

Co-op Self-Assessment

Written by Russ Christianson

This is a self-assessment in the truest sense. You won't be asked to score a number of questions, total your score and then be told where you fit on an arbitrary scale that purports to measure temperament, attitudes or motivations. Rather, it's an opportunity to reflect, talk to friends and family and potential members of your co-op.

Starting any business requires taking risk. Eighty percent of small businesses fail. There are many reasons for failure including, poor planning, being overly optimistic, lack of adequate investment and cash, poor cost control, personal illness and plain bad luck.

Co-operatives generally fare better and have twice the survival rate – 40%.¹ This is significantly better than other business models (sole proprietorship, partnership, and corporation), but it still means over half of start-up co-ops fail. Some of the reasons for the better survival rate for co-ops include more cautious and thoughtful decision-making, the emotional support members provide each other, pooling resources and talents, and support from other co-ops and federations.

Like any good business, a co-op requires an excellent business plan, sufficient start-up capital, and the tenacity of its founders. There will be long hours, many meetings, and low pay in the start-up phase. And, there will also be break throughs, exciting developments and the internal reward of accomplishing something important to you and your community.

While many co-ops are profitable businesses, this is not their main goal. If you want to start a business “to get rich quick” (or slowly for that matter), a co-op business is not the right choice. If you want to work together with others to fulfill a collective need – say for meaningful work, housing, childcare, good

¹ Co-operatives Secretariat, “Survival Rates of Co-operatives in Quebec”, Government of Canada and Quebec Ministry of Industry and Commerce, 1999.

food, joint marketing or purchasing, or filling any other gap in your community – then a co-op may be the right choice.

The main difference between a co-op business and a regular company is democracy. This is both the strength and potential weakness of the co-op structure. It's a strength because it offers people (members) more control over their lives and the potential for making better decisions collectively than individually. It's a weakness because democratic decision-making requires more time, more discussion, and the ability to listen and even change one's mind. This doesn't mean that every little decision has to be made by the group. Usually, only long-term policies are determined this way, while day-to-day business operations are clearly assigned to various people, just like any business.

A co-op is for you if you enjoy working together with other people, you have the interpersonal skills and patience to co-operatively find creative solutions, and feel confident about managing conflicts.

Over 760 million people are members of co-ops worldwide.² They've joined together because they are able to achieve something as a group that they simply couldn't do as individuals.

So, if you still want to continue with this self-assessment, we hope you enjoy the processes of reflection.

And, please be honest with yourself!

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² International Co-operative Alliance, 2000.

1. What is the need you have identified that a co-op could fulfill?
- Job creation Housing Child Care
 Food Marketing Joint Purchasing
 Other
-

2. Are there other organizations or businesses currently fulfilling this need in your community?

Yes, name them --

No, has one recently failed?

3. Why do you feel a co-op is the right way to fulfill these needs?

4. How many other people are interested in working together with you to start the co-op, and what skills and resources do they bring to your group?

Name	Skills	Resources
1. (your name)		

5. What kind of support can you rely on from your family, friends and community in starting the co-op?

6. What are your personal reasons for wanting to start a business together with others rather than on your own?

7. What experiences have you had in the past that make you feel confident that you can stick with the start-up when the going gets tough?

8. There will be conflicts in the co-op. How have you dealt with conflicts in the past when you've working together with people?

9. When you review the list of people and their skills and resources in question 4, how confident do you feel that you have the right people, the right skills, and the right resources?

10. Are there any gaps in skills and resources that you will need other people to fill?

11. What is your strategy to get the ball rolling to start the co-op?

12. Are you ready to spend the next few months getting the co-op going? Do you have the time, energy, and tenacity required?

13. What do you hope to gain on a personal level from your participation in the co-op?

14. How much money do you personally have to invest in the co-op?

15. What further research or information do you need to access to help you make your decision to start a co-op?
