

Thoughts on the Formula for Co-operation

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Can co-operation be explained in a formula? Can businesses use a formula to increase co-operation? Ian McDermott, Jason Miller and Ed Mayo came up with the following: $Sc * (Ci + Mt) = Co$. This article shows how this formula can be used within a worker co-operative. However, this article is also meant to stimulate a discussion about the elements of this formula and if there is not one main element missing, namely communication.

This year at the Annual Co-operative Congress, in Plymouth, the formula for co-operation was launched. On entering the main hall there it was hanging in big letters:

$$Sc * (Ci + Mt) = Co$$

There was no explanation of what the letters stood for nevertheless I was intrigued. My first thought, was that it was just to provoke us. When I found the full article on the Co-operatives UK website and started to read the first few pages I was hooked. I realised that the authors Ian McDermott, Jason Miller and Ed Mayo (2010) had begun to explain in a very few words, the essence of co-operation.

The article starts with the example of sport where there is a need for people to co-operate in order for there to be a game that both parties can enjoy. Then they argue that co-operative enterprise is an invisible giant backing this up with facts and figures about the world of co-operatively run businesses. They remind us of the seven (Rochdale) principles of the co-operative movement before turning to the formula itself.

$$\begin{aligned} & \mathbf{Sc} \text{ (Shared commitment) } * \\ & \mathbf{[Ci(} \text{Common interest) + } \mathbf{Mt} \text{ (Mutual trust)]} \\ & \mathbf{= Co(} \text{Co-operation)} \end{aligned}$$

The formula argues that for co-operation to work there has to be a shared commitment to a goal, combined with a common interest in achieving it and mutual trust between the members of the team in the process of working towards it.

From my own experience in a workers' co-operative, the formula could work like this:

Say a group of people want to open a co-operative whole food shop. They agree to work towards the seven co-operative principles in producing a business plan and the principles of purpose. They share a

common interest. All of them see it as their priority to make the business work and they are more or less equally committed. None of them are able to do all of the tasks required in the business all of the time, so in a spirit of mutual trust and to make the business work they spread the workload.

If all of the three elements in the formula are present, they will act co-operatively, and the business will succeed.

If just one of the elements is missing, the situation can look very different. Problems arise if just one worker would like to run it as a conventional business rather than a co-operative, or if one person is far less committed and that is not part of the agreement, or if because of lack of trust one of them feels they need to look after the money. In these circumstances the whole project will fall well short of being a co-operative.

Of course, there is more than to this to the running of a successful business, but without these key ingredients co-operation is impossible.

Thinking again of sport, I and others had noticed that following the dismal performance of the England soccer team in the world cup, that successful international teams are good examples of co-operation. In the case of England, the players appeared to be only concerned with their individual careers, think they are better than their peers and show little, if any, commitment to the team. On the other hand, we have the examples of the German and the Spanish teams, many of whose players play for co-operatively run clubs. They showed a common interest in winning, a shared commitment to their teams and high levels of trust in their peers. This high level of co-operative endeavour showed through to their fans ensuring that they were behind them. There is no doubt that these attitudes shone through in their performances on the pitch and the level of success they achieved.

The full article also includes the elements of a co-operation health check and an acid test for co-operative activity. The health check can be done easily in any organisation. The acid test for individuals can be used to determine the potential for almost any example of team working.

I believe that the formula for co-operation is a useful tool for all businesses. As McDermott, Miller and Mayo say:

What we believe is not that every business should be a co-operative but that every business could benefit by being more co-operative.

Reality is, of course, always more complex than any simple formula. No one can be totally committed all of the time, no one can trust 100% of the people they collaborate with 100% of the time and no one will ever completely share another person's interests. So if there is one major element missing from the formula it is the importance of good communications

the need for open dialogue within the co-operative. As long as we communicate our reasons for our misgivings about why we cannot, for example, give 100% commitment, others are more likely to understand our reasons and take them on board. We need also to communicate in order to question things. We need to engage the critical intelligence of the members of the co-operative blind trust will not get us very far. It is also vital to for us to communicate with one another to establish just what our common interest actually is.

Many of the problems which have occurred in our business can be tackled by looking at the elements in the formula it is a step in the right direction and I have found it a useful business tool. Greater co-operation is important and we should all aim to include more of it into all aspects of our lives. So if you need an initial checklist on just what makes a co-operative the article and the formula are a good starting point.

The Author

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Bibliography

McDermott, Ian, Miller, Jason and Mayo, Ed (2010) *The Formula for Co-operation. Harnessing the potential of co-operation in business and economic life*. Available at: http://www.uk.coop/system/files/sites/default/files/Think1_Formula.pdf