

Co-operative Networks as a Source of Organizational Innovation

Two Canadian Case Studies:
Education and Health Care Co-ops

Innovative Co-operative Solutions
Workshop
ICA Research Conference,
Mikkeli, Finland

August 25, 2011

Wendy Holm
MMCCU, Saint Mary's University



“For co-operatives, networking is not one opportunity among many others, but rather it is the normal way of operating as a result of their solidaristic dimension.”

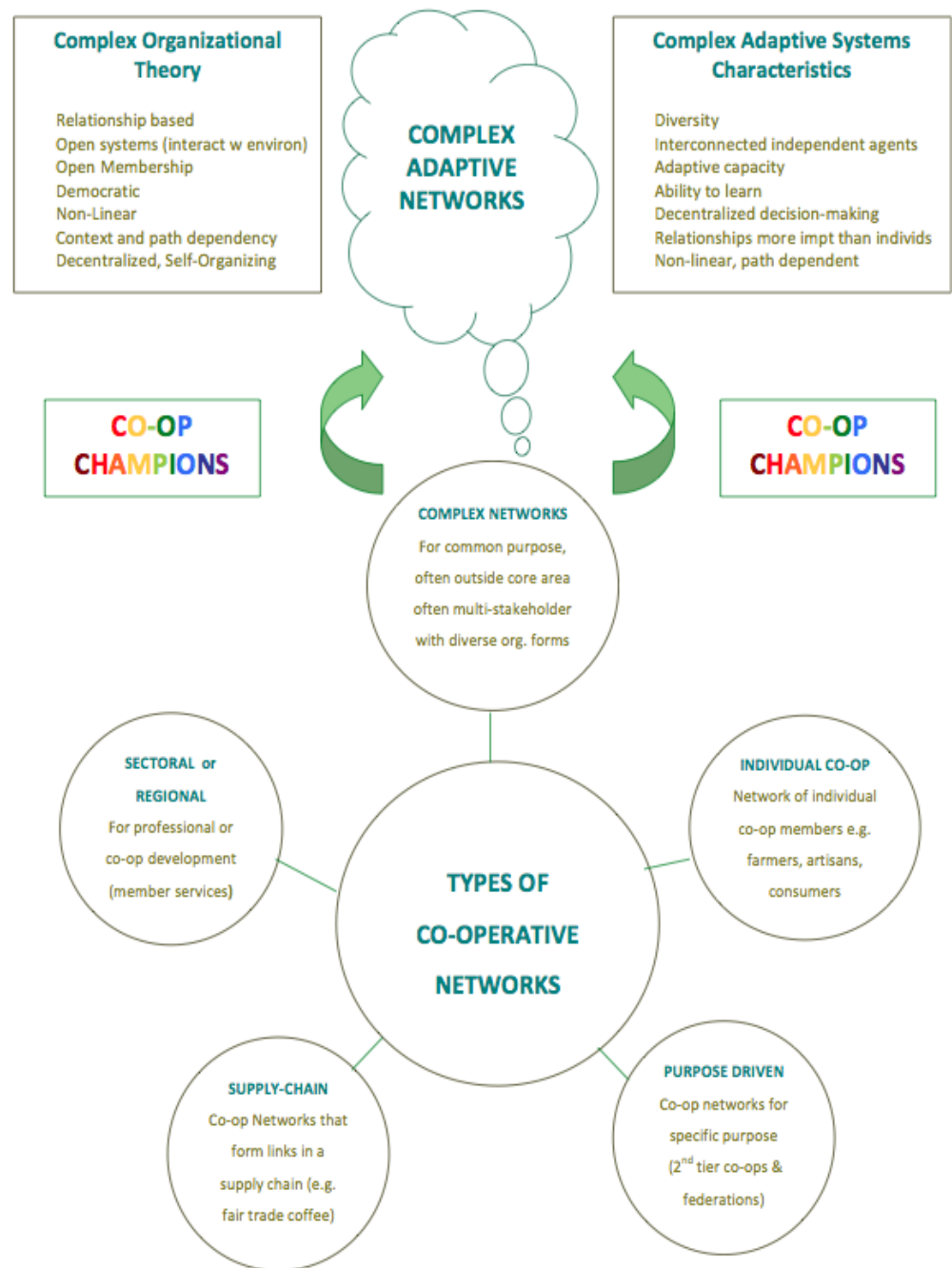
Menzani & V. Zamagni 2010

Network creation

- Co-operatives are natural convenors of networks
- Clear and common purpose sets the vision and stimulates the search for creative solutions
- The basis for cooperation (with government, private business, other co-ops) becomes value-based rather than profit-based
- Co-ops are often the champions in complex network creation, particularly in case of public goods (the 'commons')

CO-OP NETWORKS

- **INDIVIDUAL CO-OPS:**
individual co-op members
- **PURPOSE DRIVEN:**
Co-op networks for specific purpose (2nd tier co-ops & federations)
- **SUPPLY-CHAIN :**
Co-op networks that form links in a supply chain (e.g. fair trade coffee)
- **SECTORAL or REGIONAL:**
for professional or co-op develm't (member services)
- **COMPLEX NETWORKS**
For common purpose, often outside core area, often multi-stakeholder, diverse org. forms



Complex Adaptive Systems

- inter-connected, diverse, independent agents with common vision
- self-organizing and democratic with open membership and systems (interact with their environment)
- decentralized decision-making
- ability to learn and highly adaptive
- non-linear, context and path dependent (emergent behaviour)
- relationship based (relations more important than individuals)
- whole bigger than its parts (little local changes resonate)
- led by **Co-operative Champions**

Why complex networks spark innovation...

Shared values: Co-operatives find solutions by networking with like-minded and supportive organizations that share common values.

Clear purpose: Having a clear purpose or vision driven by member-needs allows the actors to define their 'fit' differently and pursue the goal more effectively.

Leaps obstacles with a single bound: This clear purpose, or vision, drives champions to look for the right solutions to overcome all obstacles along the way ("not possible" not an option...)

HealthConnex

**Co-op Management
Education Co-op**

- Both are innovative models of co-operatives with co-op and non-coop members
- Both deliver a public good
 - HealthConnex is a complex network centered around a 'league' (or a Council);
 - CMEC is driven by a co-op, but one that is also an umbrella organization formed by different types of members

HealthConnex

Co-operative Champions

Dr. David Zitner

Dianne Kelderman

ORIGINS:

- **Passion and commitment of two doctors studying inflammatory bowel disease (Drs Zitner and Ginn)**
- **Many patients travelled long distances for diagnosis and treatment (time-consuming, expensive and stressful)**
- **Believed if patients had access to communities of interest and reliable medical information to more proactively manage their illness, hospital visits could be reduced and patient satisfaction improved.**

EXISTING SYSTEM

“SICKNESS CARE”

- 80% in waiting rooms
minor complaints
or prescriptions
- Long waiting lists
- Shortage of doctors
- Closed practices
- Time-consuming
- No IT system

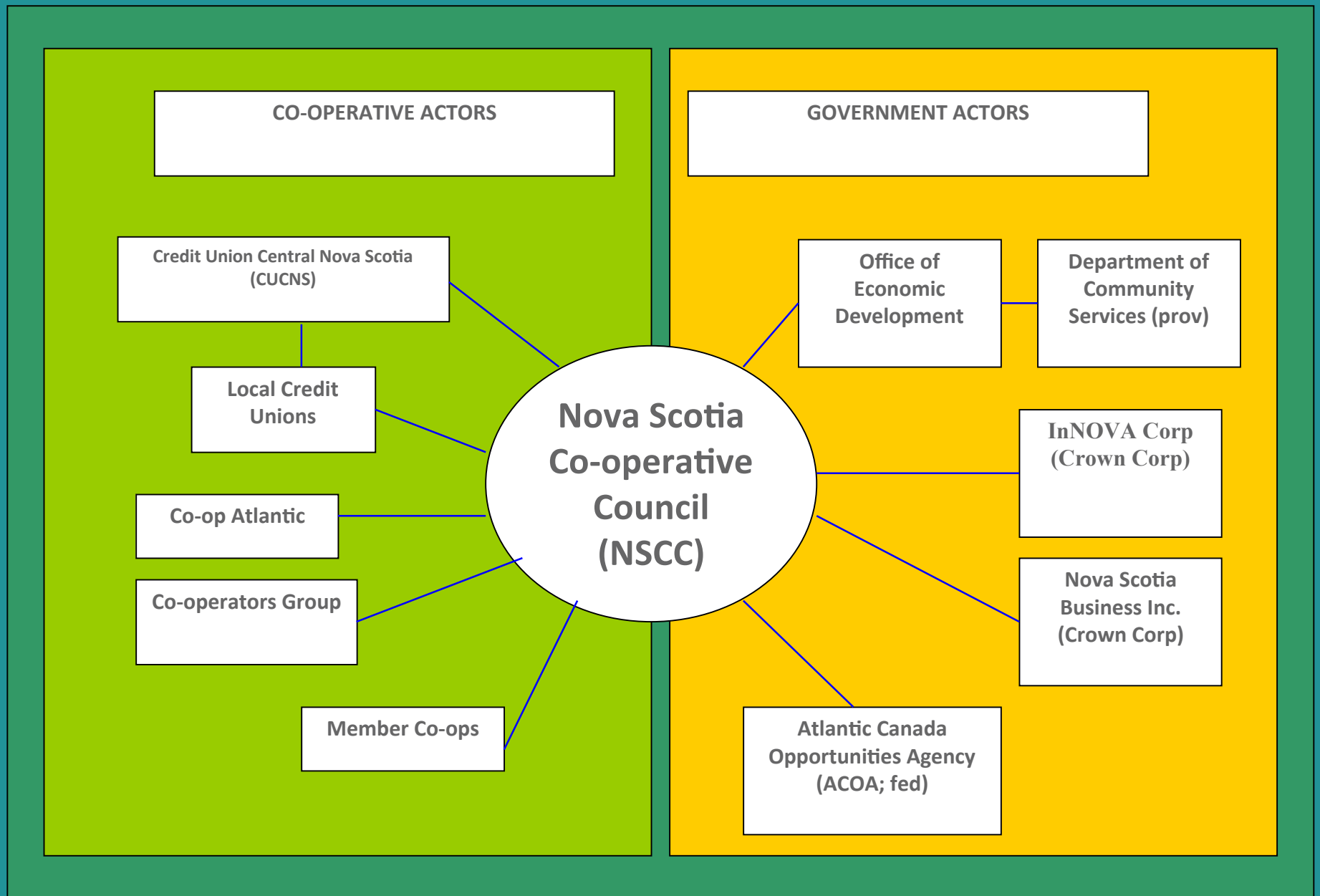
*“We would be astounded
(and lose confidence)
if a bank teller used a pen and
paper to enter information into a
ledger... but we think it's normal
that doctors keep handwritten
records, give us illegible
prescriptions on scraps of paper,
and exchange information with
other professionals and health
institutions by snail mail...”*

*Dr. David Zitner,
Health Policy Fellow, Atlantic Institute for
Market Studies*

WHAT THE DOCTORS DID ABOUT IT:

- **Zitner and Ginn Applied for and received Canadian Office of Learning Technology research grant to back up their belief:**
 - improving access to medical information for patients suffering from chronic bowel diseases resulted in better health outcomes**
- **They then approached Nova Scotia Co-operative Council to create a new health and wellness co-operative to meet the needs of the community and give patients the care they deserve**

Nova Scotia Co-operative Council - the perfect champ!



MISSION STATEMENT: THE NOVA SCOTIA CO-OPERATIVE COUNCIL EXISTS TO

- ✓ **ENCOURAGE** co-operatives of all types to work together to form a strong co-operative movement.
- ✓ **STIMULATE, PROMOTE, AND SUPPORT** the creation of new co-operatives across all sectors and industries in Nova Scotia.
- ✓ **ADVOCATE** for co-operative movement's interests to all levels of government
- ✓ **STRENGTHEN** the 'co-operative brand'
- ✓ **ENSURE** innovation within the sector
- ✓ **DEVELOP** new ways of financing to support development opportunities

MISSION (cont'd):

“...By helping coordinate the efforts of our members, we are helping ensure that co-operatives and credit unions will continue to play a dynamic and creative role in addressing the needs and challenges faced by local communities into the 21st century.”

Nova Scotia Co-operative Council

PUBLICATIONS

1. Board Manual for Co-operatives
2. Business Plan Workbook
3. CEDIF Brochure
4. CEDIF Fact Sheet
5. Forming Our Co-operative
6. How to Start a Co-operative
7. Member Info & Statistics Form
8. Membership Application
9. Model Incorporation Documents
10. NSCC Fact Sheet
11. Statement of Co-op Identity Brochure
12. Strategic Planning in Co-ops
13. Leadership in Co-ops
14. Legal Responsibilities of Directors
15. Delegating & Supervising
16. How to Hire in a Co-op
17. Role of the Co-op Secretary
18. Marketing in Co-ops
19. Principles of Co-operation
20. Variety of Co-operatives
21. Co-operative Process
22. Model for Boards & Directors
23. Why Co-op Instead of Company
24. Co-ops & the Law
25. Managing Co-ops
26. Boards that Make a Difference
27. Role of the Co-op Board Treasurer
28. Financial Standards of Excellence
29. Legal Obligations of a Director
30. Seven Steps To Renewing Your Board
31. Management in a Co-op Setting
32. Role of the Board Audit Committee
33. Complementary Model Board Governance
34. Getting a Co-op Business Started
35. Take These Tests... Then Train Needs
36. What Are Co-operatives?

NSCC Innovation Competition

supporting and developing a
CULTURE OF INNOVATION
within the co-operative sector



Nova Scotia Co-operative Council
MAKING DIFFERENCE IN NOVA SCOTIA COMMUNITIES

nova scotia
CO-OPERATIVE
innovation
competition

test *your* idea for a chance to
win up to **\$23,000**

deadline for submissions is **APRIL 15, 2011**

ELIGIBILITY

This competition is open to new start-ups and established co-operatives that are members of the Nova Scotia Co-operative Council. Co-ops must be incorporated, with business based in Nova Scotia.

The idea can be an innovative product, service or process. This may be the main focus of the co-operative or it may be a new idea or diversification opportunity.

HOW TO APPLY

Submit an application form to the Nova Scotia Co-operative Council by fax at 902-895-0109 or email it to info@nsco-opcouncil.ca.

KEY DATES

April 15	Deadline for submissions
April 22	Submissions shortlisted
May 20	Deadline for business plans
June 15	Business plans shortlisted
June 21	Presentations to judges
June 28	Winners announced

CHANCE TO WIN UP TO \$23,000

1ST PRIZE	\$10,000 + 10 days mentoring
2ND PRIZE	\$5,000 + 7 days mentoring
3RD PRIZE	\$2,000 + 5 days mentoring

NOVA SCOTIA CO-OP COUNCIL TOOK IT ON:

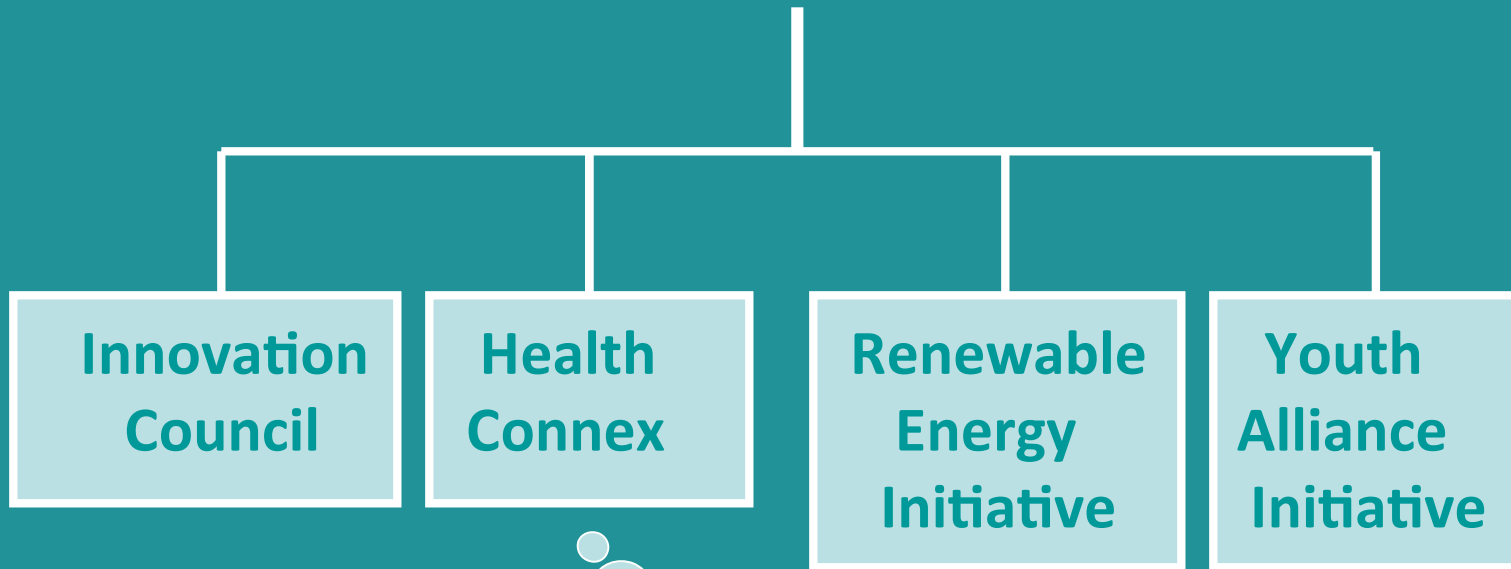
- CEO Dianne Kelderman picked up the ball and ran with it, personally:

developing/testing business case
creating governance structure
undertaking advocacy work
overseeing public relations

raising the capital
convincing the partners
setting it up
making it happen

- Launched the project through NSCC Innovations Council
- Used personal social contacts and government and institutional linkages to secure membership and \$3 million start up funding
 - \$1 million from Nova Scotia Department of Economic Development
 - \$1.3 million from co-operative members of NSCC
- Partnered with the medical community

NOVA SCOTIA Co-operative COUNCIL



HEALTH CONNEX

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graph TD; HC[HEALTH CONNEX] --- Box; subgraph Box; CU["4 seats  
Coops and  
Credit  
Unions"]; PR["2 seats  
PRAXIS  
(doctors)"]; DZ["1 seat  
Dr. David  
Zitner  
(founder)"]; end; Box --- B[BENEWORTH];
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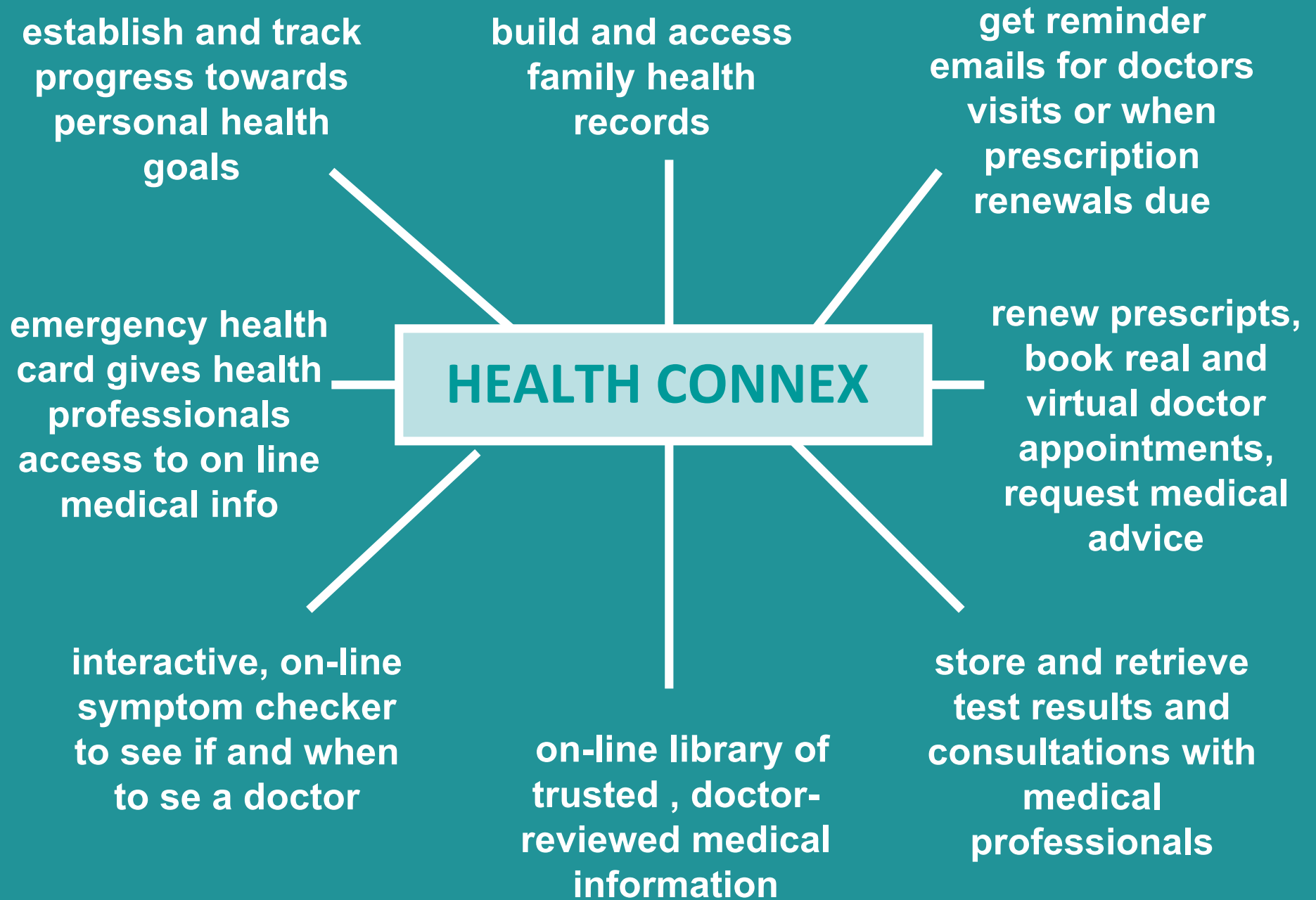
4 seats
Coops and
Credit
Unions

2 seats
PRAXIS
(doctors)

1 seat
Dr. David
Zitner
(founder)

BENEWORTH

(Private sector company already providing medical office management services to 1,800 Nova Scotia doctors' offices.)



WEBPAGE

record of:

- upcoming appointments
- personal health record
- health library
- personal trackers
- bundles/ services
- pending requests
- conversations

COST: \$120 - \$150/yr

The screenshot displays the HealthConnex website interface for a user named Wendy. The header includes the logo "HealthConnex" with the tagline "CONNECTING PEOPLE FOR HEALTH", a login status "Logged in as wendyholm | My Account | My HealthConnex", and a "Logout" button. A navigation bar contains links: home, about healthconnex, health topics, video gallery, virtual waiting room, contact us, help, and my healthconnex. A maintenance notification banner states: "HealthConnex Maintenance Notification: August 25th, 2011 8pm - 10pm AST August 23, 2011".

The main content area is divided into several sections:

- Welcome, Wendy:** A message stating "YOU ARE LOGGED IN AS A MEMBER" and "You are currently linked with no doctors. To ask to link to one, [click here](#)." Below this is a "My Account" button.
- My Upcoming Appointments:** A section with a calendar view showing no appointments. A message states: "You have no upcoming appointments".
- Notice!** A banner for "HealthConnex Maintenance Notification: August 25th, 2011 8pm - 10pm AST".
- Reminder!** A message: "You have not setup any reminders yet, [would you like to create one?](#)" with an "Edit Reminders" button.
- My Personal Health Record:** A section stating: "You currently do not have a personal health record within HealthConnex - create your own personal health record now!" with a "View Record" button.
- My Health library:** A section stating: "You can browse and search the Health Library by clicking on the Open button below." It features three icons: "Interactive Tools", "Health Topics", and "Learning Centers", with an "Open" button.
- My Purchased Bundles and Services:** A section stating: "You can purchase bundles and services from your participating HealthConnex doctor. To do so, first establish a link with your doctor(s). [Click here to link to a doctor.](#)"
- My Personal Trackers:** A section listing "Weight" and "Blood Pressure" trackers. For each, it says: "You have not used this tracker yet, [Try it?](#)" and includes an "Edit Trackers" button.
- My Pending Requests:** A section stating: "Your pending requests consist of any appointment, doctor link, or service use that you have requested." and "You currently have no pending requests."
- My Conversations:** A section stating: "Your conversations consist of e-consultation messages and received private e-mails." and "You do not have any private emails or consultations."

TODAY:

- **Nova Scotia Credit Unions considering offering to staff/members and putting HealthConnex kiosks in branches**
- **Canada's The Cooperators has asked HealthConnex to develop customized system**
- **US credit unions knocking at the door...**

EXISTING SYSTEM

SICKNESS CARE

- 80% in waiting rooms
minor complaints
or prescriptions
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HEALTH CONNEX

WELLNESS CARE

- Patient-directed, proactive
health management care
- Inter-active
- Health care professionals
support doctors
- Doctors more efficient,
more time/resources to
treat ill patients

CMEC
Co-operative
Management
Education Co-op

Formed to support the educational development of future co-operative leaders:

“...The MMCCU program is unique in that it places traditional business knowledge and skills – e.g. accounting, finance, marketing, and people management - within the broader context of the co-operative model; fulfilling the requirements of a business school but guided by and responsive to co-operatives and their priorities.”

Novkovic and Holm

Co-operative Champions

Tom Webb

Sidney Pobihuschy

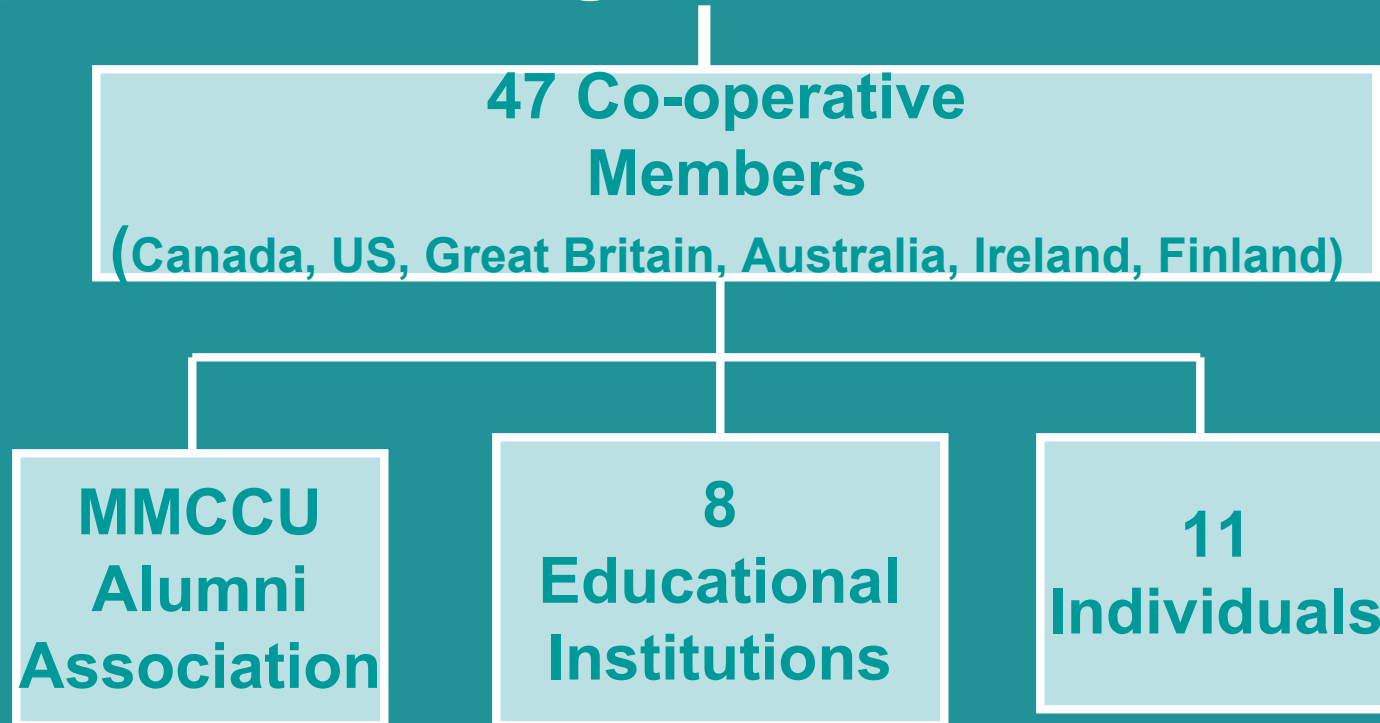
Dennis Deters

John Chamard

HOW CMEC WAS CREATED: (“NO” NOT AN OPTION...)

- Created in 2000
- Convened a network
- Approached one university but were turned down
- Saint Mary’s picked up the ball
- Got curriculum approved by university and province
(three year program plus capstone paper)
- Recruited faculty
- Raised start up funding of close to \$1 million
- Opened the doors to students 2003
- Graduated first students in 2007
- Orientation week, then on-line (co-operative learning)
- International student cohort
- Visit to Mondragon or Bologna (alternates)

Co-operative Management Education Co-op



Masters of Management, Co-operatives and Credit Unions
Saint Mary's University, Halifax, Nova Scotia

Masters of Management, Co-operatives and Credit Unions

Saint Mary's University, Halifax, Nova Scotia

- **Members in 6 countries**
food, agriculture, credit unions, and worker co-ops,
as well as federations and associations
- **Faculty in 4 countries**
- **Students/graduates in 7 countries**
- **Democratically governed**
- **Decentralized decision making**
- **First masters students in 2003**
- **Five graduating classes (2007 - 2011)**

Masters of Management, Co-operatives and Credit Unions

Saint Mary's University, Halifax, Nova Scotia

Three year, co-operative studies program consisting of 12 courses and a Final Paper.

First Year Courses

Philosophical Origins & Historical Evolution of Co-operative Governance & Business Practice
The Emerging Global Economy and Society from a Co-operative Perspective I
Comparative Co-operative Practice I: Variety and Range of Co-operative Business
Co-operative Financial Analysis and Management I

Second Year Courses

The Emerging Global Economy and Society from a Co-operative Perspective II
Field Research: Study Visits to Exemplars of Excellent Co-operative Business Practice
(Mondragon, Bologna)
Comparative Co-operative Practice II: Co-operative Innovations and Best Practice
Technology, Communication and Co-operation

Third Year Courses

Marketing the Co-operative Advantage: Co-operative Education, Member Relations & Marketing
Co-operative Financial Analysis and Management II
The Co-operative Management Approach I: Governance, Planning and Strategic Analysis
The Co-operative Management Approach II: Leadership, Personnel and Management Style

Final Cap Stone Paper

In the words of the students:

“... The MMCCU program is a great opportunity for co-op managers to obtain a deeper perspective on the history, types and structures of co-operatives. The exposure to current thinking about the future of cooperation helps me better lead my co-op...”

“...Spain... was a life-changing event. I remember thinking, ‘What if we had this in the U.S.? What if we had this partnering and working together, this kind of concern for community, for helping other co-ops? To some extent, we are co-op management pioneers—helping to create and test the growing body of knowledge...”

“...The MMCCU program brings the fundamental co-operative elements to the forefront of your mind, on a day-to-day basis...”

“...This program made me see the co-operative model as a method of sustainable development that is clearly attainable...”

SUCCESS: the building blocks

- a clear vision and common purpose
- `buy-in` by stakeholders
(engagement & self-organization)
- decentralization; delegation
- resources
- a support system
- co-operative champion who won't take no for an answer



THANK YOU!



KIITOS!





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www.theholmteam.ca

