

Starting a Worker Cooperative: Developmental Stages

This document on “Starting a Worker Cooperative: Developmental Stages” describes four fundamental stages of cooperative development based on our model at the Center for Family Life. Although each of these activities is essential, the order is not necessarily linear and the list is not exhaustive. We recommend that organizations interested in cooperative development first think about their model, including what services and support they can provide, what decisions they will make, and what timeline they have. We encourage you to start here and make it your own!

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STAGE 1	ACTIVITIES	ROLE OF THE DEVELOPER	OUTCOMES
Research & Ideation <i>3-5 months</i>	Develop Idea	<ul style="list-style-type: none">- Survey interests, strengths and skills of community members.- Brainstorm possible business ideas that fill a niche or are missing in the marketplace.	<ul style="list-style-type: none">- Decide on a specific type of business.
	Feasibility Study & Market Research	<ul style="list-style-type: none">- Conduct a study on whether your business idea will be “feasible” (target clientele, meeting the demands, etc).	<ul style="list-style-type: none">- Market research that shows there is a large enough market and sufficient product to sell that will make the coop financially viable and a significant economic contribution to its members.
	Gauging interest from community members	<ul style="list-style-type: none">- Share information with potential members about potential to develop coop and assess their motivation and business ideas.	<ul style="list-style-type: none">- Growing interest and commitment from potential cooperative members.
	Research network & reach out	<ul style="list-style-type: none">- Connect to NYC coop networks, industry advocacy organizations, attend trainings.	<ul style="list-style-type: none">- Building relationships & organizing context

STAGE 2

Recruitment, Decision Making and Business Planning

4-5 months

ACTIVITIES

Cooperative Training for “Founding” members

Build solidarity w/ social group work approach

Determine how decisions will be made and by whom

Create a Business and Marketing Plan

ROLE OF THE DEVELOPER

- Hold an Open House at your CBO.
- Provide coop training to “founding members” on coop principles, developing brand, learning basic skills for the type of service/product that will be sold, begin developing rules, etc.

- Use icebreakers, team building, group sharing, anti-oppression, organizing around shared principles

- Teach consensus decision-making and discuss workings of majority vote. Assist in deciding how to approach various decisions. Emphasize one member, one vote principle.

- Research the data and put together a document that specifies the aims and objectives of the coop.

OUTCOMES

- “Founding members” receive an initial snapshot of what it’s like to be in coop and what will be provided to client.
- Sufficient members become invested in order to launch the cooperative.

- Coop members have unity and cohesion

- Coop will have rules related to how they want to make decisions.

- A document that outlines all of the specifications and objections of the planned business.

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STAGE 3

ACTIVITIES

ROLE OF THE DEVELOPER

OUTCOMES

Develop Business Structure and Marketing

4-6 months

Create Work Groups and Leadership Committee

- Assist in determining organizational structure, election process, determining responsibilities, and teaching accountability.

- Have a leadership committee and other work groups formed.

Set up Back Office of business

- Set up office and hire an office manager.

- An office is staffed and organized with appropriate protocol, and trainings are provided to office manager and members.

Create Bylaws or Operating Agreement

- Introduce coop to attorneys, provide translation and guidance through process of decision making.

- Bylaws/OA will be completed at the end of this stage and will be used to incorporate business.

Incorporate Business

- Support coop while working with attorneys. Assist in getting appropriate paperwork and information (i.e. EIN)

- Become a legally incorporated LLC or Cooperative entity.

Open Bank Account & Bookkeeping

- Assist with finding the right bank and getting signed up with a business account.

- Have a business checking/savings account.

Develop marketing plan and materials

- Assist in getting marketing expert support, developing materials and a website.

- Have a brand, marketing materials designed and printed, and a website.

Political Education
Join coop & other networks

- Build community, situate coop in other movements, ongoing education, market development

- Coop has political analysis that builds unity, trust, resources within and between coops

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STAGE 4	ACTIVITIES	ROLE OF THE DEVELOPER	OUTCOMES
Launching the Business <i>3-6 months</i>	Marketing Campaign	<ul style="list-style-type: none">- Assist group to structure publicity groups, and enforce marketing hours and strategies.- Support coop in enforcing marketing skills they were taught through expert advice, assist in practicing pitch and approach with potential clients.- Assist with contacting media, spreading the word.	<ul style="list-style-type: none">- Coop members are actively doing publicity, following the marketing campaign strategy and enforcing publicity requirements.
	Implement “Back office management”	<ul style="list-style-type: none">- Supervise office manager, provide support and training in customer service, utilizing documents, and problem-solving when issues arise.	<ul style="list-style-type: none">- Have a high functioning “back office” that will work with members, clients, payroll (if needed), reporting, etc.- Effective communication between office manager and cooperative members/office committee leaders.
	Member Development	<ul style="list-style-type: none">- Provide trainings, mediation, and support as members learn more about their roles and responsibilities.	<ul style="list-style-type: none">- Continue to educate each other on product standards and client relations, management, etc.