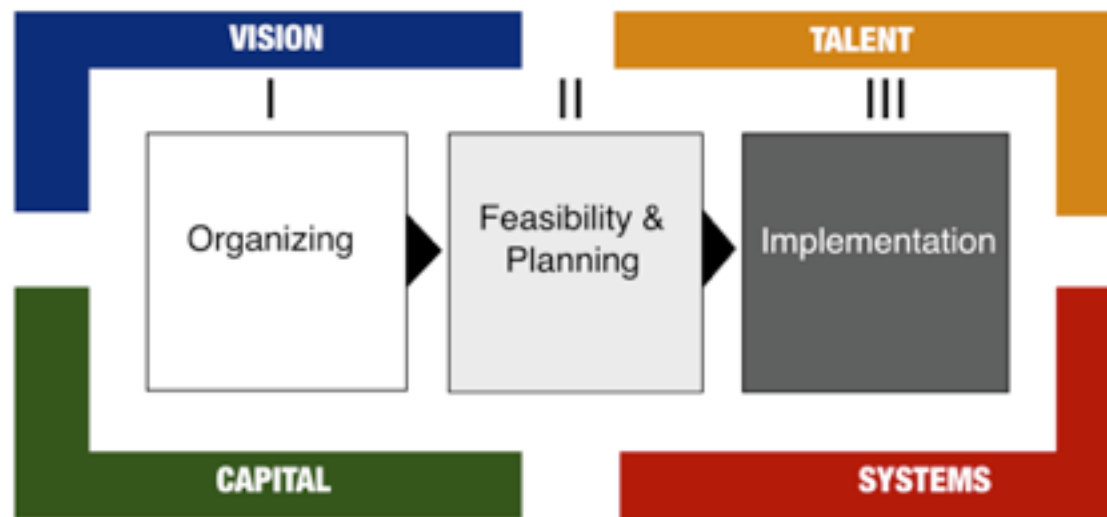


Co-op 101



Kevin Edberg, Executive Director, CDS, St. Paul, MN

Four Cornerstones in Three Stages





A diverse cloud of interested parties....

...have a need or desire for goodies!!!



Is it reasonable to believe that this group can obtain their desired “goodies” through group action?



Create a steering committee: the "dream team"

Responsibility: To create the vision for the project and to hold it in trust for its future owners.

The Steering Committee:

- must include at least one "champion";
- surrounds the champion with people whose skills and relationships are relevant to the intended projects;
- possesses the integrity and ability to secure the trust of potential future owners. This is critical!

Steering Committee

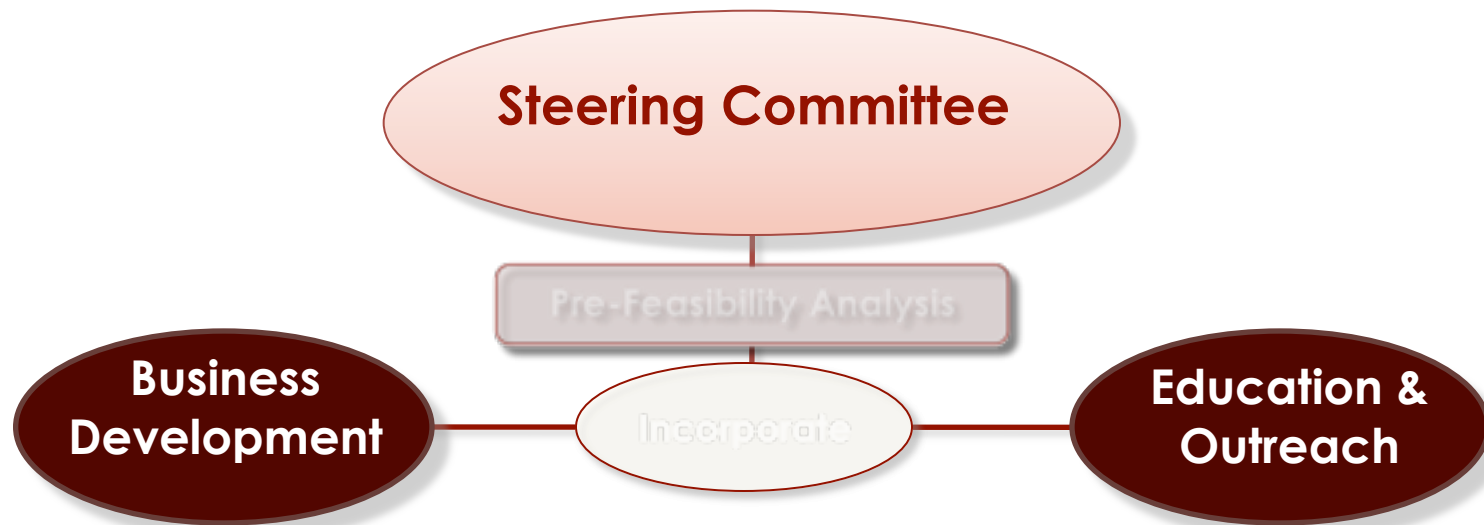
Pre-Feasibility Analysis

OBJECTIVE: To increase the knowledge of the steering committee about the potential venture. This might involve internet research, visits to other similar businesses, gathering of other industry information and so forth.

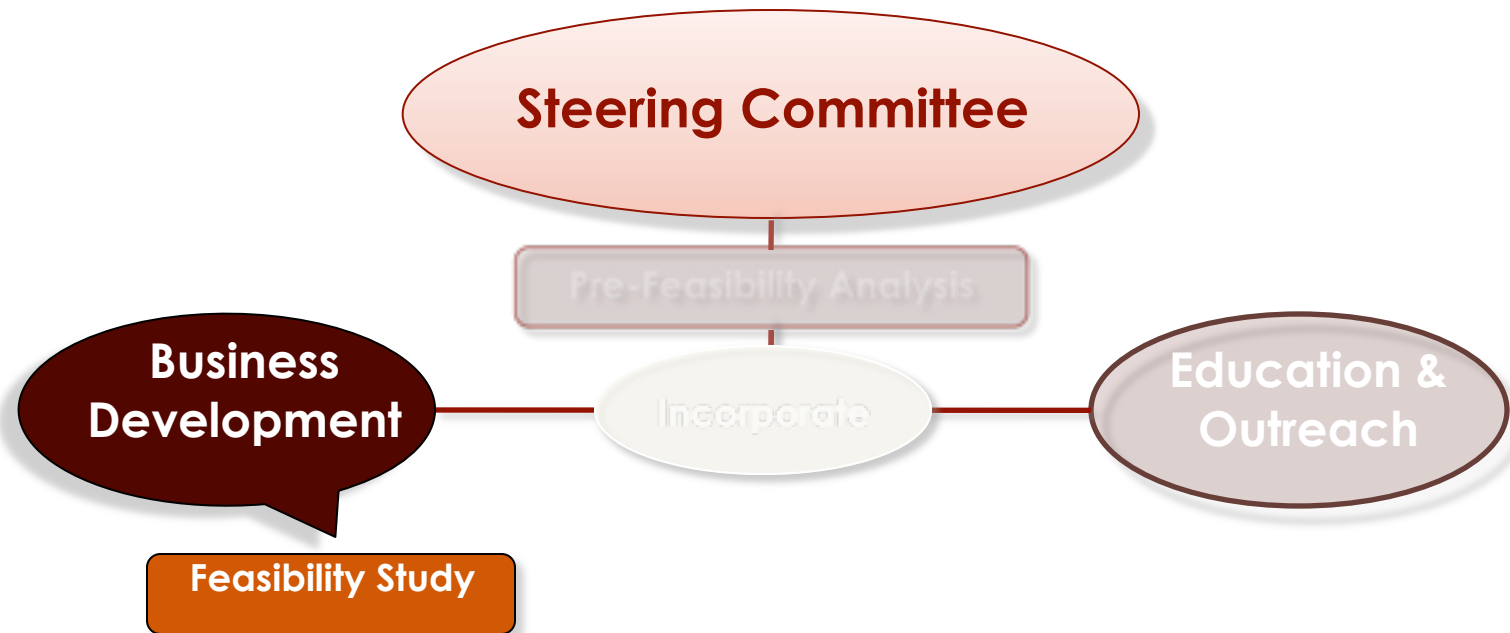




OBJECTIVE: To assess the viability of the business concept.



OBJECTIVE: To support the business development process by increasing the knowledge and awareness of potential members.



OBJECTIVE: To determine if there is at least one set of conditions under which the goal can be achieved.

ELEMENTS:

- Market Feasibility: Market analysis, competitive analysis.
- Operational Feasibility: Management, labor, site suitability, materials supply, and other aspects of operations.
- Technical Feasibility: Proprietary technology, "tried and true", intellectual property.
- Financial Feasibility: Pro Forma statements, including projected balance sheets, income statements, cash flow statements, sources and uses of funds, financial assumptions, and Return on Investment/payback.



OBJECTIVE: The purpose of the business plan is to describe the business and "the way" that the organization is intended to operate, including:

- A description of the company, business structure, owners and management;
- Assessment of the market, market entry strategy and competitors;
- Description of products/services, their attributes, and the value proposition to customers;
- Description of operations and systems;
- Financial projections, including sources and uses of funds, balance sheets, income statements, cash flows and ROI/payback.

