



The

Role

OF THE  
**MANAGER**  
of a  
Cooperative



BOOK THREE

# The Role of the **MANAGER** of a Cooperative

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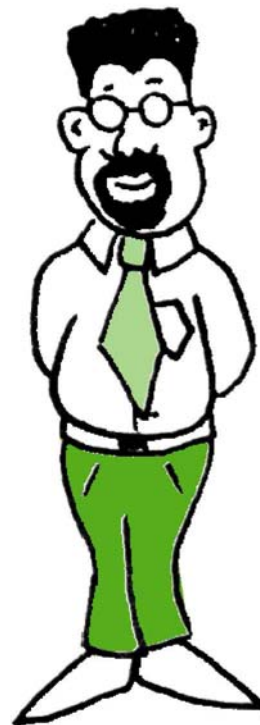
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# BOOK THREE

# Outcomes

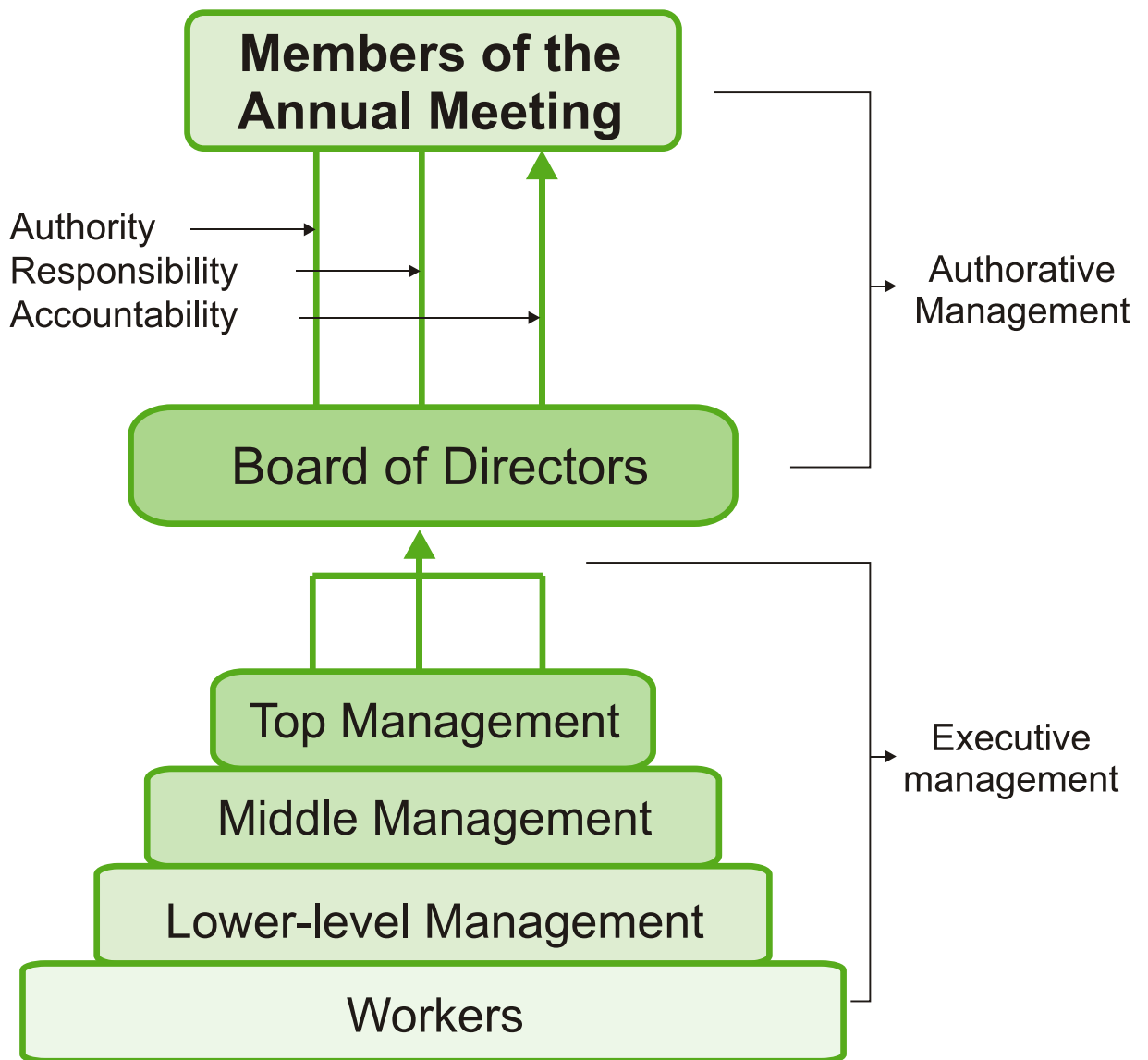
My name is Sam Mojapelo and I am a Branch Manager of an agricultural cooperative in Pietersburg. I want to summarize a few of my experiences as a local manager of a small enterprise. After studying this booklet you will be able to do the following:

- You will know your task and role in the larger and smaller cooperative.
- You will be motivated by the wonderful opportunity to serve your community and your country.
- You will have a job description as a Branch Manager.
- You will be able to accept the challenge to be a Manager of your particular cooperative.
- It will be possible to fulfil the basic tasks in your working environment.

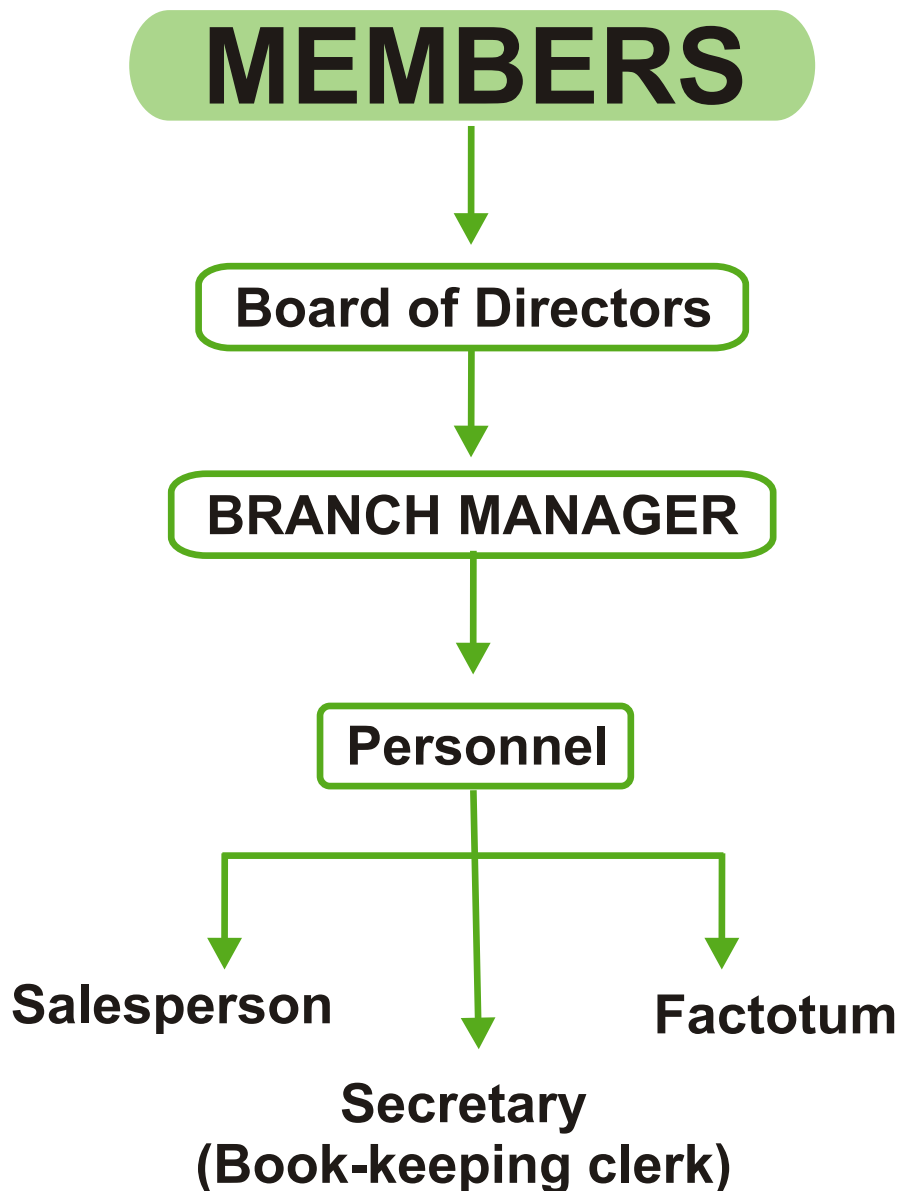


# The Cooperative

## The Structure of the Large Cooperative



## The Structure of the Small Cooperative



The Cooperative  
... continued

# The Cooperative ... continued

## The tasks of the Managing Director *(from now on referred to as the MD)*

- The MD receives authority and responsibility from the Board of Directors and must report back to them;
- Is burdened with tactical or executive decisions (how and when to execute policy decisions);
- Makes short term and medium term decisions on the use, organization and management of resources (finances, manpower and facilities);
- Keeps up continuity by appointing, teaching and managing other managers and personnel; and
- Is in charge of the budget, purchasing, production, marketing and personal relations.



# The Branch of the Cooperative

A single outlet has its origin when a few individuals within a specific geographical environment decide to found a cooperative. The members are usually homogeneous concerning farming and other interests. Potential leaders for the Board of Directors must be available. The strong tie between the members and the Cooperative must be enforced by economic and non-economic factors in the environment. The Branch's influence is limited to its members and its own environment.

A typical developing outlet consists of one individual appointed by the Board with maybe two or more individuals with specific fields of expertise.



## The tasks of the Branch Manager

- In the case of a branch, the tasks of the MD and the Branch Manager could be overlapping, except that the MD reports to the Board of Directors and the Branch Manager reports to the MD. The Branch Manager receives his orders, authority and responsibility from the MD and reports to Head Office on his branch.
- The Branch Manager is burdened with tactical or executive decisions concerning his branch (how and when to execute decisions);
- Makes short term and medium term decisions on the use, organization and management of resources (finances, manpower and facilities);
- Keeps up continuity by appointing, teaching and managing other personnel; and
- Is in charge of the budget, purchasing, production, marketing and personal relations.





# Managing the Branch Manager

The Branch Manager reports on his branch to Head Office through the MD. The MD also delegates instructions, authority and responsibility to the Branch Manager.





# The Image of a Branch Manager



In a community the Branch Manager has a specific function as a role model for his/her people. Not only is it important to know the people, but also to be aware of their dreams and aspirations. It takes visionary insight to motivate and restore trust in their ventures during drought and disaster. It is also important to know when to help people or to warn them against self-destruction. A Branch Manager must be sensitive to changes in the environment and in nature itself. He must be well-equipped to understand financial, political and economical trends.

It is therefore important for the Branch Manager to communicate effectively through the spoken and written word.

Sometimes a manager feels that it is not necessary to hold meetings with the staff or send out messages to the clients. However, the manager is the channel of internal and external communication, and a cooperative is the link between a community and the economy itself.

The nonverbal behaviour of a Branch Manager is also of the utmost importance. A manager has to have a neat appearance, office surroundings, secretarial services and punctuality. The nonverbal message will convey more confidence to the clients than the spoken word. It is important to realize that managerial skills are also extremely important, but the ability to become a leader in a variety of situations demands courage and self-knowledge.

Personal qualities of a manager are intellectual potential, physical well-being, a value and moral system, practical experience, interpersonal relationships and credibility by knowing himself/herself and be honest with regards to his /her strengths and weaknesses.



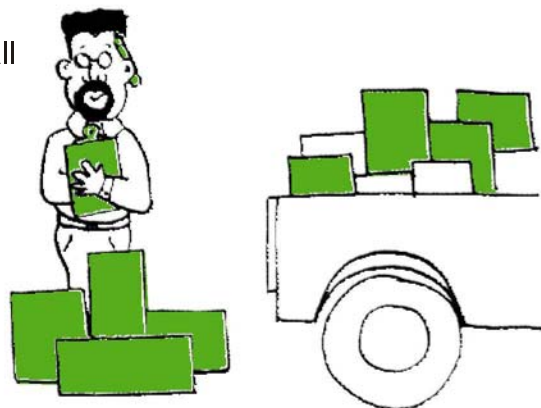
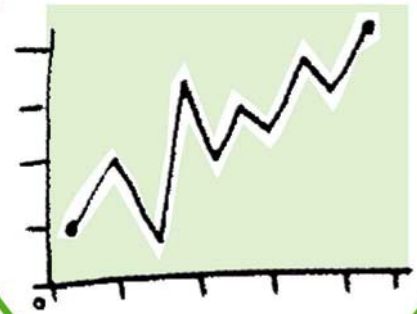
# General Managerial Skills



A manager has to fulfil the following strategic tasks in the broader managerial sense:

- Strategic planning and goal setting
- Leadership and control of people and systems
- Marketing management and the defining of target groups
- Price control and distribution
- Financial management
- Stock management
- Operational management
- Buying and selling of stock
- Human Resource Development
- Public Relations and Community Development
- Productivity
- Meeting national and international standards

These elements or skills are applicable in all organisations.



# Functions and Role of the Branch Manager



## To Target The Market

For me, Sam Mojabelo, it was difficult to do scientific research with questionnaires, controlled interviews and market analysis, because we had to start immediately with our branch. I realized that I had a reservoir of knowledge, skills and expertise in my environment.

Being a branch manager of an agricultural cooperative, I had discussions with local farmers to see if I could read patterns in nature and in the expectations of the specific farmers.

It was also important to see if all the generations would still be involved with farming or if a new trend would arise where the next generation would go to the cities to study or work there.

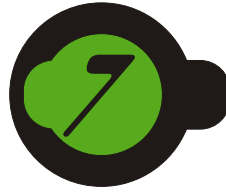
I also tried to determine how many farmers there are and how many hectare they have been cultivating during the last five years. I also looked at the possibilities of a variety of products that could be cultivated in our specific area.

Without intimidating my farmers, I tried to establish the quantity and quality of their implements and their financial capacity.

In a new African context I also had discussions with various other local cooperatives and read magazines to determine the global expansions in my field.

Sometimes it is necessary to have a coach to give advice in an objective way. At other times you have to trust your gut feeling, but always be prepared to take full responsibility for your decisions.





## The Buying Of Supplies

To be a creative buyer the following rules are important:

- Plan the buying of stock beforehand, according to cash flow and particularly by taking seasonal developments into consideration.
- Make an analysis of the short term and long term demands of your farmers.
- The fast moving parts and supplies may be arranged on a fixed delivery basis. Keep these supplies in constant supply.
- For fast moving supplies, a long-term business relationship with suppliers could be negotiated to gain a deduction in prices.
- Expensive parts that are bought on the spur of the moment by farmers in supposedly good times can be arranged on a cash-on-delivery (C.O.D) basis. These transactions are also payable after delivery and on demand only. Individuals have to pay a deposit when they order expensive items.
- If a supplier doesn't want to give the abovementioned advantages, it is best to deal on a cash and demand basis.
- To buy creatively you have to get a free and fair contract. Don't restrain your supplier, but make sure that your demands for service, feedback, and maintenance are effectively communicated.
- Prompt delivery or availability by suppliers is important.



# Functions and Role of the Branch Manager ... continued

# Functions and Role of the Branch Manager ... continued

## Control Of The Organisation

A Branch Manager has to control the following functions on a daily basis (preferably in the morning) in the shortest period possible:

- the effectiveness of equipment
- office procedures
- basic financial administration
- specific services for clients
- purchasing projects
- listen to very serious problems in all spheres
- arrange availability during the day

To have a hands-on control on stock, all items should be listed on stock cards. It will be convenient to arrange stock in a logical way on the shelves according to chart coding. Numbers, an alphabetical arrangement or colours can be used to track small parts effectively.

If there is a shortage of stock the specific firm must be informed by letter. A basic rule is to put all messages to all role-players in written communication form and to file it for at least three years.

A list must be made by employees to control stock that is outdoors.

At the end of the day a short feedback may be given by employees of all business ventures and the Branch Manager must handle it within the next 48 hours.

The Branch Manager has to give feedback to the Members by writing a monthly report on:

- activities
- cash flow
- expenses
- income
- planning for the next month.



# Functions and Role of the Branch Manager ... continued

## Administration

In developing cooperatives all the administrative tasks depend on one Branch Manager. This Manager has to take full responsibility for all the administrative tasks. It is therefore important to look at the demanding job-description of a Cooperative Manager in a developing Community. For an example we take Sam Mojapelo's situation as a guideline. His tasks are very similar to the tasks of the managers of other institutions.

It is important for him to advise members where to establish the Cooperative. All the administration will be handled in one building (in the case of a Branch Cooperative).

Administration is divided in two main tasks: the accounting tasks (stock, fees, money matters etc.) and the general office administration (correspondence, communication, filing, staff etc.)

The tasks of the General Manager of a Cooperative involves the controlling of the stock and the purchasing of the right amount and type of supplies to be able to target the market. If his personnel is pleased, they will provide super service. When the administration is up to date, the clients will be satisfied and in this case the finances will prove the Cooperative to be successful.



# Functions and Role of the Branch Manager ... continued

## Client Orientation

- The main factors are to be available to clients especially during peak times
- Staff members have to play a business and consulting role
- The developing Cooperative can also participate in community development.

## Merchandising

Internally it is important to motivate staff to sell products in a realistic way. The personnel's attitude and the promotion of new technological implements are crucial.

External marketing is to get stock, render services, to get spare parts quickly and to be a mentor for the farming community.

The two main factors of marketing are to be competitive and to build in a reserve fund for difficult times.



# Functions and Role of the Branch Manager ... continued

## Finances

Wherever money changes hands in a business, it needs to be receipted. This needs to be done so that responsibility can be pinpointed. In a small cooperative with only a few employees, the handing of monies from the salesclerk to the controller to the manager must be recorded in a register.

The date and amount of money handed over must be signed for whenever money changes hands. If a member of the management committee does the banking (which often happens), his signature in the register will reflect his responsibility for the money on the deposit slip. The official bank stamp and signature of the teller on the fast copy of the deposit slip are proof that the bank received the money and has taken responsibility for the cash. The register procedure and the signing for taking over cash, is part of the control system and must always be followed.





# Assessment

## Ask the following questions:

1. To whom must the Branch Manager report on a regular basis?
2. List all the nonverbal aspects of the manager that are of importance.
3. How can you perform a market analysis in your region?
4. What strategy would you use to buy products and maintain a healthy cash flow?
5. Name a few administrative tasks of a manager.
6. How would you keep your personnel dynamic and involved?
7. Structurise a solid financial plan for your cooperation.
8. How would you control stock?
9. How would you handle your clients?

