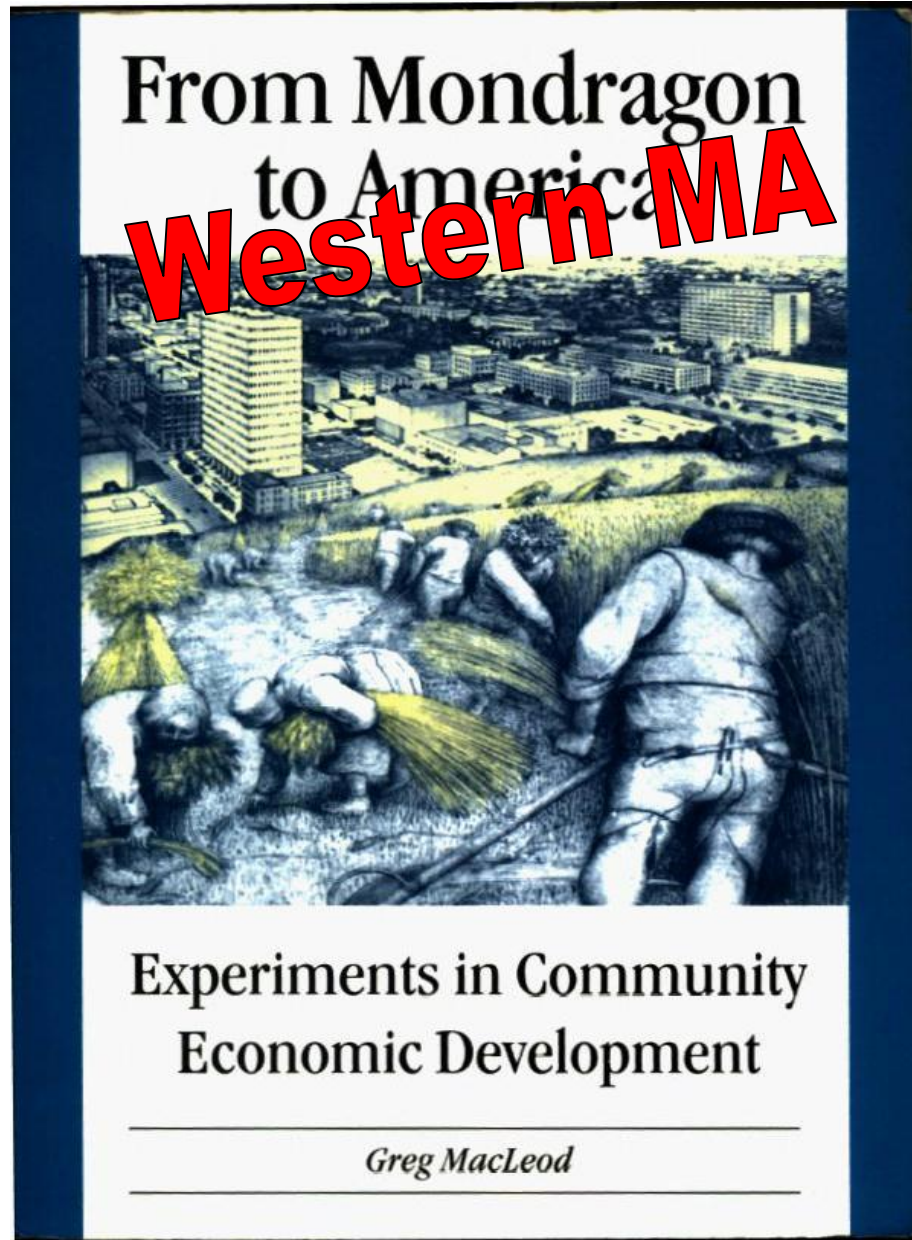
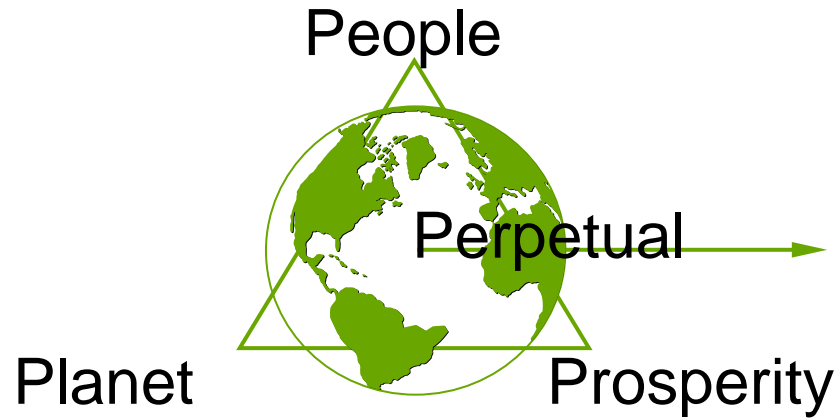


November 2006

A Discussion with Alden B. Davis





- Have we been brought together for a purpose?
- Do you believe there is a compelling reason to want to do something different?
- Do you believe you have an accountability in evolving Western MA's economy?
- Do you feel compelled to enable a balanced society?
- Are you open to exploring next steps?

## Purpose:

- Explore the possibility of a new social-economic model for Western MA based on the employee-owned cooperative of Mondragon, Spain
- Cultivate entrepreneurs and create independence from MNC's
- Rival Mondragon's performance and make our GDP self-sufficient, self-sustaining and self-deterministic

## Products:

1. Insight into what another community has achieved
2. Enthusiasm about possibilities
3. Discernment. "Am I the one?" Do I play a leadership role in evolving Western MA's economy
4. Recognition of the vision community (master mind) required
5. Conviction to learn more by taking a study trip to Mondragon, Spain in Q1, 2007.

## Agenda:

1. Why this, why now?
2. Introduction to Mondragon
3. Observations on Western MA
4. A consortium response?
5. The philosophical drive
6. A possible path forward
7. Are we the ones?



## **Introduction to Mondragon**

- A powerful 50 year vision which won a United Nations Exemplary Community Award.
- Located in the gorgeous Basque region of Spain
- Mondragon is home to 264 businesses (180 employee-owned cooperatives), involving 78,000 people with annual sales over \$11B Euro.
- Twice as profitable as the average Spanish corporation with productivity levels without equal.
- One community's approach to sustainable development for multiple generations by focusing on relational cooperatives dedicated to the common good.
- Business model designed to create wealth for the people of an area, not to generate wealth for a small group of owners outside the area.
- A new social order able to survive in the current world order
- Entrepreneurial incubator designed to increase the probability of start-up success...avoid bankruptcy through expert counsel and guidance
- It is the Habitat for Humanity of the business world
- It is a philosophy

# The Economic Engine

Continuously equipping people with leadership & entrepreneurial behaviors and vision

drives

Continuously enriching & maturing The Cooperative

drives

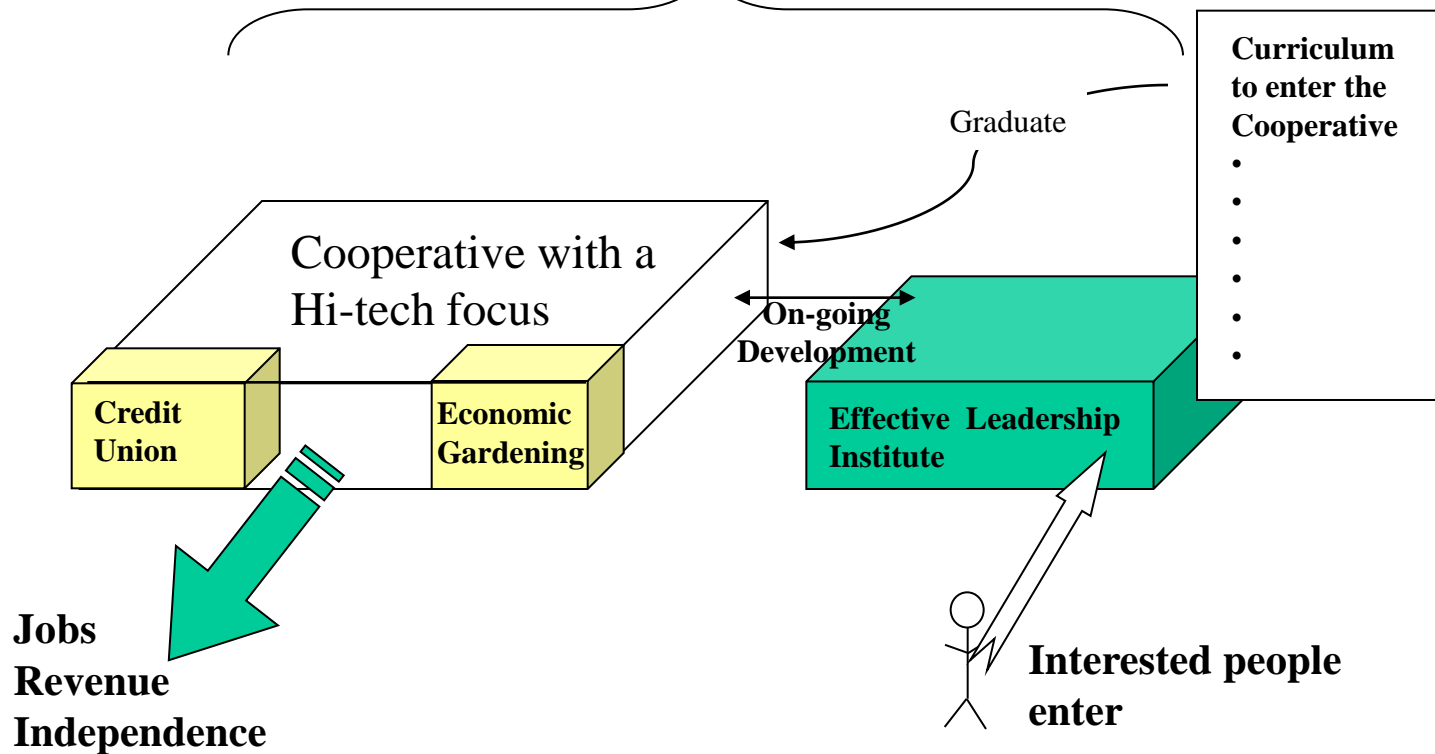
Continuously growing jobs, revenue and independence

drives

drives

## Vision Community:

People who will work with me bringing this to life



## **Key tenets of the Mondragon cooperative:**

1. This is about reforming society...and using the corporation as the first step in the reformation. The basic building block of society shifts from the family to the corporation.
2. Worker owned businesses are designed to create sustainable communities
3. Institutions normally divided and in competition work in collaboration
4. Democratic decision making, profit-sharing and community responsibility
5. Democratically structured enterprises can be technically sophisticated and highly efficient.
6. All workers invest in the cooperative; normally an initial contribution of one year's wages, which can be financed through the bank.
7. Create a nice livelihood for people through their retirement years.
8. The working culture is one of collaboration and consensus not labor-management conflict.
9. Work is a collective. Each individual depends on others to perform the act of work...we are interdependent.
10. My work serves a personal good and a social good
11. External control of capital creates jeopardy for a region
12. As a group, businesses are much stronger in the commercial world than each individual business would be on its own.
13. We serve a common purpose and a common good. The goal is for a group of people to generate wealth, not one individual. I succeed when you succeed.
14. 10 guiding principles: Open admission, democratic organization, sovereignty of labor, instrumental character of capital, self-management, pay solidarity, group cooperation, social transformation, universal nature, and education.

