

The Valley Alliance of Worker Co-operatives

Supporting the Success of Worker Co-operation in the Valley & Beyond

End of Year Report

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Introduction to Annual Report

Revisiting the past is always rewarding in tracking our effectiveness. Our 'co-op of worker co-ops' has reached its fifth year directing and funding support, education and development for its Member Co-ops, our community and the co-operative economy. In 2009 VAWC had five Member Co-ops, a website formatted like a wikipedia page, no experience in conversions or start-ups and were unknown outside our Members and a handful of supporters. Our finances were administered by the US Federation of Worker Co-ops, our Advisory Committee was in its second year of operation and we were having our first articles being printed by Grassroots Economic Organizing and the USFWC newsletter. Our educational outreach was limited to classroom visits and a couple national and regional conferences and our advertisements in food co-op newsletters were just beginning.

Since then we've moved forward towards our goals, many of them first laid out in the VAWC Road Show in 2008 and '09 where all worker co-ops in the area were asked what they wanted. Here's VAWC by numbers:

7,200,000+ The number of dollars VAWC Member Co-ops earned together in 2012 (2013 #s soon)

35,000+ The number of dollars in charitable contributions from VAWC Member Co-ops to the community in 2013

12,000+ Number of members of other co-ops that saw our advertisements featuring VAWC Member Co-ops in our *Working For a Co-operative Economy* campaign.



9,987 Total number of dollars in VAWC's Interco-operative Loan Fund (also, see #1 below)

400+ Number of workshop or class attendees in VAWC Staff presentations about members and affiliates

230+ Number of undergrad students who were enrolled in classes last year focused on co-ops through the Co-operative Enterprise Collaborative that VAWC co-founded.

70 Number of worker-members in VAWC Co-ops

14 Number of workshops led/co-led by VAWC in 2013

12 Number of radio shows or articles featuring VAWC and VAWC Members in 2013

8 Number of VAWC Member Co-operatives

5 Number of conversions VAWC has supported since 2009

1 The number of VAWC Fund Loans approved! We are very excited to share that VAWC has approved its first loan from our VAWC Loan Fund to Simple Diaper and Linen for the purchase of a delivery vehicle. It is great to fund a purchase that both saves a Member Co-op money as well as successfully distributing surplus funds from member co-ops to areas of need.

ALSO the number of new Member Co-ops for VAWC

ALSO the number of awards we received this year!



Congratulations to all VAWC Members! VAWC won the 2013 Award for Cooperative Advocacy and Development from the Eastern Conference for Workplace Democracy.

Report of Activities May 1, 2012 to April 30, 2014

These are just the highlights of our activities that are detailed below. What remains clear is that the belief, erupting out of the Road Show in 2008-09, that a co-op led and funded support system is not only possible but effective. Congratulations to Member Co-ops, Co-op Reps and the Board for these accomplishments!

Marketing and Advertising

Gaining access to business opportunities is a main focus for VAWC and VAWC Staff. VAWC runs advertisements featuring VAWC Member Co-ops - our *Working for a Co-operative Economy* campaign - in four newsletters reaching 12,000+ co-op members from other co-ops and sectors. We were on WHMP twice last year talking about our co-ops and were featured on a one hour panel talking about the co-op movement in our region. Through our Board membership on Valley Co-operative Business Association we also delivered affordable and simple advertising opportunities for VAWC Members in the Valley Advocate (50,000+ readership).



We also elevated our social media presence with Facebook and Twitter pages reaching new audiences than we had previously. We have prominent economists (Rick Wolff), co-op CEOs (Michael Beall of National Cooperative Business Association), dozens of co-ops and even Congressmen follow us or like us and our work. Posts focus on VAWC as well as VAWC Member Co-op successes, promotions, activities, etc.

VAWC approves Interco-operative Fund Loan to Simple Diaper and Linen: *First Allocation of Funds*

In March, 2014 VAWC Membership approved a loan to Simple Diaper and Linen to purchase a van for their deliveries. It is exciting in many regards as our Fund has served many purposes - being an investment in co-operatives in the Co-op Fund of New England, additional capital assets to members, allocating funds to areas of need from areas of success, etc. Also exciting is that this loan application was rejected by other lenders leaving the VAWC Fund as a resort that Simple had access to in an important time of meeting growing need. To our knowledge this is the first such loan from an incorporated system of worker co-ops to a member in the US. Thanks to the VAWC Board, congratulations to VAWC Member Co-ops and to Simple Diaper and Linen in being part of co-op history.

Building Interco-operation in our region and nation

We were reminded of the impact we're having on the regional as well as national co-operative movement when Pat Sterner (Chief Operating Officer, National Co-operative Business Association) said during a speech:

"I'd like to thank VCBA and VAWC for being leaders in the co-operative movement, especially through conversions."

It's not everyday you get recognized by the second highest person in the country's largest cross sector group in our co-operative movement. In speaking with her and Tom Decker (Director of Domestic Development, NCBA) during their visit to our region in October 2013 they recognized that the co-operative led and funded model we're using is cutting edge and is unique in bringing in participation from worker co-ops. Having secondary co-ops like VAWC address issues larger than one co-op can face effectively like education, marketing, strong co-op identity and the development of new co-ops is something NCBA recognizes the value of and appreciates all VAWC Member Co-ops for making it happen.

VAWC is a founding member of the Valley Co-operative Business Association (www.vcba.coop) that Ms. Sterner referred to in the quote and VCBA itself incorporated as a co-op this past year. The secondary co-op model we use is spreading!



VAWC also maintains a presence at the Neighboring Food Co-op Association (www.nfca.coop) gatherings, educating food co-ops about our model and offerings. Since the beginning, our vision is based on working with cross sector collaboration just as much as worker co-ops working together and we're proud to work so closely with these other co-ops.

Introducing Organizational Affiliates VAWC approved two non-member participation levels as an attempt to invite participation from other co-ops across sectors inviting them to participate in our dialogs, receive annual reports and are included in our educational programming. Thanks to Webskillet, Franklin Community Co-op and Pelham Auto for becoming our first Affiliates! For details, go to our website and click on 'Affiliates'.



Member Relations

VAWC Staff has worked directly with a number of VAWC Member Co-ops this past year relating to growth, fiscal health, surplus distribution and building equity. Working with VAWC Member Co-ops to acquire new business opportunities, elevate their level of attention in our market and educate consumers in our region and movement about their offerings is a constant effort on behalf of VAWC Staff. Here are some highlights of specific activities for some Member Co-ops:

Pioneer Valley Photovoltaics: VAWC Staff developed a proposal for Surplus Distribution to build equity, Internal Capital Accounts and formalize distribution to maximize the strength of their surplus.

Brattleboro Holistic Health Center Co-op: BHHC had an MBA student as an intern - Jessica Bonnano - placed through VAWC in the summer of 2013. Since then VAWC Staff has followed up on the work by BHHC members and Jessica with creation of a Surplus Distribution Policy Proposal and a Membership Agreement. Next up are marketing assistance for tourist and health care markets.

Simple Diaper and Linen Co-op: VAWC Staff is working with Simple members to expand their service region, their member ship and, like BHHC and PV2, to use their surplus to build equity, pay down debt and reward members for their singular contribution to this growing co-operative.

Broadfork Permaculture Co-operative: Since their conversion in early 2013 VAWC has worked with Broadfork members to continue their development. With support from the Democracy at Work Institute and Alex Jarrett (DAWN Peer Advisor and Pedal People member) Broadfork received educational modules about structure and governance, co-op operations and history and marketing and advertising support.

Co-opreneurship

It is of note that, to our knowledge, a total of six worker co-ops formed in the 20+ years before VAWC's formalization in 2009. Four of those are member co-ops (Pedal People, Gaia Host, Co-op 108 and PV2). Since VAWC engaged in co-operative development we have had six new worker co-ops (5 conversions and a start up) develop and join VAWC with our support.

This year we supported our fifth conversion to the worker co-op model - Stone Soup Farm Co-operative. Support came in the form of: legal and structural development (Articles of Incorporation, Bylaws); financial planning assistance (buy-out agreements and capitalization); governance and even product distribution (fellow VAWC Member Co-op Collective Copies will be a drop off site for CSA share pick-ups in Florence and Amherst, MA).

The Fifth Co-operative Principle: Education

In an effort to support the needs of worker co-ops in our region and develop curriculum for students to learn about the nature and benefits of worker co-operation, VAWC co-founded the UMASS Co-operative Enterprise Collaborative



100+ Students taking their mid-term exam about co-operatives in our Certificate in Co-operative Enterprise

(CEC) in 2010. For four years now we have co-run the Certificate in Co-operative Enterprise at UMass, Amherst. As part of this program we have had 10+ interns perform over three thousand hours for VAWC Member Co-ops. Some highlights:

Overenrollment in our class - Economics of Co-operative Enterprise was so popular we had two different sections this spring semester.

New Introductory class - We also are proud to announce a new class taught by Erbin Crowell (Executive Director, Neighboring Food Co-op Association and first VAWC Staff) Introduction to the Co-operative Movement with over 100 students.

Impact Statements - One of the activities interns perform is building economic and environmental impact statements. You can go online to our website to see those created for Pedal People and Collective Copies. This is excellent material to have as we approach those in legislature, co-operative development and economic development organizations.

Internal Education: VAWC Owners Manual

Summer of 2013 we released the *VAWC Owners Manual*. Each Member Co-op got 2 copies that included their own co-op history, policy books, bylaws, Articles of Incorporation as well as regional co-op history and VAWC operations and history. A major feature of international co-op complexes is an education and training platform for new members that is shared and informed by member co-ops and our manual is a major step forward for any new co-op or member. Meant to augment individual member co-op's training, a Manual is a basis to provide a tool for the education, training, and empowerment of co-op members that supports member co-ops as well as supports our common goals as a co-op system.

Conclusion to Report

It is important to remember where we came from, the reasons we all had in mind and heart to set out in the direction we did. Likewise our challenges and successes are important to remember and learn from. Supporting and developing inter-industry worker co-ops of different ages with differing needs provides many growth opportunities and I as Staff would like to congratulate all involved for meeting these opportunities and succeeding beyond the goals from the VAWC Road Show in 2008-09. As tribute to the work of VAWC Member Co-ops here is a statement from co-op historian John Birchall along with our map and Pre-Amble from our Member Agreement:

"The prospect of providing economic returns to members encourages development agencies to see co-ops as a method of rural development... We have seen how problematic such aims are in practice... there has often been a bureaucratic approach to co-operative organization, a lack of sustained educational efforts... lack of continuing support for existing co-ops, and a consequent high level of mortality. Yet the successful community-based co-ops which we have identified show that integrated community development through co-ops is possible, provided it is done through development agencies which are themselves sponsored by strong co-operative sectors with access to credit, business expertise and community development skills."

International Co-operative Movement, pp 228-9

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The Valley Alliance of Worker Co-operatives (VAWC) is rooted in the ideals of co-operation, mutuality and solidarity. VAWC is itself an expression of co-operative principles — a “co-op of co-ops” that have come together as a means of strengthening the efforts of our individual co-ops to develop their businesses, serve their members, and contribute to the wider co-operative economy. Our core goal is to provide ourselves with the resources and support we need to advance our co-operatives, empower our members, and benefit more people in our communities. In joining with VAWC, our co-ops commit to solidarity as expressed by the following provisions of membership.

