

# STEPS TO START-UP

## A Summary of the Steps in Worker Co-op Development

### Activity Cluster #1: **NEEDS ASSESSMENT**

- Convene potential founders
- Identify and clarify founder needs and aspirations
- Evaluate / identify provisional decision-making processes
- Clarify, review & evaluate proposed business activity
- Craft mission/vision statement

**TOOL:**  
*Appreciative Inquiry*

#### **GO OR NO-GO?**

Do we have a solid core group of founders who share a common vision?

### Activity Cluster #2: **LEADERSHIP & WORK PLAN**

- Formalize founding group and criteria for decision-making process
- Develop plan of initial work and timeline
- Assign action items and target dates
- Recruit/establish advisory team
- Study/educate on co-ops & development process

**TOOL:**  
*Governance Matrix*

#### **GO OR NO-GO?**

Now that the potential founders fully understand the process, are they committed?

### Activity Cluster #4: **FEASIBILITY ANALYSIS**

- Conduct feasibility study
- Identify and explore the most critical success factors
- Define risks and benefits to founders
- Affirm that go/no-go decision will signify a shift to commitment to start-up

**TOOL:**  
*Feasibility Analysis Tool*

#### **GO OR NO-GO?**

Is the business model clearly and conservatively feasible?

### Activity Cluster #3: **MARKET & MEMBERSHIP ANALYSIS**

- Evaluate, quantify and characterize product or service market
- Explore and clarify interest of potential worker-owners
- Quantify potential level of participation and commitment of founders in both startup and operational roles

**TOOL:**  
*SWOT Analysis*

#### **GO OR NO-GO?**

Do we really have the market, and committed founders motivated to serve it?

*If the founders say "Go", this is where we get real!*

### Activity Cluster #5: **BUSINESS & ORGANIZATIONAL PLAN**

- Evaluate/identify appropriate legal, governance, and management structures
- Develop business plan
- Hire a qualified attorney and CPA
- Finalize capitalization plan, draft bylaws/operating agreement and other legal documents
- Establish bank relationship
- Conduct member equity drive
- Pursue loans, grants, crowdfunding, preferred shares, DPO, etc.

**TOOL:**  
*US Federation of Worker Co-ops*

#### **GO OR NO-GO?**

Have we achieved our start-up funding goals?

### Activity Cluster #6: **START-UP**

- Incorporate/organize LLC, formalize membership
- Formalize and convene decision-making board
- Establish initial operating policies and accountability systems — include accounting & financial control functions
- Develop processes for evaluation and growth
- Complete funding
- If appropriate, identify manager knowledge/skills/abilities, formally hire manager
- Acquire equipment, buildings & land, as appropriate

**TOOL:**  
*Mentorship*

**BEGIN OPERATIONS!**

*Note: While this list 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 if clear feasibility is not indicated. Adapted from "28 Steps for Starting a Co-op" by Gerald Ely, USDA. Send inquiries and suggested revisions to: jim@EnterpriseEarth.com.*