

# The **co-operative** loan fund borrower case study

## **Mica DIY:**

Helping independent hardware stores to compete against retail giants

Mica DIY is a co-operative of retailers which provides marketing, joint buying, store development and training for its members. It offers them a support structure, while maintaining their independence.

The organisation was previously a 60% member-owned business, called Mica UK Ltd. A victim of the recession, Mica UK went into administration in 2009. Board members chose to set the organisation up again, and in March 2010 members voted to change the ownership to a 100% member-owned co-operative.

It now has over 60 members with shops across the UK, from the Isle of Skye to the South Coast of England, who all have an equal say in the running of the business.

“When Mica UK went into administration, members quickly decided to set it up again as Mica DIY Ltd,” said Chief Executive Steve Ball. “The members felt that it was the right thing to do, as the organisation was already run with co-operative values. It was a good decision that it should be entirely member-run.”

The Co-operative Loan Fund provided a loan to help Mica with its working capital. Mica DIY also received advice from The Co-operative Enterprise Hub to assist with its launch as a co-operative.

“We have used the services of Co-operatives UK, The Co-operative Enterprise Hub, and The Co-operative Loan Fund to achieve our co-operative status” said Steve. “All these organisations have provided useful assistance and resources to us, and we have found their staff to be very helpful.”

Mica is an important example of how support can be provided to retailers without stamping a rigid franchising structure on them.

“Since there has been a dominant presence of large national and international chains such as Homebase and



B&Q, smaller independent retailers have been squashed,” said Steve. “Mica DIY supports these independent retailers.

“There is also the problem that many of these retail giants sit in retail parks, outside of city centres. Towns and cities are beginning to suffer because of this. The majority of our members own stores in towns, and this goes towards maintaining the local economy.

Ian Rothwell of The Co-operative Loan Fund said: “Mica is different from many of The Co-operative Loan Fund’s other customers. It’s good to see independent retailers co-operating to take on the big names. This shows the power of the co-operative business model.”

*For further information about Mica DIY visit [www.micahardware.co.uk](http://www.micahardware.co.uk)*

*For more information about The Co-operative Loan Fund please contact the fund managers, Co-operative & Community Finance, on 0117 916 6750, email [info@co-opandcommunityfinance.coop](mailto:info@co-opandcommunityfinance.coop) or visit [www.co-operativeloanfund.coop](http://www.co-operativeloanfund.coop)*