

Case Study: Unicorn Grocery

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Introduction

Unicorn Grocery is a multi-award-winning worker cooperative wholefoods retailer located in Manchester, England. Established in 1996 to address local nutritional needs, Unicorn provides its customer base with “affordable, fresh and wholesome food with an emphasis on organic, fair-trade and local produce”.¹ Annual sales at the Coop are in the region of £8 million.² The small group of forward-looking Unicorn founders shared an organizational vision.³ What they wanted to achieve together was:

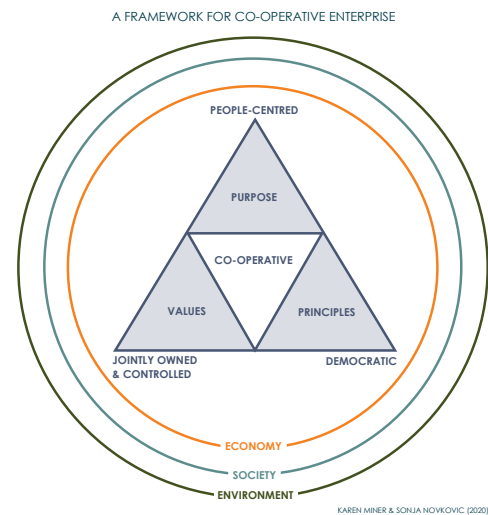
“A shop owned and run by motivated worker-owners following a shared social and environmental agenda. A friendly, diverse and welcoming space that would act as a hub in the community.

“Although we’ve grown a lot since then, those things remain true today. We’re proud to have proved that we can compete with national chains and provide a genuine alternative to the supermarket, and we’re now more or less the size of one.”⁴

The Cooperative has managed to earn due recognition in mainstream circles:

“In recent years we’ve been named 2017’s Best Food Retailer at the BBC Food & Farming Awards and the Soil Association’s 2018 Best Independent Retailer, followed in 2019 by Lancashire Life’s Independent Retailer of the Year award and Manchester Food & Drink Festival’s Food & Drink Retailer of the Year. Oh and we came top of Ethical Consumer’s national supermarket ranking. We’re not in it for the glory but we are proud to demonstrate what

Cooperative Enterprise Model Conceptualization. **Source: ICCM, Saint Mary’s University**



The cooperative enterprise model is a trifecta of purpose, values, and principles coupled with three fundamental properties inherent in cooperatives as peoples’ organizations (people-centred, joint ownership & control, and democracy). These three properties, when operationalized, form the building blocks of the cooperative advantage in the context of increased complexity.

People-centred (as opposed to capital-centred) governance and management assumes people are intrinsically motivated social beings, balancing their personal and group interests in accordance with general moral principles.

Joint ownership and control (distributed, rather than concentrated). Joint ownership is a hallmark of cooperative organizations, and it is intertwined with members as owners, controllers, and beneficiaries.

Democracy based on one member, one vote (rather than wealth-based). Self-governance is the underlying engine of cooperative enterprises, with the vital component being democratic decision-making by their members.

“A shop owned and run by motivated worker-owners following a shared social and environmental agenda.”

a worker-owned business with values can achieve...and not despite those factors, but because of them.”⁵

Abbie Kempson, currently appointed as an adviser to the UK Cooperative Governance Expert Reference Panel,⁶ joined Unicorn in 2013. Alongside her ongoing commitment to social and environmental activism, she previously worked in various “education and community development organizations that have [a] very strong cooperative ethos”.⁷ Kempson’s experience in facilitating collaborative educational workshops was to serve her well in the parallel world of worker cooperation. She explains how a “fairer [and more] just food system for people [and planet is] in Unicorn’s DNA – [it’s] in our bloodstream”.

“...we are proud to demonstrate what a worker-owned business with values can achieve...and not despite those factors, but because of them.”¹

The Coop’s main draw, according to Kempson, is that it stocks “a fantastic range of organic fruit and veg, not packaged in plastic, [but] loose so you can buy as much as you actually need”. Unicorn also encourages “zero food waste through a closed loop system with one of our local growers [who compost waste from the Coop’s site]”. She explains that workplace democracy is “the other fundamental” alongside food justice: that is, “being a worker coop and setting up to have a flat structure and flat pay”. As such, Unicorn is “a radical [workplace emulating] the model of the 1970s [UK worker] coop movement”.⁸ In the spirit of intercooperation,⁹ one of Unicorn’s “best suppliers” is Suma, a flagship radical worker coop founded in 1977. Also based in Northern England, Suma is a vegetarian wholefoods wholesaler sharing a participatory workplace culture and alternative lifestyle ethos.¹⁰

Unicorn has 70 worker-members, all of whom are also directors (i.e. there is no formal Board), organized into over 20 multitasking teams. The Cooperative as a whole adheres to the general democratic principles of sociocratic (or consensual) governance and management.¹¹

Living the cooperative ethos

“Unicorn is a values-driven business, which sees success as something more than figures on a balance sheet. If we are providing a decent livelihood for our staff and our suppliers, if we are increasing the amount of land farmed sustainably and improving the environmental impact of our diet, if we are enabling good health through good food, if we are creating community wealth rather than shareholder

wealth, if we are challenging traditional models of business ownership and control...then we are succeeding.”¹²

As encapsulated in Unicorn’s Statement of Purpose – “our reason for being” – the Coop serves a multiplicity of intertwined economic, social, and ecological goals. This combines “the food and social justice side with cooperating and creating a coop that lives its values”, states Kempson.

She elaborates as follows:

“Over and above many worker coops [that] I know of, ethics have been the strongest thing for us. We have been, since day one, incredibly committed to living the cooperative ideal of having a worker coop where everyone is actively engaged in decision making, and having a worker coop with a really strong social [and ecological] purpose of providing affordable, really good quality food to the local community. . . . We are very much on the radical living-the-principles side of cooperatives.”¹³

This attitude is reflected in Unicorn’s founding Principles of Purpose:¹⁴ 1) Secure Employment through workers’ control; 2) Equal Opportunity to undertake paid work;¹⁵ 3) Wholesome Healthy Consumption of affordable and minimally processed foods;¹⁶ 4) Fair and Sustainable Trade supporting equitable global development;¹⁷ and 5) Solidarity in Cooperation with “like-minded ventures, cooperatives or otherwise”.¹⁸ In this latter respect, five percent of the previous year’s wage bill is set aside to assist likeminded organizations and projects. Kempson calculates that “over the last five years, that’s [amounted to] around 37.5 percent of our net profit each year that we give away”.¹⁹

Though the Coop’s success and growth has inevitably presented challenges to the traditional close “family” bond between worker-members, says Kempson, they still “try [to] make opportunities to come together in life, [to] be together as friends, and more than just people who

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work in the same business”. This helps to build the camaraderie and trust that underpins consensual decision making at Unicorn.

In terms of movement principles, cooperative education is key to Unicorn’s success. Kempson relays how all worker-members come together every fortnight for training sessions, “often delivered by external people”. The Coop also has “a really generous training budget”, which facilitates sending worker-members to upskill on external courses. Likewise, cooperation with other cooperatives is encouraged, whereby Unicorn regularly extends “support for the coop movement; and we trade with other coops” when possible and mutually beneficial. She is clear that concern for community “is not just a random add-on for us, [it’s] 100 percent why we exist and what we do . . . [our solidarity] funds, our principles, [and] our ethics are what brings everybody to work every day”. This intrinsic motivation partly explains why “everyone works really hard; we have this ethos [that you’re] expected to work very hard at Unicorn, and you get paid well [i.e. above the industrial average] for doing that”.²⁰

Member and stakeholder participation

“[Sociocracy means] having a properly democratic system, not just one-member, one-vote twice a year, but constantly day-to-day having people involved actively in decision making in their teams, which [are] now using consent, and in the regular general [members’] meetings using our modified form of consensus.”

Stated as such, Kempson expresses the centrality of worker control to cooperative governance and management at Unicorn. But with this also comes the expectation that worker-members will act as “stewards” or “caretakers” of the organization. In doing so, they acknowledge the struggles and sacrifices of past generations, and likewise accept their responsibilities towards future generations. This shared sense of togetherness is a big part of what motivates deep worker-member engagement and participation at Unicorn.

“What coop membership returns to us is a deep sense of care for our work, an unusual sense of comradeship, equity and trust between colleagues, an incentive to take initiative and use our skills to develop the business, and an enormous amount of pride.”²¹

Operational decisions are made by devolved worker-member teams with a “pretty flat management structure”, Kempson explains. All worker-members also participate collectively in governance decisions as directors of the Coop, and are therefore “legally responsible for Unicorn and its long-term direction and wellbeing”.²² Kempson describes how this is facilitated: “We’ve always operated with full transparency and full open book management for every bit of the business”.

As regards Coop stakeholders outside of the membership, there are a small number of non-member casual workers who tend to be either balancing other commitments,²³ or testing the waters before potentially becoming full members. Indeed, this latter option was the route in for more than a third of the current membership, Kempson relays. Casual workers don’t have a formal say in Coop governance, though she states that “operationally [they are] very much listened to” and have input into organizational change on the shop floor. Kempson and “a lot of members” still hope to eventually “create a [formal] space for non-member workers” to participate more deeply in sociocratic decision making at Unicorn. They aspire to “a fully mutual model” of coop governance in which all workers are members.

Customers also matter “massively” to Unicorn: Kempson points out that “we’re a worker coop, so we’re not multistakeholder in that sense, but customer voice is important to what we do and we make lots of time to listen to that”. The Coop usually carries out an annual survey of customers to gather quantitative data (e.g. demographics), and also collects “a lot of qualitative feedback from customers”.²⁴

The Member Dimension: Ownership, Control, and Benefit

Members are the foundation and heart of all cooperative enterprises. Their motivations will influence and ultimately dictate the way that the enterprise model is governed and managed.

Members jointly own, control, and benefit from the cooperative. Besides their primary type of engagement and patronage, the responsibility of membership includes participation in governance, capitalization of the enterprise, and other forms of support. Membership is a complex set of relationships that affect every facet of the cooperative.

The type of membership will have a profound impact on members’ concerns which will be reflected in the governance and management structures and processes. Why a member joins a cooperative will also determine what types of democratic structures are put in place to represent and protect member interests.

“We’ve always operated with full transparency and full open book management for every bit of the business.”

Suppliers are the “other main stakeholder” at Unicorn.

Interaction and dialogue between members/workers, customers, and suppliers is encouraged, Kempson communicates, through the organization of “Meet the

Producer events, including a wine tasting evening, and during the Open Gardens event in which we open up our roof garden to visitors. So, we try [to] create opportunities to merge stakeholders, if you like – customers, members, suppliers”. However, membership status beyond workers is not on the agenda for Unicorn: “We [haven’t] had any conversations about [becoming] a multistakeholder coop – we’re proud to be a worker co-op!”

They aspire to “a fully mutual model” of coop governance in which all workers are members.

Coop stakeholders are kept engaged and informed more generally via member and customer newsletters.

A weekly membership newsletter includes “headline financial figures” – essentially “a small management report every week” – general updates, and notices of

external training opportunities and internal training seminars. She reports that customer newsletters are circulated “once or twice a year”, giving Unicorn “a chance to showcase” different aspects of the organization. This is in addition to the news page on the Coop’s website.²⁵

Interaction and dialogue between members/workers, customers, and suppliers is encouraged

“The word governance has its root in the Latin verb ‘Gubernare’ which derives from the Greek ‘Kybernan’, meaning ‘to lead, to steer, to be the head of, to set rules, to be in charge of the power’. Governance is related to vision, decision-making processes, power dynamics and accountability practices. The ultimate goal of governance is to effectively fulfill an organization’s goals in a way consistent with the organization’s purpose. Co-operatives are member owned and democratically controlled organizations. Their governance has to meet co-operative’s objectives, protect member interests and maintain member control. Co-operatives are also values-based businesses whose governance and management principles and practices need to reflect and safeguard their values.” (Novkovic and Miner, 2015: 10)

The ICA cooperative principles and values (ICA, 2015) suggest that co-operatives institute participatory forms of democracy in their organizational governance and management, which respect and promote human dignity, democratic decision-making, and engagement of members, employees, and other key stakeholders. Further, those members engaged in governance activities focus on total value creation and equitable distribution of benefit.

Unravelling the governance system: structures-processes-dynamics

Organizational structure

“It’s our own Unicorn radical worker coop flavor of sociocracy . . . we’re calling it a network form of sociocratic governance . . . Everything that needs to be connected is connected by at least one member who can join the dots . . . The network map looks like a big tangled mess, but it’s a realistic representation of the big tangled mess of interconnections and communication flows that make up a flat-structured worker coop with 70 members . . .”²⁶

Unicorn worker-member-directors, as Kempson’s comment alludes, are organized into relatively small operational and governance “circles” of up to nine people. The system is designed “to make sure [that] people are in circles that are small

“It’s our own Unicorn radical worker coop flavor of sociocracy . . . we’re calling it a network form of sociocratic governance”

enough to use consent decision making, and to create [an effective] connecting structure” between nested circles. To help facilitate this, circles are connected to one of three department circles to support good information flow, and to coordinate a collective understanding for issues that span two or more circles clustered within each department. All coop members are members of at least one circle (where the decision-making responsibility lies), and many are in two or three circles.

“As much as possible, as sociocracy aims to do, we push decision making to the circles. Very little decision making is held by the department circles, which focus on coordinating where things cross over. . . . It’s also very much conceived as a dynamic structure, so departments may ebb and flow, and circles may move between them or connect into more than one over time.”²⁷

All members work in the shop and are members of at least one shop floor team (the members who carry out the operational work in each trading area). Most are also involved in one or more back office functions.

The main trading operation is supported directly by the Sales, Purchasing, and Logistics Department, which connects the Food Prep, Veg, Production, Warehouse and Orders, Ambient Buying, Picking and Layout, Deli, Fresh, Education and Marketing, and Brexit (project) circles.²⁸ Two additional departments provide more general administrative support throughout the organization: 1) the Operations Department connecting Finance, Rota (scheduling), Floorwalker, Personnel, Casual Worker Liaison, Training, and Facilities Management circles (the latter in turn connects Health and Safety, Maintenance, IT, Security, and Cleaning and Waste Management circles); and 2) the Governance (“and internal communications”) Support Department connecting Secretariat (responsible for the staff newsletter, Forum and Members’ Meeting agendas and minutes), the Sociocracy Implementation project, and the Strategy Helping circle.

While consent decision making is practiced within circles and departments, the Coop retains the “flat structure” of “members’ meetings” to make the “bigger [operational and strategic governance] decisions using a modified form of consensus”. Unicorn members’ meetings “combine [the functions of] board meetings and general meetings because of our flat model in which all members hold director status”. In between members’ meetings, the Forum facilitates “a central meeting for reps from different teams to deal with any issues that don't fall under the authority of any one team”.²⁹

Since Unicorn is a “multitasking coop”, however, where “nobody has solely one specialist role” and all members work in more than one area of the business, she clarifies that

Governing Complexity

Steering the organization according to the vision of its members, governance includes structures, processes, and their dynamic interplay. Dynamic interaction between processes and structures, one influencing the other, is how change is implemented in organizations.

In the case of cooperatives, democratic processes and enabling structures also generate the dynamics of change in the organization. Cooperatives differ from other enterprises due to their purpose and the nature of member engagement with the enterprise. Adding external context to the cooperative difference results in distinct governance frameworks.

Organizational structures include the nature of ownership and control, the type of governance bodies, and formal rules and policies.

Processes are defined as the way strategic direction-setting and control is carried out. Formal or informal, these processes are democratic and participative in well functioning cooperatives.

Governance structures and processes change dynamically over time due to evolving internal and external circumstances.

“we needed a structure that allowed people to be in different places, but [which] didn’t create a huge number of circles and [a] huge number of meetings. So we haven’t done the classic double linking of sociocratic governance because it didn’t work for us . . . Our framing is for everyone to continue to multitask in their labour (in teams), but to specialize in their decision making (through membership of one to three circles). It’s all built on trust and feedback and mutual support. We have a team and circle selection system in place so that each year there’s an opportunity to reselect, and for people to step in and out of circles based on capacity and interest. We hope that will be dynamic over time and we’ll see a good mix of newer and longer-serving members in any given trading circle”.³⁰

Reflecting an aspirational commitment “to value all labour equally”, Unicorn has a flat wage structure for members (i.e. every member is paid the same) – “casual workers earn 80% of the member wage”.

Unicorn workers are entitled to a 25 percent discount when shopping at the Coop, “which is a huge member benefit . . . and great for our casual

workforce too”.³¹ And there is an array of secondary benefits, such as the Coop covering bike service costs; “the cycle to work scheme”;³² loans to purchase bikes and technological equipment (e.g. laptops); funding for training courses; “generous child care” support etc. Regarding the latter, she states that: “Much more than most companies, [we] make it possible for people to be at work if they’ve got kids and [need support covering] all those costs”. This reflects the prevalence of women in the Cooperative, and the organization’s responsiveness to member needs. Relatedly, Kempson relays that average working hours per week at Unicorn approximate 30 hours; while full-timers work 37 hours.³³

Any remaining financial surplus left over after covering operating costs “and solidarity donations through the 1&4% funds” is generally reinvested in the Coop, “invested in the movement (i.e. through share offers issued by other coops and community businesses)”, or else held in reserve (Kempson confirms that “we have an elective asset lock in our rules” to protect against demutualization).³⁴ In April 2021, for example, Unicorn undertook a major renovation and extension of its premises.³⁵

“It’s all built on trust and feedback and mutual support.”

Unicorn has a flat wage structure for members...

“...we have an elective asset lock in our rules” to protect against demutualization.

Unicorn consensual governance communication flows

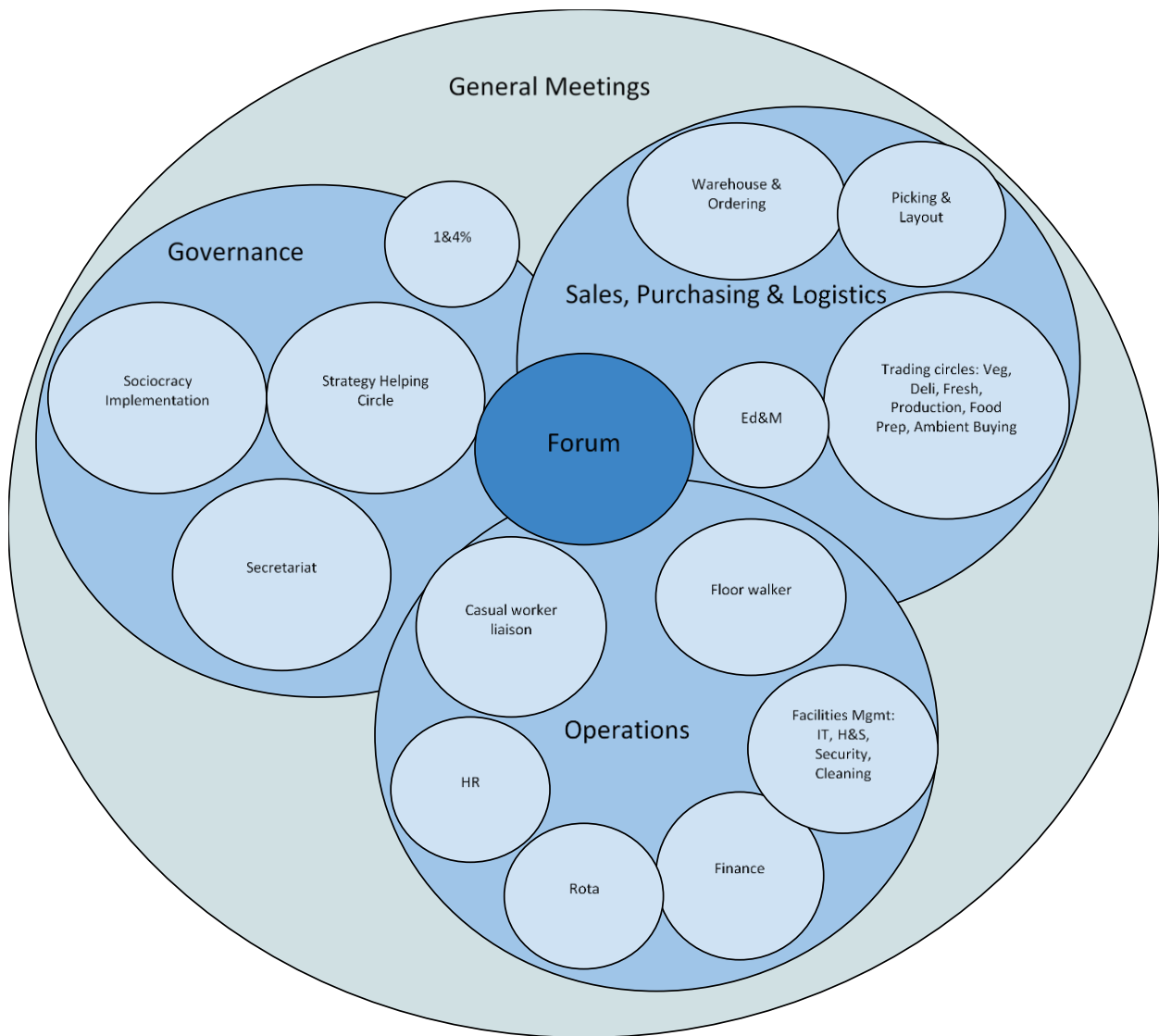


Image:³⁶ Abbie Kempson

Participatory processes

Members' meetings are scheduled three times per year to take the strategic (and some large operational) decisions collectively, plus additional extraordinary general meetings (EGMs) as needed (usually an additional two or three members' meetings per year). Forum meetings are held monthly, as Kempson describes:³⁷

“Forum is empowered to make operational spending decisions up to £5,000, and to call an EGM if anything is brought to its attention that can't be decided by its members. Forum has limited powers – it's always been a central information space to keep everyone informed of the decisions taken by teams and to seek feedback from the membership to help any teams struggling with making a decision.”

Department circles have relatively limited decision-making authority. Their role is to handle “broader-picture issues and to be a sounding board for any membership-wide decisions that have an impact in a given area of the business (by connecting members from various circles together)”.

Worker-member-directors also participate in annual away days to focus on “strategic generative work” – though this builds on ongoing strategy development within circles, which is compiled and summarized by the Strategy Helping circle.

Circle delegates to departmental circles are chosen through “the sociocratic selection process”, which Kempson says involves open and transparent elections following a discussion on “what skills are needed and who’s a good fit”.³⁸ The idea is that delegates should act as information conduits to assist decision making within circles, as opposed to acquiring any decision-making authority over them.

As with any worker collective, Unicorn faces issues around uneven participation and certain voices dominating at times. Kempson admits that: “We’re totally not immune to any of that, but the sociocratic circle [method] using rounds [of discussion] creates or equalizes speaking time in meetings, which is a massive part of living the principle of everybody being listened to in deeply democratic structures”. Training sessions also help to discourage oversharing extroverts, and to encourage undersharing introverts. She recalls that even at larger members’ meetings,

“we’ve always had a particularly participatory kind of style, so we try very much to address any situations of loud voices or certain voices dominating . . . We do put a lot of emphasis on cooperative communication, open and honest communication – What does it mean? How do we live it? . . . It’s definitely ongoing work, and adding new people always then adds a new challenge, as people bring different expectations and different ways of working into the Coop.”³⁹

Kempson is of the view that such radical participatory governance at Unicorn is likely facilitated, at least in part, by being a “single-site cooperative”, since everyone can interact in the one building. It is not just the organizational structures that may hamper other coops, but also “the *physical* structures . . . [especially when spread] across multiple sites and locations”.⁴⁰

“We do put a lot of emphasis on cooperative communication, open and honest communication”

Change management dynamics

Unicorn has evolved and adapted its organizational structures and process over time in response to internal and external developmental pressures. This proactive and preemptive approach characterizes successful worker coop development generally, as a means of counteracting emergent degenerative tendencies over time (e.g. the emergence of small clique of influential decision makers).⁴¹

Internal pressures

The Coop’s evolution can be divided into three main stages:⁴² 1) Direct Participation (1996-2004); 2) Devolved Structure (2004-2019); and 3) Networked Sociocratic Governance (2020).

During the early years, following the organization’s establishment in 1996, a form of participation involving all worker-member-directors directly in all important governance and management decisions was the norm at Unicorn. Membership did not exceed 15 worker-member-directors at this time, i.e. a “human-sized” group “with the small numbers enabling high levels of transparency, active involvement and efficient [formal and informal] communication”.⁴³ Members’ meetings were held fortnightly to review and decide on operational and governance matters. Multitasking, fortnightly training sessions, and annual away days also featured from the beginning. “There was a strong culture of devolved power and responsibility”, which “fostered innovation, action and ownership”. Teams then began to emerge “organically” within operations, and job rotation ensured “a very good understanding of the business as a whole”.⁴⁴

By 2002, rapidly increasing sales and numbers of workers “led to concern that membership growth would erode the full member participation model”.⁴⁵ This precipitated a structural review (2002-2003), whereby an

Job rotation ensured “a very good understanding of the business as a whole”.

“overseeing group” was eventually instituted in the guise of a fortnightly “Forum” meeting to coordinate formalized teams. The latter were limited to a max of 15 members and retained devolved decision-making powers over “small budgets”. Forum consisted of

“eight elected team Overviews [i.e. coordinators] . . . representing different areas of the business and reporting back to their teams. Forum was given a mandate to support and monitor teams and implement the policy decisions of the AGM and Members Meetings. Forum [was] responsible for ensuring the decisions taken at Members Meetings [were] implemented, it was not intended to be and [did] not have the powers of a management committee.”⁴⁶

Teams met fortnightly to manage the different areas of the business operation, while quarterly members’ meetings of the entire Coop dealt with strategic governance issues. The new structure hence balanced “the more specialized knowledge of teams and the ability to act quickly in operational matters, whilst maintaining scrutiny, strategy and policy as the remit of the entire membership”.⁴⁷ It was also during this period that Unicorn’s member recruitment, onboarding, and development processes and procedures were significantly cooperativised, with the assistance of Suma’s former Personnel Officer, Bob Cannell.⁴⁸

This “devolved/representation model” likewise worked well for a period, but Unicorn’s continued success and membership growth over the next decade created pressures anew. There were over 60 worker-member-directors by the time the 2015 structure review was initiated. Barriers to participation had begun emerging in the form of “time constraints” during packed meetings, and a lack of “physical space” to accommodate meetings.⁴⁹

The governance and management system embedded in 2020 seeks to accommodate over 70 worker-member-directors. “We went from 30-50 . . . and then 50-70 very quickly . . . there’s a lot of people to include”, stresses Kempson.

Unicorn’s member recruitment, onboarding, and development processes and procedures were significantly cooperativised...

“We had a phase of having ridiculously-large team meetings with far too many people present to make decisions effectively. So, what we’re doing now is we’re using the sociocratic selection method to create circles of up to nine people from our large teams to support a more efficient and effective form of collective management. We’ve also been experimenting with moving away from the traditional role of Forum based on a representational system, which struggled with disempowering members

from active decision making due to the difficulties of accurately representing the often diverse views of teams.”

Sociocratic selection is more about appointing capable delegates who can effectively channel “information flow” and take part in consent decision making by “drawing on their experience and understanding of the function of the business they’re representing”. This underlines the organization’s commitment to the network governance principle of human-sized groups, which facilitate effective participatory democratic decision making.⁵⁰ It can be seen in retrospect that Unicorn adopted this principle at the outset, evolving its structures and processes to meet the demands of an increasing membership, but without sacrificing its fundamental cooperative ethos as a radical worker collective.

Another centrally important innovation as the Coop grew was the introduction of the Strategy Helping circle, which acts as “a funnel” to integrate the previous year’s away day output with the annual plans of each individual circle. It also

produces “an annual business audit to generate an updated annual commercial strategy and rolling business priorities plan, which is presented to members for agreement”.⁵¹ This enables “all 70 members to be able to fulfil their duties as directors and do the strategic work collectively”.

The Strategy Helping circle enables “all 70 members to be able to fulfil their duties as directors and do the strategic work collectively”.

External influences

As well as proving responsive to internal organizational dynamics, Unicorn’s governance system is also shaped by external stimuli.

Regarding community activism, the Coop has always maintained a strong commitment to social and environmental justice, evidenced by both its internal and external activities in response to the issues of the day. The Education and Marketing circle, in particular, does “a lot of work talking to different bodies in the local community”, as to how the Coop can support community initiatives and local activism. Unicorn offers these groups display space in the shop and

The Education and Marketing circle does “a lot of work talking to different bodies in the local community”

promotion via social media, as well as facilitating activities in the shop such as banner making, relays Kempson.⁵²

“A prominent example in recent years was the global climate strike, during which we held a banner making session in the shop; sent a delegation of members to the march in the city centre with the large banner; and announced our solidarity with striking workers and ceased trading for a short period. Similarly, for Manchester-based Black Lives Matter protests we’ve shared information in store and via social media, and had a selection of posters printed for distribution to customers to make placards for demonstrations. . . .

“[Diversity, Equity, and Inclusion (DEI) is] such a live issue in the coop movement in general; I’ve been really interested to hear about the call from the US Credit Union movement for an eight cooperative principle,⁵³ which I think would be a fantastic move. . . . We’ve got a very diverse customer base and so we’ve been working on [ways] we [can] make the membership representative of the community base.”

On gender balance specifically, she comments that “we’ve always been more or less 50-50”, with more women tending to occupy “the few elected roles we have at Unicorn”.⁵⁴ In addition, Unicorn has engaged in solidarity initiatives with women’s cooperatives in Rojava (Western Kurdistan) in Northern Syria.⁵⁵

“We’ve got a very diverse customer base and so we’ve been working on [ways] we [can] make the membership representative of the community base.”

Mounting ecological concerns are also very much at the root of Unicorn’s purpose as a worker cooperative. This includes not only what the Coop produces, but *how* it produces. As Kempson reveals: “We’ve always put our reserves into making the building better, more environmentally friendly; we retrofitted a lot of it [and installed solar] panels, [alongside our biodiverse] lovely roof pond [and] roof garden”.⁵⁶ A Coop member-rep attends a local

Unicorn has engaged in solidarity initiatives with women’s cooperatives in Rojava (Western Kurdistan) in Northern Syria.

climate action group. A lot of effort goes into reducing the Grocery’s reliance on plastic and packaging, “including the introduction of refill schemes for loose goods and various innovations from our deli counter to encourage the reuse of containers, including a deposit scheme”.⁵⁷

A lot of effort goes into reducing the Grocery’s reliance on plastic and packaging...

Like all coops, Unicorn was forced to adapt its governance and management systems in response to the global coronavirus outbreak in 2020. An uncomfortable situation emerged for Unicorn during the initial phase of the outbreak, which necessitated setting aside the usual practices of sociocratic decision making. As Kempson recalls:

“We created a temporary emergency committee of people to be the COVID [steering] group . . . They’ve basically distributed all their powers out to other bits of the Coop [by 2021], but a couple of them are still meeting fairly regularly just to [monitor the situation] . . . We pretty much [initially] . . . handed decision-making power or authority to a small group of people and said . . . ‘Someone’s got to take charge!’ So that was a really interesting experience . . . because . . . we’ve never been in a position where there’s an identified group of members in charge . . . it’s just not how we [usually] work. So, it was absolutely needed because there were so many massive decisions to take so quickly, and we just could not get 70 people safely in a room to make those decisions.”

Kempson feels however that the experience may paradoxically result in the strengthening of participatory democratic practices at the Coop: “We all got through that and it worked and it was useful, so it might sort of embed the further devolution in the sociocratic restructuring process a little bit”. Relatedly, she expresses that “social justice-wise” the pandemic has necessitated a “push towards mutual aid and people supporting each other in the community, and that’s had an impact on what we’ve been doing, what we’ve been funding, and how we’ve been working”.

External political and economic developments surrounding Britain’s exit from the European Union in 2020 similarly required adaptation. A project group was established as the Brexit circle, involving “people from different trading teams just monitoring the impacts and sharing information with the [wider] membership”. As Kempson elaborates:

“Brexit is going to be a huge challenge for Unicorn . . . Hopefully [pay rises] will continue, but there’s no doubt [that] because our model is [based upon] direct trade with European suppliers, we might feel a huge hit now [that] things are shifting in such an unfortunate direction. . . . There’s certainly going to be potentially quite noticeable increases in prices on the shelf, which is something that we’re very aware of because we’re trying to serve our whole community, not just those who can afford to buy more expensive goods. Our offer has always been [about] creating opportunities for food access at prices below the multiples – below the main supermarkets – [and] at much higher quality. . . . But we’ve always managed [to overcome challenges in the past].”

In an attempt to counteract external competitive and regulatory (in the broadest sense) pressures that threaten to impose cooperative degeneration, Unicorn is engaged in various forms of movement-oriented cooperation amongst cooperatives.⁵⁸ She explains as follows:

Unicorn is engaged in various forms of movement-oriented cooperation amongst cooperatives.

“We’ve been members of Co-operatives UK for forever and . . . we do quite a lot with Co-operative College around education [and] training.⁵⁹ We trade with Suma; we trade with Essential; we trade with other coops in the UK; and then internationally as well . . . lots of producer coops [provide] fair trade lines [etc.] in the shop. We’re part of the Solid Fund, the worker coop solidarity fund.⁶⁰ . . . Our HR team is part of a cooperative HR network, and they work quite closely with Suma actually for skill and knowledge sharing around best practice. . . . We are pretty keyed into the movement such as it is in the UK; not so much internationally necessarily, although I’m a working member of Sociocracy for All.”⁶¹

The Coop is also integrated with activist projects around “food justice and food sovereignty . . . [and related organizations] like the Land Workers’ Alliance and various other movements”.⁶²

Kempson reflects on the reasons for these external relationships:

“I think a lot of worker coops – and Unicorn’s again not immune to this – do tend to be really insular and inward looking and all about themselves; but because of our funding streams as much as anything [e.g. the Coop’s social and environmental purpose], we do look outwards quite a bit and it connects us into bigger movements . . . [In the] early days, Unicorn had probably [a] much higher percentage of members who were activists in different ways and . . . perhaps quite considerably less so now, maybe because more of us are older [laughs], we haven’t got the time anymore.”

It is likely, however, that wider political-cultural processes of depoliticization over recent decades have also had an impact.⁶³ A related phenomenon concerns pressures for cooperatives to professionalize, partly also in response to some prominent national and international examples of coop governance failure in recent years. This sees explicit calls for independent expert representation on cooperative boards and/or advisory panels.⁶⁴ Yet Kempson feels that such external influence is a betrayal of the cooperative ideal:

“People [within the] sociocracy world often say, ‘Oh what you really need is [to] invite external people on to the Board to help run Unicorn’. No, it’s completely the opposite; it’s the antithesis of what we are as a worker coop [since] we rely on our members being active citizens and involved in our communities, and bringing those external connections in through their work and their [interests].”

As to whether expertise has ever presented an issue for the Coop, she replies that it has not. She explains that,

“We’ve invested heavily in training people . . . in accountancy [etc.] . . . Wherever we need specialist skills we’ve invested in our members to get them. . . . As well as that . . . obviously we have a firm of accountants that do the legally required oversight of our annual returns and we’ve got the HR expert network and we’ve got various supports through Co-ops UK [ensuring that we have] access to specialist advice.”

In particular, regarding impending economic challenges facing Unicorn, Kempson comments that “a couple of members [have] done loads of training this year in all the Brexit hoops to jump through, the import license [etc.]. Unicorn actively supports members to access “relevant courses [externally to] get the expertise [internally] . . . It’s part of the satisfaction of being in a worker coop really, that you get a chance to be trained up [in specialized areas]”.

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The experience of the coronavirus pandemic for frontline workers has also underscored a resurgence of labour activism in response to the widespread precarious employment and austerity cutbacks of recent times. Unionized worker cooperatives have increasingly come onto the agenda as an alternative model of work.⁶⁵ Asked whether Unicorn is unionized, Kempson replies that they are not, and that the view has been that there should be no need for a union in a democratic and participatory worker cooperative. But this is no longer her own position:

“I actually think the union model offers something really important [to] the worker coop model, because everything’s fine whilst it’s fine, but if members have an issue . . . around their employment contracts or any kind of difficulties as employees, they

don't have a formal way of dealing with that in our structure. I mean, informally they do, because there's a lot of support and the personnel team work really hard to support everyone. . . but if you do have a dispute, you're kind of high and dry. So, I think there's a real space for unions to [fill that void within worker coops].”

The logic is perhaps most apparent in the case of non-member coop workers; however, Unicorn were “down to very few casual workers [a handful by early 2021] . . . With social distancing, numbers through the door massively dropped [so] we just didn't need the extra staffing”.

Conclusion

Unicorn Grocery looks to the future with confidence and pride in what the Cooperative has achieved to date. Against all odds, Unicorn has succeeded as an economic entity and even grown to rival corporate supermarkets. But the flat-structured worker coop does business differently: its workers are collectively its members and directors, and govern as one through cooperative dialogue and consensual decision-making processes. Education, “family”, trust and transparency form the bedrock of sociocratic network governance at Unicorn. While the Coop faces into uncertain terrain, it can take refuge in the social and ecological bonds cultivated within the organization and the wider community. A global financial crisis in 2008. A global pandemic and the Brexit fallout in 2020. Yet still this inspiring example of democratic and participatory worker cooperation stands tall, united, and ready for any challenges that await.

¹ <https://www.unicorn-grocery.coop/our-co-op/>

² Abbie Kempson, personal communication, June 5, 2021.

³ For a chronological history of Unicorn’s development, see <https://www.unicorn-grocery.coop/our-co-op/our-history/>

⁴ <https://www.unicorn-grocery.coop/our-co-op/>

⁵ Ibid.

⁶ “[The Panel] is led and facilitated by Co-operatives UK and made up of experts with proven experience in governance leadership and/or innovation”. See <https://www.uk.coop/about-us/our-governance/member-groups/co-operative-governance-expert-reference-panel>

⁷ Interview with Abbie Kempson, February 10, 2021. Statements and quotations attributed to Kempson throughout draw on this source, unless otherwise specified.

⁸ See <https://www.solidarityeconomy.coop/2018/08/working-together-project-success> and <http://bobcannell.blogspot.com/2018/03/some-reasons-why-1970s-wave-of-uk.html>

⁹ Kempson notes in passing that “there’s not enough cooperation between coops in Ireland and England”.

¹⁰ McMahon, C., & Novkovic, S. (2021). Case Study: Suma. *International Centre for Cooperative Management Working Paper and Case Study Series* 01/2021. https://www.smu.ca/webfiles/Suma_casestudy_FINAL_C_Mar4.pdf Unicorn has a “production room” where worker-members process and “pack down a lot of bulk commodities from Suma”. This was incorporated early on to offer “secure employment” and “pass on savings” to the worker-members, Kempson explains.

¹¹ This implies the consent of all worker-members party to a coop governance decision, if not always necessarily consensus. See Buck, J., & Villines, S. (2017). *We the People: Consenting to a Deeper Democracy*. Washington, DC: Sociocracy.info; and <https://www.sociocracyforall.org/co-operative-sociocracy/>

¹² <https://www.unicorn-grocery.coop/our-co-op/our-values/>

¹³ Kempson notes that: “It kind of surprised me when I first got involved in the wider worker coop movement just how much more Unicorn does [in terms of living the coop ethos] than many other coops that I’ve [encountered]”.

¹⁴ These draw on and supplement the standard list of cooperative principles and values codified by the International Cooperative Alliance (ICA). See <https://www.ica.coop/en/cooperatives/cooperative-identity>

¹⁵ “The ability to carry out a minimum of 20 hours useful work per week entitles a worker to apply for membership”. <https://www.unicorn-grocery.coop/our-co-op/our-values/>

¹⁶ “We strive to sell products of organic standard and maximum nutritional value whenever we can find or generate a market. Provision of educational materials help in this aim” (ibid.). See also <https://www.unicorn-grocery.coop/our-produce/how-we-source/>

¹⁷ “We trade in products which produce minimum impact on the environment and we make decisions about our packaging with this also in mind”. <https://www.unicorn-grocery.coop/our-co-op/our-values/>

¹⁸ Ibid.

¹⁹ She elaborates as follows: “[37.5 percent has] been the average, but up to 50 percent of our net profit every year [goes] to help build this movement and [to] show solidarity with people who are often in the front lines . . . We’ve funded environmental activists in different parts of the world; we’ve supported all sorts of radical community projects”. See <https://www.unicorn-grocery.coop/our-co-op/our-values/>

²⁰ Kempson states that: “We’re not at Suma levels [of pay] and we’re quite far off that . . . [but] we’ve managed to [implement] pay rises for quite a few years, just a little bit above inflation so [that] everyone’s continuing to feel like it is a . . . secure employment [and a] decently paid job”. On intrinsic and extrinsic motivations within cooperative pay structures, see Novkovic, S. & Miner, K. (2019). Compensation in co-operatives: values based philosophies. *International Centre for Cooperative Management Working Paper and Case Study Series* 01/2019. Retrieved from <https://www.smu.ca/webfiles/ICCMWorkingPaper19-01.pdf>

²¹ <https://www.unicorn-grocery.coop/our-co-op/our-values/>

²² Ibid.

²³ Often these are students, though sometimes also retired people or single parents etc. “Casual work does actually suit some people”, notes Kempson.

²⁴ For example, Kempson relays that: “We’ve got a customer care team who monitor the customer emails . . . [and] our social media . . . We’re lucky to be well loved and have a very loyal lovely customer base”.

²⁵ <https://www.unicorn-grocery.coop/our-co-op/our-news/>

²⁶ Interview with Abbie Kempson, February 10, 2021; and Kempson, personal communication, June 5, 2021.

²⁷ Abbie Kempson, personal communication, June 5, 6, and 12, 2021.

²⁸ The latter is a time-limited “project circle” – i.e. it functions as an ad hoc policy committee “formed according to need, [and] disbanded when their work is completed”. Other project circles in 2021 are concerned with Packaging and with Land. They sometimes overlap or link to multiple governance bodies (Abbie Kempson, personal communication, June 5 and 12, 2021).

²⁹ Abbie Kempson, personal communication, June 6 and 12, 2021.

³⁰ Ibid. As Kempson clarifies further regarding the selections process: “We’re using a form of network governance that connects circles more organically by identifying coop members who already have a connection between our smaller circles (and [we] then seek consent to formalize that relationship); and where that isn’t the case, then circles select someone to attend a linked circle using the Sociocratic selections process”. On the “circular hierarchy” of double linking, see <https://www.sociocracyforall.org/organizational-structure-in-sociocracy/>

³¹ Abbie Kempson, personal communication, June 5, 2021.

³² <https://www.gov.uk/government/publications/cycle-to-work-scheme-implementation-guidance>

³³ The coronavirus pandemic has likely disrupted usual patterns of working time, however, even if only temporarily (Abbie Kempson, personal communication, June 5, 2021).

³⁴ Ibid. For a breakdown of Unicorn’s solidarity funds (1&4%), see <https://www.unicorn-grocery.coop/our-co-op/our-values/>

³⁵ <https://www.thenews.coop/153978/sector/retail/extention-and-refurb-at-unicorn-grocery/>

³⁶ This is a simplified representation of Unicorn’s complex governance system. The Coop’s organizational network map adds a third dimension and visualizes individual trading circles and project circles, such as the Brexit, Packaging, and Land projects, which overlap or link to various elements of this simplified representation (Abbie Kempson, personal communication, June 12, 2021).

³⁷ Abbie Kempson, personal communication, June 5, 2021.

³⁸ The term of service at Unicorn is usually between six months and one year. See also <https://www.sociocracyforall.org/selection-process/>

³⁹ See Cannell, B. (2010). Break free from our systems prison: Implications of complex responsive process management thinking. Paper presented at the UKSCS Conference, Wales. Retrieved from: [https://www.academia.edu/36658111/Break Free from Our Systems Prison](https://www.academia.edu/36658111/Break_Free_from_Our_Systems_Prison). On the importance of healthy member reproduction (i.e. recruitment, onboarding, development, turnover) within worker coops, see also Stryjan, Y. (1994). Understanding cooperatives: The reproduction perspective. *Annals of Public and Cooperative Economics*, 65(1), 59-80.

⁴⁰ For an example of effective participatory governance within, across, and between geographically dispersed cooperatives, see Lund, M. (2021). Case Study: Arctic Co-operatives Limited. *International Centre for Co-operative Management Working Paper and Case Study Series* 02/2021. Retrieved from <https://www.smu.ca/webfiles/ArcticCooperativesCaseStudyMay2021.pdf>

⁴¹ See Cornforth, C. (1995). Patterns of cooperative management: Beyond the degeneration thesis. *Economic and Industrial Democracy*, 16(4), 487-523.

⁴² The following account draws upon Kempson, A. (June 2015). ‘Structure Review’. Internal Draft Document.

⁴³ Ibid. This model was adopted from Roger Sawtell’s *Blueprint for 50 Co-ops* (1985).

⁴⁴ Kempson (2015).

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Bob Cannell, personal communication, November 22, 2019. See also McMahon & Novkovic (2021).

⁴⁹ Kempson (2015).

⁵⁰ Abbie Kempson, personal communication, June 5, 2021. See Turnbull, S. (August 2002). *A New Way to Govern: Organisations and society after Enron*. New Economics Foundation (NEF). Retrieved from <https://neweconomics.org/2002/08/new-way-govern>

⁵¹ Abbie Kempson, personal communication, June 5, 2021.

⁵² Ibid.

⁵³ <https://www.thenews.coop/142498/sector/credit-unions/us-credit-unions-to-include-diversity-as-the-eighth-co-operative-principle/>

⁵⁴ Kempson confirms that: “We elect each year the chair and the co-chair for facilitating our general [members’] meetings; we have a treasurer and a co-treasurer, and we have a secretary and a co-secretary. So, of those six, four are women [in 2021 and] two are men.”

⁵⁵ Initiatives were organized through the Solidarity Economy Association. <https://www.solidarityeconomy.coop/>

⁵⁶ “The roof is also home to a 3.2KW solar thermal array contributing to our building’s hot water requirements. Top quality insulation and windows minimise heat loss, while a separate set of solar PV panels decrease electricity use. Between September 2016 and September 2017 we generated 8316 KWh!” <https://www.unicorn-grocery.coop/our-co-op/our-values/>

⁵⁷ Abbie Kempson, personal communication, June 5, 2021.

⁵⁸ Bager, T. (1994). Isomorphic processes and the transformation of cooperatives. *Annals of Public and Cooperative Economics*, 65(1), 35-59; and Sacchetti, S., & Tortia, E. (2016). The extended governance of cooperative firms: inter-firm coordination and consistency of values. *Annals of Public and Cooperative Economics*, 87(1), 93-116.

⁵⁹ <https://www.uk.coop/> and <https://www.co-op.ac.uk/>

⁶⁰ <https://www.suma.coop/> and <https://www.essential-trading.co.uk/> and <https://solidfund.coop/> “Every member at Unicorn . . . pays a pound per member per week . . . and Suma does the same . . . [So we make] quite [a] substantial donation to the Solid Fund collectively”, Kempson clarifies.

⁶¹ <https://www.sociocracyforall.org/>

⁶² <https://landworkersalliance.org.uk/>

⁶³ Costa Vieira, T. D., & Foster, E. A. (2021). The elimination of political demands: Ordoliberalism, the big society and the depoliticization of co-operatives. *Competition & Change*, 10245294211003292. Retrieved from <https://journals.sagepub.com/doi/full/10.1177/10245294211003292>

⁶⁴ See Birchall, J. (2017). *The governance of large co-operative businesses*. Co-operatives UK. Retrieved from <https://www.uk.coop/resources/governance-large-co-operative-businesses-0>; and Basterretxea, I., Cornforth, C., & Heras-Saizarbitoria, I. (2020). Corporate governance as a key aspect in the failure of worker cooperatives. *Economic and Industrial Democracy*, 1-24. Advance online publication. <https://doi.org/10.1177/0143831X19899474>

⁶⁵ Co-operatives College (2020). *Union Co-op Solutions: A Manifesto*. Retrieved from <https://www.co-op.ac.uk/event/union-co-op-solutions-a-manifesto>