



California Center for Cooperative Development
430 F St. Davis, CA 95616 cccd.coop
(530) 297-1032 (530) 297-1033

Steps to Starting a New Cooperative

Below is a list of the basic steps to forming a cooperative. In reality, the elements of forming a cooperative will correspond to the specific type of cooperative under formation. This list is a generic guideline of the elements involved in launching a cooperative. Each step in the formation process ends with a group assessment: do we move forward? If the answer is yes, prepare for the next step.

Step 1. Core group meets to clarify shared needs and expectations and the potential of a cooperative business model to address shared needs.

Step 2. Identify and communicate with others who might contribute to and benefit from the co-op. Hold meeting of potential members to discuss forming a cooperative. Coordinate organizing needed information and business research.

Step 3. Select steering committee. The Steering Committee is the leadership group entrusted with making sure the process proceeds forward.

Step 4. Draft basic purpose statement. Conduct economic feasibility analysis which includes a financial analysis of the venture.

Step 5. Hold meeting of potential members to report findings. Identify all sources of revenue and initiate processes to secure loans, financial support from potential members, or/and other funding sources.

Step 6. Prepare business plan. Share results with potential members; modify as needed.

Step 7. Prepare draft Bylaws. Draft legal papers, secure memberships and financial commitments.

Step 8. Hold the cooperative's first, or charter meeting:

- Adopt by-laws;
- Elect board members.

Step 9. Implement the business plan:

- Complete membership sign-ups;
- Secure capital and finalize other agreements;
- If applicable: hire manager; acquire facilities.

Step 10. Start operations.

Other resources: [USDA](#) , [NCBA](#) , [OSU](#) , [U of Wisconsin CFC](#)