

How to **Start** and **Manage** a **Worker-Owned Home Care** **Cooperative**



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Welcome

Welcome to the Direct Care Alliance toolkit on how to start and run a home care co-op.

When I became a direct care worker in 1996, starting and running my own business was the farthest thing from my mind. I just needed a job to help support my family, and the local nursing home was offering free training for people who wanted to be certified nursing assistants.



Tracy Dudzinski

The work was not at all what I expected. I thought I'd be visiting people, maybe helping someone go to the toilet, but I was able to make a real difference in people's lives. I helped the people I care for with every detail of their personal care. I developed some very special relationships with them and I fell in love with the work. I've been doing it ever since.

After seven years, I left the nursing home and went into home care. If I'd loved the job before, I *really* loved it now. It felt great to be able to give the people in my care the one-on-one attention they deserved. When the person I was caring for 40 hours a week moved to Cooperative Care, a worker-owned home care cooperative, the co-op asked if I would like to join. I did, but even then it wasn't because I had any dreams of co-owning a business—though it was fun to tell my former classmates at a reunion that summer that I was a business owner. Mostly I just liked the idea of being guaranteed the same steady hours with a client I already knew and liked.

But just as direct care work was much more rewarding than I had imagined, being part of a worker-owned cooperative has been much more than I ever expected. I've become a leader and an advocate for my profession. And, with the help of the DCA, I've found my voice.

Like most things in life, what you get out of belonging to a co-op depends on what you put into it. Some members of our co-op just do their jobs pretty much the same way they would if they were working for a standard agency—and there's nothing wrong with that, as long as they do their job well. Not everyone needs to be a leader. But I love the power Cooperative Care

gives me to control my own destiny.

The year I started at Cooperative Care, I joined our education committee. Then I chaired an ad hoc committee for a problem the co-op was having, getting a group of co-owners together to come up with some solutions. I had to "sell" the solutions to the board, and though public speaking made me nervous, knowing I'd make a difference and improved things for myself and my fellow workers afterward was a great feeling.

The next year, I got elected to the board of directors. After serving for two years on the board I was elected president, and I've kept that position ever since. As chair, I lead our board in making important policy decisions and decisions for what is now a million-dollar company. Each year, we have to decide whether we can afford to raise wages and by how much, and it's up to us to hire and evaluate our executive director. We recently had to make a difficult decision when we saw that the high reimbursement we were paying our home care aide worker-members for the miles they drove on the job was endangering our business. We knew how much our members—including most of us on the board—relied on that income, but we held listening sessions with the whole membership anyhow, just to be sure we knew just what was involved and heard everyone else's point of view. In the end, we reduced the amount we pay per mile.

Thanks to Cooperative Care, I've been able to travel to many states, serve on several other boards, and attend leadership training at the DCA's Voices Institute National



All photos from Cooperative Care's video (see Case Studies)



Leadership Program. That training was one of the toughest weeks of my life, but it made me a more effective leader and led to many more opportunities, like co-founding a statewide association for direct care workers.

I found my voice at that training, and now I use it to strengthen this profession I love. I learned that if we want things to be better we need to speak up and, as they say, be the change you want to see. I have been to Capitol Hill several times and met with legislators to educate them about issues that direct care workers face every day. I have been to the U.S. Department of Labor to argue for an end to the exemption of home care workers from federal minimum wage and overtime laws, explaining what we do and that we are much more than just “companions.” I have talked to federal and state legislators and policymakers about the need for standardized education and training for direct care workers. I was invited to speak at an Institute of Medicine Symposium on the elder care workforce. I have been nominated to sit on several advisory panels for direct care issues.



But I earned those privileges by taking on a lot of responsibility. My fellow worker-members and I work hard to figure out how to make Cooperative Care succeed, so we can keep our jobs—and share in the profits we earned at the end of the year, if there’s any surplus left after meeting payroll and paying our bills.

I hope you can take the information in this toolkit and run with it. Let’s start a movement together. I would love to see worker co-ops in every state of the union, providing a higher quality care to some of our most vulnerable citizens and letting direct care workers share in the profits they generate.

Being a worker-member empowers you to become a better direct care worker and person. And if enough of us owned our own businesses, it will elevate the status of direct

care workers and earn us some of the respect we deserve. Who knows? We might even be taken seriously.

If you have a question about anything covered in this toolkit, or any feedback on

how we could make it more useful, please contact me at 212-730-0741 or info@directcarealliance.org.

Good luck!

Tracy Dudzinski

President of the Board, Cooperative Care

NOTE: If you see a word or phrase with a blue box around it, it’s a hotlink to a web page, a video, or a page in this toolkit. Click anywhere in the box to connect.

What is a Worker-Owned Cooperative?



A worker-owned co-op is a business that's owned and managed by the people who work there. New owners usually pay a certain amount to join, and all owners get a share of the profits, called a patronage refund, if there is money left over at the end of the fiscal year that's not being reinvested in the company.

Worker-members elected by their fellow members sit on the board of directors, which creates and implements the strategic plan. Other worker-members may sit on committees that oversee specific parts of the business, such as member education or marketing.

The board generally hires an executive director to run the daily operations of the business. If the co-op is big enough, it may hire other staff to help run the office or other parts of the operation.

In many ways, home care co-ops operate like any other home care agency, providing services to people in their homes, marketing their services, balancing their budgets, and so on. But they require more of their members than traditional agencies do, and they offer benefits agencies can't match—for worker-members, for their communities, and for the people they serve.

BENEFITS TO WORKERS

Worker-members have a real voice in how their co-ops are run and how they provide care. As a USDA fact sheet on worker-owned home care cooperatives puts it: "The inclusive governing structure of a cooperative fosters member participation, organizational decision-making, and a sense of ownership and belonging."¹ And it doesn't stop there.

Helping to manage their own workplace and work processes allows many co-op members to develop leadership skills and enhanced self-confidence, and that enriches their lives outside work as well. My welcome letter for this toolkit gives you an idea how empowering being part of a co-op has been for me.

Worker-members get higher pay and better benefits

than home care workers at traditional agencies, since no money goes to corporate or shareholder profits, and overhead at co-ops tends to be low. "No one enters into the home care profession with visions of getting rich," writes the Wisconsin USDA's Margaret Bau. "But for the members of Cooperative Care, the combination of wages, benefits, and patronage refunds totals roughly \$12.92 per hour. Not bad for Waushara County with a per capita income of \$22,220 a year."²

Many co-ops make membership optional, to make room for good workers who don't want the responsibility or expense of ownership. At Cooperative Care, new workers are offered a membership after a 90-day probationary period. They can choose to become either an employee or a member, with all the rights and responsibilities that involves.

BENEFITS TO THE COMMUNITY

Communities also benefit from co-operatives—and not just because they create relatively high-paying and rewarding jobs for local residents. "Cooperatives often point to members who 'grew into' a position or became a leader within the organization or even out in the community (PTA leader, credit union board chair, community activist, etc.)," writes Jessica Gordon Nembhard.³

Nembhard also notes findings from other studies of co-ops, including:

- Co-op members are significantly more active in all phases of political life than workers in conventional firms—except voting in general elections.
- Co-op members often become used to the transparency and accountability in their own organizations (open book policies, one member one vote, shared management, etc.) and then help re-create those same things in public arenas.
- Cooperatives often catalyze systemic political change. For example, Cooperative Home Care Associates, a home care co-op in New York City, helped form a citywide work

¹ Whitaker, Julie, Schneider, Stu, and Bau, Margaret. February 2005. *Home Care Cooperatives: Worker Ownership in Focus*.

² Margaret Bau. *Wisconsin Leads the Way in Caregiving Co-ops*. December 2006.

³ Jessica Gordon Nembhard. "Non-Traditional Analyses of Cooperative Economic Impacts." *Review of International Cooperation* 97, no. 1 (2004): 6-21.

group to promote restructuring of the home care industry.

BENEFITS TO CONSUMERS

“Worker-owned home care cooperatives are emerging as a way to both address high staff turnover and to improve the quality of home care services provided to the elderly and disabled,” says a 2009 study.⁴ Most home care workers want to provide high-quality care, but being literally invested in the business that they work for gives co-op worker-members an extra incentive to make sure their organizations provide excellent care.

“[H]ome care worker cooperatives are a win-win situation,” writes Wisconsin’s Bau. “For families seeking home care, they can take comfort that their life savings are

directed to the people who provide care, not lining the pockets of corporate investors. For citizens paying taxes to care for low income individuals, they can be assured that their public dollars are going directly to caregivers. For caregivers, the co-op model offers the highest level of wages and benefits given market constraints and reimbursement rates. Fair pay, benefits, and a voice in decision making allow caregivers the opportunity to make home care a career, not just a job until something better comes along. Most importantly, for adults with disabilities, dependable caregivers mean independence and the ability to get to work everyday. For elders, a relationship can be built with the same caregiver, resulting in an improved quality of life.”⁵

⁴ Deller, Steven, Hoyt, Ann, Hueth, Brent, and Sundaram-Stukel, Reka. March 2009. *Research on the Economic Impact of Cooperatives*.

⁵ Bau 2006.

Getting Started



Starting a co-op takes teamwork, dedication, and a willingness to learn new skills. It's a lot more rewarding than just showing up for work every day at an agency started by somebody else, but it's also a lot more difficult. Fortunately, like any new challenge, it seems a lot less intimidating once you've broken it down into a few steps.

STEP 1. LEARN ALL YOU CAN ABOUT CO-OPS

Find out all you can about worker-owned co-ops—especially home care co-ops like Cooperative Care; Cooperative Home Care Associates in the Bronx, New York; Home Care Associates in Philadelphia, Pennsylvania; and Partners in Personal Assistance in Ann Arbor, Michigan. Reading this toolkit is a good start, and so is reading the articles and manuals and watching the videos we link to. Talk to someone at a home care cooperative (feel free to call me, Tracy Dudzinski, at 212-730-0741) to find out what they've learned through trial and error about what does and doesn't work.

STEP 2. START GATHERING FUTURE MEMBERS AND APPOINT A STEERING COMMITTEE

Find out if there are enough direct care workers in your area to start a co-op and to generate interest by holding a meeting early in your planning process. Gather together all the interested workers you can find. You might want to invite a guest speaker or two to talk about the benefits of the co-op model or their experience with another cooperative. Keep a list of names, phone numbers, and email addresses so you can keep your potential members informed and call another meeting as things develop. Encourage everyone who shows up to spread the word.

From this group, appoint a steering committee (ideally about five people) to help you lead the development process. Make sure they know that this is a volunteer position and that they'll need to work hard. Pick people who have good communication skills and who work well with others. Previous business or leadership experience or financial/accounting experience is also a plus.

Put someone on the steering committee in charge of keeping potential members in the loop and setting up more meetings as needed.

STEP 3. ESTABLISH CLEAR GOALS

It's up to the steering committee to identify goals and expectations for the co-op, including how to determine member pay and benefits and how to set and measure standards for quality care, but you might want to start by surveying your potential members. Asking things like how many hours they would like to work, how much they would like to earn, and what benefits are important to them can help ensure that the co-op meets its members' needs.

STEP 4. CONDUCT A FEASIBILITY STUDY

Whether it's for-profit or non-profit, a co-op is still a business, and it needs to at least break even in order to survive. Before starting a co-op, you need to be confident that it would fill a need that exists in your community.

Hire a consultant to study the feasibility of starting a worker-owned home care cooperative in your market area with the pay rates and benefits you want to provide. (To pay for the study, you may have to get a development grant or ask your potential members for early contributions.) Find someone who understands both worker-owned co-ops and the home care market, and ask him or her to outline at least three scenarios: the best possible one, the most likely one, and the worst-case scenario.

The study should include:

- Current and estimated future demand for home care services in your area, including specific types of services needed;
- Your competition for delivery of those services;
- What people typically pay for those services;
- How many worker-members you would need to meet the demand;
- What special equipment, facilities, or licensing you would need and how much they cost; and
- What other expenses (e.g. rent, utilities, office equipment and furniture) you would incur.

Once the study is done, the steering committee needs to read and discuss it, and share it with the potential members.

STEP 5. DEVELOP A BUSINESS PLAN

If your feasibility study has convinced you that there's room for a home care co-op in your area, use the study to create a business plan.

SCORE has a useful guide to starting a small business (see Resources), which includes guidance on how to write a business plan. Study that, and then get help from someone who has done this before. At Cooperative Care, we got help from the co-op development specialist at USDA Rural Development and from CAP Services (a community action nonprofit in our region).

Your business plan needs to describe a detailed plan of action for every part of your co-op. Start by defining the home care industry, the customers you hope to serve, and your competitive advantages. Include estimates of your cash flow and annual profits, descriptions of the kinds of services you will provide, and your governance and management structures. All co-ops are required by law to have a board of directors, but you need to decide how you will manage the co-op and make decisions. Will your board vote, with the majority rule, or will you appoint teams or committees to make decisions by consensus? Whatever method you choose, you'll need to budget for ongoing training in decision-making for the people who will make the decisions.

Include details about the jobs performed by worker-members, including any training required and the pay and benefits earned. Outline your marketing strategy: What will you tell potential clients about what makes you special, and how will you get the word out? At Cooperative Care, we market the worker-owner angle, because we believe that all workers having a stake in whether the business succeeds or fails gives us the incentive to provide higher quality service.

Your business plan also needs to spell out how much capital you will need to start the co-op and where you will get it from (usually a mix of member equity, grants, and loans.)

Hold a meeting with potential members to discuss the business plan and make adjustments as needed before submitting it to potential funders or lenders.

STEP 6. PREPARE YOUR LEGAL DOCUMENTS AND INCORPORATE

You'll need to line up a lawyer now, if you didn't consult one earlier. Try to find someone who has experience in working with co-ops. First, study up on your state's rules

about what a new business needs to do before it can incorporate or start to operate. Then prepare your articles of incorporation, which establish just the bare-bones facts about your organization, and file them with the appropriate state agency to create a legal identity and framework for your co-op.

Write your co-op's bylaws (or have your lawyer write them) to start creating a more detailed legal identity. Check first to see if your state requires you to file your bylaws, and what it requires them to include. Your potential members should review these too, so you can make adjustments if needed before you file them.

Create the documents you want worker-members and board members to sign, which spell out their rights and responsibilities. A co-op developer can help you create these, and you might want your lawyer to look them over. We've included examples in the **Worker-Member Rights and Responsibilities** and **Board Member Rights and Responsibilities** sections of this toolkit.

STEP 7. GET FUNDED

You will need to find financing for start-up costs and your first payrolls. Cooperative Care started by charging members \$40 to join, but we now charge \$100, and we're thinking of raising it to \$150. A local bank lent us \$125,000 for our start-up costs, which we were able to pay off in six years. But our main source of income has always been our contract with the county, which has paid us close to \$1 million a year to provide home care services. Our major funder now is a managed care organization, because Wisconsin is changing over to managed care for its long-term care services.

STEP 8. GET STARTED

Now that you're official and you have some seed money, it's time to elect your board of directors, hire your staff, and bring on your worker-members. Start by holding a meeting for all potential members in which you review the bylaws and articles of incorporation, elect the board, review your operations and finances, and get membership commitments.

The board will need to hire an executive director to run the day-to-day operations. Depending on how big your co-

op will be, you may need to fill some more positions. At Cooperative Care, we have a full-time executive director, a full-time business manager, a full-time scheduler and a part-timer who does our finances. You may also need a full-time or part-time staff nurse, and you'll need to work with a banker, an accountant, and a lawyer, though it's probably cheaper to pay your accountant and lawyer by

the hour than to put them on retainer.

The board and/or executive director also needs to secure contracts, make sure any funding needed from other sources keeps flowing, acquire and manage facility space, licenses, permits, and insurance, market the co-op, and start implementing the strategic plan. And they have to create a system for communicating with worker-members,

CREATING COOPERATIVE CARE

1. Concept: September 1999. Waushara County received a grant from the Wisconsin Department of Health and Family Services to creatively address recruitment and retention of long-term care workers. Agency Director Lucy Rowley contracted with Social Worker Dianne Harrington to explore the idea of a worker owned cooperative. Cooperative Development Specialist Margaret Bau of USDA Rural Development agreed to provide education and technical assistance in co-op development.

2. Exploratory meeting: November 15, 1999. Project coordinators (Harrington and Bau) met with workers of the Waushara County In-Home Providers program. Coordinators introduced the cooperative concept, reported on other home care worker co-ops across the country, answered questions and gained approval to proceed with exploring this project. Care providers were surveyed to determine desired wages, benefits, distance willing to travel, experience and skill levels. (This information was key to the direction of the co-op and the business plan.) Interested care providers volunteered to serve on the steering committee, which met monthly for 15 months to provide guidance and feedback to the coordinators as the initiative evolved.

3. Market analysis, feasibility study, business plan: November 1999 to January 2000. With funding from the state grant, a private consultant was hired to write these studies. After months of delays, the final product was flawed. Project coordinators re-wrote the business plan with the assistance of Amy Pietsch at CAP Services (a nonprofit community action agency in Waushara County).

4. Vote to incorporate: January 17, 2001. Project coordinators presented an overview of the business plan to care providers. At the meetings, care providers voted to incorporate. A five-

woman board was picked from a slate of eight candidates. Bau and the steering committee drafted bylaws. Members paid a \$40 membership fee. (Due to tight finances, some paid in two installments.) Co-op starts with 63 original members.

5. Articles of incorporation filed: February 5, 2001. Cooperative Care becomes a legal entity under Chapter 185 of the Wisconsin statutes.

6. Financing: March 2001. Cooperative Care signed a contract worth \$800,000 with Waushara County to provide home and personal care services. Locally owned Farmers State Bank of Waupaca loaned the new business \$125,000, based on confidence in the county contract, local leadership, the business plan and a modest \$4,000 in member equity.

7. New business start-up activities: Spring 2001. Board of directors rented office space, opened bank accounts, acquired a tax identification number, explored insurance options and hired the executive director Don Grothe and other administrative staff. Fred Harasha, a retired executive of the local Adams Columbia Rural Electric Cooperative, served as a key advisor in developing the financial systems, hiring staff and supporting the newly elected board.

8. Begin operations: June 1, 2001, Commenced payroll for worker-owners.

9. Board training and guidance: February 2001 to present. Bau uses the LEADing Board video series (produced by the University of Wisconsin Center for Co-ops, with funding from USDA Rural Development) for board training workshops.

10. Annual meetings: February 2002 and 2003. Report on operations, bylaw revisions, board elections, patronage refunds distributed, awards ceremonies and social event.

Excerpted with permission from "House Calls," Margaret Bau and Diane Harrington, Rural Cooperatives May/June 2003.

so they're always up to date on the co-op's performance and can provide input as needed.

It takes work to get worker-member buy-in, since it can take time for new employees to adjust to the idea of being a business owner. It helps if the co-op has a

core group of true believers who can pull other workers into their ranks, but it's important to grow that core group. If too few people do too much of the work for too long, they could burn out—and your co-op could go down with them.

RESOURCES

➤ Find an expert on co-ops to help guide you through the development process at the National Cooperative Business Association.

➤ The USDA's Rural Development branch employs cooperative experts who can offer valuable guidance on how to start and run your co-op. Find a community and economic development leader near you.

➤ SCORE is a nonprofit association of more than 13,000 business experts that provides mentoring and workshops to new and growing small businesses. Find a SCORE office near you by calling 800-634-0245.

➤ Read SCORE's free online guide to starting a small business.

➤ There are cooperative development centers nationwide whose staff will be happy to help you. To find one near you, contact:

Margaret M. Bau
Cooperative Development Specialist
USDA Rural Development
4949 Kirschling Court
Stevens Point, WI 54481
715-345-7600 ext. 171
margaret.bau@wi.usda.gov

➤ Attend a Cooperation Works! training session on how to start and manage a co-op.

➤ Find free publications on how to start a co-op on The California Center for Cooperative Development website.

➤ Link to useful information about

how to start a co-op from the US Federation of Worker Cooperatives website.

➤ Download a sample business plan.

➤ Download a business plan forecasting spreadsheet template (Excel).

➤ Download sample bylaws and other organizational documents.

➤ Download job descriptions, interview checklists, and other personnel forms.

➤ Developed in the do-it-yourself spirit of cooperative culture, Cultivate.coop is a place for co-op members to answer each other's questions and share information.

Running Your Co-op



How do you make decisions? Different co-ops have different ways of making decisions, so the first decision you need to make when starting yours will be which method you'll use to make all the rest of your decisions. Some co-ops put all important questions up for discussion among all the members and then reach agreement by consensus, while giving individuals the authority to make a lot of the day-to-day decisions for themselves or after consulting with a few coworkers. Others put a salaried executive director in charge of running the business. (For details, see the Democracy in the Workplace video in **Case Studies**).

In our co-op, the worker-members on our board of directors make all our strategic decisions. An executive director, who is hired and evaluated by the board, makes our day-to-day decisions.

When you sit on the board, you have to balance the needs of the business with the preferences and needs of the members. Personal feelings take a back seat to both. That was hard for me to get used to at first, because every decision I help make as the chair of our board has an effect on me personally, but now it comes naturally to put the business first. Any member can bring concerns to our board, which the board must then address.

As board president, I don't have any more say in deciding what we do, but I am responsible for making sure that we hear everyone we need to hear and consider all the factors we need to consider before reaching a decision. I facilitate our meetings, making sure that the right things get on the agenda, that the discussion keeps moving and no one person monopolizes it, and that everyone who has something to say gets a chance to speak. If some people don't speak up during a debate, I may ask them a few questions to make sure the rest of us get the benefit of their opinions.

How do you handle someone who is not doing their job? Just evaluating someone's work, let alone identifying areas where they need to improve, can be tricky business in a cooperative where the traditional employee-boss hierarchy doesn't apply. Again, there are different ways of handling this, so the important thing is that you come up with an effective system, make sure everyone knows what it is, and apply it fairly and consistently.

At Cooperative Care, we learned by trial and error that we needed a formal way of evaluating the job our members are doing—and of working with people who are not meeting our standards, to try to help them improve their performance. So we implemented a team system, in which members who have worked their way up to the position of team leader take charge of a geographic area. Team leaders monitor the quality of services delivered and manage consumer care. If they receive complaints about a direct care worker, they will call the worker in, work with him or her to identify the problem and try to come up with a solution, and follow the co-op's disciplinary procedure if necessary.

We are also in the process of implementing a yearly performance review, so everyone knows what they are doing well at and where they may need to improve. Doing the reviews will also give team leaders a structured way of touching base with the workers in their areas and finding out if they have any concerns or suggestions about how to make things run smoother.

How do you fire someone? If getting people to improve a bad performance is hard in a co-op, firing someone who just doesn't work out is even harder. But if a worker is not pulling his or her weight, or is doing poor-quality work, that reflects on the whole co-op. So who decides if one of the owners needs to be fired? Obviously, you need effective and clearly communicated policies about this too, which specify not only what kind of offense can get you fired but who makes that judgment and how.

If a worker in our co-op is not performing up to the standards we have set, our executive director deals with the performance issue according to our personnel policy. The executive director can terminate employment, but it is up to the board to decide whether to terminate the worker's membership in the co-op as well. Membership is usually terminated for people who have been let go, because people who don't perform the work up to our standards are not usually the kinds of people we want as a member.

How do you ensure quality service delivery? At Cooperative Care, we are very serious about delivering high-quality

ity care. First and foremost, it's a matter of professional pride: we care about the people we assist and we are committed to giving them the caring, competent, individualized care they deserve. It's also good for business. We're in a rural part of Wisconsin where word spreads fast, so if our care quality declined our customer base would too, and we can't afford to lose a lot of customers.

When we started out, we didn't have a system in place for monitoring care quality, since we just assumed it would be high. But our experience has taught us that it's best to have someone in charge of that, so our team leaders monitor care quality too. They do the scheduling, communicating with the people we serve about when they need help, and part of their job is to find out if they have any problems with the service. They also make unannounced visits so they can see for themselves what the workers are doing. Team leaders are always available to the workers on their team, giving them a safe place to voice concerns as they occur and an experienced guide to help them problem-solve.

What do you do if you need expertise in an area that no member has experience with? No matter how smart you are or how many people you have in your co-op, you can't know everything. And that's just fine, as long as you know where to look for help when you need it. At Cooperative Care, we rely a lot on the talents of our members, but we also seek out experts in our community when we need to do something none of us has experience in. We ask outside experts whose help we rely on a lot, like the communications expert who helps us with our marketing materials, to sit on our committees because we don't have the budget to put them on our staff and Wisconsin state statutes do not allow them to be on our board of directors. (In order to be on the board of directors of a Wisconsin co-op, you need to be a member of the co-op. At Cooperative Care, our bylaws state that only direct care workers qualify for membership.)

How do you manage the person who manages you? Our board hired our current executive director by running a newspaper ad and then interviewing the most promising candidates. This was an area where we felt the need for

outside expertise, so we asked a cooperative development specialist we knew at our state's USDA Rural Development office to help us develop interview questions and sit in on the interview and selection process. With the assistance of this person, we were able to make a decision after thoughtful consideration.

Managing and evaluating the person who runs day-to-day operations is another area that feels more complicated at a co-op than at a traditional institution, since we're all used to a more hierarchical approach. Our board is essentially our director's boss, so we do an annual performance review of the director, setting expectations for him or her to meet in the next year, which the board president goes over with him or her. It can be difficult for new executive directors to get used to taking direction from direct care workers, so it's important to be clear about this during interviews and to hire only people who seem to be comfortable with the idea. Even so you may need to appoint a mentor to work with the executive director if he or she is having a hard time adjusting to this role.

How do you handle overlapping roles? Being an owner/worker/board member/team leader requires you to fill different roles at different times. That's what I love about being part of a co-op, but it can also make things more complicated than working at a traditional agency, where all you have to think about is doing your job.

At a co-op, you always have to think about which hat you are wearing as you make decisions or work. For instance, if I am talking to the executive director about a concern I have about the company in my role as Cooperative Care's administrative coordinator, I bring the matter to his attention but defer to his decision. But if I address a concern as a board member, I expect the ED to follow my lead. Sometimes I need to tell people I am talking to them "with my worker hat on" or "with my board president hat on," so they know where I'm coming from and what role they need to assume in response. Getting that right takes practice, but thinking about it as juggling hats helps, so we talk about that in orientation.

How do you know if you're doing a good job? It's important to come up with effective ways of measuring your

performance and applying them regularly. Cooperatives UK has come up with a set of performance measures that you might find useful. One obvious thing to track is financial health: If you can pay your worker-members fairly and provide them good benefits, pay all your vendors and monthly bills on time, and still come out even or even ahead at the end of the year, you're doing some-

thing right. But there's a lot more than that to running a home care co-op, of course—starting with providing good care. At Cooperative Care, we realized we couldn't be sure we were monitoring our own performances well enough to assure the kind of high-quality care we all want to deliver, so we created teams with leaders who take on that role.

RESOURCES

➤ The United States Department of Agriculture (USDA) website has a section on cooperatives with links to success stories, loan information, and more. The page titled How We Can Help You is a good place to start.

➤ The mission of the California Center for Cooperative Development is to promote co-ops within that state, but it offers a wealth of free materials and links that could help co-op members in any state to start or run their businesses.

➤ Like the California center,

The University of Wisconsin Center for Cooperatives offers educational programs, discussion groups, free publications, and more to cooperative members nationwide. It's an excellent resource for worker-members looking to sharpen their leadership skills or learn from the experiences of their peers.

➤ The U.S. Federation of Worker Cooperatives is a national grassroots membership organization of and for worker cooperatives, democratic workplaces, and organizations that support the growth and development

of worker cooperatives. It's a good way to learn about what other co-ops are doing, to learn about upcoming events, or to download free resources, like an online press kit you might want to adapt for your company.

➤ The Cooperative Development Foundation, the group that funded this toolkit, is a charitable foundation that raises funds to help community developers start co-ops. You can sign up on their website for a free electronic newsletter that keeps you up to date on their activities and events.

Worker-Member Rights and Responsibilities



Chances are the new people you bring into your cooperative will never have belonged to one before, and even if they know how a cooperative works, they won't know the rules and values specific to yours.

To make sure every worker-member understands his or her new role and the mission and rules your cooperative lives by, you need to put them in a document that you give all new members when they join. Assign someone to go over the document with the new member and answer any questions he or she may have (at Cooperative Care, that's the responsibility of our team leaders).

It's also important to give all new workers a thorough orientation that includes an explanation of how co-ops in general—and your co-op in particular—work. The better your orientation, the better members you will have, so we are always striving to improve ours at Cooperative Care. One recent change that is working well is having new hires meet often with their team leaders to talk about how things are going. The team leaders encourage the new workers to ask questions about anything they don't understand.

Here's the document we give our new member-owners, which you might be able to adapt for your co-op.

COOPERATIVE CARE

MEMBER-OWNERS RIGHTS AND RESPONSIBILITIES

OUR MISSION STATEMENT

Helping people stay in their homes

COOPERATIVE CARE IS OPERATED ON THE FOLLOWING VALUES

Equity, Respect, Listening, Fairness, Consideration, Thoughtfulness, Welcoming, Professionalism, Determination, Openness, Generosity, Responsibility, Compassion, Dependability, Honesty, Patience, Thoroughness, and Initiative

RIGHTS

Rights pertaining to financial participation:

- The right to a patronage refund, as detailed in our bylaws, specifically: Section 6, items 6.1, 6.2 and 6.3

Rights pertaining to speech:

- The right to speak at member-owner meetings
- The right to propose agenda items
- The right to raise issues and express opinions and concerns in co-op forums and communication channels

Rights pertaining to education:

- The worker-owners have the right to educational opportunities sufficient to enable them to responsibly and effectively govern Cooperative Care and care for clients, as offered and/or sponsored by Cooperative Care.

Rights pertaining to voting:

- The right to participate in all pre-voting discussion and all votes held by the member-owners, which include the following:
 - Votes on board candidates
 - Votes to add, delete or amend bylaws

Rights pertaining to Governance:

- The right to run for the board of directors
- The right to serve on board committees
- The right to issue resolutions to the board (a right for the co-op as a whole, not necessarily a right of individual co-op members)

Rights pertaining to access to information:

- Access to company financial information
- Access to the strategic plan

- Access to board, committee and member-owner meeting minutes
- Access to all by-laws, board resolutions, personnel policies and all documents explicitly ratified by the board or member-owner body

RESPONSIBILITIES

Responsibilities pertaining to financial participation:

- To bear a portion of the cooperative's net losses, as detailed in our bylaws, specifically

Responsibilities pertaining to confidentiality:

- To maintain client confidentiality pursuant to state statutes
- To keep private matters private

Responsibilities pertaining to participation:

- To attend co-op meetings
- To participate in co-op voting
- To participate in co-op activities
- To serve on and participate in committees

Responsibilities pertaining to conduct:

- To act with civility and mutual respect toward fellow co-op members

➤ LIVE THE VALUES

- Follow the twelve member to member values
- Follow the seven member to client values

- To actively participate in the over all well being of clients

- Offer input as to the clients' care
- Report safety concerns
- Report neglect and abuse
- Report changes in clients' conditions

- To be accountable, dependable and professional in all interactions with clients and their families

- Be on time
- Communication
 - Maintain a working phone
 - Return phone calls
 - Notify the office of shift changes
- Maintaining a working vehicle as well as vehicle insurance
- Perform duties as assigned

- To promote a positive business presence in the community

Responsibilities pertaining to education:

- To educate oneself about the governance & cooperative structure of the co-op
- To educate oneself about the business & operations of the co-op
- To educate oneself in client care

Responsibilities pertaining to evaluation:

- To evaluate oneself daily
- To participate in the self evaluation training

Responsibilities pertaining to safety:

- "SAFETY FIRST" in everything we do



Board Membership Rights and Responsibilities

Your board of directors will make important decisions that guide your co-op's strategic plan and overall direction, so you need to be confident that you have an empowered and ethical board. That means choosing your board members carefully. It also means establishing and enforcing effective rules and roles.

Board members need to be able to make decisions based on what is best for the cooperative. Since they are also members, they may sometimes be called on to make decisions that adversely affect them, so they need to be able to put their personal wellbeing aside in the interest of the organization. The board also is responsible for making sure that the cooperative is moving forward with its strategic plan.

The board president sets the agenda for board meet-

ings and facilitates them, making sure that everyone has a chance to voice his or her opinion. That may mean directly questioning a board member who isn't actively participating. The vice president runs the meeting if the president is not able to do so, the secretary records the minutes, and the treasurer monitors the finances in the budget reports. Those last two positions are sometimes combined into one.

We've reproduced the two documents Cooperative Care gives to its board members on the following pages, in case you want to create variations on them for your own board. You can also download sample documents free of charge from the Free Management Library website, where you can read all about starting and managing a nonprofit board.

COOPERATIVE CARE

BOARD OF DIRECTORS CODE OF ETHICS

The board of directors adopts the following Code of Ethics to clarify any uncertainty that may exist regarding the authority exercised by the board or individual directors. This Code of Ethics is proposed to create greater unanimity and closer coordination among directors, management, and employees. To that end, as a co-op director I agree:

Authority

The board's authority is limited to overseeing the affairs of the cooperative in a manner deemed beneficial to the cooperative as a whole. The board is responsible for carrying out other duties as provided by the bylaws, or by general or specific corporate laws.

Limits to Authority

Each director's individual authority is limited to the rights and authority of an individual member of the cooperative, except when the board is in formal meeting. No individual director may take action on behalf of the cooperative unless explicitly delegated that authority by action of the board. No individual director has rights to information that is not made available to all directors.

Disagreement

While an individual director may disagree with a policy or action of the majority of the board, the dissenting director will support that policy or action as being the considered judgment of the board. An individual director shall have the right to present evidence and argument to the board for further consideration, provided the presentation is in a manner consistent with the board's practices.

Confidentiality

All directors will maintain confidentiality as needed to protect the co-op's interests and financial viability. Directors shall not discuss disputed or confidential corporate actions, policies or issues with co-op members, employees or the general public unless all directors agree to disclose such information. All issues related to personnel, real estate, market strategy and goals, pending litigation and financial status will be considered sensitive issues, subject to confidentiality, unless or until the board as a whole approves full disclosure.

Professional Conduct

Directors serve as representatives of the cooperative. Directors shall conduct themselves in a manner that fosters confidence and reflects positively on the co-op, its members, and its staff. The board respects the rights of directors, staff, and members to communicate their ideas free from interruption and intimidation. All directors shall disclose any economic conflicts of interest.

As a co-op director, I agree to abide by this Statement of Agreement. I agree that if, in the opinion of the majority of co-op directors, I have violated the letter or spirit of this agreement, I shall resign my position on the board immediately and shall not cause continued disruption to the co-op and the co-op board.

Signature/Date

COOPERATIVE CARE

BOARD OF DIRECTORS CODE OF CONDUCT

As a co-op director, I pledge to do my best for the co-op and will:

- Devote the time needed to fulfill the responsibilities of the position.
- Attend all regular and special board and committee meetings.
- Be prompt, attentive and prepared for all board and committee meetings.
- Contribute to and encourage open, respectful and thorough discussions by the board.
- To enhance board understanding and cohesiveness, attend and actively participate in the board's training sessions.
- Consider the business of the co-op and its members to be confidential in nature.
- Disclose any personal or organizational conflict of interest in which I may be involved, and refrain from discussing or voting on any issues related to that conflict.
- Be honest, helpful, diligent and respectful in my dealings with the co-op, other directors and the co-op's management, staff and members.
- Refrain from becoming financially involved or associated with any business or agency that has interests that are, or could be perceived to be, in conflict with the co-op's interests.
- Work for continued and increased effectiveness in the co-op's ability to serve its member-owners.
- Be a team player and agree to abide by the majority action of the board, even if it is not my own personal opinion.
- Present the agreed-upon view of the board of directors, rather than my own, when I speak on behalf of the co-op to employees, members, users of our service and the general public.
- Refrain from asking for special privileges as a board member.
- Work to ensure that the co-op is controlled in a democratic fashion and that all elections are public, fair and open to the participation of all members.
- Strive at all times to keep members informed of the co-op's status and plans and of the board's work.
- Continually seek opportunities to learn more about the co-op and its operations and about my responsibilities as a board member.

As a co-op director, I agree to abide by this Statement of Agreement. I agree that if, in the opinion of the majority of co-op directors, I have violated the letter or spirit of this agreement, I shall resign my position on the board immediately and shall not cause continued disruption to the co-op and the co-op board.

Signature/Date

Building Strategic Partnerships



If your co-op is going to be successful, you need to work as a team, developing and using each member's skills. But we all need a little help from our friends, so it's also important to know where to go when you need to get specialized training, call on some expert assistance, or just share ideas and support with your peers.

Two national groups offer training, advocacy, and other supports that you might find particularly useful. One is aimed at direct care workers, and the other is for co-op members.

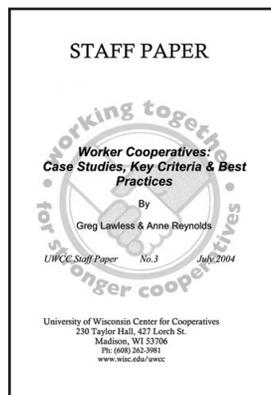
- The Direct Care Alliance offers free resources—like this toolkit—that empower direct care workers to improve their working conditions and advocate for needed changes to the laws and regulations that affect them. By joining the DCA, you become part of a growing movement to improve and professionalize direct care jobs.

You also qualify for discounts to DCA programs like the Personal Care and Support Credential and the Voices Institute National Leadership Program, an intensive, week-long retreat where direct care workers develop their leadership skills and learn about advocacy, fundraising, organizational development, message development, and more.

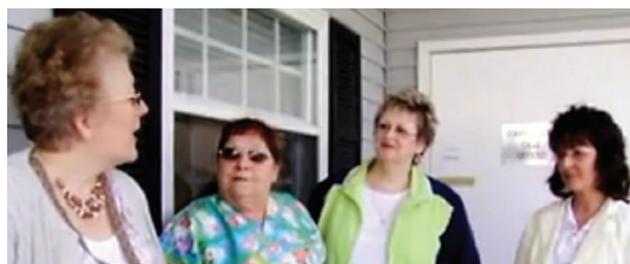
- Members of the National Cooperative Business Association get its *Cooperative Business Journal*, which shares news about trends, issues and challenges facing co-ops. Other benefits include free or discounted website hosting, discounts to training programs for board members, and group purchasing discounts for payroll processing, shipping, job announcements, cell phone plans, office supplies, and more. The association also advocates for policy changes that would benefit co-ops.



Case Studies



Worker Cooperatives: Case Studies, Key Criteria & Best Practices. This study outlines the attributes a co-op needs to succeed. It also describes four cooperatives—including Cooperative Care.



Cooperative Care did its own case study in 2008, creating a video about how the co-op got started, how it works, and how it benefits and empowers its worker-members and the clients they assist. It is posted on the DCA's YouTube channel in nine short segments:

- Part 1:** Empowered caregiving
- Part 2:** Beginnings
- Part 3:** Pay and benefits
- Part 4:** Who is in charge?
- Part 5:** Philosophy and ideals and empowerment
- Part 6:** Rights and responsibilities
- Part 7:** Values-based care, part 1
- Part 8:** Values-based care, part 2
- Part 9:** Opportunity



Evergreen Cooperatives Introductory Video showcases a Cleveland, Ohio, cooperative movement with a vision for a new way of combating poverty—by creating not just jobs but wealth.



Democracy in the Workplace highlights the similarities and differences of three cooperatives in the San Francisco Bay Area.

Acknowledgment

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