

frequently contacted by individuals interested in starting their own worker cooperatives, or in converting an existing business into a worker cooperative. Some of these do successfully come to fruition with Center Point's help; those that do not most often fail, says Schmidt, because they lack feasible business models. Successful worker cooperatives, like any other business, must begin with a solid business model. As Schmidt noted, individuals are frequently enamored of the idea of a worker cooperative, but fail to think through the logistics and feasibility of the business itself. Center Point's experience with false-start conversions is a powerful reminder that worker ownership is not a "silver bullet" for business success, and that worker ownership conversions require significant business acumen, patience, and often a bit of creativity to come to successful fruition.

## → Collective Copies

Type IV Conversion

### COLLECTIVE COPIES

Printing and copying  
Amherst, Massachusetts

**Date of conversion:** 1983

**Number of workers as of March 2015:** 11

**Conversion type:** Type IV

*Based on Project Equity's interviews in July 2014 and March 2015 with Adam Trott, who has been a worker/member at Collective Copies since 2004, and on two comprehensive case studies of Collective Copies. The first was published in 2004 by The Northcountry Cooperative Foundation's Center for Cooperative Enterprise and Innovation,<sup>88</sup> and the second was published in 2014 as part of *Building Co-operative Power: Stories and Strategies from Worker Co-operatives in the Connecticut River Valley*.<sup>89</sup>*

### Background

Collective Copies was founded in 1983 after an existing store of a copy shop chain—Gnomon Copies—was forced to close. Gnomon Copies' employees were unhappy with working and health conditions at the store, and when the owners were unresponsive to their needs, they sought out union support. They ended up finding alignment with the United Electrical Radio and Machine Workers of America. United Electrical Local 264 helped them through the strike and ultimately with the opening of the new store.<sup>90</sup> Collective Copies' locations in Amherst, MA (its original location) and Florence, MA enable it to serve the nearby college markets.

### Why it became a coop

After unsuccessfully attempting to negotiate with the new owners, they decided to strike in September of 1982. Their strike lasted into spring, and ultimately they were able to come to an agreement or contract with Gnomon. However, shortly thereafter, the building owner evicted Gnomon copies, due to the disruption of the strike itself, leaving all of the employees without jobs.<sup>91</sup>

88 Kerstin Larson et al. "Using worker-owned cooperatives to enhance the economic well-being of rural residents: A Report for the United States Department of Agriculture." Northcountry Cooperative Foundation's Center for Cooperative Enterprise and Innovation: Minneapolis, 2004. <http://community-wealth.org/content/using-worker-owned-cooperatives-enhance-economic-well-being-rural-residents-report-united>

89 Cornwell.

90 Phone conversation between Adam Trott and Project Equity on 3/11/15

91 Email exchange between Adam Trott and Project Equity on 3/17/15

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The strike was high profile within the community and a lot of people were sympathetic, including many of their customers.<sup>92</sup> Six workers decided to band together to form their own business, forming a collective they owned and ran themselves. They were already accustomed to running a copy shop together, they were friends and they trusted one-another.<sup>93</sup>

### Conversion logistics

The group was able to raise enough money from community members and by selling pre-paid copy plans to their customers to buy equipment, rent space and pay wages.<sup>94</sup> According to Trott,<sup>95</sup> “The business plan was probably more informal than you’d ever want to see because it was basically, ‘Will you keep buying copies from us if we started our own business?’” Enough customers said yes to give them the confidence to move forward.

The coop members designed the management and governance systems in their new collective without outside technical assistance,<sup>96</sup> but they were able to draw support from other collectives around at the time, including Common Wealth Printing and All Things Collective. One major ingredient of their success was their own commitment. It worked in large part because there was a group of committed individuals who really wanted to make it happen.<sup>97</sup>

### Coop logistics

Collective Copies functions as a collective and doesn’t have a hierarchy of supervision or tasks as in many print shops that rely on ‘Key Operators’ and design teams. Everyone is both a ‘Printer’ and a ‘Member.’ “As a Member, you own it, as a Printer, you’re working at it,” shared Adam Trott.<sup>98</sup> Day-to-day administrative activities are carried out by several committees.<sup>99</sup>

The cooperative’s written bylaws and policies were developed—and are implemented—by the group. One of the founder worker-owners, Stephen Roy, commented in an interview with the Northcounty Cooperative Foundation,

that the importance of implementing these policies consistently can not be overstated; co-operatives can avoid a great deal of conflict by creating an atmosphere where each member believes that the policies are fairly enforced. Workers tend to stay at the collective longer than is the industry standard. In addition, Collective Copies is able to attract experienced worker-owners who’ve worked in other copy shops in the area...Candidates with previous experience in printing or co-operatives are given preference, and the collective looks particularly favorably on self-directed candidates.<sup>100</sup>

92 Phone conversation between Adam Trott and Project Equity on 3/11/15.

93 Cornwell.

94 Ibid.

95 Ibid.

96 Larson

97 Phone conversation between Adam Trott and Project Equity on 3/11/15.

98 Ibid.

99 Larson.

100 Ibid.

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New worker-owners start off in a six-month apprenticeship, which enables both sides to have a month-to-month trial.<sup>101</sup> During the apprenticeship, an employee may participate in profit sharing, but doesn't have voting rights.<sup>102</sup> Collective Copies hasn't needed to bring on a new worker-owner for more than ten years. All 11 of the worker-owners (as of March 2015) have been there from between ten to 30 years.

Member buy-in was set at \$250, and was designed to be low enough to not serve as a barrier to membership, and is taken out of a member's paycheck five dollars at a time. When a member leaves, their investment is returned to them, but it does not accrue any interest.<sup>103</sup>

All of the worker/members are on the board, which, according to Trott,<sup>104</sup> is a strength that can also sometimes be a weakness, "because there isn't a board that takes care of issues separately from members." like financials, budgeting, etc. The collective/board meets twice quarterly. One of those meetings is on a Sunday—a planning meeting where larger or longer-term issues are addressed. They expect everyone to come having read up on any background information. For the second meeting, they close the shop a little early one evening to enable everyone to attend and they meet over dinner, continuing discussion and/or addressing smaller shop issues.

The coop donates 10% of its surplus throughout the local community and cooperative movement, and invests 15%-50% of surplus back into the business as retained earnings in a reserve account. The remaining profit is distributed as an annual dividend across the membership based on the total hours worked that year. The benefits package includes paid vacation, sick days, health and dental coverage and long and short-term disability.<sup>105</sup>

The copy shop is located in a prime market for its services, surrounded by five colleges, including the University of Massachusetts. Collective Copies "benefits from an annual business cycle that is virtually guaranteed. In addition, the community is a historically progressive area where residents have sought out worker ownership as a business model that they support."<sup>106</sup>

## Challenges

In the decades since Collective Copies was founded in 1983, they have been able—collectively—to overcome some key challenges. One was finding the right space. They moved their Amherst store twice before settling at their current location across from the town common. They purchased their first building to become the permanent home for their second store in Florence.<sup>107</sup>

The coop has had to keep current in a very rapidly changing industry. When they first opened, it was way before desktop publishing radically changed the copy business. It was before the revolution of digital photos took place, and it was before the industry consolidated to have big national competitors like FedEx Kinko's and others. "Our structure has kept us going past other printers, who have gone out of business in our area," said Adam Trott,<sup>108</sup> when he talked about some of these major changes in the

<sup>101</sup> Phone conversation between Adam Trott and Project Equity on 3/11/15.

<sup>102</sup> Larson.

<sup>103</sup> Ibid.

<sup>104</sup> Phone conversation between Adam Trott and Project Equity on 3/11/15.

<sup>105</sup> Larson.

<sup>106</sup> Ibid.

<sup>107</sup> Cornwell.

<sup>108</sup> Phone conversation between Adam Trott and Project Equity on 3/11/15.

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industry. It's been an industry with “rapid and expensive technological change,” said Trott. Trott continues,

My co-worker Steve Stimer is quick to point out that people talk about worker cooperatives and the collective process as being slow and unresponsive. It's a false notion that collectives can't respond quickly. We had to and survived, earning an increase in total revenue in the following year. If we hadn't been able to react, we would have just had to close our doors.

### Key lessons / effective practices

In addition to providing a model of long-term success for collectively run worker cooperatives, Collective Copies is an early example of how the employees of a closing business can band together within a union context and re-launch a new version of the business under employee ownership. A recent example is New Era Windows, a windows manufacturing plant in Chicago, Illinois.

Collective Copies also illustrates what can be accomplished by a core group of committed individuals who are willing to stay dedicated to the success of their coop through thick and thin. They started the coop after having gone through a period of several months of reduced wages, then being faced with having no job at all. Their tenacity and commitment was a core ingredient of their success, both in starting Collective Copies, and in keeping it going through tremendous industry change in the period since 1983. The coop structure was likely a key reason for their ability—as a small copy shop in an industry that has heavily consolidated over the decades into a smaller number of big players—to continue to operate.

Furthermore, Collective Copies evidences the stability that a set of anchor clients can offer a business. As the Northcountry Cooperative Foundation report notes, Collective Copies' location in a college town virtually guarantees it a permanent client base. Other cooperatives, like the Evergreen Cooperatives in Cleveland, Ohio, have adopted similar strategies that focus on establishing “anchor” clients—institutions like universities and hospitals—as a means for securing access to long-term clients.

*Due in large part to their model and their commitment to worker cooperation, Collective Copies has been a founding member cooperative of several organizations including the Eastern Conference for Workplace Democracy, the United States Federation of Worker Cooperatives and the Valley Alliance of Worker Co-operatives (VAWC).*

*Collective Copies was one of five founders of the Valley Alliance of Worker Coops as members wanted to realize more access and a higher profile of worker coops in their region.<sup>109</sup> VAWC started in 2005 and was formalized in 2009 by incorporating as a coop and addressing issues larger than those that individual coops had time or resources to tackle. VAWC has raised the profile of the worker coop model in its region by running marketing programs, starting the VAWC Interco-operative Development Fund—a loan fund owned and controlled by members—, co-founding the Valley Co-operative Business Association ([www.vcba.coop](http://www.vcba.coop)) with other coops, and being a part of starting courses and certificate programs about cooperatives at the University of Massachusetts through the Co-operative Enterprise Collaborative. And during that time they have supported six businesses in converting to become worker-owned cooperatives. Collective*

<sup>109</sup> <http://valleyworker.coop>

*Copies feels the model of coop-led development has been key to their region having twice the number of business conversions to cooperatives over a five year period as there had been in the previous 30 years.*

## → New Era Windows Cooperative

Type IV Conversion

## NEW ERA WINDOWS COOPERATIVE

Window manufacturer

Chicago, Illinois

**Date of conversion:** 2012

**Number of workers at time of conversion:** 17

**Number of workers as of summer 2014:** 15

**Conversion Type:** Type IV

*Based on Project Equity's interview with Brendan Martin, Founder & Director of The Working World, and Steve Wong, Communications and Investment Agent at The Working World in August 2014. The Working World is a non-profit organization that provides investment capital and technical support for worker cooperatives, and is an advisor to New Era Windows.*

### Background

The New Era Windows Cooperative is a Chicago-based windows manufacturing company specializing in energy-efficient vinyl windows. Founded in 2012 by a group of former employees of the Republic Windows and Doors factory, which declared bankruptcy and laid off its entire factory workforce, the New Era Windows story is partially that of a business conversion to worker ownership, and partially that of a start-up cooperative business.

### Why it became a coop

In 2008, after many decades of operation, Republic Windows and Doors abruptly shut its doors, laying off its entire workforce. Two hundred seventy-nine union members, as well as 21 managers, suddenly lost their jobs.<sup>110</sup> The workers decided to occupy the factory in protest, and staged a six-day sit-in that attracted tremendous support from the community. The protests were successful in winning the compensation owed to workers by Republic Windows and Doors, and shortly thereafter, a “green” construction company named Serious Energy took control of the factory and partially reopened it.

The re-opening didn't last; Serious Energy soon decided to close the factory once and for all. For the workers, this was the final straw – they decided to take control of the situation and re-employ themselves. According to a statement from the New Era Windows Cooperative, after losing their jobs again, “Everyone decided enough was enough. If we want to keep quality manufacturing jobs in our communities, perhaps we should put in charge those who have the most at stake in keeping those jobs — the workers. The plan to start a new worker-owned cooperative business began.”<sup>111</sup>

<sup>110</sup> Alejandra Cancino, “Former Republic Windows and Doors workers learn to be owners,” Chicago Tribune. November 6, 2013.

<sup>111</sup> “Our Story.” Website of the New Era Windows Cooperative. <http://www.newerawindows.com/about-us/our-story>