

Innovative Co-ops in the Social Services Sector:

**A research study to benefit people with developmental
disabilities and mental illness**

Prepared for the Co-operative Secretariat, Government of Canada

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Executive Summary

This research grew from the desire of the United Community Services Co-op of British Columbia to assist three organizations to achieve their goals of improving access to housing and employment for people with developmental disabilities and mental illness. The organizations wished to gain better understanding of the potential of co-op models of enterprise to benefit vulnerable populations, and to explore options for incubating “social co-ops” as a way to assist their clients to live better and more fulfilling lives.

The research focused on finding and documenting the development of social co-ops around the world, developing several case studies, documenting ‘key learnings’, putting forward for discussion a matrix for analysing social co-operatives, and acquiring responses to the research from a focus group in BC.

Social Co-ops have sprung up in many places in the world, though with the exception of Northern Italy, the depth and breadth of experience is still marginal. Quantitative research in this field is rare. The local experiments we found provide a rich source of anecdotal material but outside of Italy there is not yet a dynamic that would characterize a movement on a world-wide, national or regional scale.

The Italian experience is instructive, but of limited immediate applicability to Canada given the unique legal and social support systems in Italy that provide a more receptive context for social co-ops. It will likely be years before the pioneering work on social co-ops in Canada generates momentum for regulatory reform and increased public and institutional support. The Italian experience is important as it clearly indicates the very significant potential of social co-ops to improve the quality of life for vulnerable populations and their communities.

Our research gathered information on over twenty social co-ops and provided detailed case studies of five co-operatives and one non-profit organization that are populated by or provide service to adult individuals with a developmental disability or mental illness. Each one is unique in contextual factors, organizing history, scale, incubation processes, capitalization and financing, and focus of production work.

The learnings gleaned from the research are documented in the first section. These lessons are preliminary and fragile. Translation of unique situations into other situations may not work and a body of professional observations has not yet developed. The learning must be considered as a starting place rather than definitive.

Apart from the concrete learnings discussed in the report, there are several issues to highlight in this summary.

- ❖ Social co-ops have a unified bottom-line, achieving social-values and financial-values as one enterprise. The case studies show that there is no consistent understanding of this reality by policy makers and funders, and, as

of yet, no patterns of adequate in-kind and financial support. This presents a very difficult challenge. The recent advent of federal government support for the ‘social economy’ may provide some hope that issues of capital investment, sweat equity and contribution and on-going financing can be addressed.

- ❖ There is a need for people working in and with social co-ops to connect and support one another. Canada is in the pioneering phase of a very promising approach to meeting social goals more effectively and efficiently. Pioneering is hard work, and many very challenging roles are being learned and re-learned. We found no group or web based community of interest to support networking and learning from the experiences of others.
- ❖ In the long term there is a requirement to build understanding and acceptance of social co-ops as effective organizational structures to address the social and financial goals of groups of vulnerable and disabled people and those working in their support. A high quality definition and branding effort is needed to achieve that goal. Extensive policy research is required along with sectoral development.

These and other issues are addressed in the Conclusions and Recommendation section of this report.

Finally, it is important to acknowledge the incredible effort and heart of the founding individuals (and organizations that supported them) in setting up the social co-ops at which we looked. Against many odds and in unfamiliar, sometimes hostile environments, these people have worked with profound commitment and dedication. We salute them.

Introduction

Context

For the past six to twelve months, three different community groups have been in the initial stages of developing grassroots-driven innovative co-op models in the social services sector. Each of these pilot projects is intended to benefit people with developmental disabilities or mental illness. (See Appendix A for a brief description of the three pilots.)

With the shifting policy and funding context in British Columbia, there is rapidly growing interest in innovating new social co-op models. The core intention of this research project is to help these new initiatives to be successful. To this end, we aimed to learn as much as possible from the successes and failures of innovative co-op initiatives from around the world.

The research also built on and complements the Building Community Assets policy framework of the Canadian Co-operative Association (March 2004). The CCA framework answers the question of “how to approach” the development of co-ops to serve people with low incomes and/or low income communities.

This report goes further in two ways:

- It tackles specific lessons re “how to implement” social sector co-ops
- It offers specific program and policy recommendations to the key stakeholders in BC re supporting innovative social sector co-ops.

Purpose

The overarching purpose of this report is to support successful innovations in the provision of housing and employment to persons with mental disabilities and/or mental illness. To this end, the research had three objectives:

1. To identify specific challenges and opportunities (financing, governance, scale, etc.) for social service coops to benefit people with developmental disabilities and mental illness, with particular focus on three pilot projects.
2. To research co-operative successes and failures from around the world for lessons relevant to the specific challenges and opportunities facing these types of social service coops.
3. To prepare a report that
 - Presents the findings, success stories, and failures related to starting innovative social service co-ops to benefit people with developmental disabilities and mental illness.
 - Identifies the lessons learned for co-ops to benefit other segments of the population with low incomes in Canada.
 - Outlines policy and program policy recommendations for organizations, government and other stakeholders.

Players

The principle partners for this research study are the three organizations/communities in the developmental stages of launching grassroots-driven innovative co-ops in the social services sector. Each of these organizations asked questions and posed issues to be researched. The on-the-ground experience in these three communities provided a set of concrete settings where findings can be tested and evaluated over the next period.

Appendix A provides more details on the current situation and proposed pilot in each of the three communities.

Methodology

The principle steps in preparing this report have been:

- Grounding the research in the needs of the three pilot projects through site visits, telephone calls, and review of background documents. See Appendix B for the questions covered, and Appendix C for additional questions surfaced through the interviews/visits.
- Researching over twenty social co-ops serving the target populations – Internet research and key informant research by phone/email.
- Contacting between one and four key persons for each of six social co-ops for in-depth interviews/email exchanges on how their co-ops developed and key lessons learned.
- Drafting six case studies, and circulating them for review to the people contacted in their preparation.
- Drafting Key Findings
- Convening a multi-stakeholder focus group (See Appendix D for minutes including a list of participants.) Four case studies and the Key Findings were circulated to the focus group participants in advance of the meeting/conference call. The research was presented to the focus group, and the group explored its policy implications.
- Integrating input from the focus group into the key findings, and drafting the final report.

It should be noted that time and resource constraints precluded documenting more than six case studies. The original intention of circulating this report to the reference group for comment has not been possible, again due to time constraints. Responsibility for the analysis and conclusions therefore rests entirely with the authors.

Matrix for measuring success and sustainability of social co-ops

Throughout the project, we found the following matrix helpful for framing the many issues relating to social co-ops – and in particular, how to evaluate their success. Professor Lou Hammond Ketilson, Centre for the Study of Co-operatives, University of Saskatchewan, described this matrix. (Lecture notes, University of Bologna, July 17, 2003; lecture presented by LHK).

Dr. Hammond Ketilson notes that all co-operatives have a combined set of outcomes: community/social goals and values they are striving to achieve, and financial goals and values that they must achieve to be sustainable or profitable.

The social values are of primary concern to social co-ops. Financial values tend to be seen as instrumental – a way to be sustainable while achieving the highly valued social goals. Success for social co-ops is more likely measured as achievement of social goals while sustainability is dependent on financial viability. That said, for some worker-members (Expressway, Prepeco and others), having their own (viable) business was articulated as a social goal (distinct from the sustainability aspect.) Members wanted ownership in a business; to participate in society in a way judged more real and valid than sheltered workshops/programs.

Community & Social Values	
<i>High achievement of social goals</i>	Successful Sustainable
<i>Low achievement</i>	
	Low sustainability High sustainability
Financial Values	

The co-ops in our case studies have identified social values. Some examples are: meaningful employment for persons normally excluded from workplaces, high participation in decision-making by worker-members, opportunities to learn skills, social inclusion, and flexibility of scheduling and task definition to accommodate the preferences and capacities of members.

The Case studies also illustrate the importance of sustainability. Key outcomes mentioned are: developmental funding for the first 4-6 years; a sound business planning process that matches productive output to the interests and capacities of the members; investment of resources in training; the level of community support (“social tendering”, volunteering, mentorship,); and, the cost-benefit of job coaching/ supervision and incubation support needed.

The matrix allows one to plot the evolution of a co-operative over time. Many co-ops start in the upper left quadrant (high on social values and low on financial viability). Over time co-ops that survive tend to migrate through an arc down to the bottom right quadrant (low on social values, high on financial viability.) The challenge for social co-ops is to get to the upper right quadrant – high on social values and high on financial viability.

Key Findings – Social Co-ops Research

General Observations

- **There is enormous potential for social co-ops to significantly and efficiently improve the quality of life for persons with developmental disabilities and mental illness.**

This is evidenced by the Italian experience. There, social co-ops are supported by public policy, and the communities with a high proportion of social co-ops demonstrate clear benefits on the triple bottom line of economic return, health, and empowerment. (See Restakis, and Social Enterprise London)

The Canadian experience with social co-ops is so far modest. Our social co-ops are both breaking new ground and do not have a regulatory context that supports their development the way social co-ops are supported in Italy. In this challenging context, it is all the more significant the amount Canadian social co-ops have been able to accomplish. (See Case Studies.)

Strategies that increase ownership and responsibility for people with development disabilities and mental illness have repeatedly created unanticipated increases in productivity, health, well-being, self-esteem and self-confidence. Challenging behaviours tend to be absent or significantly lower in social co-ops versus sheltered workshops/institutions.

“Peoples lives are 100x better in the co-op than they were in the sheltered workshop.”
Wade Wright, Prepeco.

- **The Co-op Advantage**
Social co-ops blend of entrepreneurship/ownership and social care/benefit. Where private enterprise typically neglects community benefit, and non-profit organizations tend to lack entrepreneurship and innovativeness, social co-ops offer, literally, the best of both worlds.

See Introduction (Part D) for a graphic representation of the potential of social co-ops.

In addition, social agencies that incubate social co-ops benefit from exposure to business culture themselves. Agency workers have made links with business people and these relationships have brought the benefits of fresh perspectives, improved analysis of cost effectiveness, and more innovative thinking. One correspondent believes there is very significant potential for community benefits and mutual benefit on both sides the more businesses and social agencies interact.

- **The importance of “Heart”**
One of the overarching and important findings has been the importance of “heart”. Some co-ops have more “heart” – i.e. they embody more trust, depth, caring, love,

vision, integrity, passion, commitment and respect. These co-ops generally attract more support in all forms. They tend to be more “alive”, and they tend to be more successful at achieving their founding purposes. (The fact that social co-ops involve people from marginalized/vulnerable populations helps to highlight the importance of this dimension, but it is true of all successful initiatives – whether co-operatives or not.)

In some co-ops, an important manifestation of “heart” is the presence of one or more strong champions. Champions work for the good of the whole. They are not necessarily the Chair or Secretary, nor the loudest, but someone who believes in the idea and what it can lead to; someone that holds a vision for the future.

- **Diversity of capacity**
 - There is significant diversity of capacity within the population of persons with developmental disabilities. Some are highly functional and others are less functional. I.e. some persons can access public transit on their own while others require transport. Some are capable of mastering tasks, others require ongoing close supervision and support for even simple tasks.
 - There is significant diversity of capacity within the population of persons with mental illness. Some are chronically ill with no mainstream employment experience. Others can have had decades of successful professional careers under their belts before developing mental illness that manifests in acute episodes interspersed with periods of normal or high functioning. Some have high energy, some low. Others are various combinations of all of the above.
 - In general, people with developmental disabilities and mental illness thrive in the context of a social co-op due to the greater ownership, flexibility, dignity and responsibility it affords them. It is important, though, to find a good match between the business of the co-op and the capacities of the members.

- **Diversity**

Social co-ops come in many shapes and sizes. This reflects the diversity of the membership, visions, circumstances and the businesses undertaken. The case studies offer more in depth descriptions of a range of models (Appendix E). The case studies also reveal a diversity of needs: Some co-ops benefited from starting slow, others were hampered by a slow start; Some needed more financial support, others found that financial support didn’t necessarily help.

- **Inclusiveness, integration and segregation**

There is a range of opinion on the benefits and drawbacks of inclusiveness, integration and segregation. Some respondents believe social co-ops for persons with mental illnesses offer an ideal balance: Members feel safe to express their needs and express their uniqueness because they are with others who understand (segregation), and at the same time operating a business puts them in touch with

suppliers and clients (integration). Some correspondents involved with co-ops for people with developmental disabilities make the same argument (See Lemon).

On the other hand, one correspondent holds the view that “In North America and elsewhere, people with disabilities are vulnerable to both unintentional and institutionalized patterns of social isolation, segregation (separation from non-disabled peers), and congregation (being ‘placed’ in settings where there are numerous other persons with disabilities).

“As a result, contact with non-disabled peers and role models can become extremely limited, social learning may be inappropriately limited, and the visibility of this pattern creates a strong public perception that the affected individuals wish or need ‘to be with their own kind’, that they are incapable of functioning in more typical environments, and that they are more disabled than they truly are.”

This leads the same correspondent to express concern about the possibility “that the European ‘social cooperatives’ have been organized in ways that may perpetuate this pattern of disability-based segregation and congregation.”

Based on experience in developing *inclusive* housing and employment cooperatives, the correspondent suggests that “we face a fresh opportunity to pursue a strategy of developing *inclusive* housing, service and employment cooperatives. The advantages are numerous, including a much broader range (within each cooperative) of skills, personal connections, experiences, and shared capacities. The message to the larger community is that we all belong together, that people with and without disabilities can create successful enterprises, and that it is valuable to create enterprises that consciously identify and mobilize the gifts and capacities of all citizens.”

Social co-operatives where membership is inclusive have the potential benefit of self-organizing internal support and supervision among members. An example could be youth and/or seniors working along side people with developmental disabilities. Such inclusiveness has important implications for sustainability: the cost of job coaches and mentors was a significant ongoing expense that was a challenge to finance for several co-ops studied. The more supervision and mentoring can come from within the membership, the less need there is to finance staff salaries and the more viable the co-op.

Implications for public policy

- **Net gain**

Government support for social co-ops can be beneficial to co-op members and taxpayers alike. Social co-ops tend to significantly improve quality of life for their members, and this translates into reduced costs for hospitalization, crisis intervention, medical expenses, policing, etc. One cost benefit study showed that

on average, mental health survivors participating in consumer run businesses used \$13,000 less in social services/year than a comparable population. Government grant support of A-Way Express Courier co-op/member for the comparable year (1999) was less than \$8,000.

- **“Social Tendering” can play a key role in social co-ops**

The term “social tendering” was coined by Dave Langdon and Ingrid Burkett of the Nundah Community Enterprise Co-operative in Nundah, Australia. Social tendering occurs when procurement policies favour suppliers who demonstrably contribute to the social good. This can apply to purchasers such as governments, businesses and institutions.

In NCEC, the City of Brisbane contracted with the co-op for the maintenance of initially three and later eight city parks – affording the co-op a significant revenue stream and an excellent interface with the community. This move was spearheaded by one city councilor who led the way to adapting their contracting procedure to accommodate social tendering.

In Europe, preferential treatment of social co-ops by municipalities is not contested as a breach of competition policy provided the organizations meet a minimum requirement on employment of disadvantaged workers, and provided each contract is valued at below L125,000/Euros200,000.

The Prepeco case study is a clear example of a Canadian social co-op that has benefited enormously from social tendering.

There is very considerable potential for governments, institutions and corporations to use social tendering to achieve community benefit through their purchasing programs.

- **Government support for training is a significant support**

For example, the Advantage Worker’s Co-op in Dawson Creek, BC was able to secure training for its workers through a partnership with Northern Lights Community College and funding from ABESAP (Adult Basic Education Support Assistance Program.) Training can be a key factor in the success of co-ops to support populations that face multiple barriers to employment. For example, training can support social co-op members to learn:

- a trade, including gaining certification/tickets
- about the co-op model
- life skills
- how to run a meeting
- about the responsibilities of a co-op director
- financial management

- **Program and benefits policies create barriers.**
 - Workers who are capable of getting off disability benefits at certain times may be reluctant to take that risk, based on the length of time it takes to get back onto benefits or the possibility that they will be denied benefits in the future.
 - The same thing occurs when workers are faced with the prospect of losing medical benefits
 - Persons report having to jump through unnecessary administrative or ‘eligibility’ hoops. For example, to access training support through Achieve, applicants are required to develop a vocation plan and undergo an assessment that duplicates other assessments and vocation planning processes they have done.

- **Ongoing support is likely necessary**
 See key findings re Sources of Finance and Resources.
 Ongoing support for social co-ops can be an efficient and effective policy tool particularly when the triple bottom line (Financial, environmental and social benefit) is taken into account. Social co-ops, like many other small businesses, need at least five years to become self sustaining. The research indicates that stable “core” funding and/or procurement policies for social co-ops are important. Where they exist, co-ops are thriving.

- **Social Benefit needs to be measured.**
 There growing awareness of the Triple Bottom Line approach (Financial, Environment and Social benefit). As a society, we are good at measuring financial impact, and we are reasonably good a measuring the environmental benefit/harm. We need to build the metrics for measurement of social benefit. This is a big issue with significant implications for social co-ops. People involved in social co-ops and working with the populations involved have a clear sense that the co-ops make very significant contributions to the community, and that they are efficient/effective ways to achieve community benefit. This needs to be better documented.

- **The regulatory context needs to better support social co-ops**
 There are many federal government programs to support and invest in the small business sector -- this in recognition of the net benefit to the community. It is not recognized as a subsidy, but rather as an investment. We need more investment in co-ops in recognition of their benefit to communities. One focus group participant shared that the federal government recently identified 80 initiatives that support small businesses that are not available to people starting co-ops. Social co-ops could benefit enormously if programs to support small business start-ups were extended to them.

The correspondent argues, “If you want the benefits of a diversified economy and the benefits of small business enterprise you should care nought whether the

beneficiary has an individual as the recipient of the growth or whether the community as a whole is built into the residual benefit through non-profit enterprise or the co-op model.”

The incubating role for social agencies

- **Cultural shift**

To be successful at sponsoring social co-ops, most social agencies need to embrace a significant cultural shift. Many frame this as the shift from **running a program to developing a business**. Starting a successful business requires entrepreneurial sensibilities and temperament. Social agencies may lack staff with relevant business skills, and may be generally less comfortable with risk and the demand for quick responses to obstacles and challenges.

Social agencies themselves benefit from increasing their awareness of how businesses work – e.g. greater attention to the efficiency and effectiveness of programs, and the development of creative partnerships.

- **Clarity of vision is critical**

Clarity of vision helps with internal cohesiveness and effectiveness. It also increases the co-op’s ability to attract support. A clear vision sends a signal that can be heard far and wide. This draws people and resources to the co-op. Where co-op members have competing visions the co-op is less likely to succeed (ECBC).

Is the vision to support people to work, or to support people to get off benefits?
Is it to support people to engage in the work of their dreams, or is it to support people to be owners of a viable business?

- **Member driven**

The purpose of social coops is to meet the needs of their members for employment, housing, etc in ways that are effective, respectful, and empowering. It is therefore crucial that decisions and the overall direction of such co-ops be driven by the members.

For incubating organizations, this means facilitating the process in ways that maximize member’s ownership and responsibility. Where co-ops have been formed in this way, there were many good decisions made that social agencies would not have made on their own. Correspondingly, the case studies revealed instances where social agency staff made decisions without consulting future co-op members in ways that reduced the co-ops’ effectiveness.

In the case of Advantage Workers Co-op, the vision was to support members to do the work that they were interested in as opposed to the normal expectation that people facing multiple barriers should take whatever they can get. This spirit of supporting people to live their dreams was very motivating – both to the people with barriers and to the resource people involved.

A key learning at Prepeco was “To involve members in as many decisions as possible no matter how small. Our folks needed to know their opinion counted and that they actually did have ownership. It was amazing to watch people as they began to realize that what was important to them influenced decisions.”

- **The definition of work**

Church, Rasmussen and others identify the importance of opening up the definition of work for employment-related co-ops. For example, mainstream culture emphasizes full-time work while most workers in the co-ops researched either did not want to work full time or did not have the stamina to work full time. For persons with mental illness, pooling work allowed them the flexibility to take days off when needed and this flexibility is highly valued.

For some, the earning an income is the dominant defining feature of work. For others making a contribution, getting out of the house, or being with their friends is what’s most important.

Several stories indicate the importance of not making assumptions about needs and what is most important to the people a social co-op is intending to benefit.

- **Excellent communications are vitally important.**

Successful co-ops require business development and also group development. For both these functions, excellent communications are essential. It is important to have formal communication systems (meetings, reports, email updates), and informal communication systems (hubs of activity, socializing time, chats at the water cooler, strong personal relationships). Formal and informal communication supports engagement, informed decisions, creativity and healthy relationships. Poor communication undermines these same parameters.

In addition, co-ops benefit from being proactive where there is communication breakdown or conflict. Advantage Workers Co-op has a system for mediating conflicts within the co-op. The mediator was one of the members who was respected and has both a passion and a flair for helping people to resolve conflicts. This enabled the co-op to work through difficulties on several occasions.

- **Hybrid models may be better than pure co-op models in some cases.**

Common Ground Co-op (CGC) in Toronto opted for a business partnership model for the catering and food service businesses it supports. Workers with developmental disabilities are partners in small businesses rather than members of small co-ops. This decision was made on the advice of Brian Iler, a lawyer specializing in co-ops.

- **Variety of Models**

Social co-ops have adapted the co-op model to meet their needs. **Please see the case studies and the resources section for more detailed descriptions of the models briefly sketched below.**

- Prepro (Employment for persons with developmental disabilities.) Prepro is structured as one of four co-ops, each with 4-5 members that are subcontracted to provide document preparation services by Kingston & District Association for Community Living. The co-ops in turn contract with KDACL for supervisory staff and delivery services. The small size of the co-ops reflects the natural working group preferences of the members and simplifies their group process and decision making.
- L’Abri en Ville (Affordable housing for persons with mental illness). L’Abri is structured as an umbrella non-profit organization (that could equally well be a co-op). L’Abri leases ten affordable 3 bedroom apartments and provides related coordination and of social work services (three social workers jointly provide 90 hours/week of services). Each apartment provides stable affordable housing for three persons with mental illness. Each apartment is supported by a team of volunteers. The size of the organization is capped at 10 apartments/30 people to maintain the intimacy of the relationships.
- Advantage Workers Co-op (Employment for persons with significant barriers to employment. AWC involved as many as 43 members. Staffing came from in-kind support from Northern Lights Community College, and job coaches/supervisors were volunteers from the community or students fulfilling practicum placements through the co-op. This enabled the co-op to keep supervisory salary expenses to a minimum, and therefore to afford to pay members at levels close to minimum wage.
- Common Ground Co-operative (Umbrella group for business partnerships providing employment to persons with developmental disabilities.) CGC is structured as an umbrella co-operative providing job coaches, and coordination, publicity and outreach services to three small businesses structured as business partnerships. CGC wishes to grow to support four small businesses, but will then cap its size to preserve the quality of relationships and service. Expenses for CGC are covered by grants, allowing the business partnerships to pay partners close to minimum wage in good months.
- L’Avenir (Personal assistance services.) L’Avenir provides personal assistance services to persons with developmental disabilities living in Prairie Housing Co-op. The intention is to separate the provision of housing and the provision of personal assistance services so that if a person moves they do not simultaneously lose both.

- **Viability is crucial**

Creating a successful business requires a viable business plan. Productivity determines viability. “If you don’t have a sound business idea, don’t think starting a co-op will make things work out.” Several projects had overly

optimistic business plans, underestimated the need for supervisors/job coaches, or made decisions without adequately researching their markets and technologies. Quality and reliability are also important.

- **Social Capital is an asset**

“The project sells itself.” People want to help. Customers are very loyal – provided the service/product meets their needs for quality and timing. Social co-ops can compete on the basis of adding social value versus price. This is an important point. Some social agencies have started sheltered businesses that charge well below market rates for their products and services. It means these proto-businesses are leaving potential revenue on the table.

- **Partnerships are key**

Successful social co-ops have formed partnerships. Examples include partnerships with:

- a community college for training and staff support (Advantage),
- an advisory group of entrepreneurs (Prepco),
- another business to extend the product line (Expressway),
- an onsite organization for casual supervision, community, and word of mouth marketing (Common Ground Co-op)
- governments – for “**social tendering**” – e.g. contracts to provide products/services (Prepco, Nundah)

- **Starting slow has been important for many social co-ops**

One case study explicitly mentioned the value they saw (in hindsight) of resource constraints that forced them to start slowly (Nundah). It allowed them to learn how to work in ways that truly supported the workers and reflected their unique needs. Too much production pressure too early would have short changed that learning.

The Cowichan Community Economic Development Co-operative says building trust and taking time to build the co-op “from the inside out” is essential. Only in this way will the co-op truly serve the members. It takes time to get it right when you are creating something to serve people who have been excluded from the mainstream.

Correspondingly, social co-ops that started quickly – like the Eastside Coffee Bar Co-operative that took over an existing business – acknowledge that part of their later difficulties stemmed from not having had time for group development.

- **“Just start”**

Many groups got contracts and started working before they even discussed or thought of forming a co-op. This seems to have created momentum and drawn people in. Prepco created as pilot initiative several months before being incorporated as a co-op.

- **Supervision is critical**

Few social co-ops can make it without the support of persons with ‘mainstream’ skills and connections. Co-ops have been very creative about where this support comes from. For example, the Common Ground Co-operative supplements support from hired staff (paid for by grants) with partnerships with on-site organizations that informally offer mentorship, companionship and assistance to workers.

The Advantage Worker Co-op attracted a core of highly committed volunteers and *all* of their supervisors were volunteers. Coordination was done by an instructor on the payroll of Northern Lights Community College. This enabled the co-op to pay workers close to minimum wage.

Co-ops where workers function at a range of capacity levels can have internal supervisory relationships. This is particularly true for workers with mental illness – some are highly functional professionals (e.g. those who developed mental illness later in life or who have acute phases followed by periods of high functioning) who play an important mentoring or supervisory role for others who have never had work experience due to chronic or early onset of mental illness.

Other co-ops pay staff, generally fundraising to cover supervisory salary expenses. Ideally these people have entrepreneurial sensibilities, great patience, and dedication to supporting workers to take ownership of the co-op.

One consultant spoke of the importance of letting organizations know when the actions of a staff person from a social agency were compromising the success of a co-op.

- **Balancing participation and production**

Social co-ops must constantly and creatively balance participation and production. Supporting a worker to learn a new skill takes time and may lead to missing a deadline. Missing the deadline could jeopardize a client’s willingness to use the co-op’s service, but not taking the time to teach the worker the new skill reduces the worker’s ability to participate. This and countless other balancing acts are made more intense the tighter the financial margins and the more deadline-driven the business. Also, balancing participation and production can take a significant toll on staff. One co-op (Nundah) explicitly supports its staff with opportunities to work off the front line.

- **Replication better than continued expansion.**

Prepco has 4 workers and one support staff. L’Abri en Ville has capped its size at 10 apartments with 3 persons with mental illness each. Common Ground Co-op has capped the number of partnerships it supports at four. All three say that scale matters, and that growing beyond a certain size reduces the quality of relationships – a key element of successful co-ops. All three have nurtured

replication as a way of responding to the pressure to include more people. Some groups of small cooperatives have developed or joined ‘umbrella’ co-ops as a way of generating economies of scale with respect to specific support functions.

- **Separate provision of housing from provision of services.**
A co-op developer and some parents feel very strongly that the provision of housing for persons with mental or developmental disabilities should be kept separate from the provision of support services (e.g. day programming or personal assistance services). This is so that if a person chooses to leave a housing co-op, that person does not simultaneously lose their support services, and vice versa. Not putting all a person’s eggs in one basket is important, especially for people who may have a strong reliance on the continuity of support arrangements and personal relationships.
- **Training is essential.**
Start-up co-op members generally need lots of training. Training can support members to develop or strengthen the skills they need to do the work and to run the co-op.

One excellent option for accessing training is through a partnership with a local community college. For example, Advantage Workers Co-op partnered with Northern Lights College. A Career and Life Skills instructor at the College supported the students’ drive to create the co-op. She trained students for a 12 week period, cultivating trust and relationships with and among the students. The training included vocational counseling that helped the future co-op members to identify their interests, their skills and their learning needs.

In addition, the college could offer specific vocational training in a wide variety of areas. For example, one student trained in **welding**, and others in **prep cooking** and **camp cooking**. Students who completed training in **custodial care** or the **building services worker program** would receive a certifying ticket. If a co-op member was having trouble with anger, they could step out of the day to day activities of the co-op to participate in **anger management** training and return when they had learned positive ways of dealing with their feelings.

Another key strength and practical support from the college was training of co-op members in **Life Skills**, and **how to run effective meetings**.

Another excellent option for skill development re running a co-op is to **involve a person who has been part of a local credit union board of directors**, since the credit union movement has some of the best board training programs in the province. This way, the co-op has access to in-house expertise that can be shared with the rest of the board.

- **Ensuring work readiness**
The Advantage Workers Co-op stressed the importance of workers demonstrating that they could be on time, “present well”, have their own transportation, and have

the training/certification they needed for the job. And AWC Resource people would endeavor to secure the requisite training to support people to do the work that interested them. Decisions about work readiness of members were made at members meetings.

Ensuring work readiness helps to ensure members have a positive work experience. It gives them the skills and the confidence to do well and sets them up for success. It also helps to ensure that clients have positive experiences with the co-op.

- **The Job Developer position.**

A job developer is someone who bridges the worker and the work opportunity. In a mainstream contracting situation, the role is analogous to the person who bids a job and gets the contract that then employs a crew of workers.

For people who face multiple barriers to employment, this model can work very well. A job developer learns the capacities and interests of the workers, and then goes out to find and secure appropriate work opportunities. The workers then share the work according to their capacities, needs and interests.

The model allows for the flexibility people with multiple barriers to employment need. There is no pressure or expectation to work full time or other set hours. If people are having a bad day, another can take their place. If a person prefers to work with a buddy, this can be arranged.

- **Importance of the “prime mover”**

The experience of several co-ops indicates the importance of a prime mover or champion – perhaps as a manifestation of the “heart” factor identified above. Important dimensions in a prime mover are vision, dedication, continuity, longevity and trust. For example, the prime mover for Advantage Worker Co-op moved to another city, and this was part of the reason AWC shut down. As another example, the length of involvement and depth of commitment of a key staff person has been central to Prepeco’s success.

- **Needs may change over time.**

Frequently, people will seek different employment, social or housing options over time. For example, someone’s needs may change in terms of the type of housing stock or the organizational structure. See the excellent article by Cathy Ludlum at www.specialed.ccsu.edu/Pancsofar/June%20Essays.htm (search page for “Cathy Ludlum”). Cathy, a physically disabled person, worked very hard for five years to create her dream of independent living through a housing co-op. But then, after a further five years living in the co-op she found herself longing for a simpler more private housing option in a different location. At first she felt that this desire was a betrayal of all the hard work and support she had received from many friends. But by imagining that a friend came to her with the same situation,

she came to realize that of *course* disabled people's needs and desires change over time like anyone else's.

- **Financial oversight can be important**

In two instances co-ops could have benefited from more stringent financial oversight provisions (Advantage and Eastside Coffee Bar Co-op (ECBC)). Advantage wanted to operate on the basis of trust, and to not subject their treasurer to having to “jump through hoops”. In the end though, the treasurer absconded with \$30,000 and the same co-op members would now require a police records check. At ECBC, some money went missing, and this undermined the cohesiveness of the co-op.

Sources of finance and resources

- **Support needed in the developmental stages**

Co-ops of all kinds need up-front money to establish themselves. It is important to remember that today's co-op success stories generally had help when they were starting out. Social co-ops have a greater need for start-up support given the population they work with.

- **“Developmental stages” can mean five years or longer.**

According to Elizabeth Rogers, the average mainstream small business takes five years to establish itself. Given the populations they are serving, social co-ops may always need support – either direct or indirect – e.g. through social tendering, training partnerships or technical assistance partnerships.

- **A pot of money does not a successful co-op create.**

It is relatively easy to start a co-op if there is developmental support. Keeping one going requires a lot of hard work. It requires that the co-op business is essentially viable, and that the co-op takes care of both the group development and the business side of things. There is some indication that if funding is too readily available in the beginning co-ops may be launched without laying a strong enough social or educational foundation.

- **In-kind support.**

Co-ops benefit enormously from all kinds of in-kind support – e.g. free space, accounting services, staffing, training, mentoring, volunteers.... There is tremendous good will to support social co-ops. Many have been able to attract significant in-kind support.

Process and outcome evaluation

- **Measuring inclusion outcomes and the public portrayal of members**

There are several reliable program evaluation tools that include measures of the critical factors of social integration, inclusiveness in membership development, and the public portrayal of members who live with challenging conditions. PASS and PASS-ING are two such tools.

One of our correspondents recommends that emerging cooperatives and the organizations that are founded to support their development familiarize themselves with these instruments and obtain planning and evaluation support from people who are trained in their use.

Planning next steps for a social cooperative initiative

- Just as it is important for individual cooperatives to be very clear about their vision, direction and work-plans, it will be critical for those undertaking local, Provincial and National initiatives to take formal opportunities to define:
 - The vision that defines and describes their enterprise
 - Clear descriptions of what they would expect to accomplish if they were doing effective work in the direction of that vision for a specified period of time
 - A ‘snapshot’ inventory of where they are now (resources, current capacities (current level of organization, skills and connections), obstacles and opportunities
 - Who we need to enroll, and specifically what we want to request of those identified individuals and organizations
 - What do we need to do to develop the connections, capacities and skills needed for the undertaking
 - Time-lines and milestones on the critical development issues, and
 - Concrete next steps

Interest groups benefit from a facilitated process of defining these elements, and a group graphic (such as one developed in the PATH planning process) can be helpful in conveying the vision and describing and tracking project performance.

Conclusions & Recommendations

Several conclusions and recommendations emerge out of the findings. These are presented tentatively and as conversation starters for those interested in social co-ops: practitioners, professionals, community organizations and workers. We have kept the number of conclusions and recommendations small as a way to focus attention on key factors and issues.

Conclusion #1

There is tremendous potential community benefit from the application and innovation of the social co-op model to serve people with developmental disabilities and mental illness (and other vulnerable populations).

Recommendation #1

We recommend that community organizations, communities and governments find ways to support the social co-op movement through increased funding, development of more sophisticated evaluation tools and processes, and better support of social co-op activist networks. The latter will help the social co-op movement to help itself: there is a critical need for knowledge transfer and to build a critical mass in this field.

Conclusion #2

There is a broadly based lack of knowledge of social co-operatives: the work they do and the potential they have for helping vulnerable populations be more included and more actively part of civil society.

Recommendation #2

We recommend that two important initiatives be supported:

- Development of a certification process that will clearly identify ‘social co-ops’ as a unique form of social support – a form worthy of extraordinary public and private contributions.
- Development of a branding and image building program that will enhance the visibility and understanding of this form of social support among the general population and within funding bodies in Canada.

Conclusion #3

Governments, foundations and other potential support bodies have largely focused on the good work of non-profit associations and charities to the exclusion of social co-ops. The heightened awareness and trust for charities have, in effect, delayed the potential for social co-ops to innovate and try new forms of ownership and work practices.

Recommendation #3

We recommend that this study and other materials on social co-ops be circulated widely and that follow-up outreach and education be supported to assist public policy and public program sponsors to become informed of the potential of social co-ops and of ways to be more supportive of social co-ops.

Conclusion #4

There is not yet a consensus about where the social co-op fits within a spectrum of social and economic forms and vehicles for community improvement. The potential of the social co-op sector is in part under-realized due to the sector's relative newness and isolation from the spectrum of social and economic forms and vehicles for community improvement.

Recommendation #4

We recommend that the co-op movement and appropriate government bodies consider the social co-op movement as part of the broader social economy of Canada and support initiatives to network-the-networks. The goal is to quicken realization of the potential benefit of social co-ops. Networks to network include fair-trade initiatives, social venture philanthropists, CED groups, entrepreneurial associations, Community Futures and other programs.

Conclusion #5

Public policy is out of date and inappropriate for people with developmental disabilities and mental illness who are attempting, through social co-ops, to become more fully integrated in the economic mainstream of the community. The concepts of marginal income maintenance, sheltered-workshop program funding, project to project financing, and exclusion of asset development were all geared to the needs of another time.

Recommendation #5

We recommend that a citizens' panel be established to explore ways in which public policy can be re-oriented to provide for more inclusion of vulnerable populations in local enterprises and the potential utility of social co-ops and other local enterprises. Such a panel could consider, from a public policy point of view, issues that we have identified through the case studies: social tendering, the effects of disability pension programs, the potential for on-going enterprise support systems, public support for private sector involvement, accessibility for social co-ops to support programs currently targeting small businesses and ways to support the sharing of learnings between social co-ops and amongst social economy related networks.

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<http://selmain.test.poptel.org.uk/publications/ViewADocument.asp?ID=331&CatID=8>

Wetherow, David and Faye. **Prairie Housing, L’Avenir, and Second-Level Community Co-operatives.** September 2000.
<http://www.communityworks.info/articles/cooperatives.htm>

Sites re specific social co-ops

A-Way Express Courier Service

<http://www.icomm.ca/away/>

EcoCreations Co-op, Duncan, BC

<http://www.interimauthoritylbc.ca/innovation/submissions/innovation28.htm>

Eastside Coffee Bar Cooperative

<http://modena.intergate.ca/cmha-vb/test/Pages/ecbceval.pdf>

Prairie Housing and L’Avenir

<http://www.communityworks.info/articles/cooperatives.htm>

Trieste Mental Health Services

http://www.triestesalutementale.it/inglese/frame/guida_frame.htm

Other relevant sites

Fast Track to Employment – a portal supporting procurement policies that favour community benefit and/or the triple bottom line. <http://www.dtes.ca/fte/>

Appendices

- a. Pilot Project Descriptions
- b. Pilot Project Questionnaire
- c. Additional Questions from Pilot Projects
- d. Social Co-ops Focus Group -- Minutes
- e. Case Studies
 - 1. Advantage Workers Co-op
 - 2. Common Ground Co-operative
 - 3. Expressway Printing Co-op
 - 4. L'Abri en Ville
 - 5. Nundah Community Enterprise Co-operative
 - 6. Prep-co

Appendix A: Pilot Projects Descriptions

The principle partners for this research study are the three organizations/communities in the developmental stages of launching grassroots-driven innovative co-ops in the social services sector:

Kamloops Society for Community Living (KSCL), Kamloops, BC

Situation

There is an increasing need, as parents of developmentally disabled persons age, to provide and ensure an ongoing and sustainable community-based housing and programs that will meet the needs of these adult children. Demographic changes (aging population), policy shifts by the provincial government and long-term funding reductions have contributed to the urgency of the situation.

Proposed Pilot

The Pilot Co-op is to support individuals with disabilities and their families to acquire life-long access to community based social and health services.

Key goals are:

- To purchase and/or provide access to, on a continuing basis, appropriate alternatives and choices for housing that meets member's needs and desires for accommodation and companionship;
- To provide and/or ensure access to on-going appropriate community support and services so that members are able to live and thrive in community settings;
- To ensure personal advocacy services that will continuously support member's rights to the full availability of appropriate services;
- To provide a personal Help Centre that will assist members to participate fully in community life with the needed services and supports to make that possible.

Penticton & District Community Resources Society (PDCRS), Penticton, BC

Situation

Since 2001, PDCRS has operated a number of programs that train developmentally disabled youth and adults in pre-employment and supported employment positions. The Society currently employs a large number of these individuals in supported employment positions in community programs. These programs are increasingly difficult to sustain as external funding is reduced and local factors provide a range of opportunities to explore for a more business-like approach. It is believed that these programs can become more sustainable under a co-op ownership and governance model.

Proposed Pilot

The pilot aims to set up a multi-stakeholder co-operative that includes as director level owner: the sponsoring organization, other support organizations and businesses as well as workers who are currently provided supported employment in the present programs. The pilot will test the feasibility of sustaining and expanding current operations and transferring these operations to the new Co-op. Key goals for PDCRS are:

- To engage a range of support groups and potential worker-owners in planning for a co-operative enterprise.
- To undertake feasibility studies related to all business aspects of the potential enterprise and arrange financing and other business requirements.
- To form a co-operative and undertake the necessary programmatic training, mentoring and business planning support.
- To arrange and provide on-going organizational assistance to the co-operative – providing necessary assistance to support on-going sustainability.

Fraserside Community Services (FCS), New Westminster, BC

Situation

FCS has, in recent years, operated several programs that train mentally disabled street-engaged youth and adults in pre-employment and supported employment positions. The Society currently employs quite a number of these individuals in supported employment positions or community-based day programs. It is believed that these individuals have a greater likelihood of thriving and these programs can become more sustainable within a co-operative ownership, governance and operations model. Some of the current programs may be transferable to a new co-op in an incubated environment.

Proposed Pilot

This pilot project is currently exploring two options. The first is creation of a multi-stakeholder co-operative that includes as director level owner: the sponsoring organization, other support organizations and businesses as well as workers who are currently provided supported employment in the present programs. The second option is a supported worker co-operative. The pilot will test the feasibility of working with present and potential employees and transferring the current sheltered employment programs to the new co-operative in a manner that ensures sustainability and possible expansion to greater volumes. Key goals for FCS are the same as for the Penticton pilot, see above.

Appendix B: Pilot Project Questionnaire

The broad purpose of the research is to support the success of your social coop. My underlying question is, “What would you like to know that will support your project?”

1. To get there, help me to know a bit more about what **you want to do**
 - Who serve: age, number, gender, description?
 - What needs?
 - Purpose and goals?
 - Primary impetus for coop
 - Anticipated timeline
 - Vision, values, principles

2. And a bit more about your **current status**.
 - Formation of group, relationships, trust level
 - stakeholders
 - Knowledge of project
 - Interest in project
 - Other?

3. Reference group
 - Who in organization/project might help with ensuring that the research is on target?

4. I will be doing research on successful and failed social coops serving similar populations. Do you have any specific questions to flesh out these broad categories I plan to research?
 - Description of coop
 - Purpose
 - Vision and values
 - Who benefit
 - What do?
 - How does the business actually work?
 - Worker coop, multi-stakeholder, or other?
 - Scale and configuration of facilities/programs – what’s optimal?
 - Governance – what structures and why

 - How established?
 - Story (including timeframe)
 - Impetus
 - Critical factors

- Partners/relationships
 - Who
 - Why
 - Quality of relationships/trust levels
 - Commitment
 - Benefits of partnerships
 - Challenges of partnerships

- Finances
 - Source
 - Terms
 - Challenges?

- Business Plan
 - Do you have one?
 - Are you willing to share it?
 - How closely does your business mirror the plan?
 - If not, why not.

- How it actually works
 - Who does what
 - Nature of business transactions, and financial flows.
 - How best to provide for companionship needs?
 - How best to accommodate changing housing and support needs over time.

- Start-up
 - What were the critical factors in your start up?
 - Timeframe (if not discussed earlier)
 - What helped?
 - What hindered
 - What do differently if had 20-20 hindsight?
 - What key recommendations make to another coop aiming to do the same or a similar thing?

- Strengths and weaknesses of the coop model
 - What have been key successes, **positive impacts**
 - Anecdotal
 - Aggregate
 - Direct and indirect
 - Quantitative/qualitative
 - How tracked?
 - What have been the main challenges?
 - and how have you dealt with them

Appendix C: Additional Questions from Pilot Projects

Are there any precedents of social coops that involve many different populations – e.g. people with mental disabilities, people with developmental disabilities, people newly out of jail, persons with addictions?

- If yes, how have these coops worked with the diversity of people?
- What factors have contributed to success?

Are there precedents of social coops that involve a wide range of types of work in one coop – e.g. odd jobs, gardening, moving, janitorial, etc?

- If yes, how have these coops worked with the diversity of work?
- What factors have contributed to success?

What is relationship between the coop and the incubating society?

- Initially
- Overtime
- Suggestions for easing transition

What are the liability issues for an incubating society that is a member-stakeholder in the coop?

- What is the liability of partnering organizations

Is there an inherent conflict between being a **trustee** of a non-profit organization and being an **owner** of a coop enterprise?

Re overseeing on the part of the incubating organization, who

- Makes decisions
 - Is ultimately responsible
- I.e. is it management or the Board? And what are the best ways to allocate responsibilities.

How have other coops dealt with the issue of people on disability benefits, and their need to ensure that workers not lose benefits?

- Payment options – honoraria, dividends, other?

Are there coops that are serving people who are homeless or at risk of being homeless?

- Have coops help break the cycles that include homelessness?

Appendix D: Social Co-ops Focus Group -- Minutes

Friday, March 26th, 2004

2:30-4:30 pm

United Community Services Co-operative

Attendees in person:

1. Tim Beachy – United Community Services Co-op
2. Jill Bloom – Fraserside Community Services Society
3. Lizanna Carlberg -- Expressway Printing Co-op
4. Melanie Conn -- DEVCO
5. David Driscoll -- VanCity Community Foundation
6. Dave Dunlop – Friendship House, Fraserside Community Services Society
7. Marty Frost -- DEVCO
8. Dave Saranchuk -- Expressway Printing Co-op
9. Rick Simcock – Fraserside Community Services Society
10. Kate Sutherland – United Community Services Co-op
11. Jan Taylor – BC Co-operative Association
12. David Wetherow – CommunityWorks

Attendees by phone

13. Caroline Bonesky – Fraserside Community Services Society
14. Kathleen Gabelmann – BC Institute for Co-operative Studies
15. Rainer Persicke – Penticton & District Community Resources Society
16. Gail Saunders – Kamloops Society for Community Living

Minutes

NB: See Presentation Notes at the end of these minutes for Kate's presentation notes.

Comments on presentation

- Melanie Conn (MC): Potential link between fair trade movement and social tendering.
Also, what do we mean by success? E.g. Healthy Harvest Co-op in Victoria. It runs a market garden. The workers sell flowers at markets through the summer. They make a modest profit, which they use to have a big dinner and celebration at the end of the season, and to supplement their disability benefits modestly. Melanie thinks the co-op is a big success – primarily because it is meeting the goals and expressing the vision of the co-op members.
- Kathleen Gablemann (KG): Re Prepcop model – the members are giving the subsidy – by virtue of working for less than minimum wage. Not accurate to say that this model involves no subsidy.
- Rick Simcock (RS): Paying workers **better** than minimum wage has been a key factor in the business currently operated under the umbrella of Fraserside CSS. It has been important for motivation, ownership, and self-esteem.

- Dave Dunlop: Fraserside's Moving On has also offered opportunities to learn, e.g. plumbing and how to lay a floor, have been really important
- RS: lots of potential if reach out to non-profits
- Dave Saranchuk (DS): Expressway has not found non-profits to be supportive. There are lots of obstacles – like their need for a full range of services, and long-term relationships they have established with their printing suppliers. Hard to break in.
- DS: Good to have a full time organizer/business developer supporting social co-ops
- Marty Frost (MF) Question re long term sustainability – why say these social co-ops need ongoing support? Kate: experience of Eco-creations, a co-op with persons with mental disabilities. The business was making meat pies. Found that the members needed more supervisory help than originally anticipated. This raised overhead costs. Then needed to increase production to afford higher overhead. But doing this would have required development of a major marketing strategy, as the local market was not enough. They did not have staff or resources to do a marketing plan. So the business closed after 5 months.
- David Driscoll (DD): Re issue of market wages – we find that in the mainstream market, people work for different wage levels. Differential capacity and differential motivation underlie differential salary expectations – in the mainstream and also in social co-ops.
- DD: issue of regulatory environment. Their growing awareness of the Triple Bottom Line approach. We need to build the metrics for measurement of social benefit. We are good at measuring financial impact, and we are reasonably good at measuring the environmental benefit/harm. Social benefit – not good at measuring it, and this is a big issue.
- DD: in just the first four days of looking, the federal government has identified 18 programs that support small businesses that are not available to people starting co-ops. There is lots of support/investment by the federal government in people starting small businesses – this in recognition of the net benefit to the community. It is not recognized as a subsidy. We need more investment in co-ops in recognition of the community benefit.
- DS: Great to have certification of social co-ops somehow. Like the Union Bug people put on materials printed in a union shop. And then we need someone to champion this social co-op certification to unions to get unions to support the process in recognition of the wider community benefit.

How measure success?

- Measure in relation to the goals and vision of the co-op
- Measure in relation to sustainability of the co-op.
- Measure the qualitative differences in peoples lives – the testimonials of participants; the benefits of the journey.
- Measure social return – the community benefit. This could be things like fewer visits to hospital emergency wards.

What policies do we need to help social co-ops thrive?

- A more supportive regulatory matrix (see DD's comments above)
- Branding/certification of social co-ops so they can differentiate themselves from other suppliers on the basis of their social benefit.
- Social tendering – procurement policies that favour suppliers that provide significant social benefit.
- A level playing field – i.e. access to the 18 programs that are currently only available to small businesses structured as private enterprises.
- Access to capital for equipment and development costs.
 - This can come through alliances with a credit union – for capital investments, and also technical support, financial advice and monitoring of the investment (which becomes a supportive feedback mechanism for a new venture.)
- Richard Bridge's work on charity legislation to allow a co-op to be registered charity on the basis of its provision of collective benefit vs. only private benefit.
- Greater awareness of the co-op option. Currently professionals consulted about organizational models stress only two options – private enterprise or non-profit organizations. We need these professionals to know that co-ops are another important option they can recommend. (There are more than two ingredients in the cake, more than two arrows in the quiver.)
- Change the significant policy barriers re disability income and medical benefits. Current policies are punitive re anyone seeking to move off benefits. Too little incentive to take risks or to try new things.

What is the value-added of using the co-op model?

- Re compliance with the Employment Standards Act minimum wage requirement, it is CCRA what decides it compliant – versus the co-op or the employer.
- MF has done some work with the CRS Workers Co-op that has ascertained that co-op membership agreements can have the same status as collective bargaining agreements. They can supercede the Labour Standards Act as long as they do not undercut the LSA. This has limited applicability to the issues of social co-ops, but Marty mentioned it in case it is of future relevance.
- Jan Taylor (JT): What are the support mechanisms for social co-ops in Amelia Romagno (Italy)? Tim: not aware of anything particularly in support of social co-ops. DD: Consortia support re credit extension, networking, business support, opportunity analysis, and training.
- New co-ops benefit from tapping into the co-op movement – resources and networking
- DD: Bullitt Foundation: how smart businesses invest 1/3 of income on capacity development – organizational development, training, opportunity analysis, market development, recruitment. This is seen as investment, vs. subsidy. Need for non-profits and co-ops to invest in capacity development, and to stand for the importance of capacity development.
- DD: Need for co-op model to be better known by general public. People don't know what a co-op is.

- MC: And people don't know that specific co-op businesses are co-ops!
- David Wetherow (DW): Long history of isolation and segregation of people with developmental and mental disabilities. Co-ops have the fundamental value of being as inclusive as possible. Self-determination, Skill building re business and organizing. Important not to create a co-operative sheltered workshop. Social integration is important.
- RS: Family members and others want to be involved in the business.

What is the downside of using the co-op model?

- RS: Hard to keep interest and momentum for the 1-2 year co-op development process.
- MC: Co-op needs to provide a clear benefit. IF not providing a clear benefit, shouldn't use the co-op model. Only do a co-op if it adds benefit.

What support is truly helpful?

- RS: Lots of non-profits as buyers of services/products
- DS: Social agencies need to recognize that it takes 4-6 years for a social co-op to become viable. (And this is the same time it takes for most small businesses to become viable)
- KG: agrees that it takes 4-5 years of support. Business education is very important.
- Caroline Bonesky (CB): Half the time I want to be the Champion. The other half I want to cut and run. It has been very valuable to learn from the experiences of others. I have a much better idea of what is involved.
- MC: reminded of "Buying local"—the importance of teaching people to "Follow the dollar". It's an educational piece that needs to be done, so people recognize the value to communities and their lives of supporting social co-ops and social enterprise.
- Co-ops offer opportunities for diverse elements in the community to work together. They promote civil society. Co-ops are an avenue to express civil society. They are about investing, versus subsidizing.

Highlights for participants in the focus group

- MF: the need for and potential of a dialogue between the co-op sector and the non-profit sector. Lots of mutual benefit, and potential for mutual enterprise.
- MF: Promote the idea of social co-ops, do more, build on experiences to date. Overcome obstacles. Keep going.
- RS: Lots of opportunity. It's exciting
- JT: Value of networks
- CB: Clarifying thinking. Understanding the issues.
- RP: Lots of learning. Very helpful.
- DW: Importance of qualitative evaluation.

Presentation Notes for Focus Group, March 26, 2004

-- Kate Sutherland

- I've had the **privilege** of immersing myself in the stories and insights of people involved with social co-ops. It's been fun and exciting and deeply inspiring.
- Researched
 - Prepcos – Kingston
 - Expressway Printing Co-op – Vancouver
 - Eco-creations Workers' Co-op – Duncan
 - Advantage Workers Co-op – Dawson Creek
 - Nundah Community Enterprise Co-op, Brisbane, Australia
 - L'Abri en Ville, Montreal
 - Prairie Housing Co-op, Winnipeg
 - L'Avenir, Winnipeg
 - Eastside Coffee Bar Co-op, Vancouver
 - Common Ground Co-op, Toronto
 - Norc, New York City
 - Work Opportunities Resource Co-operative, Nelson
 - COW (Consumer Organized Work) Sydney, Australia.

Potential

Convinced and excited that social co-ops have a tremendous contribution to make to quality of life of people and communities. Lots of stories about how people have changed. How persons with disabilities have way more potential than ever imagined. That the impact translates into their whole lives.

Worth supporting for benefits to members.

Incubation vs. self-organizing

- All the social co-ops were incubated – either by a social agency or by parents, or both.
- This is different than co-ops generally – self-organizing. Co-ops serving vulnerable populations need support.

Diversity

- Lots of models, different populations/circumstances, Different visions
- Some not co-ops
- **How to share** what I've learned? I started by writing down key findings – and there have been many.
- It was a **list** – a list of important points that all have stories behind them.
- But when I got up from writing I felt that I **hadn't captured a deeper level** of learning. That's what I want to try to share this afternoon.

Heart

- The first thing that struck me was that my list missed **Heart**.
- By Heart I mean qualities like trust, depth, caring, love, vision, integrity, commitment. Respect.
- For example, Wade, Ann Reid, Nundah
- True of all successful initiatives – whether structured as co-ops or not.
- More challenges facing social co-ops with a marginalized/vulnerable population. But merely highlights what’s true of all initiatives
- From my perspective, some co-ops have more heart, and others have less, and the ones with more heart tend to be more successful.
- **One aspect of HEART is whether there is a Champion.** One experienced co-op development consultant notes that if there was no “champion” within a group, he would decline to work with them. The champion was not necessarily the Chair or Secretary nor the loudest, but someone that believed in the idea and what it could lead to - they had a **vision** for the future.
- Strong vision and/or a Champion is like a magnet. People and resources are attracted. “The charm factor”. Things happen by grace. Attracting dedicated passionate volunteers and allies. “The project sells itself.”
- Heart – or a spiritual dimension.
- Tim’s diagram.

Bringing together business and social issues – both potential and challenge

- Social agencies benefit from exposure to business culture
- And Vice versa
- Social co-ops need sound business advice/entrepreneurial culture
 - Challenge for social agencies – major cultural shift
- How to promote the interface?

Double binds

- The second thing my list didn’t adequately reflect was the core tension between participation and production.
 - Participation // Production
 - Start slow // Just start (leap in)
 - Need support // Support doesn’t necessarily help (e.g. WORC. Nelson)
 - What best serves an individual // What best serves the community
 - Clarity of vision // inclusiveness
- Swampy marsh – therefore trial and error
- Again – population served highlights issues that are there for all human activities.

Sustainability

- Supervision/support needs on an ongoing basis.
- Most co-ops self-organizing. Co-ops for vulnerable populations need incubating and then some level of ongoing support
- This impacts their sustainability.
- Many different models.
 - Prepro – low draw, and MTO contract
 - Advantage – volunteer supervision, partnership with Northern Lights
 - Common Ground -- grants for staff salaries, partners getting close to minimum wage, but lot's of their income being clawed back.
 - Expressway – grants for supervisors
- Typically relatively easy to getting start up funding – three years.
- Often not enough
- Key issue of medical benefits, and --
- Challenge of discerning which co-ops still need support – average small business takes 5 years to get established – and which co-ops are

Ways forward?

- Networking the networks – e.g. social entrepreneurs linked to social agencies, the portal, conferences...
- Proactive support – as soon as a co-op is registered it is linked to others doing the same work.
- How to support social tendering? Governments at all levels – work to find allies
- Housing co-ops now have paid off mortgages – support for new co-ops that include % of people with mental disabilities?
- Training, training, training – in running a co-op, in running a business, in running a meeting.
- Access to credit
- Business networking

Appendix E: Case Studies

Advantage Workers' Co-operative – Case Study #1

Area Served:	Dawson Creek, BC
Type of Co-op:	Worker owned
Date initiated:	July 1999
Date of Incorporation:	July 2000
Date of Dissolution:	Dec 2003
Membership	10-43
Activities:	janitorial, gardening, ice cream shop, community kitchen

NB: See the following link for BC Institute for Co-operative Studies' excellent case study description of the history and activities of the co-op:

<http://web.uvic.ca/bcics/research/pdf/situatingCoops/advantageworkers.pdf>

“Why don't we just do it ourselves?”

Five years of meetings, lobbying and negotiations to create a joint Federal-Provincial employment support program for people with multiple barriers to employment fell through at the last minute in 1998. The group that spearheaded the work was devastated and angry. In their frustration, they committed to doing it themselves.

Who was involved?

The group was composed of students and instructors from the Northern Lights Community College, and their families and friends.

The College ran courses in Career Life Training and Personal Life Management as part of their Adult Special Education programming. The core group included eight students with developmental disabilities, mental illness or other barriers to employment who had participated in the courses and were highly motivated to work.

College instructors were passionately committed to helping the students follow their dreams after graduating from the programs, as were family members.

All having worked together in the last year, including life skills training that included trust building exercises, there were strong relationships and a high degree of trust among the founding group members.

Forming the Co-op

The decision to form a worker co-op was made in March 2000 and the co-op was incorporated in at the end of July 2001. The process of forming the co-op was very challenging. There was a lot of learning by trial and error, and only \$1,300 was available for hiring consultants. There needed to be special rules to accommodate the needs of a

co-op involving people with developmental disabilities and it took three tries to get the rules approved by the BC Co-op Registrar. (There was some sense that this may have been due in part to institutional discrimination: I.e. that the co-op was challenged because the Registrar could not understand how people with disabilities could credibly form a worker co-op. Alternatively, it may simply have been that changes to the legislation just prior to the time of incorporation meant that Co-op Registrars were in the midst of a steep learning curve.)

Specific unique features included ensuring that there would always be a minimum of 75% of co-op members being people with disabilities (i.e. that “resource” members would never exceed 25% of co-op membership.) The board composition also reflected this same ratio.

Activities

Beginning well before the co-op was incorporated, a Northern Lights Instructor secured small contracts for the students to work on. She sought out work that reflected the interests and was within the capacity of the workers. These included gardening and janitorial contracts. In her role within the college, she was able to create or ask other instructors to tailor trainings to enable the workers to develop the skills they needed to accomplish these tasks. This included securing contracts that offered ongoing work opportunities to students while they were enrolled in the Northern Lights programs, thereby securing needed training without burdening the co-op with the expense of providing the training on its own nickel.

Once the co-op was incorporated, the work was typically quoted on a job by job basis, vs. by hourly rate. Distribution of job income was determined at weekly meetings. On a \$3,000 contract, \$1,500 might be distributed to the workers in proportion to the amount that they worked, and \$1,500 might be kept within the co-op to purchase equipment and cover core expenses. See the BCICS case study for more information.

Factors critical to success

- **Worker driven**

The purpose of the coop was to meet the needs of its members for employment and related training. Members wanted to work as a means of participating in their community and contributing to it. They also wanted to earn money.

The co-op aimed to support people to do the work that they were interested in as opposed to the normal expectation that people facing multiple barriers should take whatever they can get. This spirit of supporting people to live their dreams was very motivating – both to the people with barriers and to the resource people involved.

The co-op was driven by the workers, and resource members took their cues from the members with “barriers”. This value was deeply held throughout the co-op.

- **Excellent Access to Training** through the partnership with Northern Lights College. A Career and Life Skills instructor at the College supported the students' drive to create the co-op. She trained students for a 12-week period, cultivating trust and relationships with and among the students. The College trainings were paid for by ABESAP (Adult Basic Education Support Assistance Program) which made the trainings accessible to families.

In addition, the college could offer specific vocational training in a wide variety of areas. For example, one student trained in **welding**, and others in **prep cooking** and **camp cooking**. Students who completed training in **custodial care** or the **building services worker program** would receive a certifying ticket. If a co-op member was having trouble with anger, they could step out of the day to day activities of the co-op to participate in **anger management** training and return when they had learned positive ways of dealing with their feelings.

Another key strength and practical support from the college was training of co-op members in **Life Skills**, and **how to run effective meetings**.

- **The Job Developer position.** A job developer is someone who bridges the worker and the work opportunity. In a mainstream contracting situation, the role is analogous to the person who bids a job and gets the contract that then employs a crew of workers.

For people who face multiple barriers to employment, this model can work very well. A job developer learns the capacities and interests of the workers, and then goes out to find and secure appropriate work opportunities. The workers then share the work according to their capacities, needs and interests.

The model allows for the flexibility people with multiple barriers to employment need. There is no pressure or expectation to work full time or other set hours. If people are having a bad day, another can take their place. If a person prefers to work with a buddy, this can be arranged.

Initially a Northern Lights College instructor played this role. As the co-op grew, other volunteer resource people joined her. One successful strategy for attracting work was making presentations to the local Chamber of Commerce.

The co-op was successful in gaining several contracts with the City of Dawson Creek. In the heyday, they did work with 5 different government agencies including City Hall and the library, doing janitorial, gardening and other odd jobs.

- **Volunteer Supervision**

Co-op members included a core of five highly dedicated volunteer resource people who visited job sites when the work was being done to make sure that everything was going well. Supervision was either by Northern Lights staff members (on the College payroll), or volunteer resource people. The volunteers included family members, community members and later practicum students from the Northern Lights Social Work program. In other words there were no paid supervisors – a huge saving which meant more income could go to workers, allowing them to be paid minimum wage.

- **Partnerships**

The partnership with Northern Lights College was critical. In addition to the above mentioned staff and training support, the College also provided a physical location for the co-op that was familiar to the workers and seen as safe.

Other partnerships included work with a local community kitchen. This enabled co-op members to interact with other community members as peers, meeting a core goal of increasing their involvement with and contribution to the community.

- **Mediation**

The co-op members developed their own internal dispute resolution system. One member had an interest in mediation and was skilled and trusted. When disputes emerged, they were dealt with quickly and effectively.

- **Excellent communication**

Co-op members met weekly with 12-25 people attending. These meetings discussed upcoming contracts, mediated any conflicts and sorted out who would/could work.

There were also bi-monthly General Meetings to discuss general policy issues. See the BCICS case study for a description of a typical meeting. The meetings and a high level of informal contact kept communication lines open and ensured that the co-op was meeting needs and responsive to the members.

- **Ensuring work readiness**

Workers had to demonstrate that they could be on time, “present well” and have their own transportation. They also had to have appropriate training, and if people wanted to do the work, the resource people would endeavor to secure the requisite training.

The Co-op functioned very well. It started with about 10 members and in its heyday reached a membership of 43. In the opinion of the resource people involved, the Advantage Workers Co-op offered a viable and sustainable model. It was highly successful in its own terms: providing employment at minimum wage to the workers, and providing training that permitted workers to follow their dreams.

It was very sad that a financial scandal undermined its success and that the co-op ceased to operate in December of 2003.

Key Learnings

- **Financial oversight is essential**

The Board appointed as treasurer a person with barriers to employment due to mental illness. He was very functional, and fully qualified from a technical standpoint to act as the treasurer. The board further granted co-signing authority to two other board members with developmental disabilities.

The board deliberated on whether to require the candidate for treasurer to have a police records check. The consensus was not to require the person “to jump through hoops”. People with barriers to employment are resoundingly sick of having to jump through hoops to qualify for this program or that, and they didn’t want to have any “hoops” in the running of their co-op.

The unfortunate consequence was that over a two-year period, the treasurer absconded with \$30,000. He did this in many ways, including writing cheques for \$500 to himself, and making payroll deductions but failing to remit them to Revenue Canada.

The co-signers on cheques trusted the treasurer and never questioned his actions. Ultimately the financial hemorrhage undermined the viability of the co-op.

The treasurer’s betrayal of trust deeply shook the confidence of the two board members who had co-signed the cheques. They felt responsible, and were very harsh on themselves for not having known better.

Repeated discussions with the two co-signers have focused on how the responsibility lies with the whole organization’s decisions and policies on financial oversight. The learning has been that responsibility needs to be shared, and that there need to be built in oversight mechanisms and procedures like police records checks.

- **Importance of the “prime mover”**

The co-op was heavily reliant on staff from Northern Lights College and volunteers in the community. When a funding cut was immanent to the College’s Adult Special Education Program in 2002, a key resource person left Dawson Creek to secure employment elsewhere. While the co-op could probably have borne this transition had there not been a concurrent financial crisis, dependence on one or two key players make a co-op more vulnerable. [NB: this is true of any small business!]

Common Ground Cooperative – Case Study #2

Area Served:	Toronto, Ontario
Type of Co-op:	Non-profit social service co-op
Date initiated:	September 1999
Date of Incorporation:	April 2000
Current Membership:	80+
Products and services:	Fundraising and coordination to provide job coaching and Administrative support for business partnerships owned by persons with developmental disabilities.

NB: This case study is largely based on excellent descriptions of the Common Ground Co-operative generously shared by Carolyn and Jim Lemon.

Description

Common Ground Cooperative (CGC) is a non-profit service organization, incorporated under the Ontario Cooperative Corporations Act. The co-op brings together over eighty citizens from the community who share a concern about the lack of employment opportunities for people with intellectual disabilities.

The co-op supports the establishment and development of business partnerships as a strategy for developing employment among the target group -- adults in receipt of Ontario Disability Support Program (ODSP) income benefits who have been on the margins of regular employment since leaving the school system. CGC currently supports three partnerships (a catering company and two retail snack bars), and has plans to add a fourth partnership.

History

The project began in 1998 when Jim and Carolyn Lemon applied on behalf of their daughter Cathy for an Individualized Quality of Life government grant (known today as the Options Program) under the Ontario Ministry of Community and Social Services.

Cathy had some experience with baking and selling chocolate chip cookies

in a small snack bar at the headquarters of the Community Living Toronto (CLT). So she and her family decided to use the grant to hire a support worker and provide legal counsel to help her start up a bakery and catering business that could wholesale snacks to the coffee bar.

Guiding philosophy

"The key words found in so much of the North American literature on intellectual disabilities are consumer choice, self-determination, self-advocacy, clients' rights and person-centred planning. We believe that greater benefits to people with intellectual disabilities can arise from cooperation, group determination and advocacy, human rights, community participation and community-centred planning, that is, at the same time, fully conscious of individual needs and in which individuals play central roles."

*Carolyn and Jim Lemon
The Canadian Geographer
Vol. 47, Issue 4; Dec, 2003*

CLT offered to them the free use of a commercial kitchen in one of their group homes near Victoria Park and Danforth. In exchange, Cathy and her family agreed to invite other CLT clients to join the business. Lemon & Allspice Cookery (hereinafter called the Cookery), was chosen as the name for the business in July 1998.

Cathy and two others began, with the help of the support worker, baking and selling cookies to order and using the TTC to make the deliveries. Initially they marketed their products to various groups within CLT, to church and community groups, and friends and neighbours. As they gained more customers, they added to their menu several other types of baked goods plus sandwiches, bag lunches, salads, and fruit and vegetable trays.

As the business grew, Cathy's parents used some of the grant money to engage Brian Iler, of Iler, Campbell, a law firm specializing in Cooperative organizations, to assist them to develop a model for the business. After looking at several models, (for example, the Kingston, Ontario worker co-ops), they decided to invite the people working at the Cookery to form a legal business partnership.

After educating the workers about how a business partnership would operate, eight people, all of whom have intellectual disabilities and were in receipt of government benefits, signed the papers to establish the partnership. At the end of each month the support worker divided a portion of the sales revenue to pay the Partners.

They continued to need the services of a support worker or Job Coach to work alongside them, but Cathy's parents also recognized the need for staff who could oversee finances and administration. For this,

Partnerships vs. Co-ops

CGC chose the business partnership model over the worker co-op model based on concerns about compliance with the Employment Standards Act minimum wage requirement. Brian Iler spoke with the lawyer who helped with the incorporation of PrepcO in Kingston (see Appendix E, Case Study 6 for a description of PrepcO). He was not convinced that the minimum wage issue could be satisfactorily addressed in that model – i.e. it was likely that workers in a co-operative environment would be considered to be employees at law, and therefore entitled to be paid a minimum wage. [Brian Iler] Achieving a level of net income that would permit the co-operative to pay minimum wage would be a struggle.

“There is no ability to contract out of this mandatory requirement. (Note that, in Ontario, sheltered workshops had a statutory exemption from minimum wage laws) A worker/owner of a worker co-operative has both employee and owner status, and the rights and obligations that attach to both. By structuring the relationship among workers as partners, there is clarity that no employment relationship exists, and the minimum wage laws will not apply. Each partner, as owner, is entitled to share in the surpluses generated by the partnership, and shares responsibility for its debts. Each partner is also entitled to participate equally in decision-making, as in a co-operative.”

Brian Iler

Common Ground Co-operative, then, provides, by contract with the business partnerships, the management and financial services and advice that the partnerships need.

more grant money was needed. Iler suggested that they organize a non-profit cooperative that could qualify for grants from among organizations in the community that had an interest in the project.

A group of five volunteers, including, a businessman, an employment counselor, two retired schoolteachers and an educational assistant, began meeting in September 1999, and in April 2000 they became the first Board of Directors of Common Ground Cooperative, Inc. They brought together expertise from the organizations and institutions to which they belonged. Only one board member, Cathy's mother, was a relative of a person with intellectual disabilities.

The Common Ground Board of Directors applied to the Ontario Disability Support Program (ODSP) Employment Supports, Innovative Projects, under the Ministry of Community, and Social Services, for a grant to pay salaries and administrative expenses and the start-up costs for a second business.

The grant was approved in December 2000 and the Board hired a full-time Coordinator. A Job Coach was hired to help set up a second business, a retail snack bar called The Coffee Shed (hereinafter called the Shed), in December 2001. Nine people joined this partnership. It was established in Surrey Place Centre, an office building in the Queen's Park area of downtown Toronto, where 100 professional staff provide therapeutic services to people with intellectual disabilities.

In April 2003, a second Coffee Shed was set up on a trial basis at New College on the University of Toronto campus. Its successful two-week run has led to a two-year contract with the college to provide snack services. Most of the snacks the Sheds sell are supplied by the Cookery.

With each of its three businesses the Co-op has signed a Services Agreement setting out the terms and conditions of providing financial management, marketing and administrative services to the businesses in exchange for fees or in-kind services from the businesses.

Partners in each business meet monthly to make decisions regarding work procedures, products, and marketing. Chairing of the meetings rotates among the partners. Prior to the meeting, the chair goes to each the other partners to ask for items for the agenda. If CGC is hiring a new job coach, the partners decide who will sit on the hiring committee and what questions to ask. Partners also clarify the procedures if someone is asked to leave.

Weekly activities

Partners work different lengths of time based on their personal preferences. One partner works only 3.5 hours a week. No one is working more than 17 hours in a week. When not working in one of the partnerships, the partners do a variety of other things such as working at other jobs, volunteering, participating in day programs.

CGC has discovered that the more responsibility they give to the partners, the more the partners develop and gain confidence.

Since the summer of 2003, partners have also participated in welcoming and training apprentices who may later become partners. Common Ground initiated the formal Apprenticeship Programme: sixteen Apprentices undertook a three-month skills development training, some at the Coffee Sheds and others at the Cookery. Most of these Apprentices have become Partners in the businesses. The Apprenticeship Programme is continuing in 2004. Approximately seven places will be open to new Apprentices every three months, beginning in April.

Today, a full-time Coordinator, a full-time Administrative Assistant, and five full and part-time Job Coaches provide employment support to thirty Partners and Apprentices in the three businesses. The share of revenues received by the Partners varies from month to month and is equivalent to minimum wage in good months. Customers of the Cookery include over seventy organizations such as Dixon Hall, Ontario Special Olympics, and St. Christopher's House.

Partners in the Cookery continue to make deliveries by public transit but the larger orders are now made by vehicle. They wholesale goods on a daily basis to the two Coffee Sheds. A Trillium Foundation grant has made possible the renovation of a kitchen in a new location on property leased rent free to Common Ground by CLT. The move took place September 1, 2003. ODSP and IQOL (now renamed OPTIONS) continue to provide major support.

Financial aspects

The gross revenues of the three business partnerships are currently about \$90,000/year. Of this the partners share ~\$40,000 and the rest goes to cover expenses.

Salaries, transportation, outreach and publicity expenses come to ~\$150,000/year of which \$120,000 is salaries for the 4 job coaches. CGC has been successful in attracting provincial grants for three years to cover these expenses, and also attracts significant levels of in-kind support.

There is some concern about the continuity of Provincial grant support. Provincial governments are generally willing to support a project for 3-5 years in the hope that initiatives will become self-sustaining. To maintain grant income, CGC needs to diversify its funding base. They hope to attract Federal dollars.

CGC anticipates needing charitable status to continue to fundraise effectively. Applying for charitable status requires a change to the CGC bylaws to state as a specific restriction that the CGC has no commercial interests.

Mentoring

A crucial part of the CGC model is the informal support the partnerships receive from individuals and organizations in the community. Most of these “mentoring” relationships have grown from the personal connections of Carolyn and Jim Lemon.

For example, Carolyn is a member of the congregation at Trinity St. Paul's (TSP). When she and Cathy started the Cookery, people in the congregation took an interest. This led to the Church purchasing bag lunches from the Cookery to hand out to homeless people through its Out of the Cold food programme. The Cookery receives and delivers these orders to the church once a month for six months every winter.

TSP is also the setting where the Tafelmusik Baroque Orchestra has their concerts. The Orchestra engaged the Cookery to serve refreshments at their intermissions at over forty concerts one season. People from the church volunteered to work with the partners for each concert.

When Carolyn was starting the Co-op, two or three people from the church joined (along with persons of other faiths). Nowadays a number of people in the congregation order from the Cookery refreshments or lunches for their workplaces or social service groups where they volunteer. The Cookery also serves lunches for occasional meetings and events at the church. And the church has made small grants to the Cookery for equipment that was needed in the early years.

The congregation is an activist group. They support CGC because of the personal connection with Carolyn, and also because they believe that it's a great cause. Some of the older men and women in the church make a practice of attending the Open House at the Cookery every year. It is as though the church has adopted CGC.

As for the first Coffee Shed, the owner of Alternative Grounds Coffee House, Linda Burnside, took an interest in the project because she has worked with people with disabilities in the past. She became a regular customer, putting in a good-sized order every week. Linda decided to join the Co-op and to lend her retail expertise to help the Coffee Shed grow. She offered to help train the new partners in her restaurant, taking each partner for several sessions there. She is now head of the Business Development Committee and a very active member of the Co-op.

Both Surrey Place and New College, the locations for the two Coffee Sheds, have taken on a mentoring role. A Listening Committee at Surrey Place, made up of therapists and support staff who work there, meets regularly with the partners and job coaches. CGC has organized a similar committee made up of students and faculty at New College.

These mentoring groups are crucial to the success of what CGC is doing. Personal relationships have developed between members of the community and the business partners. This type of relationship would be most difficult to establish in sheltered workshops or individual work placements in the mainstream. In addition, the mentors ensure a strong customer base and they spread the word to others.

“This project (CGC) sells itself. It appeals to people of all political stripes because we encourage entrepreneurship while meeting a social need. And people see it as promoting inclusiveness and integration.”

Carolyn Lemon

Model for Organization

Lemon & Allspice Cookery Twelve Partners > Two Job Coaches Community Mentor: Trinity St. Paul's United Church	< Common Ground > Co-operative Members elect a Board of Directors that hires a COORDINATOR who implements Services Agreements with each business	The Coffee Shed at Surrey Place Nine Partners < One Job Coach Community Mentor: Alternative Grounds Coffee House New Business Partnerships* < Job Coaches Community Mentor D (to be established)
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*The Co-op intends to establish additional partnerships, represented here as "New Business Partnerships".

PARTNERS are the people with disabilities who work in the three businesses. At this time we have 30 Partners.

JOB COACHES support the businesses by working alongside the Partners during operating hours.

COMMUNITY MENTORS provide informal support and relationships to the Partners.

The **COORDINATOR** supervises the Job Coaches and the operations of the businesses.

MEMBERS (currently 80+) are volunteers from the community who pay a membership fee to join the Cooperative and elect the Board of Directors. Staff and Partners are not members of the Co-op, as they are responsible to the Co-op.

BOARD MEMBERS are community members elected at the Annual General Meeting (currently ten). They constitute the core volunteers. The Board hires the Coordinator who is responsible for hiring the Job Coaches. The Partners participate in the hiring process.

STANDING COMMITTEES of the Board include Membership; Finance, Fund Raising & Sustainability Planning, Business Development, Marketing & Communications, Human Resources Recruitment & Development.

THE MEMBERS OF THE COOPERATIVE meet annually to elect a Board of Directors to carry on the affairs of the corporation according to its bylaws.

Administrative offices and the Cookery are located at 4 Overlea Blvd. M4H 1A4.

Expressway Printing Co-operative – Case Study #3

Area Served:	Vancouver, BC
Type of Co-op:	Worker owned
Date initiated:	July 1999
Date of Incorporation:	2002, Incorporation number CP-1890
Membership	3
Products and services:	Copying, Brochures, Newsletters, Business Forms, Letterheads, Envelopes, Scratch Pads, Full Colour Printing

General Self-Description from the BC Co-operative Assn website:

Expressway Printing Co-operative has been incorporated since 2002. The types of work that we at Expressway Printing can produce in house are: internal forms, newsletters, presentation inserts, business cards, price catalogues, menus, medical and dental forms, flyers, etc. and other service products including cerloxing, bindery, collating, stuffing and direct mailings. We have also entered a partnership with Rick Blok of Blok Printing, who has the capability of doing large scale commercial printing in multi-colour formats and who also helps us with the art and science of printing. Our prices are comparable to Staples, but with Expressway Printing, you don't need to stand in line. We'll even arrange for pick-up and delivery of your product if you wish. As well, through our partnership we'd be happy to quote on any commercial print color you might have.

History

The founding impetus for The Expressway Printing Co-op came from the Burnaby Association for Community Inclusion (BACI). Their goal was to support people with disabilities to obtain meaningful employment. The BACI Board of Directors had given leeway to staff to try something different, and staff was confident of being able to secure funding to develop a co-op from local foundations (i.e. VanCity) and the BC Government.

The staff had the idea that the co-op's work could be supplying the printing needs of BACI and other non-profit organizations. BACI paid up to \$20,000/year for printed materials – mostly internal forms and simple brochures, and they assumed other non-profits would have similar needs that could be supplied by the co-op.

One staff member had a connection to a business that leased printing equipment that would cost about \$500/month and BACI had space it could donate rent free to the project.

Learning #1

In hindsight, there should have been more market research, and more research into the best printing technology to supply that market. The printer BACI leased for the co-op was not the best technology for their needs, and this has limited their options. On the market research side, non-profits generally look to have all their needs met at one place (Design, desktop, simple printing, sophisticated printing) and they tend to have established and strong relationships with supportive printers. This made breaking in to the printing market harder than what BACI initially assumed.

With this basic sketch of an idea, BACI brought 6-8 people together from its client base and presented them with the idea of a co-operative printing business. It struck a chord and was enthusiastically embraced. The people liked the idea of building a business that would allow them to get off benefits, and they liked the prospect of owning their own business.

BACI staff was deeply committed to supporting the co-op to be successful. They knew that there was risk of being saddled with contractual obligations should the business flounder, and a risk of being criticized for creating an exploitative situation – as the business would not be able to pay minimum wages at least initially. The sentiment in BACI was that they would take this one “All the way”, backing the right of disabled people to start their own business and to work to achieve financial independence.

The staff also wanted to move quickly. So the printing equipment was leased and staff support was allocated to help the business get going, initially supplying the in-house printing needs of BACI.

Learning #2

In hindsight, the staffing should have been handled differently. The co-op needed a staff person who (1) was dedicated full time to the business, (2) knew the printing business, and (3) was an entrepreneur – i.e. whose nature was to deal simply and directly with the many obstacles of starting a business. Instead, BACI succumbed to internal pressures to accept a staff person whose placement solved internal (BACI) organizational issues. While this person was young, energetic and bright, he was not an entrepreneur.

Another early step (in 1999) was an application by BACI to VanCity for a grant for training in co-op development. The intention was to ensure that the pioneers had a clear understanding of what a co-op is, and of their rights and responsibilities. The training was very ably delivered by Marty Frost and Melanie Conn of Devco.

The business was not incorporated as a co-op until 2002. In the meantime it developed slowly – running more as a program than a business, and with significant support from BACI. This support included:

- space in BACI’s building
- one part time staff person for initial day-to-day support
- leasing the requisite printing equipment
- accounting and IT support, and
- sourcing its own printing work to the fledgling business.

Development was hampered by a series of staff changes from BACI. The discontinuity of staffing slowed progress considerably as a succession of staff persons went through a learning curve about the business.

Lesson #3

Continuity of staff is important. Without it, progress was significantly hampered: losing momentum, losing workers, morale, etc.

To the workers it felt like they were starting over and over again, and a few workers dropped out.

The business was incorporated as a co-op in 2002. At that time, BACI started to pull back with the intention of helping the co-op stand on its own two feet. The co-op continued to have the support of rent-free space in the BACI building, and BACI's printing business, but the intention on the part of both parties was to "build a firewall" step by step as the co-op became more established.

Lesson #4

In hindsight, BACI's Jack Styan would have involved a greater diversity of persons in the co-op. He would have included people with different skill levels and capacities, and included, for example, youth and seniors. He believes that this greater diversity would have increased the viability of the co-op.

At the time of incorporation, it was clear that the co-op needed expertise that BACI could not supply – expertise in running a printing business, and also in business systems and strategy.

BACI was willing to help secure transitional support: Together the co-op and BACI placed an ad in the paper for a six month mentoring contract in printing and business development. The contract was funded by BACI & VanCity Savings Credit Union. Six parties applied, and the team of Elizabeth Rogers and Dave Saranchuk was chosen.

The ad had not specified that the business involved people with developmental disabilities. As a result, the consultants' presentation (and subsequent work) was about supporting the co-op essentially as they would support any other business: Elizabeth called for the same rigorous development of procedures (forms, dockets, invoicing) and worked to hone efficiencies in communication systems and the way meetings were conducted. She also taught co-op members how to solve problems systematically, gradually building their capacity to come up with their

No Limits

A significant part of the process at Expressway has been unlearning limitation and deficit-based (versus asset-based) thinking on the part of the co-op members. Typically schooling, family messages, institutionalization and disability benefit programs all stress limits and discourage initiative.

"They haven't been taught to think about what they can do or might do. Over and over again they have been taught that there are limits." Elizabeth Rogers.

Expressway has operated on the premise that people with developmental disabilities have **no limits** on what they can do. Training may take longer (Elizabeth's experience has been that it takes three times as long to train Expressway members) but with time, commitment and good will, anything is possible.

Four years into the project, the three members have gone far further than anyone ever dreamed possible. For example, Lizanna has done effective sales presentations to the Burnaby and Vancouver Boards of Trade, and once when a speaker at a conference failed to appear at the last minute, she did an impromptu ten minute panel presentation on Expressway.

own solutions to the problems they identified, rather than simply asking for help.

Meanwhile David Saranchuk worked on the production side of the business. He had extensive experience in all aspects of commercial printing. He helped the David Sherritt learn the intricacies of printing and supported Lizanna to become an effective sales agent for the co-op and Laurie to do the office work.

The consulting pair were originally contracted to work 40-50 hours/month supporting Expressway. In fact they contributed over 130 hours/month at the beginning. Three months into the six month contract, it was apparent that the co-op needed more than 6 months support if it was to become viable.

Elizabeth and staff from BACI worked to secure more funding for business support, initially to extend their contract from 6 months to 12, but ultimately securing a total of 18 months of support. VanCity has been the major supporter.

More than two years later, David Saranchuk is still very involved and Elizabeth remains an advisor.

BACI's current role has been reduced to providing space and being a client for printing services. And indeed the co-op plans to move as soon as possible, and for three main reasons:

1. The co-op members are tired of being seen as a program of BACI, and therefore not being taken seriously as a business. For example, people walking by their offices say "Hey, it's hot dog day. Wanna come?" not understanding that the workers are committed to their business and not free to take long breaks.
2. The location is poor for drop-in traffic – an important factor in the printing business.
3. As long as Expressway is located in the BACI building, potential investors have difficulty understanding the co-op's independence and see donations made to BACI as reducing their willingness to *invest* in Expressway.

**A Key Policy Question:
Salaries or Dividends?**

The three Expressway members are owners rather than employees. They are responsible for the jobs they undertake, and secure the mentoring and advice they need to be successful in their business.

The co-op does not pay salaries. Instead, members rely on disability benefits for their basic livelihood and most profit income is deferred to grow the business.

So far when co-op members are paid, it is in the form of a dividend, and at a level (under \$400) that won't jeopardize their disability benefits or medical benefits.

As noted below, the intention is that by 2005-6, the co-op will be successful enough to pay at the level of a living wage while providing medical benefits, enabling the three members to get off disability.

Most small businesses in Canada take five years to become viable. Elizabeth believes that Expressway is on track to be self sustaining by 2005-6. At that time she believes it will be able to pay a living wage to the three co-op members and afford a medical plan to cover their medical expenses. If she's right, co-op members will achieve their dream of becoming financially independent and getting off disability benefits.

Critical Factors

- **Clarity of vision**

All of the co-op members have been remarkably powerful and tenacious in their vision. They wanted to create a business that would afford them financial independence and the satisfaction of making their own way in the world. David and Lizanna held and communicated this vision unwaveringly from the outset and built support for it through their persistence and integrity. Lori joined the coop about a year after Dave and Lizanna.

This clarity of vision was very compelling. It gathered support to the worker-owners. E.g. over time, it built commitment on the part of BACI to “go all the way” with supporting the entrepreneurs. It also inspired incredible commitment and support from the consultants.

The founders credit the clarity of vision and the extent to which all parties (e.g. board, funders, consultants, and staff) bought into the vision as fundamental to their success.

- **Committed support from BACI**

BACI played a critical role in supporting the development of the co-op, and this took exceptional leadership. BACI was willing to go into new territory: there is significant cultural difference between administering programs and running a business.

It takes special commitment and a willingness to learn new skills on the part of a

Benefits to Social Agencies

Running businesses cultivates new capacities in social agencies. These capacities can, in turn, strengthen agencies in significant ways. For example, good business practice involves planning to manage and reduce risk. Experience running businesses can help social agencies adopt more pro-active planning and risk management approaches for their other work, thereby shifting the all-to-common reliance on “crisis management”

Another benefit is greater discernment about the cost effectiveness and efficiency of programs. Sometimes things are done in a particular way simply because they have always been done that way. Social agencies often have negative associations to “bottom line” thinking. Yet greater discernment about effective use of their funding means they can be more effective at achieving their vision.

Social co-ops and other social enterprises are having the important effect of bringing more business-like perspectives, expertise and effectiveness to the important work social agencies do.

social agency to make the shifts required to successfully support businesses. Among these are a capacity to accept risk, to undertake a venture that is long-term (it takes 5-6 years for most small businesses to start to turn a profit), and a willingness to be with the unfamiliar and fast paced process of building a business vs. the more defined and delineated processes of running programs.

In discussions about signing the lease on printing equipment, BACI directors came to recognize that if push came to shove, BACI's exposure was not excessive: The board could oversee a small printing business for the duration of the five year lease if need be.

Re the risk of injury, the business had comprehensive safety procedures written up in the Operations Manual. Until they incorporated they were considered a training program, and were not covered by WCB because the workers didn't receive an income. The co-op is currently covered by Workmen's Compensation under BACI's program)

And re work obligations, all lengthy contractual agreements Expressway undertakes (i.e. management consultants) include a 30 day out clause. I.e. by giving notice, Expressway (or BACI) is off the hook of contract obligations after 30 days.

- **Superb and sustained business support**

Mentoring and support from Elizabeth Rogers and Dave Saranchuk have been critical factors. Elizabeth brought a wealth of business experience (years with Pepsi and Labatt's). Dave knew the printing business inside out and backwards. Their involvement has been pivotal.

It is noteworthy that initially anticipated support requirements fell far short of the amount of support the co-op actually needed and will continue to need. This latter point is crucial as BACI thought that one day the three would be able to run the business on their own. This is unlikely to ever happen. At the same time it is not unusual in any business, where the owner(s) who are skilled in a certain area are not skilled in overall business, hire someone to run and manage their business for them. It was and is crucial that funding is generated to sustain the support. The initial plan did not anticipate this, nor did BACI consider the amount of time it would take to become profitable, hence the crucial need for the right kind of funding.

It is also important to note that the large number of hours per month of support cited earlier was in part due to the steep learning curve that both consultants initially faced in working with individuals with disabilities, as well as non profit's "way of doing business". The hours, while still the same, are now spent on "increasing the business, planning, marketing and ongoing training." For other ventures with similar populations these hours could be cut by 1/3 as the consultant's learning curve is now eliminated.

- **Partnerships and Alliances**

Expressway has formed a partnership with Blok Printing. This allows Expressway to offer full service printing to its clients (I.e. colour jobs are beyond the scope of Expressway) and has been an important factor in how the co-op is perceived and in its financial success. The partnership helps Blok by bringing more business. Expressway earns an 8% commission on full colour work it subcontracts to Blok, and Blok charges Expressway for laser printer work at cost. The latter helps Blok boost volume for an expensive new piece of equipment and gives Expressway a profitable sideline.

- **Asset-based**

The focus has been on what co-op members can do – their capacities and assets, vs. emphasizing what they can't do. The co-op holds the value that there are no predetermined limits to what members can do given time and proper training.

- **Valuing social capital**

Expressway's pricing policy is competitive with Staples: They do not low-ball to get work. Instead they bid contracts citing the social responsibility aspect of their operations. Clients are positively attracted to supporting Expressway because of the vision and uniqueness of the co-op.

As the "New Economy" grows, there is more room for businesses to differentiate themselves based on social capital factors. This is an important factor in their financial viability. To that end, Expressway is looking at producing "print products" for bulk sales, i.e. "scratchpads"; generic forms for business and crossword placemats for food service.

L'Abri en Ville – Case Study #4

Area Served:	Montreal, Quebec
Organizational form:	Non-profit society with charitable status
Date initiated:	1988
Number of people served:	30
Activities:	Provision of long-term affordable housing for people with mental illnesses

General Description:

L'Abri en Ville (Shelter in the City) offers long term housing within the community, as well as the support needed to promote independent living, for people with a mental illness. There are 10 apartments; each houses 3 people, each having a private bedroom. Support is offered by staff through a weekly apartment meeting and individual follow-up as required. Each apartment also has a volunteer team, recruited through a variety of faith communities, that helps the residents with life skill tasks and provides social support. L'Abri also offers a range of social activities open to the residents and volunteers from all apartments. L'Abri looks for residents who are relatively stable, able to live independently with some assistance, want to live with others, and who are motivated to stay on medication and participate in L'Abri's program. Referrals come from hospitals, families or individuals themselves.

History

After the wave of rapid de-institutionalization in the late 70s, many people with mental illness experienced a 'revolving door' situation. If they had a relapse that required hospitalization, they would typically lose their apartment; then coming out of hospital, they would have a hard time finding new accommodation, increasing the stress in their life and the likelihood of a further relapse.

The founders of L'Abri recognized the great need people with mental illness had for stable affordable housing. Initial funding came from faith communities and after 4-5 years L'Abri secured ongoing support from the Regie Regionale (of the Quebec Ministry of Health.) Foundation grants and many private donations have made for a secure financial underpinning.

What

Beginning in 1990, L'Abri en Ville signed the lease for its first affordable three bedroom apartment. L'Abri furnished and decorated the apartment to make it beautiful, and made it available to three people with mental illnesses. Each resident paid 1/3 of the rent and utilities. They shared responsibility for keeping the place clean and cosy, and living arrangements beyond that were left to their personal choices.

L'Abri now leases 10 apartments, each with three people living in them. The apartments are scattered throughout Montreal's West End. This scattered pattern helps to avoid creating a ghetto of people with mental illness, and also makes it possible for people to maintain or develop neighbourhood-based connections with family, friends, faith communities, employment and cultural interests.

Each apartment has a team of volunteers that supports residents both practically (helping with life skills) and socially. In addition, there are 3 part time (for a total of 90 hours/week) social workers who recruit and screen applicants for residency and volunteering. They also have meetings with individual residents as the need occurs.

Each apartment has a weekly meeting with a coordinator and regular meetings are scheduled with each volunteer team. The social workers also support residents to find volunteer opportunities or employment, and help coordinate the outings, celebrations and events that have built a strong community among the residents and volunteers.

Often people with mental illness have broken contact with their families. One measure of the success of L'Abri is that several people have established closer ties with their families. The greater stability of housing has supported family healing. Some previously estranged parents have even subsequently joined the board of L'Abri or become volunteers.

If a resident needs to go back to hospital for any reason, L'Abri will hold their accommodation for three months, and longer on a case-by-case basis. This gives the residents important security of tenure, and contributes greatly to their recovery and general well-being.

If for any reason a resident has to leave the community, L'Abri volunteers stay in touch, and the person is welcomed at community events and is welcome to call at any time.

L'Abri has capped their size at 10 apartments supporting 30 residents. They say growing further would reduce the quality of the connections. Instead of simply expanding, they have received support from HRDC to replicate the model. There are currently two groups on the South Shore of Montreal in the process of replicating the model.

These new projects will be able to benefit from the learning and track record of L'Abri. For example, initially L'Abri had difficulty securing leases. Landlords were concerned that people with mental illnesses would not make good tenants. Over the years however L'Abri has proven itself to have an excellent track record and has no difficulty getting glowing letters of reference if needed for securing a new apartment.

Financial prudence has been part of their success. L'Abri maintains a reserve of one year's operating expenses – enough for the organization to secure alternative funding should any be withdrawn.

Who are the people supported?

The target population is people with mental illness who are capable of living without direct supervision. The initiative does not attempt to provide housing for all people with mental illness. Rather they screen applicants very carefully to ensure that the program is a good fit. The majority of residents have schizophrenia. Some are bipolar and some live with a dual diagnosis.

Governance

L'Abri has an active hands-on board. The board composition includes parents, volunteers, interested community members (including people with mental health expertise and other skills) and a minimum of two residents.

The organization functions as a non-profit registered charity.

They have resisted the temptation to expand into other activities or harder to serve segments of the population with mental illnesses. Rather the modus operandi has been: **“Find out what you do well, and do it well.”**

Feedback from a Focus

Group participant:

“This last comment is important, and I'm glad it shows up here. One of the things we learned with Prairie, L'Avenir, and the Microboard project was to build small, tightly

Nundah Community Enterprises Co-operative Ltd – Case Study #5

Area Served:	Nundah, Australia -- a suburb of Brisbane
Type of Co-op:	Workers co-op, non trading co-op without share capital
Date of Incorporation:	1998
Membership	2002: 15 workers, 4 supervisors, one coordinator and one administrator
Products and services:	Catering, property and park maintenance, odd jobs (furniture removal, car washing), furniture making, handmade cards.

General Description

The core purpose of the Nundah Community Enterprises Co-operative (NCEC) is to create **meaningful work opportunities** for people with learning difficulties (i.e. people with either an intellectual disability or an intellectual disability and a mental health issue). The objective is to provide workers with an average of 6-15 hours/week of work.

The target population is people who have tried to make it in the mainstream job market only to be rejected time and time again. Typically they were under tremendous pressure in their first days on a job. “Employers didn’t realize how anxious that pressure made them, leading to mistakes and the loss of their job.” This repeated rejection undermined self confidence and forced people into long periods of inactivity.

“Sitting at home all day you go mad” (Danny)

The Meaning of Work

NCEC workers and their families and supporters have identified the following benefits of gaining and holding a job through NCEC:

- A sense of contribution to the community
- The confidence and motivation that work brings to other areas of workers lives
- The extra relationships that work generates
- The physical and mental health benefits of regular work and having a routine
- The importance of regular extra income and the difference it makes to people’s sense of security

History

In late 1998, NCEC started on a shoestring: a few hundred dollars in membership fees, donated space, administrative support from the Community Living Program of the Community Living Association, and borrowed equipment. The CLP had invited interested stakeholders to a meeting to determine interest in starting a worker co-op where constituents of the CLP who had been excluded from the workforce could engage in paid activities in a supportive environment.

The co-op had an initial membership of 16 individuals and 5 community organization members. The board was elected from its membership annually and meets a minimum of 6 times each year.

Initially Dave Langdon (a social work student) and Dave and Jo-Ann Green (two local residents) acted as supervisors, supporting workers on occasional jobs (mowing lawns and washing cars) that came from within the NCEC organizational membership.

They were able to secure a few non-recurring grants to keep going and in 1999 generated income of \$2,000 while providing infrequent casual work for five workers.

Things took off in 2000 when the Community Living Association funded the coordinator's position for a year, and subsequently another two-year grant was secured.

A key turning point was an innovative decision by the Brisbane City Council (BCC) to contract with NCEC for maintenance of three small city parks. This gave the co-op a steady contract of meaningful work, along with an excellent source of revenue and a profile in the community.

NCEC calls the BCC contract an example of "Social Tendering". It was an innovative concept for BCC, and it took some effort to create the mechanism for the city to contract in a different way. Key issues were assuring city council about quality of service. In the end, with the leadership of a BCC councilor, a memorandum of understanding was created as an adaptation of existing contracting arrangements.

The co-op has survived and grown. It continues to need financial support to extend its capacity to serve.

Lessons Learned

- **"Don't wait, just give it a go....** People want work, the community wants to offer work – match the community's need with the people's resource and see what happens."
- **Slow beginnings were helpful.** NCEC grew at a pace that suited its workers. In hindsight they see that their slow beginnings (due to resource constraints) have been a benefit. It enabled them to learn what best supported the workers and to build capacity without too much pressure. "Work enterprise needs to develop from its membership, not develop its membership to suit the customers."
- **"Your membership is your market."** All of the jobs have come by word of mouth. NCEC has found tremendous good will and purchasing power in the local community.
- **"From small things, big things grow."** NCEC was asked to cater lunch for a meeting as a one-time job. They did a great job, and that grew to invitations to

"If we had received a large grant early on, it may have killed NCEC, especially if we have been tempted to expand beyond our members' readiness."

- cater the Annual General Meetings and other gatherings of the people who had come to the initial meeting. From there it grew to a full-blown catering service that recently catered a 100-person wedding reception.
- **Relationships are fundamental.** “Workers flourish through the connections they make at work and the confidence and esteem they bring to existing relationships.” In addition to the relationships people make working and running the co-op together, NCEC includes opportunities for social activities. They also build in social aspects to their work – for example organizing community events in the parks they maintain.
 - **The potent role of “social tendering”.** Local governments, institutions and companies have a powerful potential role in supporting community economic enterprise. In the case of NCEC, the contract to maintain initially three and later eight city parks played a pivotal role in their success. They noted that previously the work had been contracted to a multinational firm, and that the firm was happy to release the park maintenance to NCEC, as the smaller size of the eight parks was less suitable to their large crews, and they also valued supporting the NCEC initiative.
 - **It’s OK to slow down when resources or energies are tight.** Revenues, contracts and grants have fluctuated over time. NCEC has learned to expand and contract with these flows, and also “learned to how to create or shuffle resources differently.”
 - **The importance of balancing participation and production.** NCEC acknowledges that the work is always “a struggle and a balancing act.” Creating a supportive and inclusive working environment is sometimes consciously traded off against productivity. There can be “difficult days” and certain aspects of the work can be very draining for supervisory staff: “Anxiety about engaging in work, as well as a learning difficulty can mean people seek the same instructions each day, as well as constant reassurance from supervisors.... While on reflection, the supervisors and workers can celebrate the incremental steps, the daily grind can de-energize the supervisors.” To maintain supervisors, they can take breaks by doing other work or completing jobs on their own. But this is frequently non-income producing work – which directly affects the ability of NCEC to provide employment to supervisors and workers. The balancing act is a constant challenge.
 - **The necessity of on-going financial support.** Because of the challenges of balancing participation and productivity (see above) it is likely that co-ops providing employment to persons with learning disabilities will always require external financial support.

NCEC's Nine Key Principles in Supporting Workers:

- 1. Create the space and the time workers need to grow into work and jobs.** Stress and anxiety lead to an overwhelming fear of making mistakes and a tendency to freeze or to “race”, causing the very mistakes workers fear. Supervisors work to “go slow”, emphasizing job security and carefully selecting jobs to suit individuals.
- 2. Involve workers in the planning and decision-making in jobs.** Supervisors actively avoid being in control. Workers are encouraged to solve their own problems.
- 3. Recognize that making a real contribution is a big motivation.**
- 4. Workers with different capacities working together cross subsidize their skills and capacities.**
- 5. Use repeatable processes in jobs.** It helps to build confidence to have a standard process (vs. repetition), and ensures quality control. E.g. standard recipes in the catering kitchen.
- 6. Recognize that it's work to get to work.** For people long excluded from the workforce, starting to work is a massive shift in life habits and coping strategies. NCEC workers have said that initially turning up ready for work was harder than the work itself. NCEC understands the hurdles, and actively works to support workers.
- 7. Encourage ownership and responsibility.** Supervisors are very clear about their expectations of workers and the quality of work needed on the jobs. They have found it important to be “tough” at times, and that generally workers respond well to respectful honesty.
- 8. Be flexible.** “Where we finish may be very different from the plan when we started” – in response to how a worker is feeling that day or what else may be going on in their lives.
- 9. Seek the cause.** NCEC supervisors assume that workers have good reasons for doing what they do. Instead of labeling or judging, they work to understand.

Inclusiveness and worker specific interventions: A commentary on the necessity of on-going financial support

Please see the Key Finding about **Inclusiveness, integration and segregation** on page 11. The possibility of reducing or eliminating the need for on-going financial support is one of the rationales for forming *inclusive* worker cooperatives.

As a related commentary, one correspondent wrote about how making interventions specific to member-workers further supported viability: “When we ran PRT, the basic enterprise was break-even or better; then, if a *worker* needed a subsidy to cover the difference between his/her personal productivity and ‘typical’ levels of productivity, we can go for a *worker-specific* training or income subsidy.

“Sometimes, the gap between the worker’s level of productivity and ‘typical’ levels could be bridged with technology or by adapting the job: in PRT, Sara (not her real name) wasn’t very good at measurement, but Bud (an older ‘natural’ troubleshooter) built a jig that enabled Sara to pull and cut wire quickly and accurately. What this *accomplished* was that it brought vocational rehabilitation resources into play at the right times, and drew from them what they actually had to offer: wage subsidy, training subsidy, equipment, work adaptation.”

The comments above represent a philosophical shift – the emphasis is on bringing resources to bear in a strategic way by focusing on the worker-member and the specifics of the situation.

Prepco – Case Study #6

Area Served:	Kingston, Ontario
Type of Co-op:	For profit, worker-owned
Date initiated:	1994
Date of Incorporation:	1995
Membership	5
Products and services:	Preparation of government documents for microfilming

History

In 1992 the Kingston & District Association for Community Living (KDAACL) had been running a sheltered employment workshop program for people with developmental and mental disabilities for over thirty years. There were 93 people employed in the workshop and their primary activities were processing documents from the Ontario Ministry of Transportation to prepare them to be microfilmed.

Prior to 1992, KDAACL had conducted a strategic planning process in which reforming the sheltered workshop was identified as one of ten top priorities. This was primarily due to the extension of policy changes in schools at that time: Children with developmental and mental disabilities were increasingly being integrated in the mainstream school system, and their parents (in contrast to parents of earlier generations) “almost unanimously expressed offense at even a suggestion of the workshop as a possible future for their family member.”

Tom’s Story

When interviewed as part of the planning process, Tom -- who had been coming to the workshop for 25 years -- was asked if he liked working there. He answered that he hated it. He was then asked, “Why do you come?” He answered that he came because he had to. When asked, “What if I say you don’t have to?” Tom said that he would stop coming.

And he did.

Until asked directly, the staff had assumed that Tom liked the workshop. This anecdote is shared to mark the importance of not making assumptions, and of involving individuals in the decisions that affect their lives.

Of 120 people consulted at length in the planning process, 116 (including all of the sheltered workshop staff) wanted to reform the workshop

Then in 1992, the Ontario Ministry of Consumer and Social Services declared that sheltered employment workshops were to be phased out. Funding for these programs was cut retroactively and social agencies were thrown into a panic. Even though the KDAACL and government policies were fundamentally aligned, the abrupt action by the Ontario Government forced the KDAACL to defend (successfully) the workshop in order to accommodate a pace of change that was workable for the families.

“Having closed half a dozen group homes and a pre-school centre in the 1980s, we expected to deal with the conversion one person and family at a time. Loyalty to one

another is what has held this voluntary association together for 42 years, and the leadership grasped that intuitively and reflexively.”

KDACL decided to involve the people themselves and their family members in the decision making process concerning their future – a move which increased the number of options considered from two to three: (A) Support to get work at minimum wage in the prevailing market; (B) Support to volunteer in positions that reflected the personal interests; and (C) an unanticipated and creative reframing of the workshop.

The third option was only arrived at after extensively trying to find placements for 27 individuals who either were not fit for, or did not like, Options (A) and (B). They preferred to work with their friends and had no aspirations for a career at an entry level job or as a volunteer.

Self-employment

“The main obstacle they confronted was our mindset. Because they are (were!) unemployable, given Ontario law and the market, we had failed to see that the problem was not their productivity, but the employer-employee relationship under Ontario law. Legally they are not employable, but they are capable of self employment that is outside the restrictions of the Ontario Employment Standards Act.”
-- internal KDACL document

KDACL staff knew that they lacked the experience and intuitive orientation of business people. They contacted with the Eastern Ontario Centre for Entrepreneurship and connected with a group of people who, because they were in business themselves, were able to offer good advice.

Many twists and turns later, and with the help of one of the business advisors, a huge light bulb went off: KDACL staff was able to see that the economic impediment to the workshop being viable as a free-standing business was not the participation of the workers, but the assumption that the workers had to be paid minimum wage.

The search was reframed: away from what options could pay the workers minimum wage to what structure would allow the workers to be self-employed.

Four principles guided this work, and remain as guiding principles to this day:

- 1. Ownership.** Staff believed that ownership must reside with the workers. Given the prevailing Employment Standards Act, the choice for people not productive enough to be eligible for minimum wage is either to be an entrepreneur or unemployed. Since the 27 individuals wanted to work, being an entrepreneur was essential.
- 2. Small work groups.** People preferred smaller work groups. It was suspected that noise and distraction greatly reduced productivity in the larger workshop. For decades, a natural work unit had been 4-5 persons working together at one table. This scale of operations would also greatly simplify communication, training and decision making.

3. **Better work environment.** Staff knew that the noise, dirt, and large scale of the previous workshop were challenging for people. They (correctly) assumed that quieter, smaller, and cleaner working conditions would have positive effects on morale, job satisfaction and productivity.
4. **Chance to make more money.** In the previous workshop, people received only incentive pay – less than \$1/hour, considerably less than the value of the work done based on the comparisons to non-disabled people (see box: Benchmark). The staff believed that people should have what their work was worth.

Any option that did not meet the above four criteria was disregarded. The task then became finding a way through the labyrinth of government regulations that would allow small businesses to form without pre-empting eligibility for disability allowance.

Meanwhile, KDAACL had continued to operate the workshop through two years of searching and consulting, and therefore continued to service the contract from MTO that brought in about \$400,000 per year.

Wade Wright, former manager of the workshop, says that he will never forget the afternoon when a brainwave hit: To use the existing MTO contract as a basis for smaller viable businesses.

Having serviced the MTO contract for almost a decade, he knew the financial aspects thoroughly. In the space of half an hour, he and Morton Barken – one of the



advisors -- were able to calculate how many tubs of documents a small business would need to process to generate enough revenue to pay for staff, dividends and rent.

The concept was to create four or five small co-operatives that would each:

- Involve 4 to 5 individuals who would be the owners
- Include support staff – contracted from KDAACL
- Rent a small inexpensive work site – 500-700 sq ft, with a washroom and lunch room
- Be accessible by public transit, so workers could get to work on their own
- Be part of and visible to the working community
- Have profitable and valued work to do – i.e. a portion of the MTO work sub-contracted from KDAACL.
- Be financially viable – i.e. there was to be no ongoing subsidy from KDAACL to the co-op

KDAACL staff set about crunching the numbers to see if the co-ops could be viable. And they were!

Staff decided to proceed by creating a pilot. “We sat down with [four] individuals and asked them if they were interested in leaving the shop to work in a smaller group, doing the same work at another location. They were told who they would be working with and who would be supervising the project. All agreed with the understanding that if they did not like the new arrangement that they could return to the shop. Once all clients had agreed to participate, families were contacted and informed of the new opportunity.”

The individuals for this pilot project were carefully chosen. Three of them had previously had an opportunity to work outside the workshop in an enclave for a one year period. The three had done very well in that different context, and staff wanted to give them another opportunity for something new. The fourth person was particularly troubled by noise in the workshop, and staff thought there could be both a good fit with the others and a chance to see how she did in a quieter environment.

With support of the individuals, and later their families, KDAACL took the plunge. Wade Wright says that the trust and support of the KDAACL Executive Director and CEO were crucial at this point.

They found the space and created “Prepco” as the separate operation. Within weeks it was clear that the venture would succeed. The workers were happy, and their average productivity more than doubled. Nine years later, with all of the four original members still part of the co-op, the contentment and productivity levels are still there! Indeed, Wade estimates that the well-being of participants has increased 100-fold over their previous work experiences in the workshop.

In the meantime, KDAACL staff applied and received a \$10,000 Provincial JobStart start-up grant and worked on getting a co-op incorporated. The structure chosen was a for-profit co-operative with shared capital owned by the workers, and with a board composed of:

- Three worker/members, one of whom was President of the co-op
- one KDAACL liaison (Wade Wright, given his long history with the workshop and as a liaison for the MTO contract) and
- one member of the community at large.



In the process of incorporating the co-op, a lawyer interviewed each member. Her purpose was to ensure that worker-members/directors understood the responsibilities of being board members and were competent to serve as directors.

(NB: Several co-op development projects that have since tried to replicate the KDAACL model have been blocked by lawyers finding member/workers not competent to act as directors.)

Buoyed by the success of the Prepco, KDAACL started the work of finding locations to create two replicas.

To families with older parents -- those whose children had been attending the workshop for decades -- the proposed changes felt like abandonment. Many parents were very attached to the workshop building (i.e. the security it represented) and were concerned about the disruption of their children's lives. They were also concerned about whether their children would be well cared for under the new scenario.

A group of these parents were very concerned. They knew that plans were afoot to close the workshop.

Wade Wright feels the length of his involvement with the workshop and parents' level of trust of him and other workshop staff contributed significantly to parents' willingness to open to the new option and for the call he received one afternoon: A parent phoned to ask if Wade could show a group around the new co-op. Wade was only too happy to oblige. He spent a whole morning with five parents, touring Prepco and the sites then being considered for replicas of the co-op, including one and half hours in a coffee shop.

At the time, Wade assured the parents that KDAACL would not abandon their children. He said that if they decided to try the new option only to find that they did not like it, that they could always come back to the workshop.

And more than saying this, KDAACL sent a letter to this effect to all the parents.

This degree of commitment to the well-being of the children opened the doors for people to try the new option. And once they tried it, not one of the children chose to go back.

The model proved itself, and indeed has been replicated 18 times by other groups across Ontario.

Critical Factors

- **A clear vision of what they wanted to create**, as expressed in the four principles noted above.
- **The level of the commitment of KDAACL to the workers and their families.** Staff at KDAACL kept their promises. They were truly committed to finding out and providing what was best for each individual/family on a case by case basis. They were committed to not abandoning anyone. As a result, the project benefited from high levels of trust. **This included high trust levels internal to**

KDAACL – e.g. the high level of trust and support from the Executive Director and the CEO of KDAACL.

- **A viable business.** The \$400,000/year MTO contract provided the basis for four viable businesses. Also the work was particularly suitable: straightforward, easy to transfer to the co-ops, involved no machinery, and was familiar to the workers and staff. “If what you are doing isn’t already financially viable, don’t think that a co-op will make it so.”
- **A supportive lawyer.** NB that the support of the lawyer was in part due to her trust in the integrity and responsibility of KDAACL staff.
- **Involvement of a long-time staff team whom the workers and families trusted.**
- **Excellent business advice.** KDAACL staff knew that they lacked the experience and intuitive orientation of business people. They contacted with the Eastern Ontario Centre for Entrepreneurship and connected with a group of people who, because they were in business themselves, were able to offer good advice. The integrity and uniqueness of the project attracted a high level of commitment. People who volunteered with the project drew in their networks, and at one point there was a study group of eight people who contributed immeasurably to helping KDAACL become knowledgeable and confident enough to undertake the business.

Other issues:

- **Staffing**
When Prepeco was created, one KDAACL staff member left the workshop to support the new business. This person was a unionized staff member who continued to be paid by KDAACL. As the three other co-ops were created, the same procedure was followed: The co-op contracted with KDAACL to supply a staff person (and also a delivery service) and the KDAACL contracted with the co-op to provide document preparation services.

The new arrangement was a significant change for the staff. On the one hand, the work environment was much more peaceful and harmonious. There was an instant and lasting reduction in the number of behaviours they had to contend with, principally because the environment was more supportive for the workers.

At the same time, the KDAACL staff members serving each of the co-ops felt relatively isolated. Overtime the success of the co-ops has allowed them to employ a relief worker that has reduced the isolation of staff, and staff have maintained supportive relationships with each other.

Perhaps the greatest proof of the success of the transition is that 9 years later, three of the original four staff members are still working with the same co-ops.

There has also been an evolution: now that the co-ops are established, there is an understanding that if there is ever a need to hire a new staff person, that person will be hired by the co-op itself. Under this new arrangement, there is no expectation that the person must be part of a union.

With the benefit of 20-20 hindsight, Wade would have provided the same staff support until the time of incorporation. Once incorporated, the co-op would then have been responsible for hiring its own support staff. Wade believes that because of pre-existing union agreements, the co-ops have paid a premium for the staff they employ. This is not, in any way a reflection on the staff -- they have done a marvelous job.

- **Security of the MTO Contract**

Like the sheltered workshop before it, the current activity of the co-ops is dependent on maintaining the MTO contract. A few years ago, the Ministry considered privatizing the department from which the work is generated. KDAACL was successful in retaining the contract because MTO decided to keep the department in-house. KDAACL is currently in the process of negotiating a longer term contract with MTO to give the co-ops greater security.

At the same time, if the MTO contract were to end, KDAACL and the co-ops would work to find other viable business activities of interest to the workers.

- **Scheduling**

Each co-op sets its own hours. Workers work a seven hour day, starting as early as 7:30 or as late as 8:30.

- **Financial Flows**

There was about \$20,000/co-op in start-up funding that came from different grants secured for the purpose by KDAACL. The co-ops have since been financially self supporting; there is no ongoing support from KDAACL apart from the in-kind participation of the KDAACL staff member on the boards of the co-ops (Wade Wright, and latterly his successor.)

The co-ops pay rent, supervisor salaries, delivery charges and other expenses. Workers are paid dividends. All workers are paid at the same level, regardless of productivity as all “have an equal desire to contribute.” Dividends are equivalent to \$2-3/hour, or significantly more than workers were paid in the sheltered workshop. The increase is directly due to the sustained increase in productivity.

KDAACL maintains the contract with MTO and subcontracts to the co-ops with no administration fee. The contract has stayed with KDAACL because MTO prefers to deal with a single supplier.

Workers continue to receive government disability and medical benefits. They are entitled to make \$160 extra each month. Beyond that amount, they can keep 25 cents on the dollar.

Recommendations from Wade Wright for new social enterprises:

1. From the time you start down this path, talk in business terms. Productivity (in our case the number of tubs of work completed every day) determines viability. Effort of the members determines success.
2. For our population we think it was important to provide an immediate reward for taking a risk of leaving the sheltered workshop. There had to be a reason for change -- a reason that people could clearly understand. We doubled members' hourly income.
3. Involve members in as many decisions as possible no matter how small. Our folks needed to know their opinion counted and that they actually did have ownership. It was amazing to watch people as they began to realize that what was important to them influenced decisions.

Structure of KDA CL Co-op Family

