

# Financial Security vs. Community Freedom

By Tom

Two years ago the retail chain Pier 1 Imports ended a 30-year relationship with Twin Oaks community in Virginia, dropping us as the vendor who made their rope hammocks. The immediate impact was to plunge our community into economic austerity. Our continued existence was never in doubt, thanks to many years of prudent and conservative fiscal policy, but we had to slash our domestic spending by 40 percent.

There was a sense of irony in the relationship between Twin Oaks and Pier 1. Twin Oaks is an egalitarian, income-sharing intentional community that prides itself on creating small footprints on the land, a voluntary labor system, and social consciousness. Pier 1 is a multinational conglomerate that sells overpriced consumer goods imported mostly from developing nations. Yet, we attribute our longevity and growth at Twin Oaks to our relationship with Pier 1.

And we were not the only community to benefit from this relationship. As Pier-1's hammock sales increased, we were able to offer the excess production to other communities, first bringing East Wind in Missouri into the business as a partner, then contracting with other smaller communities to also create hammocks. Making hammocks for Pier 1 was like pennies from heaven dropping into the pockets of the communities movement.

The relationship with Pier 1 had its price. As Pier 1 grew, so did their orders. Then, Pier-1 began tightening the management of their supply chain, meaning (since hammocks were a seasonal item), they began asking us to ship larger orders in a shorter window of time. Hammock "pushes" (a systematic and intense increase in production) were common in our winter months at Twin Oaks. This seasonal production fit Twin Oaks well, as outdoor work wound down in the community during the colder months..

In the mid 1990's the number of hammocks Pier 1 requested became staggering. Members of Twin Oaks felt they were being asked to make more hammocks than they were comfortable doing. Our community managers of the hammock business tried to shift more hammocks to East Wind and other communities. Many of them did not have the same seasonal labor shifts as Twin Oaks and felt exploited at being asked to make so many hammocks in such a short time. The seasonal up and down of production did not fit well for their internal economies, as in winter months they would be flush with production and summer months they would have little.

To ease the labor issues of hammock production at Twin Oaks and the other communities, the managers of our hammock business decided to spread out hammock production over the year and store the finished hammocks in our warehouse in anticipation of Pier 1's spring orders. For a while this worked fine. Twin Oaks still made most of its hammocks in the fall and winter but the rest of the production was spread out over the rest of the year. And the other communities could make the same amount of hammocks each month if that suited them, allowing them to plan a more stable economy.

As Pier 1 grew larger, the very nature of their business changed. No longer were they just an importer of cheap imported goods, they began to see themselves as design and style leaders in the industry. The simple rope hammock we had been providing was no longer good enough. They wanted something different. We had a warehouse full of rope hammocks waiting in anticipation of their needs and they wanted something different. They wanted a fabric hammock.

In retrospect, we can look back and see that their request for fabric hammocks was the beginning of the end. At the time though, we saw it as a new opportunity. We scrambled to both create the new fabric hammock for Pier 1 and to convince them of the ongoing salability of the rope hammocks in our warehouse. For a while we kept it going with a win-win compromise. We made the new hammock models that Pier 1 wanted and Pier 1 still sold the traditional rope hammocks that we like making.

Pier 1's changing product needs brought new uncertainties and tension to the communities involved. The managers of our hammocks business could not anticipate from season to season what Pier 1 would want. Hammock production returned to a seasonal nature. Many individual community members felt dismayed at what they perceived as Pier 1's dominance of their lives and the communities they lived in. Members of Twin Oaks began to voice concern about the negative impact of the Pier 1 relationship on our community.

In the mid 1980's when Pier 1 started their expansion, Twin Oaks recognized the danger of being dependent on one large customer. We created the "Pier 1 strategy," which in fact was an intention and plan not to be so dependent on Pier 1. To meet these aims, Twin Oaks started a tofu business, put more energy into its fledging indexing business, and attempted to sell hammocks to other retailers besides Pier 1.

As Pier 1 continued to grow, meeting its needs taxed our community's resources and there wasn't much left over for the Pier 1 strategy. Our tofu and indexing businesses remained small and hammock sales to Pier 1 still accounted for the vast majority of our income. At the same time, some Twin Oaks members felt that being a Pier 1 production facility was easier than the alternative. After all, we had been dealing with Pier 1 for almost as long as there had been a Twin Oaks. They would never drop us.

But in August, 2004 they did drop us. They informed us they would stop selling hammocks (though they would take some of our inventory to be negotiated later at a reduced price). The moment that many people had prophesied about but few believed would ever happen, happened. Twin Oaks was without Pier 1.

When this news was announced, our community became very quiet. There was some anxiety, some fear, but mostly I remember a sense of serene peace. There was a feeling of emancipation. We knew there would be discomfort and hard work ahead, but we had choice now. We could dictate our own future. We could create the economy that fitted our desires for community and right livelihood, not the needs of a large multinational conglomerate. We could return to an intentionality in our economy that had been missing for many years.

The last two years without a Pier 1 account have been hard. We've tightened the belt a few notches and cut spending. There have been some positive developments, though. Over the

last two years our tofu business has tripled its net income. Our indexing income is up 45 percent in the same period. And we are managing our money better than we have in the past. The new Twin Oaks economy brings its own tensions and problems. We're still not out of austerity yet. Though each year gets better with our economy being more broadly diversified.

If there is a moral to this story I think it lies in learning the danger of creating a community economy dependent on one large customer. If we were a traditional business we could just keep expanding to buffer the dependency on a Pier 1-type customer. We could produce our product with cheaper labor in other countries, as our competitors do. We could expand our product line to other casual furniture. We could do these things and more. Instead we've chosen to be a community but not a business. We have businesses in order to support our community; we're not a community that exists to support our businesses. It's an important distinction.

A few months after Pier 1 ended the relationship, a representative from L.L. Bean called. They were interested in having a domestic hammock vendor. Their orders would be approximately half the amount of the Pier 1 account at its height. Our community talked about it. It would end our austerity period after just a single year. It would bring in lots of money and the things that money can buy.

In the end we decided we didn't want a new Pier 1. Finally free after all those years, we chose not to go back.