

# READY, STEADY, COOP!



**Unterstützung von neuen  
genossenschaftlichen Start-Ups - ein  
praktisches Handbuch**

## TABLE OF CONTENTS

EINLEITUNG .....	3
Vorteile eines Mentoring-Programmes sind:.....	4
COOPSTARTER MENTOREN - EINLEITUNG .....	5
WAS MACHT EIN GENOSSENSCHAFTLICHER MENTOR? .....	6
Der Mentoring Prozess in Drei Einfachen Schritten .....	6
Eine Beziehung Aufbauen und Aufrecht Erhalten .....	6
NUTZUNG DER VERFÜGBAREN RESSOURCEN .....	11
Businessplan Modell.....	11
Frequently Asked Questions (FAQ's) .....	12
Länderprofile und Fallstudien .....	12
Nützliche Links.....	13
APPENDIX 1 - FINANCE.....	14
APPENDIX 2 – BUILDING A COMMON COOPERATIVE IDENTITY .....	17
Is a cooperative the right model for this business?.....	17
What is a cooperative's organisational structure? .....	20
The seven cooperative principles .....	23
APPENDIX 3 – CROWDFUNDING IN A NUTSHELL.....	26
Frequently asked questions about crowdfunding .....	27

# EINLEITUNG



In diesem Handbuch wird *mentoring* als eine zur Entwicklung anregende Lernpartnerschaft angesehen, wo der Mentor einem Unternehmer hilft ein erfolgreiches Geschäftsziel zu verwirklichen.

Unternehmer können sehr verschieden sein. Es kann sich bei ihnen um Studienabgänger handeln, die ihre Ideen entwickeln möchten, oder aber um erfahrenere Unternehmer, die praktische Unterstützung beim Aufbau ihrer eigenen Firma benötigen.

*Mentoring* zielt darauf ab, die Kompetenzen eines Unternehmers zu verbessern indem seine eigenen Entscheidungsfähigkeiten und seine Effizienz gefördert werden. Der Mentor unterstützt ihn dabei, oftmals wichtige und komplexe Entscheidungen zu bearbeiten und zu treffen.

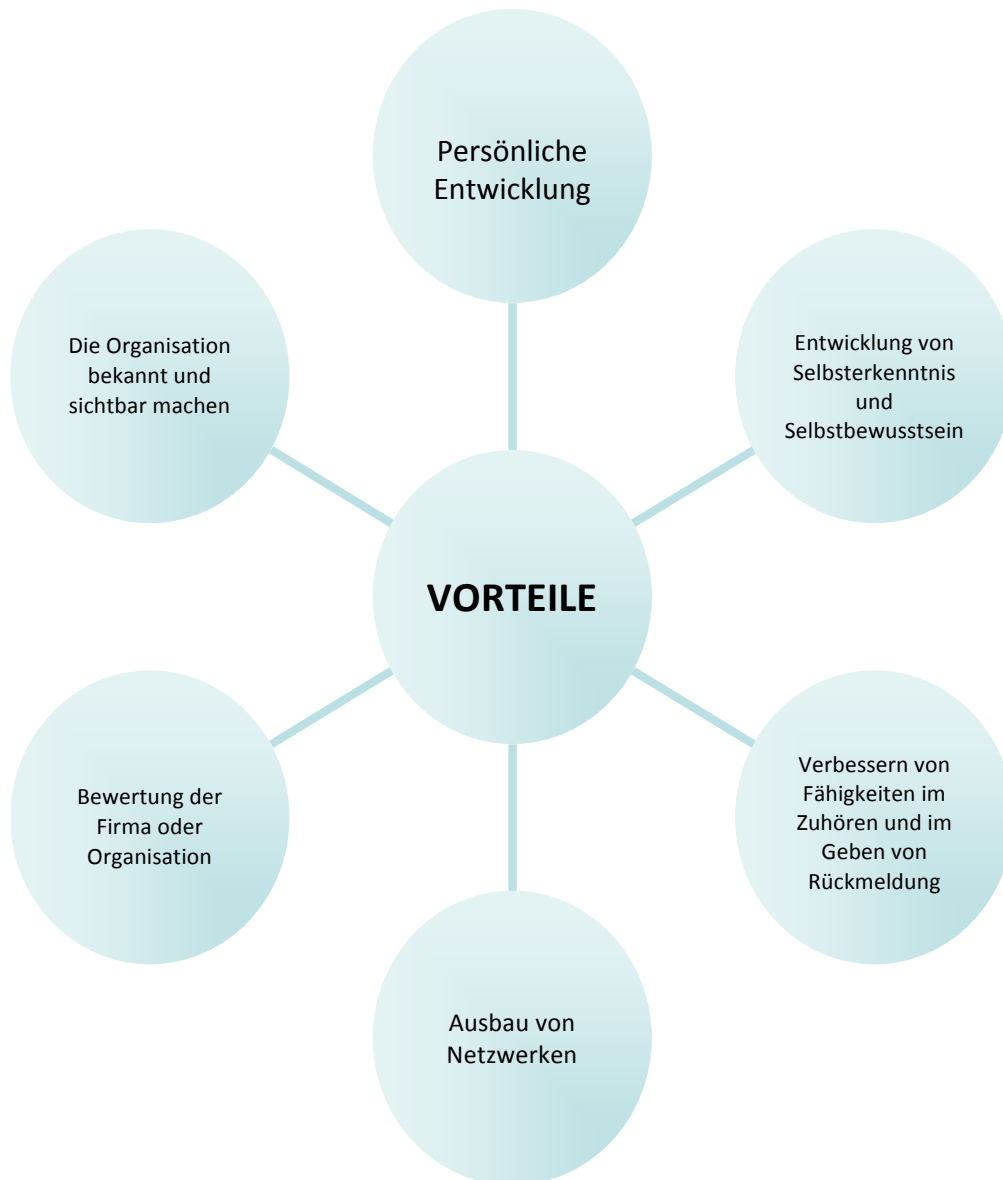
Eine aktive Partnerschaft zwischen Mentor und Unternehmer hilft, die Angst davor abzubauen, sein eigenes Unternehmen zu starten. Dies gilt vor allem wenn es sich um eine Genossenschaft handelt, die nun doch seltsame Eigenschaften hat! Die genossenschaftliche Bewegung wird Unternehmern nahegebracht und der Austausch von Ideen und Informationen mit anderen gefördert.

Das Hauptziel dieses Handbuchs ist, Organisationen dabei zu helfen ein erfolgreiches Programm zur Betreuung von Genossenschaften zu anbieten, das offen ist für alle Unternehmer, die die Absicht haben eine neue Firma nach genossenschaftlichem Prinzip zu schaffen.

Das Programm ist aufgebaut um Wissen und praktische Anwendung von funktionierenden

und erfolgreichen Geschäftspraktiken zu vermitteln. Ausserdem bietet es Rückmeldung für Genossenschaften, die dadurch interne Prozesse und Kommunikationsstrategien definieren und verbessern können.

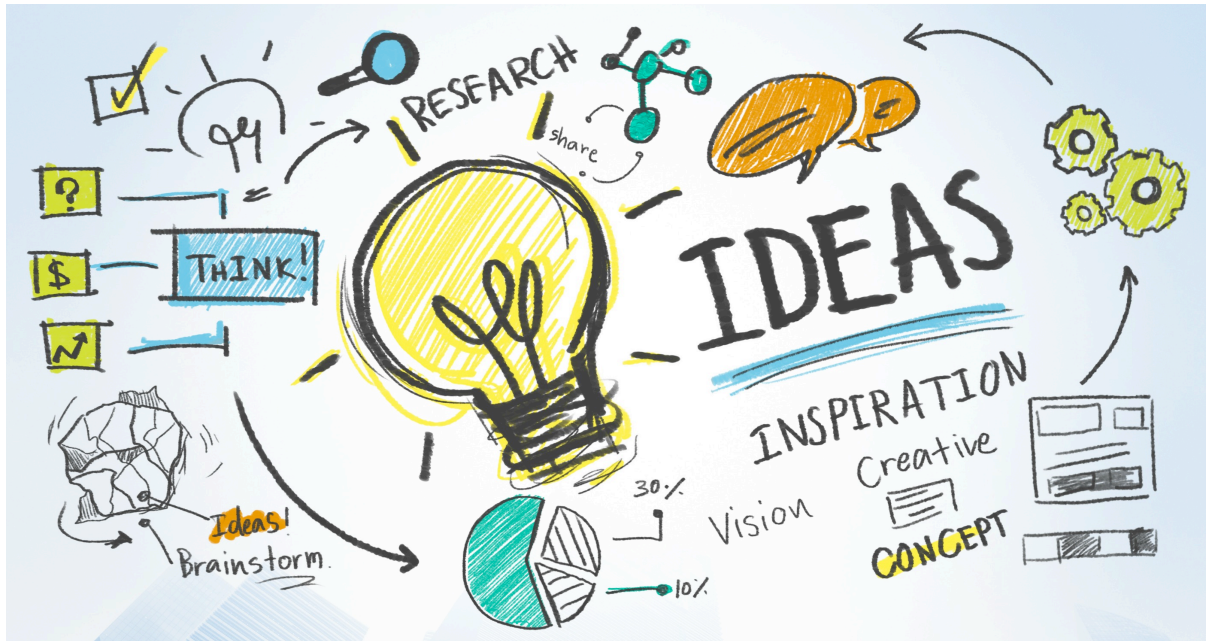
**Vorteile eines *Mentoring*-Programmes sind:**







## WAS MACHT EIN GENOSSENSCHAFTLICHER MENTOR?



### Der Mentoring Prozess in Drei Einfachen Schritten

- 1 Evaluierung der Idee (*Evaluierungskriterien und best practices, einschliesslich Kommunikation*).
- 2 Zuteilung des passenden Mentors (*den richtigen Experten, der mögliche Probleme am besten angehen und gute Beziehungen aufbauen kann*).
- 3 Nutzung der Organisationsstruktur (*Identifizierung aller internen Ressourcen mit denen die bestmögliche Hilfe geboten werden kann*).

### Eine Beziehung Aufbauen und Aufrecht Erhalten

#### Das erste Treffen

Es gibt viele verschiedene Gründe warum Unternehmer Hilfe benötigen um ihr Unternehmen aufzubauen: sie wissen nicht wie weiter; sie brauchen Hilfe mit den administrativen Dingen; sie brauchen Ratschläge um ihre Geschäftsidee zu verbessern; sie brauchen Austausch mit erfahreneren Unternehmern; sie fühlen sich sicherer etwas neues zu starten wenn sie von Experten unterstützt werden. Es ist wichtig für sie, ein Umfeld zu finden, das all dies ermöglicht. Der Ort, an dem die Unternehmer ihren Mentor treffen sollte willkommend, gemütlich und einfach zu erreichen sein, sowie die nötige Privatsphäre bieten. Alle Materialien sollten in guter Verfassung sein. Eine positive Haltung von Seiten des Mentors ist auch wichtig, da sie den Rahmen zum ganzen *Mentoring*-Programm bietet.

## **Während des ersten Treffens sollte der Mentor sich auf folgende Ziele konzentrieren:**

### **Die Beziehung aufbauen**

Die Beziehung sollte auf gegenseitigem Vertrauen, auf Offenheit, auf Zuhören und auf Verständnis basieren. Das erste Treffen ist wichtig um eine gute Beziehung zwischen dem Mentor und dem Unternehmer aufzubauen. Diese Beziehung kann eine entscheidende Rolle für den Erfolg des sich entwickelnden Unternehmens spielen.

### **Auf die Ideen der angehenden Unternehmer eingehen und sie mit ihnen ausarbeiten**

Unternehmer kommen oft zum ersten Treffen ohne eine genaue Vorstellung wie sie ihre Geschäftsidee verwirklichen sollen. Die Aufgabe des Mentors ist, ihnen zu helfen diese Idee zu entwickeln und ihr eine Struktur zu verpassen. Der Mentor sollte sich die Idee genau anhören und den Unternehmer dazu ermutigen, sie auszutesten und zu entwickeln, indem der Mentor seine eigene Erfahrung mit einbringt und sein Interesse an der Idee kundtut.

### **Informationen über die Gruppe und ihre Beweggründe beziehen**

Was sind die individuellen Absichten und die der Gruppe? Welche Erfahrungen haben sie bisher? Die Arbeit in einem genossenschaftlichen Unternehmen basiert auf Teamarbeit, Zusammenarbeit und Teilen. Es ist strategisch wichtig, Informationen, Beweggründe und Vorstellungen jedes Einzelnen, sowie seine Haltung zur genossenschaftlichen Zusammenarbeit zu erfassen. Die Mentoren helfen Unternehmern über ihr Team und seine Motivation für das Projekt nachzudenken.

### **Erste Informationen über Genossenschaften und Hilfsprozesse geben**

Unternehmer kommen oft zum ersten Treffen ohne viel über das genossenschaftliche Unternehmensmodell zu wissen. Der Mentor sollte herausfinden, was der Unternehmen über Genossenschaften weiss, und was ihn antreibt, diese Organisationsform zu wählen. Danach sollte der Mentor ihm helfen weitere Informationen zu sammeln, so dass der Unternehmer seine Entscheidung ganz bewusst und mit Sicherheit treffen kann.

Unternehmer fragen nach Unterstützung und benötigen dabei oft Hilfe um herauszufinden, welche Form der Unterstützung sie eigentlich genau brauchen. Der Mentor kann den Prozess des Mentorings ausführlich erklären und den Unternehmer dazu ermutigen, seine Schwierigkeiten, sowie seine Ziele zu erläutern.

## Die Ziele erreichen

Kommunikation und Zuhören sind wichtig um eine gute Beziehung aufzubauen und aufrecht zu erhalten. Der Mentor muss darauf achten, wie er mit dem Unternehmer kommuniziert. Die Ziele sind:



Erkundung und Versuche zu ermöglichen

Gutes Verständnis

Nützliche Informationen beschaffen und weitergeben

Sicherstellen, dass die Unternehmer sich unterstützt fühlen

Mentoren sollten Unternehmer unterstützen, indem sie nicht nur die passenden Worte finden, sondern auch durch ihre Gesten, ihre Haltung, ihren Gesichtsausdruck, und den Ton mit dem sie ihr Gegenüber ansprechen. Sie sollten Verallgemeinerungen, Anerkennung, Vorurteile und Vorhersagen vermeiden.

Der Mentor sollte verständliche Sprache benutzen und sich dem Unternehmer anpassen. Er sollte praktische und konkrete Beispiele geben, jedoch auch Kreativität und neue Ideen fördern.

## Wie hört man zu

Der Mentor sollte sich im aktiven Zuhören üben. Dabei handelt es sich um die Fähigkeit anderen zuzuhören, sodass sie dann dazu verleitet werden zu denken, neue Elemente mit einzubeziehen und ihre eigenen Gedanken zu ordnen. Der Mentor sollte empathisch sein und nicht nur praktische Informationen sondern auch Gefühle, Motivationen, Ängste und Hintergründe erfassen. Aktives Zuhören bestärkt den Unternehmer im Dialog selbst mehr Dinge herauszufinden. Der Mentor übt aktives Zuhören indem er Gesagtes noch einmal formuliert und indem er offene Fragen stellt. Dinge noch einmal formulieren ist eine Technik, die das, was schon einmal gesagt wurde, mit anderen Worten zusammenfassend wiederholt. Dadurch kann der Mentor bestätigen, dass er verstanden hat, was der Unternehmer sagen wollte. Offene Fragen helfen, ein Thema zu bearbeiten und andere Sichtweisen zu erschliessen, sodass neue Überlegungen und Ideen aufkommen können.



## Was man fragen sollte

Der Mentor kann eine kurze Checkliste nutzen um die wichtigsten Aspekte des Unternehmens direkt zu erfassen (die Geschäftsidee, das Team, was es über Genossenschaften schon weiß, die Fähigkeiten der Mitglieder und was noch gebraucht wird, etc.).



Was ist deine/eure Geschäftsidee?

Welches Problem soll mit dem Produkt oder der Dienstleistung gelöst werden?

Welche Erfahrungen und Fähigkeiten haben die Mitglieder?

Was wissen sie über das genossenschaftliche Geschäftsmodell? Was gefällt ihnen an diesem Modell?

Wie können wir helfen, das Unternehmen aufzubauen? Was wird noch gebraucht?

## Zeitplanung und Verfügbarkeit

Der Mentor sollte einen Zeitplan erstellen für Treffen, wobei der Austausch sowohl online als auch offline stattfinden sollte. Geschriebene Kommunikation so wie Emails, Nachrichten oder der Austausch von Dokumenten, hilft wenn man sehr beschäftigt ist und kann später sehr einfach als Referenz genutzt werden. Direkte Kommunikation wie Treffen oder Telefonanrufe sind oft effektiver, vor allem am Anfang der Zusammenarbeit. Wie oft der Mentor verfügbar ist und ob er nun seine persönliche Nummer oder seine Arbeitsnummer mit dem Unternehmer teilt, bleibt ihm selbst überlassen und sollte am Anfang mitgeteilt werden.

## Ressourcen abwägen und wichtige Kontakte teilen

Beim Mentoring geht es in erster Linie darum Informationen auszutauschen und Kontakte zu teilen, während der Mentor das ganze leitet und auf seine professionellen Netzwerkfähigkeiten aufbaut. Der Mentor sollte zuerst die Ressourcen der neuen Genossenschaft prüfen, die Finanzierung, die Kompetenzen, professionelle Fähigkeiten, Kommunikationsvermögen, etc. Ausserdem sollte auch das Unternehmen selbst, die Marktnische, der Sektor und das Produkt erfasst werden. Diese Informationen helfen dem Mentor eine Liste von lokalen Kontakten aufzustellen, die für den Unternehmer nützlich sind. Es kann für junge Unternehmer bereichernd sein, schon etablierte Firmen zu besuchen. Dies bietet auch eine Chance, neue Netzwerke zu bilden und sowohl die alte als auch die neue Genossenschaft aktiv in das örtliche Geschehen mit einzubeziehen.

## **Einen Businessplan aufstellen**

Einer der wichtigsten Wege zum Erfolg ist wenn der Unternehmer

**1**

**Verlässliche Finanzpläne und Cashflow Projektionen aufstellen kann**

**2**

**Möglichkeiten zur Finanzierung findet und misst.**

Durch die Leitung des Mentors sollte der Unternehmer diese Fähigkeiten Erlangen.

Die Businessplan Modelle die nun genutzt werden, sind im folgenden Kapitel aufgeführt.

## NUTZUNG DER VERFÜGBAREN RESSOURCEN



### Businessplan Modell

Der Businessplan (BP) wird genutzt um die Stärken und Schwächen eines Projekts auszuwerten. Jeder Businessplan ist wie ein Handbuch für das Unternehmen oder die Geschäftsidee und sollte ständig erneuert und von allen kontrolliert und nachgelesen werden, da er normalerweise auf Statistiken oder Prognosen basiert. Des Weiteren sollte eine Machbarkeitsstudie helfen den Businessplan aufzustellen.

Es gibt nicht nur ein Modell zum Aufstellen eines Businessplans, sondern verschiedene Formate. Meist wird er in zwei Teilen dargestellt; der erste Teil beschreibt das Geschäftsmodell und der zweite umfasst die wirtschaftlichen und finanziellen Zahlen.

Der erste Teil des Businessplans präsentiert die Geschäftsidee und die Ziele. Des weiteren enthält dieser Teil alle Informationen über die unternehmerischen Aspekte des Projektes, den Markt, die Zielgruppe, Produkte oder Dienstleistungen, Strategie und Planung, die Mitarbeiter, die Marketingstrategie, sowie eine SWOT Analyse.

Der wirtschaftliche oder finanzielle Teil enthält Analysen zu Investitionen und der Bilanz und gibt vor allem Informationen zu Ausgaben, Profit und Verlust, dem Finanzplan und dem Cash Flow.

CoopStarter Mentoren erhalten verschiedene Businessplan Modelle, die sie den zukünftigen Unternehmern zeigen können. Sie unterstützen und beraten die Unternehmer bei der Umsetzung des ausgewählten Modells.

## Frequently Asked Questions (FAQ's)

FAQs sind eine Art "Notiz" die generelle Informationen, Tips und Verbindungen zu drei Hauptthemen kurz beschreiben:

1

Genossenschaftliches Geschäftsmodell, genossenschaftliche Identität und Werte, wie eine neue Genossenschaft aufgebaut wird, Informationen und Hilfe, Kontakte.

2

Finanzierung von neu gegründeten Genossenschaften durch Crowdfunding, verschiedene Arten von Crowdfunding und wozu sie gut sind. Wie Crowdfunding funktioniert und wie man es einsetzt. *Mentoring* Dienste.

3

CoopStarter Projekt: worum es sich dabei handelt und welche Dienste es enthält.

Die FAQs sind praktisch und nützlich für den Mentor um einfache und direkte Antworten zu den oben genannten Aspekten zu erhalten. Unternehmer können zuerst zu diesen FAQs geleitet werden um das genossenschaftliche System und seine Möglichkeiten zu erkunden.

Von jeder einzelnen Frage ausgehend kann der Mentor die Informationen, die in den FAQs erfasst werden, ausweiten und vertiefen. Die FAQs können dem Unternehmer auch ausgehändigt werden als Teil des didaktischen Materials, das der Mentor verteilt.

## Länderprofile und Fallstudien

Länderprofile geben Informationen darüber, wie das genossenschaftliche System in jedem teilhabenden Land aufgebaut ist. Sie enthalten vor allem Informationen über die genossenschaftliche Bewegung und ihre Rechtsstrukturen, welche Organisationen zum genossenschaftlichen System gehören und welche Dienstleistungen diese erbringen. Des weiteren informieren sie über die Unterstützung für neue Genossenschaften in verschiedenen Regionen, die Unterstützung durch den Staat, finanzielle Unterstützung und Beistand durch Expertise, sowie Erfahrungen mit crowd-funding.

Momentan sind Informationen zu folgenden Ländern vorhanden: Belgien, Dänemark, Griechenland, Irland, Italien und Schweden. Die Liste der Länderprofile kann demnächst erweitert werden in Hinblick auf mehr Partnerschaften im Rahmen des CoopStarter Projekts (Webseite).



Die Informationen in den Länderprofilen zeigen eine generelle Struktur, wie das genossenschaftliche System in jedem der Länder funktioniert und beschreiben dessen Aufbau, Dienstleistungen sowie die wichtigsten Probleme und Hürden. So hat jeder Mentor einen homogenen Vergleich zur Verfügung der ihm neue Inputs, Ideen, beste Praktiken und Hilfsmittel zeigt. Diese dienen als Beispiele für den Unternehmer und können neue Inputs geben zu dem System in dem Land aus dem er kommt.

Der Mentor kann jedes dieser Länderprofile erweitern und vertiefen. Das Profil ist nützlich um den Unternehmern die Strukturen und die rechtlichen Bedingungen verständlich zu machen, in deren Rahmen sie eine neue Genossenschaft aufbauen wollen.

Die Fallstudien geben praktische Beispiele dazu, wie Organisationen innerhalb der Rechtsstrukturen in jedem der Länder funktionieren und zu erfolgreichen Genossenschaften in verschiedenen Bereichen werden.

## **Nützliche Links**

[www.start.coop\\*](http://www.start.coop*)

<http://stories.coop/>

<http://www.sommetinter.coop/cms/interview-with-young-leader-rhiannon-colvin>

<https://www.facebook.com/altgen101>

<http://www.im-pactes.eu/fr/la-mallette-pedagogique/>

<http://www.microgenius.org.uk/pg/about-us-1>

<http://www.crowdday.be/telechargements.html>

<http://www.euricse.eu/node/257>

## APPENDIX 1 – FINANCE (EN)



One of the most relevant success factors for start ups is the entrepreneurs' capacity to:

- 1 COMPILE RELIABLE FINANCIAL OPERATING PLANS AND CASHFLOW PROJECTIONS
- 2 SELECT AND EVALUATE AVAILABLE FINANCIAL SOURCES

Through the mentor's questions and guidance, the *cooperators-to-be* will be able to acquire this capacity. In order to do this, the starting point is to assess financial needs.

### What does it mean to assess financial needs?

Assessing the financial needs of a business requires knowing the different types of 'finance', which are normally related to the phase in which the business is AND knowing the factors that affect financial needs.

### Types of financial instruments available to a business

Equity (net assets): members' equity, reserves, profits. Main features: higher risk, no limits to remunerations, no amortization. (Phases in which is most needed: seed and start up).

Debt (banks, suppliers, etc.): analyse payments dynamics. Main features: fixed remuneration, amortization plans, not primary risk (Phases in which is most needed:

development and maturity).

Hybrid financial instruments (equity with remuneration, etc.), including CROWDFUNDING<sup>1</sup>

### **CROWDFUNDING**

Defined broadly, crowdfunding is a joint voluntary effort by individuals, groups, enterprises and organisations from both the public and private sector to back a cause, company or organisation. Crowdfunding is a transparent way of funding entrepreneurs from a community using an internet online platform.

Transparency means that people can see that their money goes into well-defined entrepreneurial projects. Most importantly, however, crowdfunding creates opportunities for more people, who otherwise would not have access to traditional channels of finance, to become small-scale entrepreneurs.

### **What is finance for?**

Investments (fixed assets): type of investment and amortization. Types of financial products associated to this need (lease, loan, mortgage, etc.) (Phase in which is most needed: start-up).

Working capital (current assets): how do credits form? How do you finance them? Receipts and cash-in dynamics. Types of financial products associated to this need (overdraft, factoring, etc.) (Phases in which is most needed: development and maturity).

### **Variables affecting financial needs**

Sales

Cashflow

Earnings: explain EBIDT and EBITDA

Then, in order to evaluate the most appropriate financial products, the entrepreneur needs to become familiar with the concept of COLLATERAL.

### **What is it?**

Property or other assets that a borrower offers a lender to secure/guarantee a loan. If the borrower stops making the promised loan payments, the lender can seize the collateral to recover its losses.

---

<sup>1</sup> See Appendix 3

A surety or guaranty is another way of guaranteeing a loan: it involves a promise by one party to assume responsibility for the debt obligation of a borrower if that borrower defaults. The person or company providing this promise is also known as a "surety" or as a "guarantor".

**Why is it needed?**

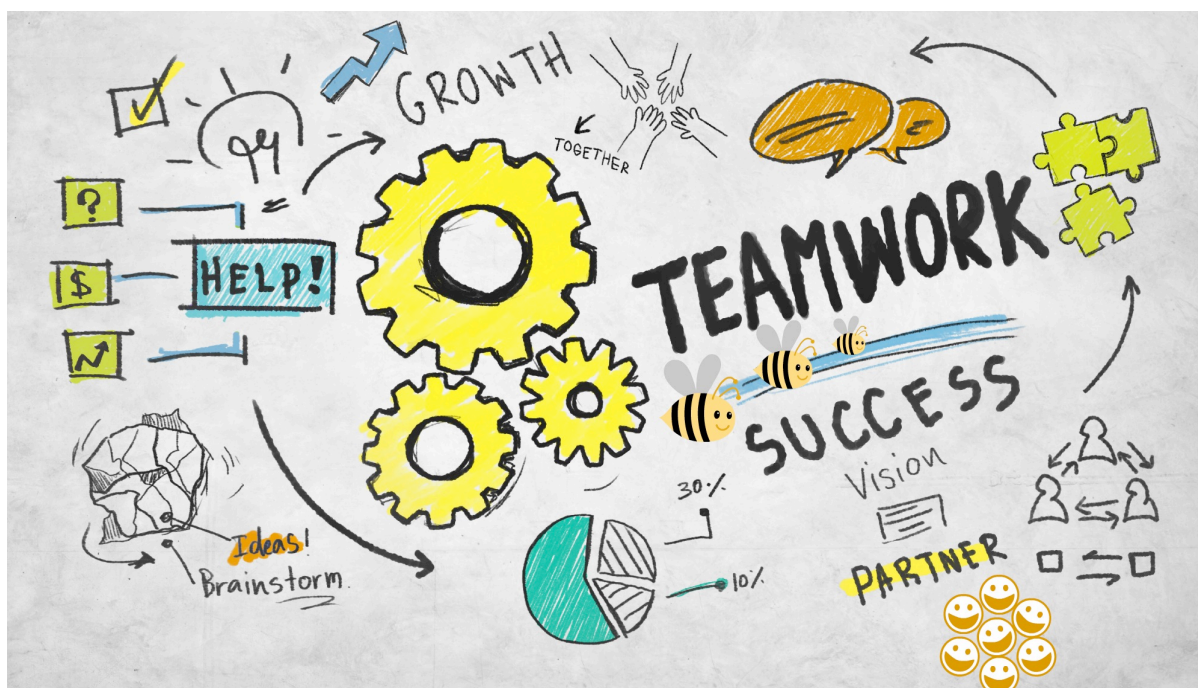
Banks can lend money more easily and at a lower interest rate if the loan is assisted by collateral. Nowadays, some banks ONLY give out loans with collateral.

**How can we get it?**

Property or assets offered to the lender need to be owned by the cooperative in the first place. Guarantees are usually sold, at an interest rate + commission fee, by specific financial institutions dedicated to these products only.



## APPENDIX 2 – BUILDING A COMMON COOPERATIVE IDENTITY (EN)



### Is a cooperative the right model for this business?

According to Mondragon's Cooperative Corporation guidance, the first steps necessary to establish business as cooperatives are:

- To be informed what a cooperative is and what is not<sup>2</sup> (differences to other kind of businesses and other kinds of Social Economy businesses).
- To be informed of the international and local cooperative history.<sup>3</sup> To be informed of the international cooperative movement, turnover, cooperative principles, organisational structure, member's obligations and rights and the other cooperative institutions, conflict management techniques.<sup>4</sup>
- To compile a Business Plan and statute that reflect cooperative characteristics.

### What is a cooperative?

Co-operatives are autonomous associations formed and democratically directed by people

<sup>2</sup> See the following link: [What a cooperative is and what is not](#)

<sup>3</sup> [Handbook on Cooperatives of ILO, pages 5-9](#)

<sup>4</sup> See the following link: [Sizes, lot of members, turnover, cooperative principles, organizational structure, member's obligations and rights and the other cooperative's institutions, the conflict management techniques.](#)

who come together to meet common economic, social, and cultural needs. Founded on the principle of participatory governance, co-ops are governed by those who use their services, that is, their members.<sup>5</sup>

*Co-operatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits. As businesses driven by values not just profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation. Successful cooperatives around the world are allowing people to work together to create sustainable enterprises that generate jobs and prosperity and provide answers to poverty and short term business practices. (ICA)*

---

Nearly 1 billion people are members of cooperatives worldwide. Cooperatives come in all shapes and sizes, and they operate in all parts of the economy: from healthcare to housing, farms to pharmacies, supermarkets to sports clubs, banks to bakeries. A strong network spanning local and global organisations, the cooperative movement is a vital part of civil society that works together to build a better world.

### **What are the main advantages to forming a co-operative rather than a traditional private enterprise?**

The cooperative option is the best legal choice because it is an organisational tool designed to meet the needs, and facilitate the operations, of both small groups and of large groups with tens, hundreds or even thousands of members. The cooperative model offers a proven legal framework for governing collective decision-making and for protecting everyone's interests.

In attempting to meet a special economic, social or cultural need, the co-operative's legal setup may be the best way to become an entrepreneur or resolve problems with others who share the same goals.

**A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.**

According to the definition of cooperative identity which is internationally accepted, cooperatives have a double nature as associations and simultaneously as enterprises.

Speaking of a cooperative internal organisation, cooperatives operate as an association but in their relationship with the outside world they should be a dynamic and competitive business.

---

<sup>5</sup> International Cooperative Alliance, ICA



## **The main differences between cooperative model and others associations of social economy**

### **Administrative model**

Cooperatives are autonomous associations formed and democratically directed by people who come together to meet common economic, social, and cultural needs. Founded on the principle of participatory governance, co-ops are governed by those who use their services, that is, their members.

Based on the principles of empowerment, education, and community, coops operate laterally promoting participation both within their own organisation, and through a focus on community interaction, and support.

Cooperatives follow the administrative model of an organisation where the members decide the cooperative's strategic direction, offering each member a vote (the second principle: democratic member control). Co-operatives often expand the classical structure and democratic representation of the association by introducing further methods of democratic control. Cooperatives also seek to control of external factors of private that might undermine their autonomy.

### **What is a cooperative's organisational structure?**

A co-operative will need at least the following for its day-to-day operation:

- General Assembly
- Board of Directors with committee system
- Set of Officers
- Hired management/ paid employees

### **Financial model**

Cooperatives, as associations, seek to address members' social and cultural needs as well as addressing economic concerns. NGO and social cooperatives can seek to address the wider needs of the whole community, and not only those of members.

Cooperatives seek to raise finance to support their purposes through a business that is owned and controlled by members, rather than seeking donations and funding to deliver programmes of work that are directed and controlled by external bodies.

### **Is a cooperative non-profit?**

Although the primary goal of a cooperative is not to maximize profits but its service to members, a cooperative must, nevertheless, generate sufficient revenue to cover expenses and ensure its growth. After securing, in a general reserve, the capital needed to finance the expansion of the business, any surpluses remaining are returned to members.

Beyond this basic requirement, and in accordance with certain existing legislation on cooperatives, a cooperative may decide not to distribute any surpluses and therefore, in



some situations, will meet the definition of a non-profit organization.

There may, therefore, be two kinds of co-operatives:

- **for-profit cooperatives:** those in which members may redistribute any surpluses of the enterprise among themselves in the form of returns proportional to their business transactions with the co-operative during the fiscal year;
- **not-for-profit cooperatives:** those in which any operating surpluses of the enterprise may not be distributed to the members and must be returned in their entirety to the cooperative's general reserve. (For example, housing, day care, health and other similar cooperatives.)

### **Key differences between the cooperative model and the traditional business model**

Traditional businesses focus the power of ownership in a single individual or sometimes a small group of partners. With the cooperative model every customer is a member and every member a part owner. Cooperative member-owners share equally in control of the organization. They meet regularly to analyse operations reports and elect members from among themselves to a board that may hire administrators to tend to day-to-day operations.

In a traditional business a single person can seize control of a stock-issuing company by buying a majority of shares, thus gaining superior voting power. With a cooperative, no member can buy or control the share of another. Each member has equal voting power and decisions must be made in conjunction with the wishes of the majority. Power truly rests in the hands of lowest common denominator - the member.

Most traditional businesses operate with the primary goal of turning a profit to a single person or a group of shareholders. A cooperative offers benefits to members that go beyond that. By pooling their money, a group of like-minded individuals can form a cooperative that offers higher quality products at lower prices. Furthermore, a cooperative allows individuals to have a direct say in business operations, something often lacking in traditional businesses in general.

### **Management model**

Cooperatives are the only form of business that the stakeholders as consumers of the products or the services are simultaneously in common owners and controllers (member's triple nature of a cooperative). In this way they succeed to ensure products and services with the characteristics that they want, at low cost.

As previously stated, each cooperative member has one vote unlike other forms of business in which, each shareholder's vote depends on the amount of capital that he has invested.

## **Financial model**

In cooperatives, unlike other forms of business, the financial year results of the joined enterprises are distributed to the members depending on the amount of their transactions with the cooperative in terms of products, services or even the work that they have contributed, and not related to the capital that they invested for the creation of that business.

At the same time part of the yearly profits are placed in a common fund to cover member's common needs with an emphasis on matters of continuous cooperative education and cooperation between cooperatives at local, national and international level.

## **Understanding the surplus of a cooperative**

Generally, the distribution of a cooperative's surplus is determined by-laws. Surplus is determined at the close of a coops fiscal year or as prescribed by its by-laws. A cooperative's surplus is not profit in the usual sense of the word. As far as the co-op is concerned, this excess payment or surplus is considered as having been returned to the members if the surplus is distributed in the following manner. First priority goes generally to the reserve fund. The reserve fund is meant to stabilize cooperative operations and may be used only for investments allowed by the code. Second priority goes to education and training. Third priority is, for example, an optional fund, a land and building fund, community development fund and any other necessary funds. After all these have been allocated, the remainder is available to the general membership in the form of interest on their investment and patronage refund. Nevertheless, interest on share capital should exceed the normal rate of return on investment.

## **Does a cooperative perform as well as a traditional private enterprise?**

Some studies comparing the performance of cooperatives with traditional businesses operating in the same economic sector have demonstrated their superiority in two ways:

- low absenteeism
- better quality of products and services

This is the result of the high incentive of workers. They know that the business belongs to them. They know that the better their work, and the greater the surplus the enterprise generates at the end of the year, the more they can increase their income through returns.

The cooperative model is also particularly well suited to new methods of participatory management and is being increasingly adopted by enterprises wishing to maximize their performance and the quality of their client services.

## **Cooperatives and Society**

In each cooperative, according to the first principle of "open and voluntary membership", anybody can be a member sharing the arising benefits without any discrimination. Cooperatives, according to their aims, are seeking to cover members' needs and not to earn

unlimited profits by destroying the environment and ignoring the future of the next generation. By their nature, cooperatives belong to the next generation. Cooperatives offer sustainable development of all society as is shown in the reports of International Organization of Employment (ILO) [“Cooperatives and the sustainable development goals”](#) and the report of ICA-CICOPA [“Cooperatives as Builders of Sustainable development”](#).

### **Business Plan**

It is important that the cooperative values and principles are used to inform the business and strategic planning of the enterprise. This can include thinking about sustainability and development, continuous cooperative education, methods of democratic control and professional training, conflict management, and cooperation between cooperatives.

### **Statute**

Wherever possible, the statute of the organisation should be adopted in line with existing cooperative legislation in that country. Where no specific cooperative legislation is in place, the statute should include elements of cooperative principles as much as possible.

### **INTEGRATION OF COOPERATIVE PRINCIPLES IN STATUTE WHERE POSSIBLE IN ACCORDANCE WITH THE NATIONAL LEGISLATION**

One of the objectives of the international cooperative movement, as noted in the “Blueprint for the Cooperative Decade”, is the harmonisation of national cooperative laws with the cooperative principles by introducing a basic core of the cooperative identity for the recognition of real cooperatives.

The seven cooperative principles are the heart of the cooperative identity. The principles should inform the statute of the organisation as much as possible, taking account of national legislation and the precise nature of the enterprise.

### **The seven cooperative principles**

<b>Principles</b>
<p><b>1<sup>st</sup> principle</b> <b>Voluntary and Open Membership</b></p> <p><b>Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.</b></p>
<p><b>2nd principle</b> <b>Democratic Member Control</b></p>

**Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.**

### **3rd principle**

#### **Member Economic Participation**

**Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.**

### **4th Principle**

#### **Autonomy and Independence**

**Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.**

### **5th Principle**

#### **Education, Training and Information**

**Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.**

### **6th Principle**

#### **Co-operation among Co-operatives**

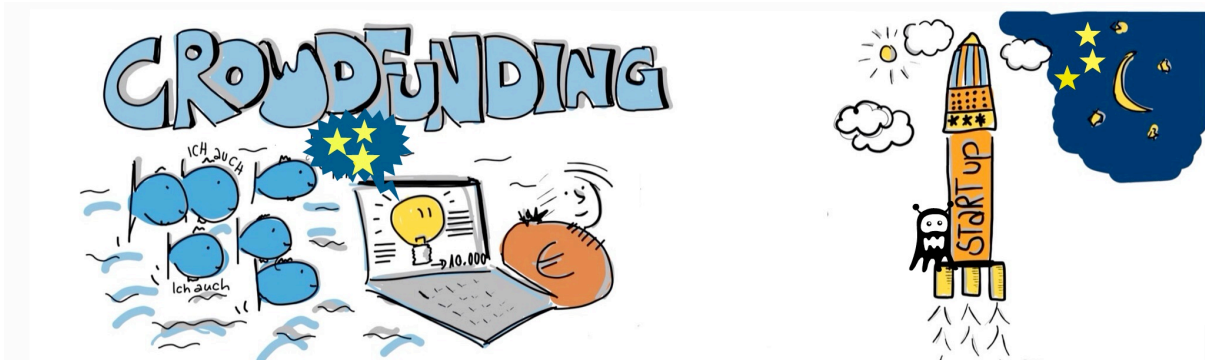
**Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.**

### **7th Principle**

#### **Concern for Community**

**Co-operatives work for the sustainable development of their communities through policies approved by their members.**

## APPENDIX 3 – CROWDFUNDING IN A NUTSHELL



Crowdfunding is established nowadays as a valuable financial alternative to make business ideas happen. The rise of crowdfunding, especially over the last eight years, must be understood in light of the current economic crisis and the problems associated with the financing of small- and medium-sized enterprises (SMEs).

The lack of funding support for SMEs was, and still is, somewhat ill-starred for Europe's economy. One of its unfortunate consequences being the rise of youth unemployment rates across the continent. The poor economic situation combined with a growing need, especially amongst young people, to find new ways of financing their business projects, is the reason why we are currently witnessing an increase of interest about the financial impact of what crowdfunding can do for the European as well as the non-European economies.

Aware that the European economy is in need of a strong shot in the arm, the European Commission (EC) has made, in the last few years, several high level statements in support of crowdfunding. In addition, the EC launched in 2013 a consultation to explore the added value of a potential EU action on crowdfunding, reaching in 2014 a public statement about crowdfunding which concluded that crowdfunding was crucial to the need to reinforce entrepreneurship across Europe. Furthermore, the Commission through the Entrepreneurship 2020 Action Plan invited Member States to "*assess the need of amending current national financial legislation with the aim of facilitating new, alternative forms of financing for start-ups and SMEs in general, in particular as regards platforms for crowd funding*" (European Commission - MEMO/14/240 27/03/2014).

However, at the present moment the EC has not come up with legislative measures. In the first place the EC plans to further explore the market developments around crowdfunding and get a better overview on how this form of financing fits in the wider financial environment. The actions proposed in the *Communication on Crowdfunding in The European Union* (MEMO /14/240 27/03/2014) aim to address these issues in order to exploit the full potential of crowdfunding in the EU. Amongst the actions proposed by the Commission is the establishment of an expert group – the European Crowdfunding Stakeholder Forum – that will advise the EC on matters regarding crowdfunding and the financial support it provides to start-ups and the development of entrepreneurship in Europe. Furthermore, the Commission intends to hold national workshops to discuss



obstacles to convergence of national regulations on financial return models and, where relevant, issue recommendations to encourage Member States to avoid inconsistencies in national approaches.

Until the Commission, the different national politicians, ministers and public servants reach a conclusion about what crowdfunding can do for the economy, it is important to point out the many possibilities and resources it gives to budding and established start-ups. In the following text we have drawn up some questions about crowdfunding and how it may help you carry out your business dream.

## **Frequently asked questions about crowdfunding**

### **What's crowdfunding and how can you use it?**

Defined broadly, crowdfunding is a joint voluntary effort by individuals, groups, enterprises and organisations from both the public and private sector to back a cause, company or organisation. Crowdfunding is a transparent way of funding entrepreneurs from a community using an Internet online platform. Transparency means that people can see that their money goes into well-defined entrepreneurial projects. Most important however, crowdfunding creates opportunities for more people, who otherwise would not have access to traditional channels of finance, to become small-scale entrepreneurs.

### **How can I get in to business through crowdfunding?**

Crowdfunding can be used by people of all ages just as long as they have a viable business idea. Business ideas can be anything; from the start-up of a kindergarten, a café, a bike shop to the start-up of retail cooperatives selling anything from clothes to food or cooperative research projects, IT companies or even art, film or music projects. The sky is the limit!

The most remarkable aspect, however, is crowdfunding can turn your business idea into a real cooperative enterprise! Crowdfunding offers unique support for growing and existing cooperative entrepreneurs on numerous levels. No other investment form can provide the benefits of market research, word-of-mouth promotion, and crowd wisdom without extra cost.

### **What are the basics of a successful crowdfunding campaign?**

To begin with, you must believe in your own business idea. Because if you don't, the crowd won't either! For a start, learn from other campaigns. Look closely at what other successful as well as unsuccessful campaigns have done. You may find a common thread that will help you understand how to improve your campaign and thereby reduce failure. And do some good, sound research about the business you want to develop.

### **How do I pitch my idea?**

Getting funds from the crowd, just like getting funds from any other source requires a certain set of skills. Make a short and engaging video pitch. If you are camera shy, remember that projects with a video component have 50% more chances to succeed than those without. Short videos help you communicate your idea and show the crowd who's the face behind the project and if you have a prototype, a drawing or whatever boosts your idea, show it!

Spelling out to the crowd that you have a viable and sustainable idea and that you or your group believe in what you are doing is not rude. Show the crowd what their money's for. Some determinants of success and failure might be your ability to deliver a good pitch. And don't be afraid to brag if you believe you have a really good business project! Mum's the word is not suitable for crowdfunding! So don't be afraid of being passionate and bold about your idea.

### **How can I earn the crowd?**

As the name says, crowdfunding is all about the crowd. It may look simple but it isn't. It's not rocket science either.

First of all, identify your audience. Does your brand involve a crowd living in a special geographical area or in a special community? Is your brand age, gender or nationality oriented? What's more, the crowd gives your business project a market test, feedback, proof of concept and extremely valuable access to networks. Besides, crowdfunders are motivated firstly by their emotions and personal interest in a project seeking funds. Their emotional commitment is related to, amongst other things, local needs, private preferences, or brand values that are stuck to the project. Research shows that the odds for campaigns successfully reaching their goals are ten times higher once they have reached about half of their funding goal. This means that it's important for your project to keep engaging and communicating with your crowd at least on a weekly basis. Don't forget to encourage friends and family and other core backers to donate in the first days of your campaign. Learn how to create momentum. This will help convince potential new backers of the increased likelihood of your campaign's success. And remember, the crowd can be brutally honest when voting with their wallets.

### **Budget – How much money do I need?**

Before you think about launching a crowdfunding campaign, make sure you have a realistic budget in place. Be clear before you even launch your campaign, on what you are trying to achieve and how the money you raise will be used. You need to take into account the total costs associated with your crowdfunding project like paying a commission to the platform, shipping costs for rewards, potential tax implications and the cost of making a pitch video. The biggest mistake rookie crowdfunders make isn't asking for too much money, but being unrealistic about how much money they will need to cover their expenses.

### **Spreading the word – How do I use social media to promote my campaign?**

Crowdfunding and social media are thick as thieves, in other words inseparable. Social media and online networks are crucial for your project. As a result, you need to be savvy at setting up a social media campaign. Most of the actual marketing and building a movement around the project happens outside the platform. Hence it is important that you get potential funders interested long before you launch your campaign. Apart from social media channels like Facebook, Twitter and LinkedIn, you can use mail outs, blogs or even snapshots to help you spread the word and communicate your campaign to thousands of followers and readers. Don't be shy of inviting your friends, families and fans to give a boost to your campaign.

Keep in mind! Social media as well as mail outs and blog posts are not just a way to promote

your idea. They also help facilitate the two-way conversation between you and the crowd. So, make updates on progress, add features and make comments and give feedback. Never ever let your followers and fans hanging with unanswered questions. And don't forget to thank your backers for their support and their comments. Let's put it this way. They are the lifeline of your project!

Finally, bear in mind that regardless of the fact of crowdfunding being widely reported in the media as a success story, more than half of all crowdfunding campaigns fail to reach their funding goal. Even if you don't reach your initial monetary target, you shouldn't forget the value of using crowdfunding for market testing a product or idea and as a way of engaging with an audience in a new fashion.



## **PROJECT COOPSTARTER**

Eight partners from across Europe have created the project CoopStarter in order to make the cooperative business model known to the younger generation, and to assist people wishing to set up a cooperative through the start-up phase. With this project, we want to encourage and inspire young entrepreneurs to carry out their business ideas, and provide them with the tools to make them successful.

The partners of the project CoopStarter are: Kooperationen (Denmark), Cooperatives Europe (Belgium), Febecoop (Belgium), NABCO (Ireland), Coompanion (Sweden), Kapa Network (Greece), Legacoop Liguria and Concooperative/Irecoop Emilia-Romagna (Italy).

This project was funded by Grundtvig – Lifelong Learning Programme (2013-2015)

