

for the cooperative.

Participation occurs in work units, known as circles, which help co-ops remove artificial separations between management, staff, directors, engaged members and other stakeholders. The process taps into the synergies available by creating space to hear all voices. Dynamic Governance aligns governance and operations with the mission of the co-op.

Each circle — from those with the broadest scope, such as the board of directors, to the narrowest, such as a set of front-line staff — creates and implements the policies affecting the work in its domain that relates to the co-op's overall mission statement.

In this way, key stakeholders of the organization have accountability for the success of the co-op's mission. Circles identify problems and develop solutions together through open discussion that happens in a "round-robin" format, which ensures that all voices are heard. If a problem affects more than one department (or circle), it might be deferred to a higher level in the hierarchy.

Dynamic Governance engages accountability through a double-linked

hierarchy, from the top-down and bottom-up. A top management circle consists of managers from each department and staff representative from each department.

The general manager (appointed by the board) hears from both the front-line staff and management regarding the department's ability to meet established goals. Decisions also have built-in accountability through a planned feedback loop. Circle members decide if a proposal is "good enough for now."

Review determines if goal accomplished

Generally, decisions include a date for review to determine if it accomplished what the circle expected. This review creates an ability to adjust decisions as the market changes or new information arises. It also provides reassurance to those who have doubts about the decision and provides opportunity for the decision to succeed — or to identify a needed change.

Participants consent to the decisions that involve creating accountability of all circle members to the implementation of their decision. Making decisions through each

participant's consent, instead of traditional parliamentary procedure, may seem scary. But in practice, it allows the group to work through disagreements.

While many co-ops use majority rule, anyone who has experienced a contested, 5-4 board decision knows how frustrating that can be. Circle participants develop true buy-in to the organization's decision, as they were part of the discussion and can understand why the group took a specific course of action.

Growing numbers of cooperatives have begun to implement Dynamic Governance, with the help of local workshops and training. Consent, accountability and participation match up well with the co-op values of openness and honesty.

Dynamic Governance connects different stakeholder groups (member-owners, staff, producers, consumers) to the mission of the organization and to each other. By providing all of these individuals a voice in the organization, Dynamic Governance also builds loyalty. This creates a stronger cooperative advantage and builds resiliency within the marketplace.

Shine On

Solar energy provider converts to worker-owned cooperative

By Megan Webster

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CO-OP MONTH

The year 2016 was a record-breaking year for solar installations across the nation. Boosted by the decreasing cost of solar panels and the increasing visibility of the impacts of carbon pollution, the solar energy sector is rapidly generating jobs and clean energy capacity. The solar sector now employs over twice as many workers as the coal industry and, according to the Solar Energy Industries Association, "total U.S. installed solar PV [photo voltaic]

capacity is expected to nearly triple over the next five years."

North Wind Renewable Energy was founded in 2007, when the U.S. solar market installed just 1 percent annually of what it installs today. Josh Stolzenburg started the company in Stevens Point, Wis., to get cleaner energy installed on utility electric grids in Wisconsin. During the past 10 years, North Wind has become a trusted renewable energy solution provider in central Wisconsin, specializing in the design and installation of solar electric systems for residential and commercial customers.

The spark

In April 2015, Stolzenburg attended a seminar, organized

Members of North Wind Renewable Energy (NWRE) work on a solar panel installation in Wisconsin. Founded in 2007, the business recently completed a nine-month process of converting to a cooperative. Photos courtesy NWRE



by the University of Wisconsin Center for Cooperatives (UWCC), on employee ownership as a business succession and retention strategy. The seminar featured Blake Jones, co-founder of Namasté Solar, a solar energy company headquartered in Boulder, Colo., which converted to worker ownership in 2011.

Many of Jones' reasons for converting to a co-op rang true for Stolzenburg: a belief in economic democracy, building wealth for those committed to the long-term success of the company and a commitment to improving community, among others. Stolzenburg believed the cooperative model aligned with North Wind's values and could reinvigorate the company's culture.

At the time, North Star was a four-member LLC (limited liability corporation) that had become somewhat stagnant in its communication and was struggling to openly discuss the future of the company.

Transition to worker-owned co-op

After nearly a year of researching the cooperative business

model and discussing it with employees, North Wind officially started the process of transitioning to a worker cooperative in 2016. The group assembled a team of advisors to help them through the process, including Courtney Berner, cooperative development specialist with UWCC, Margaret Bau, co-op development specialist with the USDA Rural Business-Cooperative Service, and attorney Scott Herrick of the Herrick & Kasdorf law firm, who specializes in working with co-ops.

As with any business structural change, there were some bumps along the way. It was difficult to find time to discuss the conversion process and educate prospective members. Adapting to the new structure also required addressing some interpersonal conflicts and navigating the differences between operational and governance decisions.

After nine months of hard work, North Wind completed the transition in April 2017.

Reflecting on the conversion, Stolzenburg says "the shift to governance by a board of directors changed the communication dynamics relatively quickly and provided a more open and honest exchange among members. It allowed

us to work through some interpersonal dynamics that had developed that were unhealthy, and it put systems and review procedures in place to deal with them.”

In April 2017, Stolzenburg was back at the UWCC’s Employee Ownership Solutions Seminar, this time, with fellow member, Rob Peck, with a presentation on their conversion to employee ownership. They discussed how the change has affected their company’s structure, culture and bottom line.

Bright future

North Wind employs 12 full-time staff members. Of those, six are co-op members. In 2018, four additional

employees will be eligible to apply for membership.

“Going forward, shared decision making will take into account a more diverse set of perspectives on how we should grow and what we want to invest in,” says Stolzenburg. “Long term, we can look at North Wind as more than the sum of its parts.”

North Wind is currently working with partners to develop innovative solar financing models for small businesses and nonprofit organizations. In the coming years, the cooperative plans to ramp up its energy storage services in order to remain competitive in the rapidly evolving solar industry.

For more information on the co-op, visit: www.northwindre.com.

Co-op Principles in Action

Child care center created through spirit of cooperation of electric co-ops and community leaders

By Clarice L. Kesler

Editor’s note: Kesler is communications manager for the North Dakota Association of Rural Electric Cooperatives.

CO-OP MONTH

Principles guide cooperatives. Concern for community is one of those principles. Energy Capital Cooperative Child Care in Hazen, N.D., is a prime example of this principle in action, spotlighting how a co-op is helping to build a stronger community. This child care co-op, which opened its doors in May, can provide quality daycare for up to 77 children. It is the first employer-assisted cooperative child care center in the state.

The idea for the child care co-op began when local businesses saw a desperate need for daycare options. Community leaders stepped up to find a solution, soon focusing on the idea of a child care cooperative to meet the deficit. If a co-op could provide quality child care, they knew it could help keep valuable employees in the workforce.

But they needed help in forming



Playing and learning at the new Energy Capital Cooperative Child Care center in Hazen, N.D. The co-op can provide quality daycare for up to 77 children. Photos courtesy North Dakota Association of Rural Electric Cooperatives

a co-op.

Enter the Rural Electric and Telecommunications Development Center (development center), which guided the group toward its goal. The center is a service offered by the North Dakota Association of Rural Electric

Cooperatives (NDAREC). It is supported by both electric and telecommunications co-ops.

“NDAREC’s rural development center has leveraged more than \$1 billion in projects since it began in 1994,” says Josh Kramer, executive vice