

# Reflections

- ◆ Co-op as democratic social enterprise
- ◆ Benefit of members — broadly defined
- ◆ Multiple bottom lines
- ◆ Co-operative as community asset
- ◆ Participation as competitive advantage
- ◆ Unique nature of co-op management...  
    “loyalty management”

# Reasons for Failure

Common challenges for new enterprises include:

1. Insufficient financing
2. Lack of business skills

There are also special considerations for worker co-ops:

3. Lack of shared objectives
4. Vague systems of participation and decision-making
5. Inappropriate ownership & equity structures
6. Isolation

# Ingredients of Success

1. Shared & clearly defined purpose
2. Clear roles, accountability & decision-making structures
3. Suitable ownership & equity structures
4. Education & training for co-operation
5. Feasible concept & business plan

# Ingredients of Success

5. Sound business practices
6. Adequate financing that supports member ownership & control
7. Experienced co-operative advisors & consultants
8. Networking with other worker co-ops through local, regional and national groups

Adapted from "Steps to Starting a Worker Co-operative,"  
University of California Center for Co-operatives

It is major anachronism of American society that democracy is defined as relevant only in the political sphere of life... Clearly a strong case can be made for bringing greater democracy into the workplace in order to create a citizenry that participates in all of the major areas affecting its daily circumstances and its future. In fact, it has been argued that political democracy must necessarily be seriously constrained in effectiveness in the absence of economic or workplace democracy."

— Zelda Gamson & Henry Levin in "Obstacles to the Survival of Democratic Workplaces"

[erbin@cooperativefund.org](mailto:erbin@cooperativefund.org)

# Want to Know More?

## Forming & Operating a Worker Co-operative 2:45 - 4:00 pm

This session will provide a step-by-step roadmap for creating a worker co-operative either from scratch or by converting a traditionally held company. We'll focus on the nuts and bolts of creating a worker co-operative and making it run smoothly over time. Governance roles, sharing of profits and day-to-day operations will be discussed.

Newell Lessell • ICA Group

# Resources

Cooperative Fund of New England

[www.coopfund.coop](http://www.coopfund.coop)

ICA Group

[www.ica-group.org](http://www.ica-group.org)

US Federation of Worker Co-ops

[www.usworker.coop](http://www.usworker.coop)

Valley Alliance of Worker Co-ops

[www.valleyworker.org](http://www.valleyworker.org)

Worker Co-operative Toolbox

[www.ncdf.coop/Toolboxes.html](http://www.ncdf.coop/Toolboxes.html)

Erbin Crowell • [erbin@cooperativefund.org](mailto:erbin@cooperativefund.org)

Newell Lessell • [nlessell@ica-group.org](mailto:nlessell@ica-group.org)

[erbin@cooperativefund.org](mailto:erbin@cooperativefund.org)