

Introduction

**Eric Lamarre,
Tarek Mansour, and
Jonathan Tétrault**



Welcome to the inaugural edition of *McKinsey on Cooperatives*. While most people have shopped at, consumed products from, or been a member of a cooperative, they often don't realize that these organizations have a significant economic footprint in our modern economy—a presence that may be poised to expand due to a growing dissatisfaction with the short-term orientation of stock-traded companies. Cooperatives represent approximately 3 to 5 percent of the world's GDP. They are present in nearly all economic sectors, from agriculture to retail to financial services. Their unique member-ownership structure and democratic governance model make for organizations that are powerfully aligned on mission and strategy, with a focus on preserving long-term stability.

The United Nations has designated 2012 the International Year of Cooperatives. In the spirit of raising public awareness about this business model, we embarked on a major research effort to better understand how cooperatives work, celebrate their successes, and explore the opportunities they may wish to pursue in today's fast-changing world. As far as we are aware, it is the first time that a major management-consulting firm has undertaken such an in-depth analysis of the cooperative model.

This publication offers a wealth of new thinking on a wide range of topics, including how cooperatives grow, the global trends they face, and the organizational and governance challenges they must overcome. We have also included discussions with several CEOs of cooperatives that bring some of these opportunities and challenges to life. Finally, two articles reflect on the importance of having a long-term view for sustained economic development and how the cooperative model might contribute to solving modern-day socioeconomic problems.

We are grateful to all of the cooperatives that participated in this research and that have been so generous in sharing their experiences

with us. Many of the leaders with whom we spoke are actively shaping and renewing their cooperative model. We hope their stories will inspire you.

McKinsey on Cooperatives was written, first and foremost, for coop managers and senior executives who are passionate about their organizations' development and success. We hope that you find these perspectives helpful as you chart your own course. ◦



Eric Lamarre

Director

Eric_Lamarre@McKinsey.com



Tarek Mansour

Principal

Tarek_Mansour@McKinsey.com



Jonathan Tétrault

Principal

Jonathan_Tétrault@McKinsey.com