

Good Vibrations Continued from Page 1

- The General Manager is accountable to the shareholders and the executive committee of the Board of Directors.

- Good Vibrations remains committed to a living wage and good working conditions for its workers, and has drafted a Corporate Code of Conduct to ensure adherence to these principles.

- In honor of its co-op roots, Good Vibrations will still honor NoBAWC discount cards

History of the Structure of Good Vibrations

1977 Good Vibrations is founded by sex therapist and educator Joani Blank

1987 Incorporates as Open Enterprises Inc.

1992 Blank sells business to the thirteen staff members who re-incorporate it as a cooperative

1990's Booming growth for Good Vibrations, particularly in web sales; GV begins to face significant competition from other sex toy stores around the county based on a similar model

1998 Good Vibrations membership votes to expand the business

1999 Board of Directors researches ways to expand while maintaining cooperative structure. Expands administrative departments.

2003 After difficulty getting financing, Good Vibrations opens third store on Polk Street using cash reserves, hatches plan to grow nationally, overhauls management team.

March/April 2005 General Manager Beth Doyle leaves suddenly, leaving the position unfilled; low point in cooperative morale

Mid-2005 Board of Directors responds to management vacuum and growth pressures by creating the Restructuring Task Force to explore the option of restructuring, presents this option to member-owners.

2006 Membership votes to reorganize as a California Corporation. 67 of 72 workers vote yes, 5 abstain.

Why Restructure?

According to Good Vibrations, “to stay profitable in an increasingly crowded niche market, the company needed to reach more customers.” Growing competition in their field (much of it based on the pioneering Good Vibrations model) demanded that Good Vibrations grow, which required investment capital. But, says Open Enterprises board member Adrienne Haddad, their cooperative structure combined with the unconventional nature of their business made it difficult to get loans. In a public statement intended for the co-op community, Good Vibrations stated clearly that “lenders, including National Cooperative Bank, were not willing to take sex toys, books and DVD’s as collateral.” Having decided to grow and implement a strategic plan that depended on it, Good Vibrations was stuck with no capital. Reorganizing as a corporation, with shareholder investment and a legal structure that was more conventionally recognized, will, they hope, allow them to raise the money to grow on a scale they say was impossible as a cooperative.

Good Vibrations’ public statements about the restructuring focus exclusively on this need for capital as a motivating factor. Discussions of the effects of the

NoBAWC MEMBER WORKPLACES for more information on each workplace, visit www.nobawc.org

<ul style="list-style-type: none"> ■ AIDS Coalition to Unleash Power San Francisco—ACTUP SF ■ AK Press ■ Alvarado Street Bakery ■ Arizmendi (Oakland, San Francisco, Emeryville) ■ Arizmendi Development & Support Cooperatives. ■ Berkeley Free Clinic ■ Berkeley Worms ■ Bound Together Bookstore ■ Box Dog Bikes ■ Cheese Board and Cheese Board Pizza ■ Childcare Collective ■ Collectively Explorative Learning Labs or CELLspace ■ Cupid Courier Collective ■ Design Action Collective ■ Electric Embers 	<ul style="list-style-type: none"> ■ Good Vibrations (Berkeley, San Francisco: Valencia Street, Polk Street) ■ Heartwood Cooperative Woodshop ■ Industrial Workers of the World (IWW) San Francisco Bay Area General Membership Branches ■ Inkworks ■ Juice Bar Collective Restaurant ■ LoveMore Gourmet ■ Lusty Lady ■ Modern Times Bookstore ■ 924 Gilman Street ■ Other Avenues Food Store ■ Outformations ■ Pedal Express ■ Rainbow Grocery Cooperative ■ Red Vic Movie House ■ Suigersukan Marrial Arts School ■ Woodshanti
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THANK YOU to the following NoBAWC newsletter committee members for making this happen:

CHRIS DUNLAP *Bound Together Books* • GORDON EDGAR *Rainbow Grocery* • MELISSA HOOVER *Inkworks* • BERNARD MARZALEK *Inkworks* • MISS MUFFY *Lusty Lady* • MIMI SCHIFFMAN *Rainbow Grocery* • DENNIS TERRY *NoBAWC Steering Committee*
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 Layout and Design *Design Action Collective* • Printing *Inkworks Press*

change from worker-owned cooperative to shareholder-owned corporation also focus primarily on ownership and worker-owners’ financial considerations. But what about the other part of working in a cooperative: democratic self-management and governance? What will be the changes here? And what was the impetus behind workers democratically voting to replace their self-management with the top-down structure of a conventional business?

According to Kim, a former Good Vibrations shipping department worker who left on good terms and with fond memories, “there probably won’t be much of a change” in the day-to-day life of workers. Kim says management always played a central role in her department, and she recounts watching her coworkers craft a proposal to give more autonomy to departments, a proposal that didn’t go anywhere without the support of managers. Former workers in other departments of Good Vibrations, almost all of whom have asked not to be named, also cite the centrality of management in their daily worklives.

The Values Inventory

In 2005, Haddad of the Board of Directors did a presentation at a membership meeting, at which she listed several possible values central to Good Vibrations – things like diversity and decent working conditions - and asked the membership to label them “Good Vibrations values,” “Co-op values,” or “Both.” The results of this exercise led the membership to conclude that there was nothing inherent in the cooperative legal structure that served Good Vibrations values, and that those values could still be preserved under a corporate structure.

When asked about the value of democratic self-management, and its absence from this discussion, former board member Clause explains that people weren’t talking about that because essentially “we had already gotten rid of democratic self-management long before we got rid of the co-op.” Moreover, by the time capital pressures led the Board of Directors and membership to this values exercise, “everyone who was bothered by the hierarchical management structure had either resigned themselves to it or left the company.”

At the time of the values inventory, the Board of Directors was headed by Carol Queen, the longest-employed Good Vibrations worker on staff, and composed of several others with years of experience there. The management team, on other other hand, was composed of people who had less collective lifetime experience in worker co-ops than at any other time in the company’s history, the management team had been thoroughly overhauled by then-general manager Beth Doyle. With phenomenal growth in the late 90s, followed by a severe dip post-9/11, there had been a push to hire top management from the business world, to respond to market pressures with business experience. Haddad makes the point that promoting from inside is not always the wisest or most possible route to take. Clause adds that when hiring it’s difficult enough to find people with that specialized knowledge and skills, and nearly impossible to find co-op experience on top of this, a challenge, she notes, that is common to many larger cooperatives.

Conclusions

It is not surprising, then, that cooperative values were not seen as integral to Good Vibrations values. From management to floor workers, nearly everyone interviewed for this article agrees that the cooperative form had grown ill-fitting for Good Vibrations.

The Good Vibrations of the early 2000s was, by several accounts, a difficult place to work, a co-op in crisis. There was tension between management and workers, lack of interest in collective decision-making within the membership, heated discussions about the future of the cooperative. A significant number of Good Vibrations workers left for jobs at other Bay Area worker cooperatives like Rainbow Grocery, Arizmendi Bakery, and the Lusty Lady. Even those workers who remain today describe the time as an unprecedented period of low morale, high turnover and general frustration. Their opinions about why vary widely.

Those who favored restructuring saw the problem as the cooperative itself. They say it limited growth and was an outdated hindrance to running a real business, and a source of low morale when accountability and efficiency broke down. The Board of Directors’ Haddad, and current Good Vibrations accounting worker and former board member Lynda Clause, go even farther: they say many are thrilled with the change. Without the co-op, they say, now “stuff gets done.” They cite a litany of common co-op complaints: there was unclear accountability within the cooperative structure, there were too many meetings, and anybody could hijack the process to slow change they were opposed to. Says Haddad, “the co-op’ had become a buzzword for why things couldn’t get done.”

Many of those who left Good Vibrations for work in other Bay Area cooperatives instead point to the inconsistent and dysfunctional implementation of cooperative procedures and processes. They overwhelmingly see the problem as the execution of the cooperative model at Good Vibrations and the lack of institutional commitment to shoring it up. ‘The co-op’ may not have been the source for all the dissatisfactions of the workplace, say former workers, but it was certainly the scapegoat. According to former Good Vibrations worker Erica, much of the original organizational inertia and low morale came from the disconnect between the promise and rhetoric of worker self-management and the reality of managers who made hiring and firing decisions, workers who seemed to regard participation in decision-making as an unnecessary chore, and poor communication. Erica also says that once the decision to expand had been made (but before the restructuring discussion started), the culture of the co-op changed markedly.

Whatever the sources or sources, it’s clear that there was a steady progression of changes at Good Vibrations that led to the decision to restructure, a decision that was not opposed by any of the voting worker-owners at the time. The need to implement a capital-intensive growth plan, combined with an upper-management vacuum, led to research on restructuring. Top management recruited from outside the cooperative world and workers who viewed cooperative values as separable from – and possibly even interfering with – the organization’s values made the decision to restructure, and in January of 2006 Open Enterprises Cooperative, Inc. became simply Open Enterprises, Inc.

Good Vibrations Vision Statement, Mission Statement and Corporate Code of Conduct can all be found at <http://www.goodvibrations.com>

CO-OP OF THE ISSUE

Good Vibrations Restructures as California Corporation

by Melissa Hoover

In March of this year, Good Vibrations, a worker-owned cooperative and women-focused sex toy enterprise, announced that it had restructured and was now organized as a California corporation, not a cooperative. The company had been structured as a worker co-op since 1992, after founder Joani Blank sold it to the thirteen staff members at the time and they re-incorporated as a cooperative corporation under California’s consumer cooperative law. In a March 2006 public statement intended for NoBAWC, Good Vibrations cited difficulties in obtaining investments and loans for expansion as the driving force behind the restructuring.

What Does the Change Mean?

The recent change in Good Vibrations’ corporate structure will have several immediate and long-term effects:

- The company is now owned by shareholders. At the time of the restructuring the shareholders were the workers; in the foreseeable future, the shares as well as seats on the Board of Directors will be open to the general public.

- Instead of paying an arbitrary amount of money for “a share” of the co-op that earned no interest regardless of how long a worker stayed with the company, now each worker owns an equal portion of the book value of Good Vibrations in capital stock, the monetary value of which will increase as the value of the company increases.

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Spotlight on: Box Dog Bikes

by Chris Dunlap

It’s a common complaint: Gas prices are out of control, MUNI and BART fares are going up yearly, the bridges are getting more expensive—this city’s getting prohibitively expensive. Yet one positive trend can be gleaned from the last few years of energy crisis. San Francisco and the nation are rediscovering the trusty old bicycle as commuting vehicle, ecological transport, and general badass cruising machine. Even our intrepid Commander-In-Chief sometimes feels the Tour de France urge to

emulate his favorite Texan, hop on a mountain bike, and crash in front of his bodyguards.

Here in San Francisco, with the effective lobbying help of the San Francisco Bicycle Coalition, the city is being redrawn as a bicycle map. New bike lanes are emerging on Market and Fell Streets—previously among the most dangerous routes in the city. It’s

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Dennis Terry

NoBoss first issue release party

Is the Co-op a Form You Outgrow?

by Mimi Schiffman and Melissa Hoover

As we prepared to go to press with this edition, another large worker cooperative, Burley Design in Eugene, Oregon, announced that it is shedding its worker cooperative structure and restructuring as a conventional business. Burley’s restructuring was prompted by financial difficulties rather than desires to expand, but both Burley and Good Vibrations point out how fragile the worker cooperative form still can be, even - or maybe especially - for larger co-ops.

Money is obviously an issue, whether it’s raising money for expansion or trying to keep a large business afloat through a cash crunch. We take as a given that there will be market pressures and money struggles. But we think there are other issues worth exploring, using the experience of Good Vibrations as a reference point. Our aim here is not to criticize Good Vibrations or Burley for their decisions. They did what they decided is best for their workers and their businesses and we respect that. Instead it is to draw out some unspoken reasons that may have played a part in their restructuring and try to learn from them.

1. Management

This is the big question: How to implement self-management systems on a large scale? Within the Bay Area, we have a range of models, including everything from Rainbow Grocery, which has no managers, to Alvarado Street Bakery, which has elected managers (see Letters section for more on Alvarado). Ineffective management, whether it comes from within autonomous departments or from elected managers, can tear a co-op apart. As a workplace grows, its management structures have to become more intentional and systematic, whatever they are.

2. Continuity of cooperative culture and values, from the top to the bottom.

When a co-op gets bigger and hires more people, it becomes more difficult to communicate the history and values of the co-op to new hires. Success can be a disincentive for new workers to engage in collective governance; when new workers come to successful workplaces and see systems working, they may get the impression that they don’t need to jump in because everything is running smoothly. And in key specific job roles, it can also become more difficult to retain and promote experienced worker-cooperators in the face of business pressures and the need to recruit for specialized skills.

3. Question of membership and mandatory participation for all workers.

Many large co-ops struggle with the question of whether to make membership mandatory for all workers, many of whom do not

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International Cooperative NEWSWIRE

Venezuelan Co-ops

Amongst the recent reports on Venezuela two have focused on the growing worker cooperative sector, one in an activist journal and the other in the Los Angeles Times. The Times article by Chris Kraul reports fairly on the recent explosion of coops supported by government technical assistance and start-up funds. Kraul visited a tourist area to record the hopes of the members of a recently formed co-op hotel; the former sole owner must now manage the place with input from the staff. Also interviewed is a local functionary in the co-op development office who offers a balanced view of the hurdles to be overcome for the new cooperatives to be a success economically. This news story mentions the most interesting aspect of this new economy in creation, which is that it depends on intra-cooperative alliances for economic advancement. For a more in depth exposition see the Bowman and Stone article in July/August 2006 issue of Dollars and Sense magazine.

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Green Worker Cooperatives are a hopeful trend

Omar Freilla of the Green Worker Cooperative in the Bronx, New York was highlighted in the Summer issue of Yes! Magazine in their “10 Most Hopeful Trends” section. Omar will be a presenter at the 2006 SF Green Festival. He will be speaking on the effort in New York to create a worker co-op recycle enterprise to serve as a model of sustainable development in economically devastated areas of inner cities.

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Videos on Argentine Recuperated Enterprises

Marie Trigona of Agora TV and Grupo Alavio visited the Bay Area in May and at a NoBAWC meeting presented a recent video on the worker-controlled Zanon Tile Factory in Argentina. Trigona's news reports appear widely on independent radio, like Free Speech Radio News (a NoBAWC member co-op), in print (Z Magazine) and on the internet (IPS News Service and other sites). The Agora TV site has several videos with English subtitles for those of us who can't follow the Spanish. This site has many videos to watch, including several on the Anarchists in the Spanish Revolution containing rare historic footage. Well worth a visit: <http://www.agorativ.org/> NoBawc has several Agora TV videos on the recuperated workplaces. Contact Dave to borrow.

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Co-ops in Emilia-Romagna region of Italy

Co-ops in the Emilia-Romagna region of Italy are explored in the latest issues of “Owners at Work,” the newsletter of the Ohio Employee Ownership Center at Kent State. The issue has a long interview with Matt Hancock of Chicago's Center for Labor and Community Research, who studied the co-ops in Italy at the University of Bologna, about their relevance in developing a sustainable manufacturing sector in the United States.

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Resource for converting an existing business to co-op

The Ohio Employee Ownership Center has a paper on the process of transferring an enterprise from single ownership to cooperative. For small firms (under 20 employees, for instance) where the owner wishes to retire and would like to turn the enterprise over to the employees as opposed to selling it in whole or part, the ESOP solution has been a poor solution because of its high initial costs and yearly fees. Conversion to a co-op makes more sense. The paper on co-op succession is available here: <http://dept.kent.edu/oec/OEOCLibrary/CoopAccount.htm>

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Released: CD to support co-ops



The Big Idea Rainbow Foundation has just released a CD by Singer/Songwriter Greg O'Neill. The “big idea” is the cooperative economy and O'Neill is a Canadian co-op developer. The song “Big Idea” lyrically expresses the vision of an economy based on people, not profit. The revenues from this CD will all go to support the Foundation, which works to promote cooperative values through art and culture.

For more info contact: goneill@prairiesky.ab.ca

by Bernard Marszalek

NOBOSS • NEWSLETTER OF THE NETWORK OF BAY AREA WORKER COOPERATIVES

Letters to the Editor

Dear fellow members of the Network of Bay Area Worker Cooperatives,

Congratulations on the production of the first Network of Bay Area Worker Cooperatives Newsletter (Volume 1, Issue 1).

We enjoyed the newsletter content, but we did NOT appreciate the newsletter name, NO BOSSI!, or the violent cartoon logo on the masthead.

We ARE a co-op and we DO have bosses. Many of our workers, including managers/supervisors/bosses were offended by the name you had chosen for the newsletter as well as the cartoon that came with it.

The name clearly promotes an anti-management platform...one we as a worker owned cooperative with a management system certainly do not endorse. As well, a cartoon perceived as glorifying violence against ANY fellow members will not be tolerated in our workplace.

Surely you must have meant it as a statement of “no outside ownership”, but it was taken as very offensive by some.

The Board of Directors of Alvarado Street Bakery, a 25-year-old worker cooperative and a member of NOBAWC, strongly agrees with the NOBAWC goals of co-op development, support, education, and networking. We have always believed in the co-op movement as a way for workers to band together to own and manage the means of production, to have an equal vote in their future, and to share the profit equally amongst themselves.

There are many different ways to organize the structure of a co-op, for example, as a collective, or run by elected committee, or by an elected hierarchical management system.

We have tried all of these over the last 2 decades and our members supported and voted for the change to the hierarchical management system over 13 years ago. Our membership has the ability to change or modify our structure at any time, but has repeatedly chosen overwhelmingly not to do so in any significant way for over 13 years.

During this time, our business has become more successful than we ever could have imagined.

We respectfully request that you change the newsletter name to NOBAWC (which we pronounce ‘no-bok’) or some other inoffensive name that is not perceived as disrespecting our chosen system of management and is not offensive to the members in those management positions.

We hope that you will eliminate the offensive cartoon as well.

Thank you very much.

Cooperatively yours,
Alvarado Street Bakery
Board of directors

Dear Alvarado Street Bakery: We'd like to thank you for taking the time to respond to our efforts. You raise interesting points and bring a valuable and underrepresented perspective to the discussion of managerial styles within coops. We can all benefit from hearing why Alvarado Street Bakery has chosen this model and why it works.

We believe your letter presents the co-op community with an opportunity for an in-depth discussion of democratic practices in our diverse workplaces. We in NoBAWC are committed to worker-ownership and worker self-management as our common mission. However, we consider one of our communal strengths to be a respect for the differences amongst us that have developed democratically. The NoBAWC newsletter aims to provide a forum for the ideas and issues that concern our community.

We have collectively and respectfully declined your suggestion to change our title. To respond to your second concern, we are hoping to feature many different drawings and cartoons in our paper over time, so you will not see the same logo you found objectionable in this publishing.

In cooperation,

The NOBOSSI! Staff

Chris, Mimi, Muffy, Melissa, Dennis, Bernard

A Call to the Cooperative Commonwealth

by Dennis Terry

Organizing cooperatives among African Americans is an idea whose time has come...again. It was an idea that was forcefully presented in the 1930's when W.E.B. DuBois, America's most prominent black scholar, proposed the creation of a black “cooperative commonwealth” (see for example DuBois' “A Negro Nation Within a Nation,” In *W.E.B. DuBois Speaks: Speeches and Addresses 1920-1963*).

And it was argued for again at the height of the Black Power movement in the 1960's (see William L. Henderson and Larry C. Ledebur, *Economic Disparity: Problems and Strategies for Black America* for an assessment of 1960's positions on economic change in black communities). A new generation of black activists and scholars have come to the fore to carry out this mission once more (see for example Curtis Haynes, Jr., and Jessica Gordon Nembhard, “Cooperative Economics—a community Revitalization Strategy,” in *Leading Issues in Black Political Economy*) But their numbers are few and the need for a cooperative alternative for African Americans and others is greater than ever.

The continuation of a racialized economy, an economy with a class structure built on racial hierarchy, demands a serious reexamination of how the conditions of African Americans can be meaningfully improved. Five hundred years in the making, a capitalist world economy based on European expansionism (the colonization and genocidal land theft of indigenous people and the theft of Africans from their own land to labor as slaves on these lands) and the racial structure and race-thinking that comes with it, cannot easily be overthrown with moral suasion.

Generations of struggle have brought improvements for many but not fundamental change. Black people's condition has changed since the end of slavery and segregation but their situation has not. African Americans, like Native Americans and Latino Americans, remain structurally at the bottom of the U.S. political economy. Their labor to a great extent has been marginalized. They occupy the ranks of the unemployed and underemployed disproportionately—especially black youth. In many inner city communities this situation has become a crisis with devastating consequences regarding people's health and personal safety. And the only options for many have been either the Prison-Industrial Complex or the Military-Industrial Complex.

Some people continue to turn to government for solutions to their economic woes. But the government could care less. All the calls for a new Marshall Plan, a New Deal, a



Dennis Terry

Peace Dividend, or for reparations—whatever their moral justification—will continue to be met with deaf ears. The ongoing decline in the rate of profit in the world economy remains the primary concern of our rulers. The Democratic and Republican consensus for a neo-liberal agenda on a world scale through imperial expansionism and their abandonment of the welfare state means that blacks and other poor oppressed people must regroup and organize alternative solutions to the worst aspects of their condition at the grassroots level. Organizing social and economic institutions along democratic, egalitarian, and sustainable lines improves their chances of gaining control over their economic condition and their environment. It may also be the only way to effectively reverse the widespread demoralization and the sense of hopelessness that prevails among the oppressed.

Benefits of worker cooperatives and self-managed enterprises are many. Among such benefits are that they can allow black and oppressed people to begin to control capital, land, and resources and some aspects of their economic fate as a community. And they allow for individuals to develop new skills, gain economic security, learn to make decisions collectively, and to expand their self-confidence and self-esteem as human beings. These institutions can potentially meet people's material, psychological, and spiritual needs. Cooperatives at their best can be affirmations of the dignity of labor.

Cooperatives as well could become the cornerstone of a new economy, or at least express the notion that an alternative to corporate-dominated economy where the few benefit at the expense of the many, is a possibility. African Americans, out of their own desperate need to survive, might possibly develop new models showing how economic institutions could relate to the needs of a larger community in a positive and integral way. Blacks could, as DuBois believed with the idea of a “cooperative commonwealth,” lead the rest of the country in a new direction socially and economically.

Such an effort would not be easy. For although there is a growing number of scholars and activists within the black community who recognize the importance of developing an economic strategy based on democratic, egalitarian, and sustainable principles, most such persons are not yet on board. And many (still preoccupied by the old political paradigms of the past) are openly hostile to such a task. But the needs of the people are so great and the options so few that the presentation of a clear and solid vision on the possibilities of a democratic economy is still a realistic goal. A serious debate among African Americans and others is vital. In the short run black and oppressed communities need to organize themselves along the lines presented above. But the long term success of their efforts is tied to their seeing beyond the boundaries of the ghetto, or even the country itself. Alliances with all the democratic forces for social change, with African Americans an integral part of any leadership, will be required if the United States is ultimately to grapple with and resolve its contradictions. At some point, hopefully, we will be able to transform the racialized economy into a humanized economy that all Americans will be proud of.

Left: East Bay May Day party
at Inkworks Press

Work It, Own It!

TIDBITS OF INTEREST FROM BAY AREA WORKER CO-OPS

by Miss Muffy



Modern Times bookstore just inked a deal with New College of California to provide classroom and community space in their Valencia street store. Pretty innovative maneuver in staying afloat while three indie bookstores announced they were closing last month alone... A certain craftserson from **Woodshanti** custom furniture and cabinetry cooperative is dating one of the many hott cheese girls from **Rainbow**.

Does said person get extra samples or are they subject to the same one cube per person policy that the rest of us are?**Suigetsukan**, a cooperatively run martial arts school in East Oakland, celebrated their 15th anniversary with a movie screening and demonstration at the Parkway theatre. May you make merry for many many more!.... All three **Arizmendi bakery** cooperatives, hereon out referred to as the big AZs, are in the spotlight this time around: first, a mighty congratulations to AZ San Francisco for the fabulous switch to organic flours in all its baked goods....

Secondly, my sources report a few folks at AZ Oakland have been fantasizing over the possibility of expanding a pizza venture into what is currently a drive thru fast-food stand around the corner from their Lakeshore shop. Who wants a corn dog when you could have roasted fennel, red onion, and smoked mozzarella pizza?... On a more serious note, AZ Emeryville continues its struggle with the city of Emeryville regarding permitting for a Starbucks to enter the plaza on San Pablo and 43rd across from the cooperatively owned bakery, pizza, and coffee shop. Current word from the Emeryville City Council confirms they are currently “in negotiations” with Starbucks to enter the space. Folks in support of Emeryville keeping its promise to create space for small local business can go to www.ci.emeryville.ca.us/gov/city_council.html and tell ‘em how it is... An all star bootilicious cast of lusty ladies were spotted at the 11th Annual San Francisco Drag King competition working up a sweat on-stage to the classic Sir Mixalot tune “Baby Got Back.” No trophies or gift baskets were won but a good time was had by all.

Work It, Own It! Continued on Page 5

[Ad space]

Is The Co-op a Form You Outgrow? Continued from Page 1

want to be in the co-operative and may attend meetings and vote only because they have to. Often proposals regarding voluntary versus mandatory membership or participation only emerge in times of crisis as a response to low participation, and that's not the best time to make such big structural decisions.

4. Being prepared for good times and bad.

So many worker cooperatives are so used to 'just getting by' as marginal small businesses that they are unprepared to deal with hard times – and, maybe more surprisingly, with financial success. Pressure can come from both sides: when times are tight, the co-op seems like a luxury, when times are flush the co-op can seem like it's holding you back. With struggling co-ops, there can be a tendency to blame the financial difficulties on the co-op structure itself, a perception that may or may not be true. "I see the seeds of that here," says a member of another large Bay Area workplace.

5. Lack of technical assistance around growth

With only a few trained experts and a lack of models from experience, the worker cooperative movement may not yet have enough expertise planning for and dealing with growth to really help workplaces who are struggling to grow or with the results of growth. It is difficult to find capital, but it is even more difficult to find help with strategic planning, personnel management, and legal questions that confront large businesses.

6. More subtle cultural questions about growth and business versus co-op values

These can be the most damaging given the countercultural background of many worker cooperatives. There can be a perception that cooperative principles and culture are idealistic and unfitting to a serious business venture, that you grow out of them at some point when your business becomes mature. There are serious tensions inherent in running a cooperative business within the larger market system – price pressures, competition, profitability.

Will conforming to a faceless mainstream help your business grow? Is it even possible to grow and not be forced away from cooperative values? Some people argue that growth itself corrupts. We don't have the answers, but there are enough hopeful possibilities of large-scale cooperatives and cooperative movements in the US and abroad to consider growth as more than just the inevitable result of capitalist pressures, and to begin trying to address some of the issues raised above.

For those of us who believe that worker-owned and democratic workplaces are at the heart of an economically just society, the question of growth is the next big issue to struggle with. The worker cooperative movement, to the extent that it is even yet a movement and not just a collection of successful businesses, is sorely lacking in methods, strategies and experience for keeping a healthy co-op culture in the face of growth, of working with growth, of anticipating and planning to grow in ways that allow us to not only maintain our co-op values while dealing with market pressures, but to champion them as a real alternative.

Of course there are real problems with accepting the traditional idea that growth is the ultimate measure of success. But if we rely on staying small, we are doomed to irrelevance. If we remain a collection of groovy countercultural workplaces, that's groovy for the people who already work in co-ops, but what about people who need good jobs and an economic alternative the most? We will only reach those people when we are able to answer these questions about growth – as workplaces and as a movement that's trying to create a new relationship to work.

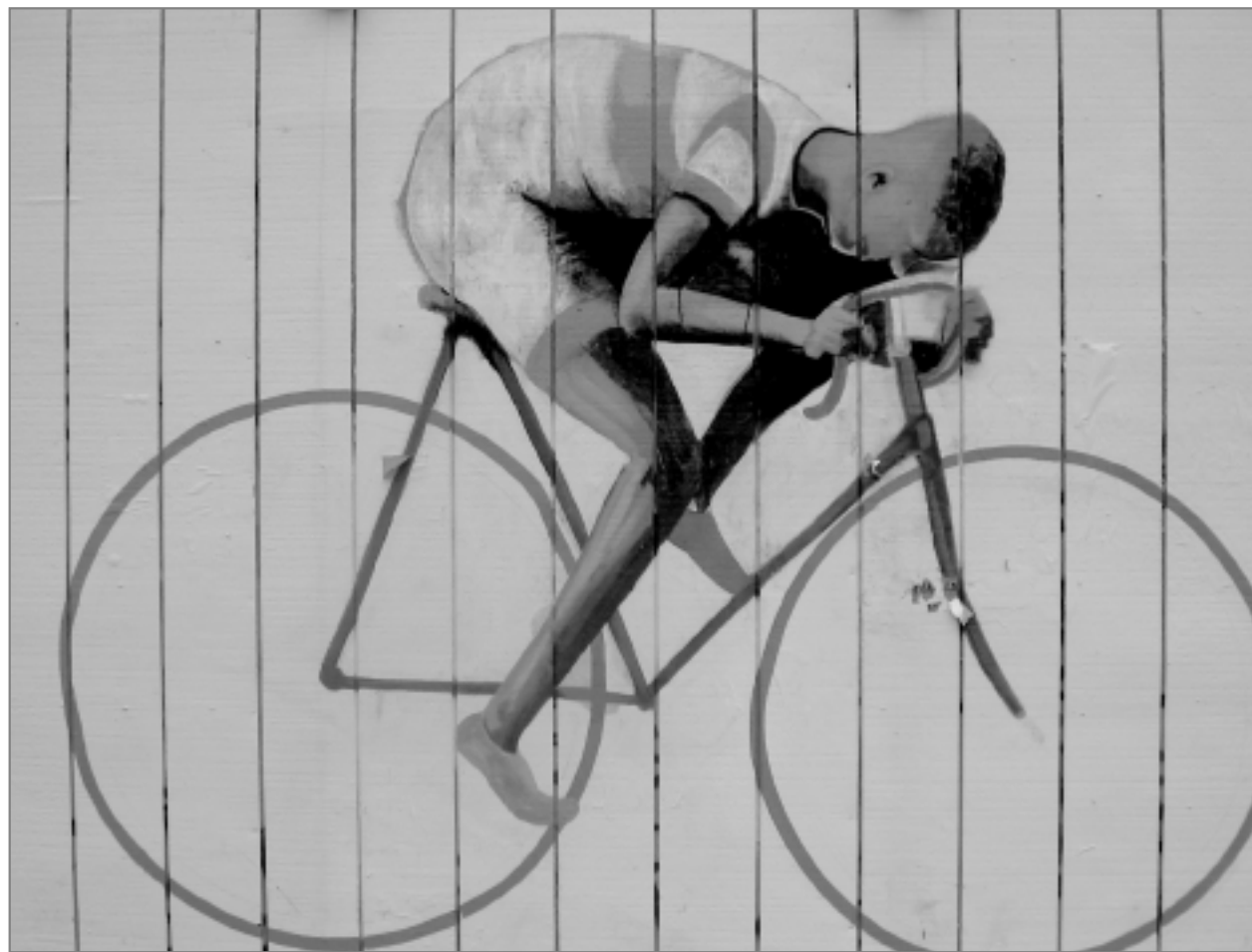
Growing Into Your Co-op: Some Suggestions

by Mimi Schiffman and Melissa Hoover

• **Get creative – in your financing, in your product line, in your alliances with suppliers, customers, other co-ops.** Rather than turning away from the cooperative form when you get a certain size build a movement strong enough to support the cooperative form on its own terms. According to co-op experts out there, including Richard Dines of National Cooperative Bank, there is money available to worker cooperatives that are looking for it, if they are creative about their search.

• **Talk about the different ways of self-management, and be prepared to change them as your size and scope changes.** Look at the models out there with an open mind. There is no one way that works for every co-op, but there is at least one way that works for every co-op – you'll only find it if you look for it.

• **Document your models, your decisions, and the discussions behind them.** This will help you see your history with a particular issue, and it may also help future co-ops not reinvent the wheel if they can see what worked or didn't work for you. The more we can



Dennis Terry

Painting of Major Taylor, an early african american bike racer. He was considered one of the fastest riders between 1895-2000.

Box Dog Bikes Continued from Page 1

safer than ever to ride the city streets. Whether you're riding to the Financial District on Bike to Work Day, pedaling through Golden Gate Park to Ocean Beach, or just cruising down Valencia's bike path on the way to Zeitgeist for an afternoon PBR—there's a new worker cooperative that can get you there in style.

Located at 494 14th St between Guerrero and Valencia, Box Dog Bikes will soon celebrate its second year as a worker-owned and self-managed business. Formerly known as Ye Olde Bike Shoppe, this owner-operated small business was bought out and gradually transformed into a worker co-op. Drawing on experience in college housing cooperatives and student self-management at Oberlin and UMASS Amherst colleges, this group of friends and Ye Olde Bike Shoppe co-workers decided that sharing ownership duties was the best way to improve the business. By dividing the work according to cooperative principles they hoped to build a creative workplace where people made a longer-term commitment. By taking responsibility for the success of the whole shop and benefiting from an equal share in the profits, they hoped that the new organization would sustain their workplace camaraderie and provide wider

opportunities to learn skills—not only bike mechanics, but the whole range needed to run a business. "I think as workers we have access to a lot more projects than being in a more corporate environment. If it's a slow day and it's really rainy out I can just go build something, or organize something, or go do office work. There's a lot more types of work that each of us has access to. I think because of that we can spread out the responsibilities and hold over during the slow parts [of the year]" says Andy, worker-owner since 2005.

Specializing in "city bikes," Box Dog sells a wide variety of single-speed, cruisers, track bikes, 3 speed and 10 speed bikes. "I'd say we work on a really wide variety of bikes...we do a lot of fixing bikes up for people. People will get bikes at thrift shops and bring them to us because we have pretty affordable rates for repairs. We stock a full line of new components that people can put on their bikes. I'd say entry-level bikes is where we're at right now," explains Dan. With an attitude like that the shop encourages an unpretentious, simple pleasure in bike riding. As one customer put it, "They seem more interested in helping the person off the street fix up the bike in the garage than in setting him up with a pair of neon butt-hugging shorts."

Work It, Own It! Continued from Page 3

Next year, ladies!.... A brunette corporate secretary from **Rainbow Cooperative** was spotted recently in Berkeley getting her first professional haircut in 3 years. The exact style is as of yet unknown, but sources say it was quite bouncy.... **Good Vibrations**, which ranked as the third highest grossing worker-owned business in the Bay Area, voted recently to begin a process of de-cooperativizing. We're sad to lose you from the ranks, y'all.... In other de-cooperativizing news- after 28 years as a democratically operated business, and taking a \$1.5 million loss last year, **Burley bikes** of Eugene, Oregon announced it's going a more traditional corporate route. In what is being

named a last-ditch attempt to save Burley from going under, the company's board of directors sent a letter to shareholders on June 26th announcing the change. The bicycle and bike trailer producers had been held up nationally as a model for other co-ops. The company remains worker-owned in the same proportion as under the cooperative, and the same administrative team and board of directors will stay in leadership. All the best wishes to our comrades up north Speculation still exists as to just how many intra workplace relationships exist at a certain cooperatively owned **Mission grocery store**. My sources cite up to 16 examples (with one flaming up only weeks ago) and indicate there may be more lurking under the surface. Anyone wanna guess how many people at this workplace co-own and operate with



Dennis Terry

Coco the box dog

One and a half years after converting to cooperative ownership, Box Dog Bikes is not only selling, restoring, and improving used bikes, they're putting on events in the space after work, volunteering expertise at the Bike Kitchen, and giving NoBAWC a dose of youthful enthusiasm.

I bought a one-speed bike from Box Dog after mine was stolen last year at Christmastime. Aside from patching one tube after a flat, I've had no problems. Box Dog sure did right by me.

"The San Francisco bike culture has been really nice to us. We don't make a ton of money but everyone's been really supportive—and I think the fact that at a certain point there were zero jobs when the previous business, Ye Olde Bike Shoppe, failed and now there are five—and possibly six next year—I think that's pretty remarkable," says Andy.

Come on in and say hello to CoCo, the peculiarly box-shaped dog that has become the shop's namesake. Box Dog Bikes is open Monday-Friday 11-7, Saturday 10-5, and Sunday 12-5. For information on the SF Bicycle Coalition and the Bike Kitchen, visit: www.sfbike.org and www.bikekitchen.org.

more than one ex? The scandal! We're all dying to know- just what goes on in that stockroom?.... And the eternal question: has NOBAWC staff person Dave Karoly ever been spotted in anything other than his IWW shirt? Question of the hour- does Dave own any other clothes? Weigh in on this scintillating topic and send me all your juicy tidbits.... defeatthepatriarchy@hotmail.com. Kisses and Booty Shakes to alla-y'all!