

Motivation adjustments package price and Timebank

18-10-24

Motivation includes:

1. Current situation - reason for adjustments
 2. Proposal with reasoning
 3. Follow-up steps
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1. Current situation; healthy organisation as reason for adjustments

EXPLANATION OF FINANCIAL SITUATION

At the beginning of 2023, Lekkernassûh had a good insight into its finances for the first time. This showed that we spend more than we receive. That is not a healthy organisation. So we started looking at how we could rebalance the finances for both Timebank and Euros. This led to us organising transport more cheaply, stopping the Harvest Shares experiment and starting proposals to adapt the Timebank experiment.

Out of a desire to make/keep vegetables accessible to all, we have not increased the price of €12.50 per package since 2018. At the moment, inflation and other increased costs (rent of the converted gymnasium, contribution to volunteers via TB hours, paying VAT which we did not do in the beginning) make this unsustainable. Compared to other suppliers (Rechtstree, Kistje vol smaak via Biesland, Kievitamines, etc.), a LN vegetable package is inexpensive. This is due to deployment of the comparatively cheap and motivated LN staff.

Lekkernassûh is not growing in the numbers of vegetable packages purchased over the last 2 years. In other words, revenues are not going up. This means that LN is further eroding its financial capacity if we do not intervene (in 2023 €2,000 less revenue than costs) and that its long-term survival is at risk.

Added to this is the expectation that certain costs will increase (perhaps later procurement of vegetables, CO2-net transport IT improvements due to overdue maintenance, accounting system, etc.).

EXPLANATION TIMEBANK EXPERIMENT

Since 2018, Lekkernassûh has partnered with Timebank.cc. For time, you can buy vegetables, cheese and products from the package-free shop. The Timebank experiment thus contributes to Lekkernassûh's objectives: making vegetables accessible to people who have time but little money. Another advantage of Timebank is that we give concrete value to the time employees put into Lekkernassûh. The appreciation helps to keep participants engaged in LN with a positive feeling and 'sense of purpose'. This is important for the continuity of LN. An additional advantage is that recording hours in Timebank makes visible which parts of the organisation take up a lot of time. A disadvantage of Timebank for LN is that it costs LN money. After all, the hours are converted into products that are bought with euros in the 'real' economy. The Timebank experiment costs LN 30-40,000 euros annually.

The number of hours LN spends on TB hours sometimes exceeds the number of hours LN gets back through sales, this sometimes creates a shortage of hours. This pinches all the more because quite a few new roles should be valued with Timebank, but there are no hours available for that now. In recent years, we have tried to make the experiment sound by encouraging people to donate and/or spend their hours, but some adjustment is still needed.

2. Proposal adjustments

To get more income than cost and give more employees a Timebank rating, we propose:

1. The package price via markets will go from 12.50 euros to 13.50 euros, and for participants via pick-up points to 14 euros (more costs are incurred for them). Relative to

inflation, this is a modest step, but we want to keep a parcel as affordable as possible. This could mean an estimated additional annual revenue of around 15,000 euros (on average 300 parcels times 50 weeks times 1 euro).

This will allow us to fund the following activities:

- (financing) TB hours for new employees, so that all employees can be treated equally again (TB hours are costs for LN because we buy vegetable parcels, cheese and dry goods in euros but are settled in hours)
- potentially higher costs to be expected (purchasing vegetables, transport, transport to pick-up points, perhaps new LN markets, etc.)
- improvements to IT and accounting
- room for new transition experiments
- reserves for possible setbacks

2. Timebank appreciation per hour worked goes from 0.65 to 0.55 Tbh on a trial basis. This will make Timebank hours available for more employees, so that we can also value new employees. We will closely monitor how exactly this affects the balance between Tbh spent and Tbh received.

3. The maximum valuation per employee per week is set at 5 Tbh. This spreads the work across as many people as possible and avoids possible questions from the Inland Revenue.

EXPLANATION

Together, these changes promote the health of LN:

- healthy annual financial situation (revenue exceeds costs)
- enough motivated staff who can also be valued in TB hours
- Making LN organisation more robust by improving IT, accounting systems, other bottlenecks, etc. This will increase employee motivation if activities within LN go well.
- Deploy new transition experiments to make food system more sustainable and inclusive

The value of a Tbh remains €10. With a valuation of 0.55 Tbh, that means 2.45 hours of work for a vegetable parcel. We will investigate whether the till system can be simplified e.g. by only recording prices in euros. Settlement of the total order can be in TBh, in euros or in a mix. The checkout system (Romanesco) needs to be updated anyway to ensure security; the aim is also to speed up checkout and improve stock management.

3. Follow-up steps

Explain and clearly communicate the package price increase to employees and all participants based on the reason and explanation given above. Thereafter, we continue to monitor how the organisation responds to the changes:

- We monitor quarterly and, if necessary, monthly (in the supercircle) whether the reduced hourly ratio affects employee motivation and enrolment in schedules.
- On a quarterly basis, see if it works to pay out 0.55 TA hours per hour worked. Our aim is to increase the ratio again if possible provided the balance in hours and budget remains right.
- As part of an Inclusiveness Project to be launched, we are exploring what we can do for those for whom the (increased) package price is too much. Mentioned idea for this is a solidarity option to pay more for a package (so-called pay it forward).

Process of discussion

This proposal has already been discussed in supercircles of June, July, consultation in mid-August and supercircle of September. On this basis, the board formulated the above proposal.