



**California Center for Cooperative Development**  
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## 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](#)