

# The Blue Scorcher Bakery and Cafe

## *Celebrates transition to a Worker Cooperative*

In Astoria

By Sid Deluca



Blue Scorcher Worker-Owners: Back Row L to R: Rachel Douglas, Iris Sullivan Daire, Joe Garrison, Karmen Hughes, Front Row L to R: Tom Kulesa, Gregg William Epstein, Peggy Bondurant, Dennis Roley

AS THE UNITED NATIONS declares 2012 the International Year of the Coop, the Blue Scorcher Bakery and Café in Astoria is embarking on its path to becoming a worker-owned cooperative. The UN resolution entitled 'Co-operatives in Social Development' recognises the diversity of the co-operative movement around the world and urges governments to take measures aimed at creating a supportive environment for the development of co-operatives. So to, Blue Scorcher Bakery is joining the ranks of successful, diverse cooperatives in this region; The Astoria Cooperative Food Store, a consumer coop, The Tillamook Dairy, a producer coop, and Wauna Federal Credit Union and TLC Federal Credit Union, financial co-ops.

While consumer co-ops are owned by their customers, worker co-ops are owned by their employees. A worker co-op is a form of co-op established by workers to provide themselves with employment and full control of their work environment. Members are both the workers and owners, a simple enough definition given by the Northwest Cooperative Development Center (NCDC), that has helped dozens of co-ops throughout Washington, Oregon, Idaho, Hawaii, and Alaska to organize or strengthen their operations. Executive Director of NCDC Diane

Gasaway, who has been assisting the Blue Scorcher remarks, "Co-ops are not easy, they take time, research, education, training and a number of other resources to develop."

*All cooperatives follow the seven principles; Voluntary and open membership, Democratic member control, Member economic participation, Autonomy and independence, Education, training and information, Cooperation among cooperatives, Concern for community.*

At a retreat this past October by Blue Scorcher employees, six gathered to formulate the plans and make the commitment to become member-owners, getting closer to the end of what co-founder Iris Sullivan Daire calls "a seven year journey toward a more formal, broad ownership."

In 2009 co-founders Joe Garrison and Iris Sullivan Daire (married partners) began meeting more formally with a group of the workers who were interested in developing the business as a co-op. While Joe and Iris have officially been the owners in a DBA structure, "From the beginning it was a very participatory, collective business," says Iris.

Flashback 2004, many customers to Blue Scorcher will remember The Bread Collective, the more humble beginnings of the busy bakery/café -- about

5 folks gathered together in the back of a former restaurant, to bake good organic bread together and tasty cookies, and make it available to desiring consumers. What seemed rather experimental at the time has since evolved into one of Astoria's most popular community gathering places. On a recent stormy weekday afternoon, there was a substantial crowd both at the bakery takeout counter and at the restaurant tables, where patrons enjoyed a daily special of fragrant garbanzo tangine soup served of course, with a gargantuan chunk of bread hand made in the bread oven a few feet away. Unlike most restaurants, here one of numerous chef/cooks delivers your meal to you, a touch that seems especially homey. The Blue Scorcher has also long been a large part of both the social and philanthropic scene in Astoria, hosting the late summer Lughnasa Fest, celebrating local growers and sustainability practices, Full Moon monthly dinner gatherings, making the dining area available to numerous types of events and bread donations to community organizations.

As the Blue Scorcher has curbed some of its own community productions, the focus now has turned to the work of creating cooperative bylaws, and membership agreements as six worker members step up to the cooperative plate with earnest monies. And

while a worker-cooperative model serves a practical economic approach, Iris Sullivan Daire speaks passionately to the humanistic qualities that the coop structure allows, "When you have a voice, you are more fully human. When you are separate from what you do [in your place of employment] it becomes enslavement." The cooperative environment, as the Blue Scorcher proves too, is creating space for people to transition in life and in their relationship to work.

New owner -- worker Peggy Bondurant, a retired teacher, began volunteering and helping with some of the special events, "I loved the atmosphere and knew I was retiring soon and I thought this would be a great place to work part time." After starting out as a barista, Peggy took a pastry making class in Portland and discovered "that I must have been a baker in a former life" and then I began baking pastries. Eventually her passion turned to chocolate, and after a trip to Ecuador to visit chocolate growers Peggy returned to the bakery and is now going wild as the Scorcher chocolate maker, her creations of dark Equadorian chocolate bars in the front case.

"I'm on the committee that's writing the by-laws. I'm seeing other employees getting very interested and putting up earnest money. I'm a lot more

Photos: Don Frank Photography



hopeful now that this will work." While Peggy was excited about the prospect of becoming an owner, initially she had some concerns and questions. She credits Diane Gasaway of the Northwest Cooperative Center, who is guiding the Blue Scorchers employee owner process with helping her understand that process much better.

"Blue Scorchers contacted NWCC for help in moving employees who had expressed interest in

becoming worker-owners to make the commitment," says Diane Gasaway. "It was evident to me that Joe and Iris were creating opportunity for the employees and they had educated them on the co-operative values of self-help, democracy, equity and solidarity. Therefore, I offered to help them look at and illustrate the potential earnings/or not employees might realize as being worker-owners. This fall some of the employees made a commitment to transition to worker-owners and we are now working through the revision of their organizational documents, including bylaws, which incorporate the Sociocratic governance principles."

Enter Sociocracy. In addition to crafting cooperative bylaws, the Blue Scorchers, according to Sullivan Daire, will incorporate the sociocratic form of governance, and may be the first coop in North America to do so. Developed in Holland, the model also known as dynamic governance, is used by many successful businesses there. It presumes equality of individuals and is based on consent. This equality is not expressed with the 'one man, one vote' law of democracy but rather by a group of individuals reasoning together until a decision is reached that is satisfactory to each one of them.

Thumbnail sketch: it uses a system of circles to organize decision-making. Members of each circle are responsible for decisions within their domain. Rather than using ever larger circles to make decisions affecting more than one domain, each circle elected representatives to a "higher" circle.

"Consent is different than consensus," explains Sullivan Daire, "Consensus asks the question 'does everybody agree' and having a paramount objection is different than agreeing because you can support a proposal even if you don't love it. When you ask for agreement it creates a sort of tyranny and people are not willing to be upfront with how they feel because they don't want to be a jerk. But when you're seeking consent you're seeking concerns

and disagreements. You want to expose that to see if there's anything you're missing and if the proposal has a big blind spot. Bringing out concerns creates a better proposal, and a human way to disagree, she adds.

Joe Garrison offers an example. "If you're trying to do it democratically what it comes down to is a vote count. Let's say you have 51 in favor of being open late and 49 against it, well you've got half the room being pissed about it and not cooperating. What this new model is trying to do is prevent people from separating. You're all at the same table, all members of

equal standing and when you have members opposed you get to say, wow, thanks for letting us know. What is it that you're opposed to? That's the gift that's being brought to the table. A bunch of cheerleaders saying 'yeah, we're open late!', well there's very little of depth and value there. The depth and value lies in the person saying 'wait a minute, I see some problems there. So instead of separating camps and dividing you seek consent to being open late and moving ahead and using those concerns as the measurement criteria to determine if being open late succeeds or doesn't. Joe also adds that a major criterion for decisions often lies simply in how the Blue Scorchers mission statement of 'joyful work, delicious food and strong community' would be affected.

That mission statement attracts many long time customers who wind up becoming employees. "When I first walked into the bakery I was a customer and I picked up on the spirit. It looked like the philosophy of 'joyful work' was true," recalls Peggy Bondurant.

Another long time patron who came to work at The Blue Scorchers is Karmen Hughes, a owner-to-be, and 3rd year employee. With a background in the arts and no culinary training other than "being a mom," Karmen, who is a vegetarian says, "It really was one of my only dining options. I knew Iris and they needed some help with prep so I began part time for about six months. Karmen proved herself and went on to become a full time chef, organizing the menus and the daily specials. Her own personal commitment of cooking with good healthy organic and seasonal ingredients made the job easier.

"Aside from the daily specials, which are inspired by what's available that day the regular menu is consistent. People want to know that they come in and get a certain item. People love that. We have a loyal following, locally and beyond. People come from Portland very often. I think what we're doing is very unique. Many people appreciate that the money stays in the community rather than going to an out of state corporate headquarters. I appreciate being part of that says Hughes.

Blue Scorchers' roots can be traced back to 1995, when Joe, bike mechanic, met Iris, artist, his "bonnie bride to be" in Eugene. A year later Iris was offered a position at Clatsop Community College as a weaving instructor and the couple relocated to Astoria. Iris had been baking bread part time during her own college years. "We became friendly with Michael Henderson, a weaver who also baked bread and owned a bakery/café called Home Spirit Bakery. Michael kept telling Joe to give up that bike mechanic stuff and come bake bread with me," recalls Iris.

Eventually The Home Spirit Bakery closed (not to forget the wonderful breads of Rosemary Baking that also closed eventually). Enter The Bread Collective. Sullivan Daire was the only one with a baking background. "We operated for a long time with no name at all," recalls Joe. "We just started making bread. We delivered to the Astoria Coop by bike."

Bakers on a mission, they were approached by then-owner of the behemoth auto mechanic



building, Robert Strickland. The building at the time was condemned. The city wanted all the broken windows fixed or they wanted the building torn down. "We actually had to crawl under the Do Not Enter tape to check out the space," says Garrison. "We wound up signing a lease and Robert used the lease to leverage a loan to do repairs on the building."

Of the former body shop says Sullivan, "So you'd go in and see heaps of bald tires and greasy chaos on the floor. The front door of the Scorchers is where the cars drove in. We signed the lease in fall 2005 and turned the electricity on May 2006. We had an untried oven and no explosion so we baked for Mothers day. We had a mixer that we got from a used car lot in Longview that somebody had seen in The Nickel Ads. It was crazy. That first summer we were just doing the Farmers Market and a few wholesale accounts. In September 2006 we were finally ready to open [as a public space].

A scorchers was the slang-term from the Victorian era for the bicycle, also those who rode them, as in those days, the bicycle was very revolutionary. Thus the new bakery, rather than "Green Scorchers," laughs Sullivan Daire, "that sounded too much like an eco-terrorist." The Blue Scorchers was born.

Early on, it was difficult to attract employees to sign ownership agreements since the business needed to prove that it could survive the first few years successfully. "Something like 60 percent of new restaurants fail in the first three years, says Sullivan Daire, "We needed to get in the black."

"And a big piece of it is that we have a bad business plan," jokes Garrison. If by business you mean something that generates money at the end of the day... say you want to use more expensive ingredients, high quality organic ones. And you want to get them all locally. And you want to hand produce everything. And we're going to do it with blue collar traffic so there's a glass ceiling on how much you can charge. And we're doing it in a rural area with a limited clientele base. At the time it really seemed like an experimental project."

Rachel Douglas, another owner-worker bee, who helps keep the books at The Blue Scorchers, has shifted her own financial priorities since joining the staff.

"While there were a few other jobs out there where I may have made better money I felt that I had such a good opportunity to learn and build a resume. I felt like I was getting paid to learn. When I'm able to learn something new about the business it makes me want to stay, otherwise I'm likely to look for another job. " Rachel, who's described by her colleague Peggy as a "Jill of all trades" had

## The UN International Year of the Coop

The United Nations General Assembly passed a resolution declaring 2012 the UN International Year of Co-operatives on December 18, 2009.

The UN resolution entitled 'Co-operatives in Social Development' recognises the diversity of the co-operative movement around the world and urges governments to take measures aimed at creating a supportive environment for the development of co-operatives.

The International Year of Co-operatives, or IYC, celebrates a different way of doing business, one focused on human need not human greed, where the members, who own and govern the business, collectively enjoy the benefits instead of all profits going just to shareholders.

Having an International Year of Co-operatives provides an opportunity to captivate the attention of national governments, the business community and, most importantly, the general public on the advantages provided by the co-operative model.

As the global voice of co-operatives, the International Co-operative Alliance is seeking to leverage the International Year to raise the public awareness of co-operatives worldwide.

One of the key aims of the International Year is to raise public awareness of the co-operative business model. Throughout the year the ICA and other co-operative organisations around the world will be using a whole range of resources to achieve this aim.

For more information on the UN International Year of the Coop go to: [www.2012.coop](http://www.2012.coop).



worked as a barista at a non-cooperative coffee shop in Corvallis where she studied art history. "While my boss there was a great guy, there was nowhere to go other than being a barista. After a few years of working there I expressed interest in helping with management, and he wasn't responsive to that." Since coming to the Blue Scorcher, Rachel has worked as a barista, a pastry maker, a cook and a bookkeeper.

"At the bakery it seems like there's no ceiling. I wanted to learn the books. I was encouraged and now I am doing the books there."

Rachel feels that the spirit of a cooperative business fosters not only loyalty among the workers but among the customers as well. "Many people will not only buy the product itself but also what it stands for. I know personally that I tend to shop at cooperatives because I believe in what they're doing and I want to support that. On the owner track and helping to write the by-laws she says, "I'm looking forward to this. Why not invest in your work? I feel as if I work like I own it anyway."

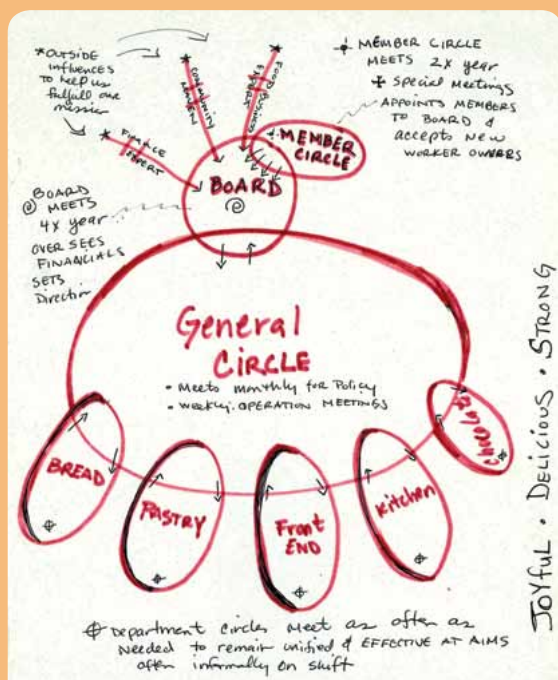
Another member-owner to be, Tom Kulesa, is looking forward to more employees becoming owners as well. Tom retired in 2005 from the Phoenix, AZ police department as a homicide detective. "In 2005 my wife and I took a trip to Astoria. We'd never been here before. The second day here we bought a house."

"I had never worked at a restaurant before so I volunteered there for three days baking bread, to see if I liked it and they liked me. After the third day Joe offered me a job. I've been there a year and a half now. About a year ago I began talking with Joe and Iris about becoming a part owner in the collective. It sounded extremely interesting because it's such a great atmosphere with such great people, especially after working for so many years where there's so much negativity... You can become so cold dealing with that. Coming to work at the Blue Scorcher is the total opposite. I'm warming up," laughs Tom. "My family says that I've mellowed quite a bit". Tom sees himself working at the bakery for a long time and foresees the eventual expansions space-wise for more bakery room.

"Working with Blue Scorcher has been a very rewarding experience, says Diane. "They are committed, innovative, and willing to do the work. NWDC provides general cooperative business development assistance, it's up to those who will be members, who know their markets and industry, to make the commitment to understand and grow their business structure, policies, and operations."

"I think because we're not all about the bottom line profit and we've created more of a community space we have a very loyal local clientele. Bakeries are about comfort. Especially in these uncertain times people are attracted to that warm fuzzy nurturing quality that baked goods have," says Sullivan Daire. After a seven year journey from humble local beginnings to a thriving operation with 30 employees and national web reviews, the "experiment" appears to have worked. "It's winter in Astoria and we're very busy," notes Tom Kulesa.

As we all know here, that's one major barometer of success.



## Circles of Sociocracy

This diagram is hot off the Blue Scorcher sociocratic planning table.

Sociocracy is defined as "rule by the socios", people who have a social relationship with each other. Dynamic governance is achieved through the foundational sociocratic principles of "creative self organization" and consent based decision making, as opposed to democracy: rule by the "demos," the general mass of people.

### Sociocratic Circular Organizing Method

**Circle Structure:** The primary organizational principle of sociocracy is a series of linked circles. Circle meetings are facilitated with a combination of open discussion and rounds to include everyone's voice.

**Leadership:** Leadership is the responsibility of everyone. Generally there are roles that include a facilitator, a secretary, and representatives for communication between circles. Nominations and elections are open, participatory, and consent based (see decision process).

**Aims:** Each circle is organized around a practical and measurable aim (similar to a goal). Aim is objective and can be clearly communicated. It is in the context of vision and mission which are more subjective and motivational.

**Decisions:** Decisions are made by consent. Reasoned objections are sought to provide solutions related to achieving the common "aim". Consent is defined by the parameters of what each person can live with in pursuit of the aim.

### We the People

By John Buck and Sharon Villines is the first comprehensive presentation of the history and theoretical foundations of sociocracy in English-speaking authors. This is the go to "how to" sociocratic governance manual assisting the Scorcher "circle." It includes personal narratives by the authors of their discovery of sociocracy, a history of its innovative development as a practical application by innovator Gerard Endenburg, extensive discussion of how the principles and methods are applied in organizations, and "how to" chapters.



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