SPECIAL MEETING
Presentation of Findings

EN KA EXCHANGE REVIEW COMMITTEE
APRIL 25, 2017
En Ka Exchange Review Committee (EER)

• Past shop chairs and members had expressed concerns about viability of the shop.
  
  ❖ Time Spent vs. Profits Earned
  ❖ Staffing Issues

• Last Review: Part of Vision Committee ~ 10 years ago
Address Concerns:

- Gather & analyze information:
  - Current and historical financial performance
  - Exchange consignors and customers
  - Competition
- Survey membership
- Document rationale for suggested alternatives:
  - Status Quo
  - Re-purpose
  - Sell & Invest Proceeds
- Present findings and broadly defined next steps to the membership
Survey Statistics

• 196 Members Responded

• 80.66% Response Rate

THANK YOU!
Q1: How long have you been an En Ka member?

Answered: 196  Skipped: 0
Q2: Please indicate your age bracket:

Answered: 196  Skipped: 0
Q3: Please indicate your membership status:

Answered: 194  Skipped: 2

- Provisional: 7.22%
- Active: 71.65%
- Associate or non-resident: 17.53%
- Honorary: 3.61%
Q4: Are you employed outside the home?

Answered: 192  Skipped: 4

\[ 48.44\% \text{ work at least part time} \]
Q4 FILTERED AGE < 55: Are you employed outside the home?

CURRENTLY 28% OF THE MEMBERSHIP IS BELOW AGE 55

- yes (full-time): 41.51% (22)
- yes (part-time): 39.62% (21)
- no: 18.87% (10)

} 81.13% work at least part time
Q5: What is your current level of activity at the Exchange?

Answered: 193   Skipped: 3
Q6: Please check any of the choices below that you feel are strengths of the shop:

- Generates profit to society (44.86%)
- Provides a service to cmmty (80.54%)
- Central location for members (71.35%)
- Physical home base for members (56.22%)
- Physical presence in cmmty (59.46%)
- Other (17.84%)

Comments: (32)

- (10) Provides a central location and set time for members to interact more with each other.
  
  “I enjoy meeting with my shift-mates and meeting new members, but not sure that justifies the shop as a whole.”

- “I am also a Winton Club member. A few years back we decided to stop working the Hospital coffee shop. Because we no longer have a regular monthly connection, it's hard to keep members engaged.”
Q6 (cont.): Please check any of the choices below that you feel are strengths of the shop:

Answered: 185   Skipped: 11

Comments: (32)

- (9) Provides a service to the community by offering quality discount used clothing.

  “Consignors benefit if income from consigning is important.”

- (4) No strengths or strengths not big enough to justify work required.

  “All of the above are strengths, but I am not sure that they are very STRONG”

- None of the above. Many non-profit organizations in Winchester do not own a physical plant.”
Q7: Please check any of the choices below that you feel are weaknesses of the shop:

Answered: 171  Skipped: 25

Comments (49):

• (13) Quality of clothing has declined.

“I think the market for the clothing sold has shifted with other competitive consignment shops. It seems the shop is more of benefit to En Ka members than the community.”

• (11) Layout is restrictive. Location is not optimal.

“No HP access. Difficult interior stairways for all. Location removed from other retail locations.”
Q7 (cont.): Please check any of the choices below that you feel are weaknesses of the shop:

Answered: 171   Skipped: 25

Comments (49):

• (11) The shop requires lots of work hours for small profits – i.e. low productivity.

“Many of my shifts (7-9 pm) have four or five members volunteering with very few customers/consigners (if any) although I enjoy our conversations as we watch the clock, I feel our time could be more productive elsewhere.”
ANALYSIS: Changes to the Business Environment

Past 11 + years:

- Several New consignor/thrift stores have opened in area:
  - **Revolve** (designer label women’s clothes)
  - **Liena’s** (children’s clothing size 0-10+)
    - Winchester (2004)
  - **Sister Thrift** (all categories of clothes)
  - **Raspberry Beret** (selective trendy, vintage, designer and classic clothing)
  - **Buffalo Exchange** (trendy, vintage clothing)
    - Somerville & Allston

- Several **Goodwill** and **Salvation Army** stores in area.
- Plus online “stores”: ThreadUp, Shopify, Poshmark, Twice, Tradesy
Paper records from five years prior show Total Shop Sales of 46K-55K.
ANALYSIS: SHOP CONTRIBUTION TO SOCIETY & CAPITAL

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<th>Shop Transfer to Capital Account</th>
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<td>$4,000</td>
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<tr>
<td>FY 15/16</td>
<td>$10,500</td>
<td>$6,500</td>
</tr>
</tbody>
</table>
Q8: How important is the shop as a second source of income for the society?

Answered: 182  Skipped: 14

Comments (51):

- (18) Exchange should be closed and offers no real benefit to the Society
- (17) Exchange is a service to the community and the organization
- (12) Exchange is important/somewhat important, but the way we do business needs to be improved or the selection of products and services changed or enhanced.
- (4) Exchange should continue on as is just in case there is a year of bad weather and poor profits from the Fair.
Q9: Can you suggest other ideas that might increase the shop’s profitability?

**Comments (100):**

• (32) Exchange should increase the items sold to include non-clothing items or increase the categories of clothing currently offered for sale.

• (29) Need to be more “selective” and improve the quality of items consigned/donated.

• (26) Improve marketing to the Winchester and surrounding communities.

• (12) Change the hours of operation. (Majority of this group suggested extending hours on the most profitable sales days.)

• (9) Increase prices at the Exchange.

• (7) Given the current decline in profits, not worth the effort to try to develop new programs to attempt to increase profits.
Q10: Can you suggest alternative sources of income for the society (not necessarily utilizing the building)?

Comments (61):

• (14) Big Event
  ➤ Golf Tournament (4)
  ➤ Silent/Live Auction (4)
  ➤ Gala/Dine Around/Food or Wine Tasting (3)
  ➤ Charity Walk/Run (2)
  ➤ 2nd Fair in fall; Member Performance/Musical

• (14) Ramp Up Bargain Box
  ➤ Increase frequency and scale of yard sales (10)
  ➤ Theme Sales: Holiday (3), American Girl Doll Sale
Q10: Can you suggest alternative sources of income for the society (not necessarily utilizing the building)? (cont.)

Comments (61):

• (11) Offer/Provide Fee-based Services
  ▶ Educational programs/Lectures (2)
  ▶ Raffles, knitting/craft instruction; cooking or fitness classes; holiday pie baking; meals in exchange for donations; tutoring; En Ka food truck; use of shop building for work from home space
  ▶ Sell “Women of En Ka” calendar

• (8) Shop Enhancement
  ▶ Bring back ‘Bric-a-Brac’ (3)
  ▶ Fashion show (2), clothing drives, Pop Up Sales around town, online store

• (4) Sell Building & Invest Proceeds
• (4) Seek Out Corporate & Individual Donations
Q11: How important is it for the shop to serve as a way to build relationships with other En Ka members?

Answered: 180  Skipped: 16

Comments (44):
- (31) Somewhat important/Important.

“It gives us a headquarters and base to meet and interact with each other. The "glue" to hold us together.”

“For me, this has been the number one way I have gotten to know other members. The Fair is certainly not where I have done a lot of interacting, socializing with other members. I am too busy at the Fair making sure my volunteers are doing okay, my assignment is running smoothly, etc., to socialize.”

≈76%
Q11 (cont.): How important is it for the shop to serve as a way to build relationships with other En Ka members?

Answered: 180  Skipped: 16

Comments (44):

- (15) The shop is somewhat unimportant to unimportant.

  “My observation has been that same people work together year after year and consequently do not broaden their base.”

  “I see more members at the meetings. (Some members do not have shifts.)”
Q12: Do you feel En Ka provides enough ways for members to interact with each other outside of the shop?

Answered: 167  Skipped: 29

Comments (97):

- (55) YES!
  - Theater night, book groups, committees, fair, tea, meetings

“Overall yes, I feel that those who want to engage do and those who don't care to, don't, sad but true.”

“The best way to meet people is to work on the multiple committees we have.”

- (23) Suggestions for expanding our social offerings.
  - Gatherings at local restaurants/coffee shops, walking groups, holiday vendor events, wine and cheese socials, knitting/craft groups
Q12 (cont.): Do you feel En Ka provides enough ways for members to interact with each other outside of the shop?

Answered: 167  Skipped: 29

Comments (97):

- (16) Pursue more service projects (not social)
  - Do more with MOW – prep meals, do with a buddy.
  - Organize donations for Mission of Deeds.
  - Expand nursing homes visited beyond MVH.
  - Volunteer at soup kitchen – The Dwelling Place in Woburn.
  - Fill backpacks.

“I don't know if people have time to interact/go to something purely social, but there might be service projects that would foster interaction.”

“Although socialization between En Ka members is a good thing, it is not our purpose for existing.”
Q13: How important is it for the shop to serve the community by providing low cost/quality clothing and income for consignors?

Answered: 180  Skipped: 16

![Bar chart showing responses to Q13](chart.png)

Comments (54):

- **(33) Negative**
  - Competition of other consignment stores + low cost retail
  - Quality of our inventory is down
  - Low income for consignors
  - Not enough customers
  - Donations often of poor value

- **(13) Positive**
  - Good prices
  - Service to low income people
  - Dollar rack provides service to poor family members in other countries

- **(9) Need to analyze and reorganize.**
  - Where do our consignors come from?
  - Where do our customers come from?
  - Look at other successful 2nd hand shops and follow their model

Approximately 64%
Q13 (cont.): How important is it for the shop to serve the community by providing low cost/quality clothing and income for consignors?

Quotes:

“I think an analysis of consignor demographics (if possible) would be interesting. It would also be interesting to know who our customers are but we don’t keep that data... I'm also not sure who the "community" is that you refer to in this question... some (donations) are extremely nice and sell easily but many others are just dumped on the shop for easy disposal…”

“I think this is very important...received a call from the Jenks/Winchester Hospital... local family who lost their home in a fire... mails a large package to Haiti to family members... we tend to think that those in our community don't really need help.”
Q13 (cont.): How important is it for the shop to serve the community by providing low cost/quality clothing and income for consignors?

Quotes:

“It used to be very important, but not so now...The scene has changed, with real quality stuff going to commercial consignment shops and the low income client base - think of 30 items at a buck each being shipped to Brazil - now looking for deep bargains on the dollar rack. Our customer base has changed, and fewer buyers are looking for fresh stuff from Talbots at a good price. With this change comes the reality that consignors are not getting what they used to.”

“Target, Kohl’s, Walmart, coupons. Need I say more? ...members are our best customers and I would not call that serving a community that needs low cost clothing...plenty of members consign too...what is the portion of clothes that are consigned that just land in goodwill after markdown and sale rack. Is moving and touching all that clothing multiple times worth it to En Ka so that a consignor can make twenty dollars here and there? I don’t’ think so.”
ANALYSIS: CONSIGNOR CHECKS BY TOWN

- Winchester: 32%
- Woburn: 17%
- Members: 16%
- Arlington: 6%
- Medford: 5%
- Burlington: 2%
- Wakefield/Stoneham: 5%
- Other Towns: 15%
- Lexington: 2%

375 checks
June & Nov 2016
Jan 2017

Other Consignor Data 9/2011-9/2016:

- ~ 600 checks/year
- Avg. Consignor 2 checks/year.
- Check range = $0.50 - $158
ANALYSIS: CUSTOMERS BY TOWN

Winchester: 44%
Woburn: 15%
Arlington: 9%
Burlington: 7%
Medford: 5%
All others: 20%

55 customers - 9/19/16-3/18/17
ANALYSIS: CONSIGNMENT SALES AS % OF TOTAL SALES

<table>
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<tr>
<th>Fiscal Year</th>
<th>Consigned Sales %</th>
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<td>63%</td>
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<tr>
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<td>45%</td>
</tr>
<tr>
<td>FY 13/14</td>
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<td>FY 06/07</td>
<td>46%</td>
</tr>
<tr>
<td>FY 05/06</td>
<td>38%</td>
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Q14: Can you suggest other ways in which the building could be used for community service programs regardless of whether or not income is produced?

Comments (86):

• (34) Meetings and Educational programs
  - Host smaller Society meetings like committee mtgs., quilting, book group etc.
  - Host small programs, discussion talks
  - Open it up for small community meetings possibly on a rental arrangement
  - Tutoring support or classes
  - Teaching handcraft skills like quilting, knitting, floral arrangement etc.
  - Teaching/mentoring local girls/women
  - Supervised study hall
Q14 (cont.): Can you suggest other ways in which the building could be used for community service programs regardless of whether or not income is produced?

Comments (86):

• (14) Social Service
  - Provision of needed items through donations, drives- i.e. clothes, backpacks, school supplies, toiletries in coordination with Hospital, Jenks and school and community social workers.
  - Food pantry.
  - Turn house into a residence and rent as affordable housing.

• (17) Building configuration
  - Options are restricted by building location, layout, parking availability, number of floors and stairs.

• (4) Keep Consignment of Clothes
  - Add other items to mix, like bargain box items or books.
Q15a: How important is it for En Ka to have a physical presence for:

A place in the community for contact/visibility – ex. mail, telephone, signage

- **Important**: 40.22%
- Somewhat important: 23.46%
- Neutral: 15.64%
- Somewhat unimportant: 10.06%
- Unimportant: 10.61%

Answered: 181  Skipped: 15
Q15b: How important is it for En Ka to have a physical presence for:

A home base for members for storage (files, tea service, non-shop donations), copying, and Society mail.

Answered: 181   Skipped: 15
Q16: Has the requirement to work at the shop ever negatively impacted your ability to recruit new members?

Answered: 177   Skipped: 19
Q16 (cont.): Has the requirement to work at the shop ever negatively impacted your ability to recruit new members?

| Answered: 177 | Skipped: 19 | Comments: 38 |

**NO (16)**
- “The Fair and the requirement to get volunteers has often come up, but never the shop”
- “The past 5 years I have recruited 2 new members, they both enjoy working at the shop.”

**YES (14)**
- “Women with young kids can't seem to commit to a monthly shift - especially those who work outside of the home.”
- “Yes, yes, yes! Maybe if it was only 5 times a year.”
- “Today's potential members are already extremely busy and with the best of intentions, feel they can take on other volunteer duties, but find it overwhelming when the time comes. This is happening in every organization ...... I am a long term member of Winton and Rotary and I can tell you volunteer commitment is a MAJOR problem locally, nationally and internationally.. We are dealing with changing lifestyles and values. Not easy!”
Q17: Increasingly, members who work full or part-time jobs have expressed frustration over the number of hours worked at the shop versus the profit realized. Please indicate your preference for ways to reduce the required shop commitment or indicate that your preference is to keep the required commitment the same.

Answered: 163  Skipped: 33

Reduce annual shop shifts by 2 shifts. 34.97%

Reduce annual shop shifts by 3 or more shifts. 21.47%

Leave shifts as is – I am not in favor of changing the required number of shifts. 43.56%

\[ \approx 56\% \]
Q17 FILTERED AGE < 55: Increasingly, members who work full or part-time jobs have expressed frustration over the number of hours worked at the shop versus the profit realized. Please indicate your preference for ways to reduce the required shop commitment or indicate that your preference is to keep the required commitment the same.

CURRENTLY 28% OF THE MEMBERSHIP IS BELOW AGE 55

- Reduce annual shop shifts by 2 shifts: 40.82%
- Reduce annual shop shifts by 3 or more shifts: 40.82%
- Leave shifts as is – I am not in favor of changing the required number of shifts: 18.37%

\[ \approx 81\% \]
ANALYSIS: SHOP SALES by month

Total Shop Sales by Month (past 5 years)


Average Sales per Day Open (past 5 years)
ANALYSIS: SHOP SALES by day

Total Sales per Day (past five years)


Average Sales per Hours Open (past five years)

4/26/17
ANALYSIS: SALES BY SHIFT

- **Morning**: $51,466 (50%)
- **Afternoon**: $42,502 (41%)
- **Evening**: $9,660 (9%)

ConsignPro Data
1/1/13 - 11/4/16
ANALYSIS: SHOP SEASONAL EXPENSES

9/1/11-8/31/16 (sum of past five years)

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<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
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Q18: Would you be willing to take on a leadership role at the Exchange? (Please check all that apply.)

Answered: 164  Skipped: 32

- Exchange Co-Chair: 5
- Exchange Treasurer: 1
- Exchange Assistant Treasurer: 3
- Properties Co-Chair: 2

I am not interested in/unable to take on a leadership role at the Exchange at this time.
Q18 (cont.): Would you be willing to take on a leadership role at the Exchange? (Please check all that apply.)

Answered: 164  Skipped: 32

- (13) Done that already.
- (9) Too old.
- (6) Busy.
  “My full-time job prevents me from doing so.”
- (5) Changes needed.
  “I think you must consider whether the work responsibility of the volunteers at the shop is sustainable under the evolving status of volunteerism in our community.”
- (5) Maybe later.
- (4) Not interested.
  "I have had many leadership roles in Enka but have never taken on the shop when asked. I am impressed with the many women who have taken this role on. But for me, it is too much work for little gain. It is way more work than a Fair Chair must give and not nearly as fun.”
Q19: Considering the facts outlined at the beginning of the survey, and your answers to the previous questions, do you think the Society should consider:

- Closing the Exchange,
selling the property and investing the proceeds.
- Continuing to operate the Exchange. May or may not involve implementing operational changes.
- Closing the Exchange but repurposing the building.

Answered: 167   Skipped: 29
Q19 FILTERED AGE < 55 : Considering the facts outlined at the beginning of the survey, and your answers to the previous questions, do you think the Society should consider:

- Continuing to operate the Exchange. May or may not involve implementing operational changes.
- Closing the Exchange, selling the property and investing the proceeds.
- Closing the Exchange but repurposing the building.

Answered: 167   Skipped: 29
What is the fair market value of the property?

Analysis of the comparable properties suggests a list price range of:

$532,000 to $565,000
**Interest Rate**

<table>
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<th>1.49%</th>
<th>2.00%</th>
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**ANALYSIS: POTENTIAL INCOME FROM SALE**

Current 3 year CD rate @ Winchester Cooperative 1/25/17
Current 5 year CD rate @ highest national rates 1/25/17
Current 10 year CD rate @ highest national rates 1/25/17
What would it cost to rent similar space?

- Current space approximately:
  - 1,500 sq. ft. sales area
  - 2,500 sq. ft. including attic and basement

- Rental cost in Winchester ~ $20-$35/sq. ft./yr.

- Estimated annual cost @1,500 sq. ft. ~ $30,000-$52,000/yr.

- Space near town center very limited and would be on higher end of estimate

- Leases could require several years commitment
Q20: Is there something not covered in the above survey that you would like to add?

Comments (63):

• (23) “dramatic overhaul” of the shop should first be tried before anything else is done

• (12) Repurpose shop and/or shift resources to another mission oriented activity

• (7) Add/change/improve items for sale – increase advertising

• (7) Make shift/sales day changes – allow more flexibility
  “We might consider opening the shop for consignment sales of a limited profile of most profitable items only 2 days per week...but also repurpose some rooms for other purposes.”
  “Host a monthly sale (or weekly, or quarterly.)”
  “Review most profitable days/shifts.”

• (7) Close
What to do?
CONCLUSIONS

+ Our Club House
+ Community Service
CONCLUSIONS (cont.)

BASED ON MEMBER FEEDBACK:

➢ Continue to operate the shop on a trial basis (1-2) years with significant operational changes.
   • Reduction in number of required shifts
   • Change in days/times shop is open
   • Possible change in mix of items sold

➢ Enhanced marketing & advertising.
   • Take advantage of social media

➢ Concurrently explore other fund raising sources.
   • Re-evaluate in 1 to 2 years
?