"I love saying to people that this seems like an impossible business model, but it works, and it works very well." – Charlie (Longtime Cheese Board Member)

**Overview:** When creating a restaurant, most people implement a business model that leads to financial success. This model includes offering a wide range of menu options, understanding how to beat the competition, growing a customer base, and developing marketing strategies (Maverick). It is also just as important to organize the finances and manage the staff in a way that maximizes profits. However, what happens when these resources are organized in a completely different manner? The outcome can be seen in the successes of the worker-owned co-op, the Cheese Board Collective. They have turned the traditional restaurant business model upside down and re-organized its resources in a way that places the highest importance on the treatment of their employees and on the happiness of their clients. The results of this new organizing system can also be tasted in the quality of their food and seen in their employee and customer retention. On a more granular level, this new model also influences their pizza selection and availability, hours of operation, and cost in a way that is uncharacteristic of more traditionally operated restaurants.

**What is being organized?**

Some of the most challenging organizing problems within the restaurant domain begin with selecting the resources that will serve as the driving forces behind its business model. Additionally, correctly selecting the guiding principles which will shape the restaurant’s culture also proves to be one of the toughest and most critical organizing systems to get right. The Cheese Board recognized the importance of these resources and chose to organize their core values around people and their commitment to good food, not just finances. As a result, they re-arranged resources from existing restaurant resource collections into their own, unique organizing system. At the core of their system lives their mission: to provide high-quality and affordable food to their customers while providing their employees with the opportunity to achieve a work/life balance. With these principles fixed in their belief system, the Cheese Board then organized individual resources like business operations, employee treatment and benefit options, finances, menu selection, restaurant hours of operation, and pizza cost in alignment with these values. These resources remain fixed within the system and therefore, follow a predictable and routine life cycle.
A Traditional Restaurant & Business Model

Why is it being organized?

The Cheese Board re-evaluated traditional methods of restaurant organization in order to provide their staff and clients with an exceptional and a unique experience. In a time when a majority of the restaurant industry is driven by financial gain, the Cheese Board is instead motivated by their personal goals of creating and serving high-quality food while also remaining faithful to their political vision. Many of their employees have a much higher earning potential but prefer to dedicate their talents to creating delicious pizzas. This re-arranged organizing system seeks to establish a new social norm where high-quality food is accessible, affordable, and produced in a way that is respectful of and does not overtax their staff.

How much is it being organized?

Turning a traditional business model completely upside down only to build it back up again requires a critical attention to detail. The Cheese Board chose to rebuild this system using their core values as their organizing guide. These beliefs were organized in a way that would influence each part of the business at the most granular level, with each piece, no matter how small, reflecting their principles. To start, they re-organized the employee-relational structure by removing any sort of hierarchy, management, or seniority. Instead, they employ an egalitarian system, thereby enabling employees to work in an environment where everyone has equal rights and access to the same opportunities. Additionally, regardless of one’s tenure or level of experience, pay is equalized for all workers. They each receive an hourly wage based on the
restaurant’s profit and on the number of hours worked. Each employee also owns one share of the Cheese Board, thereby making them an owner of the company and earning them a seat on the Board of Directors.

In an effort to further support the egalitarian system, each employee enjoys generous benefits like health care for themselves and for their families, five weeks of paid vacation per year, the opportunity to take an unlimited amount of unpaid vacation, and the ability to choose their own schedule and hours. The Cheese Board also aims to provide their employees with a healthy work/life balance. As a result, they close their doors at 8:00 pm unless they run out of pizza earlier in which case, they close at that time. The restaurant is also closed on Sundays in an effort to allow their workers to spend more time with their families. Each of these meticulously organized resources creates a positive working environment and contributes to the high employee retention numbers.

*Fig 2: The traditional organization of employees in a restaurant. The Cheese Board does not use any of these hierarchy structures when creating an organizing system for their employees (Helgeson).*
The Cheese Board’s business model includes treating their employees and customers well. Their business was designed around these principles. All employees are treated equally and receive the same benefits and salary.

The granularity to which the Cheese Board has changed the traditional, restaurant organizing system is also visible in their menu offering. They have narrowed the scope of their menu to include only one type of sauceless, sourdough, vegetarian pizza per day. What’s more, they will only use organic ingredients and vegetables sourced from small farms. The decision to have only one type of pizza per day enables a simpler workflow with drastically reduced preparation times. As a result, the Cheese Board can maximize sales while also minimizing customer wait times. Finally, their pizzas remain vegetarian for a variety of reasons; vegetables are more affordable, they are easier to handle in larger quantities, and they have a longer shelf life than meat.

The organization of their resources follows different organizing principles based on their classification but at the most granular level, they all stem from the same core values.

**When is it being organized?**

The Cheese Board was originally a privately owned cheese shop, founded in 1967 by Elizabeth and Sahag Avedisian. In 1971, the owners and their employees converted their cheese shop into an egalitarian collective thereby establishing their new organizing system. Then, by 1990, the pizza business had begun and adopted the same principles. Currently, if any aspect of the restaurant needs to change, employees will hold a meeting to discuss and modify the proposed changes.
How or by whom, or by what computational processes, is it being organized?

Without a formal management structure within the company, the Cheese Board needed to organize a system where decisions could be made to manage the business. To address this issue, the Cheese Board established the “modified consensus” where all issues, regardless of whether they are related to the workers themselves, to the customers, or any other aspect of the business, are discussed together. If any employee disagrees with any part of a suggested change, modifications to the outcome are made in a democratic fashion until all interested parties are satisfied. No decision is accepted nor is one individual able to finalize a decision that influences the entire company without a group consensus.

Where is it being organized?

Initially, the Cheese Board’s unique business principles only applied to their pizzeria and to their cheese and bread shop. Then, however, rather than creating new instances of the Cheese Board, they offered their unique organizing system to serve as a foundational resource in the development of new cooperatives.

They first began contributing to the cooperative movement in 1971 when they operated the Swallow Collective Café in the Berkeley Art Museum which was initially run by only Cheese Board employees. In 1975, they supported the Juice Bar Collective and by 1976, they had donated finances and workers to what is now known as the Network of Bay Area Cooperatives. More recently, they helped to create the Arizmendi Association of Cooperatives which operates using the Cheese Board’s organizing system and recipes. Each of these collectives are now independently owned and operated but were born from the organizing system originally developed by the Cheese Board Collective.
References:

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