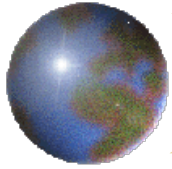


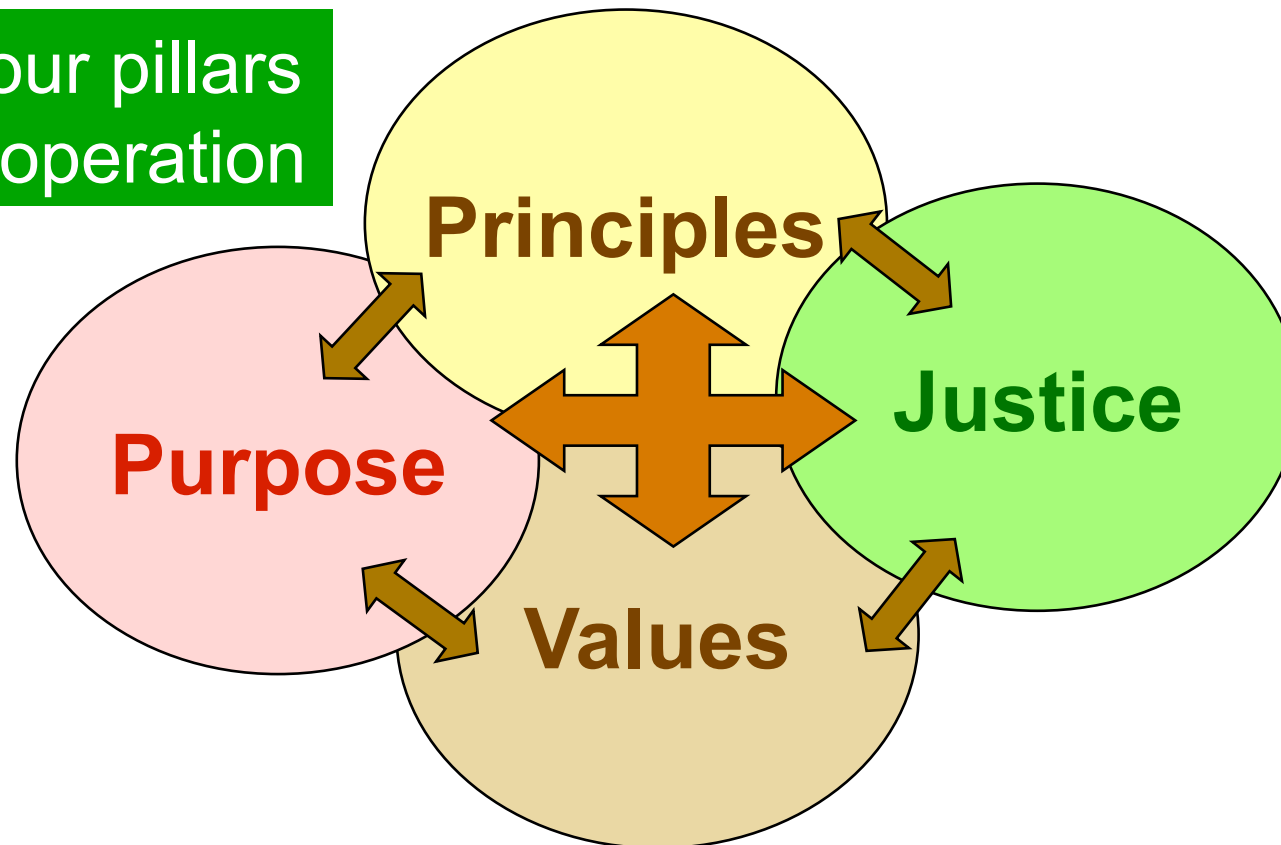
Managing the Co-operative Difference

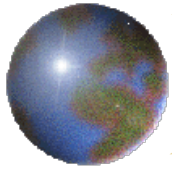
***“Be the change you
wish to see in the world”
Ghandi***



Being Clear About the Co-op Difference

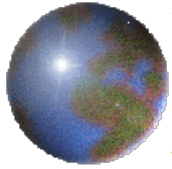
The four pillars
of co-operation





Being Clear About the Co-op Difference

	Investor Owned	Co-operative
Values	Up to Board and Management	Intrinsic Inherent
Legal Purpose	Created for maximum return	Member and community needs
Ethical stance	Charity	Justice
Bottom line(s)	Single	Multiple



Being Clear About the Co-op Difference



Capital focus



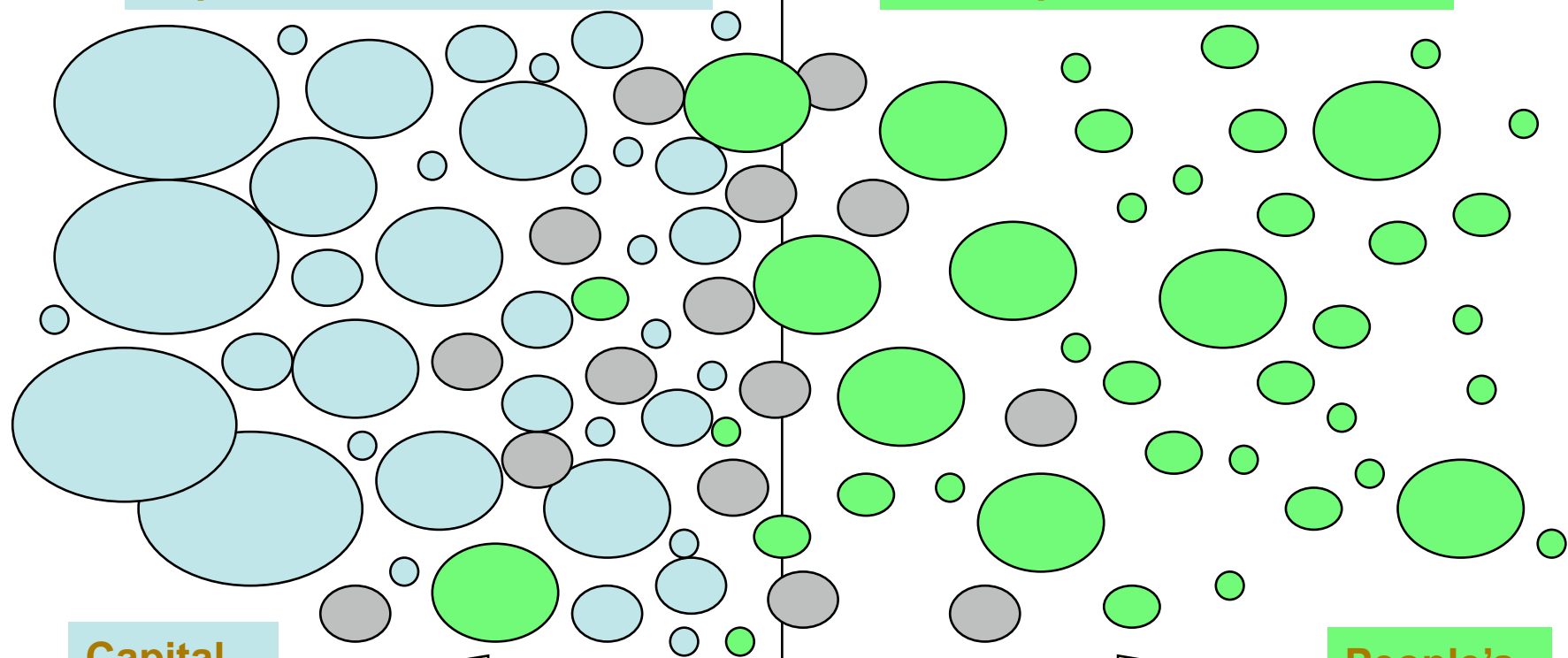
Family



Co-operative

Capital Focused Business

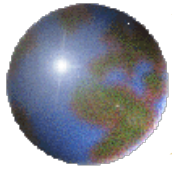
Co-operative Business



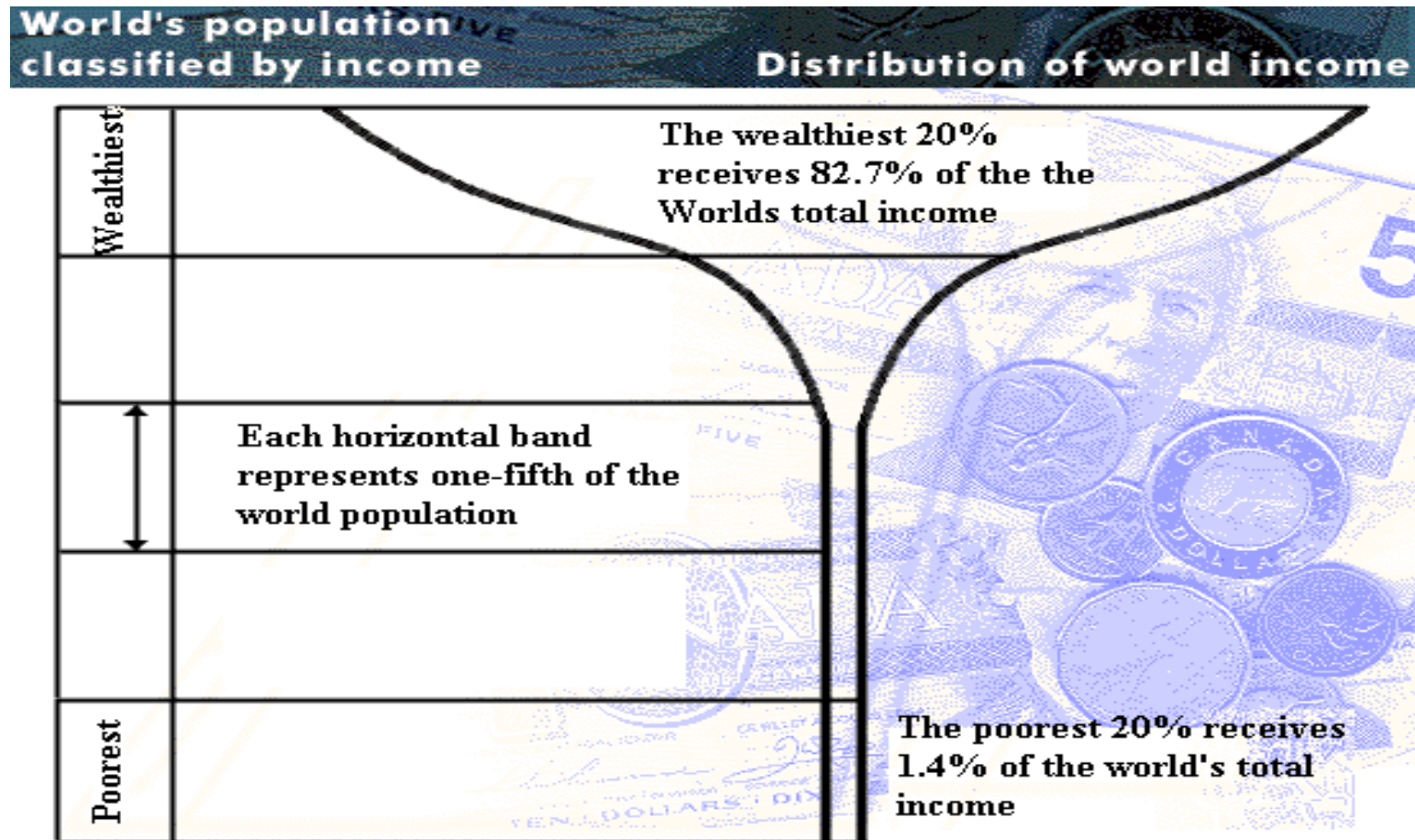
**Capital
Growth**

**People's
Needs**

Master of Management – Co-operatives and Co-operatives

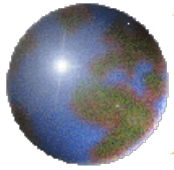


Capitalism Works – For 20%



1996

Master of Management – Co-operatives and Co-operatives



The roots of the crisis...

Co-operatives and Credit unions did not create this disaster

Didn't create
the bogus
paper



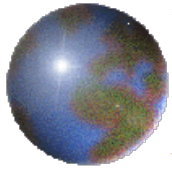
Not in 1000:1
salary game



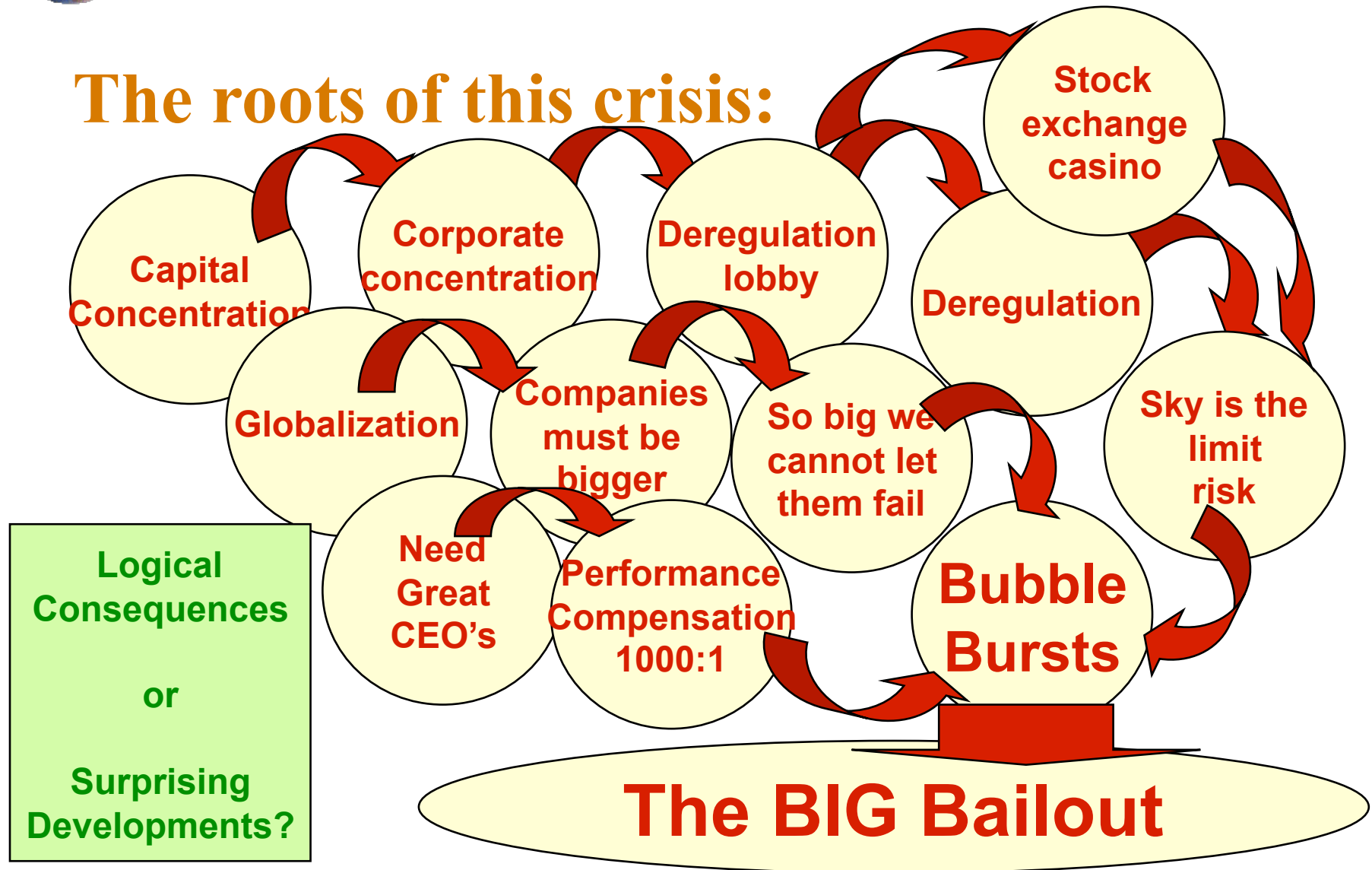
Not on the
stock
exchange roller
coaster

These are profound differences.

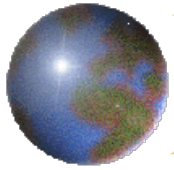
Master of Management – Co-operatives and Co-operatives



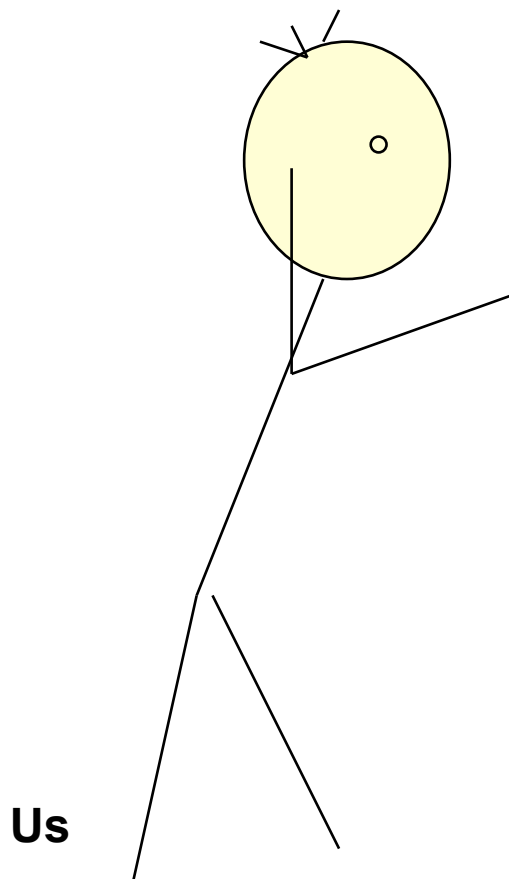
The roots of this crisis:



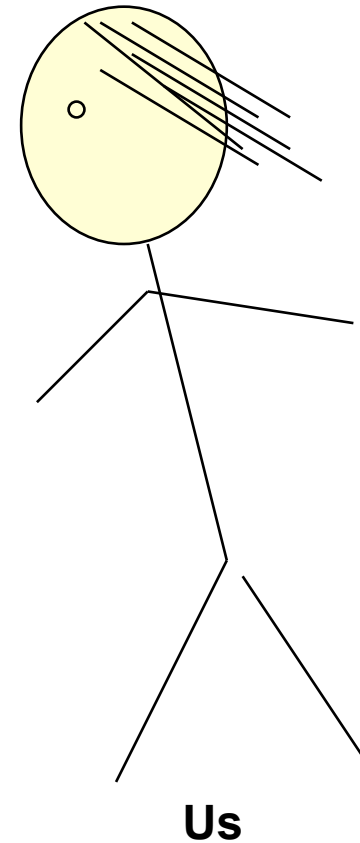
Master of Management – Co-operatives and Co-operatives



On being seduced...

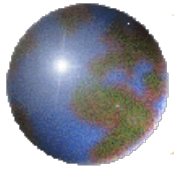


**“If only mom had
invested our family
allowances in
mutual funds that
got 40% a year,
we could have
retired by
age 16”**

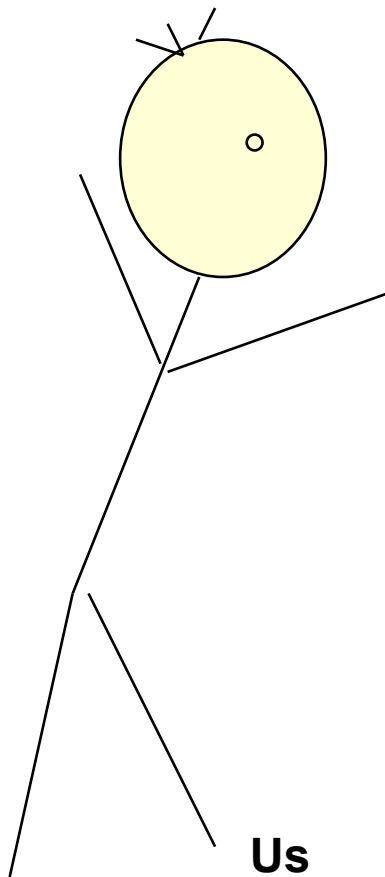


Is
greed
seductive?

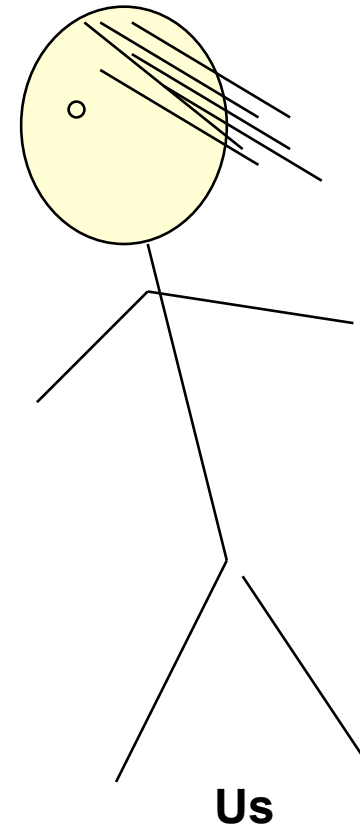
Master of Management – Co-operatives and Co-operatives



On common sense...

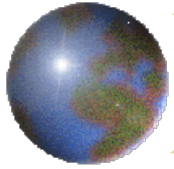


**“I want to
build our
relationship
on
self interest
and greed.
OK?”**



**“No,
lets build
our
economy
on it.”**

Master of Management – Co-operatives and Co-operatives



On being clear...

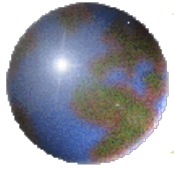
Profit is not a dirty word

Or

**Greed makes
the world go round**

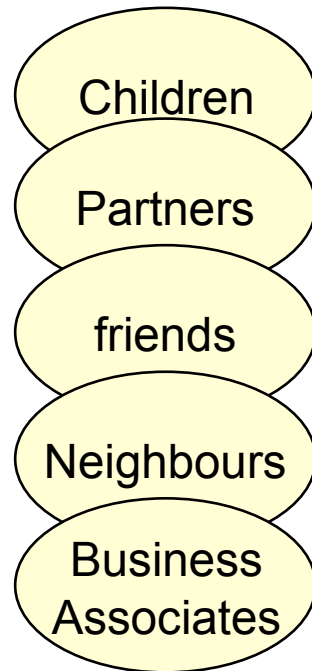
And that is OK

**I mean, we don't want to be
naïve idealists do we?**

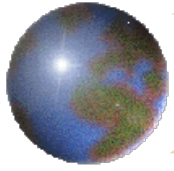


Managing the Co-operative Difference

**If we
used
greed
to build
our
relations
with**



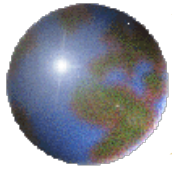
**Might
there be
very serious
Problems?**



Where did it start?

“Mr. Fuld will do fine. He can walk away from Lehman a wealthy man who earned over \$500 million. But taxpayers are left with a \$700 billion bill to rescue Wall Street and an economy in crisis.” Rep. Henry A. Waxman, Chairman, Committee on Oversight and Government Reform, Causes and Effects of the Lehman Brothers Bankruptcy, October 6, 2008

“Those of us who have looked to the self-interest of lending institutions to protect shareholder's equity (myself especially) are in a state of shocked disbelief.” Alan Greenspan, former chairman of the US Federal Reserve, the US Committee of Government Oversight. Oct 23 2008.



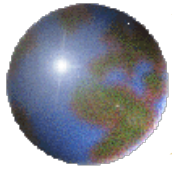
20

Is getting it right getting it wrong?



Photo: Co-operative College

“Well it might be nice to take the chalk out of the flour and the rock out of the coal and have honest scales but we need to get the business right first.” Rochdale Pioneer?



But we bought in a bit – and it hurt

“French Co-operative Banks: “The two banks had been discussing a possible merger for two years, but were forced into action by the global financial crisis. They already jointly control the investment bank Natixis, whose shares have been ravaged by the credit crunch.” CCA Communications Vol 10, #9, April 2009

“Canada’s financial co-operatives have been left holding several hundred million in ‘bad paper. Most of it was rated AAA when it was bought.” Confidential Interview with Author, April 2009

“In the same March 2009 financial summary, WesCorp is reporting a “credit loss” of \$5.6 billion. Additional unrealized losses of \$6.0 billion were also recorded “as an unrealized loss in other comprehensive income.” Chip Filson, President, Callahan & Associates, Inc. 11 May 2009