

The Watershed Nursery empowers workers through cooperative transition

Working with California Office of the Small Business Advocate (CalOSBA) partner Project Equity, the Watershed Nursery transitioned into a cooperative with a collaborative management structure ensuring that all workers, regardless of the language they speak, were actively engaged in the process. As a result, these workers became even more invested in their roles and the success of the business.

Richmond, CA - Since 2001, [Watershed Nursery](#) has provided quality native plant material and restoration services throughout the San Francisco Bay region.

When the co-owners of this nursery began exploring different succession plans, they decided to take a different approach.

Becoming a Cooperative

Founders and owners Diana Benner and Laura Hanson determined that a [worker cooperative](#) would align most with their mission. Also known as worker coops, worker cooperatives are company-owned and controlled by the people who work there. This idea had been churning in their minds for a while.

"In the early days, we talked about the importance and the priority to us of taking care of the people on our team as well as the plants and the environment," Diana explained.

Technical Assistance for California Small Businesses

Watershed Nursery received comprehensive support throughout their transition process as part of Project Equity's technical assistance program. Funded by CalOSBA, this service ensures that California small businesses have access to expert guidance when exploring and implementing employee ownership options.

The technical assistance for Watershed Nursery included:

- **Feasibility Assessment:** A formal [feasibility study](#) to determine if Watershed Nursery would be a good fit for cooperative ownership, analyzing financial viability, employee readiness, and operational considerations
- **Employee Engagement:** Structured conversations with all employees to gauge interest, explain the cooperative model, and address questions and concerns
- **Transition Planning:** Step-by-step guidance through the [transition process](#), including legal structure changes, governance design, and ownership transfer mechanisms

- **Bilingual Support Services:** Comprehensive language services to ensure equitable participation for all employees
- **Post-Conversion Support:** Ongoing assistance through Project Equity's [Thrive program](#) for sustained success

Service Highlight: Ensuring Equitable Participation Through Bilingual Services

Watershed Nursery employs several Spanish speakers. To ensure their workers fully understood every part of the process—from the initial discussions with employees about becoming a cooperative to what being a coop entails—Watershed's owners and Project Equity went beyond just translation services.

Bilingual services were funded through Project Equity's [Employee Ownership Catalyst Fund](#). This included bilingual materials, simultaneous interpretation during meetings and translation of key documents. All slides shown were in both Spanish and English simultaneously.

Any time something was said in English, a Spanish interpreter familiar with worker rights and employee ownership would interpret for them. This ensured that both English and Spanish were treated equally, reflecting how Watershed Nursery treats their employees. The services centered on equitable participation and power-sharing.

In addition, Laura Flores, the senior client services manager from Project Equity who's working with Watershed Nursery, is bilingual in Spanish and English as well—skills she has utilized during the transition and afterwards.

"Throughout the process [the Watershed owners] prioritized a mindful conversion process that engaged all their workers, including providing translation services for their Spanish-speaking workers," Laura Flores said. "This approach will not only ensure that the mission will continue beyond the tenure of the selling owners, it also ensures all the workers can equitably access the benefits of employee-ownership."

"What we do here is very much a team effort, and there's no way we could do what we do without every member of the team contributing their part that they do," Diana explained. "A lot of our members speak Spanish as their first language. They've been instrumental in developing our systems and our methods and our approach to producing healthy plants. We wouldn't have made it here without all the people who have been involved. And so we wanted all of everybody who's part of that team to be able to be equally involved in the process of transitioning and becoming owners of what they help make."

Watershed Nursery: Now a Worker-Owned Cooperative

Watershed Nursery's employees are now worker-owners. The coop is managed by a Board of Directors elected by the employees and made up of employees. The transition resulted in a collaborative management structure rather than a single CEO or general manager.

Diana retains operational roles, but ownership and financial oversight are shared among the Board of Directors and the management team. This decision reflected the owners' values and desire for a less hierarchical structure.

Now, Watershed Nursery is enrolled in Project Equity's Thrive program, which consists of post-transition services including leadership, training and management, and the staff looks forward to continuing to operate as a cooperative and reaping the many benefits of being one including the opportunity to earn profit-sharing, tax benefits and a small equity buy-in.

"I love the collaborative process. I love the input from having many heads and hearts involved in the decision-making process and just being able to get to the tweak of a new perspective on a problem, new insight, something that you've been looking at for years and you can't get outside of it," Diana shared. "I appreciate having that teamwork and partnership and navigating all of that. So far, it's feeling great."



Diana Benner, Founder / Project Supervisor / Board Member (Left) and Laura Flores, Senior Client Services Manager (Right)

Employee Owner Voices

Edwin Ruiz



Plant Production Associate and Member of Board of Directors

"As a member of a cooperative itself, I think the process was very enriching for everyone and especially for me because I was able to develop the vision of being able to think more about the common good and not so much for personal gain."

Stephanie Kyne Madrigali



Inventory Manager and Member of Board of Directors

"I'm interested in the future of our coop. I'm interested in all members or all employee-owners [having] the opportunity to be part of the process. I think that's really exciting to me, to have a collaboration of ideas instead of more of the owner and employee dynamic. So, I'm excited to have more of a collaborative dynamic with decision-making."

About This Partnership

CalOSBA partners with Project Equity to provide technical assistance to California businesses exploring employee ownership transitions. This collaboration ensures that small businesses have access to expert guidance, reducing barriers to employee ownership and supporting economic development throughout the state.

The Value of Technical Assistance

Comprehensive technical assistance from Project Equity includes:

Financial Planning & Structure: Expert guidance on valuation, financing options, and sustainable ownership transfer methods that preserved the business's financial health while enabling employee ownership.

Legal Framework: Professional support navigating the complex legal requirements for cooperative formation, ensuring compliance with California regulations and optimal tax treatment.

Governance Design: Customized governance structures that balanced democratic decision-making with operational efficiency, including board composition and voting procedures.

Cultural Integration: Facilitation services that helped merge cooperative principles with existing company culture, maintaining productivity during the transition.

Risk Mitigation: Proactive identification and resolution of potential challenges, from employee concerns to operational disruptions.

For more about employee ownership options and support, contact Project Equity:
<https://project-equity.org>

For more about small business support services throughout California, visit CalOSBA:
www.calosba.ca.gov