



Buying Club Information

Greetings!

Thank you for expressing your interest in forming a buying club. We encourage you to act cooperatively and look forward to assisting you in your endeavour.

Establishing a buying club offers groups in remote areas the opportunity to save money on nutritious food and obtain products that may be unavailable locally.

You will find that there is quite a lot of work involved in establishing and operating a buying club. Tasks may include collecting money and issuing one cheque for the order, dividing the case lots when the order arrives and distributing catalogues and newsletters to members. We recommend that members divide the work to empower your members and strengthen your group.

Please read over and discuss the following information with your members and return a completed new customer application.

Our policies for the establishment of buying clubs are:

- orders must be consolidated into one group order
- the minimum order must meet the dollar amounts noted on Page 4 of our Buying Club Catalogue
- orders must be prepaid

Orders may be picked up at our warehouse Monday–Friday, 8:30am–4:30pm. Those customers outside Greater Vancouver may receive shipments via common carrier according to the freight policy listed on Page 4 of our Buying Club Catalogue.

We wish you success in organizing and operating your buying club and look forward to serving you soon.

Sincerely,



Liz Mahoney
Customer Service Manager

Horizon Distributors
5589 Trapp Avenue
Burnaby BC Canada V3N 0B2
T 604.524.6610 1.800.663.1838
www.horizondistributors.com
generalinquiries@horizondistributors.com

Getting Started

Obtaining food is one of the most common goals around which buying clubs are organized. The following information will give you some tips on how to start your own group.

1 | What is a buying club?

A buying club is a group of people who purchase food directly from wholesale distributors, consolidating orders and money, and then divide the food into individual orders. An essential part of this process is cooperation, which is needed to share the responsibilities and work involved.

2 | Why form such a group?

A buying club saves its members money by purchasing in bulk and eliminating some steps in the distribution process. It gives them more control over the source, variety and quality of food purchased, and an opportunity to educate themselves as consumers. It gives the group the chance to buy local products, encouraging the survival of regional agriculture. Finally, a buying club gives its members a chance to meet new people and to feel a sense of community by working together.

3 | How does the group work?

Four basic steps are involved: individual members place food orders with the group; the group consolidates the orders and buys the food from suppliers; the order is picked up or received by shipment; and the food is distributed to the individual members. Different systems can be developed for each step at the group's discretion. The intricacy of the systems will depend upon the number of people involved; what and how much food is purchased; and the frequency of orders.

Decisions to Make, Tasks to Share

1 | What are our group expectations of a buying club?

It is very important that your group discusses its motives for forming. Ask yourselves key questions. Why are we doing this? How much time are we willing to contribute? What skills do we have to offer? How many members do we want? What size order can we place? The answers to these questions are vital to the organization process.

2 | How will we divide and share the initial research?

You could form committees, dividing the work between families, to research wholesalers, bookkeeping, equipment and other requirements. Plan another meeting to share information gathered.

3 | Will we designate a leader or coordinator?

Often a person will assume this position if there is no designation. It is better to make this official and rotate the responsibility to avoid resentments and burnout. Your contact person with Horizon Distributors will be the mailing address for correspondence, and, hence, responsible for distributing catalogues and information. This job can be rotated, if you keep us up-to-date on the name of the contact person. We need to be able to reach someone regarding matters such as shipping and billing during business hours.

4 | What will we name ourselves?

We recommend naming your group and opening a chequing account in that name to share the financial liability of a buying group. This is the name by which you will be known to us.

5 | What kind of products do we want to buy?

Members should peruse the catalogue and list frequently used items to determine if some products can be purchased in case lots or bulk sizes. Shipping costs and conditions may be a consideration for frozen foods.

6 | How often will we want to buy?

Determine a buying schedule based on need, expenditures and season. Some buying clubs order every month while others order only once a year. Some buying clubs order seasonal items. Larger, infrequent orders will require that members lay out larger amounts of cash rather than spread expenditures over time. Larger orders cost less per pound to ship but will require a larger vehicle for pickup.

7 | How will we get the food to the distribution depot?

Many buying clubs pick up their orders at our warehouse. This manner is the least expensive for those nearby groups with the time and vehicle required. Arriving prepared to transport any frozen and cooler items that members have ordered is important. We calculate the freight charges to the nearest urban centre for those groups whose orders we must ship, if the order meets the minimum for subsidized freight. We will bill additional freight charges for orders sent beyond these areas directly to the buying club. Freight is charged by the pound with higher charges for cooler and freezer items. For more information regarding our freight policies, see Pages 2 and 3 of our Buying Club Catalogue. The manner in which truckloads are batched may result in orders taking several days to arrive at remote locations. When arranging for setting up the depot and providing people to receive the order, please consider that often drivers cannot be pinned down to specific delivery times. Picture ID is required for depot pickups.

8 | Where and when will we divide and distribute the food?

Many small groups use a member's home. Others use a church kitchen or community centre. If you utilize a space other than a retail store to receive orders, most trucking firms charge a home delivery fee to compensate for the extra unloading time.

9 | What equipment will we need?

An accurate scale is vital. Grocery stores that are selling out or changing systems may be a source for used scales. An infant scale may be used if its accuracy is checked against a reliable weight. Other necessities may include felt pens, a calculator, bags, scoops, plastic wrap, tape, knives and possibly a refrigerator/freezer. Members and other friends could pool their resources to provide these items.

10 | Will we charge a membership fee?

Membership fees are useful for buying equipment and demonstrating commitment to the group. You could charge a fee per household (e.g. \$5.00–\$25.00) or per order (e.g. \$1.00 or \$2.00). Another option is to charge a mark up on products to cover the cost of supplies. The weight of each member's order can be calculated from our invoice, and the freight divided proportionally to disperse shipping costs. Many clubs find it easier and almost as accurate to divide freight by dollar value of each member's order.

11 | How will we divide the work? How will we handle ordering procedures? How will we pay? What bookkeeping system will we use? How will we organize the break down and distribution of the food?

Any group faces the danger that a few people will assume all the responsibility and burn out as a result. The group may cease to function if these people are not present. If groups clearly define, organize and share work responsibilities, operations should run smoothly.

12 | Is it working?

After placing a few orders, meet to discuss how your systems are working. Determine how you will stay in touch regularly. Many clubs start enthusiastically but fade away within a year because a few people are doing too much or a problem in the organizational details makes the work too complex. Assess whether the club is meeting people's expectations. Is it working? A businesslike, uncomplicated approach to organizing your club will greatly improve your chances for long-term success.

Systems

1 | Money Handling Systems: Pre-order/Prepayment

Members order and pay for purchases before the group orders from the wholesaler. Adjustments for price changes or out-of-stocks are made at the time of pick up. This is achieved by paying/refunding the difference or by crediting/debiting the member's account for the next order. Although the bookkeeping is a bit more involved, prepayment ensures that the members will pick up food for which they have already paid.

Money Handling Systems: Pre-order/Payment at Pick-up

Members pay for their orders at distribution. This system requires that the group have an initial pool of money to purchase the food from wholesalers. This money usually comes from refundable membership fees or shares. When your group is well-established, you can submit a credit application so that we can arrange payment terms of 7–15 days from receipt of an order.

2 | Ordering Systems

Horizon Distributors publishes two Buying Club Catalogues each year and distributes updates monthly via email by request. We provide one free catalogue to each new group and can provide more at a cost of \$5.00 per catalogue. Established buying clubs are allotted numbers of catalogues based on sales. Each catalogue listing includes spaces to record quantities ordered so that members can easily determine their needs and add those to the overall order of the group. Use a catalogue as a master order form or develop a form that each household can utilize. Be sure that each member has a copy of their order and keep copies for the bookkeeper as well. **Occasionally, we will make a mistake for which an adjustment is required. The main ordering person should keep track of any corrections so that they can be handled in one phone call, instead of several members contacting us.**

3 | Distribution Systems

When receiving or picking up a shipment, **please check and count the order.** For freight claims, you must note any discrepancy (eg. missing pieces, damaged goods, spoiled frozen products) **on the bill of lading** and have the driver acknowledge it with a signature. **Neither Horizon nor the shipping company can accept a freight claim for freight-related problems which have been accepted as delivered without notation.** Requests for freight claims, credits or refunds must be reported to our office within two working days of receipt of goods. **Members should familiarize themselves with the entire text of our freight, credit and payment policies as stated on Pages 2 and 3 of the Horizon buying club catalogue.** Keep a record of the total goods received by each member and a copy of the member's original order for bookkeeping purposes.

Team System

A break-down team breaks down cases, weighs and bags food and fills orders for all the members in advance, labelling boxes and bags with their names. Members pick up their orders at specified times.

4 | Sample Forms Combined Order Sheet

Lee	Smith	Jintras	Wong	Perez	Total					
4	4	4	4	4	5	02005	Baking Powder (no alum)	5kg	3.69/kg	18.46
2	4	6	8	4	20	22945	*☛ Kamut & Inca-Rice, Organic.....	12/1kg	4.14ea	49.68

Individual Member Account Record

Lee

Date	Order Amount	Freight/Adjustments	Order Total	Amount Paid	Balance
Sept 5				45.00	45.00CR
Sept 10	42.53	4.25	46.78		1.78DR