



Bulk Buying Club Toolkit

A Guide to Starting a Neighborhood Bulk Buying Club

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INTRODUCTION



During the Fall of 2014, I began working with Fiestas, a women's food security initiative in Albuquerque's Santa Barbara Martinez Town (SB/MT) neighborhood, to develop a neighborhood bulk buying club. With one in

three families struggling with food insecurity in SB/MT,¹ the women in Fiestas had come together to start a bulk buying club as a strategy to help neighborhood families afford food and household staples. When I joined the project as an Emerson Hunger Fellow, the bulk buying club had several factors in its favor. There was strong neighborhood interest in the project, and a local entrepreneur had pledged to financially assist the club.

Nonetheless, the project was at its inception, and the next five months would be an exciting, ,but challenging, journey in community development work.

The Fiestas initiative emerged out of a two-year community-engaged study

that investigated food insecurity in SB/MT, particularly focusing on women's lived experiences struggling to provide food for their households. From 2011 to 2013, researchers from the Office for Community Health at the University of New Mexico collaborated with women in SB/MT, and examined neighborhood issues relating to food access and health. The researchers found that SB/MT had high food insecurity as well as low food access, with more than two-thirds of families having to leave the neighborhood to find affordable, nutritious food.²

For many neighborhood women, these statistics translated into stress and shame in their everyday lives, as they tried to cope with the harsh realities of hunger.³ While these experiences are common in the neighborhood, the researchers found that many women were battling with food insecurity in secrecy because of the sense of failure and stigma that is associated with not having enough, even hiding their circumstances from those closest to them.⁴

In order to provide a space for women who were involved with the study to discuss community issues and the findings of the study, the researchers held Fiestas community events that allowed women to socialize and exchange ideas. As a result of these events, neighborhood women determined projects to improve food access in SB/MT and help women develop supportive relationships.

Considerable interest grew around creating a bulk buying club that would be a platform for neighbors to pool their money to access wholesale discounts on basic goods. The vision behind the project was that women who participated would save money on necessities while having the opportunity to foster connections with people in their community.

Today, after overcoming challenges to organize members and set up logistics, I am happy to report that Fiestas has successfully launched a bulk buying club. On its third month of operation, the Fiestas Grocery Buying Club, has more than doubled the number of its members, and is on track



to save participants hundreds of dollars over the course of the year. Most importantly, the Club, which is managed and operated by women in the neighborhood, now serves as an avenue for

women to connect around food access and make a difference in their community.

Toolkit:

This toolkit was created as a guide to assist individuals, groups, and organizations interested in starting a neighborhood bulk buying club. The tips and information featured in the toolkit draw from lessons learned from the Fiestas Grocery Buying Club, as well as from a review of existing publications on bulk buying club best practices. While the Fiestas Bulk Buying Club was developed to address food affordability, this toolkit contains useful material for bulk buying club with a variety of food access goals. It is meant to be a reference, and each club should adapt the information contained to fit their unique context.



Toolkit



BULK BUYING CLUBS

A neighborhood bulk buying club is a group of neighbors that join together to purchase goods in bulk. Typically, members organize to increase their purchasing power, and pay a lower price on items by buying in bulk with others. Some clubs organize to offer specialty goods that otherwise are not readily available in their communities. While such clubs can help members save money, their key benefit is that they provide access to goods that are not easily found at nearby stores. In addition to offering discounts and access to products, bulk buying clubs can also be a great opportunity for people to forge new relationships and build community.

FIRST STEPS

1) Spread the Word

Once you have decided to start a neighborhood bulk buying club, begin with spreading the word to those who might be interested in participating. This can include neighbors, relatives, friends, and participants of other community programs. Inform individuals about the potential benefits of starting a bulk buying club in your neighborhood. In doing so, make note of successful buying clubs in your city, or elsewhere, to let people know that this is a feasible idea. The goal here is to generate interest around starting a bulk buying club, as well as receive early input from potential buyer, such as what products they would want to buy in bulk.

2) Get People Involved

As you spread the word about your plans to start a bulk buying club, begin organizing a group of people to serve as club coordinators and assist in launching the club. Invite those who have shown an early interest to take a more active role in developing a successful bulk buying club in your neighborhood. Additionally, consider tapping residents who are engaged in the community, or have demonstrated organization skills, to coordinate the club. Explain to them how their support could positively impact the neighborhood, and how they could simultaneously benefit from

participating in the club.

While it might be easier to recruit people who are already involved in neighborhood affairs, the club is that much more beneficial to the community if it can allow people to develop organization and leadership skills, especially those who have been unengaged in the past.

Nonetheless, you will need a group of people to help with the initial efforts that goes into starting, and eventually, operating a bulk buying club. If you plan to hire a coordinator to manage all aspects of the club, it is still valuable to get a group of residents together to help advise the start-up process and recruit members.

3) Research:

While you work to organize members, conduct cursory research into prospective suppliers to purchase bulk items from, and find out details about the products they sell. The topic of selecting and sourcing products will be covered in a later section. For your cursory research, the purpose is to explore the options available to your club. Start by identifying potential club items; this does not need to be a definitive list, as you might need to consult club members and coordinators in the final selection of items.

Next, determine which suppliers sell these products, and at what price.

You will also need to research if there are criteria your club needs to meet to work with a particular supplier.

KEY DECISIONS

This section covers a series of significant decisions your club will have to make prior to launching. These decisions range from selecting which items to purchase to figuring out how your club will be organized.

Club Goals:

What does the club hope to accomplish?

Identify the goals of your club early in the start-up process. As mentioned previously, bulk buying clubs organize for many reasons. Regardless of your goals, you will want to refer back to them as you make decisions. If your club has multiple goals, how are these goals prioritized? For example, a club whose goals are to help members save money on food, and at the same time strives to buy from local producers, can come across a situation in which the lowest price on a desired good is offered by a non-local source. Which one of this club's goals takes priority here: offering the best price or buying local? A good understanding of your goals will help your club navigate these and other types of dilemmas.

Membership:

Who can join the club?

Decide if you will establish membership requirements. These requirements can be as simple as being a resident in the neighborhood. Your club can also ask new members to meet specific commitments, such as placing a minimum number of orders yearly or volunteering a set number of hours. Another matter to consider is whether your club will cap its membership, or whether it will continue to welcome new members as it expands.

Organization:

How will the club be organized?

The organizational structure of a club influences how decisions are made, how tasks are carried out, and can significantly impact the sustainability of the club. Structure the club to support key goals and meet the needs of members. The club should find ways to incorporate the voices of members in the decision-making process. Furthermore, the organizational structure should support those who manage the club and carry out operational tasks, ensuring that club responsibilities are shared fairly.

There are several ways you can organize the club. Below are two common ways bulk buying clubs are organized:

Coordinator Owned

In this model, coordinators own the club. This means that the coordinators make key decisions as well as oversee club operations. They may choose, but are not obligated, to consult members about decisions. Coordinators are compensated through club dues, discounts on items, or might choose to volunteer. If coordinators are not compensated, they may ask members to volunteer and help out with tasks such as sorting items.

Benefit

- Decision-making will be easier, as only coordinators need to be consulted
- Members can enjoy the benefits of buying from the club without much effort

Challenge

- Coordinators who are not compensated and do not receive assistance from members, might begin to feel burnout over time.

Member Owned

In this model, while the club might have a group of coordinators, the buyers are the owners, and have to be consulted for decision-making. These clubs have several options to ensure that it is managed and operated in a fair manner. The club can hire a coordinator, compensating them through club dues or discounts on items; the club can also elect a group of coordinators, and require that all other members volunteer a certain amount of hours.

Challenge

- Potentially challenging to hold members accountable to volunteering

Benefit

- Members have a strong voice in club decisions.
- Responsibility is more widely shared

Coordination:

How will the club be coordinated?

The chart below outlines club responsibilities that need to be filled. Assign coordinators roles that best fit their strengths and schedules. Consider assigning one coordinator to oversee that all of the roles are effectively managed.

<p style="text-align: center;">Financial</p> <ul style="list-style-type: none">• Tracking expenses and club budget• Bookkeeping• Preparing receipts and refunds
<p style="text-align: center;">Membership Relations</p> <ul style="list-style-type: none">• Keeping updated contact list for members• Recruiting and orienting new members• Communicating with members about news and developments.• Handling complaints
<p style="text-align: center;">Order Management</p> <ul style="list-style-type: none">• Updating ordering information• Collecting members' orders• Researching new products• Placing order with vendor
<p style="text-align: center;">Packaging and Delivery</p> <ul style="list-style-type: none">• Overseeing proper sorting and packaging of ordered items• Ensuring that members pick up orders• If club offers delivery, coordinate and oversee deliveries

Products:

What products will the club offer?

Offering quality, well-priced products is at the heart of attracting members to join your bulk buying club. Follow the steps below to decide what items your club will make available.

Survey interested individuals:

This process can be as formal as conducting a neighborhood survey to find out what items appeal to potential buyers, or it can be as informal as talking to individuals who have shown interest thus far about what products they would like to see offered. As outlined in the first steps section, you will want to have done some research into potential products so you can give people an idea of the possible options.

Research Products and Suppliers:

After gathering input from potential members, collect information from suppliers that sell the desired items. Create a spreadsheet that allows you to compare information from various suppliers. When you contact suppliers, you will want to inquire about several factors. First, what quantities are the items sold in, and how are they packaged? For example, if your club is interested in buying cereal, a supplier might sell a 160oz. box of cereal, with 4 smaller 40oz bags inside the box. This type of information becomes important when figuring out how goods will be split

Next, record the price of goods from multiple suppliers. In your spreadsheet, include both the package price (i.e. the sticker price) and the price per unit of an item (the cost per liter, per ounce, per pound etc.). The price per unit, which can be calculated



by dividing the product's price by its quantity, allows you to readily compare prices across suppliers. **See Appendix 1 for an example price comparison spreadsheet.**

In addition to inquiring about price, ask about other details that are important to your club. Perhaps you want to know where an item is produced, or learn more about its quality . Include these details in your spreadsheet.

Based on the information you have gathered, narrow the list of products to those that best fit your club goals.

Purchasing:

What suppliers will your club order from?

Many suppliers have requirements to set up an account and place an order. When researching suppliers, find out what criteria your club has to meet to place an order. Ask about criteria, such as minimum ordering requirements, membership fees, and requirements for delivery.

Below are the types of suppliers that commonly work with bulk buying clubs:

Wholesale warehouse stores

Warehouse stores like Sam's Club and Costco sell groceries and household items in bulk at wholesale prices. On some items, when compared to regular grocery market prices, these stores can offer substantial discounts by buying in bulk. It is typically easier to source from these stores, as they work with the general public and only require a small membership fee to shop.

If you are considering to source from a warehouse store, find out if your group can place orders online or over the phone. Inquire about whether the warehouse store delivers. If not, ask if they can pull the ordered items off the shelves and have them ready for pick-up. If none of these options are available, a designated people from your club will have to go to the store, shop for and pick up items.

Food distributors

There are a variety of food distributors that work with bulk buying clubs. Food distributors might be a better option than a warehouse store if you are looking to buy local, organic, or specialty foods. Research what local and national distributors serve your area. Find out what requirements your club needs to meet to set up an account. To see what products they offer, ask distributors to send you a catalog, or grant you access to an online copy. Some national distributors, such as United Natural Foods Inc., frequently work with bulk buying clubs, and even have ordering and other tools tailored for clubs. Check to see if other distributors work with clubs as well.

Farms

Most bulk buying clubs offer dry goods, however if your club wants to buy fresh produce, farms and local produce vendors can be an option. If this interests your buyers, see if you can set up a relationship with a farm or local produce vendor to regularly receive fresh fruits and vegetables . Your club can solely provide produce or in addition to offering dry goods from another supplier. It depends on the capacity and interest of your group. If your club chooses this avenue, someone from your club will most likely have to pick up the fresh produce from the vendor and bring the items to your sorting site.

LOGISTICS

Securing Resources:

Funding

Your club will need to cover various cost in order to begin operating.

These costs include, but are not limited to:

- **Membership and Account Fees**

Costs associated with setting up an account or a membership with a supplier

- **Equipment and Supplies**

Items such as food scales, markers, a cash box, a receipt book, food handling supplies, packaging, cleaning products, and printing supplies

- **Inventory**

Clubs should maintain extra funding to cover emergencies such as lost or damaged products. Additionally, extra funding can be used to fill an order for a bulk item in which there is not enough people to evenly split. In this case, the club purchases the extra share and resells the items

Typically, clubs cover their costs by collecting membership fees. Some of the above costs, however, might need to be covered before the club is able to collect from members. Thus, you will need to find other avenues to raise the club's startup funds.

To start your fundraising process, you will need to develop a pitch. Hone your club's story. Why are you starting this club? What need does it address in your community? In other words, why should someone support your club? In your pitch, you will also want to include information about your fundraising goal, and how exactly you plan to use donations.

Next, identify and contact potential community partners that could donate money or in-kind resources. Possible funders include community organizations, civic clubs, local businesses, and faith organizations. Focus your efforts on any groups and organizations that serve your neighborhood and/or are involved in work related to food access, as they might be more likely to support your efforts.

Another way community partners, in particular nonprofit organizations, could assist your fundraising is by helping your club secure grants. Unless your club is an incorporated nonprofit, it will not qualify for most grants. Thus, the club could benefit from partnering with a nonprofit that would be able to apply for grant funding. In addition to reaching out to potential community partners, consider holding fundraising events or utilizing crowdfunding platforms such as GoFundMe.com, which allow individuals to donate online to your cause.

You might secure a donation early in your fundraising that covers all of the club's startup costs. Given the chance that your club is not this successful, however, you will want to explore several different strategies to obtain funding.

Location

Many clubs operate out of a member's home, which does not require much effort to arrange outside of getting an individual to volunteer their home. Depending on the size and nature of your club, however, a home might not be an appropriate space to use. In this case, you will need to find a facility for the club to hold meetings as well as sort and distribute orders. Ideally, this space will be within, or fairly close, to your neighborhood.

Make a list of facilities that house community activity in your area.

Potential locations include:

- Community centers
- Senior centers
- Faith organizations
- Schools
- Nonprofit organizations

When considering spaces, look for the following features:

- A sizable area to sort and package items
- Countertops and several tables to place items
- Access to a fridge for products that need to stay cool during the sorting process
- Access to utensils and equipment, such as cups and kitchen scales. This could eliminate the clubs having to purchase these items
- Available storage to store extra inventory and equipment
- A sink for hand-washing

When you find a suitable location, contact the site with information about your club, and provide details about how the club hopes to use the space.

See Appendix 3 an example of information you should mention when you contact sites.

Establishing an Ordering Schedule:

Create a schedule for ordering and picking up items. First, decide how often your club will place orders. Will you offer products quarterly, monthly, or bi-weekly?

Identify when the club will provide information about available products. Additionally, establish a time and date when payments are due, and when members can expect to receive their products. Try to make the schedule as convenient as possible.

Collecting Orders and Payment:

Collecting Orders

You have several options for collecting orders from members. For clubs in which most members have access to and feel comfortable using the internet, an online ordering system might be best. Members can order via email or by using a free online survey tool, such as Google Doc Forms. Your club can also purchase ordering software. There are ordering software programs designed for bulk buying clubs, featuring useful tools to manage group orders.

If your club has members that cannot readily access the Internet, make a physical form available or have a phone-in ordering option . **See Appendix 3 for a sample order form.**

Collecting Payments

Your club's process for collecting payment will be based on when you need to pay your supplier and the payment method you are able to accept.

If you need to pay for orders at the time of purchase, you will want to collect money from members before you pay the supplier. You might have the funds to pay suppliers in advance and collect money from members at a later point. However avoid doing so, as it opens the club up to loss if members do not pay.

Decide what form of payment the club is willing to accept, and designate a person in your club to collect and handle payments. Always provide members with a receipt after they have paid.

Sorting and Packaging:

Organize a group of members to help sort and package items. To make the sorting and packaging process as efficient as possible, have each volunteer assigned to a specific task.

On sorting day, have the following items:

- Scale (get multiple scales if possible)
- Markers
- Scissors
- Cups/ bowls for separating items
- Order sheets

- Gloves
- Cash box

You will need a group of people assigned to sorting, measuring, and packaging goods. One person should be assigned to pulling together members' orders. If your club has extra inventory, assign someone to sell these items as members come to pick up their orders.



Hand those who are weighing and packaging items a copy of each members' order. For example, if you have someone weighing and repackaging beans, they should have a sheet that lists the quantity of beans each member ordered. After measuring and repackaging an item, the individual assigned to this task should write on the package the quantity it contain as well as the name of the member that ordered it.

To compile orders, provide each member with a box or bag to carry all their items or require them to bring their own. Each box or bag should be labeled with the member's name and should have their receipt in it.

Arrange the boxes or bags in alphabetical order to make it easier to locate a member's items. The person compiling orders should have a copy of members' orders. Every time they place an item in a member's box or bag, they should check it off the members' order sheet.

When members arrive to pick up their order, have them verify that they received the right items.

RECRUITING MEMBERS

Recruitment can be a challenge for new clubs. To get a jumpstart on attracting members, recruit through existing groups in your neighborhood. Is there a community center or nonprofit nearby running community activities? Contact them to find out if you can share information about the club with their participants. Additionally, seek to recruit at other hubs of community activity: neighborhood associations, churches, schools, and civic clubs.

Make use of the Internet in your outreach, especially if your club is open to individuals outside of the neighborhood. Search for online community boards where you can advertise the club.

Word-of-mouth is a powerful tool for recruiting members. Do you have a few individuals involved with the club already? Encourage them to invite their friends, relatives, and others in their social-circle to join the club. Potential members are more likely to consider joining the club if they are invited by someone they know and trust.

When you conduct recruitment activity provide the following club information:

- What items are offered
- Discounts and potential savings through the club
- Membership requirements
- Contact information
- Date of first order
- Ordering schedule

MEMBER ENGAGEMENT

- *A satisfied and committed membership is vital to running a successful bulk buying club. Clubs that effectively engage their membership are able to foster trust, ensuring that members are happy with the products they receive, and have faith in how the club is managed. Additionally, they might further engage members by offering opportunities for them to socialize.*

Engagement

Welcome Input

Maintain an open channel for members to provide useful input about club operations. This will allow you to understand how to better serve members and more quickly troubleshoot problems. Consider conducting a yearly or semiannual evaluation so members can provide feedback about their experience with the club. This can include input about products and club operations. In addition to evaluations, set up a procedure for receiving and dealing with complaints.

Foster Connections

Communication

Create a streamlined way to communicate with members about monthly ordering information and club news. There are a variety of ways you can do this: a print newsletter, regular email blasts, a website, or club meetings. The important thing is that members are up to date on club activities.

Building Community

Plan activities for members to get to know each other outside of managing and operating the club. The possibilities are endless. Perhaps, your club can host a potluck or game night. Many clubs engage in recipe shares informally or by creating a club recipe book. Whatever your club decides, make room for connecting and having fun.

Recognition

Running a bulk buying club, while rewarding, can require much effort. As such, make a point to recognize those who make substantial contributions to the club. Doing so makes members feel valued and demonstrates that their hard work leaves an impact.



Additional Resources



LINKS TO RESOURCES

1. *Bulk Buying Club Best Practices Toolkit: A Guide for Community Organizations in Newfoundland and Labrador.* Food Security Network of Newfoundland and Labrador. Found at:

[www.foodsecuritynews.com/Publications/
Bulk_Buying_Club_Best_Practices_Toolkit.pdf](http://www.foodsecuritynews.com/Publications/Bulk_Buying_Club_Best_Practices_Toolkit.pdf)

2. *How to Create a Neighborhood Food-Buying Club.* Yes We Can Food Collaborative. Found at:

www.wkkf.org/media/40C085078DE94B38B90325533933E443.ashx

3. *How to Start and Run a Bulk Buying Club with Your Friends & Neighbors.* CoFED Network. Found at::

[http://www.foodsecuritynews.com/Publications/
Bulk_Buying_Club_Best_Practices_Toolkit.pdf](http://www.foodsecuritynews.com/Publications/Bulk_Buying_Club_Best_Practices_Toolkit.pdf)

4. *The Coop Workbook Handbook Workbook.* United Natural Foods.

Found at:

[www.unitedbuyingclubs.com/COORDINATOR/Forms/Co-op%
20Handbook%20Workbook.pdf](http://www.unitedbuyingclubs.com/COORDINATOR/Forms/Co-op%20Handbook%20Workbook.pdf)

APPENDIX 1

Price Per Unit Comparison				
	Supplier 1	Supplier 2	Supplier 3	Supplier 4
Pinto Beans				
Price	\$1.39	\$1.50	\$1.44	\$0.57
Unit	1 lb			
Onions				
Price	\$0.89	\$0.99	\$0.98	\$0.43
Unit	1 lb			
Rice				
Price	\$1.49	\$1.59	\$0.49	\$0.36
Unit	1 lb			
Cereal				
Price	\$0.14	\$0.17	\$0.24	\$0.13
Unit	1 oz			
Peanut Butter				
Price	\$0.13	\$0.16	\$0.11	\$0.10
Unit	1 oz			
Toilet Paper				
Price	\$0.49	\$0.49	\$0.47	\$0.44
Unit	1 roll			
Sugar				
Price	\$0.47	\$0.46	\$0.50	\$0.43
Unit	1 lbs			

APPENDIX 2

Dear XXX:

Thank you for working on setting up a prospective partnership between XXX Center and the Bulk Buying Club. The Center is a highly desirable location to host our buying club, as it provides a great community space close to our participant's homes. As such, we are excited at the possibility of establishing a relationship with the Center in our work to improve access to quality, affordable food in the XXX neighborhood.

This letter outlines the details of how the Bulk Buying Club plans to use the Center.

Proposed use of space

Time

- a. The Bulk Buying Club will use the Center one day each month to repackage and distribute bulk items to club members
- b. The Bulk Buying Club will use the Center every second Tuesday of the month from 4p.m. to 6p.m.
- c. The first event will be held January 13, 2015, and subsequently every second Tuesday of the month.

Space and items

The Bulk Buying Club seeks access to the following spaces and items:

- a. kitchen to repackage items into smaller containers
- b. kitchen supplies, if available, such as food scales and scoops, as well as cleaning supplies
- c. event room and tables to distribute items to club members
- d. access to the storage closet to store club supplies

Use and care

- a. Bulk Buying Club will keep duration of activities within designated times
- b. When using the Center, the Bulk Buying Club will take good care of the facility. After events, the Club will return the space to the condition it was prior to use
- c. When using the Center, The Bulk Buying Club will comply with any applicable rules and processes maintained by the Center

We look forward to discussing these details with you in person.

Thank you again.

REFERENCES

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2. Romero, 4
3. Page-Reeves, J., Scott, A., Moffett, M., Apodaca, V., & Apodaca, V. (2014). “Is always that sense of wanting ... never really being satisfied”: Women’s Quotidian Struggles With Food Insecurity in a Hispanic Community in New Mexico. *Journal of Hunger & Environmental Nutrition*, 196-197.
4. Page-Reeves, 196-197