

Hello, All Colectivans-

Thanks for taking a little time out to read this.

Paul, Lincoln and I wanted to reach out to all of you...to thank you for all your work during this crazy time, but also to reflect on the special work culture that Colectivo has built over the past 27 years. As much as we love our coffee and our growers, our food and our farmers, and our cafe environments and the crafts-people that create them...it is our culture within the company that we hold most dear.

The idea that "Everyone is a Customer" helps guide our behavior and ensures we treat each other with respect. A big part of that behavior is trust. We trust one another to treat each other well. We trust each other to do the right thing and to get the work done, even if it is a little outside your lane. I know you all value the culture we've built here too...how many of you have heard Lincoln ask his questions in new hire orientation..." why are you here?" and "what do you find valuable about this place?" The answers (as most of you know) are just about always the same. You're

place?" The answers (as most of you know) are just about always the same. You're comfortable in the culture. You appreciate the passion for great coffee and food. You like our community involvement, the advancement opportunities, and the direct relationships with farmers. You like that we're local and independent, that we have open doors and open communication. That we work as one team and that our business stands for issues that matter. Colectivo is about maintaining and strengthening relationships – with coffee growers, with suppliers, with customers and with each other. This is as it should be, because Lincoln, Paul and I care about these things too. That is why our culture is what it is. It is that way because we all – Lincoln, Paul, me, you, and probably a few thousand other people over the life of this company – have built it that way. It reflects our shared passion and what we hold to be valuable and true.

The current swirl of health concerns and racial strife has left all of us feeling a little unmoored. Our workplace, but also our families, our communities and our whole nation are under strain. For me, one bright spot in the recent months has been to see so

unmoored. Our workplace, but also our families, our communities and our whole nation are under strain. For me, one bright spot in the recent months has been to see so many of us stand up and shoulder the burden of moving forward during this time. Our society needs to move forward as well, and for that, we will all need to pull in the same direction.

I know all of you are seeing small businesses fail during this time. They simply close their doors. Some run out of money and declare bankruptcy, some are not able to innovate and adapt, others simply lose their energy to fight...and everyone is out of a job. The list of permanent closures in Milwaukee, Madison, and Chicago is sobering. There will be many more businesses that close in the coming months and we all pray for an effective vaccine, soon.

I need to share with you a little context for what comes next....

Colectivo is strong, but we're not invulnerable. You may not know this, but we're losing money every day – even though it

Colectivo is strong, but we're not invulnerable. You may not know this, but we're losing money every day – even though it may not feel like it currently at your cafe or within your area of the company, we as a whole are suffering significant losses. 40% of our business is gone, and this is the busy season! While we have re-opened most (but not all) of our cafes, few of them are doing more than a fraction of their usual business. And while panic-buying of five-pound bags of coffee by people sheltering in place may have gotten a lot of attention, it doesn't come close to replacing our wholesale sales to cafes, restaurants, and offices, many of which are closed. Meanwhile, most of our operating costs have remained the same: your wages, our rent, the basic costs of our supplies and ingredients, haven't changed. However, we remain committed to the success of our staff members and the success of the company.

As many of you know, there has been an effort on the part of some staff members to organize with an outside group. I think it is safe to say that the brotherhood of electrical workers behind these organizing efforts doesn't know much about coffee and they certainly don't

As many of you know, there has been an effort on the part of some staff members to organize with an outside group. I think it is safe to say that the brotherhood of electrical workers behind these organizing efforts doesn't know much about coffee and they certainly don't share our work culture. There are countless examples of how their stay-in-your lane approach to work, with mandated communication processes, and dues out of your pocket that are NOT the culture that we have all built together. It turns us into opposing sides – and away from the culture, passion and mutual trust that drew you here in the first place. We have heard that union organizers are telling coworkers that they should join the union and that the union will guarantee their job. This is false. The union cannot guarantee your job. A healthy company, on the other hand, with all coworkers pulling in the same direction is the best path to job security.

All of you should know that the owners' doors are always open to you – that's always how it's been. You can come talk to me anytime.

Lincoln's office is always open to you. Paul is circulating through the cafes and he wants to

All of you should know that the owners' doors are always open to you – that's always how it's been. You can come talk to me anytime. Lincoln's office is always open to you. Paul is circulating through the cafes and he wants to hear from you. Leo's office is right on the production floor and he's talking to all of you all the time, listening to your thoughts, trying to make work better. A union environment will very likely change that because all matters regarding working conditions, your pay, and work hours, would need to be negotiated with the union. We think that the free and open communication that is a hallmark of Colectivo would suffer. The lines of reporting would become rigid and procedure would rule the day. Fun, camaraderie, and flexibility in all of our jobs – yours, ours, everyone that we work with – would be replaced by contracts and boundary lines.

You want to slide over from the bakery to the warehouse floor during the Holiday season to pick up a few more hours? Sorry. Rules negotiated in a unionized environment might prohibit that. Need to swap shifts with a co-worker from opening to closer in a café at the last minute – maybe not, does the union

pick up a few more hours? Sorry. Rules negotiated in a unionized environment might prohibit that. Need to swap shifts with a co-worker from opening to closer in a café at the last minute – maybe not, does the union contract allow it? Have a great idea for improvement in a process or a product or a procedure... we won't be allowed to freely hear it like we do now; you must adhere to the proper channels. Want to improve your skills to get on the bar, gain more training, participate in a Colectivo-sponsored event like free tickets to a show or be a Backstage Barista? These opportunities would be governed and controlled by an agreement with the union, not you. Our ability— and your ability— to innovate and create fun components to your jobs would be highly constrained.

We believe that unions have moved the workplace forward immeasurably in the past century or so, setting basic standards when these standards didn't exist in industries with long-term employment relationships. And there are many careers and workplaces where we feel unions make a lot of sense. For instance, the vast majority of the labor that builds our cafes is union. If you are planning

we feel unions make a lot of sense. For instance, the vast majority of the labor that builds our cafes is union. If you are planning to spend a career as a carpenter, and retire from that career, a union may be a fantastic system for you. But unless you plan to retire from your current position within twenty or thirty years from now, the dollars you pay into the union's pension fund, for example, will likely be lost money. Collaboration and innovation are what is getting us through this challenging time right now. Replacing that with union imposed rules and rigidity, would be a mistake.

I want you all to know that Paul, Lincoln and I are committed to getting Colectivo through this crisis. We're pulling every lever we've got to stay afloat and not close our business. We have gone out and borrowed money to shore up our financial situation. With you, we've created new products, adjusted cafe operations and how we deliver service to be viable during the pandemic. We are doing our best to follow all CDC and local authority guidance to run safely for you and our customers while doing all of this reinvention. I know many of you are trying hard to be part of

viable during the pandemic. We are doing our best to follow all CDC and local authority guidance to run safely for you and our customers while doing all of this reinvention. I know many of you are trying hard to be part of that solution, too – to be flexible and constructive as we scramble to keep ahead of a situation that sometimes seems to change almost daily. We see you and you have our deepest appreciation. But we are not out of the woods. The end of the pandemic is not certain, and our resources are not endless. If we are separated, if we are rigid, disordered, unaligned, we may very well fail. BUT I firmly believe that if we pull together, treat each other and our customers with the respect we always have, and work as a team to keep improving, we will emerge from 2020 better than ever.

Thank you all for all of your hard work!

Lincoln, Paul, Ward
