

# Plan for Arcosanti Cooperative



All Stakeholders // Sharing Profits // Sharing Voice

There is a new way for us to fund ourselves here, let each group have an immutable voice, survive w/ longevity.. ...

Not sure if right for Arco, but seems to address many complex issues on most fundamental level....

Blueprint for how this could work...

COOP: “persons united to meet common economic, social and cultural goals through a collectively-owned, democratic enterprise.”



**Coop Basics:**

- Members own it
- They review financials and elect directors
- Directors hire managers to run things
- Profit (- bills, savings) is distributed to members.

**Facts:**

- 40,000 in the U.S.
- 3 in 10 ppl are members
- 1.7+ million members in Arizona!

# Values

Self-help + responsibility  
democracy  
equality + openness  
equity  
solidarity  
honesty  
social responsibility

There are 7 principles in coops.

# Cooperative Types

Regular Cooperative  
Multi-Stakeholder Coop  
FairShares Cooperative

There are 3 main types of coops, based on the number of stakeholder groups

- 1) Regular Cooperative - 1 type of stakeholder (i.e. consumer, worker)
- 2) Multi-Stakeholder Coop - 2+ types of stakeholders (community ag, co-housing)
- 3) FairShares - all types of members

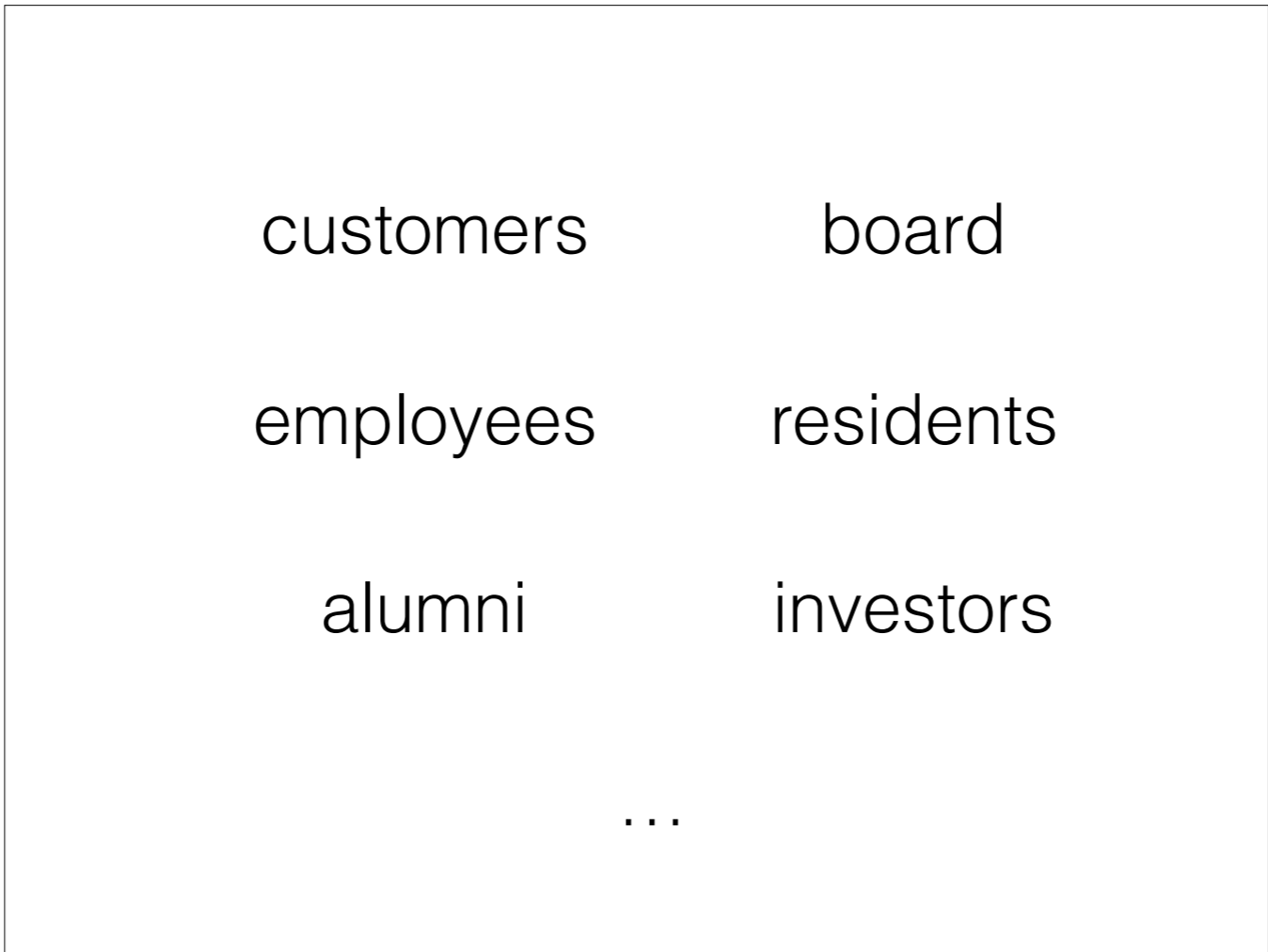
I propose Arcosanti would best fit as a FairShares Cooperative

After all, we are all in this together.

# 1) Who are the member groups?

What do you think?

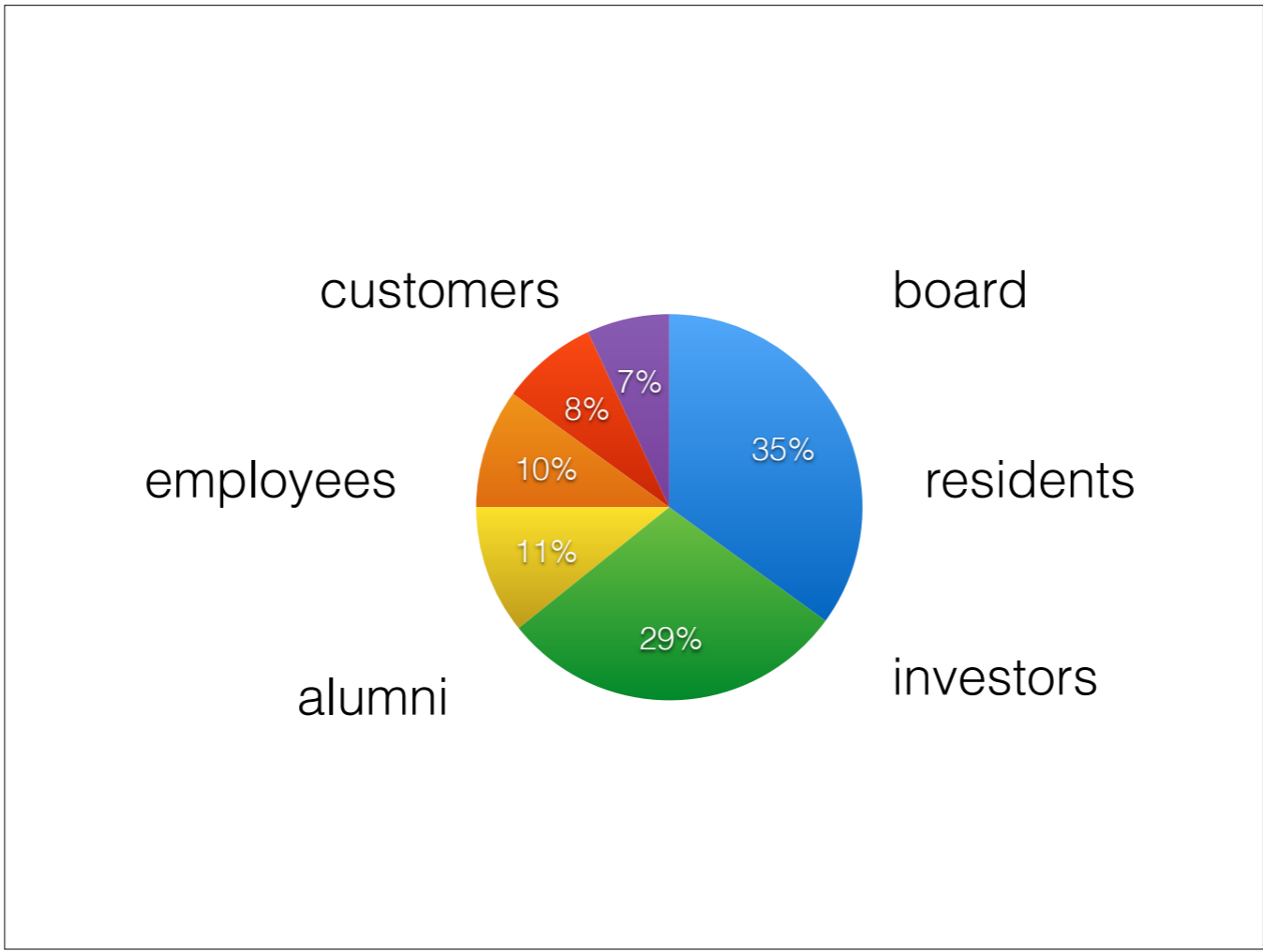
Who would want to contribute voice and get dividends?



Here's some potential stakeholder groups.

## 2) How much should each group own?

What % from a pie of 100%?



Example answers...



### **3) What are the terms of each group?**

Two main criteria for this question:

- Qualifying contribution
- Temporary / Permanent

customers

\$2500k / yr

**board**

Chief Role  
4 years / project

employees

1 yr work/volunteer  
<2 strikes

**residents**

Lived here 1 year  
Community Council

alumni

5 week workshop  
5 hrs / month

**investors**

\$10k+ investment, or  
5 year employees, or  
3 year alumni

For example, board, residents and investors are all permanent members.  
All stakeholders have qualifying contribution underneath.

Note: you can be a member of more than one group... see investor class.

# The Criticism

- member's could earn more by investing outside (i.e. bank interest); financiers hesitant to lend since they have little control
- solved w/ FairShares by giving investor class, multi classes for funding

The main criticism with COOPS (money investment), is overcome with this new model.

# Reasons

Stability

Morale

Profits + Ownership

Engagement

Systemic Fixes

**Stability** - no more “shirking” workforce... This stability results in superior productivity.

**Morale** - from the extension of democratic principles into the cooperative workplace. Members identify how individual and collective efforts enhance overall performance and work together. Lower unnecessary supervision due to the "horizontal monitoring" performed by cooperative members. Once members begin to identify their individual and collective efforts with their firm's enhanced performance, an atmosphere of cooperative problem solving takes root. As a result of this more communicative workplace, improvements in production methods result from an upward or horizontal flow of information originating from the shop floor. With heightened satisfaction spreading throughout its membership, lower worker turnover and absenteeism result and members build task-specific expertise.

**Profits and Ownership** - Money (via dividends) shared to all members. Some classes can permanently own part of the coop.

**Engagement** - Large & Active Member Base with cooperative goals

**Systemic Fixes** - Through introducing new cooperative and transparent voting, financial, and staffing policies.

# Transition Plan

- Answer 3 core questions
- New procedures
- Update Bylaws

New Procedures identified and shown for voting, accounting, and information disclosure.

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A blueprint for how this could work...