

Case study 5

Harvard & MIT Coop

The Coop is a retail co-operative serving its members in the universities of Harvard and MIT in Massachusetts. It sells a wide range of goods including textbooks, clothing, furniture and miscellaneous items. Students who become members of the co-op are entitled to discounts and a rebate on their purchases at the end of the fiscal year. The Coop generated revenues of \$43m in 2011 and has over 57,000 members.

Mission

The Coop's Mission is to serve the Harvard and MIT communities as a cooperative by providing quality products and services. The Coop generates a sustainable level of profit, of which it distributes a portion to its members at the end of the fiscal year; for the year ending 2011, over 35,000 members will receive their share of over \$1,000,000. Each member is entitled to their share of the surplus (known as a patronage refund) based on an approved percentage; in 2011 this was 8.5%. The membership is made up of students, staff, and alumni of Harvard and MIT. The co-operative is governed by a board of directors elected by the members, of which 11 are student directors.

Beginnings

The Coop has a rich history; founded by Harvard students in 1882, it began by selling books, school supplies and coal and wood. In 1916, the co-op expanded to a campus in MIT and has consistently grown throughout the years to become a business that generated revenue of over \$40m in 2011. With respect to its origins, the co-operative still only charges \$1 to become a member.

Source: http://store.thecoop.com/coopstore/estore_aboutus.jsp

