

In a January, 2015 letter to their community,⁸¹ Local Flavor shared their decision to close down their business and reflected on their successes and learnings:

When Marc first decided to take his business, Local Flavor, and convert it into a worker co-op, it was because he felt inspired to join a community of enterprises which are doing such good work to transform our economy. Our vision of a social justice focused, living-wage, cooperatively owned catering business owes a lot to the values and practices of our community.

But even the best laid and best supported plans sometimes don't pan out. A combination of increasing health concerns, inability to find new members able to commit to the work necessary to sustainably grow the cooperative, and not finding the regular and profitable clients we projected we could find led us to decide to close our doors at a recent collective business meeting.

We have experienced many successes at Local Flavor. We self-financed all our start up costs, paid all our members a good wage for our sector, had a modest profit to distribute at the end of our year, learnt a huge amount about cooperatives, and enjoyed the camaraderie of working with each other.

Local Flavor developed many useful resources in the course of their development that as of this writing they have already shared with a number of food cooperatives.

→ Simple Diaper & Linen

Type III Conversion

SIMPLE DIAPER & LINEN

Diaper laundering and delivery service

Holyoke, Massachusetts

Date of conversion: 2011

Number of workers at time of conversion: 2

Number of workers as of March 2015: 4; 2 worker-owners

Conversion type: Type III

Based on Project Equity's interviews with Jessica Montagna, founding worker-owner of Simple Diaper in December 2014, and Adam Trott, Valley Alliance of Worker Cooperatives (of which Simple Diaper is a Member-Cooperative) in July 2014.

Background

Founded as a sole proprietorship named Mother Herb Diaper Service in 2009 by Angie Gregory, Simple Diaper & Linen is an eco-conscious diaper and commercial linen service company that serves Western Massachusetts and Northern Connecticut.

Why it became a coop

Angie Gregory founded Simple Diaper & Linen in her basement and was the company's sole owner and sole employee for several years. Soon after establishing the company, Gregory decided that she wanted to expand and turned to cooperative ownership as a way to grow the business, while maintaining her socially and environmentally responsible business model. According to Simple Diaper & Linen's website,

⁸¹ Shared by email with Project Equity by Kate Sassoon in February, 2015

→ Simple Diaper & Linen

Type III Conversion

The shift from sole-proprietorship into cooperative ownership added a lot to our already conscientious business model. We have shared responsibility and shared ownership as workers. Our business model is fair and democratic and we are proud to be a cooperative!⁸²

Conversion logistics

Adam Trott, a staff member of the Valley Alliance of Worker Co-operatives was actively involved in Simple Diaper & Linen's transition to worker ownership. Trott has organized the support of VAWC's coop conversions (a total of six conversions as of March 2015). In an interview with Project Equity, Trott described how Simple Diaper & Linen's process of conversion began. Trott recounted how Angie Gregory reached out to a representative of VAWC in 2009 to discuss the possibility of worker ownership for Simple Diaper & Linen. Trott, a worker-owner⁸³ at Collective Copies and Alex Jarrett, a worker-owner at Pedal People (another member of VAWC) met with Gregory and spoke with her about sharing ownership and about the principles of the International Cooperative Alliance.⁸⁴

Over the next two years, Gregory continued to grow her business while looking for potential worker-owners to join her at Simple Diaper & Linen. In 2011, says Trott, Gregory again contacted VAWC to begin the process of converting the company into a cooperative; one of her clients, Jessica Montagna, wanted to join her as a worker-owner at Simple Diaper.

VAWC Member Co-op Representatives advised Gregory that the conversion process would likely take six to 12 months to reach completion, and began helping Gregory to think through how she might re-structure Simple Diaper as a worker cooperative. The first step Gregory and VAWC took to move the conversion forward was to write Simple Diaper's cooperative Articles of Incorporation. Writing the bylaws for the new cooperative came next. Creating the bylaws was a "pretty involved" process, Trott noted, and took 3-4 months to complete. Once these two essential pieces of the conversion process were finished, Simple Diaper & Linen was able to begin looking for a new location—Gregory's garage was no longer large enough for the growing business. Supported by VAWC, Simple Diaper conducted market research to identify holes in the market that the new cooperative might be able to fill, and VAWC advised the expanding company about how to most effectively weave cooperatives into its messaging and identity, and how to leverage Simple Diaper's new cooperative structure as a marketing tool. VAWC also encouraged Gregory and Montagna to reach out to the cooperative community and to their "friends and family" network for support.

In addition to VAWC's close guidance and mentorship, Simple Diaper & Linen received fiscal sponsorship from the Cooperative Fund of New England to support its transition into cooperative ownership.

Coop logistics

Since becoming a worker cooperative, Simple Diaper & Linen's two worker-owners

82 "About Us." Simple Diaper & Linen Website. <http://simple.coop/about>

83 Collective Copies uses the term "worker-member." We use "worker-owner" to align with terminology used throughout our case studies on worker cooperative conversions, to make it simpler for readers less familiar with different terms.

84 The ICA's seven cooperative principles are as follows: 1) voluntary and open membership; 2) democratic member control; 3) member economic participation; 4) autonomy and independence; 5) education, training and information; 6) cooperation among cooperatives; 7) concern for community. These principles are published on the ICA's website, <http://ica.coop/en>.

→ Simple Diaper & Linen

Type III Conversion

have been joined by a third team member, and the cooperative is planning to expand into a new city.

Simple Diaper & Linen is one of eight members of the Valley Alliance of Worker cooperatives. As Simple Diaper & Linen's VAWC profile illustrates, the company actively incorporates its cooperative structure into its larger messaging around environmental sustainability and social responsibility:

Simple Diaper & Linen is a Northampton, MA based business driven by a passion for working with communities to benefit the environment, family health, and our economy. We are cooperatively-owned and mother-operated. We provide diapering alternatives that reduce waste and improve the comfort and health of your children. Our energy-efficient machines, chemical-free laundering, and local delivery by bicycle supports our mission of eco-sustainability.⁸⁵

Challenges during conversion

Although Angie Gregory first approached VAWC in 2009 to discuss her interest in worker ownership, Simple Diaper's conversion did not begin until two years later. Adam Trott noted that this delay occurred because Gregory needed to find at least one more team member to join her in worker ownership. Finding the "right" person—someone who is a good fit for the company, who has the right mix of skills for the industry and for worker ownership, and who is interested in committing not just to employment, but also to ownership—can be challenging, as Simple Diaper & Linen found. Gregory's patience and care in building Simple Diaper's core cooperative team put the company in a good position during and after the conversion process; several years after its conversion, the cooperative is thriving.

Key lessons / effective practices

Simple Diaper & Linen worked closely with representatives of the Valley Alliance of Worker Cooperatives throughout its transition into worker ownership, and sought financial support from the Cooperative Fund of New England. The company's utilization of New England's strong cooperative network doubtless played an invaluable role in facilitating the conversion process. Having a coop led organization to explore the potential of conversion created a support system that offered both worker coop experience and a peer-to-peer network as Gregory entertained shifting her business to the coop model. By joining with other worker cooperatives, Simple Diaper and its members plugged into a network with a marketing campaign, a revolving loan fund, educational programming and development services directed and funded by cooperatives themselves. Simple Diaper has joined the cooperative community that supported it throughout its transition process and is as an active member of the Valley Alliance of Worker Cooperatives.

⁸⁵ <http://valleyworker.coop/members/simple-diaper-and-linen/>, accessed February, 2015.