



**Nebraska Cooperative
Development Center**

Governor's Conference on Rural Development

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Strengthening Communities

- Some communities are losing critical retail services
- Business succession in small towns is a problem
- Can community owned stores be one solution?



Community Ownership

- Provide/maintain critical services
- Capitalize on community pride
- Solve succession of ownership problems
- Provide new entrepreneurship opportunities
- Owners shop at home

- Community ownership-cooperative ownership



Community Owned stores

- Working together shares talents, skills, and resources of several individual owners
- Working together spreads financial risk



Community Ownership: Cooperative Corporation, LLC, LCA

- Multiple owners who are user members
- Variety of goods and services
- Physical facilities
- State chartered
- Members are investors
- Owned and controlled by members who use its services



User-Owner Principle



The people who own and finance the business are those who use it.



User-Owner Principle

- Investment in the business is to provide access to services
- Investment is not to realize a financial return on that investment



Where do we begin??



Organizing a Community Owned Enterprise



Leadership Group

Advisors



Organizing a Cooperatively Owned Business

- Leadership group
 - Champions of the vision
 - Wide variety of potential users
 - Commitment
 - Patience
 - Open to compromise
 - Open to learning



Organizing a Cooperatively Owned Business

- External Advisors- potential
 - Financial Advisor
 - Attorney familiar with Cooperative Law
 - Accountant familiar with Cooperative accounting principles
 - Consultants, others as needed



Organizing a Cooperatively Owned Business



Steering Committee



Community Ownership

Steering Committee
Meets regularly!
Sets committees and designs work plan
Designs the business to meet the needs of the potential users



Community Owned

Survey



Organizing a Cooperatively Owned Store

Is it Feasible??



Organizing a Cooperatively Owned Store

Analysis of Markets



Organizing a Cooperatively Owned Business

- Take time to write a comprehensive Business Plan



Organizing a Cooperatively Owned Business

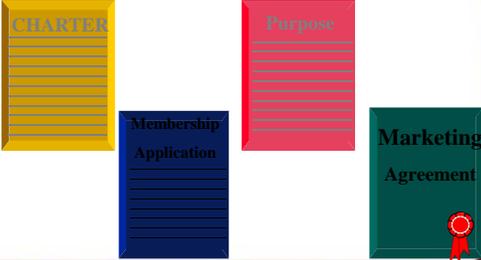
Present Findings to potential users of the Business



Organizing a Cooperatively Owned Business

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Legal Documents



CHARTER

Membership Application

Purpose

Marketing Agreement

Organizing a Cooperatively Owned Business

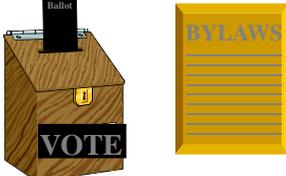
- Following the filing of legal papers is the first time you can legally talk to prospective members about the cost of stock or membership fees!!!!!!!!!!!!



Organizing a Community Owned Business

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Adopt Bylaws and Elect Directors

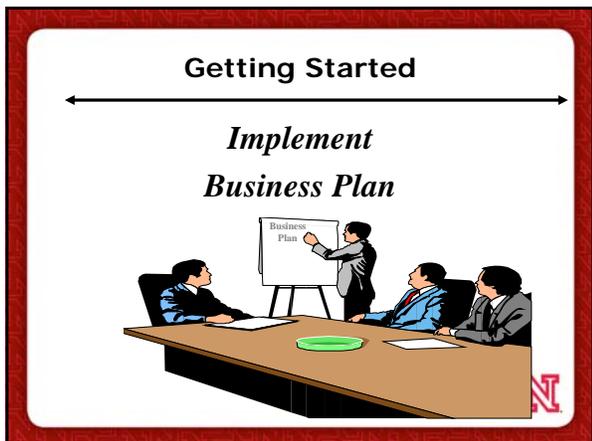


Ballot

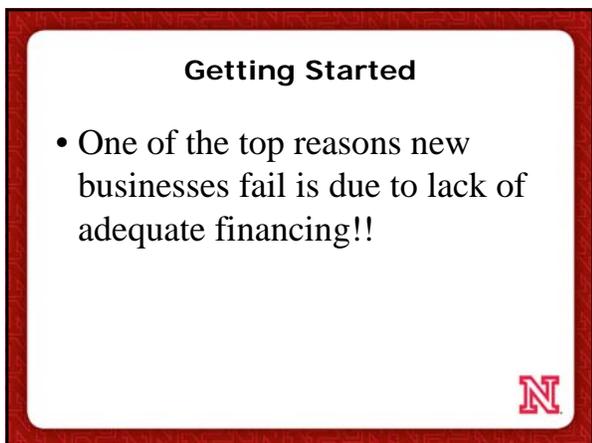
VOTE

BYLAWS













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