INTRODUCTION

Tribal Nations are facing a wide range of challenges as they seek to secure the future for their members, communities, and future generations. In seeking to create sustainable communities economically, socially, and politically, Tribal Nations need to be poised to develop ways to circulate financial resources as frequently as possible within their communities, rather than see the money used at other businesses outside the community.

Federal and State Grants and Contracts
Revenues from Tribal Enterprises (Off-reservation Customers)
Taxes and Fees
Revenue

Off-reservation
Expenditures
Employees

Off-reservation

Native-owned Business Income
Wages Earned

Tribal Enterprises Revenue

Native-owned Business Income
Transfer Payments
Wages

Investment and Expenditures in On-reservation Businesses
Tribal Government
Tribal Members

On-reservation Businesses
Investment Income and Other Transfer Payments

www.mniba.org
ABOUT CO-OPERATIVES

WHAT IS A CO-OPERATIVE?
A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

— International Co-operative Alliance

Co-operative members come from all walks of life and they are all ages and belong to all income groups. People form and join co-operatives to meet all sorts of needs, and they buy and sell all kinds of products and services, ranging from child care to groceries to agricultural products to financial services. There are co-operative day-care centers and co-operative burial societies. There is probably a co-operative somewhere in the country to meet every kind of need imaginable.

A co-operative is a legal business structure. A co-operative is formed by a group of people who want to provide themselves with goods and services, to produce and sell the products, or to create their own jobs. Co-operatives are differentiated from other business entities in three ways: member ownership, member control, and member benefit.

VALUES
Co-operatives are based on values of self-help, self-responsibility, democracy, equality, equity and solidarity. Co-operative members believe in the ethical values of respect, honesty, social responsibility, reciprocity, and caring for others and their community.

BENEFITS OF A NATIVE CO-OPERATIVE
- Shared values between the co-operative structure and native peoples
- Co-operatives are a proven, sustainable business model.

Many co-operative businesses begin in the tribal areas of the country. They are not only an economic success story but also a social success story in that they help to preserve native culture. These businesses are often led by members of the community who are motivated to provide for the needs of their community.

CO-OPERATIVES BRING THE FOLLOWING TYPES OF BENEFITS TO THEIR MEMBERS:

- Consumer Co-operatives – provide retail products and services for their customer members
- Purchasing Co-operatives – purchase products and services in bulk to reduce or share costs for individual or organizational members
- Marketing Co-operatives – build markets for member’s products and services, improve member
- Improving co-operatives – build markets for member’s products and services, improve member
- Creating co-operatives – build markets for member’s products and services, improve member

A co-operative is a business that is owned and controlled by its members. A co-operative is formed by a group of people who want to provide goods and services to their community. A co-operative is an example of a local control of economic activity.

Mention of successful co-operatives in the community is an important social development. Co-operatives are also an important part of the economic development of the community. Co-operatives are a part of the local control of economic activity. They are a part of the local control of economic activity.

There are several reasons why communities are interested in co-operatives:

- The co-operative business model is a useful and needed part of the mix of economic activity for tribal communities
- Communities want to be engaged in business ownership
- Communities have identified the need to diversify and strengthen their local economy
- Community businesses can add value or lower costs
- A co-operative can be made to suit the cultural desires of the community
- A co-operative is twice as likely to survive as a corporation because it accommodates communal expectations
- Tribal communities may find that co-operative business offer more options
- Co-operatives are part of the mix of economic activity offered by tribal communities

Survival Rate of Business After……

<table>
<thead>
<tr>
<th>Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Long-Term</th>
</tr>
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<tbody>
<tr>
<td>Corporations</td>
<td>64%</td>
<td>46%</td>
<td>30%</td>
</tr>
<tr>
<td>Co-operatives</td>
<td>36%</td>
<td>20%</td>
<td>N/A</td>
</tr>
</tbody>
</table>


Co-operatives combine economic AND social objectives in their business pursuits by providing a model for strong community economic development, they generate community investment by facilitating local control of resource development.
SEVEN CO-OPERATIVE PRINCIPLES

Co-operatives believe in and are formed around the same seven principles, known as the Co-operative Principles and outline how co-operatives put their values into action. These Principles are part of the International Co-operative Alliance's Statement on the Co-operative Identity:

1. VOLUNTARY AND OPEN MEMBERSHIP
   Co-operatives are voluntary organizations, open to everyone able to use their services and willing to accept the responsibilities of membership.

2. DEMOCRATIC MEMBER CONTROL
   Co-operatives are democratic organizations controlled by their members, who set policies and make decisions. The elected Board is accountable to the membership. Members have equal voting rights (one member, one vote).

3. MEMBER ECONOMIC PARTICIPATION
   Members contribute equally to their co-operative's capital (money or other assets). At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on the money they contributed to the co-operative for their membership. Extra funds not spent on running the co-operative may be used to develop the co-operative and support other activities approved by the membership.

4. AUTONOMY AND INDEPENDENCE
   Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that guarantee democratic control by their members and maintain their autonomy.

5. EDUCATION, TRAINING AND INFORMATION
   Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can help effectively in developing their co-operative. Educating new members — either by direct job-related training or even just about the various benefits of membership — is essential. A co-operative is its members; without the members, the co-operative wouldn't exist.

6. COOPERATION AMONG CO-OPERATIVES
   Co-operatives serve their members better and strengthen the co-operative movement by working together on local, national, regional, and international levels.

7. CONCERN FOR COMMUNITY
   Co-operatives work for the sustainable development of their communities through policies approved by their members. Co-operatives are created to meet needs identified by community members. In some cases, this may mean access to healthy food or adequate housing, or with its surplus, the co-operative may choose to contribute resources to the community directly.

ANALYZING CO-OPERATIVES AS MARKETPLACE BUSINESSES

Co-operatives are businesses and can do many things that non-profit organizations cannot. Co-operatives combine the basic principles of community development with a business approach, enabling people to turn local strengths into viable community owned enterprises.

Co-operatives differ from private corporations and non-profit corporations in three main ways:

1. User-Owned
   The people who own and control the co-operative are those who use the co-operative.

2. User-Controlled
   The people who own and manage the co-operative are those who use the co-operative.

3. User-Benefiting
   The co-operative's only purpose is to provide and distribute benefits to its users on the basis of their use of the co-operative.

Co-operatives are owned by:

- Consumers
- Producers/farmers/fishers/gatherers
- Workers
- Businesses/Organizations
- Municipalities/Government
- Other Co-operatives

MARKETPLACE BUSINESSES

ANALYZING CO-OPERATIVES AS MARKETPLACE BUSINESSES

1.coop-co-op

SEVEN CO-OPERATIVE PRINCIPLES

- VOLUNTARY AND OPEN MEMBERSHIP
- DEMOCRATIC MEMBER CONTROL
- MEMBER ECONOMIC PARTICIPATION
- AUTONOMY AND INDEPENDENCE
- EDUCATION, TRAINING AND INFORMATION
- COOPERATION AMONG CO-OPERATIVES
- CONCERN FOR COMMUNITY

SIX REASONS YOU MIGHT WANT TO START A CO-OPERATIVE

1. Co-operatives exist to meet their members' needs. Their focus is on service to members, not bringing a return to investors.
2. Co-operative members are not penalized for working together in a co-operative business under US Tax Code; therefore many co-operatives enjoy tax advantages.
3. Co-operatives are owned and controlled by their members. They help keep resources in the members' community and are guided by members' values.
4. Decisions made democratically by the membership provide a strong direction that is supported across the organization.
5. Profits are returned to members so members benefit from the business they do with the co-operative.
6. Co-operatives contribute to the economic stability of their communities.
TYPES OF CO-OPERATIVES

Producer Co-operatives
This refers to groups of people engaged in the agricultural arena: farming, fishing, and forestry. The co-operative members may be farmers, landowners or owners of fishing operations. There is a long menu of possible ways these groups may cooperate. They may buy farm inputs, equipment, and insurance, hire managers and sales people, market and advertise together, or operate storage or processing facilities or a distribution network.

Worker Co-operatives
These businesses are owned by some or all of the workers. Depending on the start-up capital needed, they can offer workers a chance to own their own company with very little financial investment. This can make them an ideal structure for people of modest or low incomes. They are also increasingly popular with small groups of attorneys, designers and engineers, fundraisers, and other professionals.

Many worker co-operatives are fairly small and have no separate boards of directors; everyone takes a direct role in policy making and other governance functions. Typical examples are print shops, copy centers and bookstores; small manufacturing, construction and engineering firms; homecare and daycare professionals; restaurants and bakeries, auto repair shops and groups of artists or artisans.

A few worker co-operatives attain sizable memberships. Co-operative Home Care Associates in New York City's Bronx community has 800 owner-members, mostly women of color (often immigrants) living on low incomes and tending homebound elderly, ill and disabled folks.

Another group often included in this label are ‘democratic’ ESOPs (employee stock ownership plan), where workplace democracy is a stated goal. It is not uncommon for workers to buy out their company as a democratic ESOP (sharing the risks and rewards of ownership with the former owner and/or other parties) and then begin the transition to a full-fledged worker co-operative.

Consumer Co-operatives
These businesses are owned and governed by people who want to buy from the co-operative. Consumers can create a co-operative to provide pretty much anything they want to buy. Their purchases may include groceries, electricity or telephone service, housing, healthcare, or—under the label of credit unions—financial services. The co-operatives can be tiny or immense: from a single artists’ dwelling to a high rise with hundreds of apartments or a small food buying club in a rural village to a multi-million dollar supermarket in a bustling city.

The national Rural Electric Co-operative network serves consumer-owners in 45 states. Some co-operatively owned insurance companies like Nationwide serve enormous memberships with significant financial assets.

Most consumer co-operatives, even if they are not cooperatives, are Credit Unions. The latter are members of the Credit Union National Association, which has over 8,000 members. Credit unions are mutual savings banks that are owned and controlled by the people who use them. They are operated for the benefit of their members and for the purpose of encouraging thrift.

Credit unions are not for profit organizations. This means that any earnings that the credit union makes are returned to the members in the form of dividends or lower interest rates. Credit unions are different from banks in that they are owned by their members, who are not shareholders. Credit unions are also different from other financial institutions in that they are not owned by the government.

SHARED VALUES OF TRIBAL NATIONS AND CO-OPERATIVES

Co-operatives reflect many of the same values and beliefs found among Native peoples. Given the history of native trade and commerce and the collaborative and co-operative basis on which Tribal Nations exchanged with other tribes and non-natives, it should come as no surprise that co-operatives reflect many of the same values and beliefs found among Native peoples.


Nearly 39,000 CO-OPERATIVES AND CREDIT UNIONS operate in the US and employ over 636,000 people.
Multi-Stakeholder Co-operatives

In some cases, it may be desirable to create a hybrid among these types of co-operatives. These are called "multi-stakeholder" co-operatives, and often create specific roles and rights for the various types of members. For example, in a co-operative that is owned by farmers and consumers, the farmer members may be given more seats on the board or have more influence in decision-making than the consumer members. This can be a way to ensure that the needs of all stakeholders are met.

Credit Unions

Credit unions, as with all co-operatives, come in all sizes—from a single facility with a few members to huge, multi-branch operations that cover lots of territory and employ many local people. Community development credit unions are a special category created by the industry to specifically serve lower income communities. These types of co-operatives are more complex, developing and maintaining such a co-operative enterprise requires a high level of commitment from the membership, and that they potentially have more to gain and therefore more incentive to invest, and so with different membership rules and fees.

Highly Member and Consumer-Managed Co-operatives

Hybrid Worker and Consumer-Co-operatives

When a group of independent business consultants or attorneys who want to buy office supplies, insurance, or other products and services together. Some municipalities and even state governments have joined together to own a group of independent business consultants or attorneys who want to buy office supplies, insurance, or other products and services together. Several of these businesses, including the Weaver Street Market in North Carolina, are worker and consumer owned co-operatives. In these scenarios, the workers and consumers equally own and manage the co-operative, elect individuals to the board of directors, and so on. This type of co-operative is often called a "shared service co-operative." Many of these co-operatives are owned and governed by "bulk buying" a broad range of goods and services. Some of these co-operatives are consumer co-operatives, both the workers and consumers equally own and manage the co-operative, elect individuals to the board of directors, and so on. The Mondragon system, which is part of the consumer co-operative movement, is a good example of this type of co-operative. In Spain, the Mondragon system has over 100 co-operatives, and their board of directors is divided up into two sections—"worker section" and "consumer section." The worker section is made up of community volunteers, most of them with considerable financial and other relevant areas of expertise. This is important to the overall co-operative. Worker and consumer owners elect an equal amount of representatives to the consumer section that oversee topics relevant to their constituency, but who also work together on issues that may affect the entire co-operative. Sometimes called a "shared service co-operative," these co-operatives have formed national and international co-operatives to purchase goods and services at lower prices that will keep their bottom lines in the black. But there are also many successful smaller operations such as Best Western hotels, True Value and ACE hardware stores, and Carpet One/CCA Global Partners.

Retail or Purchasing Co-operatives

An emerging model, primarily in grocer co-operatives, are consumer and worker owned co-operatives. In these cases, the workers and consumers jointly own the co-operative, each member owns a share of the co-operative, and hire managers to run the daily operations. Both the grocery and the electric co-operatives are owned by the residents, which makes them a type of consumer co-operative. This can be seen in a co-operative that is owned and operated by a group of independent business consultants or attorneys who want to buy office supplies, insurance, or other products and services together. Several of these businesses, including the Weaver Street Market in North Carolina, are worker and consumer owned co-operatives.
QUESTIONS TO CONSIDER

1. Are there people who could work at or manage a new store?
2. Will there be volunteers to work on the pre-planning and planning stages?
3. Is there sufficient support for a new endeavor in the community?
4. Will the community see the need to own a new store?
5. Are there children in the community?
6. Have people on the band council discussed the need for a new store?

SUPPORT

1. Brokerage Housing Specializing in Co-Operatives – 25 members
2. Many Nations Co-op Ltd. – 165 members
3. Bearskin Lake First Nation Consumer Co-op Ltd. – 450 members
4. Huronia Family Housing Co-op – 25 members
5. Blood Reserve School Bus Cooperative – 4 members
6. Ermineskin Rural Electrification Association Ltd. – 365 members
7. Piikani Rural Electrification Association Ltd. – 40 members
8. Blood Tribe Kanai Nation Co-op Ltd. – 190 members
9. Opaskwayak First Nation Co-op – 2 members
10. North Winnipeg, Diverse Co-op – 60 members
11. Tofino Consumers Co-op Association – 4 members
12. Alberni District Co-op Association – 3 members
14. Spirit Dance Community Co-op – 4 members
15. Alberni District Co-op Association – 4 members
16. North Winnipeg, Diverse Co-op – 4 members
17. Tofino Consumers Co-op Association – 4 members
18. Alberni District Co-op Association – 4 members
19. North Winnipeg, Diverse Co-op – 4 members
20. Tofino Consumers Co-op Association – 4 members

BENEFITS

Co-operatives are owned by their members, share profits among members, and provide a secure financial future.

1. Co-operatives are owned by their members, share profits among members, and provide a secure financial future.
2. Co-operatives are a proven, sustainable business model that meets the needs of your community.
3. Co-operatives incorporate ways of being and knowing into the practice of the business.
4. Co-operatives are flexible and can be adapted to meet the needs of the community.

CHALLENGES

1. Co-operatives are subject to the same legal requirements as other businesses.
2. Co-operatives must be able to compete with other businesses.
3. Co-operatives must be able to provide goods and services that are competitive with other businesses.
4. Co-operatives must be able to provide goods and services that are competitive with other businesses.

BENEFITS AND CHALLENGES: CO-OPERATIVE DEVELOPING A NATIVE ABORIGINAL CO-OPERATIVE IN CANADA

There are over 133 First Nation, Métis, or Inuit-controlled or operated co-operatives in Canada. Of these co-operatives, 71 are in the Northwest Territories, Nunavut, Nunavik, Northern Quebec and Northern Saskatchewan. There are additional benefits and challenges to be considered when deciding if a co-operative business will meet the needs of your community.
In 1999, there were 6 co-ops operating in northern Saskatchewan: La Ronge, Stanley Mission, Deschambault Lake, and others. These co-ops were successful in promoting sustainability and providing employment opportunities. However, after the program ended, only 5% of the people involved went on to work on the farm for six months. This was sufficient time to qualify for employment insurance. The band-managed project obtained sufficient training grants to hire every employable welfare recipient.

In 2009, the Riverside Market Garden began as eight people growing organic vegetables on two acres. By 2011 the garden expanded to cover 27 acres, growing two different kinds of potatoes, carrots, onions, beans, herbs, cucumbers, corn, squash, kale, beets, peas, and a variety of tomatoes.

Neechi Foods was founded by a group of community elders in 1990. The retail co-op in Stanley Mission, located on the Churchill River in northern Saskatchewan, has taken on the name that Cree people always called the area before it was renamed by missionaries: Amacheewespimawinhk. The co-op's mission is to develop sustainable, self-reliant livelihoods while promoting the need for healthy foods.

In 2013, they built a state-of-the-art storage facility with retail and commercial kitchen space included. Other acquisitions helping to develop this include a potato seed cutter, a potato-harvesting machine, and two potato trucks. In 2014, they added a full-time staff person to coordinate their activities.

Muskoday First Nation has been working to create sustainable healthy economic benefits for their community and is a part of the revitalization of Main Street and helped to open the Neechi Commons Community Business Complex. Originally opened as Neechi Foods Community Store in 1990, a major expansion occurred in 2012 when it became the Muskoday First Nation Prairie Foods. This worker has its roots in Winnipeg, Manitoba and was formed in early 1990. It operates as a grocery store, restaurant, and arts center, the new business complex includes additional retail and office spaces.

Muskoday has taken ownership of the name, and they've also taken ownership of the co-op. In 1999, the community at Muskoday launched an initiative to produce potatoes and grew and harvested about 450 tons. The band-managed project obtained sufficient training grants to hire every employable welfare recipient.

Co-operative businesses can be a way for Tribal communities to improve economic conditions while keeping member control and decision-making powers and control with local people. Each co-operative is designed to meet the needs of the community it serves, so each co-operative has a unique and locally-focused way of working.

Co-operatives can fit in any sector and provide examples of how different types of First Nation co-operatives are meeting the needs of their communities.

Creating Your Path

Co-operative Development:

1. Do you have a shared vision for your co-operative? Do you want to create a business that benefits the members and members have a say in making decisions?
2. Do you want to create self-sustainability through a shared vision of how this can be accomplished?
3. Do you want to establish a cooperative? Do you have unique needs and goals that can be achieved through collective ownership?
4. Are you looking for a business that provides services? Do you have a unique need for services?
5. Are you looking for a business that can help to develop the local economy and create jobs? Do you want to create employment and income opportunities?
6. Are you looking for a business that can help you to achieve your goals? Do you want to be part of the revitalization of Main Street and help to open the Neechi Commons Community Business Complex?
## Starting A Co-operative:

### THE DEVELOPMENT STAGES

The Minnesota Indian Business Alliance (MNIBA) and Cooperative Development Services (CDS) have a long-standing partnership and working relationship. They are the first cooperative development organization of its kind, CDS delivers business services to cooperative and producer-owned businesses. They specialize in applying the cooperative business model and are innovative in applying this model to new sectors and emerging business ventures.

### Stage One: Exploration

**Organizational Development**

- Explore your new business idea
- Identify your mission and core values.
- Form an Organizing or Steering Committee with people who represent the co-operative's potential members.

**Business Development**

- Define your key business concept.
- Conduct market research to determine the need for your co-operative's products and services and complete your feasibility analysis to evaluate the viability of the business idea.

**Member Development**

- Share information with potential members about your business idea.
- Growing interest from potential Co-operative members.

**Fundraising**

- Secure funds for Stage One and begin fundraising for Stage Two.

**Organizational Development**

- By the end of this stage you'll...  

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### Cumberland House and Wollaston, which together were known as the Northern Co-op Trading Services, Ltd.

In 1980, the community of Stanley Mission decided it would be more beneficial to establish their own Association Membership Board and hire their own manager. Today, the Board of Directors is made up of community members who live and work on the reserve and in the hamlet of Stanley Mission. Due to effective succession planning strategies, local community members are able to lead the co-op with excellent leadership and management skills. The current manager is a community member.

In the early years, annual sales were approximately $300,000; and today the sales exceed $8 million. The co-op is able to provide a wide selection of products at very reasonable prices for a small northern store. Also, customers who shop locally benefit greatly from their equity, which is considerably more than others in general.

The Association also runs the first and only restaurant in the community, as well as a gas bar confectionary. The community reinvested their dividends for a period of time in order to achieve this goal of starting up a restaurant. Members now re-invest dividends to pay out 100% of the equity to the elderly when they reach sixty-five years of age.

Source: Local People, Local Solutions. A Guide to First Nation Co-operative Development in Saskatchewan, Pp. 16-17
Stage Three: Co-operative Launch

Get the business set up and ready to open.

Organizational Development
- Set up office and hire staff.
- Start up accounting, communications and support staff. Sample job descriptions and personnel handbooks.
- Trainings for management, staff, members and board.
- An office set-up and staffed.

Business Development
- Contract for market products and services.
- Pre-sell members and/or customers, products and services.
- Share lessons learned by other projects and sample marketing materials.
- Initial products and services ready to offer.
- Customers signed up for products and services.

Member Development
- Orient new members to their roles and responsibilities.
- Sample member orientation materials.
- Members educated about their rights and responsibilities as co-op members.

Fundraising
- Secure development funds for Stage Two and Stage Three.
- Help identify financial resources and refer members to review them.
- Funds raised to cover the cost of development for Stage Two.

Fundraising
- Secure development funds for Stage Two and Stage Three.
- Help identify financial resources and refer members to review them.
- Funds raised to cover the cost of development for Stage Two.

Member Development
- Members to receive a loan to launch.
- Members learn to run a cooperative from start to finish.
- Members receive and share the business plan.
- Members see the business plan.
- Members learn the basics of running a cooperative.
- Members plan their own co-operative.

Organizational Development
- Set up the business.
- Create and run the business.
- Start the business.
- Members and Co-op can succeed.

You will need to:
- Fund the business set up and ready to open.
- Set up the business.
- Create and run the business.
- Start the business.
- Members and Co-op can succeed.
Open the doors and start providing goods and services.

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PLEASE NOTE:

The timelines and costs are highly variable depending on the local talent, expertise and energy available, and time of the start-up steering committee. CDS notes that in their experience, the formation of a cooperative is typically a 2-3 year process and sometimes longer and is highly connected to the strength of the community organizing that surfaces and effectively recruits members for the planned co-operative.

Source: The Development Stages - Cooperative Development Institute and Cooperative Development Services
Will the co-operative allow a board member from outside the co-operative?

How long will a board member serve?

Are they paid?  Are expenses reimbursed?

How will vacancies be filled?

Will electronic meetings be allowed?  Will board be able to vote electronically?  Will proxy votes be allowed?

How often will the board meet?  What quorum is required?  What meeting notice is required?

Will there be standing committees of the board?  If yes, what are they and what are the functions?

Will there be board officers?  If yes, what offices, terms, duties and selection process?

What will your capital structure be?  (Will you issue shares of stock?  Membership/Common? Preferred? How many? At what value?)

What are the rights and responsibilities of each stockholder?

Will shares earn dividends?

What will the redemption procedure be?

Capital Structure

Who is eligible for membership?

What equity will members commit?

Will members each have one vote?  Or will there be weighed voting?

Are there financial obligations for voting?

Are all members treated the same?  Or are there levels of membership types?

How can a member resign?

How can the co-operative terminate a member’s membership?

Who is eligible for membership?

WILL THE CO-OPERATIVE TERMINATE A MEMBER’S MEMBERSHIP?

What is the basis for distributing patronage dividends?

What will members receive?

What will members agree to give?

How will money change hands?

How will the quality be evaluated?

How will this agreement be terminated and/or renewed?

Membership Agreements

Who are the members of this co-operative?  What needs of theirs is the Co-operative designed to meet?

List the assumptions that you hold.

Identify the blocks for moving forward.

List the core values and principles that guide the co-operative.

How do you want the world to be different because the co-operative exists?

What is the vision you hold for the co-operative?

What do you want the world to be different because the co-operative exists?

How do you want the co-operative to accomplish its mission?

List the core values and principles that guide the co-operative.

List the assumptions that you hold.

WILL THE CO-OPERATIVE TERMINATE A MEMBER’S MEMBERSHIP?

Memberships Agreements

Articles of Incorporation, By-laws and

Co-operative

Developing Your

Building Shared Vision, Mission, Values and Strategies

Assess these questions before you consult with an attorney to help you design your legal documents.
A lot of elements go into a successful project. Here are some that have been identified by researchers as the most critical, in descending order of importance. Every "yes" answer to the questions below increases the likelihood of success.

**MEMBER INVOLVEMENT**
- This is by far the most important element. Are the co-op's members those who will benefit most from the business? Are they involved early and often in the process? Are lines of communication open, allowing a quality relationship? Is involvement easy? Have you spoken with them to identify their needs?

**LEADERSHIP**
- Do the project's leaders have a strong interest in the successful outcome of the project? Is failure acceptable? "Yes" is the better answer. Are there key leaders in the group and in the community willing and available to participate in the project? Do the organizers have the skills, credibility, experience and capacity to play a leadership role in the project's development? Have you designed into the plan to build professional capacity?

**CLEAR VISION AND BUSINESS CASE**
- Do you have a concise vision of the project in the short-term, mid-term and long-term? Do you have an operations plan that gets you from square one to the end, and can you revise it? Have you thought of what can go wrong and how to address it? Will the end result be worth the investment required? Do you have milestones to determine when the project has succeeded?

**PROPER PLANNING**
- Have you identified the problem that the project will solve? Have you outlined possible solutions to the problem? Have you identified the right people to carry out the project? How can you develop solid project milestones? Will members be able to experience early on how the project has progressed? Do you understand the project’s requirements? Do you have milestones to determine where the project has succeeded?

**SETTING REALISTIC EXPECTATIONS**
- Have you established the project’s purpose and goals? Have you identified the project’s scope? Have you outlined the tasks and responsibilities involved in the project? Have you established the project’s timeline? Have you set realistic expectations for the project’s outcome?

**PROVIDING A SENSE OF PROGRESS**
- Do you provide regular updates on the project’s progress? Have you established a system for communicating with members? Are you keeping the project on track? Are you communicating the project’s progress in a timely manner?

**DEVELOPING EFFECTIVE COMMITTEES**
- An effective Steering Committee will be the driving force behind a well-organized co-operative development effort. The Steering Committee will coordinate the efforts of multiple groups, all working toward the common goal of building a successful co-operative. The Steering Committee will carry out the effort beyond the planning phase.

**SELECT AN EFFECTIVE CHAIRPERSON**
- The ideal chairperson is a good meeting facilitator, skilled at delegating tasks and monitoring progress. The chairperson should be a respected member of the community, able to serve as a spokesperson for the planning effort, and skilled at building coalitions and collaborative efforts.

**BUILD COMMITTEE SKILLS**
- Community projects can falter when a key individual leaves. Share tasks and cultivate skills to ensure that no one person is indispensable. Are you creating a sense of ownership among members? Are you fostering a sense of teamwork and collaboration?

**ESTABLISH SET MEETING TIMES**
- Frequent meetings at regularly scheduled times give committee continuity and stability. Keep your meetings at the same time and location to encourage consistent attendance. Are you planning for a sense of purpose in each meeting?

**COMMUNICATE, COMMUNICATE, COMMUNICATE**
- Send out agendas, meeting notes and background materials to keep members informed and prepared for upcoming meetings. These communiqués also lend professionalism to your efforts. Are you fostering a sense of community among members?

**MAKE EVERY MEETING COUNT**
- At each meeting, have an agenda and stick to it. Ensure that the group makes decisions to move forward and that members leave with assignments to be completed within specific time frames. Are you making the most of each meeting?

**KEEP MEETINGS CONCISE AND TO THE POINT**
- The people you will want to keep on the steering committee are often the busiest people in town. Use your time wisely. Start and end meetings promptly. Keep discussions brief. Are you making the most of your time?

**REINFORCE AND CELEBRATE THE SPIRIT OF COLLABORATION**
- If multiple groups are involved in the collaborative development effort, it is essential that all groups receive credit for their participation in the coalition. Provide opportunities for members to work together and build relationships. Are you fostering a sense of community among members?

**COMMUNITY INVOLVEMENT**
- Are the project’s leaders the key people in the group and in the community willing and able to participate in the project? Do they have the skills, credibility, experience and capacity to play a leadership role in the project’s development? Have you discussed the project with them to identify their needs?

**LEADERSHIP**
- Do the project’s leaders have a strong interest in the successful outcome of the project? Is failure acceptable? "Yes" is the better answer. Are there key leaders in the group and in the community willing and available to participate in the project? Are they capable of monitoring progress? The chairperson should be a respected member of the community, able to serve as a spokesperson for the planning effort, and skilled at building coalitions and collaborative efforts.

**CLEAR VISION AND BUSINESS CASE**
- Do you have a concise vision of the project in the short-term, mid-term and long-term? Do you have an operations plan that gets you from square one to the end, and can you revise it? Have you thought of what can go wrong and how to address it? Will the end result be worth the investment required? Do you have milestones to determine when the project has succeeded?

**PROPER PLANNING**
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**DEVELOPING EFFECTIVE COMMITTEES**
- An effective Steering Committee will be the driving force behind a well-organized co-operative development effort. The Steering Committee will carry out the effort beyond the planning phase. There are a few basic yet often overlooked methods for turning a group of volunteers into an effective, enduring organization, the driving force behind a well-organized co-operative development effort. The Steering Committee will carry out the effort beyond the planning phase. There are a few basic yet often overlooked methods for turning a group of volunteers into an effective, enduring organization.
KEYS TO SUCCESSFUL CO-OPERATIVE DEVELOPMENT

GENERAL GUIDELINES FOR SUCCESS

- Keep your focus
- Keep members informed and involved
- Build strong member leadership and commitment
- Set realistic goals and assumptions
- Conduct businesslike meetings
- Follow sound business practices
- Base decisions on market research rather than opinions
- Create a comprehensive business plan
- Use advisors and committees effectively
- Forge links with other co-operatives
- Identify and minimize risks
- Maintain honest, open communications
- Invest in member, board, and staff education
- Hire competent management
- Raise sufficient capital
- Establish a realistic market entry strategy
- Educate your out-of-territory customer

THE PROJECT STARTS WITH:

- A compelling need
- A strong champion
- A clear vision
- A good business idea

THE FOUNDING BOARD HAS:

- Business acumen
- A diversity of skills
- Integrity
- Interested in the most viable business possible
- Commitment to the project
- The ability to govern the co-operative

ELEMENTS OF PROJECT SUCCESS

- Make money
  - Make sure you have enough product to sell to a large enough market to make money
  - Establish a realistic market entry strategy
  - Have sufficient capital
  - Have competent management
  - Have strong board and committee experience
  - Have strong communication skills
  - Have strong business acumen
  - Have a comprehensive marketing plan
  - Compete by being better
  - Compete by being fast
  - Compete by being innovative
  - Control the counterculture
  - Create a consumer/producer cooperative

COMPETENT, ENGAGED WORKERS

- Have you identified what skills and experience are required? Have you recruited the right people from within and outside your circles? Do you have a well-structured and continuous training program? Are workers well compensated? Are they focused on the project and willing to see it through?

PROJECT OWNERSHIP

- Have you clearly defined roles and responsibilities for every member of the project team? Does your organization model support that accountability? Does everyone know their role? Will each person benefit equitably from the project’s success? Is everyone committed?

CLEAR VISION AND OBJECTIVES

- Have you shared the vision with all people and groups affected by the project? Are the objectives aligned with the overall goals? Are the objectives achievable? Are the goals measurable? Do you have honest and continuous sanity checks?

HARD WORKING, FOCUSED WORKERS

- Are workers personally motivated to do the work? Are they concentrating on measurable products of their work? Do they feel part ownership of the project? Do they see their role as part of the team that works well together? Do you build confidence in the team, with a proper plan and attainable goals and milestones?

Adapted from "Unfinished Voyages I," by the Standish Group. 1996

COMPETENT, ENGAGED WORKERS
- Are your project goals and continuous sanity checks?
- How well do your project goals and continuous sanity checks?
- Have you clearly defined roles and responsibilities for every member of the project team? Does your organization model support that accountability? Does everyone know their role? Will each person benefit equitably from the project’s success?
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RESOURCES

TECHNICAL SUPPORT

¾ Co-operative Development Services - http://www.cdsus.coop/
¾ National Co-operative Business Association - http://ncba.coop/
¾ University of Wisconsin Center for Co-operatives - http://www.uwcc.wisc.edu/
¾ Co-operatives First - https://co-operativesfirst.com/
¾ Co-operative Development Foundation - http://www.cdf.coop/

FINANCIAL OPTIONS

¾ Worker Ownership Loan Fund - http://sharedcapital.coop/borrow/worker-ownership-fund/
¾ The Metropolitan Consortium of Community Developers - http://www.mccdmn.org/programs/
¾ Shared Capital Co-operative - http://sharedcapital.coop/
¾ Capital Impact Partners - https://www.capitalimpact.org/what/strategic-financing/
¾ Community Reinvestment Fund - http://www.crfusa.com/
¾ National Co-operative Bank - https://ncb.coop/

GRANTS

¾ Blooming Prairie Foundation - http://www.bloomingprairiefoundation.org/
¾ Food Co-op Initiative - https://www.fci.coop/seed-grants/
¾ Co-operative Development Foundation - http://www.cdf.coop/bowersfund/
¾ USDA Co-operative Programs – https://www.rd.usda.gov/programs-services/all-programs/Co-operative-programs

Please note: This list is a beginning point, continue to research for local solutions, financing and funding in your area.

PROJECT PLANNING INCLUDES:

¾ Thorough marketing understanding
¾ Honest market research
¾ Effective business plan
¾ Due diligence
¾ Exit strategy
¾ A conscious transition from development to operation

FOUNDING MEMBERS ARE:

¾ Committed to the project
¾ Motivated by a common vision
¾ Flexible thinkers

FROM A FINANCIAL PERSPECTIVE, THE PROJECT HAS:

¾ Adequate capitalization
¾ Early member financial commitment
¾ Financial feasibility
¾ A commitment to use money wisely
¾ Adequate financial resources

THE PROJECT HAS:

¾ Strong management
¾ Bylaws that spell it out
¾ Fortuitous timing
¾ Adequate human resources
¾ The ability to learn from failure
¾ A commitment to continuous communication with members, board, management and consultants
¾ A commitment to education and training
¾ Quick buy-in and the ability to build on success
¾ Ability to develop leadership
¾ Adequate human resources
¾ Proven market
¾ Efficient and effective operation
¾ Quality service to the community
¾ Skilled co-operative development facilitator

Source: Cooperative Development Institute

KEYS TO SUCCESSFUL CO-OPERATIVE DEVELOPMENT
INTEGRATE a culturally based EMPLOYEE ASSISTANCE PROGRAM. Make family a priority. KEEP work-life balance IN YOUR POLICIES AND BUSINESS. Design your human resource policies and organizational culture to work with AND FOR YOUR STAFF. Support your staff to build their SKILLS and make sure that training is SENSITIVE to Native cultures. TALK with the elders IN YOUR COMMUNITY to ask their advice. Ideally there will be elders IN THE WORKPLACE. WORD FROM THE ELDERS: Local People, Local Solutions. A Guide to First Nation Co-operative Development in Saskatchewan, p.29.
“Co-operatives reflect the triumph and struggle of democracy. . . .
Disagreement and conflict are as much a part of democracy as the power of collective action.
Managing disagreement and resolving conflict in a productive fashion are part of crafting an effective democracy.

While everyone knows the consequences of destructive conflict, the advantages of constructively managed conflict include greater understanding, enlightenment, and consensus.”

—Bob Greene and Heather Berthoud, Berthoud/Greene Consultants