

Chapter 1 : How to Start A Worker Co-op - Shareable

A cooperative is a business owned and run for the benefit of the people using its services. [1] A common type of cooperative is a credit union. Some cooperatives are also run as non-profits, although this is fairly rare. A non-profit uses all revenue to pay for its operations. When there is an.

The worker coop is an alternative to the isolation of self-employment and the exploitation of traditional jobs. Worker coops can be more satisfying than working for the man. You still have to be responsible managing a coop, maybe more so, but your coworker-owners will likely be nicer and more understanding of personal needs and quirks than middle-management at any corporation. You will probably make more money by cutting out the investors and managers, unless you were one of them, in which case: In typical low-paying industries, worker-owners can make several times what they were pulling in as employees. For example, in Petaluma, California, Alvarado Street Bakery worker-owners take home around sixty-thousand dollars a year – a Hell of a lot better than working for minimum wage. As a worker-owner, you are less likely to get laid off, both because coops prioritize steady employment over short-term profits, and because they are more sustainable than their conventional counterparts. So what is a worker coop? There are endless variations on coops, which means there are many questions to consider before forming your own unique venture. Remember you are starting a real business, not a hippie commune! You will need a business plan, coop-specific legal incorporation documents, and capital to finance you in the beginning. Additionally, you will want an organization plan detailing how you will run your coop cooperatively. Courtesy of Rainbow Grocery One of the first barriers to starting a worker cooperative is finding others willing to be part of the initiating group. If you are working at a business that wants to be converted to a coop whether the managers know it or not, you may already have your members. To find new folks, it may be helpful to send an announcement to any work-related listservs like for groups interested in food justice, hackers, and even hippie communes and post flyers at related businesses or job assistance centers in your area. Invite people to a meeting for your new enterprise or better yet, hold a general coop matchmaker start-up fair where people can meet, get to know each other and discuss first steps. Invite pre-existing coops to offer initial advice, then set up a listserv or wiki that helps people find each other by posting new coop opportunities on an ongoing basis. Some worker cooperative development organizations listed below can help with this. What is your common goal and purpose? Fair employment for people of color, access to healthy food, sustainability, independent media, selling locally produced goods? This will make decision-making easier and get you through the tough times. Are you forming a new business or converting an old one? Being a coop gives you a leg up, but you still must provide a needed product or service that competes in the greater, cutthroat capitalist marketplace – until it collapses. You may need to make major changes to make it sustainable. Who will be on your team? It helps to have people in your crew with experience in your product or service, skills in running the different parts of a business management, accounting, marketing, etc. Your team needs to really be into the coop model, even if they learn the details later. How will new worker-owners join? Trial periods are highly recommended – think dating, engagement, then marriage – no need to rush. Some coops have a buy-in requirement to become an official owner. This can be in an initial lump sum investment, periodic deductions from paychecks, or sweat equity contribution to demonstrate serious long-term commitment and give equal power. Training new worker-owners how to run the business as a cooperative is crucial – people are often trained in the business world to compete, control, and manipulate, not cooperate or communicate. Your team really needs both. How will you manage your coop? Collectively, with rotating representative managers, professional hired managers? Usually big coops have more hierarchy and job divisions. Small coops tend to collectively manage and pitch in to run the different parts of a business. There is no one way, but democracy rules. Disguised and non-consensual hierarchies though can be particularly damaging to morale. How, when, and who will make decisions? Believe me, long indecisive meetings have killed more coops than the financial crisis. On the other hand, transparency, inclusion and frequent communication maintain the cohesiveness and trust of the group. Consensus works in small groups that get along and have a lot in common. In bigger, more diverse groups, it

can create enough inertia and conflict to stifle a business. The key here is not voting-rule dogma but developing a communication process that allows everyone to be heard and resolve disputes fairly. How much money will you need and where will you get funding? From your new worker-owners, a loan from the former owner, a loan from a bank try one that has loaned to coops successfully , or a grant for worker-coop start-ups? One failed coop can give them all a bad rap. That sounds like a lot of work. There are resources listed below to help you get started, including worker-coop development organizations. Starting a new coop can create jobs, not just for you, but also for people who may have never had the opportunity to own a business or earn a living wage. Worker coops are part of a larger movement to create an economy that is democratic, just, and takes care of everyone. And it can start with you and your coworkers.

Chapter 2 : Creating a Cooperative Culture | Grassroots Economic Organizing

Creating a more cooperative world will take the work not just of governments but also of ordinary people, including students, who come together to develop and promote ideas as well as to press their government to enact them.

Step by Step, Creating a Cooperative Economy. Is your cooperative committed to growing the cooperative business model? Cooperatives are the best model for social and economic progress. Those of us who have seen the model in action know this to be true and value the model all the more for it. How might we do more to ensure the success of cooperatives as a group? Food cooperatives, in particular, can focus energies on growing the cooperative economy in ways that make sense for their businesses and which are aligned with the cooperative principles. Principled purchasing For example, your purchaser makes decisions when selecting the products to stock: Should we carry both organic and conventional foods? Is local always better than far away? Is it okay to sell genetically modified food? Will we carry items from countries that are viewed as oppressive? Many co-ops were founded with a purpose that guides such decisions, or one evolved over time. Does a valuation of the cooperative business model guide purchasing decisions at your cooperative? On its face, it would seem that we want to reward those businesses that walk in our shoes. Many food co-ops stock products that are locally grown or made and highlight those products with signs that say "local. Please do the same for co-op-made products! Cooperation among cooperatives Many cooperatives participate in their communities and focus on the seventh principle: But in an effort to create a cooperative economy, consider "P6," the sixth principle: How might your food co-op follow this principle? Making their products available to your members is a great first step. Your next step could be to make your members aware of the other cooperatives, including credit unions, that are in your community or creating affinity programs that encourage your members to do business with these other cooperatives or join them, if possible. The credit union held the event to give its members, and anyone who wanted to attend, the "opportunity to chat with representatives of the participating co-ops to learn how the cooperative business model can allow companies to be agents for powerful social change while still providing valuable consumer benefits," SMCU reported. Attendees were able to sample products and learn about what the different co-ops had to offer their members. This kind of event delivers a significant message to consumer members about the value of cooperatives and is one that deserves more attention from all cooperatives. Take your values to the next level What good are we doing if our earnings go to perpetuate a system that is not in line with our values? You may feel this is a valid point, but you make your purchasing decisions based on other factors, such as local, organic or non-GMO. I say, "Great, but what are you doing to ensure that a favorite local producer will be here for the long term? If your co-op and your members love a certain product, you can make your supply of it more sustainable by helping that local producer organize a cooperative with other local producers. You will be helping to ensure a reliable source for the product and may be creating brand equity and consistent quality. Ocean Spray Cooperative started with three members; Organic Valley with seven; Cabot Cheese began with a much larger group of 94 original owners. Is the next national brand co-op currently serving your store? As the employee or director of a functioning cooperative business, you know the benefits and the challenges that cooperatives face. You can provide support that can make a difference. By demonstrating the benefits of cooperatives to our suppliers, we will be helping to create a greater understanding and acceptance of the model. We also can affect the quality and long-term supply of the product, and it may be possible to have some input as to how that product is sourced, produced, and packaged. There are numerous sources of information and assistance to those who wish to undertake the task of creating more cooperatives. Creating a cooperative supply chain Cooperatives operate in all sectors of our economy including housing, finance credit unions , energy, agriculture, insurance, worker-owned, child care, health and purchasing co-ops. Rarely, though, do cooperatives come together across those different sectors with a common purpose to build a sustainable community. Of course, we are fortunate if it happens of its own accord, but what if we deliberately and purposefully declared support of cooperatives as part of our mission? This could include both the effort to work more closely with existing cooperatives and to help create more co-ops. There is an expression often

used when speaking to those that already agree with you: Who better to take the next step and help spread the word about the opportunities cooperatives offer than those of us who believe in the model? I realize the many pressures co-ops feel when it comes to making purchasing decisions and the limitations on our ability to do all that needs to be done within our communities. But, for me, the effort to create cooperatives and strengthen the cooperative economy is always worth it. It is an empowering business model that rewards ownership in its finest form—shared ownership. It reduces philanthropic needs by allowing people to do for themselves what needs to be done. But it is hard—the model is complex, rarely taught in schools, and needs time, capital and great effort to ensure success. By working together to create more cooperatives, we ensure our own long-term success.

While some leaders may view their employees' happiness as an added bonus, team member happiness is actually essential for creating a cooperative company culture.

I received a Massena Fellowship to attend the program. This is partly because I do communications and outreach work for PACA, but more importantly, co-ops with active member participation are stronger, more resilient, and more democratic. In this article, I am mostly going to focus on my personal reflections and analysis. More participation means stronger co-ops that actually reflect the needs and goals of their members. The cooperative model is a structure, and we have to create culture within that skeleton. In an article titled Worker Co-ops: I believe this is a faulty and unexamined belief. A lot of hope goes with it, but there is little factual support for it. While this seems a bit harsh, proxy voting is allowed – one member can cast their own vote and up to two proxy votes. These meetings convene 30 people or so to have a deeper discussion of the agenda and issues of the General Assembly meeting. The actual full meeting can then spend more time making decisions and less time deliberating, although deliberation certainly takes place. The small group meetings give worker-members a chance to ask clarifying questions. The results of this strategy are impressive: How can we adjust and apply these strategies in our co-ops here in the United States? Making voting more accessible, such as by offering online voting, seems like an easy out – but only if the goal is limited to increasing the number of votes. Engagement has to happen on an ongoing basis before the moment of a vote. Many food co-ops use working-member programs to invite members to get more involved in their co-op while also lowering costs. In addition to working member programs, some Philadelphia co-ops have gotten creative in engaging their members. Children under 12 who are members of the club receive a free apple, banana, or carrot whenever they visit. Sprout members receive a sticker book that they get stamped each time they visit, and they can then redeem them for prizes and healthy treats. These programs are a great example of how to create personal connections within a large membership body. In their philosophy, education leads to increased participation and ultimately to social transformation. You are probably familiar with the 7 international cooperative principles. We can alter that definition, affirming that it is an educational movement that uses economic action. Credit unions offer budgeting and credit seminars, food co-ops host nutrition workshops, and healthcare co-ops give webinars on changes to Medicare. Some co-ops are building up their cooperative education programs. Cooperative education like that is not currently being offered on an easily accessible basis in the Philadelphia area. This is a need that PACA is hoping to meet. As a start, we have been working on a Co-ops presentation to be used at co-ops of all sectors in the Philadelphia area. Check out their 7 steps to a more democratic co-op poster series. These photos would be used in their glossy, full-color magazines. I was impressed by the fact that these co-op organizations are constantly, beautifully articulating their story and their mission both to themselves and to outsiders. As someone who does a lot of communications and outreach work for PACA, I was inspired and also overwhelmed. Does a mountain of brochures guarantee that co-op members are engaged and invested? But having shared stories does create culture. The articles appear to be written by worker-members from various cooperatives. Philadelphia co-ops are also producing their own media content. With its ads for local schools and businesses, the Shuttle feels like more of a community newspaper than TULankide. Staff members of The Energy Co-op each contribute articles to the blog. Recent posts include a story about commuting to work by bike, profiles on a local food co-op and a local credit union, and a guide to winterizing your home to keep energy bills low. Through member engagement strategies like working member programs, education, and media, the co-ops in Philadelphia create culture at their co-operatives. Our task now is to unite these institutions in launching a regional cooperative culture and identity. PACA is leading this effort, and we are lucky to have such a diverse network of cooperatives that are excited about building this culture together. But moving to scale – as Fagor did in entering the global market for appliances – means that the fate of the institution also rests on the fate of the larger market, and on competition within that market, whether global, as in the case of Fagor, or domestic, as in the case of many other industries. The fact, the key to the present situation, is that from the beginning the

union did not take absolute control away from the capitalists. I observed above that democratic structures alone cannot create strong cooperatives. Similarly, a worker cooperative structure that adopts corporate priorities to better compete on a global stage is likely not fulfilling the radical possibilities of that structure. On a more practical note, Boggs also predicted the automation of industry which has eliminated the vast majority of factory jobs in the half-century since he wrote. It should be no surprise then that our two biggest worker cooperatives in Philadelphia are in the service sector: Home Care Associates provides in-home care and Childspace Management Group operates three childcare centers. These jobs are place-based and could not possibly be outsourced. Worker cooperatives can be high-road companies in these and other low-wage job sectors. Home care cooperatives, for example, can provide higher quality service than conventional companies because they have less turnover see this University of Wisconsin report on home care cooperatives for more information. Thinking strategically about where co-ops have an advantage over conventional businesses can help focus our development efforts. Co-ops that try to compete in a global market designed and dominated by multinational corporations risk losing the powerful democratic culture that makes them vehicles for change. She tweets at cequigley sometimes.

Chapter 4 : Starting a Co-op | CDS - Cooperative Development Services

This PD course provides the teacher with an in-depth exploration of the cooperative learning approach along with tools for integrating it into all aspects of teaching.

Cooperation among cooperatives Concern for community Cooperatives values, in the tradition of its founders, are based on "self-help, self-responsibility, democracy, equality, equity and solidarity. Legal[edit] Such legal entities have a range of social characteristics. Membership is open, meaning that anyone who satisfies certain non-discriminatory conditions may join. Economic stability Capital and the Debt Trap reports that "cooperatives tend to have a longer life than other types of enterprise, and thus a higher level of entrepreneurial sustainability". This resilience has been attributed to how cooperatives share risks and rewards between members, how they harness the ideas of many and how members have a tangible ownership stake in the business. Additionally, "cooperative banks build up counter-cyclical buffers that function well in case of a crisis," and are less likely to lead members and clients towards a debt trap p. This is explained by their more democratic governance that reduces perverse incentives and subsequent contributions to economic bubbles. In the United Kingdom[edit] A report published by the UK Office for National Statistics showed that in the UK the rate of survival of cooperatives after five years was 80 percent compared with only 41 percent for all other enterprises. It is common for locally owned grocery stores , hardware stores and pharmacies. In this case, the members of the cooperative are businesses rather than individuals. Worker cooperative A worker cooperative or producer cooperative is a cooperative, that is owned and democratically controlled by its "worker-owners". In practice, control by worker-owners may be exercised through individual, collective or majority ownership by the workforce, or the retention of individual, collective or majority voting rights exercised on a one-member one-vote basis. A worker cooperative, therefore, has the characteristic that the majority of its workforce owns shares, and the majority of shares are owned by the workforce. Membership is not always compulsory for employees, but generally only employees can become members either directly as shareholders or indirectly through membership of a trust that owns the company. The impact of political ideology on practice constrains the development of cooperatives in different countries. That is the form of the Indian Coffee Houses. This system was advocated by the Indian communist leader A. In places like the UK, common ownership indivisible collective ownership was popular in the s. In there were registered societies with a total membership of well over , Volunteer cooperative[edit] A volunteer cooperative is a cooperative that is run by and for a network of volunteers, for the benefit of a defined membership or the general public, to achieve some goal. Depending on the structure, it may be a collective or mutual organization , which is operated according to the principles of cooperative governance. The most basic form of volunteer-run cooperative is a voluntary association. A lodge or social club may be organized on this basis. A volunteer-run co-op is distinguished from a worker cooperative in that the latter is by definition employee-owned , whereas the volunteer cooperative is typically a non-stock corporation , volunteer-run consumer co-op or service organization , in which workers and beneficiaries jointly participate in management decisions and receive discounts on the basis of sweat equity. Social cooperative A particularly successful form of multi-stakeholder cooperative is the Italian "social cooperative", of which some 11, exist. They are legally defined as follows: The categories of disadvantage they target may include physical and mental disability, drug and alcohol addiction, developmental disorders and problems with the law. They do not include other factors of disadvantage such as unemployment, race, sexual orientation or abuse. Employees can also generally become members. Members vote on major decisions and elect the board of directors from among their own number. The first of these was set up in in the North-West of England by 28 weavers who wanted to sell food at a lower price than the local shops. Business and employment co-operative Business and employment cooperatives BECs are a subset of worker cooperatives that represent a new approach to providing support to the creation of new businesses. The innovation BECs introduce is that once the business is established the entrepreneur is not forced to leave and set up independently, but can stay and become a full member of the cooperative. The micro-enterprises then combine to form one multi-activity enterprise whose members provide a mutually supportive environment for

each other. BECs thus provide budding business people with an easy transition from inactivity to self-employment, but in a collective framework. They open up new horizons for people who have ambition but who lack the skills or confidence needed to set off entirely on their own or who simply want to carry on an independent economic activity but within a supportive group context. New generation cooperative[edit] New generation cooperatives NGCs are an adaptation of traditional cooperative structures to modern, capital intensive industries. They are sometimes described as a hybrid between traditional co-ops and limited liability companies or public benefit corporations. Non-monetary cooperative[edit] A non-monetary cooperative provides a service based on entirely voluntary labour in the maintenance and provision of a particular service or good, working in the identical manner of a library. These co-ops are locally owned and operated and provides the free rental of equipments of all kinds bicycles, sports, gear. This idea has been said to reduce general human consumption of goods, a key subject in sustainable development. The third largest bank, Raiffeisen , is a cooperative as well. The top largest cooperatives were listed in by the International Co-operative Alliance. In the United States, cooperatives, particularly those in the Midwest, are analyzed at the University of Wisconsin Center for Cooperatives. Housing cooperatives come in three basic equity structures In market-rate housing cooperatives, members may sell their shares in the cooperative whenever they like for whatever price the market will bear, much like any other residential property. Market-rate co-ops are very common in New York City. Limited equity housing cooperatives, which are often used by affordable housing developers, allow members to own some equity in their home, but limit the sale price of their membership share to that which they paid. Group equity or zero-equity housing cooperatives do not allow members to own equity in their residences and often have rental agreements well below market rates. Members of a building cooperative in Britain known as a self-build housing cooperative pool resources to build housing, normally using a high proportion of their own labor. When the building is finished, each member is the sole owner of a homestead, and the cooperative may be dissolved. Nowadays such self-building may be financed using a step-by-step mortgage which is released in stages as the building is completed. The term may also refer to worker cooperatives in the building trade. In the United States, many cooperatives were formed to provide rural electrical and telephone service as part of the New Deal. See Rural Utilities Service. In Tanzania, it has been proven that the cooperative method is helpful in water distribution. When the people are involved with their own water, they care more because the quality of their work has a direct effect on the quality of their water.

Chapter 5 : Create your co-op | Co-operatives UK

But in an effort to create a cooperative economy, consider "P6," the sixth principle: cooperation among cooperatives. How might your food co-op follow this principle? Making their products available to your members is a great first step.

Platform cooperatives, which share the value they create with the users they depend on, are on the rise. What if Airbnb was owned and governed by its hosts? A growing number of platform cooperatives are making their presence known on a global scale. There are many more. Fairmondo Fairmondo is a digital, co-operative version of eBay, where sellers on the platform are also its owners. It has funded itself through a series of successful crowdfunding campaigns that have raised hundreds of thousands of Euros in member equity. Stocksy Stocksy is a stock photo site where contributing photographers are also owners. Every Stocksy contributor receives a share of the company. Backfeed bills itself as, "a social operating system for decentralized organizations. Drivers are increasingly organizing taxi cooperatives for better pay and working conditions than what traditional taxi companies and Uber can offer. Union Taxi appears to be doing both. CWA Communications Workers of America Local helped the drivers form the cooperative and plays an ongoing support role. By driving for Union, cab drivers cut their car lease rate by two-thirds. They were taking home a lot more of their money that they were making, and everybody was contributing the same amount to the business. Modeled after Uber, the ride-sharing platform aims to give drivers more control over their business and provide passengers an opportunity to support a French company. Uber is not representative of our community They are a technology company which has no connection with the world of transportation. So they treat human beings like a number "€" you know, like a figure on a computer. Modo Modo is a Vancouver-based consumer car sharing co-op. Based in Barcelona, the Timefounder team aims to "enable collaboration with fair equity split. Enspiral Enspiral is a collective of social enterprises and freelancers that makes, uses, and distributes free apps for decision making and budgeting. Tapazz Tapazz is a peer to peer carsharing co-op in Belgium. Peerby Peerby is a Dutch neighbor-to-neighbor goods sharing platform. A certified B corp, Peerby plans to use the funds, which surpasses the total venture capital dollars the startup raised previously and makes it one of the most successful international crowdfunding campaigns ever, for product development and international expansion of a new business model named Peerby Go, with a specific focus on the UK and North America. What are your favorite platform co-ops? Please share in the comments.

Chapter 6 : 11 Platform Cooperatives Creating a Real Sharing Economy - Shareable

For example, if you're creating an agricultural cooperative, you would go into detail about the types of crops you planned to grow, the people who would help at various stages of production, and how the crops eventually would be divided among the members.

Share via Email A lot of preparation is needed before you get to the starting line. Whether the members are customers, employees or residents they are everyday people who have an equal say in what the business does and a share in the profits. There are thousands of successful co-operatives in the UK and across the country more and more people are choosing to create new co-operative businesses, either starting a new business or converting an existing business or service into a co-operative. Co-operatives offer a flexible model for new businesses. They can be set up by employees, consumers, local residents and businesses and already work well in everything from healthcare to housing, wind farms to web design. There are two key elements to the pre start stages of a co-operative: This early planning and research phase will generally occur before you involve any professional help in the start-up and allow you to make much better use of the time of a co-operative business specialist later on. It may come when a local business goes up for sale. It may come after seeing an inspirational co-operative somewhere else. Or it might happen because the business or even local authority team you work in is to be sold or outsourced. In all cases there will be an idea, a need. The next, critical, step is some sort of realistic idea of how this could work as a business. An early exploration of the idea Is it practical? Is there a market? Could it make money? Is it, basically, a business idea not just an idea? It is useful to run your ideas past someone else at this stage – a critical friend who will often be able to spot flaws or even additional ways in which the idea may be improved. Governance, or who gets their hands on the steering wheel? This is a critical question for any organisation. Co-operatives have a closer relationship with their customers, employees and community than many other businesses, because some or all of them will be the members of the co-operative and so have a say in how the business is run through a range of democratic processes. So, answering this question of who owns and controls the co-operative will determine who the members are. Co-operative ownership normally falls into one of four categories: Does everybody want to achieve the same thing? If not is this going to be a problem? A good idea of the "vision" of the co-operative – why it exists, what it is going to do and where it intends to be in 1 and 3 years. An elevator pitch – you need to be able to explain your co-operative business in the time it takes to share a lift? Clarity on who the members of the co-operative are. An idea of who is doing something similar and who can help you. Mark Simmonds is a field officer at Co-operatives UK , the trade association for co-operatives. Over the next three months Co-operatives UK will launch its new online support service for anyone wanting to start, grow or advise a co-operative business. This content is brought to you by Guardian Professional. To join the social enterprise network, [click here](#).

Chapter 7 : Creating a Cooperative Company Culture

Member engagement and cooperative culture in Mondragón and Madrid co-ops Mondragón and the Madrid co-ops had some lessons to share about how to create a culture of democratic participation. The cooperative model is built for democracy, but "one member, one vote" is only an invitation.

What are Business Entities? Why is it important to choose the right entity when forming your business? A business entity describes the legal structure under which a business operates. If you wish to start a cooperative business, it is important to choose the right entity for a number of reasons, including the application of employment law, liability, and taxation. This chapter includes a very broad overview of such issues. For additional discussion, please refer to the other relevant chapters in this manual. What if I start doing business before forming an entity? If you start doing business before officially forming an entity, the law presumes that you are either a sole proprietorship if there is one business owner, a general partnership if there are multiple owners of the business or, in certain cases, an unincorporated association. These entities pose a risk to their owners because someone who sues an unlimited liability entity can reach not only the assets of the business, but also the personal assets of the owners, such as their car, bank account, or home. When thinking about whether you need a limited liability entity, think about the activities your business will engage in and the risks these activities may create. For example, will you be serving food to people? Will they be walking into your store? Will you have employees? Think about what could possibly go wrong in all of these scenarios, and then prepare yourself for the chance that you or your business may get sued. How do I protect my personal assets? Form an entity that is protected by the limited liability shield! The most common limited liability entities are limited liability companies LLCs and corporations. In most cases, if you form your business as a limited liability entity and maintain its entity status, you can protect your personal assets. Beware though! Limited liability entities usually cost money! Do I need insurance? Even if you have a limited liability entity, you should still get insurance. This is because, while the entity protects your personal assets, it will still cost you money to defend yourself or your business if you get sued. A good insurance policy will cover those legal expenses. The main type of insurance you should consider is general liability insurance, which covers bodily injuries, property damage and other losses that could occur as a result of the operation of your business.

Cooperatives that are not Cooperatives When helping a client to start a cooperative, the first thing an attorney should do is review the cooperative statutes in the relevant state. This is always an interesting exercise because state laws governing cooperatives vary so much. You may find there is no cooperative statute at all, or you may find there are three or four different cooperative statutes for various purposes. For various reasons, you may end up deciding that your client would be better off forming under a non-cooperative statute. They will be working on software for a while before they will have any real income. As someone who is familiar with employment law, you know that if a group of people form a corporation and work for the corporation, there might be a presumption that these people are employees. However, this presumption may have recently been weakened by the U. See the section on Employment Law. This means that the members of the cooperative would have to be paid at least minimum wage from day one, and all other employment law requirements would apply, such as the need to do payroll tax deductions, purchase workers compensation insurance, pay overtime, and so on. In this case you may suggest that your clients form an LLC structured like a cooperative. Of course it would be essential to read Chapter 7 of this book and research these issues in your state before making a recommendation. In this case, you may advise your client to form a membership nonprofit and apply for c 3 tax exemption. The parents would be entitled to elect the board on a one-member-one-vote basis just as they would in a cooperative, but the organization would be eligible to receive tax deductible donations and grants that a cooperative would not be. This type of entity is used by some cooperative housing groups, cooperative groceries, credit unions, and other consumer cooperatives. The important point is that a group of people that want to form an organization that follows cooperative principles may or may not end up forming an actual statutory cooperative. Choosing an Entity for a Worker-Owned Business A worker-owned business should probably form as some type of limited liability entity. The business has many choices in entity

formation, including forming as an LLC, a domestic stock corporation, a cooperative corporation, a flexible purpose corporation or a benefit corporation. However, the most commonly used entities for worker-owned businesses are the cooperative corporation and the LLC. Cooperative Corporation or LLC? What are some important benefits and considerations of the LLC and the cooperative corporation? The following are some main differences between the LLC and the cooperative corporation. The question of whether cooperative corporation members are employees is a complicated legal issue discussed in the employment law section of this handbook. If the members are indeed considered employees, then members would have to be paid at least minimum wage. In contrast, LLC owners are not generally considered employees. Governance structure The LLC also tends to be a more flexible type of organization. The rules governing the operation of an LLC are contained in the Operating Agreement, which is agreed to by the worker-members of the company. However, because the Operating Agreement is so flexible, there is a risk that future worker-owners could change and remove the cooperative provisions, unless the Operating Agreement is structured carefully to avoid such possibilities. This ensures that worker-owners continue to own and control the business. Also, a cooperative corporation must have a board of directors. A limited liability company may or may not have a board of directors. Profit-sharing and taxes Both the LLC and the cooperative corporation allow for worker-owners to share in the profits of the business. LLCs and cooperative corporations both have tax advantages when compared to other corporate entities, because they are able to avoid double taxation. Typical corporations have to pay taxes once on their profits at the corporate level, and shareholders must pay taxes again when they receive dividends, hence the term double taxation. However, if it meets the requirements of Subchapter T of the Internal Revenue Code discussed later in this manual , the cooperative corporation would avoid double taxation. Below are factors to consider about various entity types.

Chapter 8 : How to Set Up a Cooperative Business (with Pictures) - wikiHow

Creating a cooperative You can create a cooperative under the Canada Cooperatives Act (Coop Act) by filing an application with Corporations Canada. The information below will assist you in preparing your application.

With team building tips, leaders can take their individual team members and turn them into one cohesive team. Team building tips to bring individuals into one cohesive team Learn. Technology is constantly changing, and great leaders understand the importance of keeping up with the times as they change, states How to Help an Overwhelmed Team. Not learning how to use new, more efficient technology is a deeper issue than it may initially appear. One of the top reasons that team members feel overwhelmed is poor communication. One way that leaders exhibit poor communication habits is by inundating team members with countless emails. While these leaders may feel that they are communicating effectively, team members actually feel overwhelmed by the volume of emails and essentially tune out and do not retain the information presented. The article suggests embracing new technologies, such as online collaboration tools, that can inform all team members of essential information. A large part of success comes from taking risks, but risks bring a fair amount of failure, according to How to Stand Out as a Leader: Effective leaders only become that way once they embrace the opportunities presented to them and devote their time to making innovations and improving the organization. Effective leaders also understand the importance of others taking risks, and they encourage their team members to do the same. Failures should not be seen as obstacles, but rather as advantages and important learning moments. Embrace the social aspect of leadership. People make the business. People are your employees, your customers and your livelihood, so learning how to interact with people is essential for success, states Fareed Zakaria Shares 4 Key Ways to Become an Incredible Leader. Within the organization and among team members, all employees need to understand how to work in a team to reach goals and achieve results. The idea of teamwork translates into all aspects of the business, including sales, funding and advancements, and many others. With team member surveys, leaders can assess how their team members function as a team and identify areas that need improvement. Authentic leadership means embracing your true nature and encouraging others to do the same, says The Business Impact of Authentic Leadership. Leaders and team members who feel that they must hide their true selves in order to be accepted at work are less able to concentrate on their tasks and perform to the best of their abilities. To create an authentic workplace culture for everyone, leaders must embrace authenticity themselves, show their true colors and instill trust within their team members. By doing so, team members will be more productive and experience lower burnout rates than inauthentic members. Upgrade the workplace environment. According to 30 simple ways to make your employees happier, research constantly explains the benefits of happy employees, which include more productivity and lower turnover rates, among others. Leaders can start to improve the culture by first focusing on the workplace environment. Some ways that leaders can upgrade the environment include offering a separate break room that allows employees to step away from their desks and take an actual break every few hours. Encouraging breaks allows employees to recharge and come back to work refreshed and refocused on the tasks at hand. Leaders can also create better morale by keeping the space bright and light. Creating one cohesive team is the only way that organizations can experience success in the workplace. Without a sense of unity, team members will not take any stock in their work, which will lead to higher burnout and turnover rates. Leaders can combat this company culture issue by first assessing the teams culture with strategic group behavior assessments. With the guidance from these assessments, leaders can then implement other team building tips that will improve the overall workplace culture to reach goals and experience. Submit a Comment Your email address will not be published.

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