



Democracy at Work Institute Development Fundamentals

Worker Cooperative Startup





Worker
cooperative
startup

Key ideas

- A Cooperative
- B Business
- C Ecosystem



Assumption 1: You know who

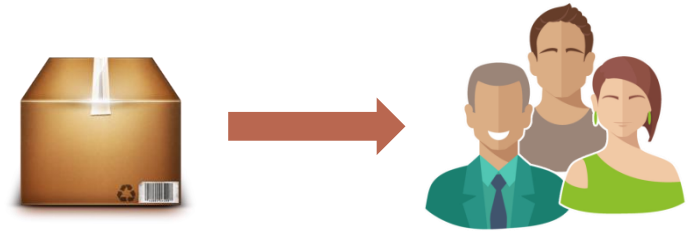


You can name an example that inspires you



Assumption 2: You know what

Consumer cooperative
Buying together



Marketing cooperative
Selling together



Worker cooperative
Producing together



You generally know cooperative models

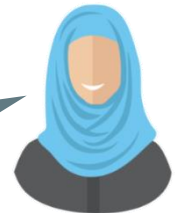


Assumption 3: You know why



Job retention

An alternative to capitalism



High road job creation

Community empowerment



You can articulate your motivations,
and respect others





What are the aims of worker cooperatives?

Democracy.

We can work together.

Prosperity.

We can thrive.

Community.

We can do good for others.



Some of us have one of these but not another. A worker cooperative is built in all three areas.





What is a successful worker cooperative?

- ✓ People organized democratically...
- ✓ who own and run a profitable business...
- ✓ that benefits society





What do coop -entrepreneurs do?

There tend to be three startup work areas.



Co-op Capacity Development

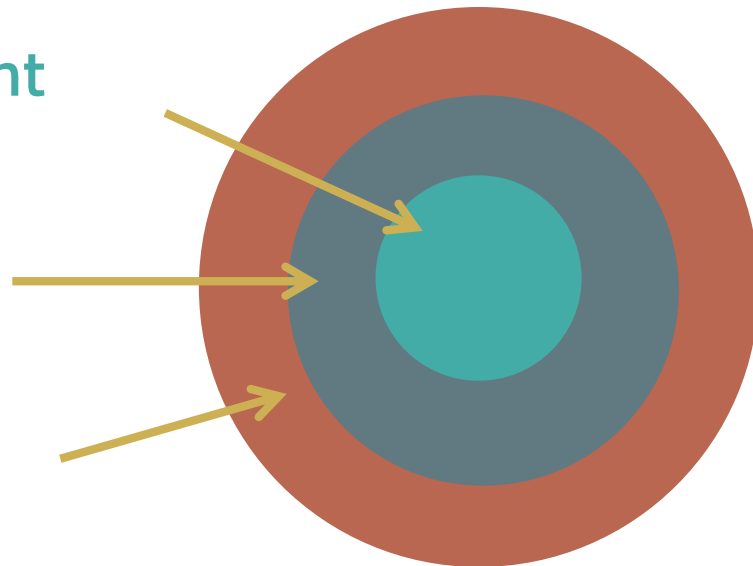
Inside the business

Business Development

The business

Ecosystem Development

Outside the business





You can think of it like a road trip.

Co-op Capacity Development

Agree on a destination.

Business Development

Tune up your vehicle.

Ecosystem Development

Make the road.





Co-op capacity work supports the group to function effectively together.



What is our team's shared vision?



Who is a member and who is not?



How do we delegate work?



How can we hold each other accountable?





Build a team with a shared vision.

1

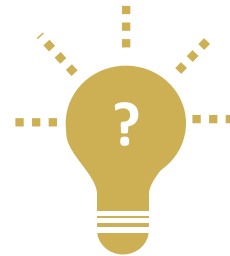
Move past lone genius ideas.

2

Form a learning group.

3

Meet regularly with an agenda.



What is our common economic or social need?





Clarify what it means to be a member.

1

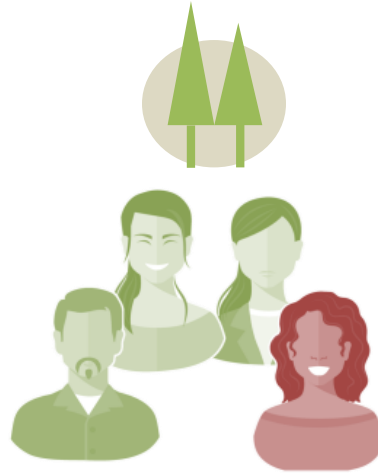
Set clear expectations.

2

Build rights and responsibilities.

3

Ask for real contributions.



How do I know if I am "in" or "out?"





Learn to delegate work.

1

Don't let one person do it all.

2

Find real tasks for everyone.

3

Expect it to be unfamiliar and hard.



How can we all engage and contribute?





Practice accountability.

1

Give tasks names and due dates.

2

Check in on progress.

3

Celebrate accomplishments.

Task list

- X by 3/31 (Joe)
- Y by 4/15 (Rebecca)
- Z by 4/21 (Vanessa)

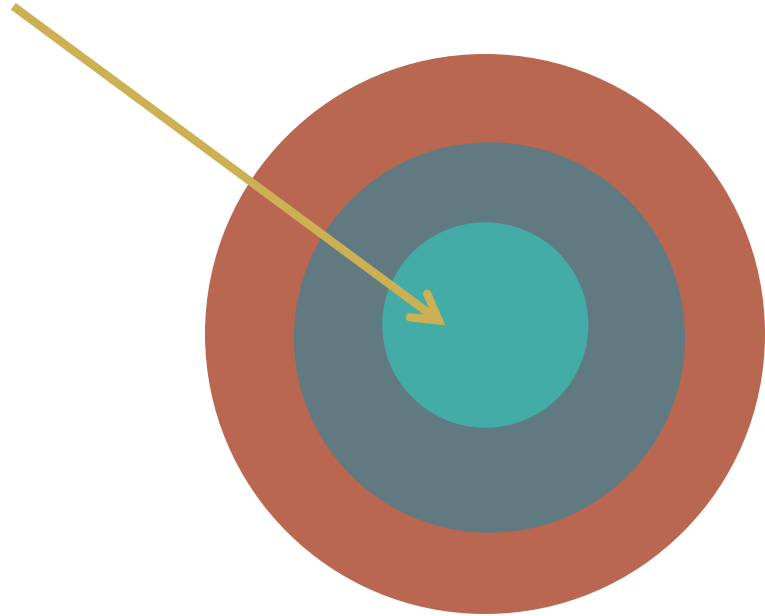


Why didn't you do the task?



Co-op Capacity Development

- Build a team with a shared vision.
- Clarify what it means to be a member.
- Learn to delegate work.
- Practice accountability.



Where are you strongest?
Where do you need help?





Business development work makes sure the cooperative is financially viable.



How do we create value for customers?



What is the right legal form?



How do we raise startup capital?



What should management look like?





Create value for someone (else).

For which target customers?

Who need to solve what key problem?

And are dissatisfied with what current solution?

Our product or service is what?





Create a legal entity.

1

First answer key questions yourself.

2

Talk to a lawyer. States differ.

3

A corporation or an LLC may work.

How do we become members?
How do we make decisions?
Is there a cost to join?
How will profit be divided?
Will we need outside investors?





Raise startup capital.

1

Lenders can help you plan.

2

Consider nonvoting investor equity.

3

Don't let one member charge it all on their card.

I've seen a lot of business plans and you are overlooking some things....

\$





Set up governance and management.

Pursue our
needs and desires!



Implement our
strategy!

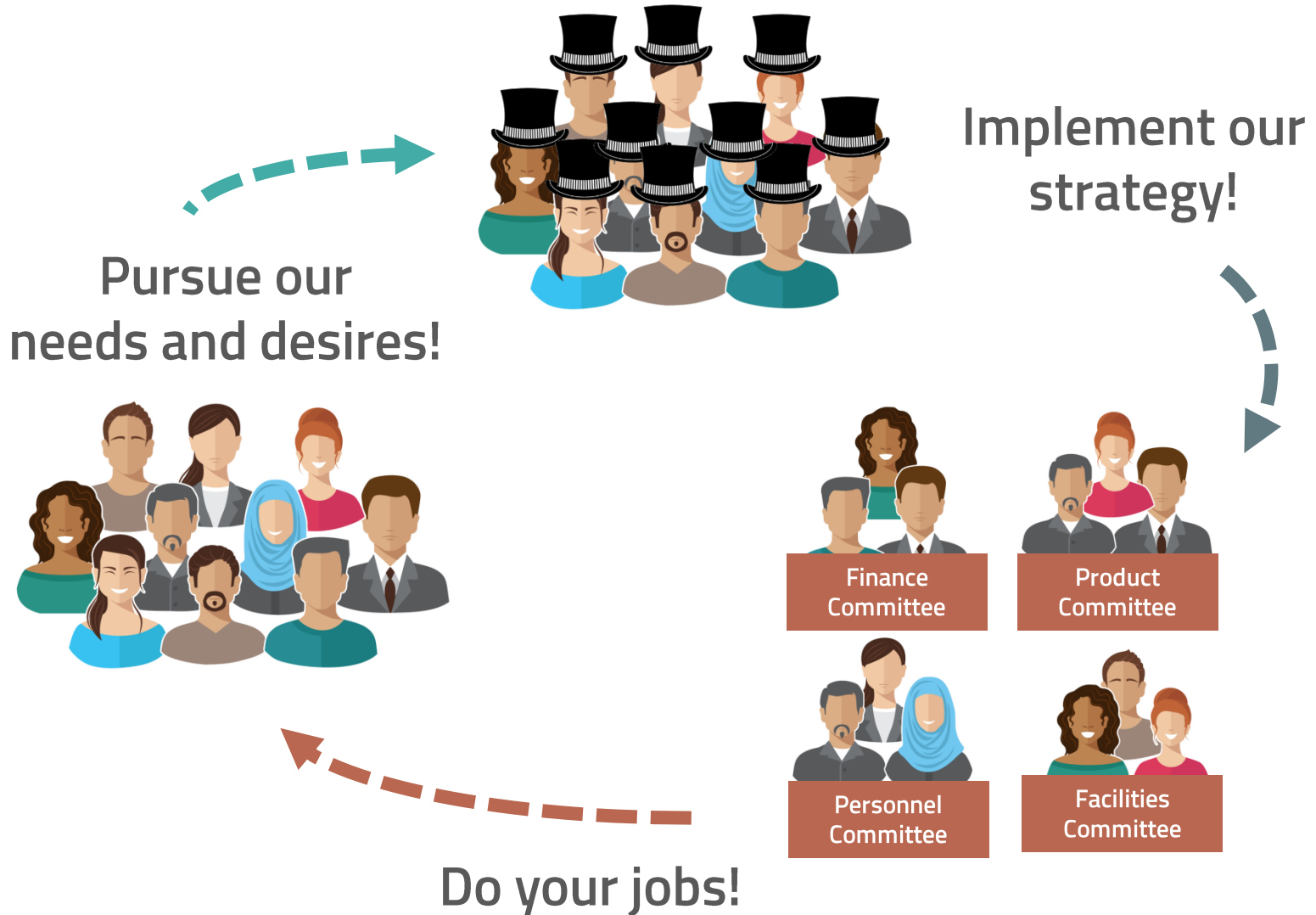


Do your jobs!





Your structure can be non-traditional.

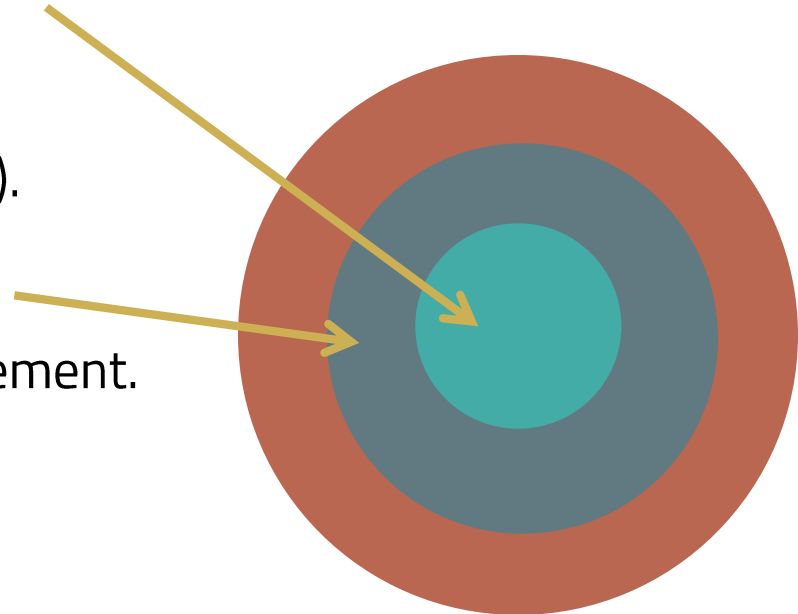


Co-op Capacity Development

- Build a team with a shared vision.
- Clarify what it means to be a member.
- Learn to delegate work.
- Practice accountability.

Business Development

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- Create a legal entity.
- Raise startup capital.
- Set up governance and management.



Where are you strongest?
Where do you need help?





Ecosystem development creates better conditions for success around you.



Where can we get technical assistance?



Should we connect to social movements?



Can we get customer commitments?



Can local government aid us?





Get technical assistance.

1

No one is expert in everything.

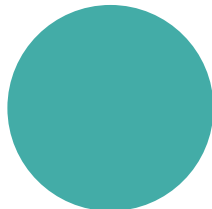
2

“Co-op developers” historically have been best at democratic process.

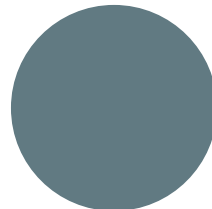
3

There is a lot of free business support, but it may be general.

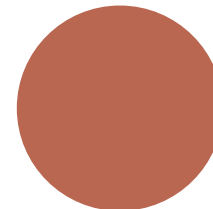
Cooperative
Developer



Business
Developer



Ecosystem
Organizer





Connect to social movements.

1

You can be a catalyst for change.

2

It takes effort to sustain that vision. Hire with this in mind.

3

Be accountable to live up to your promises of social change.





Get commitment and input from customers.

1

Sell coupons for the future as a fundraiser.

2

Win contracts at anchor institutions.

3

Have customers "vote" for flavors of beer or pizza





Align with government goals.

1

Become a preferred vendor.

2

Hire to support workforce development initiatives.

3

Get rent subsidies in targeted development zones.



Co-op Capacity Development

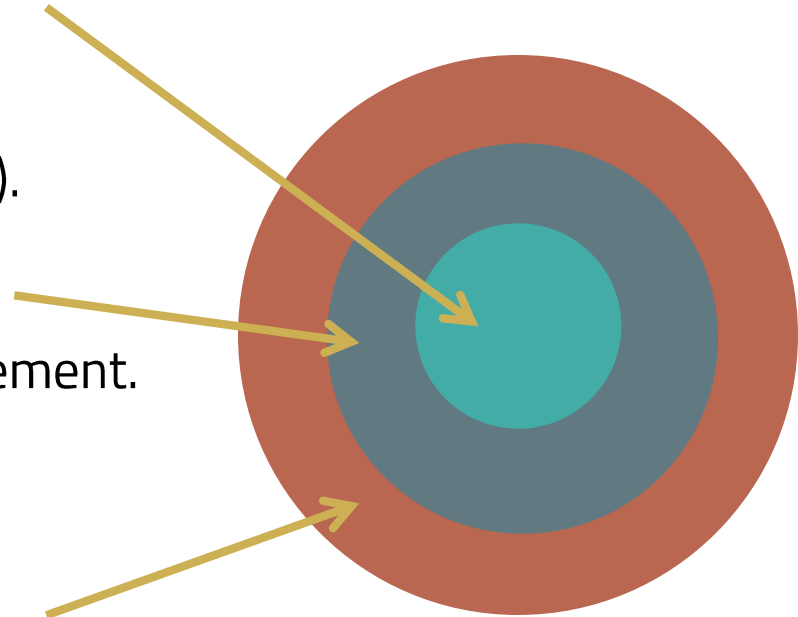
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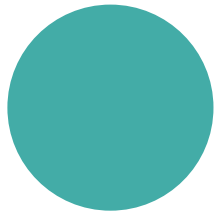
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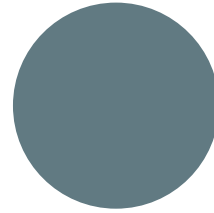
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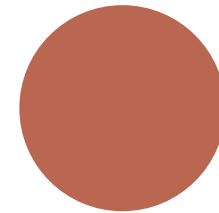
Cooperative
Capacity



Business
Development



Ecosystem
Development



Where do I start?



Entrepreneurs can play to their strengths
but should seek support for weaknesses.



Cooperative Capacity



I'm great at
group process.

Business Development



I love
spreadsheets.

Ecosystem Development



I can mobilize
allies.



Entrepreneurs can play to their strengths
but should seek support for weaknesses.





If you have three people in your group you could assign three areas of oversight:

Inside
the business



Shared vision
Membership
Decision-making
Hiring

The business



Product
Finance
Management
Legal

Outside
the business



Marketing
Customer service
Suppliers
Alliances



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