

Worker Owned Restaurant Promotes Healthy Entrees and Entrepreneurs

Karen Thomas

The cooperative La Casa Nueva Restaurant and Cantina in Athens has expanded on its own success to become a catalyst for economic growth in southeast Ohio. “We buy 85% of our supplies from local producers to improve the economy of our community,” said Casa’s Board President Josh Brown. Casa also actively supports a production and marketing network of over 40 regional food producers (see ACENet story).

Casa is owned and managed by its 25 current members, each with an equity investment and a commitment to promote good, healthy food and a healthy local economy. Last October, the members and 25 part-time associates celebrated 17 years of profitable operations.



The owners of Casa Nueva pose in front of the restaurant.

Casa buys local

“We could buy our jalapenos cheaper from California or Mexico through larger distributors,” explained Brown, “but instead we work with local farmers, who produced a bumper crop of 3,000 pounds of organically-grown peppers for us this year. Our Cantina offers an all-Ohio tap of microbrewery beers.”

Bill Shores, owner of Green Edge Gardens in Amesville, supplies Casa with vegetables and greens. “I have been an organic grower for the past six years and customers like Casa make it possible. Casa represents 25% of my business and is great to work with.”

“We base our seasonal menus on what local organic farmers can provide,” explained food buyer and 12-year member Mike ‘Da Knife’ McNieff, who with other members of Casa’s Culinary Development Committee generates ideas and tests new recipes.

The Autumn Seasonal Menu featured roasted red peppers, corn, dried tomatoes, local apples and fall greens in various entrees and salads. The new Paw Paw Flan dessert features a locally harvested native fruit supplied by paw paw puree pioneer Chris Chmiel of Integration Acres. Breads and tortillas are baked from scratch daily.

Rob O’Neil, The Bounty Hunter for Casa, gathers and prepares local produce. He bottles salsa, jam and dressings, pickled peppers and asparagus, and freezes blueberries and other seasonal produce.

“We strive for a balance between good food and costs. We serve high-quality organic food at

affordable prices because we work with multiple producers for long-term guarantees of volume, and we ask them for reasonable price,” explained Leslie Schaller, one of eight Casa founders and current Business Director.

Community involvement

“Our members share a sense of place in this community,” explained Schaller, “and they want to make a difference. We helped write Ohio’s newest cooperative business law, and we host forums on political and educational issues. The Athens News voted Casa ‘Best restaurant with some kind of conscience’ for the past eight years.

“When new corporate restaurants opened here in 1999, we organized locally-owned restaurants into the Athens Independent Restaurant Association which formed in November 2001. We pool marketing efforts and purchasing to promote our common survival.”

From turnaround to trendsetter

Casa Nueva opened for business as a worker-owned cooperative in 1985, when the much-indebted owner of Casa Que Pasa, a local Mexican restaurant, skipped town. As then-manager Schaller recalled, “A group of us [employees] ran the business until the bailiff showed up. Then we incorporated as a cooperative within a C corporation.

“Each founder put up \$1,000 and bought the assets out of receivership. We got local bank loans for working capital. We showed a profit in the first year and enjoyed double digit growth for the next decade,” said Nancie Buerkel, Casa’s financial coordinator and a member since 1989. “Today we make \$1 million plus in annual sales.”

Today Athens has four times as many food service venues as it did 17 years ago when Casa opened. How does Casa survive?

“We stay on the forward side of the trend curve,” explained Schaller. “Cooperative businesses are getting trendy again because of the struggling economy and the poor example of Enron. There is no better reason to work in a worker-owned business.” Schaller hopes this type of business takes over the world.

Self-management is core business practice

“Our employee-members have a stake and they build flexibility and resilience into this business,” says Schaller. Members have many responsibilities. Ten members work as part-time coordinators in food preparation, service, finance, bar, marketing, systems, and HR. None are trained chefs, though each shift has a head cook who prepares the daily specials.

Members make an initial owner investment of \$1200 through payroll deduction for a two-year commitment. They earn yearly profit dividends and a return on their investment over time. When they leave they can take additional earnings as a 5-year payout or a ‘donate-half-and-get-half-now’ arrangement.

“Member accountability is a key issue for cooperatives,” said Buerkel. “We use committees, teams, and ad hoc meetings for decision making in an experimental, learning approach. We discuss policy at bi-monthly all-member meetings on unpaid time, and we make decisions by simple majority voting.

“We get antsy and sometimes step on others’ toes, so meeting facilitation is important to us. We train ourselves to use agendas and egg timers to manage our meetings.”

Seven members are elected to the board each year. They earn an additional 25 cents per hour. Members often vote for persons who will gain new skills through board service.

Open books and shared profits

All financial information is open, so everyone sees the direct consequences of decisions. New members get ten hours of training on business financials and the internal capital accounts that track members’ investments in the cooperative. At year’s end, 40% of profit is retained and 60% is distributed to members through a patronage dividend.

One 6-year member described her work as finance coordinator, “I was a theater major and didn’t

understand financials but was psyched about ownership and wanted to get everyone else psyched too. I treated us like we were in first grade. I showed the relationship of shift scheduling to costs and used lots of simple examples. I used lots of graphs and pie charts, and posted the financials on our freezer. I made the numbers fun.”

Casa’s business plans, sales records, financial goals and accomplishments are posted on the doors of stainless steel kitchen coolers named Dopey and Sneezzy where members sign up for their weekly 40-hour shifts. All are required to work on weekends.

Shared Gains and Pains

Members and associates earn between \$7 and \$10 per hour, including a tenure differential based on hours worked. Tips are pooled across all shifts and jobs. “In slow times we all make a living wage, where in other restaurants you get a lay-off. Tip-sharing helps us work better as a group,” said Nicole Icker, a recent OU grad in food service management.

Group benefits include health insurance, a dental plan, and paid personal time as well as one free meal per shift and off-duty meals at half-price. A retirement plan is in the works so members can look at Casa as a career.

Hiring Team members look for people with enthusiasm about a different job environment and positive energy. New employees have a 6-month trial period training in as many different jobs as possible, starting on the floor and working back into the kitchen.

Training entrepreneurs and leaders

Casa has also hatched entrepreneurs and spin-off businesses.

Former member Christine Hughes, 33, opened The Village Bakery Café in Athens one year ago and still can’t believe that she already owns a business with four employees. “It all started one day five years ago when I heard about Casa on NPR and liked the idea of cooperatives.

“I moved here and got involved with Casa. Baking became my focus and I worked with others to develop Casa’s bread recipes. Now Casa features me on their menu for some of their seasonal and special breads. I made Roasted Tomato and Rosemary Flatbread for Casa’s Open Face Autumn Sandwich.

“Being a member was so much responsibility but I got a feel for all aspects of business. I worked as a coordinator, went to board meetings, worked on the P&L, figured out our costs, and improved my skills in communicating effectively in a small group. I had to be completely responsible for my vote, especially when I was the one person blocking a new system or policy. The Casa experience gave me confidence and experience.”

Casa teaches business skills in a low risk environment, explained Schaller. Each member has to deal with twenty or more other members in a professional setting and come to good decisions.

Student member Greg Lyle waits tables, tends bar, and puts together the income statement and balance sheets. In his role as Finance Coordinator he also educates members on finances.

Does a cooperative restaurant make sense?

After managing a corporate restaurant, board VP and Treasurer Nicole Icker found it “a tough transition” to Casa.

“It’s obvious that corporations are successful,” said Icker. “They run the world. But cooperatives change the way you think. I find myself thinking the Casa way now and it amazes me. Casa puts the human side into business. It’s not what I’m used to, but it makes sense here.”

“Restaurants are ideally suited to be cooperatives,” added Brown. “We offer a unique and inviting environment with good affordable food, good music, and great service. We have art shows. It’s an upbeat place. We show appreciation for our customers.”

Turnover is very low at Casa. Only 1 or 2 members leave each year and the median length of members’ employment is 5 years, compared to six months in a typical Athens restaurant. “Casa has been fortunate because 35% of our coordinators have been here five or more years, and half have been

here over 12 years,” said Schaller.

“The cooperative structure does make running a restaurant more challenging,” explained Matt Marenberg, Marketing Coordinator. “Sometimes there is tension between the amount of energy it takes to run a restaurant and the amount of energy it takes to maintain a cooperative.”

“Size has been an obstacle for us as a cooperative. Fifty employee-members trying to make decisions together is difficult. We can’t always keep track of everything that’s going on,” said Heath Stevens, the Front of the House Coordinator. Growth has also increased the number of nonmembers working in the cooperative. Only 40% of the current employees are owners.

But “after 17 years we are still growing,” said Icker. “Growth is difficult, but with so many minds at work in a cooperative the sharing of ideas is phenomenal. We experiment when we have new situations. We take a lot of pride in this business, and that’s completely what it is. People, for the most part, take pride in working here because you own a part of the business.” Check out <http://www.casanueva.com/> for updates on Casa’s menu, entertainment, and specialty foods.