Kevin Edberg, Executive Director, CDS, St. Paul, MN
A diverse cloud of interested parties....

...have a need or desire for goodies!!!

Is it reasonable to believe that this group can obtain their desired “goodies” through group action?
Create a steering committee: the “dream team”
Responsibility: To create the vision for the project and to hold it in trust for its future owners.
The Steering Committee:
• must include at least one “champion”;
• surrounds the champion with people whose skills and relationships are relevant to the intended projects;
• possesses the integrity and ability to secure the trust of potential future owners. This is critical!
OBJECTIVE: To increase the knowledge of the steering committee about the potential venture. This might involve internet research, visits to other similar businesses, gathering of other industry information and so forth.
OBJECTIVE: To provide a “corporate shield”, providing the steering committee with legal protection from personal liability for reasonable business decisions.
OBJECTIVE: To assess the viability of the business concept.
OBJECTIVE: To support the business development process by increasing the knowledge and awareness of potential members.
OBJECTIVE: To determine if there is at least one set of conditions under which the goal can be achieved.

ELEMENTS:
- Market Feasibility: Market analysis, competitive analysis.
- Operational Feasibility: Management, labor, site suitability, materials supply, and other aspects of operations.
- Financial Feasibility: Pro Forma statements, including projected balance sheets, income statements, cash flow statements, sources and uses of funds, financial assumptions, and Return on Investment/payback.
OBJECTIVE: The purpose of the business plan is to describe the business and "the way" that the organization is intended to operate, including: A description of the company, business structure, owners and management; Assessment of the market, market entry strategy and competitors; Description of products/services, their attributes, and the value proposition to customers; Description of operations and systems; Financial projections, including sources and uses of funds, balance sheets, income statements, cash flows and ROI/payback.
OBJECTIVE: To ensure congruity between the organization’s base documents and its approved business plan.

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OBJECTIVE: To raise resources to support the business development process.
OBJECTIVE: To provide initial understanding of the co-op business model, and help potential members determine if this model appeals to them.
OBJECTIVE: To grow the potential, knowledgeable membership base for the organization.
OBJECTIVE: To raise required equity (as described in the business plan) to capitalize the business.
A “Go/Stop” Step: insufficient equity is a “Stop” and requires the return of escrowed equity contributions.
Sufficient equity allows the organization to break escrow, take on debt, and move to implementation.
Awareness Building
Education & Outreach
Fundraising
Steering Committee

Pre-Feasibility Analysis

Business Development
- Feasibility Study
- Business Plan
- Update Article & Bylaws

Education & Outreach
- Fundraising
- Co-op Education
- Awareness Building

Incorporate

Co-op Organization
- Membership Formed
- Board Selected

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