Smart Coop Austria

Annual Report 2020

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Introduction

Our mission

Smart is a solidarity economy, not for profit cooperative for freelancers, the free trades, creatives and artists. We mutualize resources and risks and create sustainable working conditions together.

Smart facilitates regular employment for people juggling complex, short-term and changing work situations or who want to sustainably secure their freelance activities. Smart also takes on a lion's share of administrative tasks. Making possible:

— full integration in the social security system

— more freedom for core activities

— protection in major risk areas

— long term planning security.

We see ourselves as an active networking platform for users and coop members.

We are an open cooperative and wish to establish an efficient, self-supportive and solidarity-based structure. All coop members are also owners participating in a democratic process in deciding how the cooperative should be run. With the help of our growing community, we are able to offer a wide range of services at cost. Future profits will be reinvested in broadening the services offered.

Smart is here for all those working outside so-called 'standard employment. We are not tied to any specific fields. Our coop members and users are artists, cultural workers, creatives and new self-employed, for instance, researchers or those in the free trades such as IT or photography.

We are rooted in the independent arts and culture sectors. After its founding in Belgium in 1998, (smart = société mutuelle pour artistes) it has advanced to a successful project with a wide target audience. Smart Belgium has since, in solidarity, supported the establishment of independent Smart offices in eight further European countries. Smart Austria was initiated in 2011 and is an active cooperative since 2015. Since then, we have been integrated into a network of knowledge and solidarity with Smart partners throughout Europe, discovering and developing new ways of working together.

Structure

Smart Coop Austria consists of three legal entities:

- The cooperative SMartAt e.Gen. is the main bearer of activities.
- smart@work GmbH (LLC, limited liability company) is a 100% subsidiary of the cooperative and allows for free trades and hiring of employees. The LLC is bound by the cooperative's statutes and principles.
- The Association Work Smart is a founding member of the cooperative and runs the project SmartAtMobility.com.

Smart as cooperative

Smart is a registered cooperative and member of the Austrian Cooperative Association.

Our members are our owners. We are democratically self-governed and committed to fulfilling our members' needs, to community mindedness and participation. One share of the cooperative costs 50 €.

Our annual general assembly is the main decision-making body in which each member has a vote in, determining our processes and structures.

Solidarity economy

Our users - freelancers from various industries, people in frequently changing jobs and income phases - struggle with the complexities of labor, social and tax law, which often does not do justice to their work realities. The cooperative economic model is a way out of the difficulties they experience as solo self-employed (one-person businesses): It ensures independence and personal responsibility, but at the same time allows for much improved social security and can prevent complications such as multiple insurance or pension gaps.

A cooperative is an economic model based on solidarity and democracy. Unlike an association, a cooperative is allowed to make profits, but unlike a profit-oriented company, Smart does not distribute future profits, but invests them primarily in the expansion of services. All member-owners have an equal say in how these funds are used.

Coops are trend-setting for independent and self-responsible work in a community context.

Therefore, we want to develop Smart as a cooperative into a self-supporting and economically efficient structure that benefits all member-owners and users. This also includes building up a financial cushion to protect our users against payment defaults and other crisis situations.

Financing

The communally supported Smart Coop Austria is fully financed by the Smart fee, a set percentage charged with every order. Except for the „Kurzarbeit" assistance in the pandemic year 2020, Smart receives no public financial support for ongoing operations.

Service areas

SmartProduction

The heart of the Smart Coop is SmartProduction. users bring their orders and projects into the cooperative. In this way, Smart becomes the contractual partner of the client instead of the individual and also bears a significant part of the entrepreneurial risk by means of payment guarantee and default liability. As a rule, users work as employees of the Smart cooperative, which bears full responsibility as an employer and takes all steps necessary for payroll accounting. If desired, users can also continue to work formally independently, in which case Smart pays the fees.

This brings greater social security for the users, timely payment with payment guarantee and default liability, massively reduced administrative tasks, continuous counseling and a connection to a solidarity community.

Smart Fee: 7,5% of the order's net amount (status 2020).

Cooperative membership is required with the second use of SmartProduction's services (minimum payment for one share of 50 €).

Non-licensed activities are processed by the cooperative itself. Activities in the free trades and/or requiring labor leasing are handled by the subsidiary company smart@work GmbH.

SmartAdmin

SmartAdmin assists coop members in project administration. It provides support in budget planning for grant applications, a check of applications and submissions, support for associations' daily revenue/expenditure bookkeeping, documentation and storage of project documents. As with SmartProduction, SmartAdmin provides continous advice and assistance as well as orientation in the legal jungle.

This frees up user's time for their core activities.

Smart Fee: 35 – 45 € per hour.

Cooperative membership is a requirement (minimum payment for one share of 50 €).

1. Team 2020

Office

Management

- Sabine Kock, CEO
- Andrea Wälzl, CFO
- Lisa Pointner, legal advisor

Advisors

- Angela Vadori, SmartAdmin
- Robert Eichhorn, SmartProduction
- Lara Rainer, SmartAdmin & SmartProduction (as of July 2020)

Office management: Doris Priplata (until November 2020)

Communication: Xenia Kopf

Changes 2020

A fundamental change was made by the management team in 2020. Andrea Wälzl decided to step down as business and financial manager at the end of the year. She stay with the cooperative as a Production advisor. Angela Vadori, until then director of Admin, stepped in as business manager in the area of finance and operations as of January 2021. The management team now is; Sabine Kock (CEO), Angela Vadori (CEO) and Lisa Pointner (legal advisor).

Communications officer Xenia Kopf was out of the country in 2020 on a grant and continued part time with her Smart tasks. Press speaker Doris Priplata manged the **office administration** and supported communications in the interim. In summer 2020 economist and advertising specialist Lara Rainer joined the team as a **Junior Advisor** in Production and Admin.

Cooperative

Management Board: Dr. Sabine Kock and Andrea Wälzl, **Procurist:** Mag. Jur. Lisa Pointner

Supervisory board:

- Univ.-Prof. Dr. Oliver Fabel (Director of the Institute for Business Decisions and Analytics at the Faculty for Economics, University of Vienna)
- Sabine Mitterecker (Director at THEATER.punkt)
- Sébastien Paule (Director for Innovation and Development, Smart Belgium)

The general assembly on June 29, 2020, took place online via Zoom because of the pandemic. This happily allowed for a higher participation of users and members although the numbers could still improve. The supervisory board of economist Oliver Fabel, director Sabine Mitterecker and Sébastien Paule was approved.

External Cooperation partners

- Sima Tax Advisors
- Halbwachs Schmitt & Partner Tax Advisors
- Attorney Oliver Ertl

2. Smart Network 2020

Smart in Europe

Smart Austria is part of the European Smart network and maintains close cooperation with Smart offices in Germany, France, Belgium and others. We work together mainly in the areas of strategy development, transfer of knowledge and lobbying.

Network dates

January 8 – 9, 2020, Vienna: networking and work meeting with Magdalena Ziomek, Marie Reiter and Sebastian Hoffmann from Smart DE on work processes, member communication, info session concepts, partnerships, team development, marketing and more.

Smart Belgium

The Smart model was created at the end of the 90's in Belgium. Smart Belgium has since financially and structurally supported the creation of independent Smart offices in a number of European countries, among them Austria.

As of October 1, 2019, Anne-Laure Desgris and Maxime Dechesne took on the management of Smart Belgium which is slowly merging with Smart France. This dual leadership assures geo- and cultural political expertise and gender equality and dialogue at the upper management level.

3. Business activity 2020

Milestones

Founding of smart@work GmbH

The end of 2019 saw the laying of the groundwork for smart@work GmbH (LLC) as a 100% subsidiary of the Smart Coop and became fully operative at the start of 2020. Through the LLC a wide range of activities in the free trades are possible such as in PR or IT, however, not in areas subject to trade license. Labor leasing is also possible through the LLC. This should ease the situation for small organizations such as theaters which lack administrative capacity but strive for correct and fair working conditions for freelancers. The LLC is bound to the trade collective contract as well as the statutes and principles of the cooperative.

Digitization measures

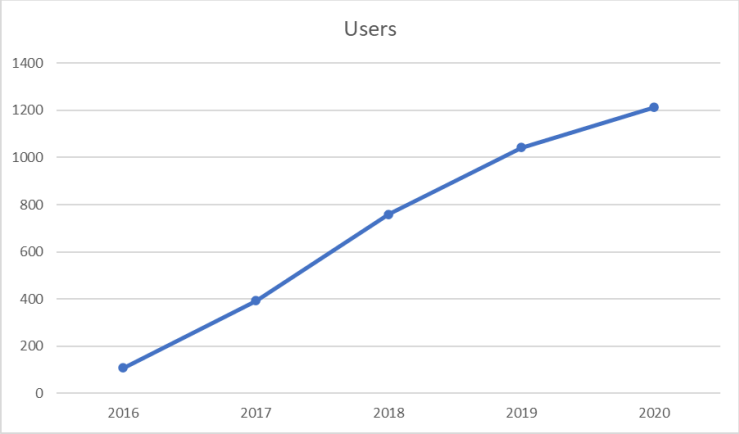
Digitization was pushed ahead in 2020. Since the start of 2020 Smart is using a SQL data bank with VBA programming simplifying the management of users' orders, billing, budgeting and expenditures. First automation steps were put into practice within the year. Data integrity, reporting and controlling functions were much improved.

Numbers and details

Coop members and users

In 2020 Smart had:

- 217 coop members (2019: 167, +50 or 30%) and
- 1,209 users (2019: 1.043, +166 or 16%), of those
    - 316 active users[1] (26%) and
    - 48 employed users per month (annual average).



[1] Number of users with at least one order per year. As Smart users switch projects and contracts, only a part of them uses Smart services at any given time.

Turnover and orders

In 2020 Smart recorded had:

- 1.3 m Euro turnover[2] (2019: 1,4 m, -100,000 or 7%)[3] and
- 1,170 orders (2019: 1.125, +45 or 14%).
- 26% of the invoices were sent to international clients

The turnover and numbers of employees and active users in 2020 are slightly reduced because of the pandemic. The number of members (+30%), the total of users and, fortunately, also the number of orders (+14%) have all risen in 2020. Geographically, most orders (about three quarters) come from Austria.

Sectors

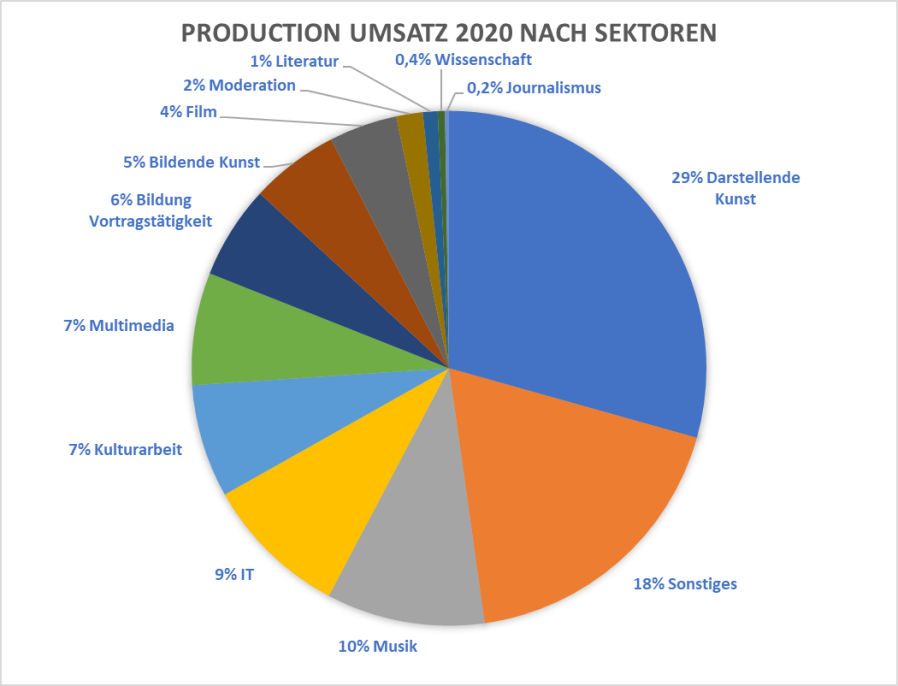
Turnover by sector[4]

- Performing arts (approx. 29%), “other” (18%) and music (approx. 10%) account for the largest shares. These three sectors account for 57% of turnover.
    - A number of various activities that are not yet differentiated and partly new are summed up under “other”.
- Other major fields are IT (9%) and cultural work and multi-media (7% each).
    - The field IT has fewer orders but much higher order sums (averaging over 7.000 euros).
    - The average order sum in science fields (above 3.500 euros) and multi-media (above 2.300 euro) are above average.
- Education, visual arts, film, moderation, or literature, are comparably smaller areas.
    - Education projects are small in comparison (average order sum below 500 euros).
- Throughout the year, turnover moved from performing arts towards multi-media and other sectors (speakers, advertising).

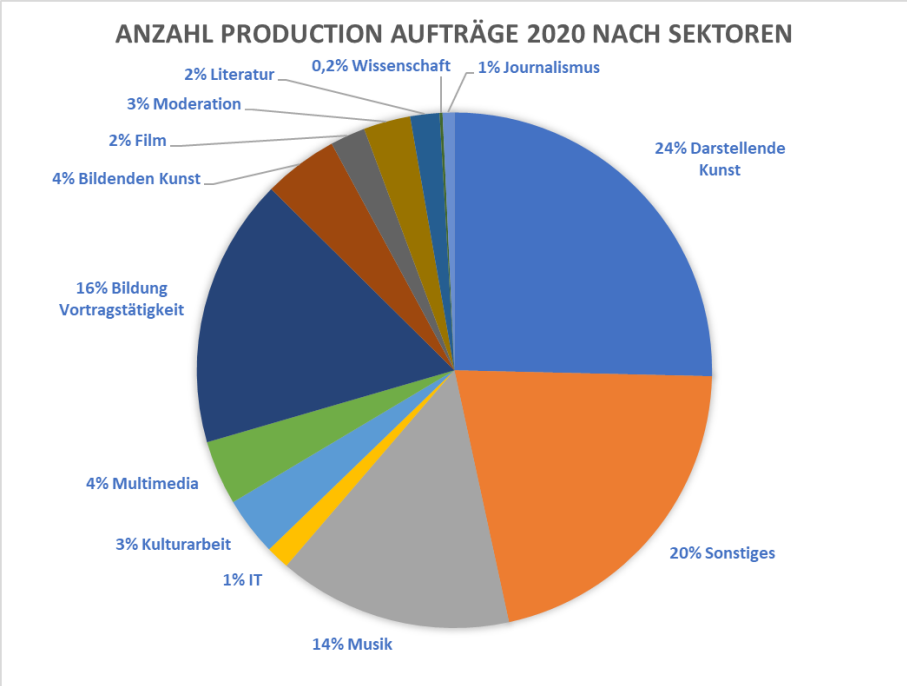
[2] The turnover is the sum of all invoices for completed Smart orders and projects. This sum reflects the total turnover volume of the users. Out of that, salaries, taxes and social security payments for users are paid, as well as the Smart fee. This last post is the only one staying with the Smart Coop Austria as its sole source of funding for its overheads.

[3] Total turnover 2020 according to the balance (balance figures for service’s time period) consolidated (incl. both the cooperative’s and the LLC’s turnover). Turnover 2019 reflects only that of the cooperative.

[4] The values of turnover by sector is for SmartProduction only.

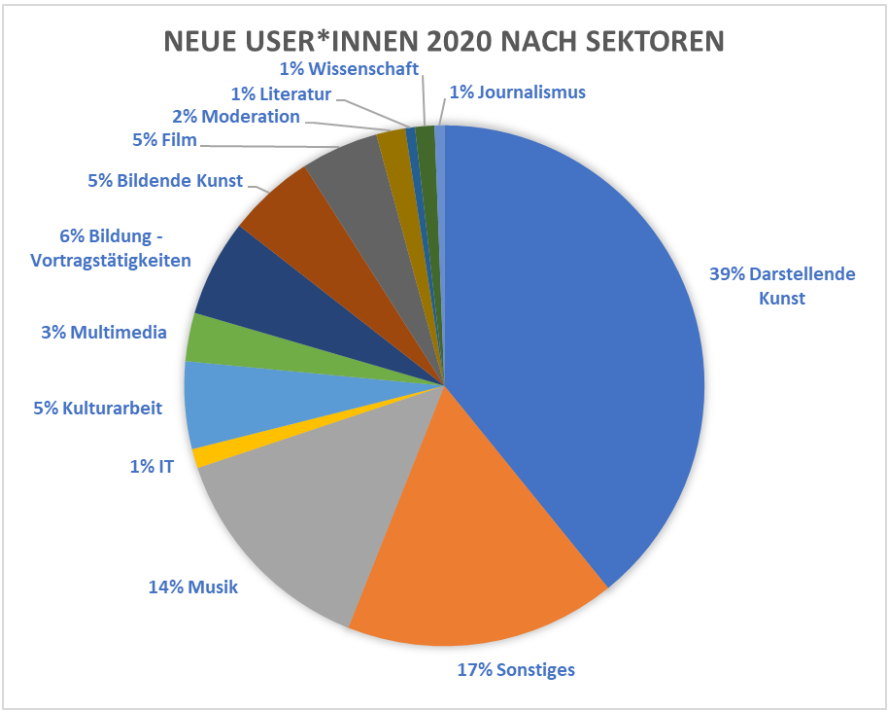


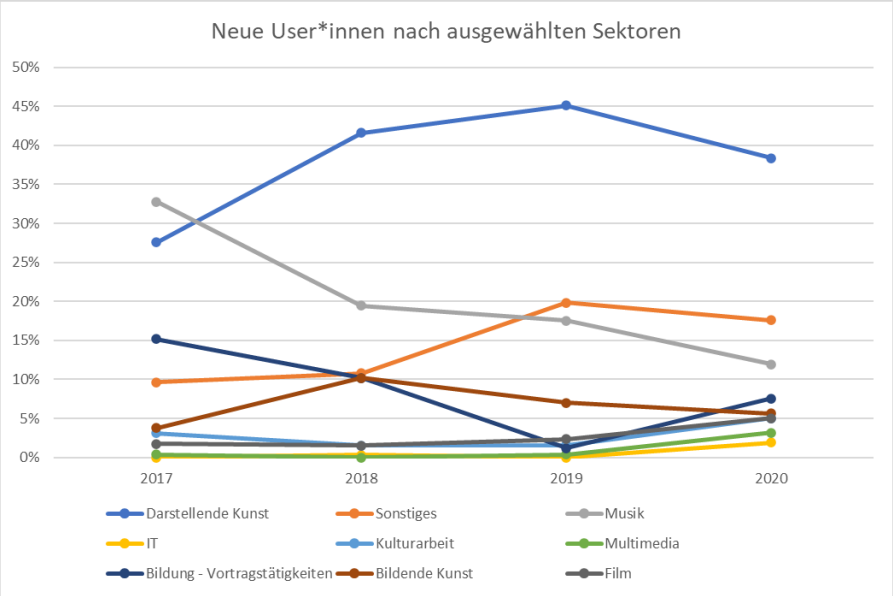
Production by Sectors				
Sector	Net turnover 2020	%	average order amount	Number of orders 2020
Performing arts	€ 358,030.52	29%	€ 1,548.25	276
Other	€ 224,779.87	18%	€ 955.55	231
Music	€ 121,346.40	10%	€ 793.17	160
IT	€ 111,058.93	9%	€ 7,253.68	16
Cultural work	€ 86,713.17	7%	€ 2,067.58	40
Multi-media	€ 86,057.10	7%	€ 2,333.19	44
Education, lecture	€ 71,550.74	6%	€ 456.78	184
Visual arts	€ 67,840.27	5%	€ 1,827.87	51
Film	€ 52,144.65	4%	€ 2,079.99	24
Moderation	€ 20,255.69	2%	€ 629.87	32
Literature	€ 11,317.19	1%	€ 705.01	20
Research	€ 5,537.77	0,4%	€ 3,533.19	2
Journalism	€ 3,035.61	0,2%	€ 379.45	8
Production total	**€ 1,219,667.91**	**100%**	**€ 1,217.42**	**1088**



Users by sector

- In 2020 the majority of new users came from the performing arts branch. Their proportion, however, has decreased since 2019.
- The proportion of users in the music field has also decreased.
- On the other hand, the numbers of new users from the free trades, such as IT and other sectors, such as PR (still categorized under „other“), has been steadily on the rise for a few years.

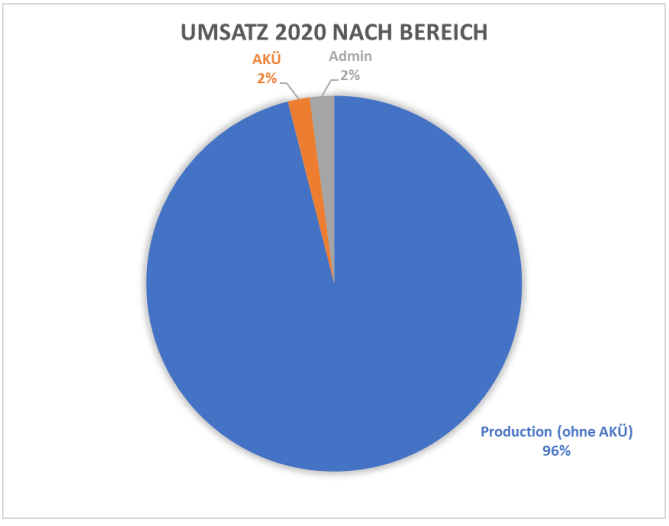


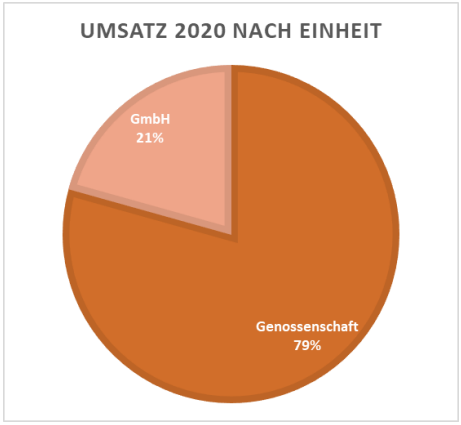


A long-term diversification in terms of sectors is noticeable both in the distribution of turnover and of users. Smart is moving away from its “historical” emphasis on the performing arts, towards a broader-based community.

Service areas

- The major portion of turnover (96%) lays with Production (cooperative and LLC).
- 2% turnover are reached by both labor leasing (through the LLC) and SmartAdmin.
- Total turnover from the cooperative is 79%, from the LLC it’s 21%.





SmartProduction is the core service of Smart Coop Austria. The smart@work LLC is clearly gaining in importance by virtue of the many sectors which could not be covered by the cooperative itself. SmartAdmin is a specialized offering for coop members which greatly widens the profile of the cooperative especially with regard to its core sectors.

Details on SmartAdmin

SmartAdmin has grown further in 2020, despite Covid-19, with a turnover of EUR 26,400,-. SmartAdmin supported in 2020:

- 2 EU-funded projects,
- 19 associations,
- 1 LLC,
- 1 GesbR (company according to civil law) and
- 26 individuals.

Tax Together is a new workshop format for tax returns. We held a total of 6 workshops and meetings for coop members and users on accounting revenues and expenditures as well as taxation.

Details on smart@work GmbH (LLC)

Despite the corona crisis, our LLC smart@work GmbH (see milestones) had a very good start into business. Various labor leasing projects were completed, as well as activities in IT and PR. Smart@work had in 2020:

- 277,315.- Euros in turnover and
- 24 employment contracts

It was not necessary to apply for Corona special assistance or short-time work (Kurzarbeit) as the majority of activities was within the IT field.

Exceptional year 2020: Smart in the Covid Pandemic

After the outbreak of Covid-19 in February 2020 and the following Corona crisis in the spring, a great many of our users were hit hard, especially in those sectors most strongly affected by the lockdowns. The Smart office was also faced with numerous challenges. At the same time, the benefit of the coop model became very tangible for many users.

Short time work (Kurzarbeit)

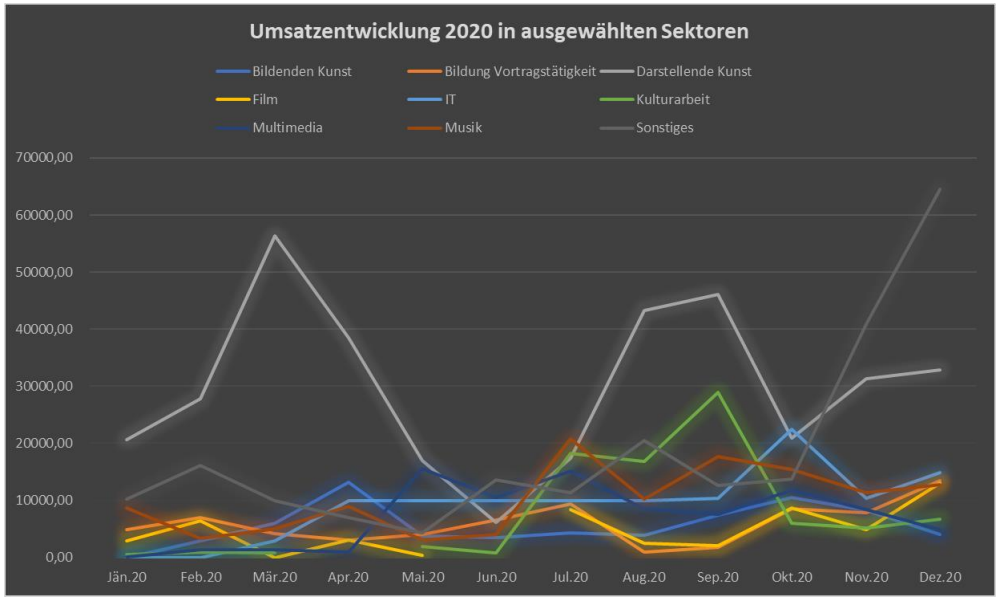
- Of 50 employees at the start of the crisis, 25 were able to go into short-tim work (incl. both users and team)
- On annual average, 20 employees were in short-time work at any given time
- Smart received financial assistance of approx. 211,000 Euros for short-time work

Consulting needs and contract design

- Consulting needs exploded with the outbreak of the pandemic (short-time work, contracts and cancellations, Covid support measures, etc.)
- Every contract had to be examined for cancellation clauses.
- New contracts needed a specific Covid 19 clause. First drafts for modular contracts were developed.

Lockdowns and development of orders

- The first lockdown in spring led to drastic cuts in a range of sectors, especially in the performing arts. Several projects and orders were postponed until summer 2020.
- The second lockdown in the fall (until spring 2021) saw content move away from performing arts towards multi-media and other sectors.
- The number of orders and employed users in fall and winte, rose remarkably, in spite of the second lockdown.
- December 2020 was the strongest month, with 62 employees and 118 production orders.



Default liability

- Default liability through Covid cancellations could be minimized at 24,000 Euros.
- In all cases of cancellation individual agreements were reached with clients and the best possible solution for both parties was negotiated.

User Statements on Smart & Covid

Numerous users benefitted from the supportive services and better social security because of their earlier employment with Smart:

Bryan Benner

Musician

“1. Through Smart Austria I have been registered as a ‘Kurzarbeiter’ since March. This has been a huge help with my finances and stability throughout the pandemic.
2. The Smart Austria legal team did a great job helping me understand the different kinds of social support (funding) available to me during the lockdowns.
3. It has been a great relief to know that my budget, contracts, and other important aspects of my financial life are in such capable, organized hands. Thanks Smart Austria!”

Photo © Theresa Pewal

Christine Teichmann

writer & cabaret artist

“Through Smart I was able to remain employed during the crisis for the most part of my artistic activities and was then able to switch to short-time work in the second lockdown. All in all, I have been able to make ends meet and can use the time to work on new projects, such as my new cabaret program ‘Links Rechts Menschenrecht’.“

Photo © Eva Eberl

Florian Eisner

actor & director

“Long before any polticians had anything to say about artistic and cultural work during the crisis, I got the feeling from Smart that I was not left to fend for myself. With Smart’s help, I was able to realize a few cultural projects in connection with an exhibition which were possible during the lockdown and for the remainder of the time I could take advantage of the short-time work measure. Smart saved my cultural work place for the future and allowed me to take care of my family with two kids during the crisis.“

Photo © Marco Riebler, Sbg

Jonathan Quinn

Visual artist

"Since the Covid measures began, Smart has really relieved me of a load of administrative tasks. Instead of having to work through all the complicated funding applications all by myself as a self-employed person, I was able to remain employed and to unbureaucratically apply for short time work, for which I was eligible. I'm very thankful for that!"

photo: *Transitory Monument to Marxism* © Jonathan Quinn

Petra Zöpnek

Video artist & editor

"Being with Smart is a winning situation for me and my life as an artist has been made easier. Fulfilling of contracts, employment and the best is the trust and respect from the other party in these difficult times. The step from being a lone warrior to being part of this community was the right move for me."

Communication

Smart communication work covered two areas in 2020:

- Community Building, to strengthen the cooperative as a community.
- PR, to heighten visibilty and recognition of the Smart model.

PR work got off to a good start in 2019 and before the pandemic, was clearly gaining ground. Many of the public events had a good turnout and led to further invitations. The start of the "Take Care" event series for users was going very well in the fall of 2019. By mid-March 2020 several events had to be cancelled as they were not suited for online presentation or could not be rescheduled. Most of the office's resources were bound up in advisory activity because of Covid, so "Take Care" was put on ice in 2020 for the time being. However, the regular info sessions which were well suited to continue online, were able to reach new audiences.

Community Building

User Portraits

The series "What's brewing with..." started in 2019 and portrays users from different fields. Two new interviews were added in 2020; the visual arts duo Anderwald + Grond and the 'on the go' musician Ivan Turkalj.

Ruth Anderwald

"We joined the coop just before the completion of a larger sale. We were able to turn the sales money into an employment situation with Smart which in turn allowed us time to prepare for an EU project."

Leonhard Grond

"This safeguard, also for us as a family, means the assurance of artistic quality. Creativity needs certain parameters in order to flourish."

Ivan Turkalj

"I've often recommended Smart because I think it's a really good solution. It may cost a bit more at first than self employment but to have the tranquility: The money lands in my account and I don't have to think about it anymore. Then the secure contracts and the possibility to invest ahead of time. It's worth it in any event."

Read the full portraits here: https://www.smart-at.org/smartat-2/users/testimonials/?lang=en

Workshops

New workshops and training sessions are constantly being developed and adapted. They were mostly offered online in 2020.

DIY accounting revenues & expenditures

Workshop introduction to simple revenue/expenditure accounting (difference between income, turnover and profit, tax deductions of expenditures, insurance limits, tax filing, multiple jobs, etc.) including practical instruction. Led by Angela Vadori.

- 31. January, 2020
- 12. May, 2020

Tax Together

Collectively working on current income tax filing with professional assistance and exchange between Smart coop members and users. Led by Angela Vadori.

- 28 April, 2020
- 22 May, 2020
- 16 June, 2020
- 25 August, 2020

Take Care Workshops
Workshop series for Smart coop members and users on different themes pertaining to sustainable working life. – *on ice in 2020*

PR

Dream.Job – a guide to the art of freelancing

The open workshop format and content was re-conceptualized in 2019. It is aimed primarily at arts universities and multiplicators. Covid put the breaks on here as well.

- 30 January, 2020: University of Applied Arts Vienna (live with approx. 60 participants)
- 18 November, 2020: MUK Music and Art University City of Vienna (online)

Covid-19 Support Workshops

The outbreak of the pandemic drastically raised the need for advisory services. Throughout the year, alongside individual counseling, several online workshops in both German and English were held by Sabine Kock and Lisa Pointner.

- 23 April, 2020
- 15 May, 2020: Business Riot Series #10: Communication
  Online tutorial (Sabine Kock and Lisa Pointner) on Covid-19 support measures in the Business Riot Series.
- 21 Oktober, 2020
- 16 December, 2020

Other public events

- 9 January 2020, Vienna: Working in Germany: What must I be aware of?

  Information workshop with Sebastian Hoffmann (Smart DE) on income tax (foreigner tax), secondment of employees and artists, social security and an overview of social and legal conditions for employees and self employed artists in Germany.
- 21 April 2020, online: Crowdfunding with Anne Eck – open workshop Tips and Tricks, Do's and Don'ts of a crowdfunding campaign with Anne Eck (Silvertree Records) in cooperation with Smart.
- 5 June 2020: Music Starters Network: 4. Network regulars meeting

  Focus on the legal aspect of the music branch in the corona crisis and introduction of the Smart coop (Sabine Kock and Lisa Pointner).
- 28 August 2020, online: Bigre Rencontre: Workshop "How to strengthen our cooperative and solidary vision all together?"
  Workshop with Sabine Kock within the international Cooperative Network Meeting Bigre Rencontre.
- 11 September 2020, Graz: Aktionstag Genossenschaften für alle (Day of Cooperatives for All) Sabine Kock presented Smart at the ‚Marktplatz der Genossenschaften', organized by the City of Collaboration in Cultural Year Graz.

- 2 October 2020, online: Aktionstag Anstellung (Day of Employment)
  Info presentation of Smart in an event of Das Andere Theater Graz (Andrea Wälzl).
- 10 November 2020, online: Come together and work cooperative
  Info presentation of Smart with focus on the cooperative model at the Arts Universtiy Linz (Sabine Kock and Xenia Kopf).

Press

Press release: Sticking together in the crisis: Smart Austria turns five in unusual times (13.5.2020)

Press Reports

- Cooperativ: Looking back on a turbulent year. (October 2020)
- Raiffeisenzeitung: Democracy in the economy (Ulrich Ahamer, 17 September, 2020)
- AEP Information: Smart creating new work forms together (Sabine Kock, September 2020)
- Falter: Kunst und Ei (Christina Scherrer / Stefanie Panzenböck, 13 May, 2020)
- RRRIOT TV episode 3: Gender, Finance & Sustainability (29 April, 2020)
  Business Riot-round table with Sabine Kock, Isabella Herrmann-Schön, Therese Kaiser and a reading by Ulrich Rois & Swantje Musa on the theme „Strong Girls“ (Starke Mädchen).
- Cooperativ: Eine Welt, die den Genossenschaften gehört (A world belonging to the cooperative) (Sabine Kock, April 2020)

4. Conclusion 2020

- All in all, 2020 saw a slightly lower turnover. Cancellation penalties were kept at a minimum. In winter 2020, a visible recovery set in.
- The development of orders showed the impressive flexibility of users under the changing conditions. New fields of activities were often opened.
- The necessity for long term sector diversification was clearly exhibited in 2020. New audiences must be reached to achieve, among other things, better risk diversification.
- Flexible standard contracts are also needed.
- Digitization has become a priority in many fields: in daily business, in PR and communication with members and users.
- Communication work resources were mainly tied up with Covid in 2020. Online info sessions were still able to reach new audiences.