

3.1 Cooperatives start-up in real world environment - methodologies for the development of ideas in innovative projects

3.1.3. First steps for starting a cooperative



e-module 3 (Social) entrepreneurship – cooperative start-up implementation
October/2021



3.1.3. First steps for starting a cooperative



This lecture addresses the following topics:

1. Is a cooperative right for my business?
2. Find the right people
3. Explore your vision and mission
4. Following steps

01 First steps for starting a cooperative

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Once you have chosen an idea for a business and you have decided to create your social enterprise, there are a lot of things to think about and prepare for.



Is a cooperative right for my business?

If you think that this is your idea, your business and you want to keep control, then maybe a co-op is not for you.

However, if you are open to involving others with the same level of ownership and control then a quick run through this section should reassure you that you're on the right track.



Is a cooperative right for my business?



Some believe that capital gains should not be the focus of their decisions and that the important thing is the people who join the project. This is the philosophy of start-ups that adopt the cooperative as a legal form.

Many choose the cooperative for a matter of personal criteria, because they are clear about the type of relationship they like to have between people, work and capital, because they want to start a company in which each member of the team has the same voice.



Is a cooperative right for my business?



In a cooperative it is important to meet the needs and that each person has the same rights as the rest, regardless of their role and contributed capital. The founders of a cooperative do not seek to constantly scale or obtain a high return on investment.

If you feel that a cooperative is right for your start-up you should start to understand who should be involved in your cooperative. One of the first things recommended is an exercise to understand what your collective vision is.



Activity 3: e-EXERCISE Is a cooperative right for my business?



You will find the activity in the platform

Answer the questions to understand if a cooperative would fit your interests to create a business

Consult the activity in the platform



Find the right people



The person becomes the axis in a cooperative.

The choice of the people who will be part of the business project is an important objective and must be taken into account when starting it up.

Members of the cooperative must put their best qualities at the service of the cooperative, which can be innate or acquired and perfected with training, experience and a desire for progress.



Find the right people

People who start a cooperative must have a real desire to undertake a business and want to do it collectively.

Is there really a collective need to satisfy in common? Here it must be clearly assessed whether entrepreneurs are inclined to develop a cooperative and collective project.



Find the right people

Members' commitment to the principles and values of the cooperative is fundamental and, therefore, it is important that members speak about their expectations in their own company and try to adjust them to the reality that is presented.

It is also important that members have cooperative training in corporate management and cooperative principles.

The success or failure of the project will depend to a great extent on the choice of the people.



Tips to find the right people

To determine the ideal profile of the partners we must take into account the following aspects:

- Have synergies and empathy with the rest of the partners.
- Communication skills, to perceive their values, vision and expectations.
- Assess the degree of conflict.
- Know our vision and claim to see if there is a confluence with our interests.



Tips to find the right people

- Level of seriousness, professionalism and trust that it generates in us.
- Compatibility of skills and attitudes: each partner will have different qualities that will bring diversity to the project.
- Level of commitment and responsibility that they are willing to assume.
- Economic capacity and time and work that can be dedicated to the project.
- Teamwork: intrinsic principle of their philosophy based on collaboration, equality and mutual help.



Find the right people

In order to maintain good relations within a cooperative, it is important that each person has an area of responsibility and that there are no overlaps in decision-making, although decisions often must be made jointly. People must complement, support and bring out the best in themselves and in other people.

The people who constitute a work cooperative are distinguished from other business because they contribute their work as an essential requirement, regardless of their contribution of social capital. The relationship of the member with the cooperative is of a corporate and non-labour nature, its regulation is included in the Bylaws of the cooperative and, where appropriate, through the Internal Regulations.



Find the right people

In addition to those who form the labour cooperative as worker members, other people can carry out a job, as salaried workers or employed.

There may also be other types of members; thus, the different cooperative laws recognize and regulate the existence of other figures that contribute economically to the achievement of the corporate purpose but who are not involved in labour - through the provision of their work - in the activity of the cooperative.

These are collaborating partners, associates, inactive partners, etc. (each regulation names and regulates them in a specific way). As a worker member you can work full or part-time, adapting your working hours to your needs and those of the organization of the cooperative.



Activity 4: e-Exercise: What would be your role in the team?



Questionnaire (self-test):

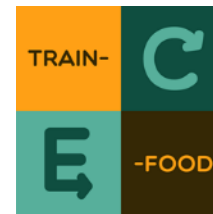
The 20 sentences refer to the way you act at work.

Your answers should reflect your authentic behaviour in each case without referring to what you think is the best way to act.

You will find this exercise in the platform



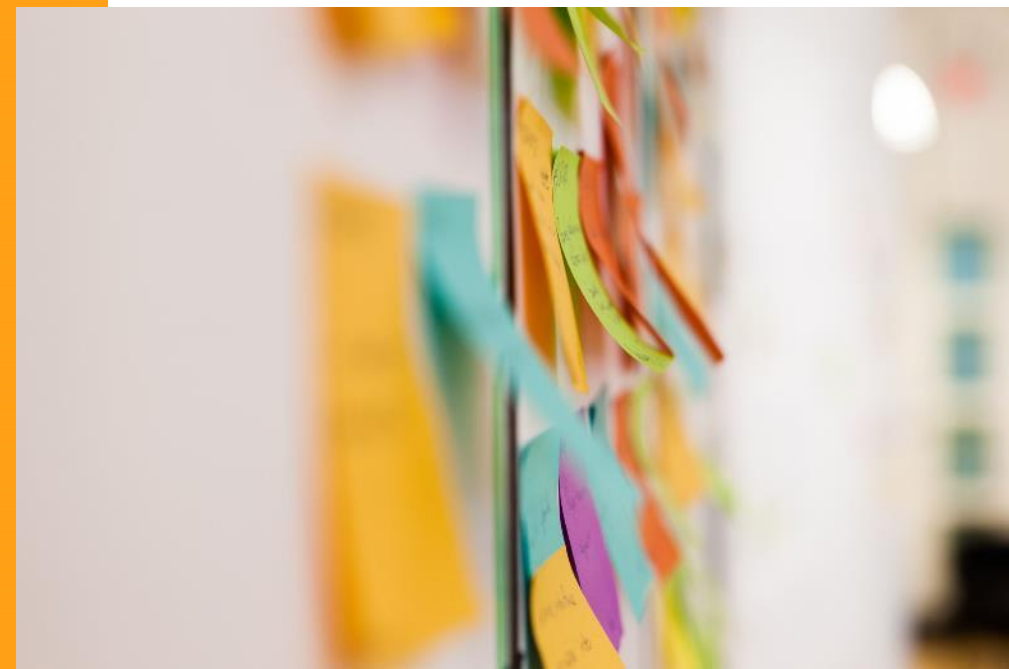
Explore your vision and mission



The first step for any social enterprise is to be clear about what you want to achieve, what your motives are and what you will do to achieve them.

You need to have a well-defined business idea that communicates well what you do, how you do it and why you do it.

Tackling a problem or challenge becomes the organisations' social mission.



Explore your vision and mission



When you have an idea of who will be involved in the early days in setting up the start of your cooperative, it is useful to undertake a visioning process. This process:

- ensures that the people involved have a common vision,
- it's something that you will use in your marketing plan.

The common vision will lead to specific objects.

These will be an important part of the governing document of your legal structure.

Your vision, mission and objectives can be linked to the social impact of the cooperative.



Explore your vision and mission



Many business plans have a "vision, mission, and values" at the beginning.

Vision is simply how you ideally see the world in the future.

Values refer to how the organization operates, which is more about the culture it wants to create: honest, transparent, entrepreneurial, authentic, collaborative, etc. This tends to be more useful and relevant as you build a team around your idea.



Explore your vision and mission



The mission is a way of explaining what is the central purpose of the social enterprise that is being created.

Setting the mission is important because it helps social enterprises in planning, in making sure they are on the good way, and knowing if they are achieving their goals.

It is also what differentiates social enterprises from conventional companies, whose main objective is to generate as much money as possible.

Describing your mission will help you in the future, because many people will want to know which it is.

That includes people who could buy your products and services, people who could be part of your cooperative, or people who could support it in some other way.



Activity 5. Write your mission statement



You will find this activity in the platform

Source:

Social enterprise toolkit. A resource for communities and individuals setting up a social enterprise in Ireland

<https://www.socent.ie/>

Following steps

Most likely you already have something in mind after learning what you have studied so far.

Now you have to check that there is a need. You also have to start addressing whether this idea is sustainable or not.

You need to test your business idea. Is it a viable business? What is a viable business?

To know that, you could prepare a feasibility study or market plan (see topic 3.3). To do that, you should conduct a market research, evaluate your target audience, research the competition and, lastly, to test your idea (service or product). It's time to speak to your potential customers, present them your business idea and get their feedback.



Following steps

If you need outside financing to start your business, a business plan is necessary. It will be required by the banks or investors. A business plan is a roadmap that outlines the things you need to do in order to reach your goals.

The business plan will be developed in Chapter 3.2.

Then, you will need to fund your business and commercialize your products or service (chapter 3.4).





TRAIN-CE-FOOD project

<https://trancefood.si/en/home-english>

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