STEPs of cooperative development

The cooperative development process can be described as a series of logical steps. Each step in the process may be assisted by a cooperative development practitioner familiar with the development process. With training and experience, the practitioner will become proficient in providing technical assistance through the full range of activities necessary to help a group form a fully operational cooperative.

Technical assistance provided to newly developing cooperatives varies greatly depending on a number of factors, including the complexity of the business activity being considered, the skills and abilities of the organizing group, the availability of other assistance providers, and the experience and abilities of the technical assistance provider.

The activities that are usually part of the cooperative development effort have been arranged in a series of “Activity Clusters”. While the activities within a cluster may occur simultaneously or in differing orders, the activities should be completed before moving to the next group of activities. At the completion of the activities within a cluster the group and practitioner should evaluate the potential for successful continuation of the development process and make a conscious decision to either continue or stop. If progress is being made, continue; if not, reevaluate some elements of the proposed cooperative activity or discontinue the effort.

The suggested activities and resources are not intended to be all-inclusive. Each practitioner will develop a set of skills and tools that are regularly used in providing valuable technical assistance. Also, resources used or recommended to developing cooperatives will depend on the array of available state and local resources, assistance providers, and program partners.

This set of steps represents a tool that may be used in planning any cooperative development initiative. It helps describe the development process to a developing cooperative group and may help gain assistance in the cooperative’s development among partner agencies. Adapt and use it as you see fit.

USDA Rural Development, CooperationWorks and its network of cooperative development centers, NCBA, and the Land Grant University System are valuable resources in cooperative development program delivery.

While this flow chart indicates that cooperative development occurs in a straight line, it does not. Several steps may occur simultaneously, the order in which tasks are completed may vary, and some tasks may be repeated until an acceptable solution is developed. Progress must be evaluated at key points and a conscious decision made to proceed with development of the cooperative or to discontinue the effort.

Prepared by Gerald Ely
Steps in Cooperative Development

**New Cooperative Development**
Activity Cluster #1
Needs Assessment

1. Identify Economic Need

2. Clarify, Review & Evaluate Proposed Business Activity

3. Evaluate / Identify Appropriate Organizational Structure(s)

4. Define Objective in Mission Statement

*** Decision Point ***
If need is identified, the proposal realistic, and a co-op is possible solution, proceed to Activity Cluster #2.
If not, review activity, or **STOP**
Decision is made by vote of the group and by Cooperative Development Practitioner

**Cooperative Development Practitioner**

**Possible Activities**
- Facilitate discussions
- Provide information about:
  - Co-op development process
  - Co-op vs. other business structure
  - Group decision-making process
  - Meeting facilitation
  - Other co-op business activities
  - Possible development resources
- Be objective

**Resources**
- RD Co-op Program publications & staff
- Cooperative Development Centers
- Ag Innovation Centers
- Extension Service staff & publications
- University staff
- Internet co-op resource list
- RD Business Programs

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## Steps in Cooperative Development

### New Cooperative Development Activity Cluster # 2
Leadership & Work Plan

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Establish Steering Committee of Potential Members</td>
</tr>
<tr>
<td>6.</td>
<td>Establish Advisory Team</td>
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<tr>
<td>7.</td>
<td>Educate Committee &amp; Team on Co-op &amp; Development Process</td>
</tr>
<tr>
<td>8.</td>
<td>Develop Plan of Work and Time Line</td>
</tr>
<tr>
<td>9.</td>
<td>Assign Tasks and Target Dates for Action</td>
</tr>
</tbody>
</table>

*** Decision Point ***

If the group takes responsibility for action, proceed to Activity Cluster # 3.

If not, **STOP**

Decision is made by vote of the group, advisors and / or Cooperative Development Practitioner

### Cooperative Development Practitioner

<table>
<thead>
<tr>
<th>Possible Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitate discussions</td>
</tr>
<tr>
<td>Work with other advisors to obtain information &amp; coordinate activity</td>
</tr>
<tr>
<td>Conduct co-op education program</td>
</tr>
<tr>
<td>Provide information about:</td>
</tr>
<tr>
<td>Co-op development process</td>
</tr>
<tr>
<td>Co-op vs. other business structure</td>
</tr>
<tr>
<td>Other co-op business activities</td>
</tr>
<tr>
<td>Possible development resources</td>
</tr>
<tr>
<td>Be objective and realistic</td>
</tr>
</tbody>
</table>

### Resources

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