World Shops were perceived as luxury gift shops. At that time the computerisation of

the World Shops started. In Austria the development of the new shop concept started in 2001. It took Belgium and Germany till 2004 to come up with a new concept.

Members were first reluctant to change their way of working and needed to be convinced of the need for change. It should also be made clear what exactly had to change and how much it would cost. Austria and the Netherlands experienced that examples of successful shops which carry the new concept could be an encouragement for the other World Shops to transform. In both countries the new shop concept caused a rise in turnover of the World Shops.

From 2001 the trainings for the Dutch World Shop personnel were contracted out to an external office so that more courses could be offered. In Austria and the Netherlands the World Shops had to pay for these trainings; in Belgium and Germany the trainings were for free. However, Germany was thinking to charge for it. Because the dependence on subsidies is not a healthy situation German and the Netherlands looked for another financial structure. The national association in the Netherlands developed plans for a new, more solid financial structure where a percentage of the turnover of the products goes to the national association. This structure looked like the one that worked in Belgium.

The organisational structure was also not optimal. The national associations of Belgium and Germany were both researching the exact role of the staff at the national office. As the organisation has grown the need for an exact determination of the responsibilities of the national office personnel became more apparent. The communication within the national associations could be improved with the new structure.

Around 2003 the national associations in Austria and The Netherlands developed a vision. From these visions strategy plans can be derived with measurable goals and targets, so that it is possible to determine if the goals were reached and what needs to be done to reach these goals.

The Belgians had their mission discussion also at this time from which they could derive new strategies. Belgium saw Fair Trade in a larger context and it wanted to have more models of Fair Trade than the World Shops model. It planned to form special action groups that should focus on the campaigning work of the national association. The advantage of such groups was that people who are just interested in this part of the work did not have to work in a World Shop where they have to perform other tasks as well which they do not really enjoy. The World Shops could attract people who have time to work every week and who like the sales work.

These points about how to come from level 2 to 3 can be summarised:

- Defining the roles and responsibilities of the national office staff;
- The improvement of the financial structure by becoming less dependent on subsidies;
- The development of a new shop concept. Make it clear to the members what exactly needs to be done. Successful examples can work as an encouragement;
- The choice to compete in the gift market instead of the food market;

- The extension of the scope of the trainings for the personnel;
- The development of a vision for the longer term;
- The offering of a location analysis for the World Shops;
- The improvement of the communication flow within the national association.

#### 5.4.2 Lessons learned from best practices outside NEWS!

Section 5.3 showed opinions of people outside NEWS! on the World Shops regarding retail management and volunteer management. The best practices of the organisations these three respondents have in common are summarised in figure 5.1.

Structure	- Central coordination
Mission	- Having a clear mission and holding on to it is important - Values can lead an organisation
Marketing	- Having a shop concept is important - Emphasis on both good quality products and values Fair Trade
Personnel	- Personnel need to have understanding of both Fair Trade and selling - Paid labour can add value - Personnel need to realise what they are in business for: sales - Volunteers want to be proud on their organisation - Motivations of the volunteer are important for the kind of work they do - Clear arrangements about rights and duties volunteer and organisation - Time of probation - Progress conversations

Figure 5.1: Best practices outside NEWS!

Christine Gent experienced with The Body Shop that central coordination is preferable above decentralisation, because this creates economies of scale. She experienced als that the organisation's mission should be known to all the personnel and that this mission could motivate people. The Body Shop was known because of its clear values. These values were expressed in every action of the organisation.

For the issue of marketing Christine Gent and Lawrence Watson agreed that a shop concept is important. With a similar appearance the World Shops could get more notoriety. Then it could become a familiar shop in the high streets people are acquainted with, instead of shops where people have to search for. With different names people are even not sure if they are in the

shop they were looking for. If the name World Shop is associated with nice products that were made in dignity the customers would not have to check again in the shop if the products are really fairly traded. The concept of the Body was the same all over the world. The difference between the World Shops and The Body Shops was that the World Shops all started as independent retailers and The Body Shop started with one small shop and expanded from there to the rest of the world. Therefore, it is for the World Shops more difficult to give up their own shop names and ways of working.

Both respondents felt that it is important for the World Shops to have good quality products in the shop. Although the products need to be Fair Trade, this should have the main emphasis. Lawrence Watson believed that World Shops should leave their charity niche market and start operating in the market of gift products.

According to Christine Gent the personnel of The Body Shop had knowledge about the values of their organisation and were experienced in selling. This should also be the case in the World Shops; their volunteers knew much about the issues behind Fair Trade, but they need to gain knowledge about sales techniques. In addition, she and Lawrence Watson believed that paid employees could add value to the World Shops, because they are experienced sales people who bring in new knowledge the volunteers could lack. Another point they both made that producers in the South can only become independent by large orders, which can be realised through large sales in the World Shops. The personnel should recognise this and acts in line with it.

The best practices Marie-José Vervest experienced with volunteer organisations were that volunteers want to be proud on their organisation, which means that they want to work in a professional environment. The motivations of volunteers to work in a World Shop could be different. Some want to get experience with working in a shop or be able to use their qualities; others just want to do something for others. If these motivations are known then this can be taken into account when determining the tasks of the volunteer.

The new generation of volunteers has less time and want to know what it can expect exactly from the volunteer organisation and how much time the work will take. Therefore, clear arrangements need to be made about what the rights and duties are of both the volunteer and the organisation. To find out if the volunteer is suitable for the job, a time of probation can be used. Then a conversation can be held with the volunteer about their progress in the organisation. In such a conversation the volunteer and the coordinator can both discuss what they think need to be improved to make the working environment better.

The best practices of outside NEWS! and the best practice from inside NEWS! lead to the guidelines that can be formulated for the national associations of World Shops. These guidelines are discussed in the next chapter.

## 6 Guidelines

### 6.1 Introduction

This chapter answers the fifth and last sub-question of this research: “*How can these best practices be translated into guidelines for the national associations of World Shops to reach a higher level of professionalisation?*” To answer this question the best practices from inside and outside NEWS! are used, together with insights of the literature of chapter 2. Section 6.2 identifies ways to come from level 1 to level 2, section 6.3 describes how to reach level 3 and the last section focuses on ways to develop to the highest level, level 4.

### 6.2 From level 1 to 2

#### 6.2.1 Introduction

Although at the first level the World Shops were assembled in the national association, the cooperation between them was minimal. The World Shops operated generally autonomously and the members felt that they are more related to their own World Shop than to the national association. Therefore, every shop used its own logo and name. The members were fixated on the past; and did not see a need for change because they liked the situation as it is and as it was, so they did not want to give up their autonomy for the benefit of the association.

The relatively new national associations had a national office with one part-time coordinator. The oldest association at level 1 was established in Italy and dates from 1995. The national associations of Spain, Sweden Finland and the United Kingdom were established in respectively 1996, 1997, 1998 and 2000.

To increase the feeling of belonging to a national association the national associations published a newsletter. This newsletter, however, was recently published in Finland and Italy. Spain did not had a newsletter of the Coordinadora. The World Shops at level 1 did not use marketing tools in their way of doing business, but applied a product-oriented approach, which means they were only focused on the products they sell, instead of on the needs of the consumers. When success was lacking this was subscribed to the indifferent consumer and not to the business approach of the shop itself (Broere, 1994).

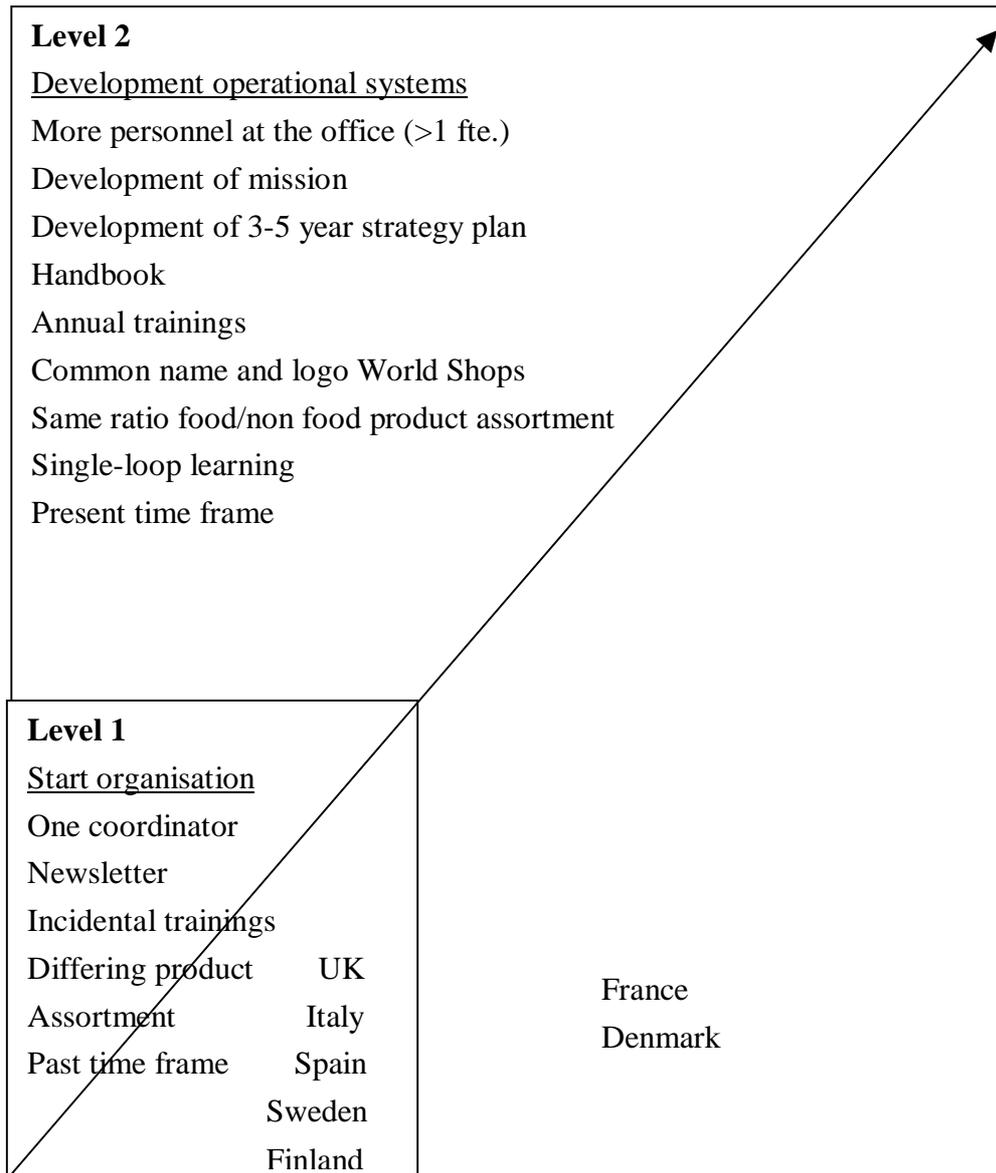


Figure 6.1: Level 1 and 2

Level 1 does not have the indicator of single-loop learning, but that does not mean that learning did not occur in organisations, because organisations always learn. The difference with level 2 is that this learning happens consciously and this is mostly not the case at level 1. Pennings (1997) calls this unintentional learning, which means that the organisation learns, but is not conscious of it.

The question arises how national associations in stage 1 can reach stage 2? Section 6.2.2 describes the organisational structure of the national association at level 1 that needs to change. There are two key problems in this stage that need to be attacked. First, the members need to be convinced of the need of cooperation and second they need to be convinced of the need of high sales. Section 6.2.3 explains how the discussion in the national association about

these things can be started and a mission can be developed. Then section 6.2.4 discusses the relevance of strategy plans. Section 6.2.5 presents the importance of the quality of the personnel and section 6.2.6 identifies how to develop a common identity.

### **6.2.2 Organisational structure**

The first World Shops started as mutual support organisations. The World Shops in the beginning of the 1970s were gathering groups where people who felt concerned about the Third World could talk to each other about this subject and where they could get some coffee or sugar as well. Most World Shops in Europe are not like this anymore, but some are still at this stage. However, this is not the type of organisation the World Shops should be, because this type exists for the needs of the people in the shops and not for the needs of the people in the South. The World Shops need to change into another kind of organisation. Therefore, the national association should have a discussion in the national association about what the future direction of the organisational will be. This is discussed in the next section.

### **6.2.3 Development of a mission**

The countries that were used as best practices for the transition from level 1 to level 2 started with a discussion about the direction of the national association. In the Netherlands, the discussion started in 1989 and resulted in the decision that the sales part of the World Shops was very important. Austria had this discussion in 1992 with all its World Shops. Both countries concluded that the direction for their association was the professionalisation of the World Shops. The World Shops were seen from this point on as real shops instead of solidarity shops. What was important in this discussion is how the organisation wants to achieve its long term goal of improving the livelihood of the disadvantaged producers in the South. These producers said that the best way to improve their position was to make sure they would have a decent income. Placing large orders and paying them a fair price could achieve this. They want a large market for their products in the North. The World Shops' volunteers should ask themselves if producers are better supported by a well run shop with a large turnover that creates continuity for the people in the South or, by a small shop at a bad location which sends the small profits directly to the South which only helps these people for a short period of time. A large market could only be created when the World Shops start work together; a network of shops is much stronger than all individual shops. The World Shops should start to focus on the present; how to increase their markets to improve the position of the Southern producers. For this goal marketing tools are useful. However, in not-for-profit organisations, and in the World Shops movement, marketing is sometimes a suspect word. But the members must keep in mind that their objections against marketing are personal and not in the interest of the producers for who they volunteer. This change is a mentality change that needs a long time. Members that realised this change could set an example for the others.

When a politically oriented national association decided to focus more on the sales activity of the World Shops, this is called a transitional change. The members must abandon their old way of working and adjust to the new situation (Costello, 1994). This kind of change has more to do with double-loop learning, because the insights changed as well (Swieringa and Wierdsma, 1990). Developmental changes are less threatening to the employees than transitional changes (Costello, 1994). The same applies to single-loop learning, since it improved the existing way of working of the World Shops (Swieringa and Wierdsma, 1990). If organisations at level 2 are learning single- or double-loop depends on the way of working at level 1.

The discussion of the future of the national association could lead to the development of an organisational mission. The mission of the organisation states the basic purpose of the business (Wilson, 1992). The organisation must realise that its mission can be the reason for its employees to work at the organisation. This is especially true for a volunteer organisation, but also for a multinational like The Body Shop.

#### **6.2.4 Strategy plans**

Many national associations of World Shops did not had strategy plans. Strategies are related to the mission and vision of an organisation and direct the organisation to where it wants to head. Organisations could start making strategy plans by discussing with its members where it wants to go in the future. The four countries that served as best practices made strategy plans for, for example three years. These plans included the future direction of the organisation, its capabilities, and its future threats and opportunities. From these plans one-year operational plans which states exactly what must be achieved in which amount of time could be derived (Flamholtz, 1986). At level 1, the coordinator at the national office had not much time to offer support to the shops and a strategy plan lacks. The coordinator spends much time on short-term crises and on day-to-day work. There is no perceived direction and the members have no vision in mind about what the organisation should become. The meetings of the national association are nothing more than discussions between people without a clear agenda and designated leader. A lack of follow-up on decisions, resulted in decisions that are not properly executed by everyone and frustrated people. These signals are a sign that the organisation needs to start working with strategy plans.

Although at this level most national associations did not have a sound monitoring system, indicators and targets are necessary for the strategy plans to work. When there is clarity about the direction of the national association, a strategy plan is a good tool to hold the members and the national office to their agreements. Only then it is possible to measure when the target is reached and a new target can be set. This motivates the employees because they can focused on achieving near-term goals (Nelson and Burns, 1984).

### 6.2.5 Personnel

When the transition is made from a culture focused on awareness raising to a culture focused on both awareness raising and sales, different kind of volunteers are required. The volunteers need to be trained to be quality sales people. One tool is a handbook that describes the practical things to run a World Shop. Most country had a handbook. The ones without a handbook can take the information for in the handbook from the website of NEWS! in the near future. A cheaper alternative than a printed handbook could be information on the intranet for the members. However, most volunteers were older women who are not always experienced with computers. A manual for how to use intranet is then an option.

Another tool to qualify the personnel is training them. National associations at level 2 are mostly able to organise such seminars once a year. If the national association is not able to offer trainings to their members for free then they could charge them a fee. These trainings could be about sales techniques and about Fair Trade, since it is important that people in the World Shops have knowledge of both.

It also important that the volunteers can work with a coordinator, so that there is someone for their questions. This is also the one who is coordinator of the different working groups most World Shops have. The responsibility for the functioning of the working group lies with the group itself. A coordinator can especially be useful with large volunteer groups, who do not have regular contact with each other.

Should employees of the World Shops be paid is another question. The national associations of World Shops could be classified as volunteer-run organisations. These are organisations in which the volunteers perform all the necessary functions, ranging from policy-making to the primary activities. However, these volunteers can be supported by paid staff (Meijs, 1997). Some of the countries almost solely worked with volunteers; others had a large national office with only paid people. Paid staff in the shops was not regular in the countries examined, with the exception of the United Kingdom. As a consequence, the owners of the shops were not very willing to compromise and adapt to a common design of the World Shops. The experience in the countries researched was, that it could be possible to hire a part-time coordinator when the turnover is more than € 100 thousand per year. For most World Shops this would only be the case in the larger cities. The advantages of a paid coordinator could be continuity, responsibility and time to intensively deal with problems.

Although people who volunteer for the World Shops were welcome, it was not rare to set some demands on the volunteers who want to work in the shop. This does not mean that they should have all the knowledge needed beforehand, but that they should be prepared to follow trainings if they need to learn certain skills. Therefore, it could be recommendable to make a sort of volunteer contract with the rights and duties of the volunteer. This ensured that the volunteer knows what is expected of him or her. Also a time of probation could be an option. Under influence of all kinds of social developments, the type of volunteers that applied changed from people who volunteer because of ideals and tradition to people who seek a fit

between their qualities and the type of volunteer job. If the coordinator has progress conversations with the volunteers he or she could also find out what the volunteers like in the World Shops and which things could be improved and vice versa.

### **6.2.6 Marketing**

When the World Shops decided to work together and to increase the sales of the World Shops, the national office could start to develop a common identity and improve the market position of the World Shops. However, this required more support to the shops and thus that the national association needed to hire more personnel. In Austria, the Netherlands and Germany the money for this was available through subsidies. The new employees could be people with not much experience with Fair Trade, but for example with retail experience in the mainstream business. Such people have another view at the World Shops, which can be useful.

The first thing a common identity involves is one name that all the World Shops could use. Also a logo could be developed. This logo could then be used for all kinds of common materials, like posters, papers, price tags, etc. The common identity could then be seen as a brand with which the consumer could identify himself, so a World Shop could be more easily recognised all over the country. It is important that the World Shops are similar from the inside and the outside, because a consumer needs to know what to expect when entering a World Shop. This does not mean that each shop has the exact same product assortment, but at least the same ratio of food and non-food in a shop. This is the first step to similar shops and a sort of shop concept. For most World Shops this first step is already big one and probably they are not ready to make the next step to a whole new formula. But this next step could be implemented in the coming years and the national association must realise that it is best to elaborate the new concept on the existed new common identity. This prevents that the World Shops need to change everything again and it saves a lot of money to do it right at once.

## **6.3 From level 2 to 3**

### **6.3.1 Introduction**

It could take a long time for the national association to move from level 1 to level 2, but moving to level 3 could also be a long process. Figure 6.2 shows level 2 and 3 of the professionalisation framework.



### 6.3.2 Structure

#### *Organisational structure*

When organisations grow, the structure of the organisation has to grow with it. The informal way of doing business does not work anymore and employees become unaware of the exact nature of their jobs and the relationships between these jobs, due to a lack of precise role and responsibility definitions. When the organisation grew, the role of the national office became unclear, because the decision making structure was not defined. It was not clear which decisions should be taken by the board, which by the employees at the national office and which by the members. The decision making level depends on many factors, like the size of the national office and association and the legal regulations in each country.

The change of organisational structure could be seen as double-loop learning. This kind of learning required a higher level of insight and the consequences are larger. Also the learning

process took longer. Double-loop learning usually involved conflicts within the organisation; these conflicts should not be avoided, because they are part of the learning process and a sign that double-loop learning is necessary. It is necessary when internal signals clarified that just adjusting the rules did not solve the problems. This could be a signal for for example changing the structure. Signals could also come from outside the organisation, when for example the turnover of the World Shops does not increase and a more drastic method is needed, like a new shop concept. (Swieringa and Wierdsma, 1990).

The types of voluntary organisations Handy (1988) distinguished and that apply to the national association of World Shops were service-delivery organisations and campaigning organisations. In this research only the service-delivery part of the organisation was examined. However, to restructure the association, the campaigning work should also be taken into account. The service-delivery model could be used when the national association decided to assign the task of selling products to the World Shops and the political task to the national level. The awareness raising work is in this case not very important for the local level. Countries that fit this model were the Netherlands and Austria. The second model could be applied to national associations which felt that awareness raising is also important on the local level. These models divided the action and sales work of the national associations, leaving the World Shops with the primary function of selling and establish action groups that perform the awareness raising work at the local level. As in the service-delivery model, the World Shops could of course still participate in the national campaigns and educate the customers who ask for it, but the real action work should be the job of the action groups.

#### *Service-delivery model*

Service-delivery organisations are managed organisations. They need to be selective about their recruits, demanding in their review of standards, prepared to reprimand where necessary and even to dismiss someone whose work is inadequate. They have jobs which carry formal definitions with formal responsibilities (Handy, 1988). The service-delivery organisation has strict rules the members need to adhere to. In Austria this rules were made formal through signing a contract. In this contract the World Shop kept itself to certain opening hours, a certain amount of turnover, purchasing of products only from certificated importers, the use of corporate design, use of business plans, investment of profits back in the World Shop movement and participation in the national meetings. So the organisation resembled a franchise organisation. Franchising involved contractual arrangements between the franchisor and the franchisee. The difference with franchising is that the franchisor owns the concept, while in case of the World Shops, the whole national association owns the concept. The professional look of the new World Shops suited this kind of organisation. The World Shops that were associated need to have a real common image as created with a common shop concept. Demands are also set on the volunteers who worked in these shops. The new generation of volunteers suited better with these kinds of organisations, because they sought a

fit between their qualities and the volunteer job. These people want to work in a professional environment they could be proud of. The opening of a new transformed World Shop, immediately attracted new volunteers. The volunteers should be motivated by performance and, therefore, be rewarded and penalised.

### *Federal model*

The volunteer organisations that were both service-delivery and campaigning oriented could not be as strictly managed as when they were just service-delivery organisations. Handy (1988) suggested that federalism is one way of functioning that allowed differences to work in common harness. Federalism sees differences as a strength, provided the differences were about the means and not the ends. Federal organisations have tight-loose structures; keeping a very few things tight and allowing the maximum of autonomy. These organisations believed that the vision binds people together (Handy, 1988). One of the strategic choices Belgium made was that the World Shop was not the only model that could be used to strive for a more just society. Therefore, the association wanted to develop a model with action groups which can exist alongside the World Shops. The countries that aimed to concentrate on both the awareness raising and the sales function could choose to separate these two activities more from each other, so the World Shop could concentrate on its core activity, sales, and the action groups on their core activity, campaigning and awareness raising. This does not mean that the World Shops do not proclaim the message of Fair Trade or participate in campaigns anymore. The purpose of two different models that exist alongside each other and also work together is that the people who are more politically oriented could better choose to join an action group than to stand behind the counter in the World Shop. For the sales work, people were needed who understand the basics of retail and could improve the performance of the shop.

Federal organisations could not keep its members as tight as service-delivery organisations can. But lots of elements of the service-delivery organisation could be used, as qualification of personnel, and presentation of the shops. Central coordination was also important in the federal model, since the activities of the World Shops and the action groups needed to be attuned with each other. Since the campaigning activity was not examined no specific recommendations can be given about the form of such a model, this required further research.

### *Financial structure*

To develop long term, the financial structure of the national association also needs to be re-examined. Most countries were too dependent on subsidies to plan long-term policies, because most of the subsidies were short-term and needed to be applied for every year. The system of subsidies was inefficient and harmed the continuity and required additional activities from the national association. A goal for the national associations could be that the core activities, like costs of the office, personnel and the program costs should be financed

with internal money. If the turnover of the shops increases, the income of the national association also increases because it is dependent on a certain percentage of this turnover. The Germans looked for possibilities of sponsoring and cooperation with other companies; the Dutch national organisation had the idea of levying a tax on the products the shops sell. This would mean that the prices in the shops should slightly increase. This plan of the Netherlands resembled the system that was implemented in Belgium.

### **6.3.3 Mission and vision**

#### *Mission*

The mission should state the reason why the organisation exists (Wilson, 1992). The national association in Belgium asked herself and her stakeholders the question; what are we in business for and this resulted in a new mission statement. The very long term goal of the World Shops movement was that all the trade should be fair and that the World Shops should made themselves redundant. To reach this goal it should continue to strive for what it thinks that needed to be done. Every national association could formulate its own mission statement. Next, it should start to find out how to carry out this mission. For most national associations of World Shops it was clear that they wanted to achieve their goal through three instruments: advocacy, awareness raising and the sale of Fair Trade products. This report only focused on the last aspect, but the other two aspects needed to be taken into account as well in the mission, vision and philosophy of the organisation.

#### *Vision*

Only the national associations of Austria and the Netherlands developed a long term vision for their organisation. Most associations did not bother to formulate such a vision. because it takes time and effort that could also be spent on more important things. Also, the longer term financing of associations was uncertain and, therefore, the associations did not dare to think too far into the future. However, in uncertain times a vision could establish both a direction and a destination (Wilson, 1992). If one wants to formulate a vision six interlocking elements needed to be taken into account. These are:

1. business scope;
2. business scale;
3. product/market focus;
4. competitive focus;
5. image and relationships;
6. organisation and culture.

The business scope is the range and mix of business that the company chooses to pursue (Wilson, 1992). The Belgians made this very clear, although the national association did not formulate a vision. The association choose to see Fair Trade in a larger context and, therefore, explicitly included such things as organic food. This is in contradiction with the Dutch

national association who choose to just concentrate on its core activities of sales and advocacy work and not to extend its working area. The second element of business scale is the intended future size of the company. This could mean an indication of how many World Shops should operate and how many people should work in these World Shops in the future. This number should be realistic and should take the market circumstances into account. The third element is the product and market focus. This element sharpens the business scope further through the identification of specific products and market segments. This means that the organisation should identify its target group and its product range. The choice must be made between a focus on food or on non-food business. The competitive focus is the answer to the question: "On what basis do we intend to compete?". This is a very important question for the World Shops. They must make the choice between competition on the basis of the Fair Trade concept, which means to stay in a charity niche and between competition on basis of attractive products which happen to be Fair Trade, and move to another market. This is related closely with the third element of product and market focus. The fifth element image and relationships referred to the philosophy of the organisation. The last element, organisation and culture is about the structure, management systems and operating culture of the company.

A vision should be developed through a couple of steps. The first is a sort of SWOT-analysis for the future: what is the organisation's future environment and what are the organisation's resources and capabilities. Then from the (revised) mission statement strategic objectives and goals should be derived. From here the vision statement with the six elements mentioned above could be written (Wilson, 1992). A note must be made that how useful a vision is for the organisation, it could evoke much criticism, specially for the World Shop movement, because World Shops were not used to look far in the future. For example, the manager of the national association in the Netherlands wrote a vision, but got criticised by the members that it was not fair to outline such a rosy future, because they were convinced this could never be achieved. It must be kept in mind that a vision is not totally realistic, but a product of rationality and imagination (Wilson, 1992).

#### **6.3.4 Strategy**

On basis of this vision the strategy plans can be developed. It is emphasised again that a strategy plan is worthless, without the capability of measurement of the plans. So indicators need to be available for each objective. Only then it is possible to measure when the target is reached and a new target can be set. The volunteers can also be motivated by performance and, therefore, be rewarded or penalised. Performance of the local World Shops is hard to measure when the shops do not cooperate in sending in their figures. The autonomous shops need to be made aware of the importance of these figures. Much can be learned from these figures, like which products are running well. With a new computerisation system that some countries are developing at the moment this information flow will be made easier. The

information flow from the World Shops to the national office is something that definitely needs to be improved.

### **6.3.5 Marketing**

#### *Positioning*

The professionalisation project with the new shop concept could be a developmental or a transitional change for the World Shop members. This depends on if the concept is elaborated on the common identity with some new elements or if the concept the development of a concept involving a radical new look that is implemented at once. The Netherlands is the only country that implemented a radical new look at once.

To implement a change in the shop concept one first have to convince the members of the need for change (Proehl, 2001). It must be explained to the members what the added value of a new shop concept is compared to the existing situation. The new shop concept is customer- and market oriented in stead of product-oriented. The customers' needs are translated into a new concept. The most strategic choice for the new concept is the positioning of the World Shops in the model of Dikken (1991, see section 2.3.2).

The national association in Austria and the Netherlands positioned themselves in the specialty goods markets. The shops of this market are small and the customer takes time to search for a product. Features of these kinds of shops are personal service and product knowledge. The location of the shops is up-town (A-locations) and the price level is high. Service of the personnel includes advice about the products (Dikken, 1991). These specialty goods shops should be mainly specialised in the non-food sector. Lawrence Watson also advised to compete in the non-food products and to come out of the charity niche where consumers do not spend large amounts of money. The non-food products have a higher margin compared to food products.

Positioning in the specialty goods market involves that the World Shops need to move to better locations. A location analysis provided by the national association can be helpful for this purpose. Elements of a location analysis are the price/quality ratio of the shop, the location of the shop (counting of passers-by), the suitability of the shop and eventual adaptations to the shop before opening. In addition, the town can be analysed to find out the functions of the town has (region function for villages).

The World Shops that aim to have a large share of food in their assortment, should position themselves into the preference goods markets. This market differs from the specialty goods because the consumers take less time to buy these kinds of products. The formula of these shops is local shops off-town or special corners in larger shops. Social contact is important. The price level is between low and medium (Dikken, 1991). Lots of World Shops used this type of shops, but specialised in food involved a low margin for the shops. Also, since importers more and more use mainstream channels to distribute the Fair Trade products it

became harder for the World Shops to compete. They are forced to analyse how to compete and what their core competences are. For the producers of the food products, however, the selling of their products through mainstream channels, could mean an increase in their income, due to the larger market. For the World Shops, therefore, a specialty good market seemed to be the more sustainable option.

When it is decided what the new positioning of the World Shops should be, the new shop concept can be developed. It is recommendable to do this with external people who are specialised in this. Since most volunteers are older and have no business experience it is not advised to involve all members in this process. Experience from a couple of members who ran a World Shop that performed well could be useful. These people could also be used to develop first pilot shops of the concept, instead of discussing every detail with the members. A pilot shop is useful to provide members an impression of the new concept.

When the results show that the new concept is successful this could encourage other members to adopt the new concept as well. If the members are not able to implement the new concept because of lack of money ways must be found to solve this. For example, to let these shops re-use the old furniture when it fulfils the requirements or to implement the concept in different phases. The Netherlands has been most strict in its concept; the shops must be fully rebuilt and it was not possible to just use some elements. The other three best practice countries examined, claimed that this was not possible in their country, so they choose a less strict concept.

The national associations experienced that members were beforehand unwilling to adopt a new concept, although they had not even explored the possibilities. The reason could be that they were afraid of changes or because they thought it would be too risky. The chairmen of the World Shop in Heeze experienced that when the members of her World Shop were in detail informed on what needed to be done and how they could achieve this, the resistance was less than when just the idea of changing was communicated to them. National associations could achieve this by an assessment of the tasks and the associated costs.

### *Personnel*

At level 3 the importance of qualified personnel increases. Therefore, the training facilities of the personnel need to be extended. At level 3, national associations provide trainings ordered by the World Shops. To economize on costs World Shops in the same region have to order the training together and split the costs. For specialised training cooperation with external non-commercial institutes can be advantageous. It seemed that employees of the World Shops most appreciate practical trainings and trainings that can be directly applied to their own situation. An example of such a training is a role-play in which two or more people act a real situation, which is later analysed by the group. This works best in a small group of approximately 10 people. Another example is the game model in which situations are simulated which provokes reflection, so that actors think over their own behaviour and change

their attitudes. These two examples are useful for courses like customer treatment and how to manage the volunteers in the shops.

## **6.4 From level 3 to 4**

Figure 6.4 presents level 3 and 4 of the professionalisation framework. It must be emphasised that the four countries in level 3 were only at the beginning of level 3. Longer term plans may have been developed, but the financial situation of the most was uncertain, except for Belgium. This country, however, was behind in professionalizing its shops. The organisational structure of all the national association could be improved, because not all their members felt that they really belong to one association. Therefore, communication channels needed to improve with new information technology. When all World Shops have a computerisation system, much can be learned from financial data. The Global Information System, mentioned in chapter 1, will also add to the knowledge of the local World Shops and the national office. Although, the countries have a long way to go into level 3, some features of level 4 will be mentioned in these guidelines. It is more difficult to indicate how the national associations can come to level 4, because no best practices are available yet from national associations. The literature, however, can provide some insights about the features of organisations in the highest level.

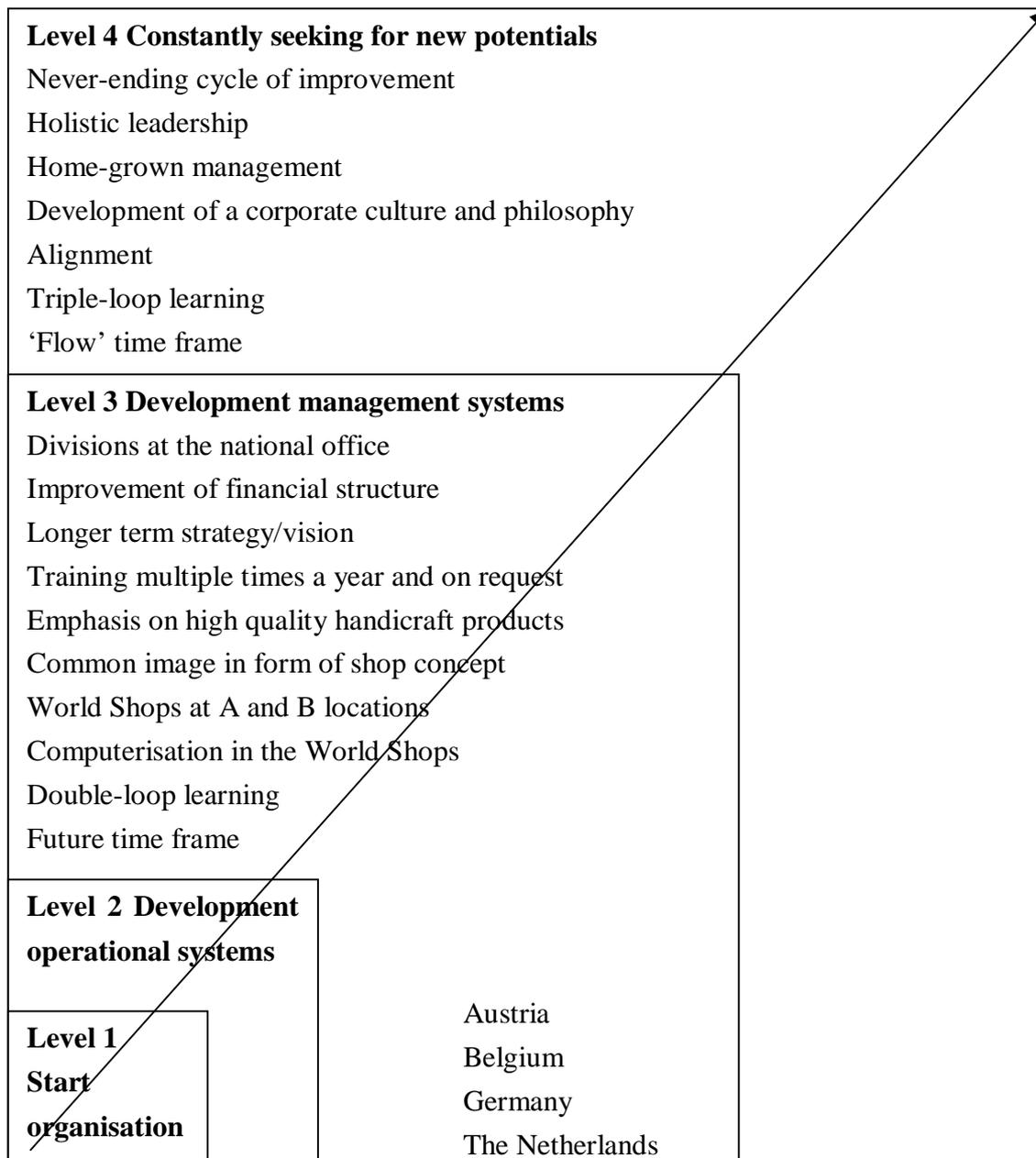


Figure 6.4 Level 3 and 4

*Constantly seeking for potentials*

Organisations at level 4 do not sit back and think that they have achieved enough. They always look for more opportunities and for ways of achieving the rich potentials in the future. The people in the organisation are not afraid of change, because they think that change is necessary for better achievements. The focus of development in high-performing organisations is on continuing transformation and renewal (Nelson and Burns, 1984). These organisations are not performing so well because of superior insights or special secrets of success, but largely because these organisations are very demanding of themselves. Becoming

and remaining a high-performing organisation requires discipline, hard work and revulsion to any tendency toward self-satisfaction. Continuous improvement is the key word and this has become an institutionalised habit ingrained into the organisation. This improvement concretely means long-term investment for the future, investments in the development of employees and adoption of new ideas and technologies (Collins and Porras, 2000). These investments for the future also require that the organisation does not depend on subsidies anymore, since this is an unhealthy state for the organisation. High-performing organisations do not have the objective of comfort; on the contrary, these organisations create discomfort and thereby stimulate change and improvement before the external world demands it (Collins and Porras, 2000).

All these developments have to do with triple-loop learning. Triple-loop learning occurs when organisations start asking themselves questions like: “What business are we in?” These are the same kind of questions that have to be asked when the mission statement is discussed. Triple-loop learning could have happened a level earlier in the national associations. The organisations at level 4, however, have this discussion about its essential principles about every 5 or 10 years when single- and double-loop learning does not give solutions anymore. A lot of organisations which stay on the level of single-loop learning, hire third parties to tell them what they should change when big changes are necessary. High-performing organisations, however, learn to learn and are conscious of the learning process and the knowledge that exists within the organisation (Swieringa and Wierdsma, 1990).

#### *Development of corporate culture and philosophy*

Organisations at level 4 of the professionalisation framework have formed a corporate culture that is known to every member of the organisation. The members are proud on their own organisation’s philosophy and corporate values and are glad they belong to this organisation. The values of the World Shops of course exist, but were only vaguely known. Moreover, two persons that belonged to the same associations could have different ideas about what exactly the values of the World Shops are.

The philosophy of an organisation exists of corporate values that are the guiding principles for corporate actions. The values of Fair Trade are dialogue, transparency and respect (FINE, 1999) and these values could also be used in the national associations of World Shops. However, every organisation could have its own philosophy. The corporate values of the World Shops were not written down, but that does not mean that they did not exist. Just like the discussion about the mission statement of the organisation, the national associations could discuss the values of the national association. When these values are known they should be made present in all the work of the organisation.

The Body Shop is an example of an organisation that has clear organisational values that were known to every employee of the organisation. The corporate values are also the basis for the management style and the corporate culture. The development of a corporate culture is

according to Flamholtz (1986) the highest stage an organisation can reach in its development. At this stage, the organisation must develop a more conscious and formal method of transmitting the corporate culture throughout the organisation. Collins and Porras (2000) say that this corporate culture should be translated into all the elements of the organisation. So all organisational aspects should contain the values and ideology of the organisation. These elements should all align with each other.

### *Leadership*

Holistic leaders make sure that values and corporate culture are present in the organisation. These leaders see their organisations in a larger context in the environment and do not only look in to their own organisation to develop their potentials and that of their people, but to the outside as well. They use their organisations to make contributions to the human communities and the culture in which they reside (Nelson and Burns, 1984). Another feature of the level 4 organisation is a time frame that expands the operative time frame to one that bridges and flows across time. The leaders of these organisations are able to sustain for themselves and communicate to their members an appreciation of the rich legacy of the organisation's past, an in-depth knowledge of the present state and a vision of the future they want to create. Besides the ability to think far into the future, they can also keep the organisation aligned around a great vision. (Nelson and Burns, 1984). Having a great vision statement does not mean that the organisation is also visionary, according to Collins and Porras (2000). According to them writing a vision is a good first step, but it is only a first step. The essence of a visionary organisation comes in the translation of the ideology of the organisation into everything the organisation does.

Collins and Porras (2000) experienced that the high-performing organisations are better served by promoting insiders to chief executive than outsiders. These organisations have an excellent management development program and succession planning. The new leaders of such organisations understand the organisation, and very importantly, the corporate culture in all its aspects and are more likely to be accepted by the organisation members than outsiders (Collins and Porras, 2000). A remark must be made that these authors have researched companies that exist more than 100 years and are much bigger than the national associations of World Shops examined in this research. This can indicate that reaching this level of high-performance takes decades.



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## Appendix I Names national associations of World Shops

Austria	Arge Weltläden
Belgium	Oxfam-Wereldwinkels
Denmark	Fair Trade Danmark
Finland	Maaillmankauppojen liito
France	Artisans du Monde
Germany	Weltladen –Dachverband
Italy	Associazione Botteghe del Mondo
The Netherlands	Landelijke Vereniging van Wereldwinkels
Spain	Coordinadora Estatal de Comercio Justo
Sweden	Världsbutikerna för Rättvis Handel
United Kingdom	British Association for Fair Trade Shops

## **Appendix II Persons interviewed first round of interviews**

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1. Madlene Hochleitner, Austrian NEWS! representative  
Board member of Arge Weltläden
2. Karin Hanus, Belgian NEWS! representative  
Employee national office Oxfam-Wereldwinkels
3. Hanne Baeck (no NEWS! representative)  
Board member Fair Trade Danmark
4. Kati Hjerp, Finnish NEWS! representative  
Board member of Maailmankauppojen liito
5. Anne-Francoise Taisne, French NEWS! representative  
Chairperson of Artisans du Monde
6. Markus Friauff, German NEWS! representative  
Employee national office Weltläden Dach verband
7. Eugenia Beretta, Italian NEWS! representative  
Board member of Associazione Botteghe del Mondo
8. Peter van Mersbergen, replacing Dutch NEWS! representative  
Employee national office Landelijke Vereniging van Wereldwinkels
9. Begona Izquierdo, Spanish NEWS! representative  
Board member of Coordinadora Estatal de Comercio Justo
10. Marie Andersson, replacing Swedish NEWS! representative  
Employee national office Världsbutikerna för Rättvis Handel
11. Moira Bridge, British NEWS! representative  
Board member British Association of Fair Trade Shops

## Appendix III Questionnaire first round of interviews

Interview questions representatives

Paris, February 13<sup>th</sup> – 15<sup>th</sup> 2004

Lille, March 12<sup>th</sup> – 14<sup>th</sup> 2004

### Structure

1. Since when does the national association exist?
2. Since when is there a national office?
3. How many people are working at the national office? (in fte)
4. Are these paid employees or volunteers?
5. Does the national office have different divisions? (like sales/campaigning)
6. Is there a board of the association?
7. Are these people in the board elected?
8. How often does the board meet?
9. How many paid employees work in the World Shops? (in fte)
10. How many volunteers does the national association have?
11. How many shops are in the national association?
12. What is the annual turnover of all the shops together?
13. How much is the contribution fee the shops pay to the national organisation?
14. Does the rest of the income of the national associations exist of subsidies? (...%)

### Mission & strategy

15. Does the national association have a specially formulated mission statement, i.e. reason for being?
16. Does the national association have a strategy plan (5 year plan)?
17. Do the volunteers and the people at the national office have the same opinion about the strategy the national association of World Shops should have?

### Marketing

18. Does the national association have Fair Trade magazine for the volunteers in the World Shops or for the public?
19. Is there an intranet site for the World Shops?
20. Does the national office provide handbooks, or brochures for the world Shops, and on what subjects?
21. Which training programs does the national office provide to the volunteers in the World Shops?
22. Is there support from the national office for people who would like to open a new World Shop, like a location analysis or other practical help?
23. Where are most World Shops located, in good or bad locations? (1 is very good, 3 is very bad)
24. Do all the World Shops have the same product assortment?
25. What is the ratio of food/ non food in the World Shops?
26. Do all the World Shops have a common image?
27. Does the national association have guidelines for the presentation of the World Shops?
28. Is the national association planning to develop a new shop concept like in The Netherlands and Austria?
29. Does the national association want to position the World Shops as exclusive gift shops, like in The Netherlands, Austria and Denmark?
30. Do the World Shops work with a cash register system or any other form of computerisation?

### Professionalisation

31. What should a professionally run national association have in your opinion? (for example: paid staff, not dependent on subsidies, computerisation, etc.)
32. What should be the first things improved in your national association?

33. If you had to put the countries in the different categories of how professional the national associations are working, how would you do this?

(A = most professional, B = medium professional, C= least professional)

Austria

Belgium

Denmark

Finland

France

Germany

Italy

The Netherlands

Spain

Sweden

United Kingdom

(Both Switzerlands and Portugal have been left out)

## Appendix IV Results first round of interviews

In this appendix a more detailed description of the results of the interviews held with the NEWS! representatives is given. The summary and the most important results can be found in chapter 4: “Practical indicator professionalisation framework.”

After each question the answers of all the respondents are represented. The answers are in alphabetical order of the countries, so it starts with the answer of Austria and ends with the answer of the United Kingdom. Some questions were not relevant to particular countries, these questions therefore were not asked and no answers therefore given.

### Structure:

The short answers to questions 1, 2, 3, 9, 10, 11 and 12 are summarised in table A.1: Figures European World Shops. The extended answers can be read in the rest of the appendix.

1. *Since when does the national association exists?*
2. *Since when is there a national office?*
3. *How many people are working at the national office?*
9. *How many paid employees work in the World Shops? (in fte)*
10. *How many volunteers does the national association have?*
11. *How many shops are in the national association?*
12. *What is the annual turnover of all the shops together in 2002?*

Country	Start national association	Start national office	Personnel national office (fte)	Number of shops	Paid personnel in shops (fte)	Number of volunteers	Annual turnover in 2002
<b>Austria</b>	1982	1987	3,0	74	30	1000	€ 6.500.000
<b>Belgium</b>	1975	1975	20,0	200	25	6500	€ 7.000.000
<b>Denmark</b>	1995	2001	1,5	7	2	70	€ 460.000
<b>Finland</b>	1986	1998	0,5	24	10	600	€ 500.000
<b>France</b>	1981	1984	10,0	98	40	4500	€ 6.400.000
<b>Germany</b>	1975	1998	6,0	401	n.a.	n.a	n.a.
<b>Italy</b>	1990	1995	0,5	115	n.a.	1500	n.a.
<b>Netherlands</b>	1970	1975	15,0	400	40	12000	€ 27.500.000
<b>Spain</b>	1996	1996	0,5	65	40	n.a	n.a
<b>Sweden</b>	1996	1997	1,0	35	5	300	€ 670.000
<b>UK</b>	1995	2000	0,5	60	90	500	€ 11.100.000

Table A.1 Figures European World Shops

1. *Since when does the national association exists?*
2. *Since when is there a national office?*

The Austrian national association, Arge Weltläden, exists since 1982; it was founded by 12 shops. The national office was opened in 1987.

The first World Shop in Flanders opened in 1971 in Antwerp. The national office was founded in Gent in 1975 and was not only a national association, but also an importer of Fair Trade food products. Since last year the importers function and the national association function of Oxfam-Wereldwinkels are more separated. The importer operates under the name of Oxfam Fair Trade now and is responsible for the food supply to World Shops, wholesalers and other outlets. The support for the World Shops is still the task of Oxfam-Wereldwinkels, the national association.

The Danish FairNet exists since 1995. It was renamed Fair Trade Danmark.

In 1986 the independent World Shops in Finland founded an umbrella organisation, which was later renamed Maailmankaupojen Liito ry, the Finnish association of World Shops.

The French national association was established in 1981 as a network of local groups involved in Fair Trade and is called Artisans du Monde.

The two previous organisations AG3WL (national association) and RSK (regional association) merged into Weltläden Dachverband in 1998. AG3WL exists since 1975. In 1997 AG3WL got a national office with one coordinator whose first thing to do was working on this merger.

The national association in Italy exists since 1990 and they got a national office in 1995. It is called Associazione Botteghe del Mondo.

In 1970 the Dutch national association, Landelijke Vereniging van Wereldwinkels, was erected, it was founded by 12 shops. Five years later the region workers began to work more centralised and the national office started.

The Swedish national association exists since 1986 and was called U-sam. Since 1997 it is Världsbutikerna för Rättvis Handel.

The Spanish Coordinadora Estatal de Comercio Justo is an umbrella organisation for players of Fair Trade. It was established in 1996 and includes 27 member organisations (importers, NGO's and shops). The World Shop are grouped under a subcommittee, which meets three or four times a year. There is not a national office for just the shops, but for the whole Coordinadora. There are a couple of importers who have their own shops as well.

The British Association for Fair Trade Shops (BAFTS) exists since 1995 and has a national office since 2000.

*3. How many people are working at the national office?*

*4. Are the people working at the national office paid employees or volunteers?*

*5. Does the national office have different divisions?*

In Austria there is one manager, one secretary, one marketing employee and two people working on the new youngsters campaign. All the employees are paid and work part-time. There is no central office in Austria, but three small offices; one for the management, one for the sales division and one for youngster's project.

The Belgian national association employs 20 paid people and has four divisions: Sales & Marketing, Campaigning, Volunteer support, and Producers & Education.

In Denmark there is one full-time employee and one working part-time at the national office. They are paid by the government as part of an unemployment project. A condition is that a part should be paid by the national office as well.

Finland has one person working at the very small national office (a split room with another organisation), doing mostly administrative work. The employee at the office rotates every year, as a government project for unemployed people. This salary is paid by the government.

Unemployed people need to take this job otherwise they won't receive income anymore.

In France they started 20 years ago with 1 person in the office, in 1990 they had 2 and in 1994 3 persons. There are 3 divisions: Awareness raising, Development World Shops and Producers relations. There are 20 part-time paid workers at the office, but 5 are working on the Clean Clothes campaign.

In Germany there is a national office since 1997. Now there are nine paid people at the office, most of them work for 60-75%. There exists no hierarchy or divisions in the office, but the employees do all have different tasks: one working on marketing, professionalisation, corporate design, material production, one on campaigning, European Union, world trade politics, PR, one on youngsters project, education, one on communication with the shops, correspondence, requests, one on bookkeeping, finances and one on material distributions, orders, packaging.

The Netherlands has three divisions: Communication, Trade policy and Shop support (now mostly concerned with the *Transformatie*, the new shop concept) Then there are two managers and a secretariat. The twenty people at the national office work part-time and they are all paid.

In Italy there is one part-time coordinator. He works only 20 hours a week and this is too less according to the Italian representative.

The Spanish Fair Trade umbrella organisation has an office in San Sebastian. The reason it is located there is that the local government pays for this office in this town. There is one paid part-time person working there. They try to get more than one employee.

In Sweden the national office has two part-time employees.

At the British national office there is one person working. This coordinator is paid by the national association for 10 hours a week, but is working twice as much.

6. *Is there a board of the association?*
7. *Are these people in the board elected?*
8. *How often does the board meet?*

In Austria there are six people in the board. They are elected from the World Shops. The board generally meets two times a year, and there are extra telephone conferences. Plus there is one meeting for evaluation of the previous year.

The board of Belgium has 12 people who come together 10 times a year for an evening and 2 times for a whole day as preparation for the meeting with all the members.

The Danish board consists of nine people. This means one representative of each of the seven shops and two people who are associated with the largest importer. Each shop elect one of their members as representative. The board meets five times a year.

In Finland the executive board, which consists of seven people, makes decisions on on-going matters and meets every month. Once a year there is an annual meeting with all the members. There are new people in the board now. Maybe there should be external people in the board to regain expertise.

In Germany the 5 people are elected directly at the national assembly. The other 10 are regional representatives (chosen from the regions). Not all regions are organized properly, so there are only 8 regional representatives at the board at the moment. The board meets 4 or 5 times a year for a whole weekend. More decisions are taken by e-mail in between.

The board is the main deciding body in the organisation. They do not only make strategic decisions, but also practical and operations decisions. The office executes the work of the board. The board is not always qualified for these decisions. The staff members have expertise, the board does not. The staff is also present in the board meeting and has a say. They do not have the right to vote, but the board listens to them. Their practical role is much bigger than their formal role. In autumn 2004 they will have the results of an external consultant who is analysing the structure of the organisation. Maybe the board should reduce its tasks to the strategic decisions and there should be a hierarchy with managers as well in the office.

The board of the Italian national association exists of 7 elected people: a president, 3 auditors and 2 who are concerned with the mark. They are checking the work of the national association.

The board of The Netherlands exists of eight people who are chosen by their members. In the board are people who are asked because of their position or expertise, people from the World Shops and people who are recommended by the national office. The board meets 8 times per year.

In Spain the executive board exists of a president, vice-president, commission of importers, commission of shops and commission of ethics (the NGO's). This last commission is not really working. There is a general annual assembly.

The Swedish board exists of 7 elected members and meets once a year.

In the UK the board of the national association exists of 7 elected members and 6 members from outside the organisation and meets six times a year.

9. *How many paid employees work in the World Shops? (in fte)*

10. *How many volunteers does the national association have?*

In Austria the EZA shops (shops from the importer, which are also member of the national association) only work with paid personnel in their shops. The other World Shops have generally one part-time coordinator and anything between 6 and 20 volunteers.

In Belgium only 13 shops have paid staff, in total 35 part time people, which equals about 25 fte. The rest of the work is dependent on the 6500 volunteers.

Three shops in Denmark have paid employees. One full-time, the other two work part-time. There are about 70 volunteers.

The shops in Finland that also act as importers mostly have one paid employee. The rest of the World Shops works with the same unemployment project as at the national office. These equals about 10 paid people in the shops and there are 600 volunteers.

The French World Shops are able to get subsidy for paid workers in the shops. The only problem is that the subsidy only covers 2/3 of the wages they have to pay and the shops are not able to pay the rest of this money. Still there are working 40 paid people in the World Shops. There are 4500 volunteers.

The German national association does not know how many persons (paid and volunteers) are working at the World Shops.

Some World Shops in Italy explicitly do not want to work with paid workers, others already have paid personnel. It is not known to the organisation exactly how many. Each shop has about 20 volunteers.

10% of the World Shops in the Netherlands has paid personnel, these are about 40 people. The rest of the work relies on the 12.000 volunteers.

It is not known to the Spanish organisation how many volunteers and paid workers are working in the shops. The largest importer works with paid people in the shops.

There are about 5 paid workers in the Swedish World Shops and approximately 300 volunteers.

The British World Shops have paid personnel, about 90. All the shops are independently run and the owners make a living out of it. They are assisted by 500 volunteers.

Note: The number of the volunteers is for most national associations an estimate. Some volunteers only work for example once a year, while others are very active. The numbers of volunteers can also include volunteers that do not work in a World Shop at all, but are working in an action group. It is therefore hard to compare the numbers of volunteers.

*14. How much is the contribution fee the shops pay to the national organisation?*

*15. Does the rest of the income of the national associations exist of subsidies?*

The Austrian national association does not receive subsidies for the professionalisation work, only for the World Shops' day. This money comes from the World Shops which pay 0.8% of their turnover to the association and from the importers which pay a fee to supply to the World Shops. This importer's fee is the largest part of the income and they pay this fee since 1997.

In Belgium the shops do not pay a contribution fee to the national associations, like in the other countries. Oxfam Fair Trade sells products to the World Shops, and a margin of 19% of these products goes to the national association. These Fair Trade fees make up 60% of the income of the national association, the other 40% is derived from subsidies from for example the ministry of development. Oxfam Fair Trade handles a price construction which makes it possible to see exactly which percentages go to whom. Oxfam Fair Trade has a great bargaining power, if they notice that their Fair Trade products have a lower price in the supermarkets, they negotiate with them which has mostly the result they adapt their prices. That is why the World Shops can survive with a large share of food products in their assortment, even if a lot of food products are also for sale in other outlets. The World Shops try to create their own identity to be distinctive from the other outlets. They have recently received € 250.000,- subsidy for education.

The contribution in Denmark is 3,5 % of the turnover of the shops. The rest of the income is derived from subsidies.

In Finland the contribution fee to the national association is 1,4 % of their turnover. € 190,- is the minimum fee and € 730 the maximum. The contribution exists of € 100,- fee, € 10,- NEWS! contribution and € 80,- travel costs. These travel costs are for the annual meeting of all the members. Furthermore the national association receives subsidies from the foreign ministry and the NGO department.

The contribution in France is 4% of the turnover of the World Shops. For the rest they are for 60% dependent on subsidies. But they want to be more independent and are trying to improve this. They have two projects running; one is a cooperation with a bank and the other is a financial cooperative with individual investors.

In Germany the contribution of World Shops is € 90,- plus 0,3% of their annual sales turnover. The maximum is € 500,-. The subsidies come from donations (not very much), EU, state and churches.

The Italian World Shops pay a minimum of € 70,- and a maximum of € 500,- to the association, dependent on the turnover. For their work the national associations only receives subsidies for special projects, not on a regular basis. Other income exists of for example books that are sold to the World Shops which sell them to the customers.

The Dutch World Shops pay a contribution fee to the national association of 1,5% of their turnover, with a minimum of € 100,-. The rest of their income is derived from subsidies, this is about 80%. Most subsidies are received from the NCDO and the Ministry of Foreign Affairs. The Fair Trade Organisatie, the largest Dutch importer pays a fee to the national association as well.

The World Shops in Spain pay a contribution to the national organisation. The national office does not receive subsidies.

The contribution in Sweden is 1% of their turnover. The shops have been asked to pay € 10,- per shop extra for the work of NEWS! For 85-90% is the national association dependent on subsidies. The European Union subsidy was rejected very late this year, plus that the last payment from the old application is missing, so the financial situation is not optimal at the moment.

The contribution of the British World Shops is dependent on their turnover. It differs from € 180 to € 640. The national association is very much dependent on subsidies. They need more core funding and are planning a new strategy on how to get money. They get money from the importers who pay to be in the importers' directory of the national association.

### **Mission & strategy**

*16. Does the national association have a specially formulated mission statement, i.e. reason for being?*

*17. Does the national association have a strategy plan (for example 5 year plan)?*

In Austria they have a mission statement. They do have a 3-year strategy plan, the focus for the last years was on professionalisation. There is a vision for what the World Shops should look like in 2015.

The Belgians have had a whole year of discussion about their mission statement. Together with all its stakeholders and member they have tried to come to a new mission from which they could build their strategy plans. They have done a SWOT-analysis of their organisation and it turned out that the World Shops had the image that they were just shops. Because the national association has three pillars: trade, education and action, with which they want to achieve their goals, they do not want the emphasis to be only on trade. They have made two strategic choices this year. One is that they want to be more action oriented and therefore they want to set up action groups besides the World Shops. The second is that they want to be more involved in all aspects of sustainable development, which means not only the economic and social aspect, but also the ecological one. The Flemish have always been concerned with other global problems than just Fair Trade.

In Denmark they have no special formulated mission statement. Their objectives of the last years were to grow, fundraising and work with criteria.

The national association in Finland has developed a five year strategy plan for the first time since their existence. There is no mission statement.

The French have a formulated mission statement. They used to work with a five year plan, but lately they are working with 3-year plans. The components of their current strategy plan are that they want to get closer to the producers, raise awareness among youngsters, and work on the identity of the national association. They have an independent survey at the moment to evaluate the work the national office provides to the World Shops. Then they can concentrate on the work that is most important to the shops. Furthermore they want that 80% of the inhabitants of France lives no further than 25 km. away from a World Shop. They want to develop a network that is more present in the local authorities as well. The last target is that they want to get closer to Solidar'Monde, the largest importer.

The Germans have a mission statement. They also have a 4-year plan which ended in 2004. They haven't reached all the targets in this plan, but are further on other points.

The Italian national association does neither have a mission statement, nor a strategy plan.

In The Netherlands they have a mission statement. Also a vision has been developed, called Vision 2010 which describes the future of the association. They work with a 3 year plan at the moment which is called, mission, market and people.

There is no mission statement or strategy plan for the Spanish national organisation.

The Swedish national association has no mission statement. They have an idea of having 100 shops in Sweden by 2010, but they do not think this will be possible. They have no strategy plan.

In the United Kingdom they have a mission statement and a strategy plan.

*18. Do the volunteers and the people at the national office have the same opinion about the strategy the national association of World Shops should have?*

In Austria they have almost solely directed themselves at the professionalisation issue. Some people therefore miss the campaigning side of the World Shops.

In Belgium the national association has a project called Democracy at the moment, which aims to strengthen the voice of the volunteers in the association, so they do not think the policy is just invented by the people at the national office. Therefore they are developing a new structure for the organisation.

About half of the World Shops in Finland is very interested in politics and the other half is more market oriented. Therefore there is no common strategy yet for the association, the board finds it hard to satisfy both the parties.

On political level the French volunteers and the national office have the same opinion, but not about the issue of professionalisation.

The Germans tend to be very critical. Some shops have a different vision; others are very open to harmonisation. Most are sceptical on the view of centralism.

There is no common line in Italy about the vision of the shops. The shops are generally very autonomous. The relationship with the movement is not really good. Some shops ask for help for the economical impact of the competition with the big retailers.

The Dutch volunteers and the people working at the office sometimes feel they do not belong to the same organisation. With the development of a new structure the national office hopes that this feeling can be taken away. With the new structure the volunteers can give more advice and have a larger say in the essential work as the Transformation project (and the shop policy in general) and the advocacy work. In general the people working at the national office have a more professional outlook than the people in the World Shops, maybe because they come from a business background.

Most British World Shops do not really want a lot of support from the national office, but have become a member of the national association for the external representation.

Note: Spain was not able to answer this question because of the different strategies of the different importers.

## **Marketing**

*19. Does the national association have Fair Trade magazine for the volunteers in the World Shops or for the public?*

*20. Is there an intranet site for the World Shops?*

In Austria there is a magazine for the members involved in the movement. It comes out four times a year. There is also an intranet for the World Shop keepers.

The Belgian national association has a magazine for the public, which is published four times a year. There is also a monthly newspaper, for the volunteers. Furthermore they have an intranet for all the members since 2001 with all kinds of information.

The Danish World Shops have their own leaflet for the public, which is published four times a year. At the intranet the shops can download stories about the producers and can use this information in their shops.

In Finland there is magazine for the public, which is published 4 times a year.

In France there is monthly information sheet for the volunteers. They can use the intranet for more information.

Germany has a magazine for the shop keepers that is published four times a year. There is also a newsletter which comes out 5 times a year and is meant for all the volunteers.

The Italians have just published their first magazine for the volunteers. Other information for the shops is available on the website.

In the Netherlands there is a magazine for the people in the shops, this comes out every month, except in July. There is a project at the moment to set up an intranet for the members, this is already working, but this is a project of about 4 years.

There is no magazine in Spain that is published by the national organisation.

In Sweden there are information updates for the World Shops and a newsletter which is published four times a year.

There is a newsletter for the British World Shops every 2 months.

*21. Does the national office provide handbooks or brochures for the World Shops and on what subjects?*

The Austrians have a handbook for opening a shop and one with the requirements for a World Shop.

In Belgium they have a practical guide for the more practical information for running a World Shop. Furthermore there are lots of brochures on various subjects are available as well.

The Danish handbook will come out in spring.

The national office in Finland has a practical guidebook for the World Shops about how to be an undertaker. The handbook for how to run campaigns is in progress.

The handbook of the French World Shops is available through the extranet.

In Germany they have a manual with practical information for the World Shops, like an importers' directory, how to organise a Fair Trade week, how to do presswork and how to start a World Shop.

In Italy there are a few brochures on various subjects, and at the moment they are working on a handbook.

The national office in The Netherlands has a handbook for all the World Shops with varying subjects.

There is a handbook for World Shops in Sweden about starting a World Shop.

The Spanish organisation has made a handbook for the shops.

In the UK the national association is working on a handbook at the moment. There already exist some brochures with practical information, like cheap insurance, policy for health and safety and criteria for Fair Trade. Furthermore the national association provides posters and fact sheets and a Fair Trade video.

*22. Which training programs does the national office provide to the volunteers in the World Shops?*

There is a national World Shop conference weekend in Austria three times a year. Then there are trainings, sometimes with experts as well (like media training).

In Belgium they have a special division for trainings and workshops, called the World Shops University. The individual World Shops can ask for a special workshop which will be given in the local shop. Furthermore it organises half yearly workshops.

In Denmark a yearly seminar is given, for example about politics, or how to work together or about practical things.

The Finnish national association is not able to give seminars, but the activities of the national association are growing. There is no money for more staff, but maybe volunteer working groups can be an alternative.

In France there are every year training programs on awareness raising, the economy and how to run a shop.

In Germany there are seminars in spring and autumn on differing subjects. These are organised together with the fieldworkers.

The Italian national association provides no regular trainings to the World Shops. Once a year there can be a meeting with experts on a particular subject, like the introduction of the Euro.

The national association in The Netherlands provides training to the World Shops, which are given by a professional office. They used to this themselves, but have contracted it out since 1997. The trainings are about working in a World Shops, volunteer management, personnel training and window dressing.

Once the Spanish organisation organised a 2-day training session and only 4 shops participated. The shops complain because they want more support from the organisation, but do not show up when something is organised.

The national office in Sweden used to give marketing trainings to the World Shops, but they had to quit this because of lack of money. Two times a year the national office and the importer have an open house for all the volunteers.

In the United Kingdom there is a training on how to display the products in the shop. There is also an annual training which has different subjects every year, for example about e-commerce.

*23. Is there support from the national office for people who would like to open a new World Shop, like a location analysis or other practical help?*

In Austria they have this handbook for opening a shop (see question 29).

In Belgium much support is also given to people interested in starting a World Shop. If they contact the national office in five meetings they will discuss their whole business plan, bring them in contact

with other local World Shops and help them with finding a good location, although the location analysis is very limited.

In Denmark the /groups who have contacted Fair Trade Denmark have decided themselves where to open a shop. They want to have an analysis of the location included once they have the capacity. In 2002-2003 they have had a shop coordinator who assisted with the creation of new shops. From April 2004 they have a shop and assortment work group that will support groups who are interested in opening new shops. They will probably be affiliated with an existing shop, but this has not been clarified yet.

In Finland the only help is the first contact with the national office to apply for membership.

The Germans have a handbook with how to open a shop (see question 29). With the new shop concept there will also be a location analysis and a judgement of the business plans, etc. (see question 21).

When Italian people want to open a shop, the office brings them into contact with other World Shops in the neighbourhood.

When they contact the Dutch national office they get an information package with what the national association is, with the rights and duties. When they decide to become a member they can get support with the shop design and business plan. It is only possible to start a transformed World Shop. The support they get is the same as for shops which want to move and transform. This Transformatie support is: information and application form Transformatie, discussion business plan, design made by professional designer for the new shop. Then the shops can order the materials needed for the transformation at certified suppliers. They also get a training session of window shop dressing and the window shop dresser drops by before the opening to help. This costs € 1450,- When they are completely transformed they get € 500,- back.

The Spanish shops belong to an importer, they get their support there.

The Swedish national association provide materials, contracts and courses in Fair Trade for people interested in opening a World Shops. Sometimes there are visits to the shops, but not much because of the limited manpower.

In the UK the national office provides the names of the contact persons of a World Shop in the neighbourhood for people who want to begin a World Shop.

*24. Where are most World Shops located, in good or bad locations? (1 is very good, 3 is very bad)*

In Austria there are 30 World Shops which are very good located, the rest is a 2 or a 3.

In Belgium more and more World Shops are moving to better locations in the shopping streets. Now about 30 World Shops are very well located, 150 are in medium locations and 20 very bad ones.

From the Danish World Shops there are 4 in good locations (near the high streets). The other 3 are not very well located. They found it difficult to motivate the volunteers to open new shops. They had 2 new shops, but 2 older shops had to close down.

In Finland most World Shops are located at medium locations (2).

Most French World Shops are located at 2 or 3 locations.

In German the World Shops are not really well located. There is a tendency to move to better locations now. They have developed a location analysis now for World Shops that want to move (part of the

new shop concept, see question 27). The location analysis exists of: key data collection and analysis, business plans and a questionnaire.

Most Italian World Shops are not located very well, none of them are in the city centres.

25% of the World Shops in The Netherlands are in very good locations, 50% in medium locations and 25% in bad locations. 90% of the World Shops have real shop, 10% is till mobile (in a caravan or market stand). But more and more World Shops are moving to better locations, especially when they decide to take on the new shop concept.

The shops of one importer in Spain have very good locations, of other importers it will be a 2 or a 3. There are also web shops.

A few World Shops in Sweden are located at 1 locations, the majority on 2.

About 10 British World Shops are located in the high streets. The others are also in the city centres. Some are located in the so-called Fair trade towns. There are also 2 shops which only sell by mail order and another one that sells though the Internet.

*25. Do all the World Shops have the same product assortment?*

*26. What is the ratio of food/ non food in the World Shops?*

The product assortment in the Austrian World Shops is more or less the same. On average the ratio will be 50/50.

The national association of the Belgian World Shops is also a food importer. The percentage of food in the Belgian World Shops is 85%. There has not been much attention for the handicrafts in the shops, the purpose is that their share will be extended. The main handicrafts supplier is Magasins du Monde-Oxfam, which is also the national association of World Shops in Walloon. Magasins du Monde-Oxfam used to be a member of NEWS! as well, but is not anymore.

The assortment of the World Shops in Finland differs; most shops do sell food. Besides handicrafts also clothes, bags and ecological products are for sale. The ratio of food/ non food is approximately 20/80. One of the Finnish shops is importer itself.

In general food is more important in a German World Shop, about 60% of the turnover is derived from food products. The shop assortment differs among the shops.

The assortment of the Italian World Shops is very different. Some shops are specialised in organic products and then food has a large share in the assortment. Lots of shops are specialised in a specific theme like sustainable development or ethical finance.

The ratio of food/non food is 20/80. They want to be on the market for handicrafts more than on the food markets, because they are too small to compete with the large supermarkets and they have relatively high prices. The margins on food products are also much lower than on the non-food business. But because food has always been a World Shop product and there are still customers who come especially to the World Shop to buy Fair Trade food, the food products will stay in the assortment. The assortment of the World Shops is comparable with each other. They all have their own purchase policy, but they need to have several elements in the shops. The products are arranged by 7 'worlds', like the world of food and cooking and the world of jewellery.

The shops are not at all the same in Spain, so the assortment differs as well. Half of the sales in the World Shops is food. The one importer that is more professional sells more handicrafts. The shops of this importer work together, unlike the other shops.

The ratio of food/ non-food is 35/65 in the World Shops in Sweden.

Half of the British World Shops buy from the largest importer organisation TraidCraft, some are importers and wholesalers themselves. The product assortment is different. There are shops which only sell bags, or clothes or carpets. Half of the World Shops does not sell food at all.

*27. Do all the World Shops have a common image?*

*28. Does the national association have guidelines for the presentation of the World Shops?*

In Austria the members have operated under the same name and logo since 1995 and had a common marketing and communication plan. Now they have a new shop concept introduced in Austria, together with EZA. At the moment 35 shops have transformed completely, other are only taking elements. The aim is to transform all the shops. The new shop concept is the norm now. The national office does not press the shops to take all the elements of the concept, they can choose themselves. But by the good results of the shops that have already transformed, the other shops are encouraged to transform as well. The EZA shops have more money, so their new shop concept is somewhat more expensive than the shop concept of ARGE. The symbols, logo and the brochures of World Shops are the same.

All the 200 shops in Belgium already use the same logo of Oxfam-International plus the name of the Wereldwinkels. There were not explicit rules for the presentation of the shops, but they have worked on that the last years and the presentation guidelines will be stricter. The plan for a new shop concept is in development (see question 28).

In 2002 the Danish national association received subsidy to increase the sale of Fair Trade products in Denmark. With this money they could develop the World Shops and increase their number. They were not able to open more shops in the last years, but they did develop a new shop concept which can be used by the existing shops. Before, they did not even have a common logo or name, so this was a big step at once. The new presentation of the shops also includes the division of the product assortment into different categories. These are dining, writing, playing, living, dressing and styling and have accompanying posters for in the shops. All, but the biggest shop, are transformed by now. The problem Denmark is facing is that some shops only want to use some elements of the new concept and not the whole package.

In Finland all the shops have different names and logos. The national association has developed a common logo and encourages the members to use it, but only 2 shops do. Most shops are reluctant to do so, because they do not want to change their names and have no money for doing it. The shops are very autonomous. They are thinking about branding of the shops at the moment.

The French World Shops do not want a common image. The French are more active in awareness raising than in trading. Therefore the French representative thinks a professionalisation plan as in Austria would not be possible in France. Now there is only a common logo and a common name.

The German World Shops do not all share the same name. Some are called: Eine Weltladen, Dritte Weltladen or Arme Weltladen. The national association has a logo that is used by 150 to 200 shops. Now they have developed a new shop concept (see question 28)

The Italian World Shops use the same name, but further there is no common image. They want to improve this by small steps. The shops have identity cards which state they are a member of the national association. They are currently promoting the mark Botteghe del Mondo.

Since there is a new shop concept now in The Netherlands the World Shops do have a common image. More than 25% of all the World Shops have transformed by now and the aim is that all shops should be transformed by 2006. The whole presentation of the World Shops has changed with a new logo, new colours and materials. The professionalisation project for the Dutch World Shops is called the

Transformatie. There are four concepts developed: one for ambulant shops, one for the smaller shops, one for medium-sized shops and one for the largest shops. These concepts have all different requirements, the rules for the largest shops are stricter than for a smaller shop. For this Transformatie project market research was conducted and a professional designer was hired. Also a new cash register system has been implemented in the larger shops. With the new project the Dutch World Shops want to position themselves as exclusive gift shops, with the emphasis on high quality products. The Dutch World Shops need to take the whole concept, they can not just use some elements.

There is no common identity among all the Spanish World Shops. The shops that belong to one importer do have a same image that is associated with the importer.

The shops in Sweden use the same logo and the same information materials. They all have Varldsbutikerna (World Shop) in their names.

There is no common logo, identity or name in the UK. There is only a sticker for on the shopping window, which says that the shop is a member. Most shops use this sticker. There is also a member certificate. The shops are encouraged to use the words World Shops in their names.

*29. Is the national association planning to develop a new shop concept like in The Netherlands, Denmark and Austria?*

In Belgium a new shop concept for the World Shops has been developed in cooperation with a professional architect and three shops that will also serve as pilot shops. In September the shops in Antwerp, Gent and Witteren will operate under the new concept. The new concept is not obligatory for all the World Shops, they can decide themselves if they want to take it or not.

The Germans are in the final phase of developing the new shop concept. This shop concept is one entire concept for a professional World Shop. There is a link with the existing corporate design to integrate the shops that have started using this. This corporate design exists since 3 years and includes leaflets, price tags, etc. The design is modified to the new shop concept. The goal of the new concept is uniformity for public appearance and promotion. The plan was that the World Shops should use the whole concept, but now it is also possible to just use a certain percentage of the new elements.

Three Swedish World Shops are discussing a pilot shop concept. There is no external funding for this project.

Note: Of course this question was not asked at the representatives of Austria, The Netherlands and Denmark. The answer of the rest of the representatives to this question was: no.

*30. Does the national association want to position the World Shops as high-quality gift shops?*

In Austria they want to position themselves as exclusive gift shops. The idea is that if the shops are nice, the emphasis is on the dignity of the producer.

In contrast to the rest of the countries which have developed a professionalisation plan for their World Shops, the aim of the Belgian World Shops is not to position themselves as exclusive gift shops. The reason for this is that the percentage of food the World Shops sell is much higher than in the rest of Europe, namely 85%.

The Danish World Shops also want to be professional shops. They think to give information and to sell is equally important.

In Germany they do not want to be an exclusive gift shops because the focus still lies mainly on food.

With the new Transformation project the Dutch World Shops want to position themselves as exclusive gift shops, with the emphasis on high quality products

Note: This question was only asked at the countries which were developing a new shop concept.

*31. Do the World Shops work with a cash register system or any other form of computerisation?*

In Austria they have developed a cash register system solely for the World Shops. 10 shops are using it at the moment.

In cooperation with Austria, The Netherlands and Germany, Belgium is also implementing a new cash register system in their shops. A few pilot shops are running this system now.

In Denmark they have cash registers, but these are not connected to each other yet. There is the possibility to work with 10 different product groups on these cash registers. The purpose is to divide the groups in dining/ writing/playing, etc (the new product groups of the new shop concept). Two are already doing this. The longer term idea is to give this information also to the national office.

In Germany they are using the same system as in Austria. This differs from the systems in Belgium and The Netherlands. The new system will have a database of all products which have a link with information about the products.

In the Netherlands the new cash register system is a part of the Transformation project. For the largest shops the new system is obliged.

Note: The answer of the rest of the representatives was: no

### **Professionalisation**

*32. What should a professionally run national association have in your opinion? (for example: paid staff, not dependent on subsidies, computerisation, etc.)*

*33. What should be the first things improved in your national association?*

The Belgian representative thinks it is important to have a shared vision with all the members of the organisation. Therefore maybe the internal structure of the national association should change. Democracy is never finished.

According to the representative of France a professional national association needs to have the same political stand of the World Shops and the office. If they share the same opinion about this issue they can work from this standpoint. The things that should be improved are that the emphasis should be somewhat more on selling than it is at the moment in France. And what she thinks is important is that volunteers and paid workers are working next to each other, both are needed. She also believes that the transparency of the organisation is an important thing.

The representative of Germany thinks that the internal structure is the first thing that should be improved in the national association. He is referring to the role of the board as it is at the moment in the national association. A professionally run national association needs to have more financial security and should not be so much dependent on subsidies as it is now. The World Shops do not want to pay a higher fee now, but maybe they are willing to when the national office can offer more services to them.

According to the representative of The Netherlands one of the most important things is the financial situation, there should be a more structural funding. Also the World Shops need to see the need for change and should be more daring to be an entrepreneur.

The representative of Sweden also says that regular funding is one thing that should be improved and that is very important if the national association wants to be professional, because continuity is an important condition.

The representative of the United Kingdom thinks that one thing that should be improved in the British national association is more personnel in the office and good office facilities. With more manpower the national office can be able to deliver more services to the World Shops.

Note: The representatives of Austria, Denmark Italy and Spain did not know a direct answer to this question.

*34. If you had to put the countries in the different categories of how professional the national associations are working, how would you do this?  
(A = most professional, B = medium professional, C= least professional)*

Note: This is hard question for some of the representatives as they are not quite familiar with the situation in the other countries. The representatives of Austria, Denmark, Finland, Italy, Spain, and the UK did not fill in this question.

Austria and The Netherlands were most mentioned as being the most professional with respectively 4 and 5 A's. Next were Belgium and Germany with both 3 A's. Denmark was also seen as an A by some representatives, with a note that Denmark is hard to compare, because the association is very small with just 7 shops. France was by one representative seen as an A, while others rated it as a B or a C. Finland was rated unanimously as a C. Spain, Italy, Sweden and the United Kingdom were rated as being a B or a C.

## **Appendix V Persons interviewed second round of interviews**

The people interviewed from inside NEWS! are:

Huub Jansen, Manager of the Landelijke Vereniging van Wereldwinkels, The Netherlands  
Marlies Remmerts, Communication employee of the Landelijke Vereniging van Wereldwinkels, The Netherlands  
Peter van Mersbergen, Shop support employee of the Landelijke Vereniging van Wereldwinkels, The Netherlands  
Barbara Kofler, Manager of ARGE Weltläden, Austria  
Karin Hanus, Volunteer support employee of Oxfam-Wereldwinkels, Belgium  
Markus Frieauff, Employee of Weltläden Dachverband, Germany  
Dianne Franken, Chairperson of World Shop Heeze, The Netherlands  
Mariette Paes, Chairperson of World Shop Dalfsen, The Netherlands

Three persons of the Dutch national association have been interviewed, in stead of just one like the rest of the national association. The same questions have been asked to all national associations, but in The Netherlands the questions about handbooks and trainings have been asked to the communication employee who is responsible for this and the questions about the new shop concept have been asked to the shop support employee.

The people who were interviewed from outside NEWS! are:

1. Christine Gent, External consultant for IFAT, used to work for The Body Shop, United Kingdom
2. Lawrence Watson, External consultant for Fair Trade organisations, also for NEWS!, Belgium
3. Marie-José Vervest, Works for Civiq, the Dutch association for volunteers, The Netherlands

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## Appendix VI Questionnaire second round of interviews (inside NEWS!)

1. What is your function at the national office?
2. How did the national office develop over time?
3. When did the national association start to organise trainings?
4. On which subjects are these trainings?
5. Do the members have to pay for this and how much?
6. When did the national association start to develop handbooks?
7. When did the national association start to develop a common logo and name?
8. When did the national association start to develop the plan for a common formula?
9. What was the need for this new formula?
10. How was this plan implemented? (involvement members, cooperation other organisations, leadership)
11. Was there resistance against the plan and how did you deal with that? (outcomes)
12. How was this plan financed?
13. Is there a need for changing the organisational structure?
14. When did the national association start working with strategy plans?
15. Does the national association offer a location analysis to the World Shops?
16. Do you think that paid coordinators in the shops improve the quality of the shops?
17. What is the budget of the national association?
18. Is the national association thinking of a structural plan for continuity and finance so that it becomes less dependent on subsidies?
19. Is there a performance-feedback system which measures performance and how does this work?

The interview results are structured per interview. For convenience of comparison the identical interview questions have identical numbers. Because not all questions could be applied to all respondents, sometimes numbers are missing.

## **Appendix VII Results second round of interviews (inside NEWS!)**

### **Interview Huub Jansen**

*1. What is your function at the national office?*

He is the managing-director of the national association. He has been working at the national association since 1991.

*2. How did the national office develop over time?*

The transition has been made from a decentralised movement to a centralised movement in the beginning of the 1990s. There has been a national office since 1975, but this office was merely used for the administration and lobbying work. In 1991 about 5 people were working at the office and four times a year there was a meeting with all region workers. But the support for the shops was done in regions. This support was more about awareness raising of Fair Trade than support for the shops. These people were paid from subsidies. When in the mid 1990s besides the corporate logos they wanted to involve marketing as well in their activities, the region workers also came to work at the national office. Besides supporting a group of World Shops they also needed to have a specialty with which they could help all the World Shops in the country. This could be about marketing, or about window dressing.

*7. When did the national association start to develop a common logo and name?*

15 years ago the choice has been made to take the sales function of the World Shops seriously. Before this time World Shops were more like gathering groups where the people who felt concerned about the Third World could talk to each other about this subject and where they could get some coffee or sugar as well. The focus was on the awareness raising part of the work. When in the mid 1990s besides the corporate logos they wanted to involve marketing as well in their activities, the region workers also came to work at the national office

*1. When did the national association start to develop the plan for a new shop formula?*

In 1993 there were already ideas about new shop concepts, but there was no money and also the culture of the national association was not ready yet for this kind of transition. They had only decided 4 years ago to change the way of working in the shops and this was too soon for such an idea. In 1998 market research has been done and the results showed that the World Shops could have much more potential than they had now. There has been a study day for all the shops and there it was decided to think of a new shop concept. They got a subsidy for research from the ministry. This was also the year that they hired the first shop assistant at the national office who had retail experience in the private sector.

*2. What was the need for this new formula?*

After the research in 1998 there was another SWOT-analysis in 2001. The strong points of the World Shops were that they were widely known, they were represented all over the country, they had a unique assortment, dedicated volunteers and a good liquidity and solvability. Weak points are that the consumer is unknown with the ideals of the World Shops, bad location, no sales representation, difficulty to find good volunteers, a too low turnover to attract paid personnel and a great diversity among the shops in turnover and professionalism.

Furthermore the organisation was product oriented. The World Shop sold Fair Trade products in a way they found best. The new formula is market oriented, which means the organisation first finds out what the products are the consumers want and then how to offer those products. The new policy is primarily aimed a food gift products and second on food products.

Research among four types of customers showed that some are satisfied with the old World Shops while others think lots can be improved. The seniors (55-70) are satisfied, loyal customers of the World Shops. They are satisfied with some small adjustments. The baby-boomers (40-55) identify themselves with the alternative sphere of the World Shops. The people from 25-40 see more in more luxury and exclusive World Shop and want them to be more professional. The youngsters in the age of 18 to 25 do not associate themselves with the current World Shop and really think it needs an update.

3. *How was this plan implemented?*

An external consultancy agency was hired and together with people from the World Shops which were successful they brainstormed about ideas for the new World Shops. The new World Shops needed to attract more young people. That is why the manager left much room for the external agency which is specialised in this and left most World Shop volunteers out of the development. This is done because most volunteers are women from 40 years and older who do not know what youngster really want. The suppliers were not part of the project, although they really wanted to. Then the idea was formed for the new shop concept with the four different types of shops. The first idea was to discuss this new idea with all the members. The external agency however said that this was a not a good idea. Since the members then wanted to have a say in all the different little details, about colours and then the concept would never come. That is why the manager chose to implement the idea in four pilot shops and let the members take a look at the whole concept, in stead of seeing it just from pictures. The members all found it very beautiful, but there were lots of complaints like this could not work in their shop for all kinds of reasons.

There was no money to communicate the new Transformatie plan to the consumers. However, there was a lot of free publicity because lots of media paid attention to the new formula.

4. *Was there resistance against the plan and how did you deal with that?*

The shop keepers liked the shop concept, but were afraid they could never implement it themselves, because of lack of money, etc. Also there were complaints that the decision making process has not happened in a real democratic way. After the pilot shops, there was a time for compromising. A plan has been developed to implement the shop concept in different phases. Also old materials could be used as well, as they met the requirements, so they did not need to purchase everything new.

Research to the results of the new shops showed that the shops were much more successful. This was a reason for the other shops to transform as well.

5. *Does the new formula for the World Shops also require a change in the internal organisation?*

The first consultancy companies they had asked for advice wanted to discuss the strategy the national association had in mind first before working at the new shop concept. The manager did not want this because he thought all the money would be wasted before they even started thinking about the new concept. That is why he hired an agency which would just take a look in the shops and could say what needed to change.

When the Transformatie started, it became clear that the organisational structure is not optimal for the new shops. What they need are the advice from the people in the shops, which are mostly older women, but in the board and in the regions are only people who like to make policies and these are mostly men. These are also people who do not work very well in the shop and therefore perform other tasks.

That is why the idea for a formula council has been thought of. This council should only discuss issues of the shops and should be consisted of people in the shops. The same is for the advocacy council, this is for people who are interested in this area. This plan has not been approved of yet, the Transformatie has had such an impact that the members are tired of change at the moment.

13. *When did the national association start working with strategy plans?*

They multiple year visions are already there for 10 years. Vision 2010 was the first longer term vision. Much of criticism on this vision because the members thought it was not fair to describe a future they

thought they could never achieve. The multiple year visions are translated into 1 year plans, with clear goals and targets. Only for the projects with longer terms a real plan has been developed, like for the Transformatie which took 4 years.

## Interview Marlies Remmerts

### *1. What is your function in the organisation?*

She is working at the communication department of the national association. She works at the national association since 2001.

### *3. When did the national association start to organise trainings?*

From 2001 the trainings are contracted out to an external bureau. Before the trainings were given by an employee of the national office. These were trainings about window dressing and working at a World Shops. However, it was not possible to give the courses internal, because the trainer cannot be a specialist in all subjects. Now they are able to give more courses about more subjects. Now it is contracted out it saves the secretariat a lot of paperwork. The World Shops can contact the training centre directly.

### *4. On which subjects are these trainings?*

There is a correspondence and a group course for 'Working in a World Shop'. This course is meant for new workers in the World Shops, but also for staff members who want to refresh their memory. The structure of the correspondence course consists of four parts: a general introduction about Fair Trade, information about the national association, sales tips and information about working in a World Shop. Together with the coordinator the student can work through the course. The group course is a one-day course for 25 persons.

Another course for Working a World Shop is especially meant for the coordinators of the World Shops. There is a 6-day training for large shops and a 3-day training for the small shops. The subjects of the training are all about the management of a World Shop: from Fair Trade to PR to business plan. The 6-day training is given three times a year, the 3-day training is given on request. The next two trainings are about how to manage volunteers. The first training takes two days and has a theoretical part about management styles and lots of practice. The other training is how to evaluate employees on their performance. This training takes two days and a coming back day to see how it went.

The training about customer treatment takes one day and involves lots of role plays. The last course about window dressing takes place in the own World Shop. This last training is for free for the World Shops which are transformed and is part of the Transformatie package. The transformed World Shops can also participate in free workshops; these are given twice a year. The last one was for example about the quality of volunteers.

### *5. Do the members have to pay for this and how much?*

The costs vary from € 45 for the correspondence course till € 1000 for the trainings which take multiple days. For most courses there is a minimum of participants required. The trainings can be given on request; the World Shops has to arrange the location and catering. If more people participate, the costs can be split, making it cheaper. The costs for the trainings are 2,5 times as low as the market prices. This is possible through cooperation with non-commercial training institutes, some subsidies and bargaining. Still, World Shop members sometimes still think it is too expensive.

### *6. When did the national association start to develop handbooks?*

The first handbook was published in 1998, before they had some brochures on various subjects. Now they want to put everything in the handbook on the extranet. They started developing this extranet from May 2003 and now 235 World Shops are making use of this. It is not finished yet, they are still working on it. This must make the communication between the national office and the World Shops more interactive.

## Interview Peter van Mersbergen

### 1. *What is your function at the national association?*

He is working at the division for shop support. This division guides the World Shops through the Transformatie process.

### 12. *How was the Transformatie plan financed?*

They have got a subsidy from the ministry to do research of € 350,000. Hereafter they got a subsidy of € 1,000,000 for the Transformatie project for 4 years.

The shops pay for the support from the office for the Transformatie € 1450. When they are completely transformed they get € 500,- back. This is done because shops sometimes do not transform completely. They do not want this to happen, because then it is not a package anymore. A shop with 40m<sup>2</sup> which transforms costs about € 22.000,- This depends on the re-use materials and what kind of shop it becomes (top/royal/core).

The results of the transformed shops are satisfying, the turnover has risen with 66%. For the shops which have moved as well to a better location at the time of the Transformatie this is even 92%, for the shops which stayed at the same location 22%.

### 15. *Does the national association offer a location analysis to the World Shops?*

Eventually there can be a location analysis which costs € 135,- This happens only a few times per year. In the handbook are also ways to do this, like counting of passers-by. The location analysis offered by the national office involves an analysis of the price/quality ratio of the shop, the location of the shop, the suitability of the shop and eventual adaptations to the shop before opening. The town is also analysed, to see what kind of function the town has (region function for villages).

### 16. *Do you think that paid coordinators in the shops improve the quality of the shops?*

The quality of the personnel is an issue with the Transformatie. Not all World Shops have a coordinator. In 10% of the shops there is a paid coordinator. He thinks that all shops need to have a coordinator. In larger cities it should be possible to work with paid staff, this is somewhat more professional. There are job descriptions in the handbook that the shops can use, and there are also performance reviews.

### 17. *What is the budget of the national association?*

Shop support	€ 680,000
Campaigns/lobbying	€ 160,000
Certification	€ 155,000
Communication	€ 290,000

The total expenses were € 1,500,000. Most of the income comes from subsidies (67%) and contributions of the members (19%).

### 18. *Is the national association thinking of a structural plan for continuity and finance so that it becomes less dependent on subsidies?*

Yes, there is a concept plan for this. The national association is too dependent now on subsidies to have a responsible financing policy for the longer term. The problem with subsidies is that they require additional activities from the national association.

The total contribution from the shops and the suppliers is about € 350,000 at the moment. This is € 250,000 contribution and € 100,000 that suppliers pay to the association. For the finance of the core activities € 750,000 is required. Core activities are the costs of the office, the personnel and the program costs of the core activities. The idea is that in stead of a percentage of the turnover, the shops need to pay taxes of on the sold products. The margins of food and non-food products are very different, therefore food will have a tax of 1,5% and non-food 6%. With a total turnover of €

21,000,000 this is € 750,000 income for the national association. This means a price increase for the customers.

Besides the tax the shops should pay a fixed fee which varies from € 100 to € 1000, dependent on the kind of shop (top, royal, core or ambulant). This fee will be used for mutual public activities (like campaigns).

## Interview Barbara Kofler

### *1. What is your function at the national office?*

The national office started in 1987, and she is working there since. She is the manager of the national office.

### *2. How did the national office develop over time?*

When they started in 1987 there were 32 shops associated (now there are 78). There were meetings 3 times a year, but those were easy to manage because there were only 30 people who needed to attend the meeting. In 1999 they hired an extra person especially for the marketing issues. In 1989 the discussion about professionalisation already started. There is no central office in Austria, but 3 small offices; one for the management, one for the sales division and one for the youngsters' project.

In the beginning it was hard to offer services to the World Shops because there was just one person working at the office. They had a newspaper which was published 3 times a year. In the beginning they were not able to offer external services like trainings, corporate designs and logos. The importer EZA was helping in the beginning with the development of the shops. The shops paid 1,2% of their turnover to the national office. This was the only income they had.

### *3. When did the office start to organise trainings?*

### *4. On which subjects were/are the trainings?*

### *5. Do the participants have to pay for it and how much?*

When they decided to take on a more professional approach, trainings became necessary as well. The trainings were contracted out to externals. The subjects of the trainings are selling, how to run a World Shop, media training, how to make business plans. Some trainings are paid for by the national office and the World Shops together, for others the World Shops have to pay everything themselves. They encourage the World Shops to organise the trainings together with other shops in the region. The costs for a course are now about € 1000. The course about what Fair Trade is, is given by the national office itself and is for free. The trainings are now contracted out, but there will be an employee who will be available to give the courses himself.

### *6. When did the national association start to develop handbooks, etc?*

The handbooks already exist since 1990, with guidelines for new shops.

### *7. When did the national association start to develop a common logo and name?*

The World Shops all had different names and it was therefore difficult to improve the image of World Shops, because there was no common image. In 1992 they started the discussion with the World Shops about a new mutual image. There were 65 shops by that time. After long discussion it was decided that members of the national association need to sign a contract. In this contract are all the rights and duties of the national association and the World Shop. This includes at least 25 opening hours a week, only buying products from certificated importers, use of corporate design, having business plans, to invest profits back in the World Shop or World Shop movement and participating in the national meeting. Seven shops did not agree with this and resigned. The other 58 shops now had the use the new corporate design, which means the name World Shop and a new logo. The logo and contract is in use from 1997. This corporate design did only have several items, it was not possible (lack of money) to have an extended line of corporate products. They had a subsidy from the state with the start of the corporate design, this was in 1996.

8. *When did the national association start to develop the plan for a common formula?*

This already started with the discussion about the contract (see question 7). The development of the plan was a process which began in 2001.

9. *What was the need for this new formula?*

The World Shops needed to move to better locations and they also wanted to have a corporate image. The new shop concept is not the same as in The Netherlands, with a whole package. There are components that shops can use, it is not a whole concept.

10. *How was this plan implemented?*

The World Shops had a contract, which means they needed to cooperate. But when you want to have such a change as a professionalisation project, you must see the World Shops as shops and not a solidarity shops. These shops have to compete with other shops and therefore they have to develop, just like the other shops. The national association worked together with an architect who has designed the new shops. The idea for the concept was formed together with other companies, new colleagues who had knowledge about international politics and economics and people from outside the movement. There is a working group now, which also includes the architect of the shop concept. They put the ideas of the new shop concept into practice.

They did not have money to communicate the new shops to the public. So this has not happened. The individual World Shops did this when they changed their names, but this was only in their own communities. They want to hire someone for the internal and external communication in the future.

11. *Was there resistance against the plan and how did you deal with that?*

Most of the World Shops agree with the professionalisation of the shops. There are younger people who work in the shops now, than 10 years ago. It is not an alternative movement anymore. The people working in the shops really want to work in a professional shop. They are newer volunteers and see the Fair Trade in a different light than the older volunteers. There is one World Shop which disagrees and is no member anymore. Also the argument that the producers wanted the shops to be more professional was a strong one. The producers have seen the shops and they told that they would like to have nicer shops for their products if that would mean a higher turnover. Because that is what the producers want from the World Shops: that their products are sold.

The ideas for the new shops were communicated in a brochure. Also pilot shops opened where the other World Shops could take a look. And this has made the World Shops enthusiastic. The World Shops also were not forced to take the whole concept, so the discussion about the money was not as heavily as when they should take the whole package.

12. *How was this plan financed?*

The Austrian national association does not receive any subsidies for the professionalisation plan. They have to finance this with their own money. This money comes from the World Shops which pay 0.8% of their turnover to the association and from the importers which pay a fee to supply to the World Shops. This importers fee is the largest part of the income and they pay this fee since 1997. They receive a yearly subsidy from the state, but this is only for World Shops day.

14. *When did the national association start working with strategy plans?*

The first strategy plan dates from 1997. These plans are for 3 years. Now they have just developed a vision for the shops till 2015. In this vision the shops all have the same concept, but there are also other outlets, like Fair Trade coffee bars. They also maybe want to work with a sort of a franchise concept in the future, but this is just an idea yet.

15. *Are you working with a location analysis?*

No, the national association does not have a location analysis. But the towns have figures themselves about the locations in the towns. Furthermore, the national office advises the World Shops to just do their own observations, like the counting of the passers-by. The shops are not all at A-locations at the

moment. But in the last 4 years half of the World Shops have moved to a better location. The shops are not only in larger cities, they are also in towns with about 10.000 inhabitants.

*16. Do you think that paid coordinators in the shops improve the quality of the shops?*

Yes, 90 people are paid in the Austrian World Shops. There are 14 shops with full-time paid employees and 39 with paid part-timers. The advantage over a volunteer is that the paid people who are employed have more knowledge and with them there is more continuity. They are also mostly responsible for the purchasing policy of the shop. This is good, because now the products are purchased that sell well, instead of products the volunteers like themselves. They have researched that the turnover of the shops has risen which are working with paid staff. The volunteers see that it is working to work with paid coordinators and do not have a problem with it. If the shops have a turnover of € 100.000 a year, it is possible to pay for a part-time coordinator.

*17. What is the budget of the national office at the moment?*

In 1999 it was € 13.000, and now it is € 100.000,-

*18. Is the national association thinking of a structural plan for continuity and finance so that it becomes less dependent on subsidies?*

The Austrians are not dependent on subsidies. There comes more income, because the shops are selling more. There are 5 shops which have a turnover of more than € 200.000, 4 shops which have a turnover of € 150.000, 14 shops with a turnover of more than € 100.000 and 24 with a turnover of more than € 50.000. In the contract they have agreed that if the shops want to be a member they need to have a turnover of more than 30.000. There are only 5 shops which can not make that kind of money.

*19. Is there a performance-feedback system which measures performance and how does this work?*

Yes, because you can not have goals without a measurement. Every 2 years they have feedback from the World Shops on the work they are doing. The participation at the national meetings is increasing, so World Shops do feel more like one association now. There will also be a monitoring system for the World Shops so the national association can regulate if they are following the concepts they agreed on in the contract. They get information sheets every year with figures of the World Shops, which are analysed.

## Interview Karin Hanus

*1. What is your function in the organisation?*

Karin Hanus is working at the national office since 1993 and now she is working at the division for volunteer support

*2. How did the national office develop over time?*

Ten years ago there were only 12 people at the office working for both the importer and the national association. The importer and the national association always were one organisation. The importer only supplied to World Shops, mainly in Flanders and Walloon, but also to other World Shops in other countries. With the decision of the importer to also supply to other shops than just World Shops, as supermarkets and organic shops, the tasks were more separated. Now the national association and the importer have a different legal structure. Both have a managing-director. The services as finance and the secretary are still shared. 20 people are working for the national association now and 35 for Oxfam-Fair Trade (importer).

*3. When did the national association start to organise trainings?*

*4. On which subjects are these trainings?*

*5. Do the members have to pay for this and how much?*

Every spring and autumn there is a new offer with courses. There are two types of trainings; one that can be ordered by the World Shops and then they have to organise the practical part of the course, like

a location and the catering. The others are on fixed days and places and the members have to subscribe for the courses. The subjects are about awareness raising and about selling. Example of a selling course is how to attract and keep new customers, an introduction course for a new World Shop member and a course for the coordinator. But most courses are about the ideals behind the World Shop. There can be courses about the producers (for example in Costa Rica and Chile), and about the campaign of 2005. There is also a youngster's day. Since the Flemish have decided to see Fair Trade in a broader perspective, there are also courses about organic food.

One of the employees of the national office teaches the courses, but sometimes this is done by an expert, for example for the course about window dressing. The World Shops can follow these courses together with other World Shops in the region; a minimum of 12 people is required. There are also 3 organised days once every 2 years for the World Shops. Hundreds of people attend these meetings. Here also workshops are organised the whole day. All the courses are for free; this is a service of the national association

6. *When did the national association start to develop handbooks?*

There is an extranet since three years which contains all the subjects covered in the handbooks. All members have access to this extranet. On this extranet lots of information can be downloaded and found, like internal papers, brochures, good practices of other shops (actions). There is also a free information number for the members if they have any questions at all.

7. *When did the office start to develop a common logo and name?*

8. *When did the national association start to develop the plan for a common formula?*

They are now busy rebuilding the shops in Antwerpen, Gent and Witteren for the new shop concept. These serve as pilot shops. Other World Shops are interested as well. They do not have to take the whole concept, they can also just use parts of the concept. They are not able to do a concept like in the Netherlands that every World Shop needs to be transformed in 4 years. They do not want to pressure the World Shops from above; they want a more relaxed atmosphere with the World Shops. They do think it is important to change the World Shops to the new concept, but this is longer term vision. They think that it is better to let the World Shops see for themselves they should change. They also think it is also not possible to pressure every shop to change, because it costs a lot of money.

13. *Is there a need for changing the organisational structure?*

They are working on this now. It is not clear when it is OK for the employees to decide about which subject and when the members need to have a say. The organisation has grown and there need to come a new democratic structure. They had all kind of commissions and it was not clear what their tasks exactly were and what they were for. It is not known yet what kind of structure there should come. Four years ago the district offices have moved to the national office as well and that is when the direct contact with the volunteers has diminished. They now want to try to visit the World Shops more, so the communication will improve.

The structure has already changed with the separation of the importer and the national association. They still use the same building and cooperate. They have one board for both, but there are 2 managers, one for the national association and one for the importer. The importer can only buy from producers the national association's department producers and education has approved of. The juridical structure has changed though. But the national association still receives money from the importer of all the products sold.

14. *When did the national association start working with strategy plans?*

The discussion about the mission has just been finished, but it is for certain that the national association now has more direction with the new mission. The discussion about this mission started four years ago. The movement was growing, qua members, World Shops, as well as employees working at the national office. In 2001 there was decided to also supply the food of the importer also to the regular market, like supermarkets, instead of just to the World Shops. A new sales strategy has been developed. The World Shops were afraid that with this new strategy the sales in their shops would drop. Plus that they also wanted to be the emphasis more on the educational and political side

of the World Shops, in stead of just a sales function. Also, the national association started the cooperation with farmers of sustainable trade and did not really know how to go further with this and how this would fit in their policies. They lost some direction and therefore they started to discuss with all the members and stakeholders in which direction they should go in the next years. They have discussed this for more than a year and now they have developed a new mission statement of 2 lines and have several strategic goals they want to achieve in the next three years. The mission is: "Oxfam-Wereldwinkels is a democratic volunteer movement which stands up for everyone's right at a life worthy of a human being through her fight for righteous world trade."

First they had a discussion in the national assembly to see what ideas live in the movement. Also stakeholders of Oxfam are asked about how they see the organisation. Among the different opinions they looked for similarities. The stakeholders are colleague organisations, political parties, government, financial partners, commercial partners, customers, media, youngsters organisations, women organisations and academics. They were asked to answer the following questions:

1. Describe Oxfam World Shops in 5 words
2. What are Oxfam World Shops' strong points?
3. What could be improved at Oxfam World Shops?
4. Which challenges do you see for Oxfam World Shops in the future?

Now they know for example that they see Fair Trade in a larger context, together with sustainable development. Therefore it is now clear what their cooperation with the sustainable development stakeholders is. Another decision is that there can be more models than just the World Shop to bring the message of Fair Trade. They are looking for models where the World Shop can be there for the selling part, but there can also be action groups who will just do the action part. This can be students who do not want to work in a shop, but still want to do something.

There is no very long term vision, but they have a vision for 3 years now. This is the first real vision, where they work from the strategic goals. Before they had multiple year plans, but those were aimed at the projects the subsidies was for. This is a vision for the whole national association. They also had a sales plan before, but that was mainly ad hoc planning and they did not really work with it. The new strategic vision has clear goals and it is clear when the goals are reached.

*15. Does the national association offer a location analysis to the World Shops?*

No, not yet, but they want to develop this because they get lots of requests from the World Shops about this subject. They want to know if they are at the right location.

*16. Do you think that paid coordinators in the shops improve the quality of the shops?*

They are pushing the shops to have a coordinator in the shop. This can be alone or two persons who have this job. They are certainly pushing the World Shops to have a task division between the volunteers. Since last year there are courses for being a coordinator with subjects as efficient meeting, volunteer management, etc. This has led to an increase in the use of coordinators in the shops. These coordinators are not paid. The policy of the national association is that the paid employee should not take over tasks from the volunteers. If there is a paid employee, he should perform functions that otherwise can't be done. Like that he is responsible for the sales of large packages to companies or schools. Also a paid coordinator can mean more continuity. There are 15 paid workers, these all work in the shops in the larger cities, where it is difficult to get volunteers for large tasks. These paid workers can also be education workers for in the schools for example.

*17. What is the budget of the national office?*

Producers and education:	€ 25,000
Campaigning	€ 70,000
Volunteer support	€ 45,000
Sales and marketing	€ 55,000

These budgets are without personnel costs. The importer and the national association have one income. Oxfam Fair Trade sells products to the World Shops, and a margin of 19% of these products

goes to the national association. These Fair Trade fees make up 60% of the income of the national association, the other 40% is derived from subsidies from for example the ministry of development.

*18. Is the national association thinking of a structural plan for continuity and finance so that it becomes less dependent on subsidies?*

No, they are not that dependent on subsidies as the rest of the national associations.

## Interview Markus Frieauff

*1. What is your function at the national office?*

Markus Frieauff is an employee at the national office since its establishment in 1997.

*2. How did the national office develop over time?*

The national office exists since 1997. He was working alone at that time. At that time they already had a magazine for the members, that existed since the beginning of AG3WL in 1975. In 1997 they decide to have a newsletter for all the World Shops, in stead of just the member World Shops. This was done to improve the communication from the national association to the World Shops and to promote their work to increase the number of World Shops that are member of the national association. At the moment about 400 World Shops of the 600/700 World Shops in Germany are member of the national association.

In 1999 their first EU application was approved. With the subsidy they got from this project two extra people could be hired who were concerned with the support of the World Shops, like giving trainings. Now nine part-time people are working at the national office and these are all paid by subsidies.

*3. When did the national association start to organise trainings?*

This started in 1999 when the extra two persons were hired.

*4. On which subjects are these trainings?*

There are trainings in spring and autumn. In spring the trainings are related to the subject of World Shops day. There are two seminars about the same subject, only one seminar teaches about the political side of the subject and the other about the selling side of the story (for example the PR work). In autumn it is the same, although the seminars are not related to the subject of World Shops day. There are 12-15 seminars in spring and autumn and in each seminar about 15-20 people participate.

Also, when people in the region want to organise a seminar for the whole region this can be arranged. This happens in cooperation with the fieldworkers (who are not paid by the national association). The fieldworkers arrange the practical part (like location and catering) and the national office the content of the training.

*5. Do the members have to pay for this and how much?*

No, it is a free service from the national association. However, they are thinking about charging fees for this. Especially because the World Shops which are not member of the national association can also profit from the free seminars while they pay no contribution to the national association.

*6. When did the national association start to develop handbooks?*

In 1985 the previous organisation AG3WL already had a real book about the background of Fair Trade and its history. This however was not a practical manual for the World Shops. In 1999 they have modified this. It became more like a manual with besides political information also information about trainings, PR work, shop assortment, etc. It was also printed in folder form, which means they can update information easily by just removing a chapter, in stead of having to reprint the whole book.

*7. When did the national association start to develop a common logo and name?*

This was also in 1999. The German World Shops have always believed that their goal could be achieved by both the political work and the selling work of the World Shops. The accents however,

have shifted over the years to the selling side. This started with the EU application with which they were able to support the World Shops better, also commercially. If they wanted to sell more, the shop keepers needed to have more capabilities which could be improved by training. Then also the need of a common logo and name became apparent.

8. *When did the national association start to develop the plan for a common formula?*

They started to develop this new formula in September 2003.

9. *What was the need for this new formula?*

The German World Shops had an image problem which brings many disadvantages, because with a bad image no new customers are attracted.

10. *How was this plan implemented?*

In 2003 there has been market research by a German consumer organisation and there has been a questionnaire for the shops about what they knew of their customers. This information was used to develop the new concept. They hired a shop designer and an economic analyst to participate in the working group of the new concept. Also two people of the board who are working in a World Shop as well were member of this working group. At the moment one World Shop in Munich is transforming to the new concept and this shop will open in July 2004. Also a couple of other shops are using some parts of the new concept already. With the development of the new concept the purpose was that the concept should be a package and that shops could not use just some elements of it. However, in practice this did not work because some shops had just purchased all new furniture. So they have become more flexible when this occurs. The image campaign to inform the public about the new World Shops starts in October with posters, etc.

11. *Was there resistance against the plan and how did you deal with that?*

The national association tries to convince the German World Shop keepers of the necessity of the new formula. At the moment there is an image problem and they need to deal with that anyway, so when the national association offers a whole package which they can use they do not have to develop it themselves. They try to inform and convince the World Shops in the regional seminars, at the annual assembly, through the fieldworkers and the newsletters.

There are shops which say they do not want to transform and there are shops which say they are not able to. There are World Shops in this last category which are really not able to, but there are also lot of shops which are able to if they put effort and energy in it. Lots of German World Shops still send their profits to the producers, but these profit could also be used for transforming. The national association tries to let them reinvest the profit in the shops.

12. *How was this plan financed?*

The shops have to pay € 1200,- for the help of the national association. This includes the training and the advice. The national association has received a subsidy for the development of this concept, so this price could be kept low. Besides this the shops have to invest another € 10,000 to € 15,000 in the new furniture.

13. *Is there a need for changing the organisational structure?*

Yes, they are looking at what the role of the board should be and what the responsibilities are of the staff at the national office. The research of this project should be finished in autumn.

14. *When did the national association start working with strategy plans?*

The first strategy plan was developed in 2000. This was a three year plan. Before they had plans for the maximum of one year and they were mostly obliged with daily operations, like the planning of the World Shops day. They were busy with solving short-term crises and the day-to-day work. Now they have run out the strategy plan of 2004 and need to develop a new one for the coming years.

15. *Does the national association offer a location analysis to the World Shops?*

Yes, this is part of the new shop concept.

16. *Do you think that paid coordinators in the shops improve the quality of the shops?*

Yes, paid workers increase the continuity in the World Shops. They can deal more intensively with the problems, because they have more time for it.

17. *What is the budget of the national association?*

In 1997 this was about € 60.000 and now it is about € 300.000

18. *Is the national association thinking of a structural plan for continuity and finance so that it becomes less dependent on subsidies?*

Yes, they have just begun to realise that the system of subsidies is inefficient. The membership fee makes up 7% of the budget and the sales of materials another 3%, which means that only 10% is financed internally. This is risky because there are always limitations to subsidies. Especially because the rules for subsidies are becoming stricter. The money received for the application has to be spend exactly in the way described in the application. If they want to choose a company for printing work they can not just choose the company they know is the best form experience but always have to ask for offerings of three different companies. This is very inefficient for the national association. Therefore they have hired a new person who is researching the possibilities of fundraising. They want to be able to finance the core activities of the national association internally. Possibilities could be that the membership fee increases because it is relatively low in comparison to other countries. Also maybe sponsoring and cooperation with other companies can be an option.

19. *Is there a performance-feedback system which measures performance and how does this work?*

In the strategy plan there were some indicators for the targets they have set themselves, but not for every target. They want to do this better in the next strategy plan.

They also want to monitor the World Shops on their performance and if they fulfil the criteria of a World Shop. Therefore they have developed a self-assessment for the shops. Besides this monitoring they also want the World Shops to send in more information about their figures like turnover, because this is not known to the national association at the moment. The problem is that some World Shops do not want to share this information because they feel they are independent and the information is confidential. This seems to be contradictory to the values of Fair Trade of which transparency is one.

## Interview Dianne Franken

1. *Which work are you doing in the World Shop?*

She is the chairperson of the World Shop in Heeze and works a few times per month in the World Shop as sales employee. Her other task for the World Shop is the window dressing. She works in this World Shops for about 10 years.

2. *Is the World Shop working with the new shop concept (Transformatie)?*

Yes, they transformed in October 2003. They have been closed for a month to carry out all the transformation work. They did not move to another location.

The World Shop has 29 members. The board of the World Shop was already convinced in an early stadium that the World Shop needed to transform, but it took a year to convince the rest of the members. At the first proposal for transforming they had all kinds of difficulties they foresaw when this was carried out. Also, the money was a problem. But after a while the board came with a clear proposal with a work scheme and a financial plan and this was approved. This is because now it was clear what exactly had to be done and how this could be achieved. The total costs were € 27,000, this includes the computerisation project, which is not implemented yet. This was financed with the € 12,000 they had reserved and with the sales of certificates. Also goodwill from local undertakers has helped to save money.

The World Shop is a Core shop, because it is not situated at an A location.

The help from the national office with the *Transformatie* was good. Especially the estimates of the costs were helpful and questions they had were always answered.

*3. Does the World Shop have a coordinator?*

No there is no coordinator at the moment. They have working groups, like PR and buyers. With the *Transformatie* they had a coordinator for that project. But the volunteers in the shops are somewhat older and do not want much responsibility. They look for a coordinator, but are actually already satisfied they managed to find a board. A paid coordinator is not possible with their turnover. And Heeze is a village and not a town, which makes a difference as well for the turnover.

*4. Do the members of the World Shop make use of the training facilities of the national association?*

Yes, lots of times. They are actually one of the World Shops which spends most of their money on training and that kind of facilities. They also attend the study days of the *Transformatie* (those are for free). When people have followed a course they are expected to report to the other members what they have learned, because they need to account for the money of the World Shop they have spent.

*5. Do you make use of the extranet?*

Yes, and when the computerisation process is finished this use should increase.

*6. What do you think of the communication between the national office and the member World Shops?*

She thinks this has improved with the implementation of the *Transformatie* project, they are working more close together. The papers they send for meetings are always all right.

The new formula council she also thinks will be an improvement, because the region and district meetings are not efficient and effective.

*7. What do you think of the contribution fee you pay to the association now?*

It is OK at the moment. She thinks it will increase, because in time maybe they need more paid people for the increasing professionalisation, which is a good thing.

*8. Are you familiar with the visions and strategies of the national association?*

Yes, they get this sent home every time. She believes that the national association should not make so many compromises with the World Shops which do not want to transform, she thinks that this has been decided by the association that they are going to do it this way and that that should be the policy.

## Interview Mariette Paes

*1. Which work are you doing in the World Shop?*

She is the chairperson of the World Shop in Dalfsen and works one part of the day a week in the World Shop. She has been active in this World Shop since 14 years. She also the one who organises the region meetings three times a year and the one who attends the district meetings.

*2. Is the World Shop working with the new shop concept (*Transformatie*)?*

Yes, they transformed this February. The World Shop has 35 volunteers of which about 7 are not working in the World Shop, but are performing other tasks. They had no problem with transforming, almost all members were enthusiastic. Before they rebuild they had a look at other shop which were already transformed. They knew this *Transformatie* was coming and had saved money for it. Also, they raised money with sponsoring and with networking lots of goods were given for free or for the purchase price. They have not moved of location. Before they transformed they already had good results, so they do not expect to increase the sales very much. However, there are coming more people in the shop who had never been there before. Also new volunteers applied for the shop after this *Transformatie*.

3. *Does the World Shop have a coordinator?*

Yes, she is working as the coordinator. They have different working groups and the heads of the working groups are in the board. She is chairperson of the board and also coordinating the working groups. Dalfsen is a village of about 8,000 inhabitants and therefore the sales are not high enough to pay a coordinator.

4. *Do the members of the World Shop make use of the training facilities of the national association?*

Yes, one of the volunteers has attended the course of World Shop entrepreneurs. Also, every member has the introduction course of Working in a World Shop. She goes through this manual with the new volunteers. She herself has also followed the course of evaluation of volunteers. She is having these progress conversations now with all the members and she thinks this is worthwhile

5. *Do you make use of the extranet?*

Yes, one member is handling this and when there is new information on the extranet the other members should know about he passes this on.

6. *What do you think of the communication between the national office and the member World Shops?*

The help they received with the Transformation she thought was excellent. She thinks the feeling lots of World Shops have that they do not belong to the same association is not the fault of the national office but of the members. They do not show up at the meetings and therefore do not have a say in the policy. But when there is something decided they do not like they are complaining about the policy the national office has made. That is not true, because it is the policy of the whole national association.

With regard to the new structure with the formula council and trade council, she hopes that the regional level is not going to disappear. The World Shops in the regions find these meeting really useful.

7. *What do you think of the contribution fee you pay to the association now?*

That is fair.

8. *Are you familiar with the visions and strategies of the national association?*

Yes, because she is the one who attends all the meetings. They get all the files sent home and before the meeting they discuss it in the board.

## Appendix VIII Results second round of interviews (outside NEWS!)

### Interview Christine Gent

1. *What is your background?*

She has worked for The Body Shop as purchaser for the non-lotions (as hairbrushes, etc.) and was further occupied with the design and the product development. Now she is working part-time for IFAT on the Fair Trade logo.

2. *The Body Shop has a shop concept, why is that so important?*

The clients can recognise The Body Shop everywhere they go over the world. The concept has had some changes over time, but the basic green colour has stayed the same, which is familiar for the customer. Customers know what they can expect when they enter the shops.

The World Shops however do not have this common image. They shops of two different countries can not be compared with each other, but also inside the country there is a great diversity in the shops. This is especially the case for the United Kingdom.

3. *Do you think that a more professional look of the World Shops and a recognisable image would contribute to the sales of the shops?*

Yes, she has been to World Shops in Spain, Italy and The Netherlands and the shops were all very different. Some uniformity would be a great step. She is currently working at the Fair Trade logo which may be can also be used for The World Shops. She thinks that with a similar appearance the World Shops can get more notoriety. Then it can become a familiar shop in the high streets people are acquainted with. Now if people want to visit the local World Shop they have to search for it and when the name is also different they are still not sure they are in the shop they were looking for. If the name World Shop is associated with nice products which are made in dignity the customers do not have to check again if they are in the shop if the products are really fairly traded.

4. *Should the products be marketed as: these are good products because they are fair or should they be marketed as: these are just nice products? What is the coordination the Body Shop has made between these two factors?*

The Body Shop makes use of both techniques. They have never advertised for their shops, but worked through PR to build the image of The Body Shop. This image tells what the shops are about and what products you can find in the shops. They always have global campaigns running which is not too expensive because of economies of scale. They are generated by the head office and are sometimes developed together with key NGO's in these areas. So if the campaigns are OK and the role of the World Shops is made clear in these campaigns, it is not really necessary to use advertisement as well.

5. *Do you think a clear mission statement, like the one of The Body Shop is important for the World Shops?*

The Body Shop has gone through a big change lately. Anita Roddick, the founder of The Body Shop resigned as cochair of the company in February 2002, the American Adrian Bellamy took over as executive chairman. The emphasis of the strategy of The Body Shop has been less on the mission than before. The staff members are not really motivated anymore and there is a high staff turnover because they don't feel they belong to a good company anymore. By leaving the values, the retail advantage is lost, especially in these days when more and more organisations are using sustainability in their marketing.

For teambuilding it is very good to feel like belonging to one organisation and to know what the organisation stands for. Especially for volunteers who want to get recognition and must have some benefits of the work they are doing.

The mission statement must have simple language and not be wordy. It must be understood by everyone exactly.

6. *The national associations of World Shops and The Body Shop are both retail managers. The Body Shop is much more professional than the World Shops. What can the World Shops learn from this management?*

Economies of scale and coordination are very important, at least for The Body Shop. The Body Shop has 4 regional offices at different parts of the world. The result was they were replicating each other work. It was better to keep it centrally controlled and so the values of The Body Shop were maintained. This is also saving work.

Another economy of scale is to work together in the control system of the Fair Trade products. The Body Shop has a very good reputation of keeping their values and really selling Fair Trade, while this is lacking in some national associations of World Shop. If the control system is not right, you can not guarantee that the products are really Fair Trade and the advantage is lost. This should be done together with all the national associations. Then the producers can also get higher amounts of products they can make and can make a better living out of it. This can not happen overnight, the producers have to expand their activities first, but if the World Shops can help them with this than they will be able to sell through regular trade one day.

7. *The difference between these two organisations is that The Body Shop is a franchise company and the World Shops are not, they are run by volunteers. How would this affect the retail management of the shops?*

The Body Shop started out as one shop and expanded from there to a franchise company with shop over the whole world. The World Shops have it the other way around. These are mostly individual shops and have their own history and are now trying to cooperate with the rest of the World Shop. Lots of shops however don't want to give up their freedom and therefore can not be managed like the Body Shop.

8. *Do you think that when the World Shops hire paid coordinators the quality of the shops will improve?*

In England they mostly work with paid workers. This has its effect on the national association, they do not want to give in on their own management and therefore the association is still rather small. She was actually quite surprised to hear that the World Shops in other countries only work with volunteers and do not have coordinators. Her first reaction was that there should be definitely paid workers to coordinate the shop. The producers do not mind that the money they 'should' get is 'wasted' on this paid coordinator. They rather have a good running shop that sells much so they will have more turnover than money sent to them.

9. *What can the World Shops learn from the support the head office gives to the local shops?*

The Body Shop offers lots of trainings to their staff, especially about sales techniques, as looking in the cupboards because if customers have anything to ask they will come to you then and not when you are behind your desk. The staff members are also highly ethical and learn everything about the standards and the values the Body Shop is working with.

The Body Shop makes use of shop fitters, who look into the location of the shops and determines what the shop should look like.

## Interview Lawrence Watson

1. *What is your background and relation with the World Shops?*

Lawrence Watson has worked as management consultant and has retired three years ago. He has spent more than 10 years in developing countries and came into contact with Fair Trade in Thailand. Now he works on voluntary basis as a consultant for the Fair Trade movement, in the North and in the South. He has worked for 9 organisations in the South (mainly Asia) and for 2 in the North. One of the projects he has consulted was the separation of the importer and the national associations function of Oxfam-Wereldwinkels in Belgium.

## *2. What should be the positioning of the World Shops?*

The World Shops are now in a niche market and that is a charity niche. The products are of low value and low quality, the shops are not always open, the location is bad and the presentation is not good. One of the key things in retail marketing is location. He thinks that it looks like the World Shops exist because of their own needs and not because of the needs of the people in the South. These producers want more orders and want to sell more. His view is that the importers should not only supply to the World Shops, but also to the mainstream business. This could expand the market enormously. The World Shops will then realise they have to compete and can then increase their performance.

The World Shops are successful in the food business, but most food is sold through the mainstream markets, like the supermarkets. He wonders why the importers are not selling to these markets and why the World Shops network is not taking a radical relook at itself. The image of the World Shops needs to be changed. The Fair Trade objective is to help the Southern producers to come from economic dependency to economic independency. This means the young, poor and unskilled producer needs to be skilled. But after a period of 30 years of Fair Trade very few producer groups have been made independent. They have got revenue from Fair Trade, but this income is still quite small.

The focus of the World Shops should be on handicrafts, because these are the products with a high margin. Because the World Shops are sometimes still seen as charity shops, the customers do not want to spend more than about € 15,- on an item. But when these products are seen as nice gifts and accessories and are more beautiful the price could increase. The margins in World Shops are mostly quite low in comparison with the mainstream market. The reasons for this are that they are working with volunteer labour and that there are no people with a business background working in the World Shops. He argues that a market pricing policy is preferred above a mark-up policy which is mostly used in the World Shops.

## *3. What should be the image of the World Shops?*

The respondent runs four shops in Belgium which use the principle of Fair Trade. But they are using paid labour, have a good location and only sell handicrafts. They do not have the image of a charity shop, but that of a gift shop. When the people enter the shop this is because they like the products in the shopping window and when they are looking around in the shop they realise the products are fairly traded. This is not the reason they came into the shop, but this is more like a bonus. These shops are doing very well. The difference with a World Shop is that they are not operating in a niche, but in the market of a gift shop. They have standard opening hours and good presentation outside and inside the shop. The product range is adapted to the wishes of the consumer; this also includes higher value articles. The product range of the shop should match the image and brand of the shop.

## *4. Do you think demands should be set on the volunteers?*

The respondent says that a good organisation should have three things:

1. Consistently good profits
2. Great working climate
3. Good management of the supply chain

The last one means that the subcontractors should not be exploited. That is one thing that the World Shops are doing well. The second thing about the working climate means that the employees should like the working place, are treated well, can develop themselves and have a challenging job. The World Shops now take every volunteer who applies. What they should do is to reward the people who are doing great and penalise the people who are not doing their jobs well. Then the volunteers are motivated by performance. The World Shops are not-for-profit organisations, but this does not mean they are also not-for-performance organisations. The culture in the World Shops is that they lack the ability to perform well. The people are passionate about Fair, by worried about Trade. The volunteers should be trained well. Also, people with a mainstream business background are very valuable. After all, Fair Trade is business as well and uses a lot of the same tools as regular trade. Now there are lots of people working who are very dedicated but do not know anything of doing business. Of course, there are exceptions, but this is the case in most World Shops.

## *5. Do you think a new shop formula is a good step for the World Shops?*

Yes, because the way of working is changing into a more professional one and that is good. The results show that when the World Shops have taken a relook at itself and change their way of working sales are going up. However, not all World Shops are willing to do that. This requires a fundamental rethink of the people in the North. They are namely much more political oriented than the producers in the South. All these people want is more revenues so they can build a decent living. The World Shop keepers should be aware of what the producers in the South actually want and what they are in business for. Is that for themselves or is it for the producers?

6. *Do you think the World Shops should work under the same name and logo in a country?*

Brands build recognition and consumers react on brands. They identify themselves with the brand or not. You should start with the question what is the message we want to have with this brand. When a brand can be found in the whole country it is working better than when there are all small individual brands.

## Interview Marie-José Vervest

1. *What is your background?*

She is working for Civiq. Civiq is a consultancy agency and information centre for volunteer organisations.

2. *How can the World Shops attract new and professional volunteers?*

The problems World Shops have at the moment are a shortage of volunteers, this has also to do with the aging of the volunteers. Volunteers have less time and do not want to bind themselves for a longer term. You must keep in mind that there are several types of volunteers. There are board members, idealists, entrepreneurs and service people. They can have different motives, like status, social contacts, doing good, experience, challenges, belong to a group. It is important to realise which kind of people the World Shops want to attract. There is a distinction between the 'traditional volunteer' and the 'new volunteer'. This has nothing to do with age. The traditional volunteers do the volunteer work because maybe their parents did it or because they have always done it. They volunteer because of the ideals of the organisation and not because there is a connection between their own qualities and the job of the volunteer. The new volunteers like to have clear tasks, are flexible, want to learn, have a personal interest, see it as a challenge and want to know what they get in return.

Therefore the volunteer organisations need to be open to change. They can offer more short-term, flexible volunteer work, have a good volunteer policy and must convince the volunteer of the benefits of the volunteer work. This also involves having a nice working environment. Volunteers want to be proud on their organisation. If the World Shops have beautiful shops this attracts more volunteers. This will also be volunteers who like the aspect of selling. At the Red Cross there are different functions for the volunteers and they can grow in the organisation. 'New' volunteers find this a challenge. What is also important is to have a coordinator, someone the volunteers can come to with their problems and who is the supervisor in the starting period.

3. *Is it possible to set demands on volunteers?*

Yes, this must be communicated from the start to the volunteer. He or she must know what it tasks are and what is expected of him or her. If the volunteer needs to show up every month on a meeting, it is important to tell this in advance, otherwise maybe he has not planned this. What is important to have a time of probation. Afterwards there must be a conversation about the progress in the work. This is not only for a new volunteer, but it is strongly recommended to have progress conversations every year with the volunteers. Then they can tell what is bothering them and the coordinator can tell what can be improved in the work of the volunteer.



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