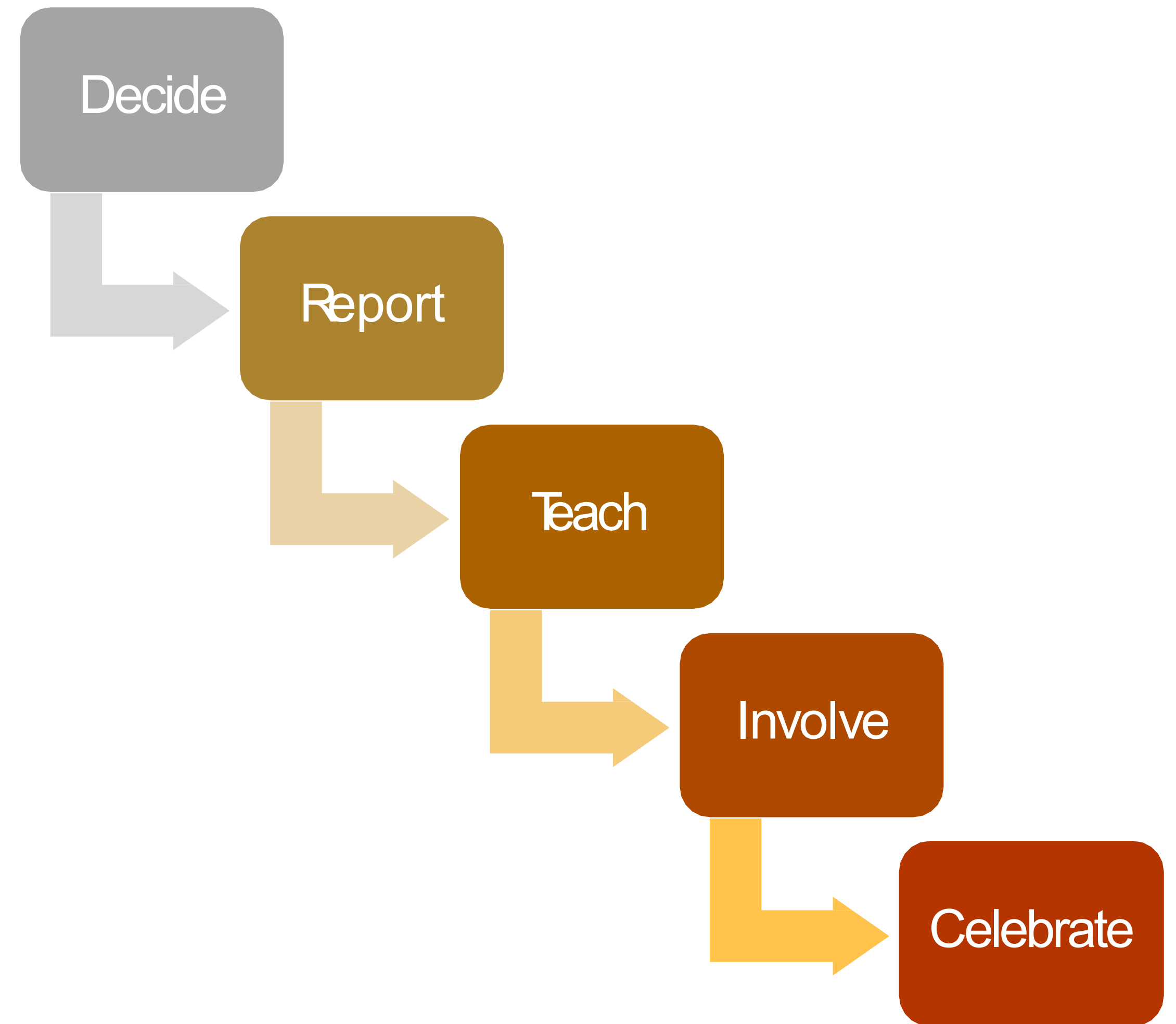


Best Practices for Cooperative Managers and Leaders

- **Introduction:** Lucha Silva, eQuality Homecare
- **Open Book Management & Human Resources:** Rebecca Bauen, Democracy at Work Institute

INTRODUCTIONS

- ✓ Name, your role
- ✓ Business
- ✓ What do you hope to learn from today?



OBM Creates Collective Impact

*+2.4% sales growth
+5.5% return on assets
+2.3% productivity
growth
+8.1% stock value vs.
book equity value*

*Source: NCEO Key Studies on
Employee Ownership and
Corporate Performance*



OBM Creates Integrated Energy



OBM has a core of TRUST
& organizational citizenship



YOUR PATH TO BUILDING OPEN BOOK MANAGEMENT

Decide

- Decide what success looks like



Report

- Report on the state of the company



Teach

- Teach the financials
- Teach the business plan



Involve

- Let people own their numbers
- Help people influence leadership



Celebrate

- Build community and celebrate wins

Decide

- Decide what success looks like

The New Belgium Story

Emerging stage – revenue goal = \$100,000,000 BHAG!

Developing stage – balanced scorecards

- Revenue
- Margin
- Consumer retention/acquisition
- Environment
- Culture



Consumer

Financial

Internal Process

Culture

Environmental



Decide

- Decide what success looks like

Activity:

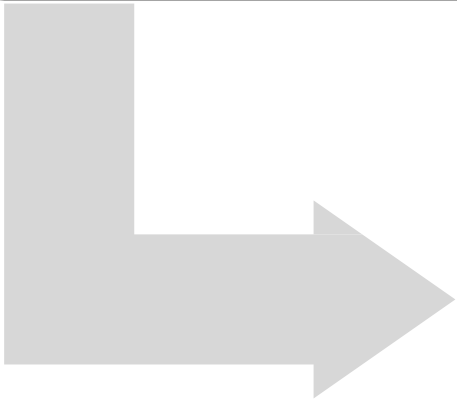
What is your scoreboard? What winning score are you shooting for? What does winning look and feel like?

Handout: sample scoreboards

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Basic Stage

Determine your unit of comparison. Make it simple. Make it relevant. Draw connection to how each person can impact the business. Relate back to your scoreboard.

- For every \$1 of revenue we spend X
- For every \$1 of revenue, we make Xcents in profit
 - *For every barrel of beer produced, we make x in profit*
 - *Individual billable hours*

Advanced Stage

Explain choices, the business plan, P&L, Balance Sheet, Cash flow. The financials are a snapshot of the plan. Go deeper

- Core source of value
- Why sales are the way they are
- Competitive dynamics
- Next steps
- Future plans, how choices are determined and decisions made

Report

- Report on the state of the company

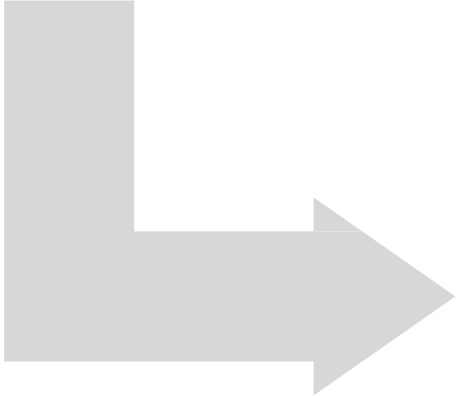
Our Reading

- Jack Stack, Great Game of Business, Stake in the Outcome
- James C.; Lazier, William C. Collins, Beyond Entrepreneurship
- Peter R. Scholtes, The Team Handbook

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Where to start will depend on your company

Where you end is with knowledgeable stakeholders able to own numbers, participate in team decision making, and influence leaders

Teach

- Teach the financials
- Teach the business plan

Examples of where to start:

- ✓ Individual financial literacy. As people understand their own finances, they are able to understand the models of the company
- ✓ Use existing free e-learning tools online
- ✓ New employee orientation
- ✓ Connect to individual – example: owning my health program, owning my performance (self-reporting individual performance)

Teach

- Teach the financials
- Teach the business plan

Examples of where to start:

- ✓ Individual financial literacy. As people understand their own finances, they are able to understand the models of the company
- ✓ Use existing e-learning tools online
- ✓ New employee orientation
- ✓ Connect to individual – example: owning my health program

Handout - training checklist

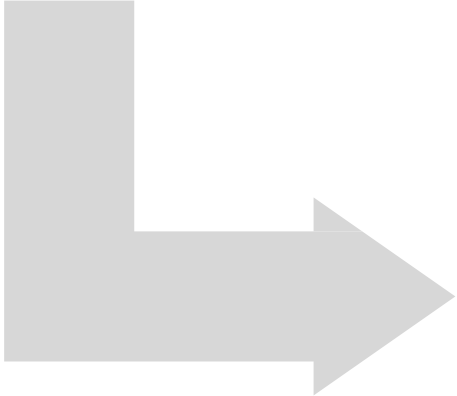
Activity

- *In pairs: What is a good first step to connect your people to owning the numbers?*
- *Draft training plan*

YOUR PATH TO BUILDING OPEN BOOK MANAGEMENT

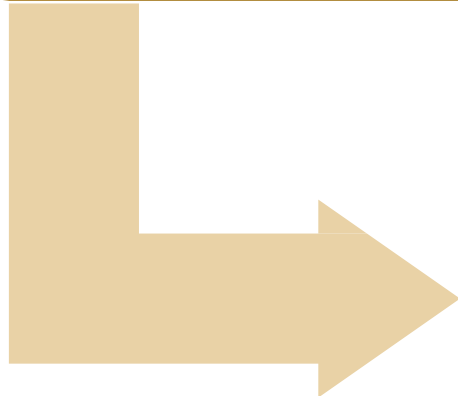
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Celebrate

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Involve

- Let people own their numbers
 - Help people influence leadership
-
- Individual Level – job autonomy, goals
 - Team Level – ***Participation***: team plans, contribution to company goals, project contributions
 - Company Level – ***Influence***: group think, contribution to plans, ideas on the future

Getting people involved in a single location and in a smaller business can be simpler - but be sure to make space and prioritize time.

As you grow, it becomes more complex with additional orchestration

Involve

- Let people own their numbers
- Help people influence leadership

Team level

- Over/under line item reporting, daily/weekly huddles
- Participative development of projects to create opportunities
- Cost cutting and efficiency games
- Fitness challenges
- Cross-work days

Involve

- Let people own their numbers
- Help people influence leadership

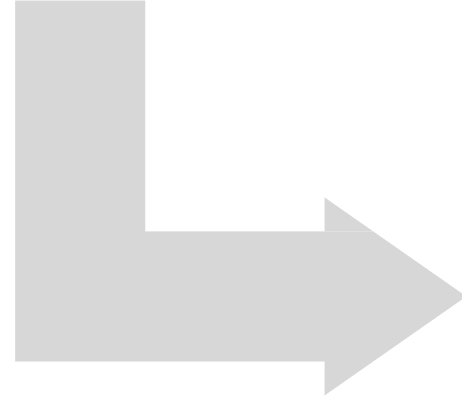
Company level

- Participating in company SWOT
- Futurecasting
- Rights and Responsibility exercises
- Brainstorming new products/names
- Games about competition
- Group dialog on “big questions”
- Advice to ...

YOUR PATH TO BUILDING OPEN BOOK MANAGEMENT

Decide

- Decide what success looks like



Report

- Report on the state of the company



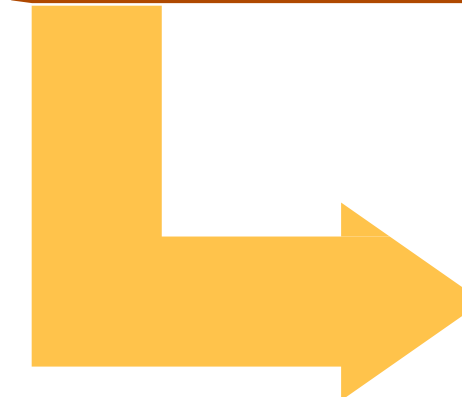
Teach

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Involve

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- Help people influence leadership



Celebrate

- Build community and celebrate wins



Celebrate

- Build community and celebrate wins

- Make it meaningful
- Connect to the common interest
- Keep the eye on your consumer
- Build solidarity
- Have fun

[VIDEO](#)



CULTURE AND OWNERSHIP

AT NEW BELGIUM BREWING

Involve & Celebrate

- Let people own their numbers
- Help people influence leadership
- Build community and celebrate wins

- Make it meaningful
- Connect to the common interest
- Keep the eye on your consumer
- Build solidarity
- Have fun

Table discussion: What activities can you do? Report out top 2 ideas from table.

Decide

- Decide what success looks like



Report

- Report on the state of the company



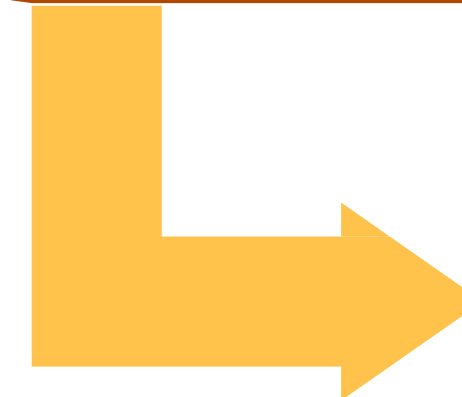
Teach

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- Build community and celebrate wins

Your CHECKLIST

Questions?

Decide

- Decide what success looks like

Check back and close

Report

- Report on the state of the company

Teach

- Teach the financials
- Teach the business plan

Involve

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- Help people influence leadership

Celebrate

- Build community and celebrate wins

Outcomes

- Ideas and samples for your winning plan
- Your plan to start training and reporting financials and state of your business
- Your plan to instigate more involvement

Impact

More powerful engagement and integration to build a winning business



Democratic Management: Open Book Management and HR Onboarding

School for Democratic Management
National Homecare Cooperative Conference
November 13, 2018

Purpose

1. To introduce a framework for Open Book Management and share best practice examples of onboarding new members.

Outcome

1. Participants will know 5 parts to Open Book Management and define their critical numbers.
2. Participants will know best practices in onboarding and prioritize top 2 topics for onboarding new members.
3. Participants will learn about the how the School for Democratic Management can help address gaps.



2004: 501(c)6

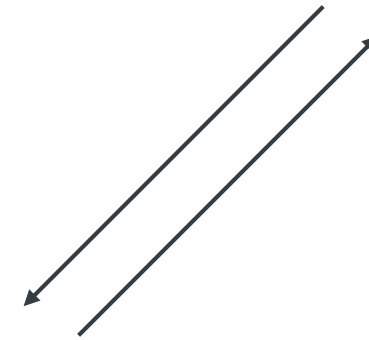
Member Benefit Nonprofit

- Supports and grows membership
- Organizes members
- Lobbies and advocates for members

2013: 501(c)3

Public Benefit Nonprofit

- Trains and builds field capacity
- Organizes institutions
- Convenes stakeholders
- Researches and innovates for scale



DAWI expands democratic business ownership to communities most affected by social and economic inequality, particularly low-wage workers, immigrants and communities of color.

USFWC represents and strengthens 200+ business and organizational members representing 5,500+ workers across the country. It organizes locally, and builds movement power.



A DEMOCRATIC WORKPLACE

2 Desires

Manages by
balancing
business and
democracy

3 Actors

Formalizes
accountability
between workers,
the board and
managers

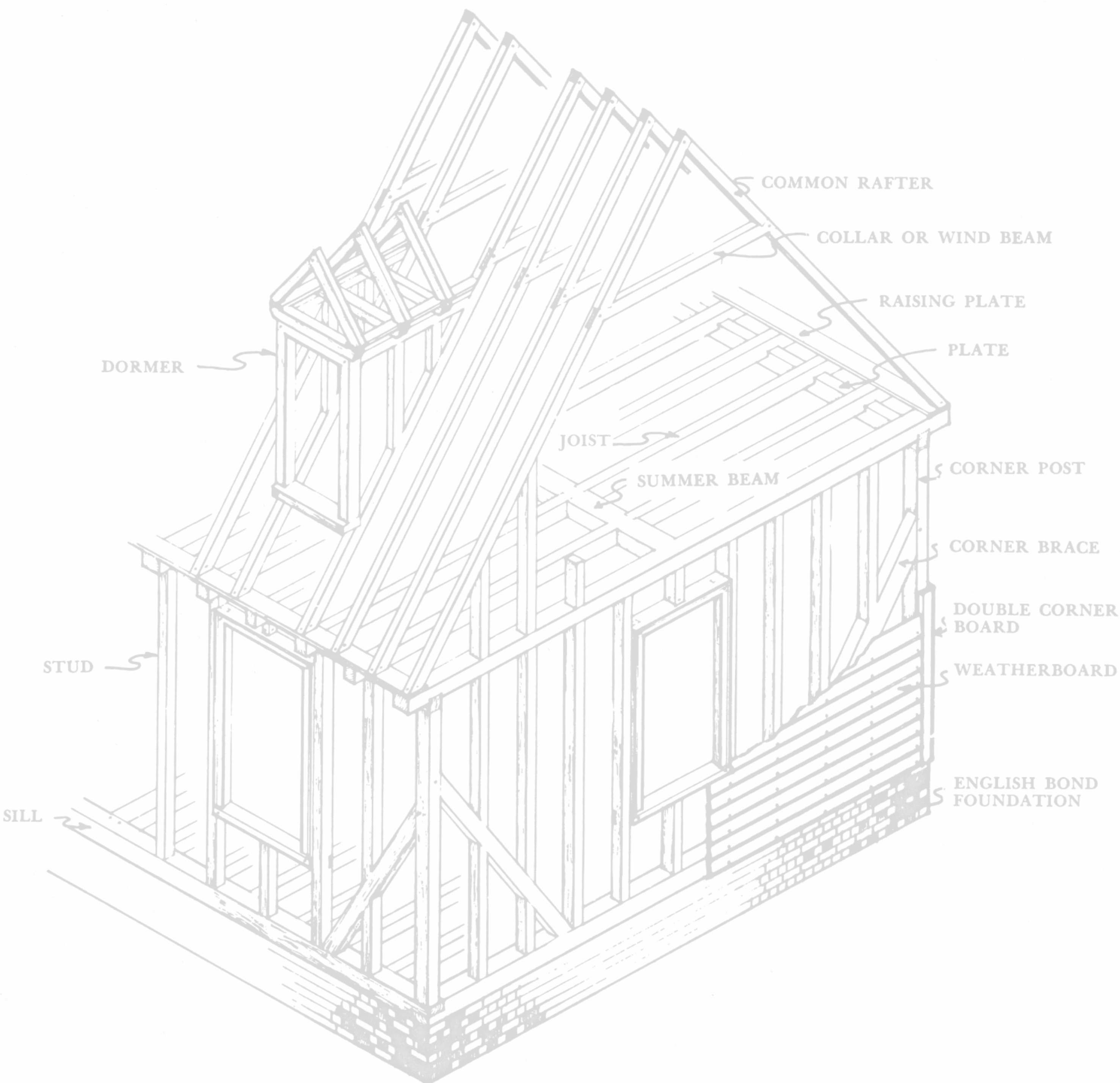
4 Corner Posts

Shares money,
information and
power with
people

A DEMOCRATIC WORKPLACE

4 Corner Posts

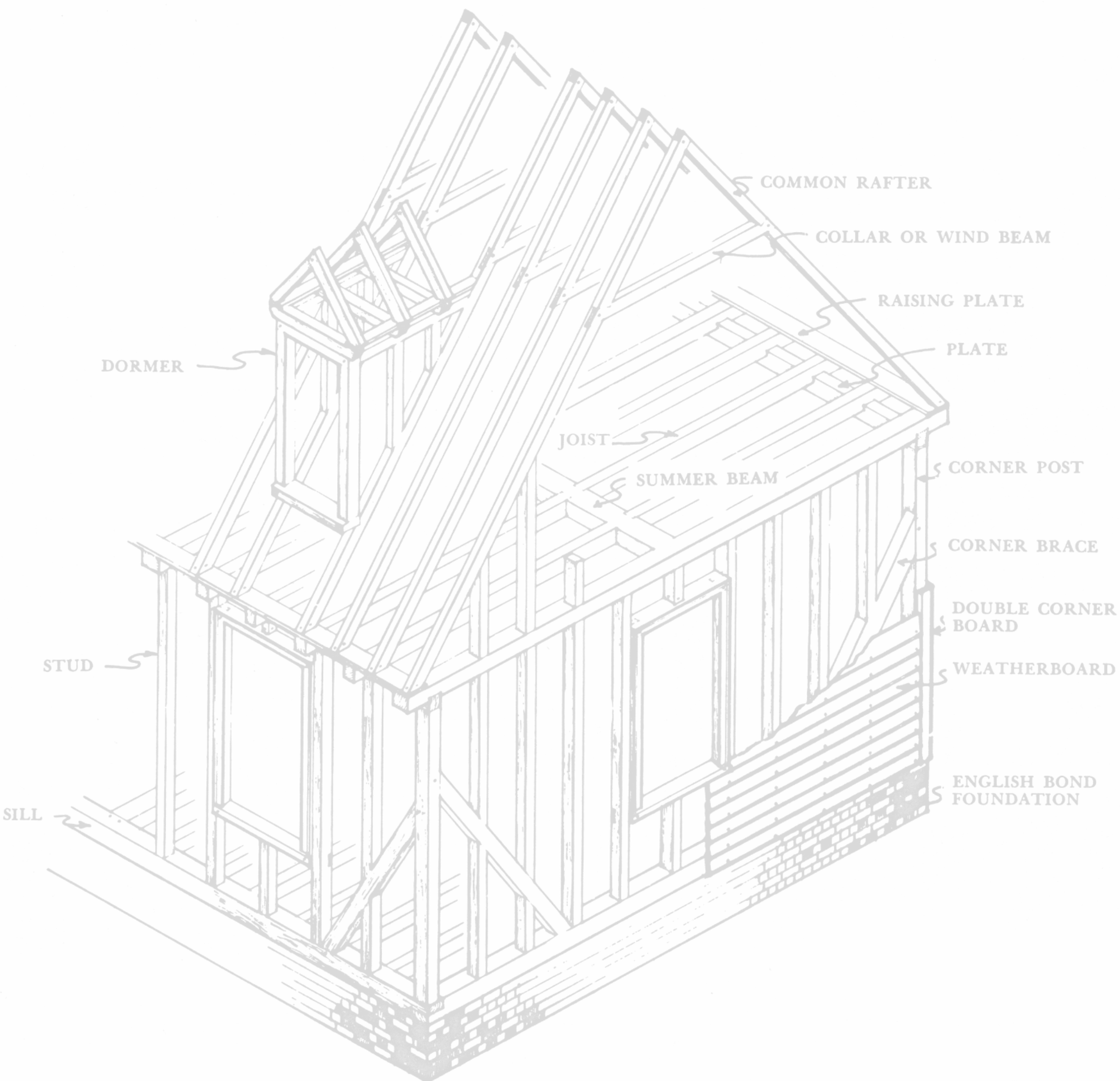
Shares money,
power, and
information
with people



Money

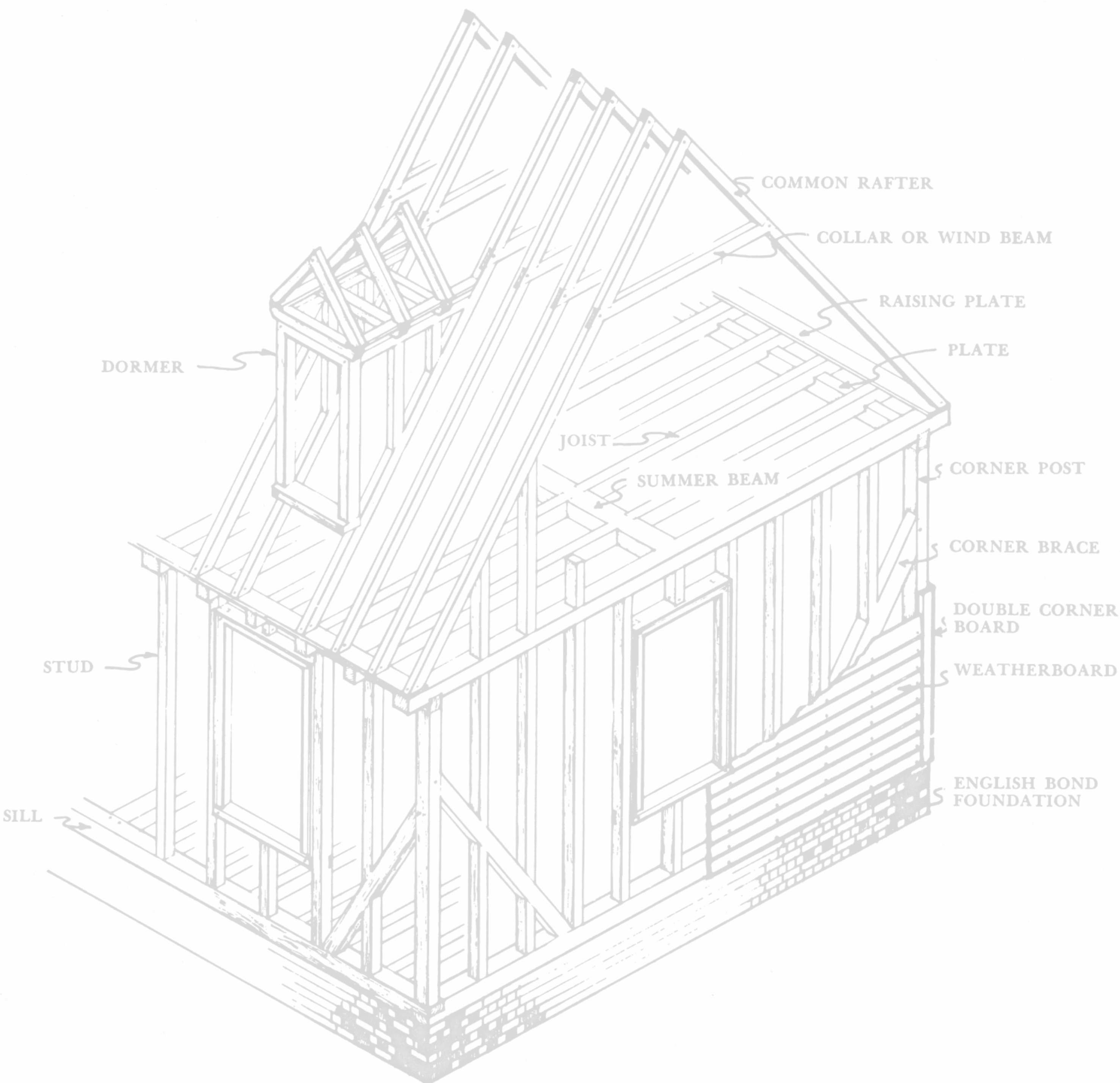
Financial Returns

- Ownership thinking has a financial incentive
- Worker-owners choose how to reinvest profits
- A pathway to ownership exists for the majority



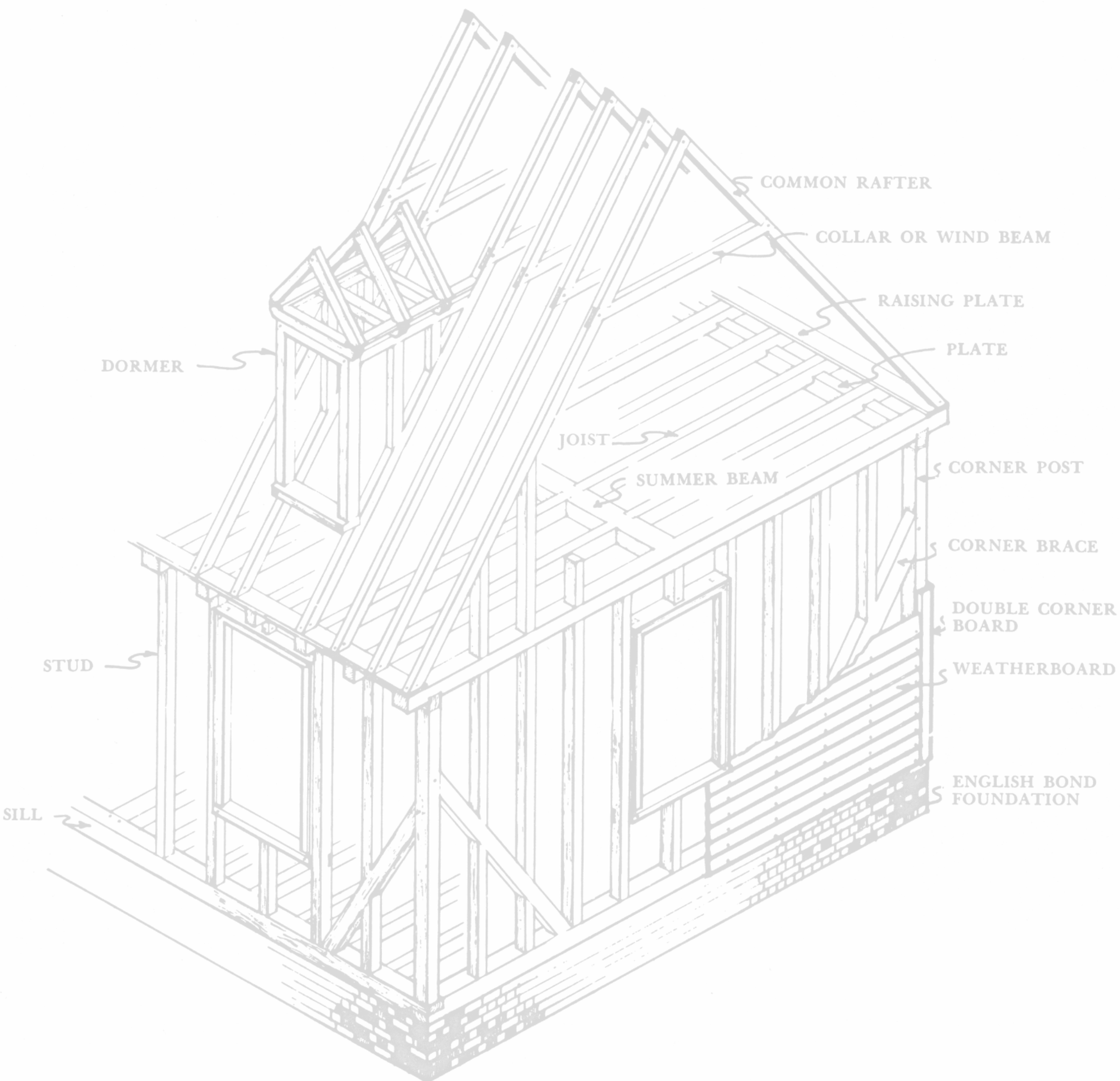
Power Citizenship

- Rights are balanced with responsibilities
- Decision-making roles are clearly defined
- A governing board pursues member goals



Information Managerial Knowledge Sharing

- Engagement requires business literacy
- Transparency requires financial literacy
- Open book systems teach and engage



People Human Development

- Meaningful engagement requires training
- Non members and new members included

How do these coops onboard members?

Equal Exchange	Arizmendi	Alvarado Street Bakery	Union Cab	Rainbow Grocery
Worker Owner Orientation	Training 1x month for six months covering: history, legal, finance, conflict, meeting process, leadership	Some training is required but secondary to daily message of ownership culture, “ It’s your place and you have a say in it and you get the results of it performing well.”	2-hour course on democracy - go through bylaws, coop identity, talk about election process, how policy development works, disciplinary systems, use funny training movie as a tool.	Series of orientations on history and bylaws of Rainbow, worker cooperatives, food politics.
Attend 1 board meeting and 2 membership meetings			Attend a board or a committee meeting for at least an hour.	Mentor buddy program
Mentor buddy program				
Binder of resources to read				

Common Onboarding Topics

- **Intro:** What is a worker cooperative, what are coop values and culture
- **Membership:** What are rights & responsibilities, who decides what and how
- **Governance:** What is the legal structure, what are bylaws, how does the board get elected & what do they do, what are committees
- **Management:** Who is management, what does management do, who evaluates the manager
- **Personnel:** How do you communicate and resolve conflicts? How do you evaluate members? Who chooses new hires, new members?
- **History** of the cooperative and its mission
- **Meeting** participation, facilitation, ground rules
- **Business:** What is the industry, how does the business make money, how does equity buy-in work, how will profits be distributed



What Type of Onboarding Do You Do?

- What do you teach?
- Who teaches?
- How do they teach? How long do they teach? How do you know they have learned?
- Do you pay people to learn?

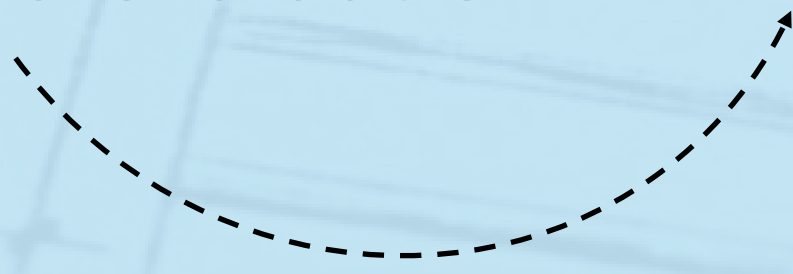
A DEMOCRATIC WORKPLACE

2 Desires

Balancing business & democracy demands new skills to teach what you know, share power and manage conflict

3 Actors

Mgt. accountability to board and workers shown through job description, workplan and evaluation



4 Corner Posts

Financial Return	Share Mgt. Info
Org. Citizenship	Human Dev.

Resources

- i. DAWI Courses.institute.coop
 - i. Fundamentals: Finance and Personnel
 - i. Recording
 - ii. Templates
- ii. School for Democratic Management
 - i. Bi-weekly webinars on HR, Governance, Finance
 - i. Information on future webinars available at <https://www.democraticmanagement.org/offerings>.
 - ii. A 2 day crash course, covering the basics of open book management, shared accountability and functional democratic structures in a cooperative. [Sign up here for School updates](#).

THE SCHOOL FOR
**DEMOCRATIC
MANAGEMENT**