

Bubbling up the best cooperative content

Workers to Owners: How we are coming together as a field to transform companies, and the US economy



I recently visited a 50+ employee company based in the Bay Area. We were in a typical conference room with a projector, glass walls, well-appointed plants, and absurdly comfortable chairs. Around the table were nine of the company's leaders—the founder, three other members of the C-suite, and five supervisors in upper management. As they began introducing themselves, I noticed something. There was an odd feeling in the air.

One member of the C-suite fumbled over his title and rolled his eyes at himself. Another kept making little jokes that everyone half-laughed at. They were acting as if they were in the awkward early minutes of a long-anticipated first date. It was a room chocked full of giddy executives. From what I could tell, there was nothing about me personally that created this anticipation. They were not intimidated or even particularly impressed by me. So I went on with my spiel, looking for cues on how to build a rapport and speak to their concerns.

As we got to the end of the Q&A session, the CFO asked, “So this is a real option for us, then, right?” In the silent pause that followed, all eyes fell intently on me. Here was the cause of their anxiety. Today, at this meeting, they were flirting with something big—the possibility of becoming worker-owned.

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In the past year, I have had over a dozen of these conversations. Worker ownership is an attractive succession planning option for many businesses. Selling owners get liquidity for their shares and define their role moving forward, while maintaining the company's values and rewarding the employees who helped the business succeed. With all of these benefits, though, the transition is not easy even for those businesses that are perfect candidates. For some, the first step is the longest and most difficult: coming to terms with the idea that you are actually selling the business. Many of these companies have been owned by the same one or two people for decades. This kind of transition is emotional. It is exciting. It is challenging but possible.

My role in this work echoes those same attributes. I believe that what our field is doing—transitioning existing business to democratic worker ownership—is our best chance at jump-starting what could be the next chapter in our nation's economy: economic democracy. Tens of thousands of small businesses representing billions of dollars of

wealth are for sale each year, and the number is only increasing as more baby boomer business owners retire. Without our intervention, these businesses could be sold to competitors or private equity firms, or they would liquidate and close their doors. By taking advantage of this opportunity, we can keep businesses open, thriving, and serving their communities, while normalizing the idea that companies should be owned and controlled by their workers. It is emotional, exciting, challenging but possible.

Organizations from around the country have come together as a collaborative to move the needle on this grand vision. This collaborative initiative, called *Workers to Owners*, includes the Cooperative Development Institute, the Cooperative Fund of New England, the Democracy at Work Institute, the ICA Group, the Ohio Employee Ownership Center, Project Equity, the University of Wisconsin Center for Cooperatives, the Vermont Employee Ownership Center, the Working World, and more. We are working to raise awareness, build out the infrastructure needed to scale, identify new sources of capital, and otherwise make it easy and common for businesses to become worker-owned.

Back in the conference room, when the CFO asked me if worker ownership was a real option for their company, I was not sure of the best way to answer. The feasibility of the deal is dependent on the finances, after all, which had not yet been analyzed. And then there was the willingness of the somewhat hesitant owner to move forward. But they had heard me describe the process and explain the caveats for the past hour. Reiterating those details was not what they needed. “There’s still a lot to work out, but you’re on the road. And companies similar to yours have successfully transitioned in the past. There’s a community of support behind you, so if this does make sense for your company, we’re here to help you make it happen.”

I got a room full of nods and slight smiles. For the first time of the day, I was fully in sync with the group. Yes, cautiously optimistic. That’s how I feel, too.

To learn more about the *Workers to Owners* collaborative or becoming employee-owned, visit becomingEO.org. If you are interested in participating in this work, join us on April 11 in Minneapolis for our [1-day educational seminar](#) on how to help businesses transition to worker ownership.

Camille Kerr co-directs the Democracy at Work Institute's Workers to Owners project, a collaboration of leading actors in the worker cooperative field, as well as stakeholders outside the field, to drive more conversions to worker ownership. Previously she worked as the Director of Research at the National Center for Employee Ownership, launching the organization's outreach initiative and managing its various research projects. Camille speaks frequently about employee ownership and has produced and contributed to publications on a variety of topics related to alternative ownership structures. Camille also serves as chair of the board of directors for Prospera (formerly WAGES—Women's Action to Gain Economic Security), a nonprofit dedicated to promoting the economic and social wellbeing of low-income women through cooperative business ownership. She earned a J.D. from the University Of Cincinnati

College Of Law, where she was an Arthur Russell Morgan Fellow for Human Rights and graduated cum laude.

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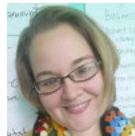
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