

# Coop Startup Guides







# Cooperative Startup Guides

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## History of the Center for Family Life’s Cooperative Development Program

Center for Family Life (CFL) is a nationally recognized leader in development of worker-owned cooperatives in immigrant, low-income communities. CFL launched the Cooperative Development Program (CDP) in 2006 with a group of domestic workers seeking safe and non-exploitative work. CDP continues this approach of community collaboration in our work to drive systemic change through innovation, model building and leadership development.

Unique among workforce and business development programs, CDP fuses small business supports with social group work strategies, offering tailored technical assistance made accessible through popular education methodologies. This produces wholly worker-owned and democratically run enterprises, in which workers determine wages, schedules, and business practices and culture. Workers create better jobs and lift standards in low-wage industries, develop leadership and business skills, and build assets and solidarity.

Over years of iteration and outcomes analysis, we produced a methodology in which groups of workers receive technical assistance in the form of an initial intensive business and cooperative training series, followed by ongoing contracted technical support throughout the startup years. Our methodology goes beyond training for day-to-day business operations, and builds capacity for strategic goal-setting, performance data-tracking and movement building. Until businesses are fully mature, we offer shared back office customer service support, supervised and paid for by worker-owners. Our goal is to scale cooperative business development through the dissemination of a model that can be adapted by community groups nationally, serving marginalized workers who lack resources and expertise in enterprise development.

As of December 2018, our work over the past 12 years includes:



- Supporting 22 cooperatives, 15 of which are operational in 2018, in industries including cleaning, childcare, elder care, tutoring, handiwork, pet care, and food services. 15 cooperatives have generated more than \$16M in revenue.
- Training 36 New York City community-based organizations on our cooperative incubation model.
- Actively participating in the NYC Worker Cooperative Business Development Initiative (WCBDI) since its inception in 2015. WCBDI is a group of technical assistance providers that have joined to combat inequality in low income communities through worker cooperative business development. With the support of City Council (the first city in the country to commit funding to worker cooperative development), WCBDI has received over \$8M and more than tripled the number of cooperative businesses in NYC.

## Why did we create this guide?

Cooperative development looks different in every community and with every group of worker-owners, but there are many structures and resources that can be shared and adapted to advance the startup process. We have learned a lot over the years, and continue to refine our approach to cooperative development based on our experiences and guidance from legal support organizations, business and marketing consultants, changes in policy and regulations, community organizing, and our partners. We developed this guide in response to:

- Need for internal documentation and knowledge-sharing. With each cooperative we support, we learn more about legal and business processes, requirements, and best practices. With this Startup Guide, we aim to consolidate our learnings in a living document that our team members and partners in cooperative development can easily access, build upon, and share.
- Interest in resources on cooperative development. We frequently receive inquiries from community-based organizations and other groups interested in cooperative development in their communities. We recognize the need to share the tools and information we have identified and developed over the years in an easily accessible, digestible format.



We have developed our knowledge and approach to cooperative development with the support of our partners in the worker cooperative movement. Our intention for this guide is to share back our learnings and contribute a usable and useful tool to the cooperative ecosystem.

## Contact

We appreciate your interest in the Coop Startup Guides, and sincerely welcome all comments, questions, and contributions. This is a living document, and our goal is to update it annually to reflect any significant updates in our model or the cooperative development landscape.

If you would like to share feedback with us, or have questions about how to use this document, please contact us at [cflcoopteam@gmail.com](mailto:cflcoopteam@gmail.com) or 718-633-4823.

## Acknowledgments

This Startup Guide would not have been possible without the work and contributions of all CFL Cooperative Development Program team members past and present<sup>1</sup>, our partners in cooperative development including the Urban Justice Center, and the worker-owners we partner with every day.

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<sup>1</sup> Adriana Mendoza, Araceli Gomez, Corinna Zuckerman, Emma Yorra, Iliana Salazar-Dodge, Juan Cuautle, Juan Pablo Lombana, Krystyna Soljan, Lomie Cunningham, Maru Bautista, Phyllis Robinson, Rachel Isreeli, Reg Flowers, Santiago Gonzalez, Sylvia Morse, Tracy Perez, Vanessa Bransburg, Yeslie Maldonado, Ysanet Batista

## How to use this Guide

The overall purpose of this guide is to offer resources and tools for those supporting worker cooperatives to get off the ground, and for members to know which the necessary steps & considerations are for starting and launching a worker-owned cooperative. Our approach and model has been tailored to immigrant communities in New York City for over twelve years; this guide is reflective of our experience, but we believe most sections can be adapted to other communities and other regions across the United States.

### About the format

This guide is divided into 5 large sections: Internal, Office, Legal, Finance and Publicity. Each section has specific tasks that need to be completed *before launching* a worker cooperative. Every task outlined has one or two pages, outlined in the following way:

- 1) There is a brief introduction to each task that explains why it is important.
- 2) There is a list of steps you need to take to accomplish the task.
- 3) Some tasks have a checklist, tips and templates attached to them.

### For members

This guide can help you with completing tasks needed to launch your worker cooperative. You can follow the flow described in the Task Overview section, or determine the flow based on your own priorities. Some sections can be completed in smaller groups, and others require the full group's input. There are sections that require you to work with outside consultants or experts, so you can start building your network of support.

### For developers

This guide can help you support the coop with the tasks needed to get to the launch. There are three ways of using this guide with the group you are supporting. You can give the whole guide to

the group at once and support them with each task as well as offer guidance on how to prioritize the order in which they complete the tasks.

Another way is to provide the guides in bite-size chunks. This requires that you know the group and the flow of cooperative development a little bit more. Whatever task is most relevant at the beginning, you can provide the guides to the different committees/small groups working on that specific task. That can help members to focus on one action at a time.

Finally, you may just want to use this Startup Guide as a reference, along with other materials and information. If you are in the middle of working with a cooperative and have a question, be sure to check the guide, you may find some useful tips and how-to's!

### What this is *not*?

This Startup Guide is not a popular education methodology on cooperative development. When we work with groups/cooperatives, we develop pop-ed strategies. This guide *accompanies* those strategies, including workshops, materials and group activities to build community and knowledge.

This guide may not be applicable to every group. While we believe most tasks in the guide can be adapted, the style, level of participation and engagement required may not resonate with everyone. We celebrate diversity and as such, recognize that this guide may not be for everyone. The guide was created based on our experience working with low-income immigrant communities.

This guide builds upon the incredible wealth of knowledge our movement has created. It is not the only source you should consult when you are starting/help start a worker cooperative. While we've tried to consolidate a lot of information here, there will be a lot you will need to gather from other places.

We recommend looking at the following resources to start:

- [www.cultivate.coop](http://www.cultivate.coop)
- [www.institute.coop](http://www.institute.coop)

- [www.geo.coop](http://www.geo.coop)
- [www.toolboxford.org/study-guide-to-the-cooperative-movement](http://www.toolboxford.org/study-guide-to-the-cooperative-movement)

If there are other resources we should list, please let us know!

## Creative Commons License



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## Glossary: Shared Language

**Committee.** A small group tasked with specific cooperative functions; they can be standing committees and built into the structure of the cooperative, or ad hoc committees, serving a very specific purpose and then dissolving.

**Cooperative.** In these guides, when we say “cooperative” we are explicitly referring to worker cooperatives - businesses owned and controlled by the workers.

**Guaranteed Payments.** These are what are generally considered “paychecks.” In LLCs, guaranteed payments are the percentage of income from a service/product that members take home as compensation for their work.

**Meetings.** Meetings refer to the consistent gathering of members/worker-owners to discuss business operations, governance and management. These are often distinct from trainings or workshops.

**Member.** In these guides, “members” refer to worker-owners - workers who collectively own and control their cooperatives.

**Movement.** We organize worker cooperatives as a means to building movements for justice; we recognize that through worker cooperatives, people build solidarity, leadership and economic possibility to transition from an exploitative to regenerative economy. From our vision statement: The CFL Cooperative Development Program envisions a socioeconomic system in which all people and the environment thrive. We explore how to dismantle systemic oppression through the development of worker cooperatives grounded in principles of democracy, equity, community self-determination, and solidarity.

**Office / Back Office.** In our model, the “office” or “back office” is the cooperative’s customer service - this includes answering phone calls and emails, managing the client database, generating



client/job reports, and scheduling workers. We do not necessarily include finances under back office.

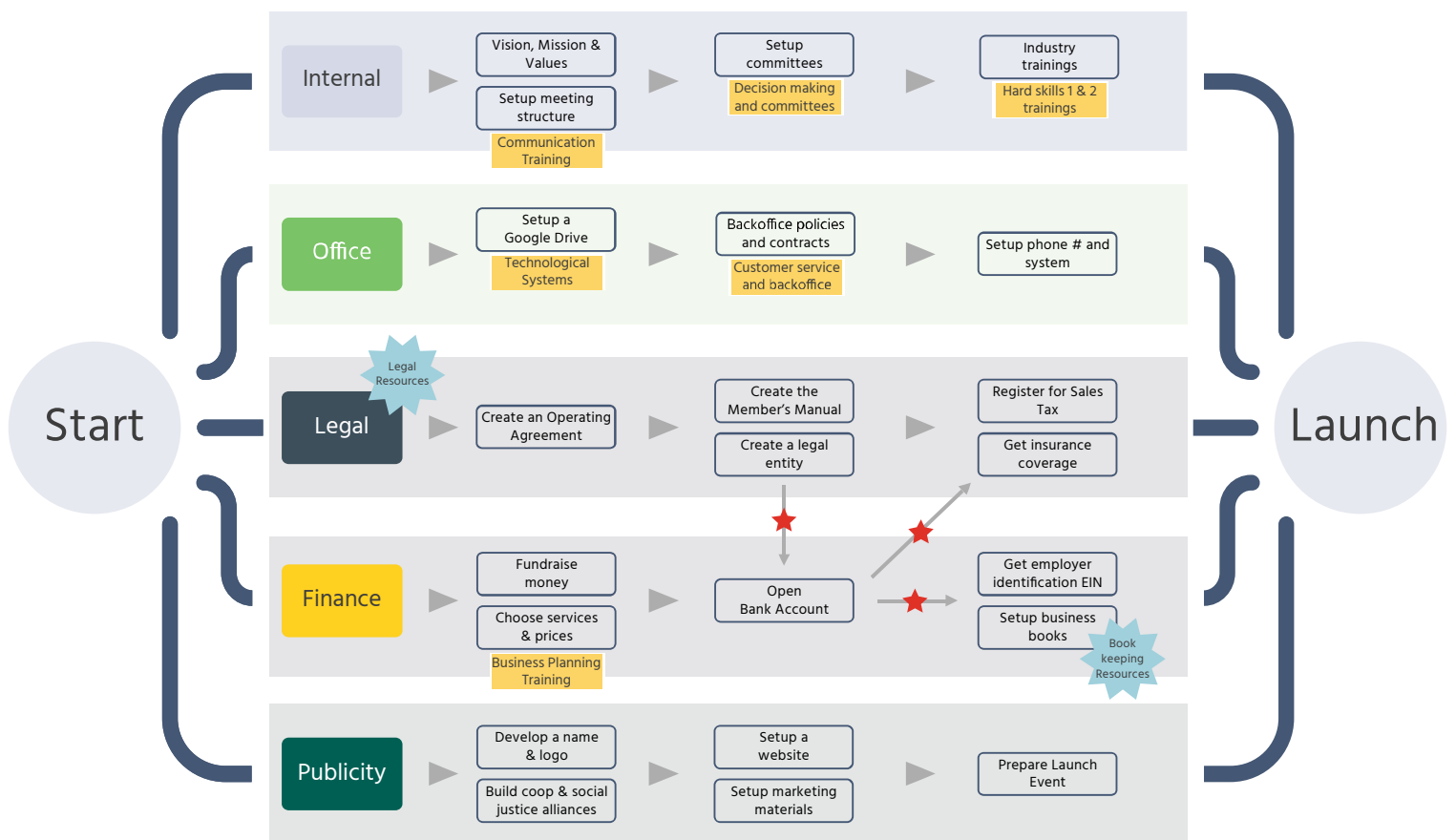
**Operating Agreement.** The Operating Agreement is the legal document with collectively created governance policies in LLCs. Other models of incorporated businesses/organizations might have bylaws; these documents are the same. We distinguish this legal document from a cooperative's Member Manual which is a more flexible and colloquial document that reflects day-to-day operations protocols and cooperative culture, in addition to governance.

# Task Overview

As with many long-term projects, the steps of starting a cooperative are not necessarily linear: Many tasks can happen simultaneously (especially through committee formation), and others will start, pause, and resume. However, some steps necessarily have pre-requisites (e.g. forming your legal entity before having a bank account).

Below is a recommendation for the order you may want to approach these tasks. "Necessary" orders are indicated with a **red star** ★. The **yellow boxes** indicate trainings needed to accomplish these steps.

We recognize this may be a lot to digest - start where you feel comfortable and/or excited!





## Community Building

At its core, a cooperative is a *group* - not just any group, but one that is a *business* and often becomes like a *family*. Some groups come together spontaneously whereas others are planned; some are made up of intimate friends, others are made up of strangers. Regardless of the group's origin, we know that all groups need intentional practices and commitments to build and strengthen trust, confidence, creativity, responsibility, and of course cooperation.

In our "social group work" framework, we identify 3 stages of group development: Beginnings ("forming"), middles ("storming"), and maturity ("norming" or "transforming"), during which the group will develop, face challenges, determine solutions...and work!

As these guides focus on the initial stage of cooperative development, here are some of the practices we recommend including both at the beginning and throughout the cooperative process:

## Practices

- 1) **Icebreakers.** Begin meetings and workshops with get-to-know-you activities. They can be silly, deep, related to the topic, or random!
- 2) **Group agreements.** Create community agreements at the beginning of your work together; keep them posted in future meetings, and review/update them regularly.
- 3) **Closings.** End your meetings with a check-out, 1-word feeling, movement activity, highs and lows, or a simple mantra that your group likes and/or creates.
- 4) **I-Statements & communication.** We recommend having at least one in-depth communication training to start, and following up with additional communication-based activities. Encourage all participants to speak for themselves with "I-statements."
- 5) **Active listening.** Cooperatives require trust, patience, learning and listening. Be sure to discuss active listening - what it looks, feels, sounds like. One suggestion is to start all



meetings with pair listen (one person talks for a minute uninterrupted, followed by the other person).

- 6) **Everyone speaks/go-arounds.** Everyone's voice matters in a cooperative. Try building in opportunities for each person to speak or respond, including by go-arounds and/or timing people for 1-2 minutes each.
- 7) **Conflict resolution.** Conflict is necessary and natural in the wild and with groups of humans! Recognize that conflict is normal, and don't avoid it. Have a training early on to develop your conflict resolution process, and be sure to follow it.
- 8) **Attention to power dynamics.** Power can be a beautiful thing! Build up your skills with assessing, reading and talking about power. How can power show up positively in your community? How could it be harmful? Have intentional discussions around building leadership and challenging oppression within your cooperative - especially around meeting structure and participation, collective management, and communication.
- 9) **Kick-off weekend.** We like to start coops by an initial 2-day intensive, followed by a celebration. This weekend is full of team-building, as well as initial coop planning (that can even be tossed out later!).
- 10) **Celebrations and appreciations.** Starting a coop is tough - it is a lot of work, and it can get heavy emotionally. Make sure to build in little celebrations and appreciations - of successes, of individual/team contributions, of milestones.
- 11) **Retreats.** We recommend having annual retreats to reflect, relax, build, plan and celebrate.

## Checklists

- Meetings have icebreakers and closings
- Community/group agreements
- Coop has a communication training
- Meetings have built-in opportunities for everyone to speak and share their opinion
- Conflict resolution training and process
- There are celebrations!
- Initial retreat or kick-off weekend planned

## Templates and Resources

- ❑ [Sample group agreements](#) (from AORTA's Anti-Oppressive Facilitation for Democratic Process)
- ❑ List of [team-building icebreakers](#), more [energizers and icebreakers](#), and [another 40](#)
- ❑ AORTA's [Tips for Naming, Intervening and Addressing Systemic Power](#)
- ❑ [Sample Communications Training Agenda](#) with additional activities

### Keep in mind

Community building is a practice that needs practicing! We recommend considering using outside support when necessary - but also trust in your own collective power, history and wisdom to develop a culture that's yours!

## Set up regular meetings

Meetings are important for various reasons; these are some of them: they help keep you informed about your business; they provide a clear structure to voice your opinions; they provide a space for you to connect with your fellow worker-owners. The quality and quantity of meetings are essential to the success of your worker cooperative.

### Set up regular meeting time

It's important to have a standing time for your meetings, whether these are for your entire membership, or specific committee meetings. Knowing when you are required to be at these meetings, will allow you to be organized and responsive to your membership requirements.

#### Steps

- 1) **Discuss as a group where you are at in your development process.** If you are in the early stages, meeting more frequently to do work would be helpful to expedite your launching timeline. If you have launched your business, it is time to reassess how frequently you want to meet. Perhaps it's time to scale back and have membership meetings once every two weeks or even once a month.
- 2) **Determine meeting purposes.** First, figure out why you are meeting in the first place. What are the goals/standing items you want to include in your meeting agendas? Consider the following types of meetings:
  - a) **Membership meeting.** This is where all the members participate. What are the goals of having everyone in the room? What do you want to make sure you always discuss?
  - b) **Standing committee meetings.** This is where a smaller group of worker owners meet to discuss specific committee items.
- 3) **Determine meeting frequency.** Now that you have set goals for your types of meetings, determine, how frequently do you need to meet in order to achieve those goals? Do you meet weekly? Bi-weekly? Monthly? We recommend that membership meetings occur less frequently, and committee meetings happen with more frequency, as these committees



tend to focus on more aspects of running the business, whereas membership meetings focus on governance issues that impact everyone. (See section on [Decision Making](#) to learn about extensiveness test)

- 4) **Determine meeting length.** At this time in your development process, how long do you need to meet with the frequency you determined? 1 hour? 2 hours? Remember that meeting for more than 2 hours can be burdensome. If you do meet for longer periods of time, you may consider meeting less frequently and running effective meetings. See section below on meeting facilitation for some tips on how to run effective meetings!
- 5) **Determine your meeting time.** When can everyone be available to come to meetings?
- 6) **Establish a facilitation committee or designated facilitators** (if you are a small cooperative, have designated facilitators, if you are part of a larger cooperative, a committee may be better). See the [Meeting Facilitation](#) section below for more information/steps.
- 7) **Figure out your meeting location.** Now that you know more about your meeting requirements, you need to figure out where you will meet. You should be able to find places in your community. Reach out to community-based organizations, community centers or churches. Most places will let you meet for free, but as you become a more sustainable business, you should pay for space use.

### Checklists

- Meeting purposes are set
- Meeting frequency determined
- Meeting length determined
- Meeting time set
- We have a facilitation committee and/or designated facilitators
- We have meeting space

### Templates and Resources

- [Meeting purpose/developing agendas](#)
- [Meeting checklist](#)

## Keep in mind

As your cooperative grows, making decisions in a larger group will become very challenging. Remember to set up decision making structures that allow you to be effective and efficient with how you spend your time together.

## Agendas

Having agendas for your meetings is really important: as a facilitator, it gives you the structure and goals for each item you are bringing to the group, as a participant, it gives you an idea about what the meeting is about and helps you be prepared for it. They generally help maintain conversations focused and allow for items to be carried over to future meetings.

### Steps

- 1) Look at agenda templates and determine which one works best for your cooperative.
- 2) Determine the order of standing agenda items. Remember to think about the culture of your cooperative when doing this. If food is important to you, make sure you have time in your meeting to set up and have conversations amongst each other. If having an icebreaker is a standing item, make sure you include it in your agenda template.
- 3) Test the order of your agenda template in a few meetings. Reflect on the flow of the meeting: What worked well? What could be changed?
- 4) Adjust your agenda template.

### Checklists

- Look at agenda templates
- Determine the order of standing agenda items
- Test the flow in a few meetings
- Review and adjust

### Templates and Resources

- [Agenda Sequencing](#)
- [Practice: Developing effective agendas](#)
- [Agendas Format](#)

## Meeting Facilitation

Good facilitation is key to the success of your cooperative meetings. There are lots of competing needs in any meeting: there's usually a lot to go over, decisions need to be made, voices to be heard, and there's the constraint of time. How to juggle it all? With good facilitation. A lot of this is in the planning. Having a good meeting agenda is the first step to becoming a skilled facilitator (see section above). The next step is to practice helping a group achieve its goals, as well as reflecting on your practice.

### Steps

- 1) **Designated facilitators go through a training.** Whether you go to a facilitation training, or look at some guides, we recommend that the designees talk about skills they have and areas they want to improve on as facilitators.
- 2) **Facilitators assign each other roles.** Depending on your cooperative and its size, you may want to assign the following roles to members, whether they are part of the facilitation committee, or are volunteers: timekeeper, note-taker, facilitator supports (members who jump in to facilitate small group discussions for example).
- 3) **Prepare for each meeting.** Review checklist for the 3 stages of a meeting. What do you need to do **BEFORE** the meeting? Imagine what the meeting will look like, anticipate potential areas of conflict and items that may be challenging to go over. What can you do as a facilitator to prepare for this? Are there documents/information you need to gather for a specific agenda item? Do you have questions about specific items that you need answers for prior to the meeting?
- 4) **Facilitate meeting.** Review the **DURING** the meeting part of the checklist. Make sure facilitators know their roles. Arrive before the meeting starts in order to set up. Make sure you post your group agreements, a parking lot, agenda, set up equipment, etc.
- 5) **AFTER the meeting.** Make sure there is adequate follow up to agenda items, notes are saved and distributed to everyone, and any other component is taken care of to ensure nothing is lost after the meeting.

## Checklists

- Facilitators go through training
- Facilitators have assigned roles
- Review checklist for the 3 Stages of a Meeting

## Templates and Resources

- [Good facilitator Skills and Attributes](#)
- [Checklist for the 3 Stages of a Meeting](#)

## Decision Making

Having a decision-making protocol gives clarity and purpose to your cooperative and all its structures. While democracy is a key principle to worker cooperatives, it doesn't mean that all decisions need to be made by everyone. Can you imagine how much time it would all take? Rather, democracy exists because there is a way in which all members decide who will make decisions and on what types of decisions.

## Steps

- 1) **Learn about different decision-making strategies.** Understand the different ways in which decisions can be made: spontaneous decision making, one person decides, negotiation, multi-voting, majority and consensus (see template).
- 2) **Come up with sample decisions.** Brainstorm all the types of decisions you need to make in a 3-month period. Who needs to be involved in which decisions? Understanding which decisions are both relevant and long lasting, can help determine whether some decisions need to be made by a subgroup or by the entire cooperative membership. Think about the size of your cooperative and think about efficiency when making these decisions. If you are a large cooperative, you may want to ensure that day-to-day operations rely on decisions made by a smaller group of members.
- 3) **Review the decision-making sequence.** Decision making takes time, so it's important to understand what the proper sequence for decision-making is, to ensure transparency, participation and efficiency. For example, to decide to change the name of the coop



business, it first needs to be brought up as a **topic** of discussion, in a small group or large group (depending on the type of decision). Then, it needs to be **discussed** in that group and there needs to be a **proposal** for review. (See template for how to present proposals). This takes time, because research needs to be done to ensure the viability of the proposal. The proposal involves the voices of those in the group (again, depending on the type of decision, this can happen in a small committee, or in the entire membership). Once that proposal feels ready for voting, then you **vote**. (See Section on Voting)

- 4) **Put decisions to the test.** The “fire and ice” test is a useful way to figure out the impact a decision can have in the cooperative. Does the decision affect all members or just a few? Does the cost of the decision affect the coop’s resources or is it a cost you have budgeted for? How long will the effects of the decision impact the coop and its members? Based on how deep the impact of the decision is, more or fewer members need to be involved in the decisions making process. This is all to ensure efficiency in the coop and to avoid roadblocks. See the fire and ice tool to get a better sense of how to implement this.
- 5) **Fill out the Glass Model worksheet.** The Glass Model is a tool to help you determine how and where decisions are brought up, discussed and get ready for voting. Having this tool in place and agreed upon from the start brings clarity and a sense of accountability for how decision-making occurs in the cooperative.
- 6) **Develop a decision-making protocol.**

## Checklists

- Learn about different decision-making strategies
- Come up with sample decisions
- Review decision making sequence
- Put decisions to the extensiveness test
- Fill out Glass Model worksheet
- Develop a decision-making protocol

## Templates and Resources

- [Decision making strategies](#)

- [Fire and ice tool](#)
- [Glass Model worksheet](#)

## Voting

Voting is a key activity in a worker cooperative: it's the moment when you exercise your right to decide how you want to govern and manage your cooperative business. Voting is also an exercise that needs practicing and adjusting. The cooperative needs to develop systems to do it effectively and with intentionality. Everyone should be on the same page about what it is you are voting on! Clarity in the decision-making process helps with voting. Below are some steps that can help your cooperative develop adequate systems and processes that can be easily implemented. Remember, there are various ways to vote, here are just some guidelines to help you think about what should be included in the process.

### Steps

- 1) **Review the section on voting in your Operating Agreement.** It will tell you what is required for voting. Pay attention to the following:
  - a) What is quorum (%)? How many members need to be present for a vote to happen?  
Is quorum different, depending on the kind of decision?
  - b) What is majority or supermajority voting and for which decisions (%)? Are there some decisions that require a higher percentage?
- 2) **Review your Glass Model** (see section on Decision Making), and make sure your proposal is being presented to the right audience.
- 3) **Review the Operating Agreement or Member Manual.** What is the proposal amending/changing/adding to? Ensure you know what is going to be changed or included for the first time, to have clarity when presenting the proposal for voting.
- 4) **Ensure you have proposals ready for voting.** Are the proposals clear? Make sure the language makes sense and include the sections of the Membership Manual or Operating Agreement that are going to be amended, changed, or where the proposal will be included. You can use the [proposal template](#) to develop your proposal. It is important to discuss the pros and cons of the proposal, as well as financial and social impacts.
- 5) **Include the proposal in the upcoming meeting agenda.** See the Agenda sequencing template for an idea on when to have the voting process. Share the proposal and the

request for time with the facilitator or facilitation committee or any other body in the coop in charge of the meeting agenda.

- 6) **Get ready for the voting.** During the meeting, present the proposal - visually and verbally, and have some time to ensure everyone is clear on what is being voted on. Answer questions. At this time, the proposal should be very clear, discussion should be very minimal.

a) Process suggestion 1: Voting by consensus.

- i) Ask for a motion to pass the proposal (read the proposal). Ask someone to second the motion.
- ii) Ask for any stand asides, any blocks.
- iii) If nobody stands aside or blocks the motion, then the proposal passes.
- iv) Record it in the meeting minutes.

b) Process suggestion 2: Voting by counting.

- i) Read the proposal.
- ii) Ask members to raise their hands if they are in agreement.
- iii) The secretary should count the number of members who raised their hands and write down the numbers carefully.
- iv) If the number of members in agreement is equal or higher than the % required for a proposal to pass (per the Operating Agreement or Member Manual), then the proposal passes.
- v) If the number is lower than what's required, you can choose to re-read the proposal and ask for any clarifying questions OR any concrete objections/blocks. If there are blocks or significant objections, ask what concerns members have with the proposal. You may choose to postpone the voting if you sense there are important concerns, and include those members in further discussion about how to best improve the proposal - if it makes sense.

## Templates and Resources

- ❑ [Bringing proposals to your cooperative](#)

### A simple trick: the museum of proposals!

An easy way to vote on a series of proposals without it getting too lengthy is to hang the proposals (each on a separate piece of paper) on the walls in your meeting room. Then give members green, red, orange and blue dots (or fewer options, as you decide). All the members can move around the room and read the proposals. They can vote on each proposal as follows:

- Green dot: Agree!
- Red dot: Disagree
- Orange dot: Don't understand/need more discussion.
- Blue: I can make this better

After voting you can focus the discussion on the proposals that have red and orange dots on them.

## Committees

Committees are like working groups who have certain responsibilities and tasks in the coop. They help you divide the workflow and stay organized.

We recommend you choose 4-5 committees from the following list:

- Office Committee (supervises back office manager)
- Publicity Committee (organizes publicity events, etc.)
- Members Committee (member well-being and accountability)
- Finance Committee (bookkeeping, budgets, etc.)
- Leadership Committee (external representation, coordination, includes president, vice-president, secretary, treasurer)
- Movement/Advocacy/Policy Committee (staying connected to movement-related work)

Once the cooperative reaches 9-15 members or more we recommend that you institute a board.

We recommend you contact the lawyer to supervise this transition.

### Steps for Assigning Committees

- 1) Identify what committees you want to have for your coop (see above list)
- 2) Put each committee and their specific charters on a piece of paper and hang them around the room
- 3) Invite all members to stand at the committee paper they feel more excited about
- 4) Go committee by committee and ask for coops approval if they agree with the vote
- 5) Shift people if necessary
- 6) Once you have formed the committees, review the [Sample Committee Charters](#) and make edits and additions
- 7) Start a record of committees and names of cooperative members and set a date for committee elections
- 8) Bring back the charters for review by all members and approve

## Checklists and Resources

You need the following materials for the meeting in which you assign committees

- [Sample Committee Charters](#) (enough copies)
- List of Committees, Roles for members of leadership committee (write one on each letter sized page)
- Tape to hang the papers
- Make sure you keep a record of who is in which committee and for how long

## Creating a Mission, Vision and Core Values

Your mission, vision and core values embody the culture, purpose and ethics of your cooperative - they help distinguish your business from others. The mission, vision and core values are both internal - in that they describe how you function and why - and external - in that clients, media and community will use these to learn about your cooperative.

### Mission Steps

- 1) Review “Mission & vision best practices”
- 2) Look at 1-4 sample mission statements
- 3) Choose one mission statement that you like, and adapt it to your cooperative including what you do, how you do it, and who you are.

### Vision Steps

- 1) Answer: What does your dream world look like? What are the dominant values of that world? How does your cooperative fit in this vision - what is your role? If you have already done this visioning work with your cooperative, review your notes.
- 2) See sample vision statement.
- 3) Write up a 2-4 sentence vision, based on the world your cooperative wants to create, and how your business will contribute to this world.

### Core Values Steps

- 1) Review your cooperative’s group agreement
- 2) In a small or full group, quickly brainstorm all values that you think you might like to uphold as a cooperative
- 3) In a full group, all cooperative members can vote on 3-5 values that they find most important for your cooperative
- 4) The 4-8 values with the most votes can serve as your starting core values
- 5) Evaluate your values as a full set: Do they encompass the most important aspects of your vision and how you interact with each other? Are you willing to hold yourself to these? Is anything missing?



## Checklists

- Create mission statement that articulates what, why and for whom you do your business
- Create vision statement that describes the world you want to create and how your cooperative will contribute to this world
- Narrow down 4-8 core values

## Templates and Resources

- [Mission & vision best practices & examples](#)

### Keep in mind

- Finding a mission, vision and core values is a teamwork process. You can have small groups come up with a draft, but the full group should be involved in editing and confirming.
- Your mission, vision and values should complement each other. They should not be repetitive, but they should tell a coherent story. Once you've created all 3, look them over to see if they paint a complete picture of your cooperative identity; adapt them if they are repetitive or conflicting.

## Industry Trainings

One of the unique advantages of belonging to a cooperative is that members have access to industry skills trainings they may not otherwise receive while working independently as contractors. Your cooperative's membership committee may be tasked with organizing industry-focused trainings to help members develop and refine their hard skills so they are the best they can be at their work.

### Steps

- 1) Research your industry to learn about potential trainings related to your field of work.
  - Are there safety topics that members need to know about?
  - Are there new technologies or regulations that impact your work?
  - Would offering a specific training to boost your members' skills and capacity be a selling point to bring in clients? (Or, is there client demand for a certain kind of skill?)
  - Do your members need training in using specialized equipment or utilizing particular techniques?
- 2) Find a trainer or consultant who offers this kind of training or workshop.
- 3) Check your budget to see how much you can afford to pay a trainer.
- 4) Ask the trainer to create a proposal for the kind of workshop or training you would need and to provide you with a quote. The proposal should outline the length of the training, the topics covered, and provide you with an idea of the methods that will be used to convey the information.
- 5) Arrange for learning accommodations. Coordinate translation if necessary and inform the trainer of any unique learning styles or preferences.
- 6) Negotiate and adjust the training topics or the quote as necessary until you have come to an agreement.
- 7) Schedule a time and place for the training.
- 8) Make sure the trainer has everything they need for a successful presentation. Projector, a screen, a flipchart, and/or space for breakout groups may all be important elements for an engaging and successful workshop.

- 9) Organize drinks, snacks or food for your members.
- 10) Pay your trainer.
- 11) Ask for a W9 and an invoice from the trainer for your cooperative's tax records.

## Checklists

What needs to be completed?

Use the following formatting

- Identify training needs and key skills desired
- Identify trainer
- Get quote and workshop proposal
- Decide on a date
- Decide on a time
- Find a location to host the training
- Create a flyer or send an email to inform your members
- Make sure trainer has materials they need
- Get invoice and pay trainer
- File W9 and invoice in your records

## Templates and Resources

### Keep in mind

There may already be a workshop or training being offered in your area that your members can attend. Sometimes there are organizations that have contracts to provide free trainings, such as workplace safety for multiple industries, or specific to the childcare industry. For technical skills, you can look at local technical schools, or labor training organizations such as the Consortium for Worker Education in NYC.

## Movement Building & Cooperative Organizing

You are most likely forming your cooperative to create a more just and equitable society, one where all people have freedom for self-determination, where all workers have dignity and voice, and where communities are liberated from systemic barriers to opportunity and justice. If this sounds right, then make this vision a part of your cooperative!

### Steps

Consider taking the following steps to ensure that your cooperative helps create a better world, in your community and beyond.

- 1) **Create a vision statement for your cooperative.** What does your dream world look like? What are the dominant values of that world? How does your cooperative fit in this vision - what is your role? Write up a 2-4 sentence vision and use this in your publicity efforts! See [“Creating a Mission, Vision and Core Values”](#) for more information.
- 2) **Establish a “movement mobilization” or “advocacy and organizing” (or otherwise named) committee.** This committee or representative would be responsible for ensuring that the cooperative is actively engaged in supporting the cooperative/[solidarity economy movement](#), and/or other social justice work, particularly by upholding the International Cooperative Principles of “cooperation among cooperatives,” “concern for community,” and “education, training and information.” See below for a sample description of tasks and responsibilities.
- 3) **Join cooperative networks.** See websites below; many of these networks are free or low cost for startups and come with many benefits!
- 4) **Join other movement-building and community organizing groups.** Are there social justice groups within your industry and/or community? How can your cooperative be engaged in creating a more just world?
- 5) **Ensure that all members have education around social justice, solidarity economy organizing, anti-oppression, and any other issues facing your community.** Consider inviting guests to give workshops on the solidarity economy, knowing your rights in your industry, anti-oppressive workplaces, racial justice organizing, or any other relevant issue.

Attend events by the organizations listed below. Find opportunities for leadership development for all members.

- 6) Consider making it a requirement that all members engage in community organizing and/or social justice activities. Some coops have required “publicity” hours: Make community organizing and social justice work a part of your publicity!

## Checklists

Complete the following:

- Create a vision statement
- Designate a committee or person responsible for network and movement-building and social justice
- Research cooperative and other social justice networks and make proposals to your cooperative about what you would like to join
- Identify workshops, trainings and/or other leadership development opportunities for your cooperative to ensure that you remain socially justice and accountable to both your cooperative and the community

## Templates and Resources

- [Sample “Movement Building / Cooperative Organizing” committee charter](#)
- Sample vision statements in [“Mission & vision best practices & examples”](#)
- Read about solidarity economy (including organizing, definition and examples) from [Solidarity NYC](#), and [RIPES](#) (an intercontinental network promoting the social solidarity economy)
- Cooperative network websites:
  - [NYC Network of Worker Cooperatives](#) (NYC NoWC)
  - [US Federation of Worker Cooperatives](#) (USFWC)
  - [Cooperative Economics Alliance of New York City](#) (CEANYC)
  - [National Domestic Workers Alliance](#) (NDWA)





## Setting up a Google Drive

Google Drive is an online cloud-based application that allows file-sharing with all the cooperative members in any computer, anywhere in the world. You can work at the same time in the same file, share coop documents, photos, and more. This will be the place where the coop's information "lives", so remember: try to keep it tidy and organized. Here are some tips for that:

- Google Drive works as an archive. You have folders and documents. Folders can be contained into other folders. For example, one of the top folders can be called "Governance + Legal" and then you can create a folder here called "Official documents". This is called a *tree-structure*.
- [Set-up the folder tree-structure](#) in a way that makes the most logical sense to anyone involved, that way other members of the coop can access information that someone else saved. Go from the most general to the most specific: e.g. "Committees" -> "Financial Committee" -> "Minutes"
- In the document names be sure to use descriptive words, so that others can use the powerful Search feature to find the document they need.

### Steps

- 1) Go to this website [www.drive.google.com](http://www.drive.google.com). To use the Drive, you will need a Google Account; it is better to use a generic company account for this. Click on Create account and in the form add your coop's information: name, username, password, birthday (use your own birthday), gender (Other), a real mobile phone (you will receive confirmation texts in this phone), and finally add an existing e-mail address. This will be a backup email in case you forget the password or need to reactivate the account.
- 2) When the account is setup you will see the My Drive window. Here you can create folders and documents.

- 3) Click on New button. Click on Folder and give it a name. Remember the tips above!
- 4) Create at least the top-level folders so you can start saving the documents you are working on.
- 5) Click on New again and now choose between the file types to create a new:
  - a. Docs: To write letters, agendas, minutes.
  - b. Sheets: To make tables, lists of people or transactions.
  - c. Slides: To make presentations and diagrams.

### Checklists

- Setup Google Account
- Create list of top folders
- Share the Drive with other members who have an e-mail account
- Have a training for all members on how to use the Drive and access the documents

### Templates and Resources

- [Google Drive Tree-structure setup](#)
- [Google Drive Orientation for Members](#)

## Develop a Back Office Guide

The back office guide includes the following parts:

- **Terms of Services.** Deciding what kind of services you will be offering your clients can be a difficult task and may need to be flexible to accommodate unanticipated unique requests from clients. You can decide to accept or decline any kind of unique requests not normally offered by your coop on a case-by-case basis. You will most likely need to give the clients special pricing for these kinds of requests as well. All terms need to be solidified before your office is up and running. The person running your back office needs to be informed about all services so that they are knowledgeable, prepared and can sound confident when communicating to clients on the phone or via email.
- **Back office Policies.** Back office policies are the rules that tell your office manager how to run your cooperative office and tells them what to do in certain scenarios and how to handle day-to-day tasks.
- **Job Roster.** Job rosters are important as they help your office manager quickly decide who to call first to assign a job.
- **Phone System.** It's important to think about a phone service that best fits the needs of the cooperative. Do you want to be able to check voicemail over the weekend? Do you want to have a landline or an online phone system you can access from anywhere? Figure out what you need.

### Steps

- 1) Answer the [back office questionnaire](#). This Questionnaire will lead you through deciding on the terms of your services, back office policy and job roster setup.
- 2) Review the [back office best practices](#). Compare your answers to the questionnaire and adjust if necessary.
- 3) Cooperative approval. Get the answers to the back office approved by all the cooperative members.



- 4) Send to the office manager. Once the questionnaire is approved it can be used as your back office guide.
- 5) Keep adapting the guide. As you progress more questions will come up. It is important that whenever you decide on new policies you adjust the back office guide.
- 6) Determine what phone system you want to have. Read this [Phone guide](#) to learn about our recommended phone system.

#### Templates and Resources

- [Back office questionnaire](#)
- [Back office best practices](#)
- [Phone guide](#)

## Create a Contract

Contracts are best written in conjunction with lawyers familiar with cooperatives or familiar with the field or industry you will be providing services in. Contracts should always be signed before any kind of service is provided. Your office should always retain a copy of the signed contract to keep on record. Depending on the type of coop you have, will determine if the contract is signed between the client and the member or perhaps just the client. Some important things your contract should include are client and member name and contact information, location of where services are going to be provided, date when services are to be provided, how long is this contract valid, price of services, and when any terms or benefits become effective.

### Steps

- 1) Decide on the following questions
  - a) What is the Term of contract? Duration of contract?
  - b) Who signs the contract?
- 2) Send the back office questionnaire to your lawyer together with the answers to the questions above. Based on this information the lawyer can draft the contract(s) for you.
- 3) Review the draft contract.
- 4) Get the contract approved by the coop members.
- 5) Send the finalized contract to you back office manager.

### Keep in mind

It is good practice to store a printed copy of the signed contracts in your office.

### Templates and Resources

- Your lawyer!

## Create an Office Committee

The office committee is your best friend and closest ally for the person running your back office!

Additional support comes in the form of an office committee. It is imperative for your cooperative to have an office committee. An office committee is about 2-4 members of the coop that provide 3 primary functions:

- If the coop decided they want to extend their office hours and services beyond the normal office hours then the office committee takes on the responsibility of doing so, which means responding to any inbound correspondences during the evenings and weekends. For example, if a call comes in at 7pm or on the weekend, they would reach out to the client and assess their needs and assign the job. The office committee is bound by the same office policies as the office manager and are to follow similar procedures in job assignment. This function usually works best in those fields of work where emergency situations occur frequently.
- The office committee also covers the office when your office manager is not available to do so. For example, on a sick day or for scheduled time off.
- If your office manager needs additional support during office hours they should be able to call on the committee for help. For example, help in reaching members for a job or calling clients.
- The office committee also carries the supervisory role over your office manager. Office managers report to the office committee. Your office manager should produce monthly reports on your coop's activity, report any issues and concerns with clients and/or members and they in turn report this information back to the general membership during your meetings. Also, if there is a change in policy that affects how you run your coop, the office committee is responsible for notifying the office manager.



## Steps

1. Elect a back office committee (see committees' section).
2. Back office committee members complete a training with back office manager to learn how to cover the back office. The training includes all essential back office functions: how to respond to client inquiries, how to access the phone and database, how to assign jobs, etc.
3. Back office committee schedules monthly supervisions with back office manager.

## Templates and Resources

- See **Committees** section (pg. 30) for sample office committee charters.

## Setting up your back office

There are other key back office documents that you can attach to your back office guide. The back office documents are listed below. We recommend that the back office manager work on these documents and then reviews them with the back office committee.

### Steps

- 1) Draft an **Intake Call Script, Intake Questions and List of FAQs**. These resources are important to have because it allows everyone within the coop including the office manager to be on the same page. A call script provides the office manager a guideline with which to answer client inquiries and it also provides pointers to “sell” your business to a potential client. Intake questions should cover all client information that the cooperative thinks is important to collect from all client inquiries. A list of FAQs allows the coop to think ahead of potential questions that potential clients may have and have answers ready for the office manager to provide. Together, these tools all provide guidelines, pointers and information about the coop that the office manager, coop members and potential clients should know about each other.
  - a) Which information do you ask the client when they call
  - b) Potential FAQs
    - i) what trainings do the members have?
    - ii) certifications/licenses?
    - iii) how much do we tip?
    - iv) what extra services do you offer?
    - v) How did you hear about us?
- 2) **Draft a satisfaction survey** (online form or call script). It’s important to know and document how well your cooperative is providing services to clients.
  - a) What is the process for asking clients feedback?
  - b) What questions do you ask and in what format?
- 3) **Setup a Database**. A database is a virtual place where you can store all the important information of your business, for instance:
  - a) Client information



- b) Member information
- c) Information about jobs

As a startup we recommend working with a free database called Podio. The [Podio Database Structure](#) document outlines a structure that is based on a cleaning cooperative. Your office manager will be familiar with this database and can consult with you on other options.

- 4) **Setup a process for doing estimates.** For certain industries and services, you need to provide clients with estimates. You will need a process for estimating the following:
  - a) How much time does a job take?
  - b) How much do we charge the client for the overhead of the coop?
  - c) How do we present the estimate to the client?
  - d) Is the estimate negotiable?
  
- 5) **Setup a format for office reports.** The office manager will report to the office committee regularly (monthly or quarterly) on how the business is doing. Typical questions addressed in a report are:
  - a) How many new clients called?
  - b) How did they hear about the coop (referral source)?
  - c) Job status (e.g. # of jobs completed, pending, lost)
    - i) How many calls resulted in jobs?
    - ii) How many clients were lost?
  - d) Comments/concerns about the communication with members?
  - e) Cooperative income (compared to quarters/months past)
  - f) Cooperative # of clients (compared to quarters/months past)

## Templates and Resources

- [Sample intake call script + FAQs](#)
- [Sample customer satisfaction survey - Brightly Cleaning](#)
- [Podio Database Structure](#)



This section of the startup guide is designed for cooperatives that are forming Limited Liability Companies (LLCs).

LLCs are a modern form of business entity in which members own “percentage interests” in the company and take capital or ownership draws (or ownership contributions). To form an LLC, articles of organization are filed with the Secretary of State. Members enter into an Operating Agreement (or bylaws), which is a contract governing the business relationship amongst members.

One of the most important elements of the LLC structure is how it is taxed. Unlike corporations, LLCs are not separate tax entities. The IRS categorizes LLCs as “pass-through entities,” which may be taxed as a partnership or sole proprietorship. All the money earned or spent by the LLC “passes through” the LLC to its members, which means that members must report their portion of profits and losses on their personal income taxes. (Note that these business taxes are a separate matter from sales tax. If the cooperative provides a product or service subject to state sales tax, the business must register with the state to collect and pay sales tax.)



## Operating Agreement

The Operating Agreement (OA) is the core legal document of your cooperative. It is a contract between all members of the coop that outlines how you want to run the business together. The OA, sometimes referred to as the bylaws, is different from the [Member Manual](#). The Member Manual is a more informal document that governs the day-to-day operations of the business and may be amended as needed to adapt to new learnings, practices, and policies. The OA provides the legal structure for the business and is usually amended infrequently and in consultation with a lawyer. The OA should be finalized and agreed upon prior to legally forming the LLC, in particular so that there is a clear process for accepting and terminating LLC members. (If no such process is in place, and a member seeks to leave the business, the LLC could be forced to dissolve.)

This section outlines the process for developing and finalizing an Operating Agreement, which must be done in consultation with a lawyer.

### Steps

- 1) Questionnaire: Complete the [attached Governance Questionnaire](#) & send answers to your lawyer. This Questionnaire covers topics including membership qualifications and requirements as well as decision-making rules, which are essential to the legal structure and functioning of your cooperative business.
- 2) Meet with your lawyer to review a series of proposals (parts of the OA) based on the answers you gave in the OA Questionnaire. You can vote on the different proposals, and/or discuss and develop any of proposals further. If you are working with a cooperative developer, they can be a resource as well. The lawyer will take what you have decided and work on a first draft of the Operating Agreement.
- 3) Meet with the lawyer to go through the first draft of the Operating Agreement. Be prepared - these documents are pretty lengthy! But your lawyer will guide you through the document. At the end of this session, if you feel ready, you can vote on whether to accept this operating agreement. If you need more time to decide on certain components of the OA (proposals), you can ask the lawyer to revise the draft and come back with a second draft you can vote on.



- 4) Once you officially agree on an Operating Agreement it is necessary for all the members sign it.

### Checklists

- OA Questionnaire completed & sent to lawyers
- Reviewed and adopted proposals for OA
- Reviewed and adopted OA
- Operating Agreement signed by all members

### Templates and Resources

- Here is a [template operating agreement](#) you can look at to get an idea of what your OA could look like.
- [Governance Questionnaire](#)

## Member Manual

Your cooperative's Member Manual is the handbook that outlines all your history and culture, internal structure and policies, and member requirements. It is the document that provides an overview of how your cooperative functions, building on the foundation of the OA. You can refer to the Member Manual whenever you need to remember a policy; it is also helpful to give to all new members so they can familiarize themselves with your guidelines. In contrast to the Operating Agreement, this document is typically created by the cooperative without a lawyer. (Though you should feel free to use your lawyer as a resource. And, we advise that the lawyer does review the final Member Manual for any conflicts with the OA.) It is generally advisable to use the Member Manual to house specific policies that may change based on the realities of the business, based on a general requirement outlined in the OA (for example, the OA may require that members make a capital contribution to the cooperative, while the Member Manual may outline the specific rate of the contributions, which may be updated depending on the needs of the business.) While the



Member Manual is not required to legally form the LLC, it builds on the OA and helps members establish organizational culture, policies, and practices early on.

## Steps

- 1) Designate a person or committee responsible for creating a draft of the manual; you may choose to work with a developer as well.
- 2) Open the Member Manual template.
- 3) We recommend saving the Member Manual as a new Google Document (so multiple people can work on it at once, and access it from anywhere). You can also do this in Microsoft Word or even by hand.
- 4) Each section should start by including all relevant information that you have already decided on as a cooperative, referring to your cooperative's notes/minutes and Operating Agreement as needed.
- 5) Highlight any section that you have not yet decided on.
- 6) Prioritize the highlighted sections into decisions that you would like to make soon.
- 7) Work with the full cooperative or a relevant committee to draft proposals for unanswered sections.
- 8) Follow your cooperative's decision making protocol (as outlined in the OA) to decide on policies and responses.
- 9) Update your Member Manual based on cooperative decisions.
- 10) Share your Member Manual with all members and review and/or edit as needed.
- 11) It is recommended to share the Member Manual with your lawyer to make sure that none of the terms conflict with the OA, and/or to make changes as necessary.

Once the Member Manual is finalized and your business is operating, you can and should continue to return to the Member Manual as a resource. Treat it as a living document. It's important to have the decisions you have made documented and reflected in an up-to-date Member Manual.

## Checklists

You will need the following materials to work on your Member Manual:

- Member Manual template
- Meeting minutes/notes with all recorded decisions
- Operating Agreement

#### Templates and Resources

- [Membership Manual Template](#)
- [Maharlika Cleaning Cooperative's Manual](#)

#### Keep in mind

- In contrast to your Operating Agreement, which is a legal document that may include complicated legal language, the Member Manual should be easily understood by all cooperative members so that it can serve as a reference point for questions about policies or other day-to-day operational questions.
- The Member Manual can be revised without a formal legal amendment and should be kept up-to-date to reflect your current business practices and decisions. (This is different from the OA, which is a contract and must be amended with a lawyer and signed by members.)
- You can work with a cooperative developer as you create proposals for any section of the manual.
- Your lawyer should check the Member Manual to make sure it aligns with the OA and address any conflicts in either document.

## Creating a Legal Entity

Once you have your Operating Agreement, you are ready to create a legal entity.

### Legally Form the LLC

The first step is to form your business. Forming or “organizing” your LLC means that you communicate to the State that you are setting up a business and get recognized by the State as a business. (Note that, because an LLC is not a corporation, we do not say the business is “incorporated.” LLCs are legally “organized.”) The cost of organizing an LLC is as follows:

Cost of LLC Formation*	
Filing Fee	\$200
Fee for Publishing	\$500-800
Certificate of Publication	\$50
<b>Total</b>	<b>\$750-1050</b>

\*These costs are based on New York State LLC requirements as of May 2018. Check your state’s LLC requirements.

### Steps for initial filing

- 1) Send the following information to your lawyer
  - Full Name of Business (note that the official legal name of the business cannot include the word “cooperative”)
  - Address of Business. The full business address will be the location that the coop registers with the State, which is where any legal papers will be sent (for example, if the coop is sued).
  - Borough of Coop’s Office. The borough in which the LLC office will be based may or may not be the same as the borough of the above business address.

- Name of organizer who is willing to sign the articles of organization.
- 2) Write a check for \$200 made out to 'New York Department of State' and give it to the lawyers. This is the fee for filing. This can also be a money order or credit card authorization.
  - 3) Your lawyer will forward you the official formation document. Be sure to make copies and save it in a secure location (electronically and paper).
  - 4) Within 120 days of filing you need to **publish the LLC** (see this note on instructions on how to publish)

#### Steps for Publishing LLC (within 120 of filing)

- a) Publish notice of the formation of LLC in 2 publications identified by the County Clerk's Office. Call your county (borough) clerk to ask which two newspapers to publish in.
- b) After notices in publications have been run, get affidavit of publication from each newspaper.
- c) Submit a Certificate of Publication to the Department of State (\$50)

#### Templates and Resources

- Attached is a sample [article of organization](#). Your lawyer will fill this out for you.



## Get an EIN number

The second step of forming a legal entity is to get an Employer Identification Number (EIN). A person can have a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), which are identification numbers that the government uses to track our personal tax payments. A business is almost like a new being and also requires a tax tracking number. That is what the EIN is for.

### Steps

- 1) Decide who will be the responsible person associated with the EIN. We recommend selecting a person who has a SSN, if possible, because SSNs are required for online applications, which are approved more quickly than paper applications. If using an ITIN in the application, you will have to submit a hard copy application.

#### Important Note:

The responsible person does *not* have more legal obligation to paying taxes than any other coop member. The responsible person *may* be held legally responsible if the coop violates tax law. However, the IRS will investigate who in reality should have been responsible to ensure that the coop was complying and may hold others responsible (in addition to or instead of the responsible person).

- 2) Go to this website to apply for an EIN online. You will receive the EIN right away once you are done with the application. <https://sa.www4.irs.gov/modiein/individual/index.jsp>
  - a) Page 1: Click on LLC
  - b) Page 2: Add number of members & select state you are active in (NYS)
  - c) Page 3: The LLC is initially a partnership. That is fine - just click next!
  - d) Page 4: Select "individual" as responsible party
  - e) Page 5: Choose a person (who is a member of the LLC) to be the responsible party. Add the name and SSN/ITIN of the person. (Note: the online system is set up to

most easily accept SSNs.) Select the option to indicate that the responsible party is “member.”

- f) Page 6: Add the physical address of the LLC (same as when you formed the LLC)
- g) Page 7: Add legal name of LLC (exactly as in your official formation document), add State of LLC (NYS) as well as the month in which the LLC incorporated
- h) Page 8: Choose your principal activity of business. Example: if it’s cleaning, choose “other,” then choose “service,” and on the next page type “cleaning” into the text box. Your lawyer can help advise you on the correct option if you’re unsure.
- i) Page 9: Indicate whether you want to receive your EIN in the mail or download it right away. We recommend you download it and save it in a secure location.

#### Checklist

- Name and SSN/ITIN of responsible party
- Address & Name as on official LLC formation document
- Downloaded and saved EIN documentation OR copy of EIN application

#### Templates and Resources

- Here is a tutorial video on how to get your EIN number:  
<http://www.startupdaddy.com/video-tutorial-how-to-get-a-tax-payer-id-tinein-for-your-new-business>



## Register for Sales Tax

Depending on your cooperative's industry, you may legally need to register to charge sales tax. For example, cleaning businesses in New York State must charge sales tax to their clients; the cooperative then gives this money to the Department of State on a quarterly basis. No matter what industry your cooperative is in, you should consult with a lawyer regarding whether you need to register your business for sales tax.

### Steps

#### *To apply:*

- 1) Select your cooperative's "Responsible Persons." As a democratic worker-owned business, it is best to have all eligible members be designated as "Responsible Persons," so that you share responsibility equally.
- 2) If they don't already have ITINs, assist all "Responsible Persons" in obtaining them.
- 3) Have all "Responsible Persons" complete the sections of form [DTF-17.1](#), outlined below.
- 4) To apply for a *Certificate of Authority* to charge sales tax, go to the [NYS License Center](#). Click "Business" and search licenses for "[Certificate of Authority to Collect Sales Tax](#)" and click "Apply Online."
- 5) Follow instructions to create a username and password for your cooperative.
- 6) Sign in to your account and complete all application sections.

#### *After applying:*

- 1) Check your email to obtain confirmation of your application and *Certificate of Authority*
- 2) According to the Department of Taxation, you must display your *Certificate of Authority* at your place of business
- 3) Your Finance Committee (or otherwise named) must file sales tax returns quarterly (Warning: there are steep fines for filing sales tax late)

### Checklists

You will need the following information when you apply for your *Certificate of Authority*

- Reason for applying (e.g. starting a new business)



- Business contact information (legal name, EIN, address, phone number, email address)
- Your cooperative's business entity (e.g. LLC)
- Date you will begin charging sales tax (Note: you must apply at least 20 days *before* you start charging sales tax)
- Bank account number and routing number
- Form [DTF-17.1](#), with the following sections completed by all "Responsible Persons": Name, home address, city, state, zip code, home phone, email address, and SSN/ITIN (Note: the form says SSN, but ITINs are fine)
- Ownership and profit distribution percentage of "Responsible Persons" (this should be the same percentage for each owner)
- The name of the member who will sign as certifying the application (usually the President or Treasurer)

#### Templates and Resources

- Go to the [NYS License Center](#)
- Business Contact and Responsible Person Questionnaire, Form [DTF-17.1](#)

#### Important Notes on Selecting "Responsible Persons" for *Certificate of Authority*

- In order to register for your *Certificate of Authority*, you must designate "Responsible Persons" who would be responsible for fines if the cooperative fails to pay your sales tax (*But you will pay your sales tax! On time!*)
- As a democratic worker-owned business, it is best to have all eligible members be designated as "Responsible Persons," so that you share responsibility equally
- Be warned that the NY Department of Taxation & Finance may not approve or may delay the approval process if responsible persons have:
  - Open or pending legal judgments, injunctions, liens, felonies, misdemeanors
  - Been investigated by a government agency in the last five years, including convicted of a misdemeanor
  - Failed to file federal, state or NYC tax returns by the applicable due dates (\*only if you were *registered* to pay but did not pay)

## Find an insurance provider

Insurance is a risk management tool every business should consider. Could you imagine the financial catastrophe it may be for your business in the case of fire, accidents, thefts or other unpredictable events? Insurance could help protect your business when some of these events happen.

### Steps

- 1) Review legal requirements. In New York State, if you have any employees, you are required to carry workers' compensation. (Most cooperatives won't have employees, especially in the start-up phase.) Also take into consideration that landlords, banks or investors often require certain level of General Liability coverage from you.

### Workers' Compensation Insurance

According to the Workers' Compensation Board of New York State, a workers' compensation insurance provides protection on:

- Medical services needed to treat the job injury or illness
- Temporary disability payments to the employee to help replace lost wages
- Permanent disability payments to the employee to compensate for permanent effects of the injury
- A death benefit for the employee's survivors in the event of a fatal injury
- Legal representation for the employer by the insurance carrier
- Protection for the employer against most lawsuits for on-the-job injuries/illnesses

It is important to highlight that the employer must pay for the cost of this insurance coverage. It is illegal to require employees to pay any of the cost associated with workers' compensations premiums or injuries.

For more information on how to obtain a Workers' Compensation Coverage visit: <http://www.wcb.ny.gov/content/main/Employers/getInsurance.jsp>

## General Liability Insurance

This type of insurance protects you, your business, and your employees from external claims (usually clients' claims) involving bodily injury or property damage, up to the limits of your policy. Policies shield you from the expense of out-of-court settlements, litigation and judgments awarded by courts. It's a good idea to get General Liability insurance.

- 2) Make a list of risks for your business and sort them by probability order.
- 3) Evaluate the monetary losses you could potentially suffer from each risk. Cover your largest loss exposure first.
- 4) Find a professional insurance agent, broker or consultant who can help you find an insurance that fits your business risks. Remember to ask at least three different brokers for price quotes for the same type of insurance.

### Checklists

- Reviewed Legal Requirements (#1 Above)
- Asked lawyer and developer for guidance about insurance requirements and options
- Get Price Quotes from 3 different Insurance Brokers for General Liability or other policy



This section goes over how to raise the necessary funds to start your business, how to set up a bank account, and how to setup the systems to track your income and expenses. It also talks about the need & process for members to get a tax ID number. Reference the legal section for information on how to [register for sales tax](#).

## Get Money #1 - Fundraise

Even if you're starting a cooperative that doesn't require a lot of money to get started, you'll probably still want at least some money to work with. The process of raising money can also help you spread awareness about your coop and that can help you get clients.

Some initial expenses might include supplies, setting up a website, buying a business phone, machinery, insurance, and worker's compensation.

There's two main ways to get money to start your business: 1) fundraise it, 2) get a loan. This guide explains fundraising.

### Steps

1. Set a fundraising goal:
  - a. Make a list of all the things you'd like to have to get your business started
  - b. Identify which things on the list are "must haves" and which things are "nice to have"
  - c. Figure out roughly how much all the things might cost (see "[How much money do we need to start our business?](#)"). If you have a range, pick an average number in the middle to work with for now.
  - d. With these lists, come up with a fundraising target for how much money you want to raise. It's a good idea to have a goal, and then a higher "stretch goal"
2. Make a plan
  - a. Look at the [Fundraising Tactics Guide](#) and pick some tactics to start with
  - b. Think about breaking up your total fundraising goal into smaller pieces:

- i. Consider creating teams focused on carrying out each tactic.
    - ii. Set multiple deadlines (ex, 'I want to raise \$150 by the end of July and \$300 by August 19!')
  - c. Assign fundraising roles to members of your coop. Sample roles include:
    - i. Cash collector (responsible for collecting money and keeping track of the total amount raised)
    - ii. Researcher (responsible for finding the best prices on your purchases)
    - iii. Event planner (plans events or activities to fundraise)
    - iv. "Thank you" writer (makes sure all donors get a note of appreciation)
3. Bring your plan to life!
  - a. Encourage each other and celebrate small wins along the way
  - b. Schedule reminders for people to send out fundraising messages - it's a good idea to ask people to give at least three times!
  - c. Incentivize fundraising: consider offering a small prize to the member who fundraises the most for the coop!

*Thank you to [The National Domestic Worker's Alliance](#) for parts of this content.*

#### Templates and Resources

- [Fundraising Tactics Guide](#)
- [How much money do we need to start our business?](#)



## Get Money #2 - Get a loan

Even if you're starting a cooperative that doesn't require a lot of money to get started, you'll probably still want at least some money to get started with. Also, the process of raising money can also help you spread awareness about your coop that can help you get clients.

Some initial expenses might include supplies, setting up a website, buying a business phone, machinery, insurance, and worker's compensation.

There's two main ways to get money to start your business: 1) fundraise it, 2) get a loan. This guide explains how to get a loan:

### Steps

1. Contact a loan provider. We recommend working with [The Working World](http://www.theworkingworld.org), an organization based in NYC that specializes in supporting worker coops with loans and technical assistance. You can call them at 646-257-4144 or through their website [www.theworkingworld.org](http://www.theworkingworld.org). You can let them know that you may be interested in getting a loan. They will support you with steps 2 and 3.
2. Make a startup budget (see Budget template tab 1; startup finances). Look at how much money you need to startup your business. Look at all the sources of income you may have (fundraised income, member contribution, loan) and how they could cover these expenses. Decide how much money you want to get a loan for.
3. Make a financial projection (see Budget template tabs 2 & 3, year 1 & 2). Once you are in business, how long would it take you to pay back the loan? Here it is important to think about all your costs and all your income once you are operating:
  - a. What are your monthly costs?
  - b. What are your costs for selling one unit to your clients?
  - c. How many units do you need to sell to cover your monthly costs? This is called break-even?
  - d. How many units do you think are realistic for you to sell in your first year?
4. Based on the answers to those questions you can make a case to your loan provider that it is realistic for you to pay back the loan because you have a solid business model.

5. Fill out the loan contract documents
6. Deposit the loan on your business bank account.

## Templates and Resources

- ☐ [Budget template](#)

### Good to know

There are a few things that are good to know about getting a loan.

- What should I get the loan for? It's easier to get a loan for physical things (a truck, machines, a computer, etc.) than non-physical things, because if your business doesn't work and you cannot repay your loan, the lender might want you to sell your assets. Generally, it's easier to sell physical assets. Money that you need to pay people or to register your business, or buy insurance is harder to recuperate.
- Is it risky to get a loan? With providers like TWW, you only need to start paying back the loan once your business makes profits. If you never make profits you never have to pay back the loan.



## Everybody gets an ITIN number

Every member needs an Individual Tax Identification Number (ITIN) in order to form the business and pay income and self-employment taxes at the end of the year.

### Steps

- 1) An easy way to get an ITIN is to open an account at one of the following credit unions. Within 6 weeks the IRS will send you a letter with your ITIN
  - a) [Lower East Side People's Federal Credit Union](#) (LESPFCU)
  - b) [Brooklyn Cooperative Federal Credit Union](#)
- 2) Another way to get your ITIN is to file taxes and ask your tax assistant to file for you. This is especially easy between January and April 15 when there are free tax service offered by the [NYC Food Bank](#) in different locations. One location is at the Center for Family Life (443 39th Street, Brooklyn, NY-11232)

### Checklist

Documents to bring to apply for an ITIN (specific to LESPFCU)

- Valid Passport
- Valid Address
- \$25 for processing

### Templates and Resources

- [ITIN Application help at LESPFCU](#)



## Getting a Bank Account

Getting a bank account is a crucial step for setting up your business. This is where you will deposit your coops earnings and from where you will take the money to cover your costs.

### Steps

- 1) Find a Bank.** It is important that you find a bank that fulfills the following criteria
  - a) Close and convenient. You need to be able to go to the bank once or more times a month to deposit checks and cash, so it should not be on the other side of the city.
  - b) Accessible. Some banks require an SSN or ITIN from signatories of the bank account. Be sure to check what the criteria are and that it works for your members.
  - c) Inexpensive. Most business accounts charge higher fees than personal accounts. You need to inform yourself on all the fees and make sure it does not exceed your banking budget.
  - d) In line with your Values. With your cooperative you are working towards building a new economy. Make sure you choose a bank that supports your mission! Credit Unions are cooperative banks and are often a really good option. There is also Amalgamated Bank which is a union bank and also committed to fair & just banking.
- 2) Designate Signatories.** At your general meeting you need to decide who is going to be the signatory of the bank account. Signatories are coop members who are authorized to sign checks on behalf of the coop. We recommend having 2-5 signatories - so that if people are sick or away, the business can keep running. Normally it makes sense for the treasurer to be a signatory. Be sure to take notes during this general meeting, since you will need it as a record in order to open the account.
- 3) Get your paperwork ready.** Opening an account requires some paperwork. Below is a checklist of the documents you may need to open the account. The list may vary from bank to bank so be sure to check with the bank before going in to open your account.
- 4) Open the account.** In most cases this requires all the signatories to go to the bank together with all the paperwork. Sometimes it is recommended to schedule a meeting in advance.



## Checklists

### Documents to bring to the bank

- Articles of Organization
- Certificate of Incorporation
- Operating Agreement
- Member Resolution (notes from meeting when you designated signatories) - ask bank for template or see templates below
- Signatories individual photo ID
- Signatories individual SSN/ITIN
- (maybe) Signatories individual proof of address

### Templates and Resources

- [Resolution of a members meeting general template](#)
- [Account Resolution Form LESPFCU](#)

## Recommended Banks

Some banks in New York that may be in line with the criteria above are the following:

- [Amalgamated Bank](#)
- [Lower East Side People's Federal Credit Union](#)
- [Other Credit Unions in NY](#)

## Setting up your books

Every business needs to track all the money that comes into the business and all the money that comes out of the business. This is called bookkeeping. Books are super important for your business! In order for there to be transparency and trust between members, as well as compliance with tax payments and useful financial reporting and projections, the books must always be up to date. It's a good idea to start keeping excellent books from the start!

Therefore, we recommend that your coop work with a bookkeeping provider to setup and administer your books. The [Bookkeeping Providers Contact Sheet](#) lists a number of providers you can contact for support. Bookkeeping services can be costly. It is important to budget for this service. In our experience it is worth paying for this service, rather than trying to do it internally. If you do decide to administer the books internally, we recommend getting support at least for the setup and the yearly review of the books from a professional bookkeeping service.

There are different bookkeeping software packages you can use to make this process as easy as possible. Your bookkeeping provider can help you choose the best bookkeeping software for your needs. We recommend the following software:

Software	Best for:	Pros/Cons	Cost of Software
<b>Quickbooks Online</b>	LLCs	(+) supports growing business (+) online (-) a bit more difficult to learn	20\$/month subscription for basic version. If you work with a bookkeeping provider, they can get you discounts.
<b>WAVE</b>	Referral Marketing Cooperatives	(+) easy to use (+) online (-) limited functionality once your business grows (-) doesn't work for capturing internal capital accounts	Free for basic version.



## Steps

- 1) Contact a bookkeeping provider to help you setup the books and train the finance committee on working with the software ([Bookkeeping Providers Contact Sheet](#)).
- 2) Decide which software to use. We recommend starting with Wave if you are a new business.
- 3) Setup the software and connect it to your bank account.
- 4) Work with your bookkeeping provider to reconcile the books and keep them up to date.
- 5) Setup a system and process for the treasurers to report to all the members on the financial state of the cooperative

## Templates and Resources

- [Bookkeeping Providers Contact Sheet](#)
- [Internal Capital Accounts \(Document by ICA Group\)](#)

### Keep in mind

In LLC coops it is important to track what is called **Internal Capital Accounts**. Each member has an Individual Capital Account which tracks their proportion of the overall net worth of the business. It can include (depending on the provisions of the Operating Agreement)

- 1) Initial investments of members into the business
- 2) Whatever profits get allocated to the members on a yearly basis and is retained in the business

## Setting up a Guaranteed Payments Process

The Guaranteed Payments process is how members get paid for the work that they do. When a member goes to a job they normally get paid by check (made out to the coop) or cash. The member needs to bring that money to the coop. It is important to set up a system that tracks in detail how much money members pay into the coop from work they have completed. Every two weeks or every month the members need to get paid for work that they've completed. The member will get paid whatever they have earned working minus a previously agreed percentage that stays in the business to cover overhead costs. It is also important to carefully track how much members get paid.

Administering Guaranteed Payment Processes is labor intensive. We recommend the cooperative works with a bookkeeping provider to support with the administration of the process. The [Bookkeeping Providers Contact Sheet](#) lists a number of providers you can contact for support.

### Steps

#### *For setting up the guaranteed payments process*

- 1) Decide how much of the work completed by the members stays in the business to cover overhead and how much goes to the member. Normally the percentage for overhead expenses can be anywhere between 10-40%.
- 2) Make a member payment form that shows how much a member gets paid every pay period. This form should provide space for the member to sign upon receipt of the payment. The treasurer can keep the signed forms as a record of payments. ([Sample payment sheet](#)).
- 3) Create a google form to collect all the necessary information needed from members for processing payments. A form should look like a spreadsheet for tracking how much members worked (hours/money generated) and how much they received in payments. The following information should be included (note that this may change depending on the industry):
  - Name of member
  - Name of client
  - Date of job



- Hours worked
- Job value without sales tax
- # of members working
- Expenses (transport costs or other reimbursed expenses)
- Comments about the job

### Sample workflow for processing guaranteed payments

- Member goes to work
- Member brings check or cash to coop at the end of the pay period
- Treasurer records amount received by the member.
- Treasurer prepares a payment sheet that outlines how much the member gets paid for this pay period. It is recommended to include jobs for which the treasurer has received payments, to assure that there is always enough money in the bank. The payment sheet should include a section that summarizes how much is owed to a member at a future date (once payment from client has been received by the cooperative).
- Treasurer gives member a check; member signs payment sheet. Treasurer keeps signed payment sheet with other bookkeeping documents.

### Templates and Resources

- [Sample payment sheet](#)

## Choosing services and prices

What services do you offer at what price? This is the core of your business. It is important to compare your services and prices to other businesses in the same market. If you charge more - or less - it is important to be intentional about why you do so.

### Steps

- 1) **Competition.** Survey your competition. Make a list of 5-15 competitors and make a list of the services they offer and at what price (see template for market survey below).
- 2) **Other coops.** Look at other cooperatives prices and services in your industry (see sample prices for cleaning and childcare coops below).
- 3) **Proposal.** Create a proposal menu of services and add prices based on the research you completed. Think about what makes you different from other business and why you can charge more or less for your services.
- 4) **Approval by coop.** Bring the menu of services and prices to your coop for review and approval.

### Checklists

- Listed 5-15 competitors
- Reviewed coop pricing in similar industry
- Approved menu of services & prices

### Templates

- [List of Competitors](#) (simple)
- [Advanced Market Research Template](#)
- [Menu of Services and Prices Template](#)
- [Cleaning Cooperative Sample Prices](#) (Up&Go)

## Get to know your clients

One of the most important steps for a business is to understand your clients' needs, since they are the ones who will buy the goods or services your business offers. The more you learn from your clients, the better you know how to approach them and how to please them.

### Steps

1. Understand the ins and outs of the service or product that you offer to the client.
2. Define who your clients are. Always keep in mind that each product or service has a specific sort of people who will buy it. To initiate this step, it is necessary that you answer the following questions: Who needs the good or service that I offer? What personal and social characteristics do these people have in common? Where do they live? What is their average household income? To help you answer these questions you can review the feasibility study of a cleaning business attached to this guide.
3. Identify what features of your product or service your customers value. Frequently businesses fail to pay attention to the real causes that make customers value the services or products offered. To obtain this information it is necessary that you develop tools that allow you to document the answers and maintain constant communication with your clients.
4. Identify how your clients buy products or services. Do they use cash, credit card, or some other form of payment? Do they prefer to buy online or in person? What are the incentives that make them buy your product or service? How much do they pay for services or products similar to yours? To answer these questions, it is advisable that you design tools to obtain this information. A good tool is a survey. A survey is a list of structured questions in order to get the information we need from a specific group of people.

### Checklists

- Review the feasibility study to identify information about your customers
- Design a survey to find out what customers value of your service



- Design a survey to learn how your customers buy

### Templates

- [Service Value Survey](#)
- [Feasibility Study \(Cleaning Business\)](#)

## Finding a name & logo

Finding a name and logo is important because it is the first step to create an identity between the business and its workers, and between the business and its clients. Name and logo are the first characteristics clients will recognize from the company.

### Steps

- 1) Identify the principal values for the business
- 2) Get to know your clients: Identify what it is important to your clients, why your clients would buy your product or service instead of buying with other businesses
- 3) Choose three to five values that are similar between the business and your clients
- 4) Make a list of single words that could describe or are related to those values you have chosen. Do not limit yourself, find as many words as you can.
- 5) Use those words to build potential names. Be creative. You can use one word as a name or compound the name with two or more words.
- 6) Choose three to five potential names are attractive to you
- 7) Receive feedback from colleagues, clients, marketing experts or anyone who is willing to help
- 8) Make modifications to the names (if it is needed)
- 9) Choose the name that received most positive opinions
- 10) Draft a logo that conveys your name and values as a business or hire a professional designer

### Checklists

- Business products or services defined
- Business values

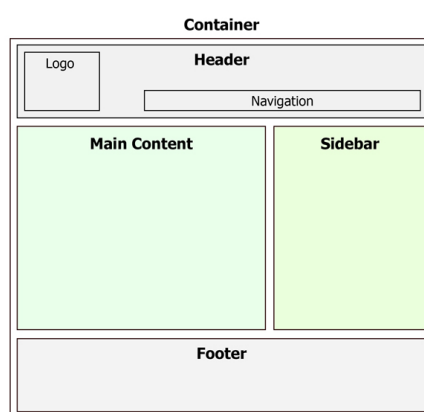
- Client values
- Business name
- Business logo

### Keep in mind

Finding a name and logo is a teamwork process. It is not recommendable leaving this task to one person without receiving any internal or external feedback.

## Creating a website

In the digital age a website is a must-have for any business that wants to survive. It is your presence in the largest marketplace and the primary way for your customers to know you and contact you. Also, the website is a place where you can stand out by talking about how your customers can satisfy their needs and wants with the products or services your cooperative offers. In general, a website has the following structure and elements. Get familiar with these names, we will mention the elements in the next steps:



### Steps

- 1) **Analyze the websites of your competition.** Make a list of content and a list of sections you find interesting and which you believe can be interesting to the type of clients you are trying to reach (this is your **target**).
- 2) **Define the sections** you will have in your navigation menu. The last one should always be a web form "Contact us" / "Book a service" or something that the client must click on to reach you. This is called the *Call to Action*; it is what you want the client to do after finding you, reading about the coop and deciding to contact you. It is the most important action in the website! We will go over this point later
- 3) **Write the content** of each section in a Google Doc and choose the photos and/or diagrams that you feel will deliver the message you are trying to put out there. For example, if you are a pet care cooperative, in the Our Team section you can put photos of the members



with animals and a brief description of their services; this will give the customer a sense of familiarity and create trust in your brand.

- 4) **Get a domain** for your website. For your website to be alive on the web, it needs a domain name. The domain is simply the “name” of your website or words that people will use to find and explore your website. This domain name will always look like  
[www.yourcoopname.coop](http://www.yourcoopname.coop)

Because your business will likely be a cooperative business, we suggest you buying a domain with the “coop” ending. Only specialized organizations sell “coop” domains, for instance:

- a) <https://domains.coop/>
  - b) <http://www.coop/>
  - c) <https://www.gandi.net/en>
- 5) **Choose an online web builder.** Currently there are some very good and easy to use website builder which let you choose ready-made templates and change the content, navigation menu, and photos easily, as well as launching your website to a live web address (domain) like [www.yourcoopname.coop](http://www.yourcoopname.coop). Some of these web builders are:
    - a) [www.wix.com](http://www.wix.com)
    - b) [www.weebly.com](http://www.weebly.com)
    - c) [www.wordpress.com](http://www.wordpress.com)
  - 6) **Choose a template** from the list available at the website builder of your choice. In order to choose from the several options, consider the following criteria:
    - a) In general, you want a template with colors and style that match your logo.
    - b) Depending on your industry it may be more important to have written vs. image content (For example, for a marketing cooperative, images and logos are more important than text, for a training services cooperative, text and the ability to write articles, as in a blog, are more important than images in general).
    - c) Show the options to your co-workers / co-owners so you can all choose an option that is accepted by all; remember the website is a big part of your corporate identity.

- 7) **Fill each section with appropriate content** and make sure you achieve a good balance between images and text. Always refer to the FAQ section of the web builder you've chosen in order to understand how to better design the pages and make use of the available features.
- 8) **Create a contact form section and page** so that potential customers can contact you with questions or quote/estimate requests. Remember that getting customers through the website is the main goal so you must make it easy and smooth for them to contact you. It's ideal to achieve a balance between acquiring enough information for the business purpose and requesting too much information which could turn potential customers away.
- 9) **Show the website to people and potential customers** for real and relevant feedback. Sometimes we choose content and design things that are crystal clear to us but are not so obvious to other people. By getting critical feedback you find out whether some things need to be changed and adjusted. This process is called *user testing*, and you can repeat it as often as time and resources allow for.

#### Checklists

- List of sections and content
- Google Doc with actual content and images
- Testing results

#### Templates and Resources

- [Web Design Basics](#)
- [Layout Basics](#)
- [Free Icons](#)

#### Note for NYC Cooperatives

If you are a member of NYC NoWC and would like to access their free hosting services, you must use Wordpress for designing your website.

## Creating your marketing materials

Marketing materials are printed objects, such as flyers, catalogs, postcards and banners, which you use to communicate your coop's value proposition through the products and services you offer; in other words, it's the way you **offer a solution to your potential customer's needs and wants**; they are not just promoting a product or service. They should convey this message clearly, as well as outlining the next step(s) the customer must take, e.g. "Call us today for a free estimate at 1-347..." or "Your clean and fresh home is one call away, sign-up at our website [www.abc...](http://www.abc...)"

### Steps

- 1) **Format.** The shape and type of material is determined by how much your customer needs to know before deciding to contact you.
  - a) If the product or service is very common and you just want the customer to have a ready reference to call, you can use a **postcard** or simple flyer.
  - b) If your service offers options and qualifications, but not a lot of text, you could use a **tri-fold brochure** which allows for more text and divided content.
  - c) If your product or service needs more space to show pictures, describe processes or create tables and diagrams, you may need to use a catalog
- 2) **Content.** To understand the content of the material, imagine a potential customer receives your flyer and gives you 1 or 2 minutes to read it; what do they need to know to make a decision whether to get to know more about you or even buy from your coop?
  - a) Do they need to be attracted by an image, for example, of food or finished products?
  - b) Do they need to know the price(s) right away or do they get personalized estimates?
  - c) Would a customer testimonial help the customer feel safer?
  - d) Do you need service images or industry certifications (trade association badges, seals, etc.)?
- 3) **Brand Guidelines.** Make sure the designer who will produce the material has access to the original (vector) files of your logo in order to assure the best possible quality.

- 4) **Easy design apps.** Currently you can use some easy and free/cheap apps to design any of these materials or even images for your website or social media. For example you can use [Canva](#) or [Snappa](#), they have free versions, and are relatively easy to use.

#### Checklist

- List of products and services and prices
- Photos of products or services
- Draft of content blocks (About us, Services, Testimonials, Promise, etc.)
- Logo and colors (your brand style guide, see Section [Finding a name & logo](#))

#### Templates and Resources

- [Postcard templates](#)

## External Communication Guidelines

The objective of external communication is to promote the company and increase revenue. While internal communication is for employees, external communication focuses on spreading information about the organization to the public, customers and stakeholders. For this purpose, it is important that your business develops basic strategies to define its external communication.

### Steps

1. Define who is going to be the person or group inside the coop responsible of the external communication strategy
2. Identify the information you want potential clients or stakeholders to know about the business. In general businesses like to transmit their mission, values and products or services to the public.
3. Develop concise messages that conveys the information of your business
4. Choose the channels you want to use to send your messages. Those channels could be face to face, email, telephone, printed materials, social media, or massive communication channels.
5. Develop publicity materials for each channel you choose. It is important to identify the target population of the message for each channel we use and adapt the message according to target people's characteristics. Remember, we use different language to communicate with people of different ages, or different backgrounds.
6. Make sure all coop members understand and know the messages to convey to external people, so that the external communication is always the same. For this purpose you can create flashcards that includes the messages, and hand them out to all members of the coop.

### Checklists

- Who will be responsible to coordinate the external communication strategy?
- What is the information your coop wants to convey?
- What communication channels will you use?
- Do you have effective publicity materials for each channel you will use?



- Do all coop members know and understand the messages to the public?

## Preparing for launch

The launch event is important. It is the first time you present your new business to the community and want to create excitement, momentum and support by bringing people together.

### Steps

1. Choose a date & time for the launch
2. Find a place
3. Research costs and make a budget
4. Fundraise money to cover costs (if necessary)
5. Organize food/snacks and drinks
6. Invite your community
7. Create a program agenda & prepare speeches
8. Write a press release announcing the business launch and send it to key publications (note: the press advisory can be sent 6-10 days in advance, whilst the press release can be sent the day of or evening before).
9. Photograph your event and post an update on social media and your website

### Checklists

#### Material Checklist

- Scissors
- Ribbon

#### Banner with logo

- Speakers
- Microphone
- Music
- Flyers
- Signs with directions
- Pictures for the walls (maybe)
- Food and Drinks
- Cups/Plates and cutlery

#### Invitation Checklist

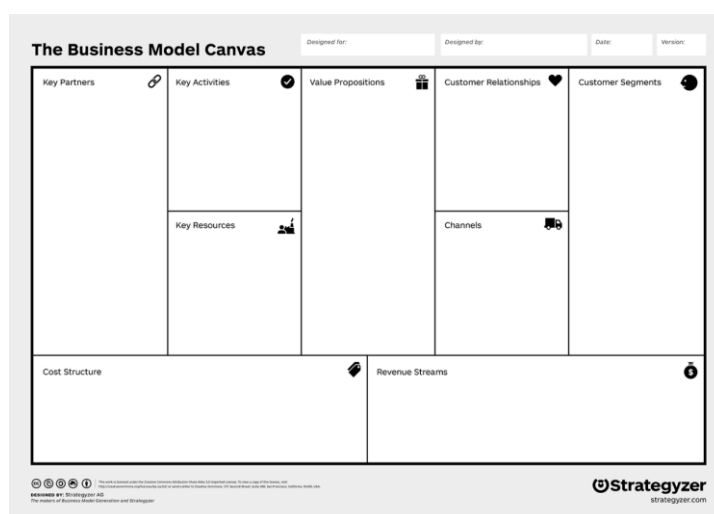
- Friends and family of coop members
- Council members
- Other coop members
- Cooperative community
- Press
- Staff of incubator organization

## Templates

- [Sample invitation \(United Handymen\)](#)
- [Sample press release \(United Handymen\)](#)
- [Sample press advisory \(United Handymen\)](#)

## Publicity Strategy for your cooperative

There are several excellent tools you can use to sharpen your business model and design a strong publicity strategy for your cooperative: the Business Model Canvas and the Value Proposition Canvas, available online from Strategyzer. It is useful to lead your cooperative through a strategic planning process using these visual tools. Thoughtfully working through the steps helps to integrate and align your business operations, and make sure that your services and publicity are reaching customers in the best possible way.



### Mapping Out Your Business Model

#### Steps

1. Download the Business Model canvas and print or draw it on a large sheet of paper. As you think about your business, fill out the corresponding boxes with the following details.
2. Start with the **Customer Segments** box. Who are the people for whom you are creating value- your clients? Describe these people - their defining characteristics, needs, and priorities - in the box.
3. Define your **Value Proposition** in relation to the customer segments. What is the product or service you are offering that meets the need of each customer segment?

4. Think about your **Channels**. How do you interact with customers? How do you deliver your value?
5. In the **Customer Relationship** box, describe the kind of relationship you want to have with your customers. What is it like? How do you maintain it?
6. Now fill out the **Revenue Streams** box below. How is your business capturing the value it creates? This should describe your pricing mechanisms and sources of revenue.
7. Next continue to the **Key Resources** box. What infrastructure do you need to create, deliver and capture value? This often includes capital, employees and other assets that are indispensable to your business operations.
8. In the **Key Activities** box, document the most important tasks your business carries out to fulfill its purpose. Depending on your business model, this could be anything from production and manufacturing, to solving client problems, or maintaining systems or infrastructure
9. The **Key Partnerships** box speaks to critical relationships that help you achieve your business goals. Who helps your business complete its key activities or secure key resources?
10. Finally, you can complete the **Cost Structure** box. Think about the costs and investments that go into your Key Resources and Key Activities. What does it take to create the goods and services they have promised in your value proposition? Identify your fixed and variable costs. Does your business have access to any cost advantages due to economies of scale or scope?
11. Take a step back and look at the business model map you have created. This is your strategy blueprint. What have you learned? What opportunities do you see to improve or change to optimize your operations?

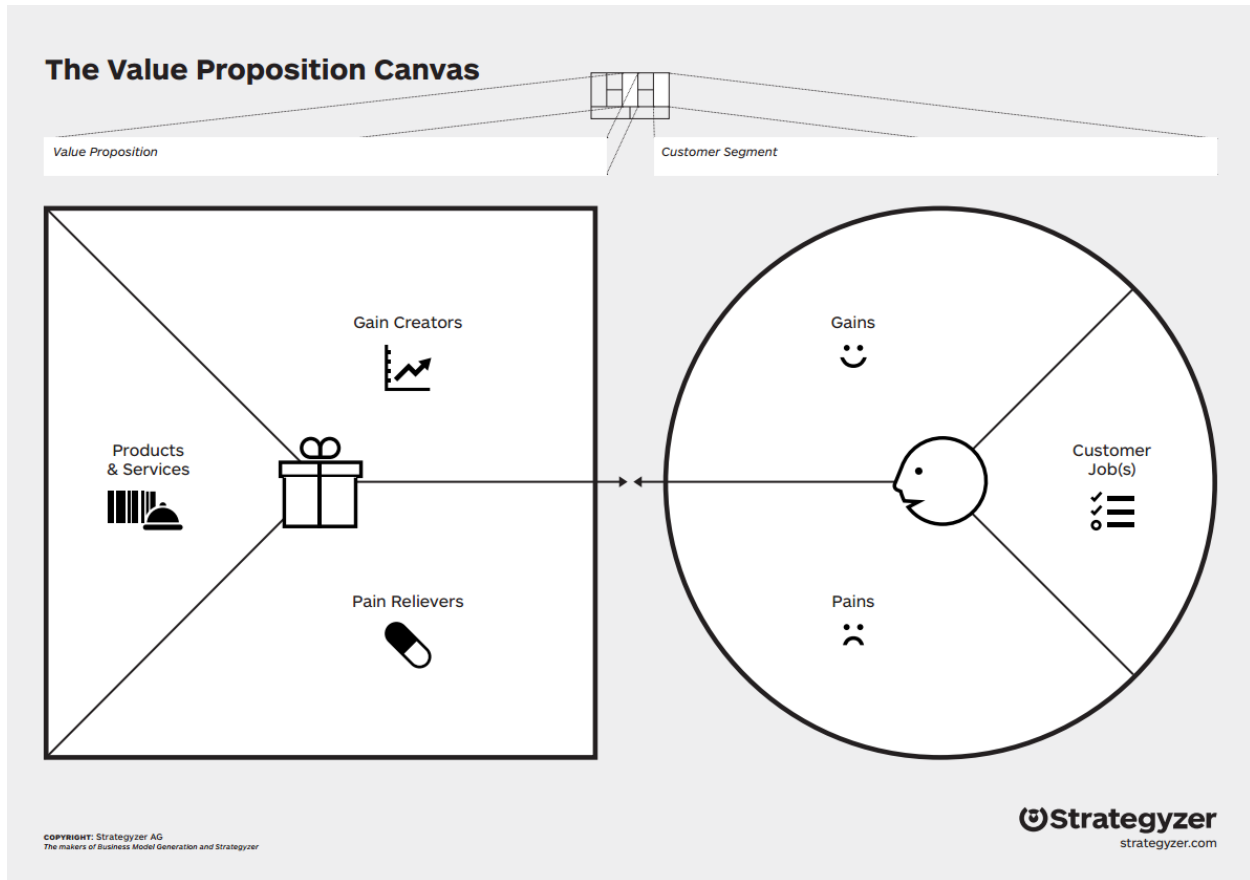
#### Templates and Resources

- [The Business Model Canvas](#)
- [Business Model Canvas Instruction Manual](#)
- [The Business Model Canvas Explained Video](#)



## Going deeper: The Value Proposition Canvas

The Value Proposition Canvas can help you best understand your client's needs, as well as the benefits and value that you offer them as a business.



### Steps

1. Download or draw the Value Proposition canvas, which consists of two parts: the customer profile and the value map. The customer profile is a map that helps you better understand the people you are looking to create value for.
2. Begin completing the customer profile starting from the Jobs sector: What jobs is the client looking to get done?
3. Next outline the pains clients are running into when trying to perform a job
4. Fill out Gains section on the top of the circle
5. Next fill the value map by describing the products and services you offer.

6. Outline the pain relievers: how do the products or services eliminate the problems clients encounter when trying to achieve their jobs.
7. Finally, outline the gain creators on the top of the chart:

#### Templates and Resources

- [Value Proposition Canvas](#)
- [Value Proposition Canvas Video Tutorial](#)
- [The Value Proposition Canvas Instruction manual](#)





# Happy Cooperation!

