

COOPERATIVE DEVELOPMENT CONTINUUM

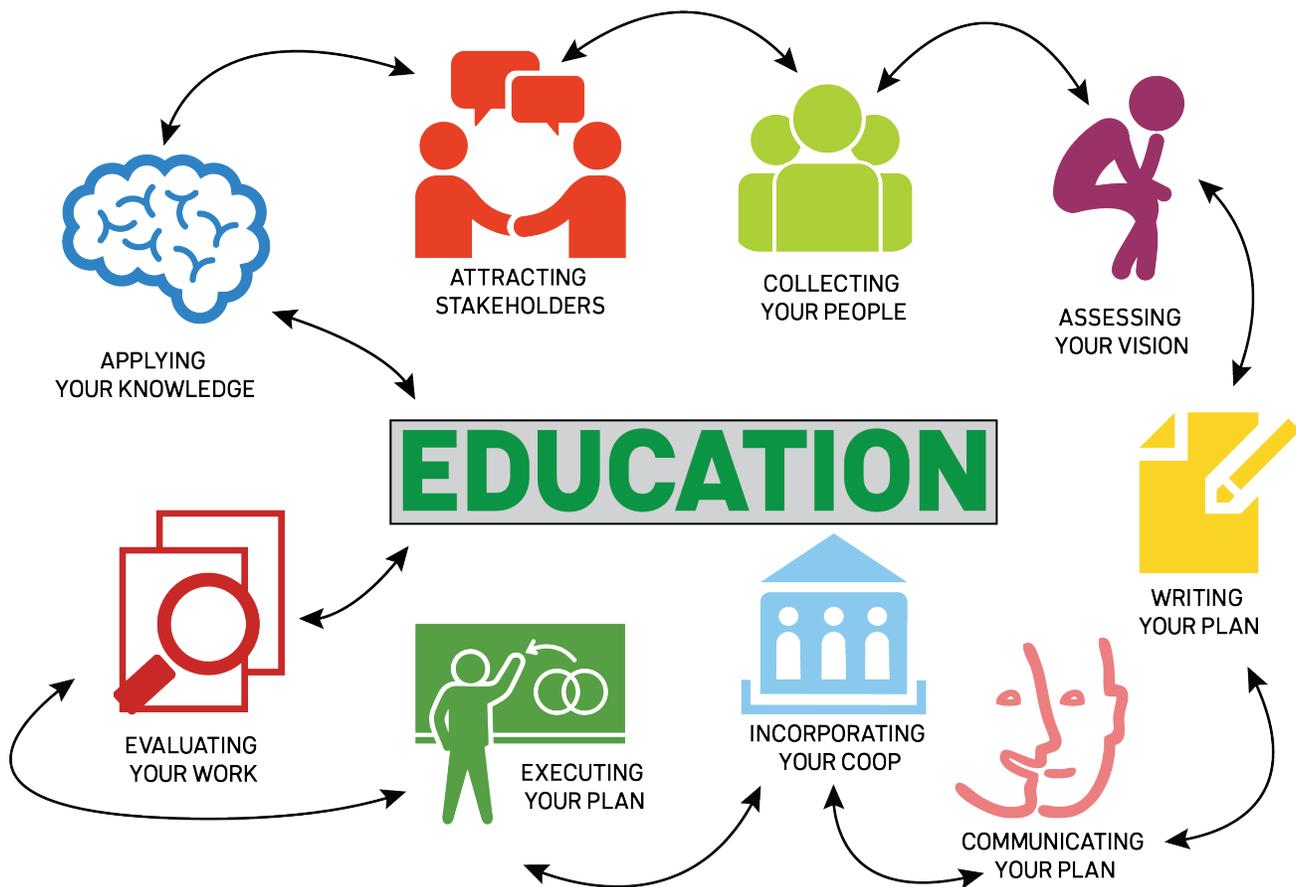
HANDOUT

OVERVIEW

This annotation breaks the cooperative development process into clusters of related tasks along a continuum. The process, as a continuum, is defined as anything that goes through a gradual transition from one condition or state to another without abrupt changes. Continuum is a particularly apt way to describe the development process, as the work is sometimes complex and not clearly delineated. You may find yourself moving through phases of development without really noticing. By clustering the tasks into groups and pairing them with “products” that may come out of that task cluster, you will have some orientation for where you are in your work.

CONTINUUM DIAGRAM

For ease of reference, here are the phases of development in short form -



CONTINUUM PHASES

The following is an annotated listing of each continuum phase, as well as its potential “products” or deliverables that would be ideal results of each completed phase:

EDUCATION

- Understand your and your community’s needs or aspirations
- Understand the cooperative model, generally and/or specifically dependent on your goal/s

APPLYING YOUR KNOWLEDGE

- Explore the potential application of the cooperative model as a solution for meeting needs or satisfying aspirations

Products: *An initial idea for a cooperative enterprise*

ATTRACTING STAKEHOLDERS

- Bring together all those with a direct “stake” in the potential project.
- Meet regularly to strengthen relationships and educate one another about the cooperative model, as well as to explore the relevant needs and aspirations in depth
- Identify which stakeholder group(s) will have membership roles - this informs who is best positioned to serve on a Steering Committee

Products: *Regularly meeting stakeholder group, potential membership role structure*

COLLECTING YOUR PEOPLE

- Decide on the expectations of membership on the Committee (e.g. meeting attendance, amount of time dedicated to committee work) prior to selecting members
- Determine composition of Steering Committee
- As a Steering Committee, develop a decision-making method and group structure (e.g. Will you have a Chair?).
- Create a purpose statement for the Steering Committee’s work – this is different than a purpose statement for the proposed cooperative enterprise and speaks to the intentions and boundaries of the work the selected group can and should do

Products: *Empowered and regularly meeting Steering Committee, decision-making method, Steering Committee purpose statement, beginnings of a project “identity”*

ASSESSING YOUR VISION

- Transition much of the workload to the Steering Committee to complete or delegate
- Create a vision statement for the desired cooperative enterprise, using input from multiple stakeholder groups (i.e. not just the Steering Committee)
- Research and/or engage “experts” in an assessment of the vision statement - specifically, the potential membership, management, and equity models that would facilitate the vision
- Select one to two potential models to test their feasibility by completing some of the following tasks* -
 - Reviewing case studies or stories of related businesses (e.g. similar cooperatives in other markets, similar non-cooperatives in the same market)
 - Conducting research (e.g. surveys, census data) on market demand (e.g. who is your market, what percentage of that market will you need to capture to be successful)
 - Running financial models (e.g. how much money will your business cost, how much income will you need in what time period)

- Putting your findings into a coherent document that concludes whether or not the project is feasible and, if so, the conditions required for the project to ultimately be successful

⚡ ***Notes -**

- *You can hire a professional to complete a feasibility study for you, or you can do it yourself.*
- *You will need to decide how rigorous or "professional" the plan needs to be - don't be deterred by example feasibility plans with lots of technical detail! You may not need that. Confer with cooperative development professionals or other experts, if you need advisement on your project's needs.*
- *A lot of this work can be difficult and require special skills - so this step can be a focus on increasing your group's capacity by engaging outside support and expertise.*

- ⚡ Begin recording your research and engagement findings in a working document (see "Writing Your Plan")

Products: *Project vision statement, Feasibility Study, beginning of a Business Plan*

WRITING YOUR PLAN

- ⚡ Continue work on the document drafted in the previous stage, evolve into a formal Business Plan for use with both your internal (e.g. potential members) and external stakeholders (e.g. financiers)
- ⚡ In tandem with your Business Plan, create additional documents and tools that will be implied to or conditioned by intentions laid out in the business plan - those documents are as follows (in priority order)* -
 - Purpose Statement (distinct from a Vision Statement, included as cornerstone in Governing Documents)
 - » Related - Guiding Principles
 - Governing Documents (i.e. Articles of Incorporation, ByLaws),
 - Refined Financial Projections (Feasibility Study projections used as foundation)
 - Financing/Fundraising Plans
 - Operating and/or Member Agreements
 - Outreach and/or Marketing Materials
 - Execution/Launch Plans (e.g. Project Management timeline of start of operations)
 - Descriptions of Operational Systems

⚡ ***Notes -**

- *Many of these documents will remain "working" and will be revised periodically throughout the development process.*
- *Many of these documents will be required alongside your Business Plan by outside stakeholders (e.g. financiers) - in particular, the Governing Documents, Financing Plans and Financial Projections, Agreements, Execution/Launch Plans*

Products: *Business Plan and related documents*

COMMUNICATING YOUR PLAN

- ⚡ Begin formal member outreach (e.g. Membership Drive), if relevant
- ⚡ Conduct effective and targeted public outreach with your story
- ⚡ Begin to reach out to potential financiers and funders
- ⚡ Reach out to political actors and advocates if you need to undertake some process with a level of government (e.g. building permit, business license)

Products: *Member Drive (if relevant), Political and Social Capital, Growth of Stakeholder Groups*

INCORPORATING YOUR COOP

- Incorporate your business as a legal entity!
 - Decide your cooperative's selection method for its incorporators and plan to execute it in time for incorporation
 - » It is not unusual for the Steering Committee to serve as the incorporating Board of the cooperative, then to hold formal elections with the membership following incorporation
- Incorporate your execution and launch plans into a project management timeline (a recommended tool at any step in the development process)
- Ensure your legal entity is equipped to take on financing, accept donations, and/or collect member equity

Products: *Legally Incorporated Entity, Project Management Plan/Timeline for Operational Launch, Beginnings of Capital Structure*

EXECUTING YOUR PLAN

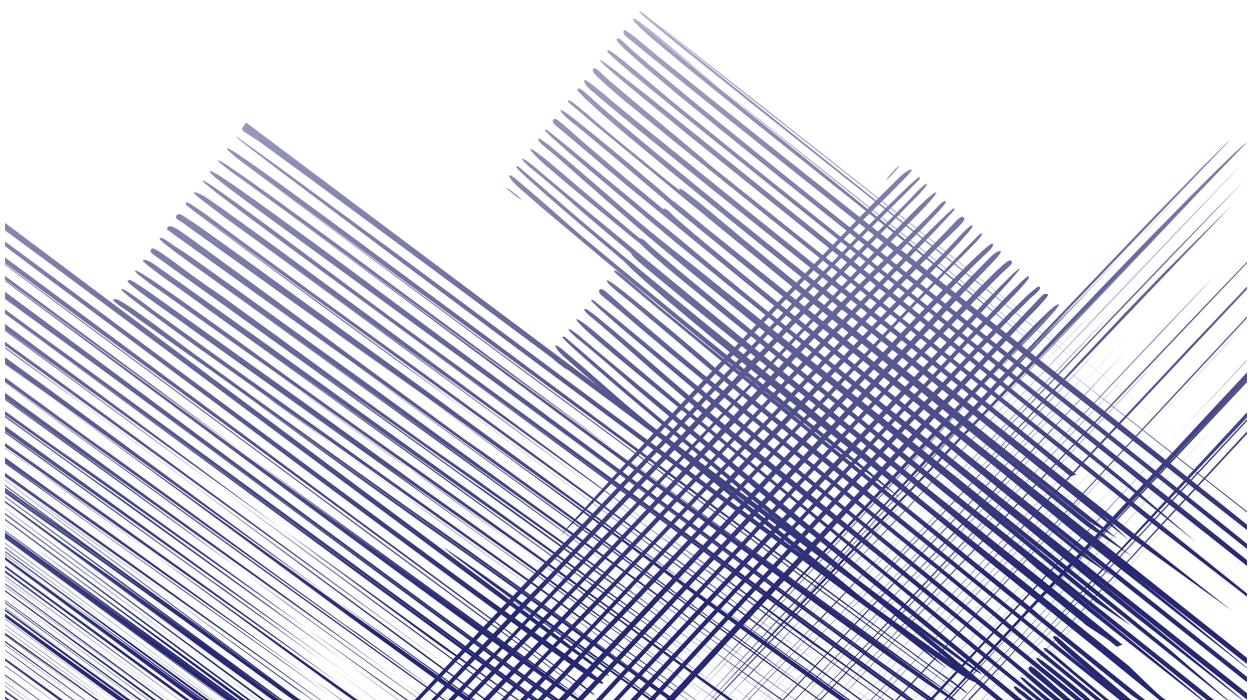
- Secure financing (e.g. loans)
- Conduct Formal Member Drive
- Make any needed leases or property purchases
- Hold Board of Directors elections
- Begin operations...

Products: *Cooperation!*

EVALUATING YOUR WORK

- Solicit reflections (e.g. via meeting, survey) from stakeholders on their experiences with and reflections on the development process
 - This step is what makes the process a continuum → by applying the knowledge you gain from the evaluation process, you are able to see how you can continue to develop* your cooperative
- ***Notes -**
 - *Development is not synonymous with expansion - it can involve growth that is quantitative and/or qualitative*

Products: *An awareness of your needs and the potential of cooperation*



CONTINUUM COMPONENTS

TOOL



EDUCATION	Have an awareness of the cooperative model, as well as of your and/or your community's needs
Applying Your Knowledge	See the cooperative model as a potential solution to your and/or your community's needs or aspirations; Have an initial idea for a cooperative
Attracting Stakeholders	Bring together those with something to lose or gain in the potential project; Build trust in that group of people; Assess roles of group members
Organizing Your People	Identify the motivations and capacities of all stakeholders; Determine which stakeholders will serve on the Steering Committee (or comparable); Form Steering Comm
Assessing Your Vision	Create a Vision Statement for the cooperative; Assess the vision's feasibility (e.g. financially) yourselves and/or with support from various professional practitioners
Writing Your Plan	Begin written document detailing how the cooperative will feasibly function in order to achieve the vision; Create supporting and implied tools (e.g. Governing documents)
Communicating Your Plan	Conduct outreach - to attract financiers and donors, enlist political support, develop intra-industry relationships; Begin formal Membership Drive (if needed)
Incorporating Your Cooperative	Incorporate your cooperative as a legal entity OR your project into your existing cooperative; Transition your launch plan into a project management timeline
Executing Your Plan	Secure \$\$\$; Continue Membership Drive (if needed); Elect inaugural Board of Directors (if needed); Begin operations of cooperative or project
Evaluating Your Work	Hold a meeting, conduct a survey, solicit reflections from stakeholders on the development process