

Cooperative Success Factors

Successful new cooperatives share certain common characteristics that are often cited as requirements for effective operations.

Successful new co-ops:

- Use committees, advisers and outside expertise effectively.
- Keep members informed so that they stay involved and supportive.
- Conduct businesslike meetings by using agendas, parliamentary procedures and democratic decision-making.
- Maintain good board-management relations by clearly defining roles and responsibilities.
- Follow sound accounting practices, and present financial reports regularly.
- Develop alliances with other cooperatives.
- Develop clear policies on confidentiality and conflict of interest.

Potential risks to a new co-op include:

- Lack of a clearly defined mission, purpose and focus.
- Lack of member leadership.
- Inadequate feasibility study and/or business plan.
- Failure to use experienced advisors and consultants.
- Lack of financial commitment from members.
- Lack of competent management to run the cooperative's operations.
- Failure to identify and minimize business risks.
- Lack of adequate financing.
- Inadequate communications.

Note: Accessed with a hearty “THANK YOU” from the University of Wisconsin Madison Center for Cooperatives web site:

<http://www.uwcc.wisc.edu/howtostart/Factors/>