The Harvard Coop: Is it better?

By Donald Steele

Mr. Steele is a former manager of the law school Coop, and currently has a suit filed challenging recent changes in Coop bylaw. His position to run for a Coop board position last year was opposed by Steele, "in technicalities." - Editor

Look in your new Coop book and you'll see the following: "The object of the Harvard Cooperative Society is to operate a business..." And you'll see the following: "Business done during the second month: (1) Sale of goods on hand - blue books (two or three courses), textbooks (two or three courses)."

ample, are considered to be important departments, but the amount of sponsor- ed research is relatively small.

There exist some questions as to the legitimacy of the unsponsored research activity. It is a legitimate activity; it is a research activity; it is not a commercial activity; it is not a profit-making activity. The cost accounting system, according to Cowen and Curie, is designed to answer the question: "How efficiently do we perform our current functions?" If students are required to pay for the cost of instruction in order to meet the full cost, the cost accounting system will answer the question: "How efficiently do we perform our current functions?"

Cost Control

A principle tenet of modern manage- ment is: "Even if you can't keep the costs down, at least keep track of them." It is a principle that Harvard has been following for the last 50 years. Harvard has been attempting to keep track of the costs where the benefits are.

"MIT is a large, loose, and big department."

Center, for example, is taking a long time to make changes within costs which benefit people, especially with its feature of message unit charges for each individual student. This eliminates the previous policy of "average pricing," under which a professor or an attending physician charged all students the same price for the service they received. Charing faculty salaries plus their attendant benefits and overhead costs pushes the research higher.

State schools are an even more looming problem. They are beginning to approach us in many ways, for they have the nearly unlimited resources to do this. They have the potential to affect our results, and we have the potential to affect theirs.

For example, many faculty members get half of their salary from sponsored research, which works to the advantage of costs on the books. This means that some of the professors teaching at MIT are far higher than they are for the Coop. In the Coop we have little need to advertise, because we have built-in clients.

The state schools, however, are in a different position. They have to advertise, because they must attract enough people to make a profit. The Coop, on the other hand, has a built-in clientele, and can advertise, if at all, only to a limited extent.

Wherever possible throughout the Coop, this policy is being followed. Cost figures are broken down and distributed to middle-level management, the people who have to make the daily operating decisions. It is a responsibility for these expenditures, they ought to have the information.

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cannot rise without limit, any more than tuition. The object of the Coop is to provide a college bookstore. Textbooks are to be sold as cheaply as possible in goods, service, and profit. The Coop should probably not try to take advantage of the outflow of money...

The law school experiment In this section I would like to discuss my attitudes towards retailing, its function in some future state economy, and certain applications in the Law School Coop.

At the time I set up the Law School Coop, I was interested in the concept of Rome's Limits to Growth, but I felt very strongly that the Coop was the only way to go. I felt that the growth policy had been mislaid; service and profitability had both declined as a result. The President of the Society once put the management's policy very succinctly: "If you're not growing, you're going down." But every Coop member of long- er than five years standing knows that as the Coop has grown, it has gone down, in terms of service and profitability. These operating procedures, and all those services like laundry, parcel deliver- y, check cashing, easy credit, which, though basic in terms of modern retail- ing practice, had a certain advantage over the cozy chrome and carpeted new buildings in the region where, as they say at Yake, you pay a little more but you get a little less. When I was first introduced to the Coop, the Coop should probably not try to take advantage of the outflow of money..." I mean, "Move cannot be a goal, only enough can be a goal."

Concerning the goals of the store, I agree with the management that ex- pense goals are things that should be done on an even cheaper architectural layout, and I accepted a salary (lower than the current rate) for the position. The Coop is a college store for the underclassmen of gross (which averaged only $350/day, mostly, it seemed, in 51 charges). But there were at least two distinct areas of constant disagreement between myself and management...