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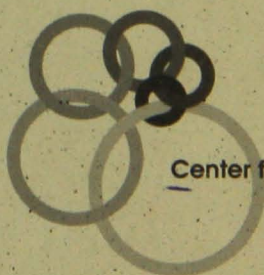
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# CALIFORNIA COOPERATIVE EXECUTIVE AND DIRECTOR COMPENSATION SURVEY

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KPMG Peat Marwick



Center for Cooperatives • University of California, Davis



# **CALIFORNIA COOPERATIVE EXECUTIVE AND DIRECTOR COMPENSATION SURVEY**

by

Donald T. Sagolla, Principal

David A. Mosesson, Consultant

Daniel M. Wetzel, Consultant

Sermin Hardesty, S.D. Hardesty, Marketing & Economics Consulting

**KPMG Peat Marwick**

**Performance & Compensation Management**

725 South Figueroa Street, Los Angeles, California 90017

Telephone (213) 972 4000

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# CALIFORNIA COOPERATIVE EXECUTIVE AND DIRECTOR COMPENSATION SURVEY

KPMG Peat Marwick

## PURPOSE AND SCOPE OF SURVEY

### Purpose of the Survey

KPMG Peat Marwick was commissioned by the Center for Cooperatives to conduct a survey of executive and director compensation for the California cooperative industry. Without current information on compensation, uncertainty arises as to how to manage compensation packages for key management employees. It is our belief that appropriately structured compensation levels will contribute in:

- Assisting cooperatives to attract and retain quality executives and directors,
- Motivating employees to achieve performance goals, and
- Assuring that the level of compensation paid is competitive.

### *Scope of the survey:*

This survey focuses on the cooperative industry compensation program for specific executive and director positions. Seven executive positions were chosen based upon the various levels of responsibility and frequency among participating companies.

### Scope of the review: areas for analysis

This survey addresses key elements comprising the executive and director compensation program. The focus of the analysis is on the **total compensation opportunities** provided even though each element will also be addressed separately. It is important to focus on the total compensation program because each cooperative provides a somewhat different mix of the elements based on its:

- Size, function, and specific industry sector,
- Business goals and strategies, and
- Culture and management style.

Therefore, it is the total compensation program, not the individual elements, which determines its effectiveness in attracting and retaining quality employees.

The elements of a compensation program and their contributions to the total compensation program are as follows:

- **Base Salary:** Base salary provides the foundation for the total compensation program by providing the fixed portion of the program. As compensation programs in the many industries have become more performance oriented, base salary has become a smaller portion of the total compensation opportunity.
- **Annual Incentive Compensation:** An annual incentive plan provides opportunities to earn additional compensation based on the one-year performance of the cooperative and individual performance. The actual amount of compensation from this element is “at risk” because it is linked to performance. No annual incentives are generally paid unless threshold performance goals are achieved. Annual incentives impact both the competitiveness of the compensation program and the strength of the relationship between pay and performance.
- **Long Term Compensation:** Long term incentives provide opportunities to earn additional compensation based on the multi-year performance of the cooperative, usually over a three to five year period. Generally, long term incentives play a significant role in executive compensation among many companies and opportunities vary depending upon the level of executive within the organization, with higher levels possessing larger opportunities relative to their base salary. This reflects the greater impact these positions have on overall corporate long term profitability and growth.

Our survey results indicated that the great majority of California cooperatives that responded (92%) did not offer any type of long term compensation program. Accordingly, no detailed information will be provided with regard to this area.

In contrast, KPMG Peat Marwick's recently concluded survey of Industrial and Service companies found that the prevalence of long-term incentives in larger companies (\$500 million in sales) was 100% and 91%, respectfully. For smaller companies, Sibson & Company reported that 51%, and 66% of companies with less than \$250 million in sales and between \$250 and \$500 million in sales reported long-term incentive plans, respectively.

## EXECUTIVE SUMMARY

This year's Survey had very strong participation from 26 cooperatives state wide. Compensation data showing base salary, short-term incentive opportunities and targeted total cash compensation was reported for seven positions. Key observations include the following:

- Executive base salary increases have averaged 1% to 2% higher than base salary increases within the general industry, with *projected* increases matching that of general industry. Base Salary increases within the years have averaged between 6.6% to 7.3% for cooperatives, while increases in general industry have averaged between 5.0% and 5.8%.
- Annual incentive plans are a significant factor in executive compensation at cooperatives, with a majority of cooperatives possessing one.
- Nevertheless, annual incentive plans are not as frequent in cooperatives as they are in general industry.
- The most frequent annual incentive plans consist of fixed formula and goal attainment objectives.
- Among the cooperatives reporting, the vast majority did not possess long-term incentive plans. By contrast, the majority of larger general industry companies have at least one long-term incentive plan.
- Defined benefit plans were found to be more frequent than defined contribution plans, and the vast majority of cooperatives provide such benefits as health, dental and life insurance.
- The responding cooperatives displayed considerable interest in overall benefits cost reduction efforts, with one half of the respondents reporting an increase in the employee portion of health

insurance costs, and nearly 70% of respondents reporting adoption of a managed care program.

## SUMMARY OF FINDINGS

### Methodology

The cooperative industry was surveyed on compensation and benefits strategies. Approximately 60 companies were originally asked to participate. Of these, twenty-six responded. The responding cooperatives had annual revenues ranging from less than \$100,000 to \$722 million, with an average of \$131 million and equity ranging from \$400,000 to \$151 million, with an average of \$21 million. The number of full and part time employees ranged from 3 to 1,779 with an average of 269.

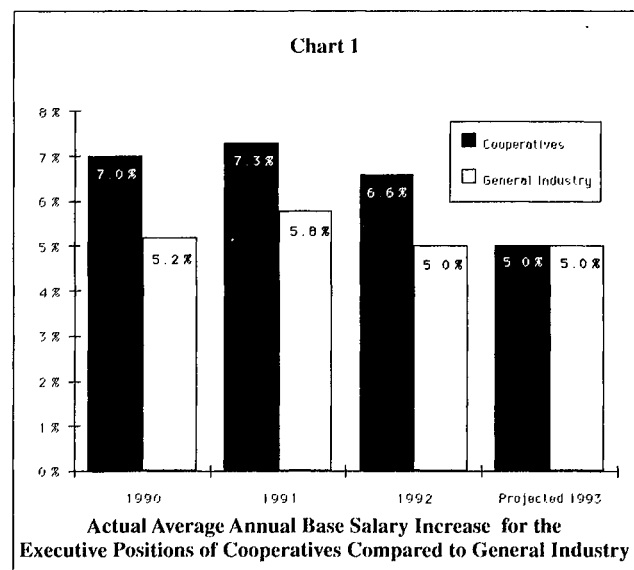
- Data obtained from this survey included:

Base salary and total cash compensation opportunities for seven executive positions,

Annual incentive plans and long term incentive plans for those positions, and

Benefits and perquisites for those seven positions and for the directors of the cooperatives.

Due to the wide range of revenues, the cooperatives were further segmented into sub groups for certain data comparison purposes. These groupings were



delineated by revenue size, with the ranges as follows:

Million		Million
\$100	to	\$750
\$5	to	\$60
\$.25	to	\$5

## Base Salaries

Base salaries were provided by the 25th, 50th, and 75th percentiles for all cooperatives reporting and for the three subgroups previously discussed. Chart 1 provides historical compensation increases for the executive positions for the reporting cooperatives as compared to General Industry increases.

## Annual Incentives

Based on our review of the cooperatives, annual incentive plans and cash profit sharing plans do not play a significant role in total cash compensation. Of the cooperatives included in our survey, only 54% had an annual incentive plan. A recent survey from ECS, a compensation survey firm, reported that among par-

ticipating companies (214), 77% reported at least one annual incentive plan. For companies with less than 900 employees, 75% reported at least one annual incentive plan.

An incentive plan can assist a cooperative to:

- Motivate employees to achieve annual financial goals tied to performance measures,
- Create opportunities for greater than average compensation **for superior performance**,
- Reinforce the cooperatives business plan, cultural values and strategic objectives, and
- Reduce fixed costs and benefit expense over time.

## Targeted Total Cash Compensation

Of those cooperatives reporting annual incentives, Peat Marwick calculated the average base salary for the 25th, 50th, and 75th quartile, the average targeted annual incentive, and average targeted total cash compensation. This information is provided in summary form for all cooperatives reporting and by the three subgroups previously discussed. The results are presented on the following tables.

**Table 1**  
Executive Officers Survey  
All Cooperatives

	#	Average	First Quartile	Median	Third Quartile
<b>Number of Cooperatives</b>	26				
Number of Employees (FTE + Seasonal)	269		39	141	264
Number of Executives	3		1	2	5
1992 Revenue (Millions)	\$131	\$4	\$27	\$179	
1992 Equity (Millions)	\$21	\$2	\$4	\$36	
Location:					
Urban	17				
Rural	9				
Company Type:	18				
Marketing/Processing	4				
Bargaining	3				
Service/Supply	3				
Gins					
<b>Chief Executive Officer</b>	24				
Salary (\$000's)	\$145	\$81	\$115	\$200	
Annual Incentive (\$000's)	57	17	51	86	
Targeted Total Cash Compensation (\$000's)	180	81	144	279	
<b>Chief Operating Officer</b>	7				
Salary	104	73	106	124	
Annual Incentive	52	24	44	73	
Targeted Total Cash Compensation	134	75	116	163	
<b>Chief Financial Officer</b>	16				
Salary	95	73	82	113	
Annual Incentive	29	13	25	41	
Targeted Total Cash Compensation	113	73	109	145	
<b>Top Marketing and Sales Executive</b>	15				
Salary	101	73	96	126	
Annual Incentive	32	19	27	38	
Targeted Total Cash Compensation	118	88	116	140	
<b>Top Human Resources Officer</b>	7				
Salary	83	60	77	110	
Annual Incentive	16	15	18	20	
Targeted Total Cash Compensation	92	69	96	118	
<b>Top Operations Executive</b>	10				
Salary	103	73	86	131	
Annual Incentive	30	17	26	40	
Targeted Total Cash Compensation	124	93	116	163	
<b>Top Manager of Information Systems</b>	9				
Salary	81	70	77	103	
Annual Incentive	17	15	18	19	
Targeted Total Cash Compensation	91	70	96	118	

**Table 2**  
Executive Officers Survey  
Revenue: \$100M to \$750M

	#	Average	First Quartile	Median	Third Quartile
<b>Number of Cooperatives</b>	10				
Number of Employees (FTE + Seasonal)	560	189	308	834	
Number of Executives	5	3	5	5	
1992 Revenue (Millions)	\$319	173	195	437	
1992 Equity (Millions)	\$56	36	42	53	
Location:					
Urban	8				
Rural	2				
Company Type:					
Marketing/Processing	9				
Bargaining	0				
Service/Supply	1				
Gins	0				
<b>Chief Executive Officer</b>	10				
Salary (\$000's)	\$ 229	193	203	263	
Annual Incentive (\$000's)	93	81	88	101	
Targeted Total Cash Compensation (\$000's)	294	266	281	306	
<b>Chief Operating Officer</b>	4				
Salary	135	-	-	-	
Annual Incentive	68	-	-	-	
Targeted Total Cash Compensation	186	-	-	-	
<b>Chief Financial Officer</b>	9				
Salary	117	94	109	126	
Annual Incentive	36	21	38	52	
Targeted Total Cash Compensation	141	112	142	180	
<b>Top Marketing and Sales Executive</b>	8				
Salary	129	111	126	148	
Annual Incentive	38	22	34	51	
Targeted Total Cash Compensation	53	126	140	182	
<b>Top Human Resources Officer</b>	7				
Salary	83	60	77	110	
Annual Incentive	16	15	18	20	
Targeted Total Cash Compensation	92	69	96	118	
<b>Top Operations Executive</b>	8				
Salary	110	73	109	136	
Annual Incentive	35	26	38	42	
Targeted Total Cash Compensation	131	93	140	169	
<b>Top Manager of Information Systems</b>	8				
Salary	87	71	87	104	
Annual Incentive	17	15	18	19	
Targeted Total Cash Compensation	98	84	100	119	



**Table 3**  
Executive Officers Survey  
Revenue: \$5M to \$60M

	#	Average	First Quartile	Median	Third Quartile
Number of Cooperatives	9				
Number of Employees (FTE + Seasonal)	141	66	150	168	
Number of Executives	2	1	1	2	
1992 Revenue (Millions)	\$24	\$9	\$18	\$29	
1992 Equity (Millions)	\$4	\$2	\$3	\$4	
Location:					
Urban	5				
Rural	4				
Company Type:					
Marketing/Processing	8				
Bargaining	0				
Service/Supply	1				
Gins	1				
Chief Executive Officer	8				
Salary (\$000's)		\$89	\$78	\$91	\$107
Annual Incentive (\$000's)		27	19	26	35
Targeted Total Cash Compensation (\$000's)		103	78	100	141
Chief Operating Officer	1				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Chief Financial Officer	7				
Salary		66	54	68	75
Annual Incentive		17	10	15	23
Targeted Total Cash Compensation		76	60	68	91
Top Marketing and Sales Executive	7				
Salary		69	50	65	88
Annual Incentive		22	16	21	27
Targeted Total Cash Compensation		78	56	80	96
Top Human Resources Officer	0				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Top Operations Executive	2				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Top Manager of Information Systems	1				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-

**Table 4**  
Executive Officers Survey  
Revenue: \$1M to \$5M

	#	Average	First Quartile	Median	Third Quartile
Number of Cooperatives	7				
Number of Employees (FTE + Seasonal)	19	4	5	34	
Number of Executives	1	1	1	2	
1992 Revenue (Millions)	\$1.1	\$0.3	\$0.5	\$1.8	
1992 Equity (Millions)	\$1.9	\$0.5	\$1.4	\$3.2	
Location:					
Urban	4				
Rural	3				
Company Type:					
Marketing/Processing	1				
Bargaining	4				
Service/Supply	1				
Gins	2				
Chief Executive Officer	6				
Salary (\$000's)		\$68	\$50	\$58	\$79
Annual Incentive (\$000's)		12	11	13	14
Targeted Total Cash Compensation (\$000's)		76	50	71	79
Chief Operating Officer	2				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Chief Financial Officer	0				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Top Marketing and Sales Executive	0				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Top Human Resources Officer	0				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Top Operations Executive	0				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-
Top Manager of Information Systems	0				
Salary		-	-	-	-
Annual Incentive		-	-	-	-
Targeted Total Cash Compensation		-	-	-	-

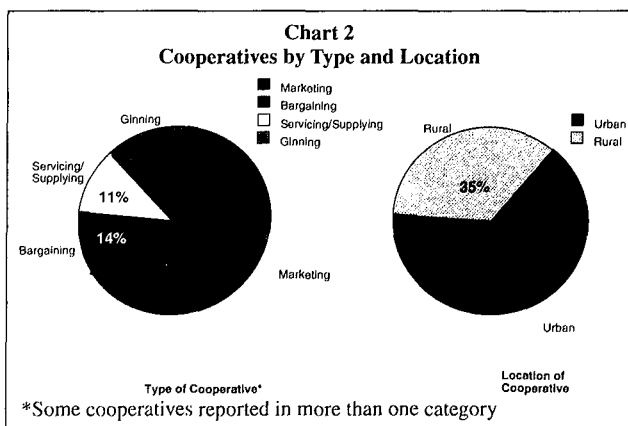
## COMPENSATION EXHIBITS

### Type and Location of Cooperatives

Chart 2 depicts the type of cooperatives (marketing/processing, bargaining, service/supply, and gins) and the location of the cooperative (urban or rural) of those reporting.

### Annual Incentives

The following tables reflect the results of the



cooperative industry survey regarding annual incentive compensation. Fifty-four percent (54%) of the cooperatives surveyed reported at least one annual incentive plan.

Chart 3 shows the incentive plan availability among reporting cooperatives and the basis for the annual incentive plan.

Chart 4 reflects the average annual incentive award for all executive positions targeted for 1992 and for the previous two years

## COMPENSATION ADMINISTRATION INFORMATION

### Miscellaneous Information Requested of Executive Group

#### Cost of Living Increases

Of those cooperatives responding, only 5 (19.2%) had noted they provide cost of living increases.

#### Market Adjustment

Of those cooperatives responding, only 2 (7.7%)

had used market adjustments for any positions in the previous year.

## Executive Data

**Table 5**  
Experience Levels of those Individuals Reporting

Position	AVERAGE		
	Total Years of Experience	Years with Cooperative	Years in Position
Chief Executive Officer	22	12	7
Chief Operating Officer	19	11	7
Chief Financial Officer	19	11	6
Top Marketing and Sales Executive	21	12	6
Top Human Resources Executive	18	17	6
Top Operations Executive	23	15	5
Top Manager of Information Systems	18	14	7

Education Levels of those Individuals Reporting

Position	Number of Respondents					
	High School	2 Yr Degree	4 Yr Degree	Masters Degree	Law Degree	Other
Chief Executive Officer	2	1	11	7	2	2
Chief Operating Officer	1		6			
Chief Financial Officer			12	4		1
Top Marketing and Sales Exec.			12	3		
Top Human Resources Exec.			5	1	1	
Top Operations Executive	3		6	1		
Top Manager of Info. Systems		1	8			

## Benefits Data

### Benefits Overview

#### Pension:

Of those cooperatives reporting, defined benefit\* plans were more prevalent than defined contribution\* plans (59% to 41%). This compares to companies in general industry with between 250 and 500 employees, where defined contributions are available at 66% of the companies. Among companies with less than 250 employees, defined

contribution plans are available at 46% of the companies. Of those companies with plans, 29% do not provide for any company matching contributions.

#### Health:

Of the cooperatives reporting, 100% offered health, 81% offered dental, and 88% offered life insurance, with only 65% offering a disability plan. For those cooperatives that did provide these benefits, on the average, the cooperative contributed 95% towards the employee health plan, and 96% towards employee the dental plan.

\* See glossary for definition

In the survey, the participating cooperatives were asked about the benefits available from the organization, and the cooperative's contributions to such plans. The following tables reflect the results regarding:

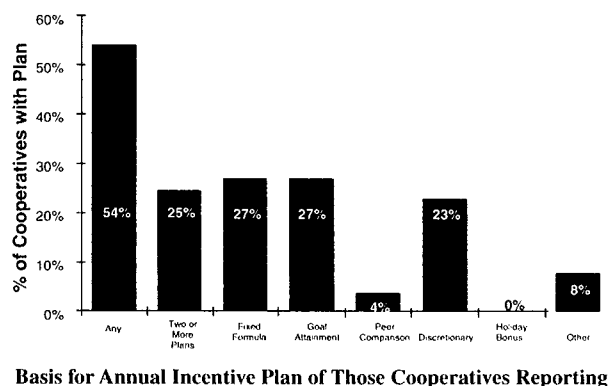
- Benefit availability (Chart 5)
- Cooperative contributions to general benefit plans (Chart 5a & 5b)
- Type of health plans (Chart 6)
- Type of disability plans (Chart 6)
- Type of life insurance plans (Chart 6)

Aside from the benefits discussed above, certain miscellaneous benefits were also offered to the surveyed positions. These are illustrated via Chart 7.

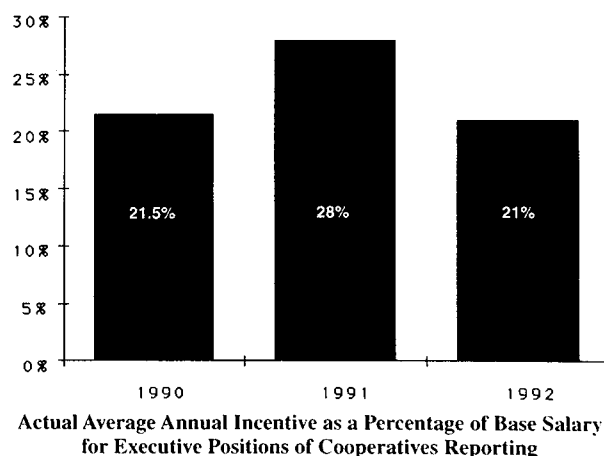
### Benefits Cost Reduction Efforts

The cooperatives were also surveyed with regard to changes in their benefits provided during the previ-

**Chart 3**  
Annual Incentive Plans  
Incentive Plan Availability Among  
Reporting Cooperatives



**Chart 4**  
Annual Incentive Plans

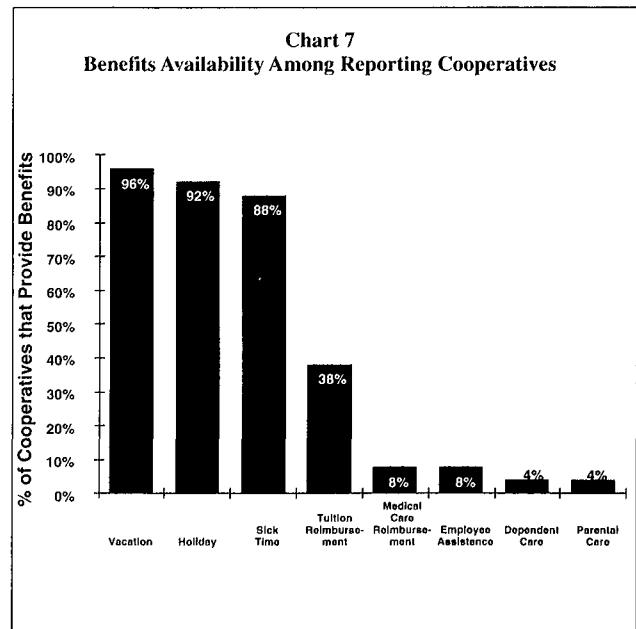
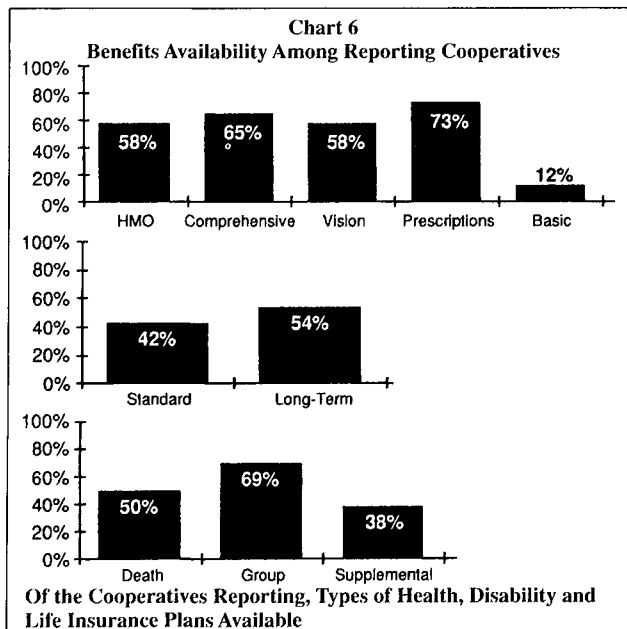
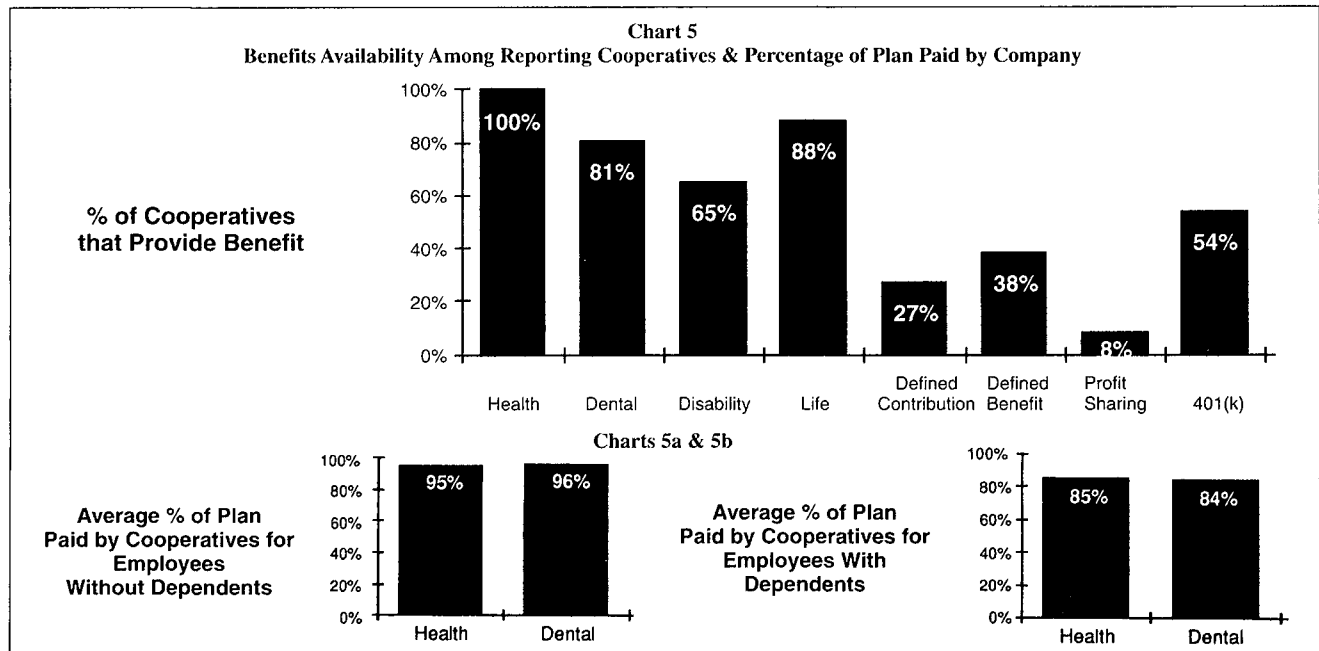


ous year, or whether a flexible spending account or a managed care program have been adopted. The results for the cooperatives that responded positively are as follows:

	Positive Respondents
Has the employee deductible been increased/instituted in previous year?	35%
Has the employee portion of health insurance increased in the previous year?	50%
Has a cafeteria plan been instituted in the previous year?	19%
Has a flexible spending account been instituted?	8%
Has the company adopted a managed care program?	69%

KPMG Peat Marwick's recent survey "Health Benefits in 1992", reviewed trends in health insurance for all industries. Overall, the cost of employer-sponsored health benefits rose 10.9% last year, with 72%, 77%, and 83% of all firms experiencing increasing in premiums for conventional plans, HMO Plans, and PPO Plans, respectively.

Throughout the nation, enrollments in managed care plans grew at the expense of conventional plans, with combined PPO and POS enrollments growing from 24% in 1991 to 34% in 1992, while conventional plan enrollments fell from 53% to 45%. For the



western region of the United States, PPO and POS enrollments are currently at 45% of total enrollments.

The distribution of the cost-sharing of health plans continues to change, with workers paying an increasing share of the cost of health insurance for all types of plans. Workers paid for 21% of the cost of HMO coverage in 1992, up from 16% in 1991. For conventional family plans, workers paid for 23% of the cost in 1992, as compared to 21% in 1991.

### Director Data

In addition to the information provided with respect to the executive positions, certain data with regard to director committees and compensation was also requested. The information is as follows:

Type of Board/Committee	Cooperatives with Board/Committee	Average Number of Directors
Regular	26	15
Executive Committee	14	7
Compensation Committee	10	6
Audit Committee	10	6
Long Range Committee	4	5
Finance Committee	11	6
Nominating Committee	4	7
Grower Relations Committee	3	7

Table 6 Director Compensation					
All Cooperatives (Meeting Fees estimated by multiplying number of meetings by meeting fee)					
	#	Average	First Quartile	Median	Third Quartile
Number of Cooperatives	26				
Number of Employees (FTE + Seasonal)	269	39	141	264	
Number of Executives	3	3	2	5	
1992 Revenue (Millions)	\$131	\$4	\$2	\$179	
1992 Equity (Millions)	\$21	\$2	\$4	\$36	
Location:					
Urban	17				
Rural	9				
Company Type:					
Marketing/Processing	18				
Bargaining	4				
Service/Supply	3				
Gins	3				
<b>Regular Board</b>					
Chairman Retainer per Annum	7	\$1,189	\$583	\$900	\$1,729
Chairman Meeting Fee	12	1,508	600	1,050	1,700
Director Retainer Fee per Annum	2	-	-	-	-
Director Meeting Fee	21	1,314	490	900	1,800
<b>Executive Committee</b>					
Chairman Retainer per Annum	0	-	-	-	-
Chairman Meeting Fee	3	1,125	-	-	-
Director Retainer Fee per Annum	0	-	-	-	-
Director Meeting Fee	6	1,446	375	1,500	2,325
<b>Compensation Committee</b>					
Chairman Retainer per Annum	1	-	-	-	-
Chairman Meeting Fee	4	700	-	-	-
Director Retainer Fee per Annum	1	-	-	-	-
Director Meeting Fee	7	597	115	200	600
<b>Audit Committee</b>					
Chairman Retainer per Annum	1	-	-	-	-
Chairman Meeting Fee	2	-	-	-	-
Director Retainer Fee per Annum	1	-	-	-	-
Director Meeting Fee	6	804	450	675	1,088
<b>Audit Committee</b>					
Chairman Retainer per Annum	0	-	-	-	-
Chairman Meeting Fee	5	775	225	1,000	1,100
Director Retainer Fee per Annum	0	-	-	-	-
Director Meeting Fee	6	946	419	1,050	1,400

## GLOSSARY OF TERMS

**Targeted Total Cash Compensation:** Base salary reported for a position plus the percentage of the targeted annual incentive.

**Salary:** Base Salary reported for each position.

**Annual Incentive:** Short-term Incentive award target (annual plan) reported for each position.

**Annual Incentive - Fixed Formula:** The award is paid from a pool that is based on a formula, typically a percent of profits. The formula often includes a minimum threshold that must be reached before a pool is funded.

**Annual Incentive - Goal Attainment:** The award is based on the achievement of annually established and communicate performance objectives which are often related to the organization's business plan for the year. These objectives can be business, divisional, individual, or a combination of these.

**Annual Incentive - Peer Comparison:** Funding of the pool is based on cooperative performance related to a selected group of competitors.

**Annual Incentive - Discretionary:** The award is based on an executive's subjective judgment of another executive's performance.

**First Quartile:** The point in an ordered array at which 25% of the values are below it and 75% of the values above it.

**Median:** The middle value in an ordered array.

**Third Quartile:** The point in an ordered array at which 75% of the values are below it and 25% of the values are above it.

**Defined Contribution Plans:** An individual account retirement plan, in which the contributions are specified by formula. The benefits are whatever the amount is that has accumulated in the participant's account.

**Defined Benefit Plans:** A retirement plan which specifies the methods of determining the benefits, but not the level of contribution. Contributions are determined actuarially on the basis of the benefits expected to become payable.

## PARTICIPATING COOPERATIVES

The following lists the respondents to the California Cooperative Executive and Director Compensation Survey:

Cooperatives	City
Allied Grape Growers	Fresno
Apricot Producers of California	Modesto
Blue Anchor, Inc.	Newcastle
Blue Diamond Growers	Sacramento
Butte County Rice Growers	Richvale
Calavo Growers of California	Tustin
Calcot, Ltd.	Bakersfield
California Ammonia Company	Stockton

California Bean Growers Association	Ventura
California Beet Growers Association	Stockton
California Canning Peach Association	Lafayette
California and Hawaiian Sugar Company	Concord
California Pear Growers	Sacramento
Danish Creamery Association	Fresno
Diamond Walnut Growers, Inc.	Stockton
Fruit Growers Supply Company	Sherman Oaks
Kern Delta Weedpatch Cotton Ginning Co.	Bakersfield
Klink Citrus Association	Ivanhoe
Mayflowers Fruit Association	Exeter
Mid-Valley Cotton Growers, Inc.	Tulare
Prune Bargaining Council	Yuba City
Richland Cooperative Gin, Inc.	Shafter
Sun Diamond Growers of California	Pleasanton
Sun-Maid Growers, Inc.	Kingsburg
Sunsweet Growers, Inc.	Yuba City
Valley Fig Growers	Fresno

## EXECUTIVE POSITION DESCRIPTIONS

### *Chief Executive Officer*

The chief executive of the cooperative is responsible for direction of the business with the objective of providing maximum returns to members; establishing current and long-range objectives, plans and policies subject to the approval of the Board of Directors; and representing the cooperative with its major customers, the financial community and the public.

### *Chief Operating Officer*

Directs, administrates and coordinates the activities of the cooperative in accordance with the policies, goals and objectives established by the CEO and the Board of Directors. Assists the CEO in the development of cooperative policies and goals that affect local cooperative operations, personnel and financial performance.

### *Chief Financial Officer*

The principal executive responsible for the organization's financial plans and policies, its accounting practices and the conduct of its relationships with lending institutions, shareholders and the financial community. Duties usually include executive direction over treasury, budgeting, audit, tax, real estate and

insurance activities, and the development of accounting and statistical data for internal control.

### *Top Marketing and Sales Executive*

The executive responsible for planning, directing and coordinating the efforts of marketing and sales personnel toward the accomplishment of cooperative objectives. Typical duties include developing objectives, policies and programs for the marketing activities of the cooperative; maintaining and constantly improving the cooperative's competitive position; ensuring maximum net revenues; and supplying advice and assistance to the chief executive officer and other cooperative operating units in the field of sales activity.

### *Top Human Resources Executive*

Develops, implements and coordinates policies and programs covering the following areas: employment, labor relations, wage and salary administration, training placement, safety, health benefits, and employee services. Originates Human Resources policies and practices which will provide a balanced program throughout all locations of the cooperative.

### *Top Operations Executive*

Formulates and recommends manufacturing policies and programs which guide the cooperative in maintaining and improving its competitive position and the profitability of the operation. Directs and coordinates these activities so that approved products are manufactured on schedule and within quality standards and cost objectives.

### *Top Manager of Information Systems*

The executive responsible for supervising the organization's EDP systems and programming activities, such as designing systems, programming and operating computer equipment. Specific functions usually include planning, coordinating and supervising feasibility studies for EDP applications; designing and implementing appropriate EDP systems; developing long- and short-range plans and schedules for the acquisition and installation of equipment; planning and coordinating feasibility studies, such as the economic evaluation of proposed and existing EDP equipment; supervising the establishment of programming standards and methods throughout the cooperative; and directing the operation of computers and peripheral equipment to ensure low-cost operation and effective utilization of personnel and equipment.









## **ABOUT THE CENTER FOR COOPERATIVES**

The Center for Cooperatives was established by the California Legislature in 1987 as a Center in support of research, education, and extension activities to “advance the body of knowledge, concerning cooperatives in general and address the needs of California’s agricultural and nonagricultural cooperatives...”

The Center’s objectives are to promote:

- **EDUCATION.** The Center offers formal and informal educational programs to those involved in cooperative management and develops teaching materials for all levels of interest.
- **RESEARCH.** To help the state’s cooperatives reach their objectives, research is conducted on economic, social, and technical developments. A practical aspect of this research: the provision of competitive research grants, and studies for government agencies on how cooperatives can help achieve public policy objectives.
- **OUTREACH.** The Center informs the public on cooperatives and their significance to the economy of California.

Located on the University of California, Davis campus, the Center is a University-wide academic unit. Its teaching and research resources are drawn from expert professionals from all University of California and state university campuses, other colleges and universities, as well as sources indigenous to the cooperative business community.

The Center has established an endowment fund to receive gifts and contributions from the public, foundations, cooperatives and other like sources.

For more information about the Center or its programs and publications, call 916-752-2408—FAX 916-752-5451 or write: The Center for Cooperatives, University of California, Davis, CA 95616.