

Activity: Dangers and Benefits of Co-op and Nonprofit Collaboration

Length: 70 minutes Number of Participants: 6 - 40

Materials/Space Needed:

- Easel sheets/butcher paper sheets
- Print outs of the gallery walk items in Appendix A
- Tape
- Markers that won't seep through paper onto walls
- A space for people to walk around comfortably

Set-up:

- Print out Appendix A: Gallery Walk Items.
- Tape or glue them to separate blank butcher sheets/easel sheets. Each item should have its own easel sheet.
- Put the easel sheets with the gallery walk items up around the room. Spread them out so there is enough room for people to walk around while moving from item to item.

Part 1) Introduction - Purpose, Workshop Structure - 15 minutes

1. General introductions: each participant introduce themselves, their backgrounds with non-profits and affiliations with any co-ops.
2. Begin by introducing the point of today's workshop. Here is an example of something you might say: "Many cooperatives have small or big relationships with nonprofits, whether before they start, as they're launching, and even after they're established. At times these relationships are extremely beneficial. However, if the relationship is not balanced and the structure understood by all parties, the effects can be detrimental to the co-op due to a lack of democratic control by the membership and transparency in the nonprofit's actions. Therefore today's workshop is meant to explore your co-op's role with nonprofits, how they can benefit you, what boundaries you want to set, how you can best ensure democratic control over your co-op while working with a nonprofit, and even what nonprofits you might want to collaborate with."
3. After you explain this, take a minute to outline what will happen in today's workshop. Here's a sample summary: "You will spend a little more than half an hour circling the room in pairs, examining questions, prompts, and ideas about co-ops and nonprofits while thinking about your own experiences. Following that, everyone will return to the full group and have a closing conversation to summarize your thoughts and expand on points further."

Facilitator's note: Make sure to let participants know that at the end of this activity, they won't necessarily have all the answers on how to best structure a relationship between a nonprofit and their co-op. However, they will have begun to develop their ideas on the matter and understand key points that will allow them to move forward in establishing a structure between their co-op and nonprofits.

Part 2) Walk Around Gallery - 35 minutes

1. Inform the participants that placed around the room is a "gallery walk," featuring different prompts and ideas regarding the relationship between cooperatives and nonprofits.
2. Get the participants into pairs. If people in this workshop are members of the same start-up cooperatives, try to break those groups up as much as possible so that people are talking with individuals coming from other backgrounds and perspectives.
3. Tell the pairs that they should circulate around the room while examining these co-op and nonprofit prompts. Different pairs should start at different places in the gallery walk and make their way from there. It does not necessarily matter where people begin, but the participants should not all clump around the same prompts to begin with.
4. As pairs walk around the room, inform them that they should read and discuss the items, and then they will be invited to add their own voices on the easel sheets. Let people know that there will be questions with each item that they can respond to, or they can generally add their immediate reactions to the gallery walk item, or any questions they have. In addition, encourage people to interact with and respond to what other people have written on the gallery walk items.

Facilitator's note: People don't have to respond to every single question on each easel sheet. Those are just prompts to spark conversations. It might take up too much time if people tried to respond to everyone question. Make sure they know this.

5. As people walk around, the facilitators should circulate and attempt to foster conversation as well as create a buzz. Ask people questions about their or other people's answers, pop into conversations, respond to what people have written, and answer other people's questions. In general, try to clarify points and rope people into dialogue.

If people finish with time to spare, reconvene the group early and/or ask people to take a few minutes to circle around the room just to read/react to what others have written.

Part 3) Digestion Discussion - 20 minutes

Now bring everyone back together and inform them that the group will be having a wrap-up discussion. Below are guiding questions you can use for this conversation. You do *not* have to use all of them or go in any sort of order. You can pick and choose from this list and hop around. You may also add other questions and allow the conversation to focus on a certain issue if participants are particularly interested in it. **You may also want to take some time to see if any participants have any questions they want to propose to the group and/or facilitators.**

- What are a few big takeaways you have from this activity?
- Do you know if your co-op will have a relationship with a nonprofit? Do you have any structures in place to ensure your co-op's autonomy?
 - Follow-ups: What are these structures? Do they need to be refined in anyway? If you don't have a structure, do you plan to create one?
- If you're working with a nonprofit, what do you think it hopes to get out of the relationship and experience?
- What major benefits do you expect to receive from working with a nonprofit that you would otherwise be unable to obtain?
- Did anyone write something in response to one of the gallery walk items that really stuck out to you? That you agreed with? That you disagreed with?
- How do we create productive relationships between co-ops and nonprofits without creating a co-dependency?
- When does a nonprofit exist to serve a co-op, and when does a co-op exist to serve a nonprofit?
 - Follow-ups: When is this alright? When might the be an issue?
- What struck you when reading these co-op and nonprofit examples, ideas, and best practices?
- What stood out to you about the relationship between co-ops and nonprofits?
- When working to incubate a co-op, what happens when a nonprofit holds on for too long? What are the ramifications?
 - Follow up: What can a co-op do to change things if they find themselves in a situation where a nonprofit is holding on for too long?
- What questions, concerns, or ideas do you have about creating relationships between co-ops and nonprofits?

Finally, thank everyone for their time!

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Workshop Designed by Toolbox for Education and Social Action (TESA):
www.Toolboxfored.org

in collaboration with Worcester Roots Project: www.WorcesterRoots.org

Appendix A: Gallery Walk Items

**Does your co-op have a relationship
with a nonprofit now? What is it? If
not, would you want to establish
such a relationship? Why or why
not?**

**Do you know of any examples of
good co-op-nonprofit relationships?**

What are they?

What potential pitfalls do you see when trying to establish a working relationship with a nonprofit? What are the potential major benefits? Go into detail.

The Different Types of Co-op and Nonprofit Relationships

Below are a few examples of different ways that co-ops and nonprofits can work together. As you read them, think about how these examples might or might not relate to your co-op.

- Co-ops can be incubated by a nonprofit including fiscal sponsorship, staff support, training and more.
- Co-ops can receive training from nonprofits, for example, in the form of a co-op academy.
- Co-ops can have their main clients/purchasers be nonprofits, like in the case of an anchor institution.
- Nonprofits can facilitate or staff coalitions, networks, and alliances of cooperatives.
- Co-ops can collaborate with nonprofits to do marketing, outreach, or mission-driven activities.

Project Grants: Cooperatives are for profit companies, although they often have social, economic, or community missions. However, the for profit aspect can make it difficult for them to offer free products or services that they would like to make as widely available as possible. Therefore, co-ops will sometimes team up with nonprofits to find access to funding through grants for these programs, projects, or products they would like to offer free of charge.

An example: The Toolbox for Education and Social Action (TESA) is a worker-owned cooperative that creates educational resources for social and economic causes. They wanted to create a free, online hub for co-op knowledge and education—Cultivate.Coop. So TESA teamed up with the Cooperative Development Institute (CDI), a nonprofit, on a project sponsorship agreement. As a part of the agreement, CDI has obtained funding for Cultivate.Coop through grants on TESA's behalf and given TESA that money to create and maintain Cultivate.Coop. In return, CDI takes a small percentage of the funding received for administrative costs (3-5%) and gets to include their support of Cultivate.Coop in their organizational reports.

Discussion Questions

- What are additional ways might co-ops and nonprofits work together?
- If your co-op has a relationship with a nonprofit, does it take the form of any of the above examples?
- Describe what you think each of these relationships would look like?
 - What are the pros and cons of these relationships? Go into detail. *Why* are these pro's and con's?

Key Points on How Nonprofits Can Hinder Cooperatives

Below are potential areas of concern that could cause conflict in a cooperative-nonprofit relationship. While reading, think about any situations in your co-op in which something like this happened. Or, if your co-op is still in the idea phase, think about how you might avoid these issues arising.

- The nonprofit gets grants to help the co-op, but the co-op doesn't get a say over or get informed on how that money is spent.
- The nonprofit doesn't allow the co-op to leave and become independent; or the nonprofit doesn't allow the co-op to have as much decision making power as it wants.
- The nonprofit doesn't have the right kinds of resources to help start a business, and doesn't seek out the right resources
- The nonprofit helps the wrong people (those who have more privileges already), and leaves out the most needy (those without those privileges). Not being part of the community being served, they might not be able to see the difference.
- The nonprofit does things on behalf of the co-op, instead of empowering co-op members to do things themselves. Some examples include: doing market research, writing business plans, doing sales and marketing, and administrative support and bookkeeping.
- The nonprofit ends up isolating the co-op from the larger co-op movement, rather than encouraging participation and connection.

Discussion Questions

- What are other ways that nonprofits could hinder co-ops?
- If these issues were to begin to emerge in your co-op, how would you go about addressing them?
- Have you experienced any of these points? Do you know any examples of any of these points? Do you take issue with any of them?

Key Points on How Nonprofits Can Support Cooperatives

Below are a few ideas for nonprofits to consider when supporting co-ops. While you're reading them, think about how these points might benefit your co-op and what other ideas you have for how nonprofits can support your work.

- Nonprofits and other co-op incubators can direct interested members to the resources they need to start a co-op. Many co-ops might have never gotten started without the help of an incubating organization.
- Nonprofits understand the many needs of disadvantaged people, and can provide support that startup co-op members need, such as child care, legal advocacy, food security, resources for English language learners, and more.
- Nonprofits are eligible for much-needed funding that can help support the development of cooperatives, and they have experience raising funds from foundations and individual donors.
- Even if a co-op does not succeed as a business, its members can gain valuable skills that they can use to advance their economic situation. Some examples include entrepreneurship and job skills, English skills, and resume building.

Discussion Questions

- What are some other points you would include?
- Have you experienced any of these benefits?
- Are any of these benefits something you think would be helpful for your co-op? If so, how? Do you know of any nonprofits that you might be able to work with to obtain them? If not, how could you try to find them?
- Has a nonprofit provided you with benefits in ways not listed here? If so, what are they?

Best Practices for Co-ops Working with Sponsoring Organizations

Below are a few best practices for co-ops to use when working with sponsoring organizations. These are tips to keep in mind before working with nonprofits, so that your co-op and the nonprofit start the relationship on a strong foundation. While reading, think about ways you might put these practices into action within your co-op.

- **Seek out assistance and expertise of those who can help with your co-op.** Most co-ops seek out the help of a consultant, incubator, or nonprofit at some point in their development. Co-ops should see themselves as consumers of these services. Shop around for the best quality, price, and expertise for the goal you are trying to reach.
- **Utilize co-op connections and knowledge.** Always participate in peer networks, such as local co-op associations and the US Federation of Worker Cooperatives. Talk to others who make their living in cooperative businesses, they are your best resource.
- **Be communicative with sponsoring organizations.** Be clear about your expectations for the work the nonprofit does for you, and hold them accountable.

Discussion Questions

- What do you think about these best practices?
- What other best practices would you include? For co-ops? For nonprofits? Why would these best practices be important? How could they be implemented? What might be difficulties of implementing them?
- Could you see ways for your co-op to put these practices to use?

Considerations When Deciding to Work With a Nonprofit

When an aspiring or existing co-op considers working closely with a nonprofit on issues such as start-up, expansion, and more, the co-op's members should think about several key factors. It's important to not just fall into a relationship and have areas of uncertainty. Rather, you should clearly decide what kind of structure you want. Below are concepts and structures to think about when forming a relationship with a nonprofit:

- Is your co-op looking for administrative support? For how long?
- Is your co-op needing training or technical assistance?
- Is your co-op looking for long-term fiscal sponsorship?
- Is your co-op searching for a stable client/purchaser?
- Is there a strong mission match between your co-op and the nonprofit?
- How can your co-op maintain autonomy while also maintaining a strong working relationship a nonprofit?

Discussion Questions

- What do you think of this list?
- What would you add to this list of considerations? Why do you think these additions are also important to consider?
- Have you had to discuss or make decisions on any of these considerations? What was the process like?
- What are the dangers of *not* taking these considerations into account?
- If you were approached by a start-up co-op for advice on working with nonprofits, what considerations would you advise them to think about?

Co-op and Nonprofit Collaboration Example: WAGES

Below is an example of a successful nonprofit-cooperative working relationship, which should give you an idea of how people in these organizations found a way to collaborate.

WAGES (a nonprofit) in Bay Area, CA has successfully trained and brought to independence five immigrant women-led cleaning worker cooperatives. They provide oversight of a manager for 2-3 years and ongoing training in co-op development, financial literacy, and leadership. Dozens of women now have more democratic, safer, and lucrative workplaces.

Discussion Questions

- Is this the kind of support *your* co-op would like? Why or why not?
- Are there potential pitfalls to this type of co-op and nonprofit collaboration? If so, what are they? How could they be addressed—by both the co-op and the nonprofit?
- What does this nonprofit provide that would have been difficult for the cooperatives to attain on their own? And why is this type of assistance crucial for co-ops starting or expanding?

Co-op and Nonprofit Collaboration Example: Toxic Soil Busters Co-op

Below is an example of a successful nonprofit-cooperative working relationship, which should give you an idea of how people in these organizations found a way to collaborate.

Toxic Soil Busters Co-op has partnered with Worcester Roots since 2006 to create a workplace where teens can get experience in a democratic workplace, make safe yards, and build leadership skills. Youth have earned seats on the Worcester Roots board and staff collective, facilitated dozens of workshops about youth in cooperatives, and continue to generate 50% of their income from remediation and outreach and the other 50% from grants.

Discussion Questions

- Is this the kind of support *your* co-op would like? Why or why not?
- Are there potential pitfalls to this type of co-op and nonprofit collaboration? If so, what are they? How could they be addressed—by both the co-op and the nonprofit?
- What does this nonprofit provide that would have been difficult for the cooperatives to attain on their own? And why is this type of assistance crucial for co-ops starting or expanding?

Co-op and Nonprofit Collaboration Example: Cooperation Texas

Below is an example of a successful nonprofit-cooperative working relationship, which should give you an idea of how people in these organizations found a way to collaborate.

Dahlia Cleaning Co-op (<https://www.facebook.com/DahliaGreenCleaningServices>) has teamed up with a nonprofit in Austin named Cooperation Texas that provides training for immigrant-led groups looking to form worker cooperatives. They run a Co-op Business Institute (like a Co-op Academy) and offer general assistance when co-ops approach them for support. The nonprofit has several bilingual staff and does other movement-building work.

Discussion Questions

- Is this the kind of support *your* co-op would like? Why or why not?
- Are there potential pitfalls to this type of co-op and nonprofit collaboration? If so, what are they? How could they be addressed—by both the co-op and the nonprofit?
- What does this nonprofit provide that would have been difficult for the cooperatives to attain on their own? And why is this type of assistance crucial for co-ops starting or expanding?

Available Resources

Co-op Academies: <http://cultivate.coop/wiki/Academy>

WORC'N (Worker-Owned and Run Cooperative Network of Greater Boston): <http://worcn.org>

Democracy At Work Network (DAWN): www.dawn.coop

U.S. Federation of Worker Co-ops: <http://usworker.coop>

Worcester Roots Project: www.WorcesterRoots.org

BCCO (Boston Center for Community Ownership): www.BCCO.coop

Co-op Development Institute (CDI): www.CDI.coop

Cooperative Fund of New England: www.CoopFund.coop

Worcester Solidarity And Green Economy (SAGE) Alliance: www.WorcesterSAGEalliance.org

WAGES: www.wagescooperatives.org

Mondragon: <http://www.mondragon-corporation.com/ENG.aspx>

Green Worker Co-ops: www.GreenWorker.coop

Cooperation Texas: www.cooperationtexas.coop

Democracy Collaborative: <http://democracycollaborative.org>

Discussion Questions

- What resources have you found particularly helpful in building a relationship with nonprofits?
- Do you think you could use any of these resources? How so?

Available Resources

EVERYONE: Please list resources on this topic:

Discussion Questions

- What resources have you found particularly helpful in building a relationship with nonprofits?
- Do you think you could use any of these resources? How so?

Best Practices for Nonprofits Engaged in Co-op Development

Below are a few best practices for nonprofits that want to work on co-op development. Take a look at the list and think about what approaches make sense to you, what you have questions about, and what you would include.

- **Take a collaborative approach.** Few organizations have everything that is needed to start a successful co-op on their own. Make sure you have people who know about small business, marketing, sales, financial administration and bookkeeping, employment law, transactional law, and experts in the relevant industries on your team.
- **Be accountable.** Don't apply for grant funding or raise money for a co-op without consulting the members and getting their approval. Don't spend money outside of the budget that has been approved by those you are serving. Be transparent about how much money was raised and how it was being spent.
- **Be aware of how difficult, expensive, and time-consuming this project will be.** Talk to other organizations that have done this, including those that have failed. Launching a co-op development project without sufficient resources will not only jeopardize the co-op, it can even sink your nonprofit.

Discussion Questions

- What do you think of these best practices?
- Have you worked with a nonprofit that didn't implement any of these practices? What were the effects?
- Have you worked with a nonprofit that did implement these practices? What were the benefits?
- Are there practices that you think should be included on this list? What are they and why would they be important? How could they be implemented?

When Nonprofit and Co-op Relationships Don't Work Out

Without naming names, below are two of real-life examples of relationships that didn't work out between cooperatives and nonprofits.

1. A worker co-op was functioning in partnership with a nonprofit and wanted to become fully independent. However, the nonprofit had become reliant on the co-op's accomplishments for grant proposals, their branding had become mixed together tightly, and the nonprofit even relied heavily on income from the co-op for general operations of the non-profit. A split occurred, where most of the co-op members left and started from scratch. Much resentment was formed.
2. A nonprofit co-op incubator poured years of staff time and hundreds of thousands of dollars into startup costs. When the co-op was launched, it did not succeed because there was a slow market and because the co-op members were not fully prepared to be managers. Reliance on the nonprofit was never fully weaned.

More at: <http://cultivate.coop/wiki/Whycoopsfail>

Discussion Questions:

- Have you had any experiences similar to these in your co-op?
- How might such issues have been avoided?
- What advice would you give to a co-op going through such a situation?
- What advice would you give a nonprofit going through this situation?
- How do you imagine a successful co-op and nonprofit relationship would look like in contrast to these examples?