

**Central Interior Community Services Cooperative
February 2006 – Kelowna
Speaking Notes**

*“As people change, they change society which changes people.....
This sounds obvious, but taken to the end it says that you cannot
directly control the direction of societal evolution”...DeGues*

Overview

The success of the Central Interior Community Services Cooperative is a function of many interlocking variables:

- Mature leadership, vision and relationships present among the five executive directors and their Boards (constructive candor)
- Mental model or paradigm for social development and community collaboration that shifted our energies from a reactive to a proactive response to reduced resources and increasing demand
- Social conditions in the community of Williams Lake that generated an untapped resource of social capital and
- Active support of the local MCFD Community Services Manager, Howard Kirkham that included a willingness to adopt a more inclusive process of shared power to address social issues, contract downsizing, program development and local infrastructure maintenance, i.e., youth centre.

Membership

Members of the Central Interior Community Services Co-operative are not for profit societies with charitable status. The interests and priorities of not for profit charities are distinct. The CICSC determined that ensuring that members have a common foundation.

New Leadership Paradigm

Definition

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through jointly-owned and democratically controlled enterprises. Each member has one vote, regardless of how much investment they have made in the co-op. Generally, co-ops are community based organizations.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. Cooperative members believe in the ethical values of **respect**, honesty, openness, social responsibility, **reciprocity**, **resourcefulness** and caring for others.

Seven International Principles of Co-operatives

1. Open and voluntary membership.
2. Democratic member control – one member, one vote.
3. Member economic participation.
4. Autonomy and independence.
5. Co-operative education, training and information.
6. Co-operation among co-operatives.
7. Concern for community.

Shared Coop Services

The Cooperative provides services to meet the needs of the five member agencies. These include:

- financial management services for four of five members
- consulting and new program development costing services
- collaborative training and educational activities
- bulk purchases
- cost shared capital expenditures
- joint funding proposals to non-government supporters (foundations)
- collaborative fundraising events (Diamond Dinner)
- currently in development – comparable wages and benefits – employee equity as well as bulk purchasing power.

The aim is always to provide the best quality at the lowest possible cost. From our research, we understood that it would take on average two years from the first idea to developing an acceptable level of quality for financial management services. In this evolving climate, a lot of hard work and patience is needed, clear expectations and direction regarding priorities, work load and timelines, along with good process for meetings and decision making – ensuring that time spent gets things done.

Processes

Our co-op was incorporated in April 2004. From the beginning of developing our working relationships, in 2003, the Executive Directors of each of the founding organizations met each Monday morning. This tradition has continued and these meetings were entrenched with establishing a committee of the Board. This is the Integrated Management Committee. The IMC is the Executive Directors of each member along with the Co-op Finance Manager.

The weekly Integrated Management Committee meetings start with clear agendas, sent out ahead of time, and solid facilitation and timekeeping. We rely on 'mini-committees' or portfolios to collect background information and create

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recommendations for the Coop Board. In November 2005 a three to five year strategic plan was ratified by the Board that outlined the key goals to be achieved: communications, human resources, financial stability, member services/relations and governance and growth. To move forward, these key were supported by detailed work plans.

Rules of engagement were developed at the onset and included:

- confidentiality
- non-competition
- full disclosure
- partnership agreements
- internal and external communications
- conflict of interest and
- conflict resolution.

These *rules* have been written into organizational policy and non-competition and full disclosure have been written into a Shareholder's Agreement.

In the beginning, any one of these seven could have been huge, yet delicate stumbling blocks – effectively the “elephant in the room”. In the past, under an “everyone for themselves” philosophy, It was not uncommon for a service provider to join forces informally with another agency on a specific project or program, but continue their own operational and program developments. It soon became apparent that this type of “lone ranger” development could create significant challenges in maintaining trust, if not carefully controlled by policies overseeing conflicts of interest, competition and full disclosure.

We have learned to fully disclose the interests of our agency and leave our egos at the door! It was a lot easier to make rules about this issue and others before someone got upset, rather than after. We would advocate ‘planning for the worst: to reduce the chance it will happen, and be prepared for when it does’.

Organizational Stressors

“We are as strong as our weakest member – reciprocity reminds us who are the haves and who are have nots – one of the most dynamic elements of our relationship. ” David Sheach

The key challenges facing the Cooperative include partnership maintenance and communication, trust, continuous improvement, risk management, decision-making, and sustaining competitive advantage. The central purpose of the partnership approach was to make real and positive differences to the services which local people receive and focus on how to improve service standards, rather than drive down costs. The collaborative or cooperative model requires partners to cultivate long-term, high-trust relationships, to understand each

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others goals and to share information. The key ingredients are: common aims, compromise, communication, democracy, equality, trust and determination.

Trust, however, is vulnerable to misrepresentation, asymmetric information and opportunism. Excessive trust can mitigate against the positive effects of collaboration. Trust can reduce the need to push for the best solution possible and accepting non-contentious deals, so as not to jeopardize the relationships.

As the relationships within the Cooperative continue to grow in their complexity and density, the interconnectedness demands new management approaches. These relationships increase the levels of risk and accountability. The challenge facing the members of the Cooperative is how to maintain the momentum of “relentless” organizational improvement, now that individual member's strategic direction and organizational change processes are embedded in cooperative action.

Conclusion

While the benefits of the cooperative are evident in our ability to more effectively respond to community needs, putting a dollar value on them is difficult. We believe that the Coop has helped reduce costs and improve the quality of local social services while helping local agencies maintain their viability. Unfortunately, these reduced costs are essentially invisible on the financial statements – so far. More realistically, the Cooperative must be seen as an investment in the future, not as an immediate cost cutting/savings measure.

We formed the cooperative to accomplish things by working together that we couldn't if we worked alone, as individual agencies. The Coop provides the clearest evidence of what agencies can accomplish by working together. By giving up some autonomy in financial management, purchasing and training decisions, the member agencies gain cost savings that allow them to shift limited revenues and staff resources to addressing problems of greatest concern locally. In the process, we have all increased our chances of being able to remain independent in the future. Finding the right balance between collaboration and independence is a key challenge for social service agencies in diverse, rural communities.