

Innovative Finance Inclusion

Sofi Cooperative: Software for the People

**WE DO THINGS
THE SOFI WAY**



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Abstract

Sofi Cooperative¹ is a unique software company with an atypical organization model that is quite rare, particularly in the high-tech industry. In this cooperative model, all the employees are partners with equal rights, based on principles of equality, diversity, cooperation and value creation. This model requires suitable decision-making processes and alternative management mechanisms.

Besides the unique organizational business model, Sofi focuses on providing its services to projects which they believe have social value for society.



Sofi Team, 2022

Keywords

Cooperative, New Organization Model, Meaning at Work, Diversity in the Workplace, Social and Environmental Impact

¹ <https://www.sofi.coop/>



1 The Organization

Sofi is a social and environmental software cooperative equally owned and controlled by all of its employees. They provide high-end, customized design and software services that positively impact the society and the environment.

Sofi is composed of 15 members: product managers, UI/UX designers, and full stack developers, who share leadership of the company equally. As they are all owners, they manage the company collaboratively. Their model as a cooperative is built around democratic, consensus-based decision-making, and equal distribution of all revenues.

Sofi works with entrepreneurs, NGOs, start-ups, and public entities.

Sofi was established in 2017, and is located in Jerusalem, Israel. Most of the employees live in the Jerusalem area. The company focuses on providing services to socially responsible businesses and ventures which they perceive as having value for society. In the last few years, they have executed more than 250 projects locally and globally, 90% of them with societal intent. Although the company is in Jerusalem, they supply services all over Israel.

2 Specific Area of Interest

Definition of 'cooperative' according to 'The International Cooperative Alliance'²:

"An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise".

2.1 The Cooperative Model

Not only is Sofi's cooperative model uncommon in the labor market in Israel, but it is also rare in the global high-tech sector. Sofi's owners believe that prosperity can be achieved while insisting on maximal fairness, wellbeing, love and caring.

They practice flexibility and creativity in their everyday activities, by working alongside diversified partners, thus broadening their outlook; these partners include Palestinians and

² <https://www.ica.coop/en/cooperatives/cooperative-identity>





Israelis, women and men, inhabitants of urban areas and kibbutzes. They work as a group on finding the best solutions to contemporary social and environmental challenges.

Their unique organizational model allows them to be extremely flexible and effective at creating the right software solution for each client, cause and budget.

The unique organizational model, together with their focus on services that matter, also allows the employees to work in an inclusive environment that is more sociable, cooperative and emotional than the common company model.

The company is not leveraged and does not have investors.

2.2 The Services offered by Sofi

Sofi designs and develops tailor-made software solutions for social challenges, by either adding new features to an existing product or developing a project from the ground up. Their services include software development, UI/UX design, product management, blockchain engineering, web design and creative branding.

Following is a list of examples of projects

Avoda+³: A mobile app designed and developed to help youth know and exercise their rights as workers.

Me'irim⁴: A redesigned, trilingual, modern platform designed to keep involved citizens apprised of local municipal construction plans.

Open Committee⁵: A web app that empowers users to follow and influence planning committee meetings, driving better decision-making through active public participation.

Consenz⁶: A new and innovative strategy to achieve consensus-based decisions from hundreds of different viewpoints. This is a trailblazing web app that works to promote democratization in organizations.

Footprint calculator⁷: An unconventional calculator that assesses the carbon impact of commercial flights and offers users several alternatives to offset the emissions.

³ <https://www.sofi.coop/project/avoda-plus>

⁴ <https://www.sofi.coop/project/meirim>

⁵ <https://www.sofi.coop/project/open-committee>

⁶ <https://www.sofi.coop/project/consenz>

⁷ <https://www.sofi.coop/project/carbon-footprint-calculator>



2.3 Business Model

Prices are set on an hourly basis, which is the common method for projects in this sector. Wages are also paid on an hourly basis, which allows for flexibility in the amount of work each member chooses to take on.

Moreover, Sofi has two tariffs: a less expensive one for social projects and standard one for regular business projects.

2.4 Organization structure

Sofi does not have a CEO and there is no managerial hierarchy. However, members take on projects and missions according to their specific expertise and skills. Sofi members prefer decision-making based on consensus and not on voting. Whenever a decision has to be taken, but there is no consensus, additional discussion is held among all of those who wish to be involved.

2.5 Success factors

At its establishment in 2017, Sofi had 4 owners; today there are 15.

Sofi has handled over 250 projects in 5 years, 90% of them with a social and/or environmental impact. The revenues today are twice that when the business started.

Sofi is taking part in a project with the municipality of Jerusalem to help other cooperatives get established (for instance, a gaming company).

The cooperative also takes an active part in the international tech-coop community, where projects are executed by international teams with members from multiple coops. At the same time, they are helping to develop this community's infrastructure to support the increasing flow of collaborative work, while further manifesting the coop's shared values, which are mostly similar to those described above for Sofi.



3 References

3.1 Public visibility:

<https://www.facebook.com/SOFICOOP/videos/317538653723199>

3.1.1 English:

- i24NEWS (April 18, 2022) [Israel: High-tech goes collectivist with software cooperative](#)
- Israel Hayom (April 20, 2022) [Can Israel's first software cooperative make 'tech kibbutz' model work?](#)

3.1.2 Hebrew:

- [Tech 12](#)
- [Ynet](#)
- [Davar 1](#)
- [\(Podcast\) Hitech Ba'pkakim](#)
- [\(Podcast\) Popcorn](#)

3.2 Links to website(s) and social media

Website: <https://www.sofi.coop/>

Facebook: <https://www.facebook.com/SOFICOOP/>

LinkedIn: <https://www.linkedin.com/company/soficooper/>

3.3 Relevant publications

CICOPA, *Cooperatives and employment, second global report, 2017.*
<https://www.cicopa.coop/publications/second-global-report-on-cooperatives-and-employment/>

International Cooperative Alliance. <https://www.ica.coop/en>

Monzón, J. L., & Chaves, R. (2017). *Recent evolutions of the Social Economy in the European Union.* Brussels: European Economic and Social Committee, CIRIEC.
<https://www.eesc.europa.eu/sites/default/files/files/qe-04-17-875-en-n.pdf>

3.3.1 Other references in Hebrew:

בן בשט יוני, 2022, הקואופרציה כמנוע לפיתוח הפריפריה, כיצד ניתן לייצר צמיחה מכלילה באמצעות עידוד הקואופרציה. <https://www.yfpp.org.il/article/156>

Meaning at Work <https://www.davar1.co.il/159597/>