



# DEVELOPMENT CHECKLIST FOR STARTUP FOOD CO-OPS

## Stage 1: Organizing

- Visit [FoodCoopInitiative.coop](http://FoodCoopInitiative.coop) and review our startup resources
- Research and understand the cooperative model
- Assess interest and needs in your community
- Form a core group or steering committee
- Hold a community meeting
- Develop an initial statement of purpose or mission statement
- Choose a temporary name
- Raise money to cover incorporation costs
- Establish the initial board of directors
- Incorporate and adopt bylaws
- Create effective systems for communication and meetings, and continuously improve them
- Open a bank account
- Set up administrative support to keep track of money, membership, data, contact lists, etc.
- Create a contact list for email and to find volunteers
- Develop a preliminary Sources & Uses budget
- Develop a budget for Stage 1
- Create a membership program
- Identify and recruit potential owners
- Launch first intensive owner recruitment campaign
- Conduct a community survey
- Carry out a preliminary feasibility study
- Develop a budget for Stage 2
- Meet or exceed your Stage 1 ownership goal

### Decision point

**Are your cornerstones--Vision, Talent, Capital, and Systems--solid enough to successfully support the organizing effort ahead?**

You have invested significant time, energy, and financial resources to get this far. Are you ready and willing to move forward? Now is time to take stock. Once you are legally incorporated, have established your organizational structure, have at least 15-20 members actively engaged in the board of directors and work groups, have recruited approximately 300 owners (depending on potential store size), have functional and effective systems in place for communication and meetings, and have made a positive assessment of preliminary feasibility, you are ready for Stage 2.



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## Stage 2A: Feasibility

- Develop a concept paper describing what you hope to accomplish and why
- Plan and disseminate regular member communications
- Develop a logo that expresses your “brand”
- Share information through a web site
- Participate in community events
- Hold information meetings and community events
- Engage community leaders
- Continue fundraising
- Seek input, conduct surveys
- Identify areas of weakness, recruit help or hire consultants
- Research local real estate market
- Contract for a professional market study
- Conduct owner recruitment drive (2<sup>nd</sup>)
- Assess feasibility, including market feasibility, financial feasibility, and organizational capacity/readiness
- Make plans for preliminary design and design feasibility, depending on how advanced you are in identifying your preferred site
- Evaluate your accounting system and upgrade as needed
- Research suppliers and their account requirements
- Develop/revise your budget and work plans for Stage 2B

### Decision point

If the market study and financial feasibility are positive, your leadership and organizational structures are solid, and you have recruited 450 owners (or 40% of target owner goal at opening,) the co-op is ready to move forward into Stage 2B: Planning.



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## Stage 2B: Planning

- Update your vision and mission statements based on input and feasibility data; share with all stakeholders
- Conduct a strong ownership drive to recruit and engage owners (3<sup>rd</sup>)
- Hire a project manager to oversee the implementation stage
- Begin the planning process to hire a general manager. Hire as early as your resources and availability of quality candidates allow.
- Establish contact with NCG and other co-op associations
- Adopt a board leadership development plan. Deepen teamwork and effectiveness.
- Draft owner loan, preferred share or other investment documents
- Finalize owner loan plan and other owner investment opportunities. Get legal review
- Prepare to launch capital campaign as soon as a site is announced
- Identify top sites and contract for a professional market study update
- Finalize site search and negotiate to buy or lease (with contingencies)
- Update your Sources & Uses budget and work plans for Stage 3
- Update your financial pro formas to use when seeking financing
- Prepare or update your business plan for seeking financing
- Begin creating an operational plan (when GM is on board)

### Decision point

This stage is complete when the store site is secured with contingencies, made public, and the co-op has reached 720 owners (or 60% of owner goal).



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## Stage 3: Implementation

- Finalize brand development. Create a marketing communication plan
- Continue to engage owners and the community
- Define project manager and general manager roles
- Continue store and operational planning with key support organizations
- Transition from a working board of directors to a governing board
- Owner campaign (4th)
- Finalize member loans and external capital commitments
- Implement operations plan
- Finalize staffing plans and conduct hiring
- Set up vendor accounts
- Negotiate service contracts
- Set up key store systems: administration, finance, inventory, human resources, marketing
- Conduct staff training
- Install, program and test POS system
- Stock shelves
- Determine opening day (soft opening) and a grand opening celebration

### Decision Point

The decision now is how to celebrate!

At this point the co-op should have about 1200 owners (depending on store size), and all of its financing secured. Staff are hired and trained and the board is prepared to turn over operations and assume its full governing role. The community should be well aware of the new co-op and excited for opening day.