



The Valley Alliance of Worker Co-operatives

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

Annual Report 2016

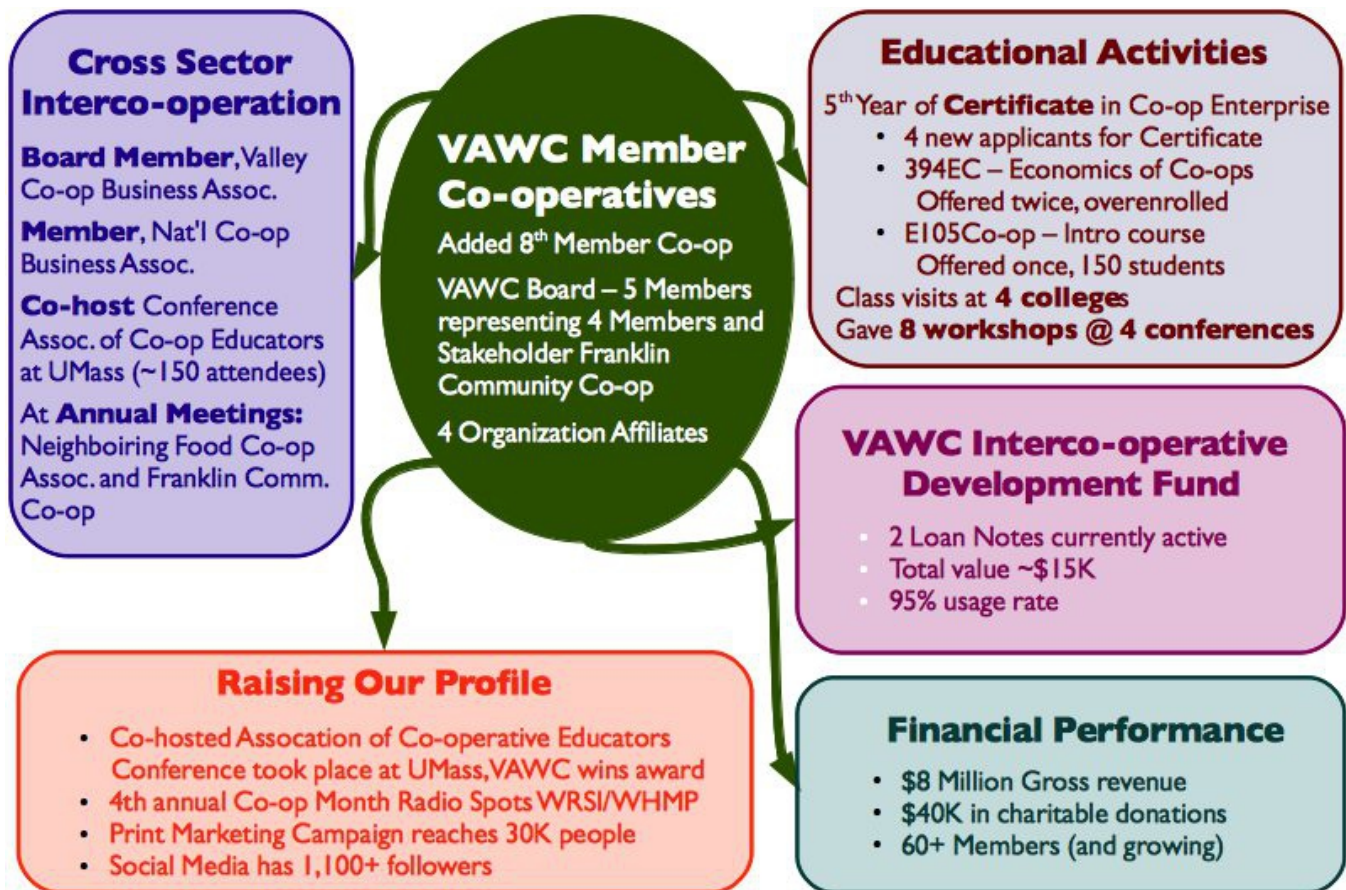


*Working
for a Co-operative Economy*



Introduction to 2015-16 Annual Report

We are proud to report another year of growth in Membership and Activities including Marketing, Education and Interco-operation. Our success is due to our foundation of **a) Democratic Member Control** as our Member Co-ops run this secondary co-op {where worker co-ops are Members} and **b) Member Economic Participation** with Member Co-ops providing an overwhelming majority of our budget. The security and clarity of our goals allows our Board, Staff and Representatives to focus on serving our Members' Needs and Goals. This year we've increased and improved in many facets:



Congratulations to Member Co-ops, Co-op Representatives and the Board for these accomplishments. In the next few pages we'll cover the activities and accomplishments of the last twelve months, from May 1, 2015 to April 30, 2016.

Report of Activities

May 1, 2015 to April 30, 2016

We celebrated our 10th anniversary this year in September with gratitude for how far we've come - remember Structure Committees meeting at picnic tables? - and dreams of where we are headed.

To begin with we handed out Awards to honor our Members and supporters:

- **2015 'Jesse Owens' Payment Award** (for speediest and accurate invoice payments) – Winner is Collective Copies
- **2015 'Jose Arizmendiarieta' VAWC Economy Builder Award** (for the most interco-operative purchasing activity among Members) – Winner is Simple Diaper & Linen Co-op - 2 year champ!
- **2015 'Emilia Romagna' Cross Sector Collaboration Award** (for providing exemplary support for our o-operative) – Winner is Franklin Community Co-op (Green Field's and McCusker's Markets)
- **2015 'Julie Graham' Solidarity and Culture of Enjoyment Award** (for setting a high standard of participation, trust and support) – Winner is Brattleboro Holistic Health Center (BHHC)

We continue to move forward in our goals as determined by our Co-op Representatives and Board. Our co-op led and funded support system continues to have the most conversions to worker co-operatives of any organization in the US, continue to be financially solvent and have grown in our reach for marketing and education.

Congratulations to all VAWC Member Co-ops and their members for 10 years of co-op led support and development!

Marketing and Advertising

On-going Marketing Activities: Increasing reach and outlets

Our focus in marketing remains with movement media with some additional local outlets. Our **'Working for a Co-op Economy'** celebrates its sixth year and runs in three food co-op newsletters. 'Working' reaches more people every year - this year about 29K - with the rationale being to draw the attention of co-op members that are already active in co-operatives and direct it to our entire system.

'Working' achieves multiple goals:

- a) VAWC is picking the 'low-hanging fruit' of people who understand the value of co-ops in their own lives and applies it to us;
- b) 'Working' features individual Member Co-ops and draws attention to the full palette of services available so customers of one co-op are introduced to other; and
- c) we're building relationships with our area's food co-ops in supporting their newsletters and spreading the word across co-op sectors about VAWC and our Member Co-ops.

Additional advertisements were also placed in the US Federation of Worker Co-operatives newsletter increasing our reach with nation wide market appeal.



Suzette Snow Cobb of Franklin Community Co-op accepting the 2015 Emilia Romagna Cross Sector Award from Adam Trott, VAWC Staff.

Working for a Co-operative Economy

A Co-op for Your Skin?
Pamper yourself or a loved one with luscious bodycare products from **Co-op 108**. Available in the bodycare section of your food co-op! 
Go online or call for more information.

 **Together, we are working
for a co-operative economy.**

WWW.VALLEYWORKER.COOP • 413.268.5800

Working for a Co-operative Economy

Go Solar! Go Co-op!
Pioneer Valley PhotoVoltaics is worker-owned & committed to community, so we design all our systems to last. ²
Learn more about PV Squared and other members of the **Valley Alliance of Worker Co-ops** on our website.

 **Together, we are working
for a co-operative economy.**

WWW.VALLEYWORKER.COOP • 413.268.5800

Elevating our Message: Co-op Month and Marketing

Through VAWC's Membership in the Valley Co-operative Business Association (www.vcba.coop) we gain access to shared advertising opportunities across sectors (see image at right!). Together co-ops in the region are splashing media outlets during Co-op Month and VAWC has been there all along. Thanks to the VAWC Member Co-ops that join in as well!

We continue to sponsor the Neighboring Food Co-op Association's Annual Meeting (nfca.coop) which put our name in front of a hundred people on staff, Board or Membership in western New England food co-ops.

October of 2015 brought VAWC's most active Co-op Month to date including print (see left) and radio ads (see below) as well as event cohosting with VCBA to bring co-ops of all types and stripes together.



Democracy @ Work Blogging to begin May, 2016

Look out for blog posts written by and for VAWC Members about our experiences and how to bridge the gap between Democracy At Work readers – leftists academy - and our unique, empowering model. VAWC will be part of a new effort by DAW called Collective Conversations to enliven the discussion of worker self management and emancipation of labor via worker co-operative businesses.

Co-ops on the Air!

VAWC was a part of four different radio events in 2014. Our annual Educational Sponsorship of WRSI/The River's Co-op Month radio spots have VAWC on the air twice a day on three stations for the month of October. VAWC was represented on Bill Newman's show in the Co-operative Round Table with other co-ops, also in October.

Social Media reaches 1,100 followers

Your activities! Your successes! Your posts and pictures and more are all up all over our facebook and twitter sites. Contact us if you'd like us to focus on something in particular – hiring new members, an expansion, a new report, practically anything – and we'll post it!

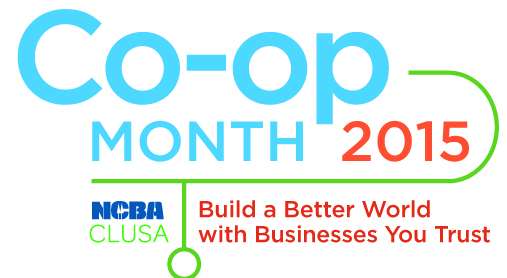


Our most popular posts were pictures of Pedal People members riding through snow and PV Squared installs, workshop presentations and our Black History Month series highlighting the contributions of African Americans in the co-op movement (Did you know A. Philip Randolph, Fannie Lou Hamer and W.E.B. DuBois were all co-op members?).

We have prominent economists (Rick Wolff), co-op CEOs (Michael Beall of National Co-operative Business Association), dozens of co-ops and even Congressmen follow us and appreciate our work.



This year's Co-op Month advertisement had full page ads in the Daily Hampshire Gazette and the Valley Advocate.



Where the co-op radio magic happens - Bill Newman, Monte, Suzette and Angie from Simple Co-op joined VAWC and others on the Annual Co-op Panel on WHMP.

Financial Report

VAWC Profit & Loss January through December 2015

| | Jan - Dec 15 | Jan - Dec 14 |
|--|------------------|------------------|
| Income | | |
| 4000 · Member Dues | 8,880.74 | 9,959.25 |
| 4500 · Other Income | 152.33 | 241.28 |
| 4550 · Book Revenue | 0.00 | 95.00 |
| 4558 · Fundraising Event-Operations | 159.60 | 0.00 |
| 4690 · Other Operating Income | 500.00 | 6,117.72 |
| 4700 · Development Funding | 1,472.85 | 2,025.87 |
| 4777 · Organizational Affl | 500.00 | 1,650.00 |
| 4800 · Grant Revenue | 5,500.00 | 900.00 |
| Total Income | 17,165.52 | 20,989.12 |
| Expense | | |
| 5002 · Outside Contracted Services | 0.00 | 900.00 |
| 5003 · Staff Contracted Services | 12,483.55 | 11,346.00 |
| 5004 · Accounting Expense | 800.00 | 775.00 |
| 5205 · Telephone & Telecommunications | 26.10 | 26.59 |
| 5503 · Printing and Copying | 21.20 | 1,130.16 |
| 5505 · Dues & Fees | 630.08 | 109.00 |
| 5506 · Promotion | 2,498.68 | 2,758.75 |
| 5600 · Other Expenses | 814.24 | 1,303.42 |
| 5688 · Taxes | 321.00 | 444.00 |
| 5700 · Travel and Meetings | 174.52 | 143.20 |
| 5701 · Conference, Convention, Meeting | 93.24 | 165.00 |
| 5705 · Travel | 183.78 | 155.55 |
| 66900 · Reconciliation Discrepancies | -0.10 | 0.00 |
| Total Expense | 18,046.29 | 19,256.67 |
| Net Income | -880.77 | 1,732.45 |

Notes:

Line 4800 – Grants came from the University of Massachusetts for our work with the Certificate in Co-operative Enterprise and for strengthening the UMass Co-op Enterprise Collaborative.

Line 5003 – Increase in Staff compensation is due to both an increase in hours (11 a week) and a raise (\$1 an hour). was additional income from New England Farmers Union for work with conversions.

Net Income – We planned on a paper shortfall here as our dues year (May 1 – April 30) more accurately reflects our budgeting.

More information and reports are available. Contact VAWC Staff or a Board member for more.

Cross Sector Interco-operation

While VAWC is an example of Co-op Principle #6 – Co-operation Among Co-operatives – in a sector we are also leaders in the cross sector interco-operation in our region. We're raising the profile of our co-operatives and interco-operating for increased impact of our activities through the 'low hanging fruit' of other co-op sectors. Our shared co-op structure is an easy conversation starter and relationship keystone with the following co-ops supporting our mission and work in both intangible and tangible ways:

Valley Co-operative Business Association (VCBA)

It's official! We're members of the region's cross sector co-op. Since co-founding VCBA (vcba.coop) in 2011 with food co-ops and credit unions we have held events for co-operators to gather and interco-operate; organized shared advertising in print and on the radio; engaged legislators with Proclamations about the benefits of co-operatives in our region; written articles on co-op conversions (featuring many that VAWC supported!) and the co-op identity; and brought the co-operative movement of western Massachusetts and southern Vermont to the national level through partnership with the National Co-operative Business Association (NCBA).

Shared VCBA/NCBA Membership

We are proud to announce that all Members of VCBA are automatically members of NCBA. Dues are split between local and national resource pools allowing co-ops in VCBA's region to localize and have more control over their dues and local issues. One goal of VCBA is to minimize association fatigue and connect future members of VCBA to NCBA, the US's national cross sector co-op organization, directly through one dues payment.

More VAWC Benefits

Member Co-operatives of VAWC now get 25% off their VCBA/NCBA membership. Contact VAWC Staff for more information.

Neighboring Food Co-op Association

NFCA continues to be among our closest co-op partners. Also a VCBA co-founder, works with us at the UMass Co-operative Enterprise Collaborative along with faculty and students. Their Executive Director, Erbin Crowell, teaching the "Introduction to the Co-operative Movement" class once a year that had 150 students enrolled this past spring.

NFCA and VAWC are partners working with the Amherst Community Co-op start up that seeks to bring a hybrid co-op (both workers and consumers as members) to Amherst, MA. Thanks to the New England Farmers Union – of which VAWC is a member! - for their support of this work!

Lastly thanks to NFCA for inviting us to their Annual Meetings where we connect with the food co-ops in western New England and to collaborate in making an interco-operative economy real in our region.

Franklin Community Co-operative (Green Fields and McCusker's Markets)

Franklin supports VAWC in multiple ways this past year, be it venues for our Member Meetings, inviting us to table at their Annual Meeting or being part of our cross sector workshops and collaborations. Franklin is a leader in interco-operative activity co-founding NFCA and VCBA among other organizations. Perhaps most valuable of all for VAWC, Suzette Snow-Cobb, Marketing and Membership Manager at FCC, is a Stakeholder Director on our Board. Suzette brings decades of experience in co-operatives and has a Masters in Co-op and Credit Union Management from St. Mary's University.



VAWC corecipient of award at ACE Conference

July 12-16 saw the Association of Co-operative Educators (ACE) hold their annual conference at UMass, Amherst, which was chosen partly due to the UMass Co-operative Enterprise Collaborative (UMCEC) that we co-founded. For our effort in organizing tours of co-operatives – including credit unions and farmer co-ops, consumer and worker co-ops – workshop creation and more along with Neighboring Food Co-op Association we received the award for Outstanding Contribution to ACE and its Institute.

Thanks to the Board, Staff and members of ACE for coming to our region and for enhancing the dialog between the academy and the co-operative movement!

VAWC Organizational Development

We have access to the Co-op Marque and other materials from the International Co-operative Alliance and Dot Co-op. Using the Co-op Marque distinguishes our Member Co-ops in the marketplace and to demonstrate what the co-operative model can do not only for a business but for developing businesses.

We're frequently asked about what a secondary co-op looks like and how we function. Last year we created an organizational chart to show how Member Co-ops democratically own and control their own support organization. It's meant to show how Peer-to-Peer support, Staff, Board and the Fund all work together to create our system.

We're also thankful to have a Stakeholder Director on our Board - a person from the wider co-operative community who shares our mission. We are fortunate to have Suzette Snow Cobb of Franklin Community Co-operative (Green Field's and McCusker's Markets) at this seat now and would like to offer a special thanks to her for sharing expertise and the burdens of Board membership.

"And the humble co-operative weavers of Rochdale, by saving two pennies when they had none to spare, and holding together when others separated, until they had made their store pay, set an example which created for the working classes a new future."

- George Jacob Holyoake

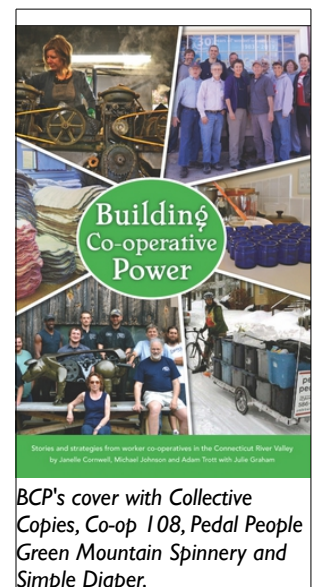
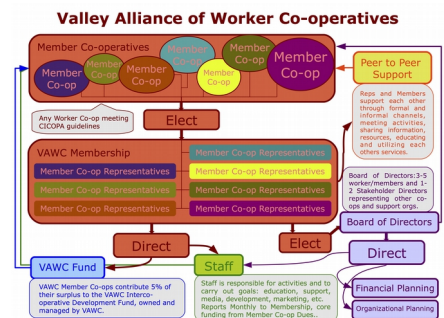
Building Co-operative Power Book Tour!

VAWC's Member Co-ops and our stories entered the literature of our movement with the publication of Building Co-operative Power – Stories and Strategies from Worker Co-operatives in the Connecticut River Valley. Using VAWC as a base of activities on how co-ops can work together to affect larger social change, *Building Co-operative Power* introduces the history and concept of worker co-operation and relays past and present stories of worker co-operatives in the Connecticut River Valley of Massachusetts and Vermont. It offers cautionary tales and sagas of personal transformation of current and former co-operators and ends with a regional vision of a more integrated, vibrant co-op economy.

The three authors – one of which is VAWC Staff - visited seven cities with book talks: Amherst, MA, Worcester, MA, New York NY, Brooklyn, NY, Philadelphia, PA, Baltimore, MD and Washington, DC. In 2009 VAWC Membership supported the writing and publishing of a book about regional interco-operation where a focus is secondary co-operation on a



The Co-op Marque - this is the logo for co-operatives around the world, giving VAWC and its Member Co-ops recognition in the international marketplace.



regional scale and its benefits. Together we're part of the national dialog about the co-operative movement, what worker co-ops are doing to build it and to participate in their own development and support and a force in bringing economic relations back into the democratic sphere for an economy by and for the people. Congrats to all the co-ops who are featured in BCP and thanks for providing the primary source material for this latest publication from Levellers Press, the publishing wing of Collective Copies. To obtain copies go to www.levellerspress.coop.

VAWC Interco-operative Development Fund

Second Loan is Made!



Among the most cited and discussed mechanisms of co-op development is that found in the Italy where all co-operatives contribute 3% of their surplus to co-operative development. The funds go to any number of co-op driven organizations – including the well known Legacoop – of co-ops' choosing as required by a law that was written by co-operatives themselves. As a result Italy, and northern Italy's Emilia Romagna region in particular – have among the highest densities of co-operatives in the world.

Financial stability and moving financial resources from pools of surplus to fill pools of need have been goals of VAWC since our first meetings. The launch of the VAWC IDF in 2009 reinforces VAWC Member Co-ops direction of co-op development in our region through funds coupled with expertise and support. The IDF is made up of 5% surplus contributions from Member Co-ops and provides an additional capital asset to both our system and our members.

We are fortunate to have the Co-operative Fund of New England (CFNE) serving our region and we use our available funds as a social investment when not loaned out. Nearly all our co-operatives are borrowers, lenders or both at CFNE and We're investors in co-operatives through CFNE and we're financing co-ops as our funds are lent out.



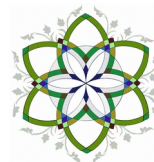
In March of 2016 Loan #2 was made to our Member Co-op Collective Copies for a wide format color printer. They are replacing a black and white machine and will experience an enhancement of abilities and quality. Thanks to the VAWC Board and VAWC Member Co-op's financial management to make this loan possible.

Member Support and Development

VAWC Staff has worked directly with a number of VAWC Member Co-ops this past year to support growth, governance, member rights, surplus distribution, loan packages and building equity. A constant effort on behalf of Staff and VAWC works 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.

After five years of conversion support claiming so much of the co-opreneur part of VAWC activities we have been able to focus on existing member support in 2014-15:

- Brattleboro Holistic Health Center Co-op has passed their Membership Agreement providing a foundation for the rights and responsibilities of their members. This clarifies what it means to be a member and empowers membership to continue to refine their business by moving on to addressing policies, surplus distribution, etc. BHHHC Members also passed their Surplus Distribution Policy clarifying their financial commitments to members, education, co-op development and financial reserves.
- Welcome to our newest Member Co-op! Green Mountain Spinnery: Beginning last November VAWC Board and Staff began a conversation with the 30+ year old Spinnery in Putney, VT. The result is a Technical Assistance Plan for support and the Spinnery joining VAWC. As a VAWC Member Co-op the Spinnery connects to the worker co-operative movement and draws support for their activities.



- Services and Needs Questionnaire: In 2015 we finalized a short form for our Member Co-ops to fill-in their goals and needs for the coming year. We will compile and use these to direct our activities to your specific needs. Let us know if you did not get one with this report!
- Two UMass CEC Interns Placed! After converting in 2011 and pulling off an impressive move to a new space in Holyoke, MA that required plumbing, paint, and more, Simple has been a Member Co-op and is now serving on the VAWC Board. Ferras Haidar and Joshua Fernandes both worked with Simple this past year offering over 600 hours of research and labor.



Organizational Affiliates

We'd like to recognize the support and shared values of our Organizational Affiliates.

Franklin Community Co-op, Data Systems, Real Pickles and Boston Tech Collective all chose to support VAWC's work toward our mission of a vibrant

and well educated economy where co-operatives meet all needs of our community. Their participation supports our educational programming including the Certificate in Co-operative Enterprise in the UMass Economics Department and our internal educational modules for VAWC Member Co-ops.



Internal Education: VAWC Owners Manual

in 2014 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 context, 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.

Let us know if you did not receive your Manuals and we'll compile them for you!

Conclusion to Report

Congratulations to the Member Co-ops and all their members for the work we've done this year and all those leading up to 2016. Our foundation of Member Representatives and a democratically elected Board have supervised a growing system of co-operatives and activities building our co-op economy. As we grow in membership we focus on our roots of co-operation, mutuality and solidarity. Time and time again as VAWC supports co-operatives and co-operation it is our co-op led, member run structure that is our bedrock, our foundation for moving forward, improving our activities and expanding our impact.

We look toward another year with anticipation and desire to focus on our Member Co-ops, our model and to enhance our role in the co-operative economy as a whole. Thanks to our Members, our Affiliates, our partners and supporters. Onward to more co-operative leadership, more free association, more co-operation in 2016-2017.

Here is a passage from the Pre-Ambles from our Member Agreement:

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.