International Labour Organization

Start.CareCoop

A step-by-step tool to start-up a care cooperative

Training guide

Start.CareCoop

A step-by-step tool to start-up a care cooperative

Training guide

©International Labour Organization 2025
First published 2025

Attribution 4.0 International (CC BY 4.0)

This work is licensed under the Creative Commons Attribution 4.0 International. See: creativecommons.org/licences/by/4.0. The user is allowed to reuse, share (copy and redistribute), adapt (remix, transform and build upon the original work) as detailed in the licence. The user must clearly credit the ILO as the source of the material and indicate if changes were made to the original content. Use of the emblem, name and logo of the ILO is not permitted in connection with translations, adaptations or other derivative works.

Attribution – The user must indicate if changes were made and must cite the work as follows: *Start.CareCoop: A step-by-step tool to start-up a care cooperative – Training guide,* Geneva: International Labour Office, 2025. © ILO.

Translations – In case of a translation of this work, the following disclaimer must be added along with the attribution: *This is a translation of a copyrighted work of the International Labour Organization (ILO). This translation has not been prepared, reviewed or endorsed by the ILO and should not be considered an official ILO translation. The ILO disclaims all responsibility for its content and accuracy. Responsibility rests solely with the author(s) of the translation*.

Adaptations – In case of an adaptation of this work, the following disclaimer must be added along with the attribution: *This is an adaptation of a copyrighted work of the International Labour Organization (ILO). This adaptation has not been prepared, reviewed or endorsed by the ILO and should not be considered an official ILO adaptation. The ILO disclaims all responsibility for its content and accuracy. Responsibility rests solely with the author(s) of the adaptation*.

Third-party materials – This Creative Commons licence does not apply to non-ILO copyright materials included in this publication. If the material is attributed to a third party, the user of such material is solely responsible for clearing the rights with the rights holder and for any claims of infringement.

Any dispute arising under this licence that cannot be settled amicably shall be referred to arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of such a dispute.

For details on rights and licensing, contact: rights@ilo.org. For details on ILO publications and digital products, visit: www.ilo.org/publns.

ISBN: 9789220418536 (web PDF)
DOI: https://doi.org/10.54394/OHQO6569

The designations employed in ILO publications and databases, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the ILO concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers or boundaries. See: www.ilo.org/disclaimer.

The opinions and views expressed in this publication are those of the author(s) and do not necessarily reflect the opinions, views or policies of the ILO.

Reference to names of firms and commercial products and processes does not imply their endorsement by the ILO, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

About Start.CareCoop

Start.CareCoop was developed as an adaptation of Start.COOP, a low-cost, easy to use training tool for those interested in starting or launching a cooperative. This specific adaptation was done in accordance with LO's Cooperative, Social and Solidarity Economy Unit (COOP/SSE) and Gender Equality, Diversity and Inclusion Branch (GEDI) Units' initiative: Cooperative Care Provision as a Gender-Transformative Decent Work Solution. It draws on technical content from existing ILO materials relating to the care economy as well as cooperative formation and utilizes a peer-learning, activity-based methodology. Think.CareCoop and Start.CareCoop are aimed primarily at care workers who are interested in understanding and potentially forming a cooperative as well as other interested and organizations interested in providing care services through a cooperative model (bottom and upper right quadrants in figure 1).

▶ **Figure 1. Care provision through cooperatives**

Care through cooperatives

Other cooperative enterprises and organizations which provide care as a part of cooperative services

- Education cooperatives
- Financial cooperatives
- Agricultural cooperatives
- Housing cooperatives
- Production cooperatives
- Health cooperatives
- Federations of cooperatives
- Multi-purpose cooperatives

Other institutions and organizations which provide care through a cooperative model

- Trade unions
- Schools
- Community agencies
- Local and federal governments

Provide direct care as a **side service** to members, beneficiaries and clients

Care cooperatives

- Domestic worker cooperatives
- Nanny and au-pair cooperatives
- Cooperatives daycares
- Aid and paramedical cooperatives
- Elderly care cooperatives
- Cooperatives for persons with disabilities
- Cooperatives for persons with chronic illness

Provide direct care as a **core service** to members, beneficiaries and clients

Care is, "looking after the physical, psychological, emotional and developmental needs of one or more other people, namely the elderly, children, and people living with disabilities, physical illness and/or mental illness."

At the end of this training, participants are expected to:

- Identify the core members of your cooperative
- Define your business idea
- Research the feasibility of your business idea
- Prepare your business plan
- Decide on the organizational set-up of your cooperative

Acknowledgements

Start.CareCoop was developed collaboratively with the ILO's Cooperative, Social and Solidarity Economy (COOP/SSE) Unit of the Enterprises Department and the ILO's Gender, Equality, Diversity and Inclusion Branch (GEDI) of the WORKQUALITY Department. The text was drafted by Mattie Milliken with inputs from Simel Esim, Laura Addati, Mia Touma, Rayann Koudaih, and Guy Tchami.

Sweden
Sverige

Contents

Message to the group

Starting a cooperative or other Social and Solidarity Economy (SSE) entity is like setting up any business, but what makes it different from other business models is that it is shaped through collective effort and group decision-making as well as a set of principles that help to guide the business. The Start.CareCoop modules will walk you through the process of starting and launching a cooperative that provides care services in a participatory and efficient manner. Module 1 helps you in identifying the core members and the business idea (based on understanding community care needs), Module 2 looks into the feasibility of your idea, Module 3 assists you in preparing the business plan and Module 4 provides guidance on the organizational set-up of your entity. Throughout the training, you will follow along with one prepared example of domestic workers establishing a childcare cooperative.

Throughout the Start.CareCoop training, you will follow along with one prepared example of domestic workers establishing a childcare cooperative while simultaneously playing the role of potential owner-members or the core group who will be leading the set-up of your own care cooperative. You will carry out the exercises based on the enterprise idea you will define in Module 1. In many cases, the outputs in the various exercises form the basis or inputs for the activities in the next modules. As you go through the exercises or activities, try to think and act as the potential owner-members. It is highly recommended that all individuals who may be involved in the actual set-up of your cooperative undergo the Start.CareCoop training.

The style of this training is different from traditional approaches. You will work together as a team to follow the simple step-by-step instructions for discussions and activities in your training guide. A facilitator will be present to assist with any questions on the training content and exercises. Because there is no group leader, all participants who are able should take turns reading the information and instructions out loud to the group and all participants share responsibility for monitoring time. In this new style of training, you will learn from each other by sharing ideas and opinions, skills, knowledge, and experience. For this to work, all group members must participate in discussions.

Module 1

Identifying core members & the business idea

Start.CareCoop Modules

Module 1	Identifying core members & the business idea
Module 2	Researching the feasibility of the idea
Module 3	Preparing the business plan
Module 4	Organizational set-up

Message to the group

The success of a cooperative, both in its launch and in its continued operations, is largely determined by its members. Therefore, it is important to identify the right people from the start. The core group of potential member-owners must consist of people who have similar ideas, interests and needs. They should have a mutual problem to solve or an opportunity to put to good use. These problems and/or opportunities are the basis of the business idea that would be pursued by the cooperative. The two Sessions of Module 1 guide you toward identifying the right member-owners and the best business idea for your cooperative.

Session 1 helps you identify the right people to join in the forming the cooperative. It shows you how to find synergies among potential member-owners. It also demonstrates the ways they are expected to participate in creating the cooperative and its future operations. It walks you through the capacities and competencies needed among the member-owners for the successful start-up and development of a cooperative.

In Session 2 you will examine how to define the business idea by identifying opportunities for collective action through an analysis of the common problems and/or opportunities faced by the group. During this Session, you will explore practical solutions to the identified problems so that they could be transformed into a business opportunity. At the end of this Module, it is expected that you will have defined a business idea for the feasibility assessment that will be undertaken in Module 2.

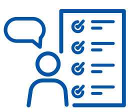
Follow the signs

The instructions in the training guide are easy to follow and the suggested timeframe for each step is provided. Look out for these signs:

This sign indicates the suggested time for the activity

This sign indicates background information to be read to the group

This sign indicates group discussion



This sign indicates that the activity is beginning and that step-by-step instructions need to be read out loud to the group and followed sequentially

This sign indicates a good practice for identifying and meeting the needs of both women and men.

Getting started

Before you begin the training, follow the simple steps below to get organized:

- Organize into small groups of 5-7. The organizers will guide you in how best to do this.
- Identify one group member to volunteer to start the training as "Group Reader". The role of the "Group Reader" is to read the information and activity instructions out loud to the group. Any group member with basic literacy can be the "Group Reader" and you should aim to share this role among group members throughout the training.

All group members are responsible for monitoring time, but one group member should be nominated for each session to remind the group when the suggested time for an activity/ step has been reached. You do not strictly need to follow the suggested timing, but you will need to manage your time for the total training. If one activity lasts longer than the suggested timing, try to save time in other activities to keep the balance.

All group members will receive this training guide. Individual as well as group work can be completed in this guide.

Learning process

Start.CareCoop Module 1 consists of 2 sessions (see breakdown below). The estimated total training time is about 5 hours.

Session	Expected time duration
Session 1: Finding the right people	70 minutes
Session 2: Defining the idea	195 minutes

Session 1: Finding the right people

Session overview

5 minutes

The first task in establishing a cooperative that provides care or support services is to form a core group of potential member-owners which should consist of people who have a mutual care-or support-related needs or problems to address. This could be a group of parents looking for affordable childcare, a group of persons with disabilities looking for independent living services, or a group of home-health aides looking to improve their working conditions. The successful establishment of a cooperative depends largely on the people that comprise the organizing group. Their commitment and skills and how well they work together are as important as the business idea. As soon as the cooperative has been established, the core group of people usually becomes the "founding members". It is advised that a cooperative considers having both women and men as founding members. However, in certain conditions, such as in more restrictive patriarchal environments, forming women only cooperatives may be a strategy utilized in addressing gendered social inequalities.

In this session, you will get to know each other, become familiar with the style of this training, and you will gain insights on how to select people to join you in organizing the cooperative.

Activity 1A: Building on differences and similarities

40 minutes

In this activity, you will get to know each other as a first step in building good relationships and cooperation. First, you will read through all the instructions before starting the activity.

Before deciding to work together, it is important for people to learn about and understand each other. The identification of synergies among potential member-owners is crucial to the successful establishment and, ultimately, operations of the cooperative. Central to the success of a cooperative is the relationship between the member-owners. Generally, members with common experiences find it easier to build trust and work together, however, people with diverse backgrounds may bring new knowledge or contacts which can be helpful. Oftentimes, it is also important that members live or work relatively close together since they need to meet regularly for group activities.

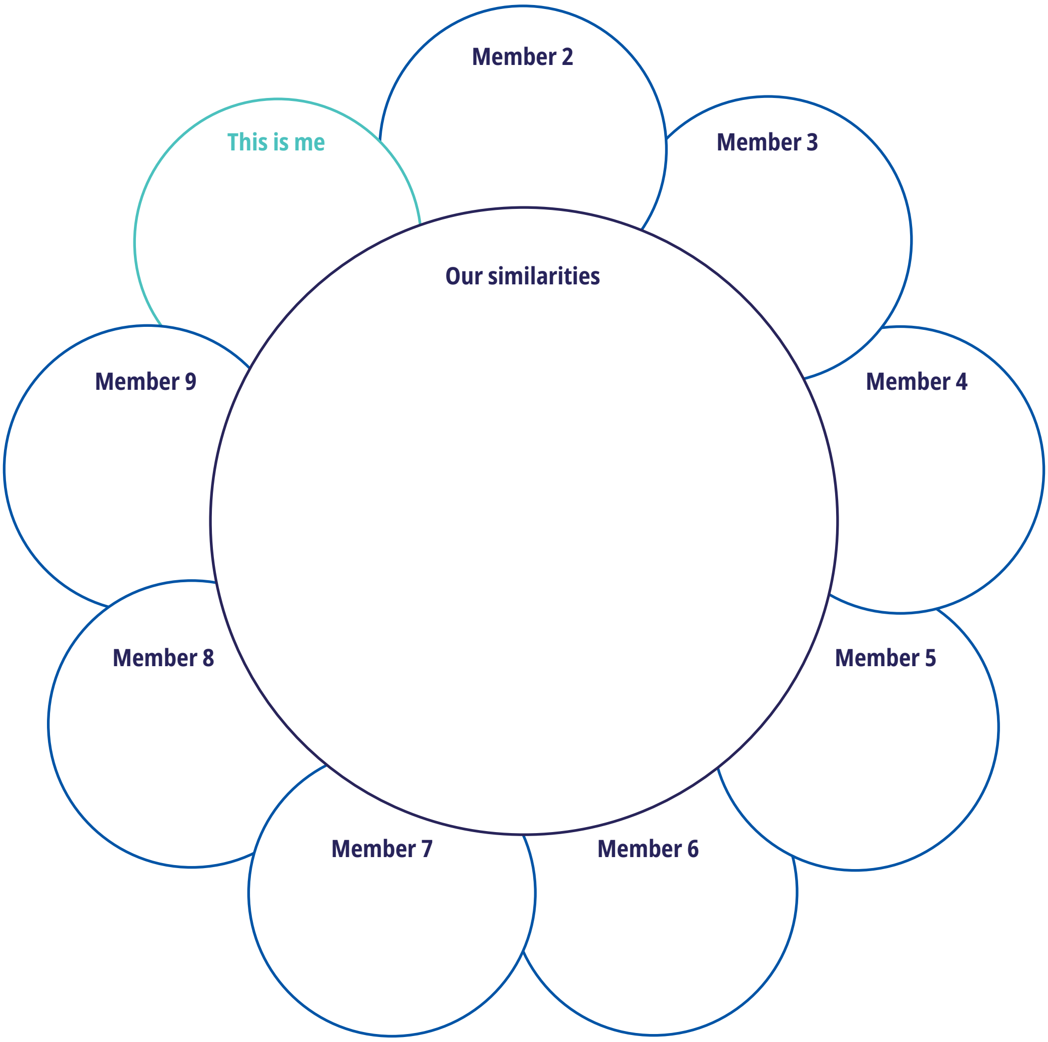
Women and men may undertake different activities and have different knowledge and experiences. This does not mean that they cannot join forces to establish a cooperative. This diversity is a value added for the cooperative to perform better

Now it is time to get to know each other! You will identify your differences and similarities and assess how these can drive you to work together to start your cooperative. You can also use this exercise in drawing up the long list of potential member-owners. For this activity, you will perform the steps as they are read, using the worksheet available.

Steps:

1. In the small circle with the label "This is Me", write down the following: (5 minutes)
   a) Your name
   b) Your livelihood
   c) Your reason(s) for wanting to form a cooperative (this should correspond with the care needs identified in Think.CareCoop)
   d) What you can offer to the cooperative
2. Next, share with the group what you have written. Each member is given 2 minutes to introduce themselves. As each person goes around, you will write down the information shared in a circle labelled "Member #". (10 minutes)
3. Based on what has been shared by each of the members, in the big circle, write a list of everything that all team members have in common. (5 minutes)
4. At the bottom of the drawing, answer the following questions: (10 minutes)
   a) How can your similarities draw you closer together to help build the cooperative?
   b) How can your differences hinder and/or draw you closer together to help build the cooperative?
5. Read aloud the similarities you have identified and share your answers to the questions with the group. (10 minutes)

Activity 1A: Worksheet



How can your similarities draw you closer together to help build the cooperative?

How can your differences strengthen and/or hinder the cooperative?

Activity 1B: Competencies and qualities needed

25 minutes

The core members are expected to participate in the setting up of the cooperative in the following ways:

- Ensure that the process of setting up the cooperative adheres to the cooperative values of equity, self-help, self-responsibility, solidarity, equality, and democracy.
- Contribute financially to the cooperative by buying shares and/or in-kind (to be given fair value and should form part of the member share).
- Allocate time for cooperative work and activities.
- Participate in the preparation of the business plan, organizational chart, and other documentation requirements.
- Partake in any qualifications or trainings needed to provide such care services.

It is important for the core members to be realistic about their capacities and competencies to perform the above responsibilities so that at an early stage they can seek external support or recruit members who can provide the resources and skills they lack. The questions in the table below can help you assess your competencies as well as identify your limitations. It is important to be honest with yourselves about whether you meet the requirements and, if not, whether you can acquire the required skills. For this activity, perform the steps as they are read aloud.

Steps:

1. Read the questions carefully and individually place a check in the column that corresponds to your answer. (15 minutes)
2. Share with the group the questions where you answered "No". As a group, identify the questions to which most of you answered "No" and discuss how you can address these knowledge/skill gaps. (10 minutes)

Skills/Quality/Knowledge	Yes	No
Are you committed to working democratically and for the good of all the members rather than purely for personal gain?		
Are you committed to providing quality care services that meet the needs of your care recipients?		
Are you willing to share risks and rewards with other members?		
Do you have a good understanding of the cooperative values and the benefits of these in addressing community care needs?		
Do you commit to adhere to the cooperative values and principles?		
Are you willing to devote some of your time for cooperative work?		
Are you willing to contribute resources to help finance the set-up of the cooperative?		
Do you have good communication skills to promote your cooperative business?		

Skills/Quality/Knowledge	Yes	No
Do you have good decision-making skills?		
Do you have the ability to organize and mobilize resources?		
Are you willing to work with others to achieve a common goal?		
Do you have the courage to try new things?		
Do you have previous business management experience?		
Are you committed to using the care services of your cooperative?		
Do you have the skills or qualifications to deliver the planned services?		
Are you committed to exercise your voting rights?		
Are you committed to run for office?		
Are you available to participate in meetings and other cooperative activities?		
Do you have the skills to manage financial resources judiciously to achieve your cooperative's goals and objectives?		
Do you have financial management skills and experience?		

Session 2: Defining the idea

Session overview

5 minutes

Two interlinked elements must be present to initiate the formation of a cooperative that provides care services. First, the potential member-owners must feel a strong need to solve a common care problem (aging population, shortage of care workers, etc.), or take advantage of a common business opportunity (high demand for care services). Second, the problem faced by the potential member-owners is something that is difficult to address on their own and thus, there is a need for a collaborative solution.

Care work across the world remains characterized by a void of benefits and protections, low wages or non-compensation, and exposure to physical, mental and, in some cases, sexual harm. It is clear that new solutions to care are needed on two fronts: in regard to the nature and provision of care policies and services, and the terms and conditions of care work. In this session, you will look into the needs of the potential member-owners and identify your compelling needs that can be the basis for the formation of the cooperative. You will then build a picture of how the cooperative will serve these needs in the years to come. The outputs in this session can be used as your initial offer to other potential member-owners. Do not forget that all potential member-owners should agree on the identified needs and the cooperative vision.

Activity 2A: Identifying common care needs

120 minutes

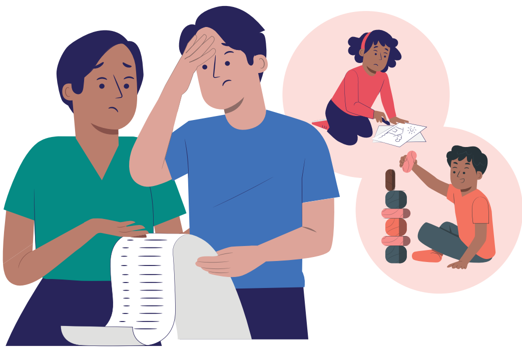
Steps:

1. Look at the pictures below. Write a sentence or phrase below each set of pictures to describe the problem. (10 minutes)

As a home-health aid I spend all of my time caring for others, but I don't make enough money to care for myself and my own family. My work is very meaningful, but I have to find a solution where I can both care for my family members and generate more income.

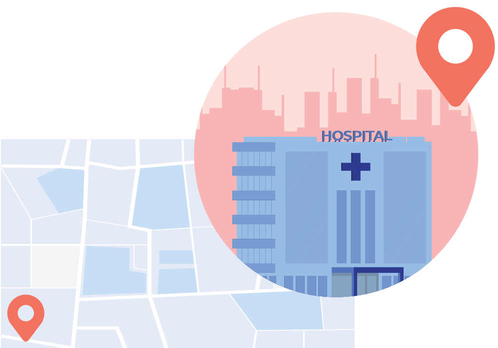
I work in a children's day care and all the staff gets sick often due to the close contact and exposure to germs. Our management does not listen to us when we ask for sanitation wipes or masks. When I get sick, I usually end up having to push through and go to work anyway because our team is understaffed. Also, my job doesn't offer health insurance so I can't afford to go to the doctor.

Problems identified



My partner and I both need to work full time in order to provide for our family. We don't have anyone to look after our children and the childcare options in our community are too expensive.

Now that I am retired and growing older, I spend a lot of time alone. I don't have any extended family nearby and I am facing various health challenges. It is a lot to manage all on my own.



I live in a rural area and there are no health care centres close by. Whenever someone in my community is sick, we spend a lot of time, effort and money to access care.

Problems identified

2. Share your answers with the group. If there are differences in your answers, try to come to an agreement. One of the important characteristics of successful cooperatives is for members to resolve differences of opinions and still retain the trust of each other. (10 minutes)
3. Now that you have seen examples of what is meant by common problems, let's now look into your own needs using the table below. In the box with the label "My Care Concerns", write the top two care-related challenges facing you and your family (10 minutes).
4. Each member of the group takes a turn in reading their problems. As each member speaks, write down their main care concerns in the boxes. Please look at the example after Step 9. (3 minutes per member)
5. Look at all the care concerns mentioned by your peers. In the first column of the Ranking and Prioritization Table, list all the care concerns as a group. Similar concerns should only be listed once. Make sure that all group members listed the problems in the same order. Please look at the example after Step 9. (15 minutes)
6. Rank and prioritize the care concerns. In the column marked "My Ranking", rank the concern in terms of their importance to you. Place 1 on the most important, 2 on the second most important, and so on, until 5 (less important). Please look at the example after Step 9. (10 minutes)
7. Now read aloud the rankings. As each member reads their ranking, write it down. One column corresponds to one member. Please look at the example after Step 9. (10 minutes)
8. When all the members have given their ranking, add the scores for each problem and place the sum in the column "Sum". Then, in the column marked "Average", divide the sum by the number of members to get the Average. Please look at the example after Step 9. (15 minutes)
9. As soon as you fill in the "Average" column, identify the care concern with the lowest score. This is the priority care concern of the group. Discuss briefly if group members agree with the result. (5 minutes)

Women may want to express particular problems they are facing. These problems should be heard, recognized and given the same importance and weight as those identified by men.

To help with steps 3 to 9, see the example on the next page and use a calculator as needed (15 minutes).

Example: Group of domestic workers

Domestic workers are those who perform work in or for households. They provide direct (personal and relational care activities, such as feeding a baby or nursing an ill patient) and indirect (such as cooking and cleaning) care services, and as such are key members of the care economy. Of the 75.6 million domestic workers worldwide, 76.2 percent are women.

My key concerns:	Member 2:	Member 3:	Member 4:
▶ Low wages ▶ No childcare	▶ No social security benefits. ▶ Balancing work and home responsibilities	▶ Long working hours with no clear boundaries ▶ Informal contract	▶ Limited opportunities ▶ Unable to care for aging parents

Problem	Ranking				Sum	Avg.
	My ranking	Member 2	Member 3	Member 4		
Low wages	1	2	4	3	**10**	**2.5**
No childcare	3	1	2	2	**8**	**2**
No social security benefits	2	6	7	4	**19**	**4.75**
Balancing work and home responsibilities	6	4	1	5	**16**	**4**
Long working hours	7	8	3	6	**24**	**6**
Informal contract	8	3	5	7	**23**	**5.75**
Limited opportunities	4	5	6	8	**23**	**5.75**
Unable to care for aging parents	5	7	8	1	**21**	**5.25**

Note: This is a simple way to prioritize problems, however you should always check if the majority of the participants agree with the results.

Worksheet 2A: Identifying problems

My key care concerns	Member 2	Member 3
Member 4	**Member 5**	**Member 6**
Member 7	**Member 8**	**Member 9**

Note: Please add more boxes if there are more than 9 members in your group. Also use the blank space for your notes.

Ranking and prioritization table

Care concern	Ranking by Member									Sum	Avg.
	My Ranking	Member 2	Member 3	Member 4	Member 5	Member 6	Member 7	Member 8	Member 9		

Priority care concern:

Activity 2B: Identifying root cause(s) & effect(s)

25 minutes

In this session, you will look into why the problem exists. This activity involves asking "what are the causes of the problem?" to uncover underlying factors that must be addressed in order to minimize or altogether eliminate the effects of the problem that you commonly share. Root cause analysis is situation specific.

Steps:

1. Read through the text and example below.
2. Complete Worksheet 2B.

Identifying cause(s) and effect(s)

Immediate effect

▲ What is the effect of the problem?

Priority problem

▲ What is the cause of the problem?

Immediate cause

▲ What is the cause of the immediate cause?

Secondary cause

▲ What is the cause of the secondary cause?

Root cause

To familiarize yourself with the process of identifying root causes and effects, let's go back to the earlier example involving domestic workers whose main problem is their lack of childcare. There may be a variety of reasons for this, any of which are rooted in historical, social, legislative and economic factors.

Example: Analysis of the lack of childcare for domestic workers

Root causes:

- **Insufficient government funding:** Lack of adequate government funding for childcare programs contributes to a shortage of affordable options.
- **Economic inequality:** Widespread economic inequality limits access to affordable childcare for low-income families.

Secondary causes:

- **High operational costs:** The high operational costs of running childcare facilities, including staff salaries and facility maintenance, can lead to higher fees.
- **Limited workforce compensation:** Low wages for childcare workers may result in high turnover and impact the quality of care, influencing the affordability of services.
- **Zoning and licensing regulations:** Stringent zoning and licensing regulations can impose additional costs on childcare providers, making it difficult to offer affordable services.

Immediate causes:

- **Parental income constraints:** Limited financial resources among parents directly impact their ability to afford childcare services.
- **Lack of subsidies:** Absence or inadequacy of government subsidies for childcare places the burden of costs squarely on parents.
- **Limited availability of affordable options:** Insufficient availability of affordable childcare facilities in certain regions exacerbates the problem.

Immediate effects:

- **Financial strain on families:** High childcare costs create financial strain on families, particularly those with lower incomes.
- **Reduced workforce participation:** Some parents may be forced to reduce work hours or exit the workforce due to the unaffordability of childcare, impacting career opportunities and income.
- **Quality disparities in childcare:** Affordability challenges may lead to variations in the quality of childcare, with some families unable to access high-quality services.
- **Inequality in early childhood education:** Inequitable access to affordable childcare can contribute to disparities in early childhood education, affecting children's developmental outcomes.

The lack of affordable, quality childcare for domestic workers stems from larger systemic issues including insufficient government funding and economic inequality. Furthermore, care services often involve high operational costs, limited workforce compensation, and stringent regulations. Immediate causes include parental income constraints, a lack of subsidies, and a shortage of affordable options. These issues result in financial strain on families as a whole but especially women, leading to reduced workforce participation, disparities in childcare quality, and inequalities in early childhood education. Addressing the issue of childcare requires a multi-faceted approach that addresses both immediate and underlying causes.

Now, let's analyse the root causes and effects of the top problem we have identified in Activity 2A. You will perform each of the steps outlined below as a group. It is important that each member participates actively in answering the questions and that an agreement is reached on each of the cause(s) and effect(s).

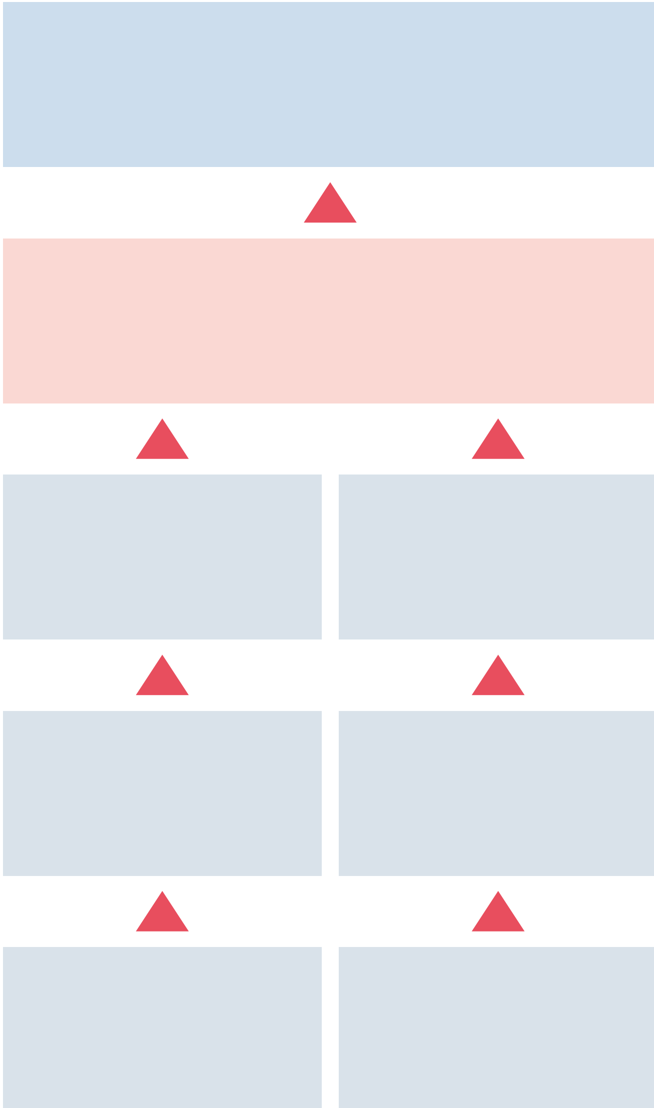
Step 5 What are the positive or negative effects of the problem?
(5 minutes)

Step 1 Write the priority problem identified in activity 2A.
(5 minutes)

Step 2 Identify the cause(s) of the problem you have identified.
(5 minutes)

Step 3 What are the causes of the problems in Step 2?
(5 minutes)

Step 4 What are the causes of the problem in Step 3?
(5 minutes)



In case you need more space, the next page has intentionally been left blank.

Page intentionally left blank

Page intentionally left blank

Activity 2C: Defining the idea

40 minutes

The cooperative idea is derived from, or in response to, the shared care need or opportunity. Improving the situation as a group provides the context for a cooperative project. For instance, a group of neighbors may decide to pool resources and provide affordable in-home care services for older residents, addressing the challenge of limited access to care services. Additionally, they might aim to offer social support, coordinate transportation services, and provide respite for family caregivers. To the extent possible, the concept should address not only the immediate issues but also the underlying roots, ultimately aiming to create a sustainable and supportive care network.

To give you an idea on how to define a cooperative idea, let's look at how the domestic workers addressed their issues with pay.

Steps:

1. Read through the example below.
2. Answer the reflection questions individually then go around and share with the group.

Root causes(s):

I am happy to have work but my children can't stay home by themselves. We don't have extended family living nearby to help us.

My work hours are irregular so I need flexible support that meets my family's needs.

I want my kids to spend time playing with other kids outside but we don't live in a safe area. I am always worried about their safety and wish they had safe environment to grow up in.

Community-based solution to address the root cause(s):

Let's start a childcare cooperative to meet our shared needs. We can hire professional care workers and pay them a decent wage. Our children will benefit from consistent, high quality care and we will benefit from affordable, flexible service provision.

Services of the proposed cooperative:

High quality, affordable childcare

Safe and nurturing environment for child development

Training and certification for care member-workers

Expected results and benefits to members:

- Affordable and flexible service provision
- Active involvement and decision-making power
- Strong and supportive community
- Family of beneficiaries are able to work in a sustainable, productive manner

Write down up to three root causes of your problem (10 minutes).
Brainstorm on how you can address the above root causes in the form of a group business. Write in the box the idea(s) agreed upon by all members (10 minutes).
What will be the key services of your proposed cooperative? Please make sure that the service(s) address the root causes of your problem (10 minutes).
What are the expected results and benefits to your members? Review the effects of the problem previously identified and see if the expected results offer a solution or better situation to all members (10 minutes).

Congratulations!

You have just defined your business concept. Learn how to assess the feasibility of your idea in Start.COOP Module 2

▶ Module 2

Researching the feasibility of the business idea

Start.CareCoop Modules

Module 1	Identifying core members & the business idea
Module 2	Researching the feasibility of the idea
Module 3	Preparing the business plan
Module 4	Organizational set-up

Message to the group

In Module 1, you defined your idea. Through the six sessions in Module 2, you will learn how to assess the feasibility of your idea. Feasibility mainly means answering this question: Will you be able to offer a care or support service that people want to buy and that can be sold profitably? A feasibility study involves the gathering and analysis of information to find out whether the business idea is good or not. The study will help you determine if the proposed business idea can be implemented based on resources you can access and whether you can be competitive in the market you wish to serve. It will also help you further explore whether the proposed idea can address the common care problem(s) faced by the potential member-owners.

Session 1 guides you on how to choose the potential member-owners by defining the expected number of members and their readiness to invest and contribute to the creation and operations of the cooperative. In Session 2, you will learn how to conduct a market analysis by identifying and assessing your target customers, markets and your competitors. It also helps you understand the price trends so you can determine a just and competitive price for your services. Session 3 assists you in assessing the technical feasibility of your idea. For this purpose, you will identify the activities and both the human and physical resources, needed to deliver the care service. Session 4 helps you assess the financial feasibility of the proposed cooperative by assisting you to calculate the start-up costs. It provides you with practical insights on how to obtain the resources needed, either through the potential members or through external sources, including public sources. It also shows you how to establish a competitive but at the same time profitable price for your service. Session 5 assists you in analysing whether you should pursue the business idea or not. If the answer is positive, in Session 6 you will be guided toward the preparation of an action plan in order to complete the formation of the group and the development of the business concept phase. At the end of this Module, it is expected that you will know whether your business idea is feasible for the preparation of the business plan that will be undertaken in Module 3.

Some parts of the feasibility study may be difficult to conduct on your own and, as such, you may need to seek external assistance. However, it is essential that the core group is involved in the gathering and analysis of the information. The core group should make the final decision on how to proceed and whether to pursue the establishment of the cooperative. As you go through each activity in this Module, please take note of the parts where you think you will require external assistance and/ or further research.

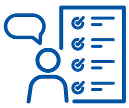
Follow the signs

The instructions in the training guide are easy to follow and the suggested timeframe for each step is provided. Look out for these signs:

This sign indicates the suggested time for the activity

This sign indicates background information to be read to the group

This sign indicates group discussion



This sign indicates that the activity is beginning and that step-by-step instructions need to be read out loud to the group and followed sequentially

This sign indicates a good practice for identifying and meeting the needs of both women and men.

Getting started

Before you begin the training, follow the simple steps below to get organized:

- Organize into small groups of 5-7. The organizers will guide you in how best to do this.
- Identify one group member to volunteer to start the training as "Group Reader". The role of the "Group Reader" is to read the information and activity instructions out loud to the group. Any group member with basic literacy can be the "Group Reader" and you should aim to share this role among group members throughout the training.

All group members are responsible for monitoring time, but one group member should be nominated for each session to remind the group when the suggested time for an activity/ step has been reached. You do not strictly need to follow the suggested timing, but you will need to manage your time for the total training. If one activity lasts longer than the suggested timing, try to save time in other activities to keep the balance.

All group members will receive this training guide. Individual as well as group work can be completed in this guide.

Learning process

Start.CareCoop Module 2 consists of 6 sessions (see breakdown below). The estimated total training time is about 7 hours.

Session	Expected time duration
Session 1: Researching potential members	45 minutes
Session 2: Conducting a market analysis	125 minutes
Session 3: Addressing technical feasibility	75 minutes
Session 4: Choosing the business structure	85 minutes
Session 5: Should you pursue this enterprise?	25 minutes
Session 6: Action planning	45 minutes

Session 1: Researching potential members

Session overview

5 minutes

To know more about your potential members, you need to talk to them. You can do this by conducting a survey and/or holding small meetings. The objective of talking to potential members is to determine their interest in the potential to provide care services through a cooperative. This will also help to clarify the community care needs and potential services the cooperative might offer. It will provide you some insights on how your peers perceive the importance of the proposed care services.

Activity 1A: How many members are expected to join?

40 minutes

The cooperative must be assured that there is a sufficient number of people who will participate in its activities. It is important also to consult the government agency in your country in charge of cooperatives to learn about the minimum number of members required to register a cooperative, and the other requirements, for setting up a cooperative.

Let's answer the following questions as a group. After each question is read, discuss and write down the answer that everyone agreed to. For those questions that you do not know the answer to, mark with a check (√) the next action to be taken which could be either "for research" or "external assistance" and add an idea of what should be done. External assistance may be sought from relevant governmental agencies, the cooperative movement, existing cooperatives, and community leaders, among others. Use the idea for the cooperative outlined in the Start.CareCoop Module 1 as a basis for your responses.

Question	Your answer	For research	External assistance
How many people do you know would benefit from the proposed care services?			
Of the estimated number above, how many would likely join the cooperative during the first year? *This will give you an idea of whether you would have enough to launch.*			
Where are the potential members located? Possible answers: ▶ Same community ▶ Same work place ▶ Far from each other *If potential members are far from each other, it may pose problems in coordination, use of service of the cooperative, etc.*			

Activity 1B: How much are members willing to invest in the cooperative?

10 minutes

The cooperative must have sufficient financial commitment from its potential members to organize (start-up costs) and successfully operate (initial operating costs). Investment from members may be in cash or in kind (value equivalent to agreed contribution).

Now, let's answer the questions below. Follow the same process as in Activity 1A.

Question	Your answer	For research	External assistance
How much are the potential members willing to invest especially during the start-up phase?			**Example:** Seek advice from existing cooperatives or cooperative movement

Question	Your answer	For research	External assistance
Will potential members be able to give their investment at one time at the establishment of the cooperative or will it be spread out over a period of 6 to 12 months?			
How much start-up investment can the cooperative expect? (amount per member x # of members) *Example: $2000 x 10 = $20,000*			

Activity 1C: What is the anticipated service volume?

20 minutes

The cooperative must have some assurance of sufficient service volume to operate as a business. Expected service volume in the context of a care or support cooperative refers to the anticipated number of care recipients who will utilize the cooperative's services over a specific period of time. This concept is essential for the cooperative's planning, resource allocation, and overall sustainability.

Only answer those questions that are relevant to your proposed services.

Question	Your answer	For research	External assistance
What is the average amount of time (in hours or days) members (or workers) can commit to the cooperative in a year? *This depends on the nature of the cooperative*			
Based on the number of workers and the time they are able to offer, how many individuals receive care or support services for within the expected capacity?			
At what price are the members (or workers) willing to sell their care services to the cooperative?			

Session 2: Conducting a market analysis

Session overview

5 minutes

Conducting a market analysis involves talking to potential care or support recipients of the cooperative and understanding what they need and want. Market analysis helps you determine whether you have the right services for your targeted market, identify what prices are acceptable to the market, and estimate the potential share of the market that you can get.

People of different genders tend to have different needs. It is important to take this into account and consider the unique needs of women.

Activity 2A: Who are your target customers?

25 minutes

It is worthwhile to offer a service if there is someone willing to pay for it. However, in some cases, the government may subsidize certain care services based on community need, even if a traditional market is lacking. In many places where these community based, member driven, worker owned care entities have come about, there has also been a strong connection to the local government. For example, the municipality may be providing the space, or covering some of the expenses like salaries, electricity, and water fees, etc. Despite this, knowing what services to offer and how to offer them is critical to the success of your proposed cooperative.

As a group, let's perform each of the steps as they are read.

When care workers group together and cooperate with each other for their mutual benefit, they can advocate for better pay, benefits and working conditions. The ILO has identified 5 key pillars to promote decent work and social justice in the care economy, known as the "5 Rs for Decent Care Work". This is to **recognize**, **reduce** and **redistribute** unpaid care work, and to **reward** and **represent** care workers.

Steps:

20 minutes

1. Look at the images below. Identify the care services and target markets in each of the examples. (10 minutes)

Services offered	Target market
	
	
	
	

Activity 2B: Assessing your target customers or market

25 minutes

As a group, read each question and discuss your answers. Then write down the answers that the group has agreed on. The answers to the questions are the basic information you need to determine whether there is sufficient market or customers for the proposed business and the requirements that you need to meet to sell to the customers that you have targeted. Remember, however, that research is needed to gather the information required to answer the questions. As such, for questions that you do not know the answers to or where you lack information, mark with a check (√) the next action to be taken which could be either "for research" or "external assistance" and add an idea of what should be done.

As a group, let's perform each of the steps as they are read.

Steps:

1. What is the estimated unmet demand for the care service?
   - **Market demand:** The total volume of day care services that parents and guardians in the target area are willing and able to acquire for their children.
   - **Market supply:** The total volume of day care services that day care centers in the area are capable of providing.
   - **Unmet demand:** The volume of day care services required by parents and guardians that is not fulfilled by the existing capacity of day care centers in the area.

Volume of care services refers to the quantity or amount of care assistance provided by a worker/care center. It includes the capacity to care for individuals during a specific time period.

For example, if a day care center can accommodate 50 children per day and offers services from 7:00 AM to 6:00 PM, the volume of day care services it provides is the total number of childcare spots available during that time frame, which in this case would be 50 spots per day. This metric helps us understand how many children the day care center can care for and whether it can meet the demand from parents or guardians seeking their services.

In the context of care services, estimating unmet demand is crucial for understanding whether there is a gap between the supply of care services and the demand from families or individuals in the community. This information can help in planning for the expansion or creation of a cooperative that provides care or support services to meet the needs of the community.

Question	Your answer	For research	External assistance
Who are the main users of your services(s)? How many of them are in your community? *For care service provision, users may be the care recipients themselves or their families.*			

Question	Your answer	For research	External assistance
What is the estimated total demand or service volume needed by target customers/users?			
What is the estimated volume that target beneficiaries are currently able to acquire?			
What is the estimated unmet demand? *Unmet demand = Total demand minus supply*			
What is the demand trend for this service? *Choose: stable, rising, falling*			
Will the target customer still want to pay for your service in the next five years?			

2. What characteristics (e.g. types, quality) do customers require from the care services?

Question	Your answer	For research	External assistance
What are the national regulations/ requirements for offering these care services?			
What are the quality requirements *(health/safety certifications, staff training, flexible hours, environment, etc.) of target customers?*			
What is the smallest volume (ex. number of hours) that the target customers will pay for?			
How often will target customers need to use the service? Choose from the following: *Every day, Weekly, Monthly, N/A, Other ______ (specify)*			
How can your cooperative become the preferred supplier? Being your user's preferred supplier means that you are preferred over competitors. Achieving preferred supplier status is one of the best strategies for ensuring a long-term relationship with your key customers which can guarantee future income			

Activity 2C: Assessing your competitors

25 minutes

In this activity, you will look at your competitors (current care service providers) and the way they do business. The information that you gather will help you determine if the proposed cooperative can be a competitive player in the market. It will also help you identify the necessary capacity and ability that the cooperative needs in order to be competitive in the market. For those questions that you do not know the answer to, mark with a check (√) the next action to be taken which could be either "for research" or "external assistance" and add an idea of what should be done.

As a group, let's perform each of the steps as they are read.

Steps:

1. Who are your competitors? (10 minutes)

Question	Your answer	For research	External assistance
Where/how do your target customers currently meet their care service needs?			
What are the similarities between your planned business and that of your competitors?			
If other businesses sell similar services, why might a customer buy from you instead? How can you be different?			

2. How do your competitors market their services?

Question	Your answer	For research	External assistance
Is it easy or hard for you to enter the market?			
What are the key features of the services of your main competitors that users like very much?			
What are the strengths of your competitors?			
What are the weaknesses of your competitors?			

What can you learn from your competitors?

Think on how your cooperative can be better than its competitors. Oftentimes, the cooperative principles can be sources of strength and differentiation. Being more responsive to the needs of women customers may also help you become a preferred supplier. For example, care services are often too expensive for those who need them most. Through a cooperative model, services can be priced in a way that benefits both workers and customers.

Plugging existing, significant, gaps in care services could generate almost 300 million jobs and create a continuum of care that would help to alleviate poverty, encourage gender equality, and support care for children, older persons, and people with disabilities or long-term illnesses.

Activity 2D: Understanding price trends

30 minutes

A price is how much customers are charged for goods or services. A successful business is one that sells something customers need or want at a price they are willing to pay while ensuring that this price is higher than the costs to provide the product or services. In this activity, you will look at how much customers are paying for services similar to what you plan to offer and the factors influencing prices.

After you finish reading each step and the associated questions, discuss your answers and then write these down in the column labelled "Your answer." For those questions that you do not know the answer to, mark with a check (√) the next action to be taken which could be either "for research" or "external assistance" and add an idea of what should be done.

Steps:

1. At what price do existing providers sell their services?

Question	Your answer	For research	External assistance
At what price (per unit such as hour/day) do your competitors sell their care service?			
What is the basis of the price? Possible answers: ▶ Quality ▶ Demand ▶ Skills ▶ Volume ▶ Other______ (specify)			

Unpaid carers meet the vast majority of care needs across the world, however, unpaid care work remains mostly invisible, unrecognized and unaccounted for in decision-making. Across the world, without exception, women perform three-quarters of unpaid care work, or 76.2 per cent of the total of hours provided. In no country in the world do men and women provide an equal share of unpaid care work.

2. How is the price set?

Question	Your answer	For research	External assistance
What are the common practices in setting the price of care services similar to yours? Possible answers: ▶ Buyers (users) set the price ▶ Sellers set the price ▶ Government sets price ▶ Other _____ (please specify) It may be possible to have multiple answers			
Is price the main reason for customers to determine who they buy from?			
What other factors seem to influence the price of services offered? *Possible factors: location, the type/level of care needed, the quality of care provided, the qualifications of the staff, provider type, staffing levels, insurance or government programs, facility amenities, market competition, economic conditions, regulatory compliance, patient assessments, additional services, and long-term contract arrangements.*			

3. Is there scope to get better prices based on the quality of service provided?

Question	Your answer	For research	External assistance
Is the pricing system based on quality?			
Are there specific features or characteristics that users are looking for and for which they are willing to pay a higher price? If yes, please list features or characteristics. *Example: Customers may be willing to pay 5% more for specialized support services.*			
Which types of customers are most likely to pay higher prices?			

Session 3: Assessing the technical feasibility of your idea

Session overview

5 minutes

Now that you already have some ideas about your target markets, it is time to think about how the services will be delivered. You will need to identify the human, time, and equipment resources as well as utilities needed. You should also think about your strengths and weaknesses in relation to these.

Activity 3A: Mapping the activities and resources needed

20 minutes

Now let's define the step-by-step flow of work that you need to carry out to serve the customer. You will also identify the critical skills, equipment, and other resources needed to perform the activity. Perform the steps as a group. An example is provided for each step to serve as your guide and reference. First, look at the example in each step before filling in the table based on your own proposed business.

Steps:

1. Identify the key activities in the delivery of the care services. For each activity, identify the factors critical to meeting customers' requirements and complying with standards and regulations. (30 minutes)
2. Review the example of the childcare cooperative then complete the following for your own cooperative (45 minutes).

Example: Domestic workers' childcare cooperative

Childcare cooperatives are collaborative arrangements where parents or caregivers work together to provide childcare services for their children. Here are some key activities of a childcare cooperative, along with their critical success factors:

Activity	Critical success factor
Childcare programme development: Developing a comprehensive Programme that includes educational activities, playtime, snacks/meals, and naptime.	Ensuring that the Programme aligns with the developmental needs of the children and provides a safe and nurturing environment.
Scheduling and roster management: Creating schedules and managing rosters to ensure adequate coverage during care hours.	Efficient scheduling that accommodates parents' needs while maintaining an appropriate caregiver-to-child ratio.
Safety and health compliance: Implementing safety measures and adhering to health regulations to protect the children's' well-being.	Regular safety inspections, first-aid training for caregivers, and compliance with local childcare regulations.
Parent participation and involvement: Encouraging active involvement of parents in cooperative activities, such as volunteering, attending meetings, and decision-making.	Fostering a sense of community and collaboration among parents, which enhances the cooperative's sustainability and effectiveness.
Financial management: Managing the cooperative's finances, including budgeting, fee collection, and expense tracking.	Maintaining transparency and financial stability by setting reasonable fees, tracking expenses diligently, and seeking external funding.
Curriculum and educational activities: Developing and implementing an age-appropriate curriculum and engaging educational activities.	Providing a stimulating and educational environment that supports children's growth and development.
Communication and conflict resolution: Establishing effective communication channels among parents and caregivers and implementing conflict resolution procedures.	Open and respectful communication that fosters collaboration and addresses conflicts promptly, ensuring a harmonious cooperative environment.
Child enrolment and registration: Managing the enrolment process, including registration, waiting lists, and maintaining accurate records.	Streamlining enrollment procedures and maintaining a clear and fair registration process to ensure access for all eligible families.
Training and professional development: Offering training opportunities for caregivers to enhance their skills and stay updated on best childcare practices.	Investing in caregiver training to ensure high-quality childcare services and continuous improvement.
Marketing and outreach: Promoting the cooperative's services to attract new members and families in need of childcare.	Effective marketing strategies that reach the target audience and convey the cooperative's unique benefits and values.

Using the above example as reference, now identify your own key activities and critical success factors. If you do not know the critical success factors, place a check mark (√) in the column "for research". You may also request the facilitator to help you in defining the major steps or activities to deliver the care service.

Activity	Critical success factor	For research

Based on the activities and critical factors, identify the people and corresponding skills and knowledge needed to deliver the service (this includes the skills/certifications required by the country in which you are operating) . You will also assess whether the knowledge and skills already exist within your potential members and possible workers within your area of operation. An example is provided below to serve as your reference.

Example: Domestic Workers' childcare cooperative

Activity	People needed	Critical skills & knowledge needed	Is the skill/knowledge available?		
			Yes	No	Don't know
Programme development	▶ Programme Coordinator ▶ Early Childhood Educators ▶ Curriculum Developers ▶ Child Psychologists	▶ Knowledge of early childhood development ▶ Curriculum design ▶ Understanding of safety and hygiene standards	X		
Scheduling	▶ Scheduler/Coordinator ▶ Caregivers ▶ Substitute Caregivers	▶ Organizational skills ▶ Time management ▶ Knowledge of childcare regulations	X		
Safety/health	▶ Safety Compliance Officer ▶ Caregivers trained in First Aid/CPR	▶ Knowledge of local health and safety regulations ▶ First Aid and CPR ▶ Risk mitigation	X		
Parent engagement	▶ Parent Representatives ▶ Parent Volunteers ▶ Parent Committee/ Board	▶ Interpersonal skills ▶ Conflict resolution skills ▶ Understanding of cooperative principles	X		
Financial management	▶ Treasurer ▶ Financial Manager or Accountant	▶ Financial literacy ▶ Budgeting and accounting skills ▶ Fund		X	
Communications	▶ Administrative support ▶ Liaison	▶ Communication/ mediation skills	X		
Enrolment/ registration	▶ Enrollment Coordinator ▶ Registration Team	▶ Database management ▶ Attention to confidentiality ▶ Customer service skills			X
Training and professional development	▶ Training Coordinator ▶ External Trainers	▶ Training expertise ▶ Knowledge of best practices ▶ Presentation/facilitation			X
Marketing	▶ Marketing Coordinator ▶ Outreach Team	▶ PR/marketing skills ▶ Community outreach and engagement		X	

Now identify the human resources you need for your own proposed cooperative.

Activity	People needed	Critical skills & knowledge needed	Is the skill/knowledge available?		
			Yes	No	Don't know

Identify the equipment and facilities you would need to deliver your service. Copy the activities you identified in Step 1 and identify the equipment and facilities needed for each activity. Also identify whether you will be able to access these resources on your own or not. (15 minutes)

Example: Domestic Workers' childcare cooperative

Activity	Equipment/facilities needed	Do you have access to this?		
		Yes	No	Don't know
Programme Development	▶ Playrooms with age-appropriate toys and educational materials ▶ Child-sized furniture (chairs, tables, cribs) ▶ Learning materials (books, art supplies, educational games)	X		
Scheduling	▶ Scheduling software or spreadsheets ▶ Office space for scheduling coordinator ▶ Communication tools (phones, email, messaging apps)		X	
Safety/Health	▶ First Aid kits ▶ Childproofing supplies (outlet covers, safety gates) ▶ Hygiene stations	X		
Parent Engagement	▶ Meeting space for parent meetings and committees ▶ Communication tools (email, newsletter software)			X
Financial Management	▶ Accounting software ▶ Secure storage for financial records ▶ Cash handling equipment (if applicable)			X
Curriculum	▶ Educational materials (books, educational software) ▶ Art supplies and craft materials ▶ Age-appropriate learning tools /equipment	X		
Communications	▶ Communication tools (email, messaging)	X		
Enrolment/ Registration	▶ Registration desk or area ▶ Computer and database management software ▶ Filing cabinets for records		X	
Training and Professional Development	▶ Training materials and resources ▶ Training room with audiovisual equipment ▶ Laptops or computers for online training		X	
Marketing	▶ Marketing materials (brochures, flyers) ▶ Computers and design software for marketing materials ▶ Social media management tools		X	

Activity	Equipment/facilities needed	Do you have access to this?		
		Yes	No	Don’t know

Session 4: Assessing financial feasibility

Session overview

5 minutes

A cooperative must produce income to survive. A financial feasibility study looks at how much money is needed to start and run the business before cooperative starts earning income, where the money will come from, and the projected cost and profit. This will also provide you with some idea of the volume of business needed to make your cooperative a successful venture. When finalizing your financial feasibility study, it is recommended that you consult an accountant to review your work.

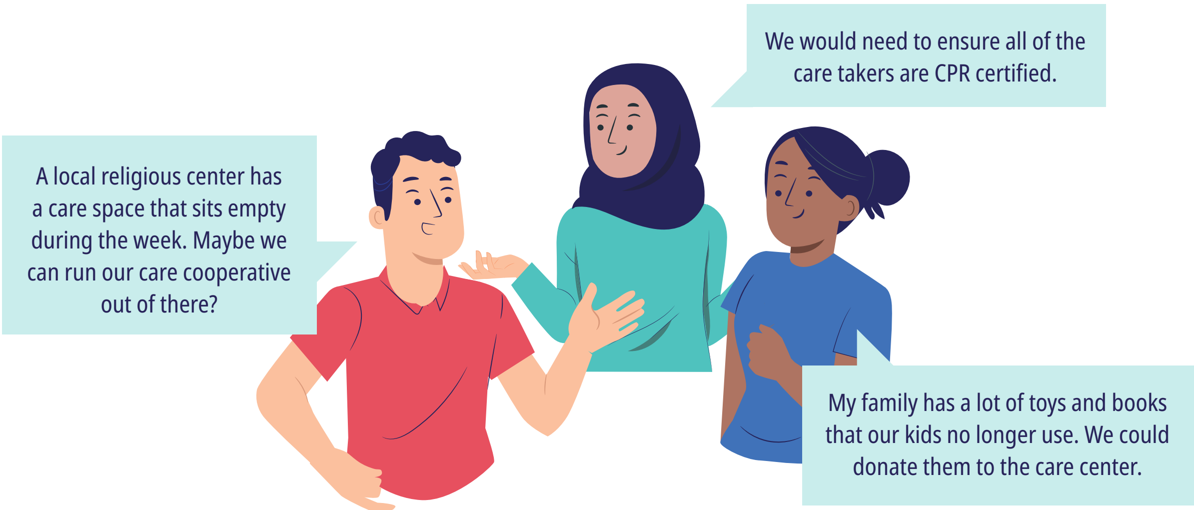
Activity 4A: Calculating start-up costs

20 minutes

In this activity, you will calculate the money that the cooperative would need to start the care service provision and run it until you make a profit. Perform the steps as a group as they are read.

Steps:

1. **How much would it cost for the proposed cooperative business to acquire the basic equipment and facilities needed to deliver the care service(s)?**



In Activity 3A, you identified the equipment and facilities you need. Now, let's look into the possible ways to access these facilities and equipment. It may be possible that there are financial support programmes or development programmes in your area that can help you with some of the investments needed. Likewise, one of your potential members may have a vacant property or land that you can rent for your working area. It is recommended that you explore all possible means to lower your investment costs. To get some ideas on how to perform this step, take a look at the example below.

In many contexts, women's access, control and ownership over land and/or financial resources are limited because of social norms or even legislation. These situations should not prevent women from joining or forming a cooperative. Women could contribute in many different ways, including through their skills and knowledge, time, etc. Contributions from women should be given the same value as those from men.

Equipment/Facility	Unit	No.	How to acquire it?	Cost in USD ?
Rental space with playrooms, nap rooms, office, outdoor space, kitchen and bathrooms.	Square metre	150+	Rent at discounted rate from local community center	500/mo
Child-sized tables/chairs	unit	6	Donation	0
Indoor outdoor play equipment/ recreational activities	unit	30	Donation	0
Cribs/sleeping mats	unit	30	Fundraising	200
Learning materials (books, art supplies, educational games)	unit	2	Fundraising + donation	100
Facility/office set-up	sets	10	Fundraising/Donation	300
Total Costs				**1,000**
Less: Money from fundraising activities/non-reimbursable third-party contribution				**NA**
Total money that cooperative has to raise				**1,000**

Now, perform this step with information on your cooperative. First, copy the lists of equipment and facilities you have identified in Activity 3A. This also provides an opportunity to review your list. Estimate the number of units that you will need, indicate how these would be acquired, and provide the corresponding costs. Do not worry if most of your answers are estimates. What is important here is that you learn how to do it. When you make your action plan later, you will include the validation and verification as part of your tasks. You can use a calculator to complete this step.

Equipment/Facility	Unit	No.	How to acquire it?	Cost?
(1) Total Costs *(Add all the costs in the last column)*				
(2) Less: Costs of equipment and facilities that you will acquire via fundraising activities/ non-reimbursable third-party contribution				
Total money needed by cooperative to start business (1) – (2)				

2. How much would it cost for the proposed cooperative business to cover initial operational expenses?

Every business incurs costs before it generates a profit. The money required to cover initial operational expenses is called working capital. This is the capital needed to start and keep the business running until it generates sufficient income to cover all costs. It is necessary to estimate your production or operational cost and then determine the period or the number of cycles before the cooperative will start to earn income. Let's read the example.

Example: Childcare cooperative

Target enrolment capacity: The day care center aims to enrol 30 children per month.

The enrolment capacity is based on factors such as facility space and staffing.

Period before the day care center starts to earn income: The child day care center will begin earning income immediately upon enrolling the first batch of children. In short, the center would need working capital for initial setup and daily operations.

Assumptions:

- Monthly Enrolment: 30 children each paying monthly tuition of: $300
- Staffing: 2 full time staff, paid at a rate of $2000/mo. Other members provide care services in the form of in-kind donations (volunteering) for one day/month.
- Facility rent is free based on a partnership with a local community center.
- Supplies and Materials: Estimated based on projected usage.

Note: The specific financial projections for a day care center would depend on location, market demand, pricing strategy, and local regulations. The numbers provided here are for illustrative purposes and should be adapted to the specific circumstances of the day care center with a capacity of 30 children.

Production cost for one cycle prior to earning income:

Item	Unit	No.	Cost	Amount Unit cost x No.
Total material costs				
Office supplies	month	1	50	50
Food/drink	month	1	200	200
Total direct labour costs (wages of workers delivering the service)				
Full-time staff (incl. management + administrative support)	month	2	1,000	2,000
Total fixed costs (costs that cooperative will incur regardless of the level of service)				
Rent	month	1	500	500
Utilities	month	1	50	50
Registration/Licenses	month	1	200	200
Total estimated expenses				**3,000**

Now, compute the costs involved in the production/delivery of your care service following the example above.

- What is your target volume per month based on the estimated demand of buyer(s) and the capacity of the cooperative?
- How many months after the start of operation will the cooperative begin to earn income?
- What are the key assumptions for your start-up production (e.g., inputs needed for xxx months of service, number of workers to serve xxx volume of beneficiaries, output per worker, how worker will be paid – hourly, daily, monthly, etc.)?

Now, complete the table below. At this time, you may not have all the information on materials, labour, and fixed costs. What is important is that you learn the process of calculating your start-up costs. You may ask for guidance from the facilitator and use a calculator to complete this step.

Item	Unit	No.	Cost	Amount Unit cost x No.
Total material costs				
Total direct labour costs (wages of workers delivering the service)				

Item	Unit	No.	Cost	Amount Unit cost x No.
Total transportation costs				
Total fixed costs (costs that cooperative will incur regardless of the level of production – salaries of manager, marketing staff, financial officer, and other staff not directly involved in production, utilities, rental of land and building, etc.)				
Total estimated expenses				

3. What would be the total start-up cost of the cooperative?

To determine the total amount of money you need to establish the cooperative and start its operations, add costs of equipment and facilities (Step 1), production and operation expenses (Step 2), and other expenses that were not yet included in Steps 1 and 2.

Example: Domestic workers' childcare cooperative

Item	Estimated costs (in US$)
Equipment and facilities	1,000
Operating expenses for 1 month	3,000
Total start-up costs	**4,000**

Now, calculate the total start-up costs for your own cooperative. You can use a calculator to complete this step.

Item	Estimated costs (in US$)
Equipment and facilities	
Operating expenses for 1 month	
Other expenses	
Total start-up costs	

4. Raising the money for the required start-up capital

Many of you may be asking yourselves now how you can possibly raise the money needed to start your cooperative business. Indeed, if you do it individually, it could take your whole life and beyond to raise the capital. Membership fees are one mechanism to do this. An annual membership fee is paid to the co-op to ensure members are in good standing and it provides them with the right to vote. The membership fee is generally set at a relatively low level, since member families will also need to pay care fees. In the case of a new cooperative, the founding families may contribute additional money to help get it started either through a donation or a loan (see the definitions later in this section for more details). Members may also donate items and equipment to help keep costs down. Members may also donate items and equipment to help keep costs down.

On the next page see an example of how the group of domestic workers raised the money to set up their childcare cooperative.

Source	Description	Amount (US$)
Members	In kind contribution/yearly membership fees (300 per 10 families)	3,000
Customers	Monthly payments (150 x 30 kids)	4,500
Grants/external contributions	Fundraising/non-reimbursable third-party contributions	2,500
Estimated money that cooperative can raise		**10,000**
Estimated money needed to establish cooperative		**4,000**
Balance for contingency expenses		**6,000**

As a group, discuss how you can raise the money that you need. Be innovative and resourceful. You can use a calculator to complete this step.

Source	Description	Amount (US$)
Members	In kind contribution/yearly membership fees (300 per 10 families)	3,000
Customers	Monthly payments (150 x 30 kids)	4,500
Grants/external contributions	Fundraising/non-reimbursable third-party contributions	2,500
Estimated money that cooperative can raise		**10,000**
Estimated money needed to establish cooperative		**4,000**
Balance for contingency expenses		**6,000**

Oftentimes, cooperatives are eligible for government subsidies to defray the costs of offering care services. This can make the fees that customers owe lower than they would otherwise pay. There may be a wage subsidy available which provides funding to service providers for the purpose of improving the salaries and staff benefits of care workers. This enhances staff stability and makes licensed care services more affordable to families. It is important to know the resources available in your community. Discuss this with your local expert-trainer.

Activity 4B: Assessing competitiveness & profitability

20 minutes

To be competitive in the market, you must be able to offer your services at more or less the same price as your competitors. Likewise, you must also check whether the price you are likely to receive for your service will enable you to cover your costs and earn a profit. Calculating the breakeven price (when profits are equal to the costs), helps the company determine the price it will need to charge for its services.

As a group, perform the steps as they are read.

Steps:

1. Let us now compute the breakeven price for your care service(s). You can use a calculator to complete this step. How does your breakeven price compare to the prevailing market price? Note, the market price must be higher than breakeven price for business to be profitable. (10 minutes)

Question	Your answer
What is the total service cost? *Copy from Activity 4A Step 2*	
For the production cost above, how many outputs do you expect?	
What is the breakeven price? *Divide total production cost by total output*	
How much is the average price that your target customers are willing to pay?	
Is your breakeven price lower than the price your customers are willing to pay?	

2. Calculate your profit margin.

Profit = total sales or income – total expenses

Every business generates income by selling goods or services. The income is the total amount of money paid by the customers for the service. The income generated by a business activity depends on the quantity of goods or services sold and the price they were sold for. The money that comes from sales should provide a reasonable profit so that the cooperative can invest in business growth. Profit is obtained by subtracting total expenses from the total sales. An example is provided below. In the example, it is assumed that the cooperative expects more or less the same level of income every month.

Example: Domestic Workers' childcare cooperative

Income	
Price at which services will be sold	Income for the childcare cooperative would come from providing childcare services to parents or guardians who enroll their children. $150 per child per month
Estimated number of customers per year	Estimated 30 children per year (max capacity).
Total Sales or Income	Estimated annual income would be: $150 x 30 children x 12 months = $54,000 per year.
Expenses	
Annual operating expenses	Annual operating expenses include costs associated with running the cooperative. These expenses can include staff salaries, rent or mortgage payments, utilities, insurance, licensing fees, and more. For this example, the monthly estimated expenses came out to 3,000. That means the annual operation expenses would be 36,000.
Profit	
Gross Profit is the income remaining after subtracting only the cost of goods sold (COGS) from the total income	In this case, the profit would be: $54,000 (Total Income) - $36,000 (Annual Operating Expenses) = $18,000
Gross Profit Margin is calculated as the Gross Profit divided by the Total Income, expressed as a percentage.	In this example, the Gross Profit Margin would be: ($18,000/$54,000) x 100% = 33%

Now estimate the profit that your cooperative can potentially earn. Please follow the instructions. Do this as a group.

Question	Your answer
Income	
How much will you sell your care services for? *Refer to your breakeven price in Step 1 and the prevailing market price. The price that you set should be higher than breakeven but not more than what the market is willing to pay for*	
How many beneficiaries do you plan to serve per year? *This should be based on market demand, available supply, and capacity of your cooperative*	
Total Sales or Income *Selling price x number of customers you expect*	
Expenses	
How much is the cost per beneficiary? *Copy breakeven price in Step 1*	
Annual Operating Expenses *Number of customers you expect* *x unit cost per customer*	
Profit	
Gross Profit *Total Sales – Annual Operating Expenses*	
Profit Margin *Gross Profit divided by Total Sales*	

Session 5: Should you pursue this enterprise?

Session overview

5 minutes

This session will help you decide whether to pursue the business idea based on results of your feasibility study (Sessions 1 to 4). It will also help you identify information that you may still need to gather to make good decisions.

Activity 5A: Feasibility assessment checklist

20 minutes

The checklist summarizes the key factors that should be looked at when analysing a business idea. Perform the steps as they are read.

Steps:

1. Answer the questions individually. Place a check (√) in the column that best represents your answer. It may be necessary to review your outputs in Sessions 1 to 4 as you answer each question. (10 minutes)

The table below shows the most common care cooperative models.

Question	Yes	No	Don't know
Is there sufficient interest in and commitment for starting a cooperative that provides care or support services? (Session 1)			
Are the core group and potential members willing to provide the capital to start and operate the business? (Session 1)			
Do the members of the core group and potential members have enough free time to dedicate to the cooperative? (Session 1)			
Is there a strong motivation among potential members to operate the business? (Session 1)			

Question	Yes	No	Don't know
Would the business have a steady, reliable market for its care services? (Session 2)			
Would the cooperative be able to compete with the existing competitors/care providers? (Session 2)			
Would the cooperative be able to offer a price that is competitive in the market? (Session 2)			
Will target customers prefer your service rather than those of your competitors? (Session 2)			
Are there members in the core group with the ability to supply the care service(s)? (Session 3)			
Are there members in the core group with the management skills to operate the business? (Session 3)			
Are there programmes or providers that can assist the cooperative in building its capacity to provide the care service as per standards required by users and legal regulations? (Session 3)			
Would the cooperative be able to secure the necessary financial resources to start the business and generate desired levels of income? (Session 4)			
Can the cooperative find suitable premises to work in? (Session 3)			
Can the cooperative obtain the tools, equipment, and technology it needs? (Sessions 3 and 4)			
If the business requires water and electricity, can the cooperative access these utilities? (Sessions 3 and 4)			
Will the cooperative generate sufficient profits to recover start-up costs and provide money for expansion and growth? (Session 4)			

If you are not able to answer "yes" to most of the feasibility questions, you should reconsider your proposed business idea. For all questions that you answered "Do not Know", you should gather the needed information.

2. Share and discuss your answers with the group. Come to a consensus on whether the group should pursue the business idea. (10 minutes)

Should the group pursue the cooperative idea? ____ Yes ____ No

Start.CareCoop Module 3 will walk you through preparing a business plan.

Session 6: Action planning

Session overview

5 minutes

In this session, you will make your action plan to complete the Core Group Formation and Business Concept Development phase of starting a cooperative.

Activity 6A: Review of activities

10 minutes

The pictures below show the different activities that must be done in order to reach a decision on whether your business idea is feasible. As a group, identify the order in which the activities should be performed. Place 1 on the first activity to be performed, 2 for the second activity, and so on.

☐ Identify common care needs	☐ Define business solutions that can be done to access the main challenges
☐ Identify potential owner-members	☐ Assess your competitors (or other care service providers)
☐ Find out if there is a market for the care service	☐ Assess prices
☐ Assess if there is support and commitment from the members on the proposed idea	☐ Assess technical viability
☐ Assess financial viability and start-up costs (affordability, access to funds)	

Answers located in Annex.

Activity 6B: Preparing your action plan



30 minutes

As a group, look at your worksheets and identify those items for which you lacked information. Identify what you need to do to complete all the activities indicated in Activity 6A.

To Do	When	Who	External assistance
1. Identify common care needs			
2. Identify potential member owners			
3. Define business solution that can be done by the group to address top problem			
4. Assess support & commitment of members			
5. Find out if there is a market for the service			

To Do	When	Who	External assistance
6. Assess your competitors (other care providers)			
7. Assess prices			
8. Assess technical viability			
9. Assess financial feasibility and start-up costs			
10. Find out about the regulatory framework for starting a cooperative			
11. Decided whether to pursue the business idea			

Congratulations!

You have assessed the feasibility of your idea. Learn how to prepare a business plan in Start.CareCoop MODULE 3

Module 3

Preparing the business plan

Start.CareCoop Modules

Module 1	Identifying core members & the business idea
Module 2	Researching the feasibility of the idea
Module 3	Preparing the business plan
Module 4	Organizational set-up

Message to the group

In Module 2 you undertook a feasibility study. In Module 3 it is time to proceed to the preparation of the business plan. The feasibility study answers the question “will this work?”. The business plan answers the question “how will this work?”. The seven Sessions of Module 3 focus on the preparation of a basic business plan aimed at providing guidance on how to run the business during the early stages of its operation.

In Session 1 you will learn about the business plan and its structure. Session 2 helps you write a business profile, with the key information on the cooperative. In Session 3 you will become familiar with the elements of a marketing plan such as the description of care services and the market, as well as the marketing strategy. Session 4 provides you with an overview of the operations plan which describes how you will deliver your care or support services. The operations plan includes information on physical resources needed and the requirements in terms of work process and systems. Session 5 consists of the management plan, which focuses on the human resources needed. It guides you toward the establishment of an organizational chart, the identification of the staff you will need to run the cooperative and the preparation of job descriptions. Session 6 helps you estimate the profitability of the business. To do that, it assists you in preparing an income statement, undertaking cash flow projections and composing a balance sheet. Finally, Session 7 helps you prepare an executive summary of your business plan. At the end of this Module, it is expected that you will have drafted your business plan in order to identify the needs in terms of human resources that will be undertaken in Module 4.

At some point in the process of developing your business plan, you may need some external assistance. What is important, however, is that the ideas and content of the business plan come from the core group or potential members of the cooperative. It is, therefore, important that you learn the process of preparing the business plan. At the end of this Module, it is expected that you will have the draft outline of your business plan.

Follow the signs

The instructions in the training guide are easy to follow and the suggested timeframe for each step is provided. Look out for these signs:

This sign indicates the suggested time for the activity

This sign indicates background information to be read to the group

This sign indicates group discussion

This sign indicates that the activity is beginning and that step-by-step instructions need to be read out loud to the group and followed sequentially

This sign indicates a good practice for identifying and meeting the needs of both women and men.

Getting started

Before you begin the training, follow the simple steps below to get organized:

- Organize into small groups of 5-7. The organizers will guide you in how best to do this.
- Identify one group member to volunteer to start the training as "Group Reader". The role of the "Group Reader" is to read the information and activity instructions out loud to the group. Any group member with basic literacy can be the "Group Reader" and you should aim to share this role among group members throughout the training.

All group members are responsible for monitoring time, but one group member should be nominated for each session to remind the group when the suggested time for an activity/ step has been reached. You do not strictly need to follow the suggested timing, but you will need to manage your time for the total training. If one activity lasts longer than the suggested timing, try to save time in other activities to keep the balance.

All group members will receive this training guide. Individual as well as group work can be completed in this guide.

Learning process

Start.CareCoop is a one-day training that consists of 8 sessions (see breakdown below). The estimated total training time is about 8 hours.

Session	Expected time duration
Session 1: What is a business plan?	15 minutes
Session 2: Business profile	25 minutes
Session 3: Marketing plan	105 minutes
Session 4: Operations plan	115 minutes
Session 5: Risk management	50 minutes
Session 6: Management plan	35 minutes
Session 7: Financial plan	105 minutes
Session 8: Executive summary	35 minutes

Session 1: What is a business plan?

Session overview

5 minutes

The business plan is a roadmap that details where the cooperative is going and how to get there. It explains what the business is and how it will operate. Having a good business plan will help cooperatives minimize risks of failure. It can also be used by cooperatives in applying for support from development programmes. A business plan should be reviewed and updated regularly to reflect changes in the business environment and status of the cooperative. In this session, you will familiarize yourselves with the structure of the business plan.

Activity 1A: Structure of a basic business plan

10 minutes

The cooperative must be assured that there is a sufficient number of people who will participate in its activities. It is important also to consult the government agency in your country in charge of cooperatives to learn about the minimum number of members required to register a cooperative, and any other requirements, for setting up a cooperative.

The following are the different sections of the business plan:

- Executive Summary
- Business Profile
- Marketing Plan
- Operations Plan
- Risk Management
- Management Plan
- Financial plan

Although the executive summary is the first section of the business plan, it is written after all the other sections have been prepared. The reason for this is that it will draw from and synthesize all the important information from the succeeding sections.

Most likely, you are already familiar with the titles of the other sections as these were the areas that you investigated when you conducted your feasibility study. As a review, look at the pictures below and identify which section of the business plan it represents (excluding the Executive Summary). For example, Picture 1 shows information that should be included under the Business Profile section.

Share and discuss your answers with your group.

Our cooperative is composed of women and families who need affordable, quality childcare. We offer a safe and nurturing environment for children, typically from infancy to preschool age and provide age-appropriate educational activities, playtime, and opportunities for socialization.

The cooperative expects to earn $9,000 per month based on tuition fees.

We will send out flyers to families in our neighbourhood to inform them about our services.

In Year 1, we will hire two staff to work full-time managing the cooperative and providing childcare services. Other members will volunteer one day per week to help cover the services needed.

We should continue to advertise our services and create a waiting list if we have to. That way, we are not putting our cooperative at risk if one family decides to stop using our services.

Session 2: Business profile

Session overview

5 minutes

The business profile typically comes after the executive summary. This section outlines vital details about your cooperative such as where it is located, whom to contact, how large the cooperative is, what it does and what you hope to accomplish.

Activity 2A: Writing your business profile

10 minutes

As a group, complete the business profile of your cooperative by answering the questions listed below. The second column provides an example to guide you. Answer the question as it is read. Write your answer in column 3. Many of the answers to the questions can be found in your feasibility study outputs.

Question	Example	Your answer
Background information		
Name of cooperative	Bright Start Cooperative	
Address/Contact Details	Phone: (555) 123-4567 info@brightstartcoop.org www.brightstartcoop.org	
Number and type of members	Bright Start consists of 10 members, all of whom are domestic workers in need of affordable, quality childcare services.	
Purpose/Objective		
What are the objectives of forming the cooperative? See Module 1	The cooperative's objectives include providing affordable childcare, fostering strong parent involvement, offering quality early education, and building a supportive community.	

Question		Example		Your answer
What would the group like to achieve by coming together?		By coming together, the group aims to ensure accessible and flexible childcare options, empower parents in decision-making, and create a safe, nurturing, and educational environment for children while promoting financial sustainability and shared resources.		
Services offered				
Type of cooperative		Worker cooperative		Worker cooperative
	X	Multi-stakeholder cooperative		Multi-stakeholder cooperative
		Other: Consumer cooperative		Other:
What care service is the cooperative going to provide?		The coop will provide early childhood care and education services to its members' children, offering a safe, nurturing, and educational environment for their development and growth.		
Why will customers purchase or use your services?		▶ **Affordability:** Our cooperative offers affordable childcare options, allowing parents to access quality care without the burden of high costs. ▶ **Quality early education:** We provide a curriculum that focuses on holistic child development, ensuring children receive quality early education that prepares them for future educational milestones. ▶ **Community support:** Membership in our cooperative offers access to a supportive community of like-minded parents who share resources, knowledge, and experiences.		
Markets				
Who will be your customers?		Local parents/guardians with young children seeking affordable, flexible childcare. We will primary target working parents and single parents, in need of community support.		

Session 3: Marketing plan

Session overview

5 minutes

This section of the plan provides the description of the products and/or services with emphasis on the value that you would be providing to your customers. It also presents a summary of the results of your market analysis (conducted as part of your feasibility study) with a focus on the market opportunities for your products and/or services. You will then describe your strategies on how you will reach your target customers and differentiate your business from competitors.

Activity 3A: Description of care service(s)

30 minutes

The service description describes the features of the care service(s) you are providing, the unique selling points offered by your service, and how your service satisfies client needs and expectations.

An example is provided in each step to guide you. Perform each step as a group.

Steps:

1. Review the example of the childcare cooperative (5 minutes) and answer the questions based on what you read:
   - What is the service of your cooperative?
   - What are the key features of your service?
   - How many clients will you target in a month or year?
   - Who are the main users of your service?

Example: Bright Start childcare cooperative

Bright Start offers a comprehensive array of childcare services designed to cater to the unique childcare needs of domestic workers, promoting a nurturing and enriching environment for their children's early development. Our core features encompass a team of dedicated and caring childcare providers, individualized care plans to support each child's growth, a focus on enhancing early education through engaging activities, and a close-knit community of involved parents. In our inaugural year, our target is to serve approximately 30 children per month, with future plans to expand our services.

2. Now, use the guiding questions to help you describe the care service you are providing. If you have several services, describe only one during the activity. You will complete the description of your other products or services when you meet again to finalize your business plan. (10 minutes)
   - What is the service of your cooperative?
   - What are the key features of your service?
   - How many clients will you target in a month or year?
   - Who are the main users of your service?

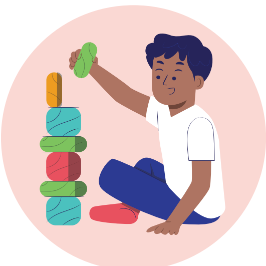
3. Review the example of the care cooperative then answer the question: **What makes your service better than what is already available in the market?** When you answer this question, imagine that you are in a meeting with a prospective client and would want to convince them to pay for your services.

Example: Bright Start childcare cooperative

Here are five reasons why Bright Start Cooperative's services stand out compared to other public and private options:

- **Active parent involvement:** Unlike traditional day-care centers, we prioritize active parent involvement in our cooperative. All Member-Parents will volunteer one day per week to help cover the services. All customer and Member parents will participate in in decision-making, contribute to their child's education, and build a strong sense of community. This collaborative approach fosters a deeper connection between parents, caregivers, and children, enhancing child development.

- **Affordable quality care:** We provide high-quality childcare and early education services at an affordable cost. By sharing responsibilities and costs within the cooperative, we can offer competitive pricing while maintaining excellent standards of care. This affordability makes quality childcare accessible to a broader range of families, promoting both children's development and parents' financial well-being.



- **Holistic child development:** Bright focuses on holistic child development, not just supervision. Our curriculum is designed to stimulate cognitive, social, and emotional growth in children, preparing them for future educational milestones. We emphasize play-based learning, creativity, and individualized care plans to ensure each child's unique needs and potential are addressed, setting us apart as a center for comprehensive early childhood development.

Activity 3B: Market description

30 minutes

The market description explains who your target customers are and why you chose this market. You should also clearly state why your target customers need the care service you are planning to provide. An analysis of your competitors should also be presented.

When targeting your customers, it is important to consider all genders equally. Women are very likely to be among your target customers and members as they tend to undertake the responsibility of family/community care. Think of the particular needs your potential women customers may have and how your care service could meet those needs.

Steps:

1. To facilitate the writing of the market description, as a group answer the guide questions in Column 1. Sample answers are provided in Column 2 for your reference. You can also refer to your outputs in the Market Analysis session of Module 2.

Question	Example	Your answer
Who are the target customers your cooperative will focus on?	Our cooperative will primarily focus on domestic women workers in our area who require affordable and high-quality childcare services for their children while they are working.	
What specific need in your target market will the care service address?	Our service addresses the need for accessible and flexible childcare options that prioritize children's cognitive, social, and emotional development while actively involving parents in their early care.	
Who are your competitors?	Our competitors include local day-care centers, childcare providers, and early education facilities in the same geographic area.	
How can you compete with your competitors?	To compete effectively, we differentiate ourselves by actively involving parents in our cooperative, offering affordable high-quality care, and providing a curriculum that promotes holistic child development. Additionally, we prioritize building a close-knit community among our members.	
What percentage of the market do you hope to penetrate?	We are a small community-based cooperative during the initial phase we aim to capture approximately 5% of the local childcare market.	

Question	Example	Your answer
How can you increase your market share over time?	To increase our market share over time, we plan to implement targeted marketing and outreach campaigns, expand our service offerings based on member needs and feedback, and continue building a strong reputation for our cooperative's quality and affordability.	
Is your market likely to grow? By how much?	Yes, our market is likely to grow over time due to several factors, including population growth, increasing workforce participation among parents, and a growing awareness of the benefits of early childhood education. While specific growth rates may vary by location, we anticipate a modest annual growth rate of approximately 3-5% in our local childcare market due to a lack of viable public and private options.	

Activity 3C: Marketing strategy

30 minutes

You have identified your markets and key care services. It is clear that the markets and services you have chosen can help to address your common objectives. In this activity, you will define how you are going to get your customers to pay for your services.

This is a group activity. Everybody should share their ideas and listen to each other.

Steps:

1. The development of a promotional strategy involves thinking about how you can inform your customers about your services and influence them to buy from you. Read the question (Column 1) and the example (Column 2), share ideas, and write your answer (Column 3).

Question	Example	Your answer
How will you inform your target customers about your care service and cooperative?	We will inform our target customers about Bright Start through a multi-faceted approach, including a user-friendly website, active social media engagement, local advertising campaigns, open houses and events, and referral programs to ensure widespread awareness and accessibility.	

Question	Example	Your answer
What will be the main message(s) you communicate?	Our main promotional message will highlight our cooperative's commitment to providing affordable, high-quality childcare services with active parental involvement, holistic child development, and a strong sense of community and support.	

When promoting your care services, think of channels that could easily reach women. For example, you can consider implementing your promotional activities in places you know women gather. You may want to think carefully on the promotional message to use, it should show how the product or service could respond to the needs of potential women customers.

2. Next, describe how you will make your service available to your target customers by answering the guiding questions in Column 1. Read through the example in Column 2 to have some ideas on how to answer the question. Write your answers in Column 3.

Question	Example	Your answer
How is your service going to get to the customer?	Our childcare cooperative's services will reach customers through multiple channels, including online marketing, community outreach, word-of-mouth referrals, and local partnerships with schools, businesses, and community organizations.	
What is the contractual relationship between you and your target customers?	The contractual relationship between our cooperative and target customers involves membership agreements, enrolment contracts, and clear terms outlining responsibilities, payment schedules, and expectations. Members commit to active involvement in activities and decision-making.	

3. Pricing strategy involves determining how you will price your care service. Work together to answer the guide questions.

Question	Example	Your answer
How will you set the price of your services?	We will set the price of our childcare services by conducting a thorough cost analysis, considering factors such as staff salaries, facility expenses, and educational resources. Our goal is to offer competitive and affordable pricing that reflects the high-quality care and education provided.	
How does the pricing compare to the local market?	Our pricing will be competitive within the local market, aiming to provide affordability without compromising on the quality of our services. We will regularly assess market prices for similar childcare services and adjust our rates accordingly to remain competitive.	

Session 4: Operations plan

Session overview

5 minutes

The operations plan describes how you will carry out the care service. It also provides details on the physical location, facilities, and equipment that would be needed to deliver the care service. Last but not least, the operations plan presents how the business will ensure service quality and productivity and safety of the whole operations. Most of the information that you will need in completing your operations plan can be found in your outputs in Module 2.

Activity 4A: Physical resources: facilities & equipment

25 minutes

Physical resources include land, building and other structures, machinery, and equipment. These are the tangible assets that the cooperative will use to deliver the care service(s).

When deciding on the location, you may want to think of its accessibility to women members. Will women be able to easily access the cooperative building and other structures? Will it be safe for them to reach the cooperative structures? Will these structures be equipped with specific facilities for women?

Do the steps together. Listen to all the ideas of your group members.

Steps:

1. Review the graphic below and consider the various factors related to location.

2. Read the guiding questions in Column 1 and the examples in Column 2 and write down your answer in Column 3.

Question	Example	Your answer
Where will the business be located?	The business will be located in a centralized area, providing easy access to both urban and suburban areas where parents can drop their kids off on their way to/from work.	
What are the advantages and disadvantages of the location?	Advantages include convenience and accessibility. Disadvantages may be the higher operating costs and real estate competition associated with the prime location.	

3. Next, you will identify the equipment and facilities that the cooperative will need and how the group plans to acquire these. By now, the group should have already validated whether the planned mode of acquisition identified during the feasibility study is feasible. Remember, you can also make use of existing assets and facilities of members to lower investment cost.

Example: Bright Start childcare cooperative

Equipment/Facility	Description	How to acquire
Furniture	Including child-size tables and chairs as well as decorations to create a warm, inviting space.	Donated from Members or bought second-hand.
Indoor/outdoor play equipment	To keep children active and engaged throughout the day.	Donated from Members or bought second-hand.
Recreation & activity materials	Books, toys, and crafts materials are important for child engagement.	Donated from suppliers or bought second-hand.
Cleaning/maintenance supplies	Necessary for facility upkeep and maintaining health & safety.	Procured from commercial suppliers or donated by Members.

Equipment/Facility	Description	How to acquire

Activity 4B: Work process & system

40 minutes

This part of the Operations Plan will describe how the business will be operated from sourcing of inputs to after sales services. The process will vary depending on your business and the type of care service provided. You will also need to show how you will ensure service quality and the health and safety of workers.

The decision for choosing suppliers should be made based on the quality of products and services and not on the gender of the supplier. However, you may want to consider sourcing from other Social and Solidarity Economy entities or women-owned enterprise and even develop a policy to this effect.

Steps:

1. Work together to review and fill out the table below regarding input suppliers. Use the example as your guide in answering the questions.

Question	Example	Your answer
What are the key inputs needed to deliver the care service? How much do you need per month?	Some essential inputs and approximate monthly quantities for a small childcare facility (30 children) may include: Food/dietary supplies, activity/recreation materials, and cleaning supplies.	
From whom will you source these inputs?	We are committed to sourcing inputs from a network of cooperatives and women-owned businesses whenever possible. This includes partnering with cooperative medical equipment distributors, women-owned food wholesalers, cooperatively owned pharmacies, and hygiene product manufacturers led by women entrepreneurs.	
How will you ensure that you will have an adequate supply?	By fostering strong relationships with cooperative and women-owned suppliers, we aim to ensure a consistent and adequate supply of inputs. We will establish agreements that prioritize fair trade and mutual support, guaranteeing a reliable and sustainable supply chain.	
What are the key requirements to become a supplier?	To become a supplier for our cooperative, businesses must meet stringent criteria, including compliance with quality and safety standards, competitive pricing, reliable delivery capabilities, and the commitment to support cooperative principles. We actively encourage and prioritize partnerships with women-owned enterprises and cooperatives that share our values and dedication to promoting inclusive and sustainable business practices.	

Question	Example	Your answer
What are the terms of payment?	The specific terms can be negotiated with each supplier based on factors such as the nature of the care service, the supplier's preferences, and the cooperative's cash flow capabilities. It's essential to establish clear payment terms in supplier contracts to ensure transparency and compliance with agreed-upon payment schedules. Additionally, cooperatives should strive to pay suppliers promptly to maintain strong and mutually beneficial relationships.	

2. Review the graphic and table below highlighting key activities of a care facility.

- **Personalized, holistic childcare and support:** Focusing on holistic child development, not just supervision. Our curriculum is designed to stimulate cognitive, social, and emotional growth in children, preparing them for future educational milestones. We emphasize play-based learning, creativity, and individualized care plans to ensure each child's unique needs and potential are addressed, setting us apart as a center for comprehensive early childhood development.

- **Recreation and socialization:** Organizing activities and programs that promote physical and mental well-being, socialization, and engagement among children, such as arts and crafts, outdoor play, and learning.

- **Nutrition and dietary services:** Ensuring that children receive balanced and nutritious meals while accommodating special dietary needs.

- **Facility maintenance and safety:** Maintaining a safe and comfortable environment for child development, including regular facility upkeep, safety measures, and emergency response protocols.

Example: Bright Start childcare cooperative

Activity	Measure to ensure quality & safety	Profile
Personalized care & holistic support	▶ We will maintain low child-to-caregiver ratios to ensure personalized attention and a safe environment for each child. ▶ Our facility will be childproofed and designed to provide a safe and stimulating environment for children's physical, cognitive, and social development. ▶ Comprehensive, developmentally appropriate curriculum that focuses on cognitive, emotional, and social development, promoting well-rounded care for children. ▶ We will maintain open and transparent communication with parents, keeping them informed about their child's progress, activities, and any safety-related matters.	All childcare providers and staff will be qualified, with proper training in early childhood development, CPR, first aid, and safety protocols
Recreation & socialization	▶ Diverse activity schedules catering to children's development stage. ▶ Feedback from parents. ▶ Adequate supervision during all activities. ▶ Safety measures during outings and events.	▶ Certified and experienced childcare providers. ▶ Creative and energetic individuals with excellent communication skills.
Nutrition & dietary services	▶ Balanced and customized meal plans with allergen and restriction awareness. ▶ Safe food handling and preparation practices. ▶ Proper kitchen equipment uses and maintenance.	▶ Certified Dietitians or Nutritionists for menu planning and meal preparation. ▶ Knowledge of nutrition and dietary requirements for children.
Facility maintenance & safety	▶ Regular safety inspections and maintenance checks. ▶ Resident and staff safety incident reporting and analysis. ▶ Fire and emergency response drills. ▶ Training in safe handling of cleaning chemicals. ▶ Clear emergency response plans and communication protocols.	▶ Volunteers with facility upkeep experience. ▶ Certified Safety Officers with emergency response training. ▶ Attention to detail and knowledge of safety regulations.

3. Complete a similar table for your cooperative. To facilitate the identification of measures to ensure quality and safety, first identify the quality and safety risks in each of the major activities.

Activity	Quality/safety risks	Measure to ensure quality & safety	Profile

Activity 4C: Cooperative principles & operations

45 minutes

Cooperatives and other Social and Solidarity Economy entities are not just businesses. They are based on a set of values and principles. As member driven enterprises, they seek to ensure honesty, openness, fairness, and integrity. In this activity, you will describe how your cooperative will live up to the 7 cooperative principles.

You will perform this activity as a group. You may also ask the assistance of your facilitator in completing it.

Steps:

1. Discuss how your cooperative will put into action the principles in its operations. Use the examples as your guide. (35 minutes)
2. Write in Column 3 the actions and measures agreed by the group. (10 minutes)

Principle	Measures to put into action the principle	
	Example	**Your answer**
1. Voluntary and open membership	The cooperative membership is open to all persons able to use its services and willing to accept their responsibilities of membership. The cooperative does not discriminate based on gender, social, racial, political or religious grounds. The cooperative will actively recruit members and conduct regular orientation on cooperative membership. Rights and responsibilities of members will be defined by the members themselves. All policies and practices will target all members equally and will be free from discrimination. Probationary period and membership training will be provided to all who want to become members.	
2. Democratic member control	Members will vote on major decisions. A General Assembly will be conducted annually. Equal voting for all. Information and Communications Technology (ICT) and social media outlets will be used to promote ongoing conversations with members, as available. Members will actively participate in long-term planning.	

Principle	Measures to put into action the principle	
	Example	Your answer
3. Member economic participation	Members will own the cooperative: They are vital to the start-up capital of the cooperative. The funding structure for starting-up cooperatives include: member shares, member loans and fundraising. Member share investments will use payment plans to accommodate different financial situations. Surplus will be returned fairly to all the members who support the cooperative. Part of the surplus will be utilized to achieve the cooperative’s long term goals	
4. Autonomy and independence	The cooperative is an autonomous, self-help organization controlled by its members The cooperative will enter arrangements with governments or other organizations only when the terms respect its autonomy and the democratic member control Crowd-funding will be explored as a means to raise capital from a large and diverse audience so as not to affect control of the cooperative by the membership. The cooperative will avoid dependence on one or a few large funders/customers to reduce risk of compromising autonomy. The cooperative will set up a transparent financial system and effective financial controls	
5. Education, training, and information	All members and prospective members will receive training on membership and how to better contribute to the cooperative. All members and officers, regardless of their gender, will receive training for current and future needs. The trainings will be organized in suitable times so to allow participation of all members, including women Awareness raising campaigns on the benefits of the cooperative business model will be regularly conducted. The cooperative will inform the general public, particularly women, young people and opinion leaders about the nature and benefits of cooperation.	

Principle	Measures to put into action the principle	
	Example	Your answer
6. Cooperation among cooperatives	Networking with cooperatives and promotion of member-to-member links will be actively pursued. Cooperative-to-cooperative trade will be pursued. Collaboration with other co-operatives will be pursued to achieve economies of scale. Opportunities to work with other cooperatives through local, national and international structures will be pursued actively.	
7. Concern for community	The cooperative will ensure that their operations and those of their members are free from child labour and forced labour. Occupational safety and health standards will be observed in all operations. Programs and systems will be established to reduce risk of negative environmental and social impact of operations.	

Session 5: Should you pursue this enterprise?

Session overview

5 minutes

As enterprises that handle peoples' resources, you need to assure your members that their hard-earned investments are protected. This can be done through proactive handling of potential threats coming within and outside the cooperative. Failure to adequately manage risks exposes cooperatives not only to the possibility that they may suffer losses, but, more importantly, to the possibility that they may not achieve their objectives. In the worst case, inadequate attention to risk management may result in cooperatives closing and members losing their investment.

Activity 5A: Identifying risks & mitigation measures

45 minutes

The checklist summarizes the key factors that should be looked at when analysing a business idea. Perform the steps as they are read.

Risk is defined as any factor that may cause losses to the cooperative. The risks may be external (i.e. arising from outside the cooperative) and the group may have little control over them (i.e. change in market preferences, political situation in the country, etc.). There are several risks that are internal to the cooperative (i.e. members not using the services of the cooperative, members not participating in the cooperative meetings and activities, cooperative not being managed effectively, etc.). The cooperative needs to manage these risks. Managing risks means to understand, evaluate, and take the necessary steps to increase the probability of success and reduce the likelihood of failure.

Steps:

1. As a group, think of all the things that can go wrong in your cooperative. List them down in Column 1. (20 minutes)
2. Assess the possibility of the risk happening (5 minutes):
   a) Most likely to happen
   b) Likely to happen
   a) Not likely to happen

3. Assess its potential impact to the cooperative (5 minutes):
   a) Very bad
   b) Bad
   c) Not so bad

4. Identify what you can do to prevent it from happening and/or if it happens, what you can do to reduce damage. (15 minutes)

Risk	Likelihood	Impact	Preventative measures
Intense competition from other care providers can impact occupancy rates and revenue.	Likely	Not so bad	Continuously assess the local market, diversify service offerings, and focus on service quality and parent satisfaction to remain competitive.
Members do not show up to their volunteering slot	Likely to happen	Very bad	Maintain open communication channels with members to understand if/when urgencies arise and being able to adapt.

Session 6: Management plan

Session overview

5 minutes

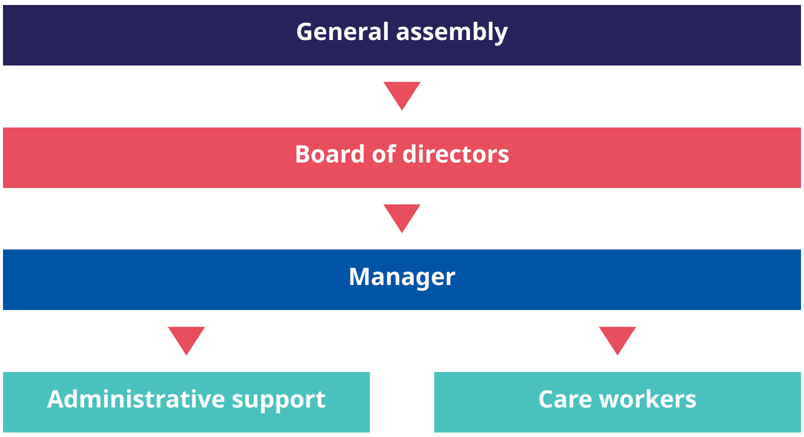
The Management Plan section describes how the cooperative business will be structured. It also identifies the human resources and skills that the business will need to meet the demands of customers.

Activity 6A: Organizational chart

15 minutes

The organization chart is a diagram showing the structure of the business. It is drawn using boxes for the job titles or functions and vertical lines to demonstrate the reporting relationships of supervisors and their reporting staff. An example of an organization chart is shown below.

Example: Bright Start childcare cooperative



Your Organizational Chart:

Activity 6B: Job Description

15 minutes

After completing the organization chart, describe the specific duties of each of the positions and the required skills, experience, and other qualifications. For this activity, only describe positions starting from the manager to the workers.

In doing this exercise, try to think of the qualifications and skills needed, rather than the gender of the person.

Example: Bright Start Coop

Position	Job Description	Qualifications
Manager	▶ Oversees all operational aspects of the cooperative. ▶ Develops strategic plans and policies. ▶ Ensures regulatory compliance.	▶ Bachelor's or Master's degree in child development or a related field. ▶ Extensive experience in administration. ▶ Strong leadership skills.
Care Workers	▶ Provide direct care and assistance to children. ▶ Assist with daily activities and personal care.	▶ National qualification for being a childcare provider ▶ CPR certified with 1+ years of experience. ▶ Compassion and patience. ▶ Food safety knowledge.

Position	Job Description	Qualifications
Administrative Support	▶ Assist with administrative tasks, billing, and record-keeping. ▶ Handle staffing, recruitment, and employee relations. ▶ Manage financial matters, budgeting, and payroll.	▶ Accounting or finance degree. ▶ Financial management skills. ▶ Office administration or relevant experience. ▶ HR experience.

Using the example as your guide, complete the table on the next page for your cooperative.

Position	Job Description	Qualifications

Session 7: Financial plan

Session overview

5 minutes

The Financial Plan section of the business plan provides details on how potentially profitable the business will be. You will also need to provide projections that would show that the business will survive on the start-up capital until it makes a profit. In short, you have to demonstrate in this section that the proposed business is a good investment.

You also need to present here the money that is needed to start the business and how you will raise the required funding. Since you have already studied this in Module 2, you can skip this today. It is recommended though that you review your start-up costs before finalizing your business plan.

Activity 7A: Statement of operations

15 minutes

An income statement or statement of operations for a new business shows how much it will earn or lose during a given period of time. It shows the estimated amount of sales, cost of goods or services sold, expenses incurred in the running or operation of a business and the surplus (profit) earned for a given period.

To prepare the statement of operations, you need to know how to compute surplus (profit) and loss. You have already learned this in Activity 4B in Module 2. For this activity, you will need to review your previous outputs and write them in a statement of operations template.

Steps:

1. Read the example on the next page (10 minutes)
2. Take out your output from Activity 4B in Module 2.
3. Fill out the Income Statement template based on data from your output in Activity 4B in Module 2. As you fill it out, review and decide whether there are changes you would want to make. You can use a calculator to complete this step. (20 minutes)

Statement of operations of (Proposed name): Bright Start cooperative For the period: One Year 2022-2023				
Particular	**Unit**	**No. of units**	**Unit price**	**Amount (US$)**
Total income *Income: money paid for your services*				61,000
Member fee *Whether or not member fees are considered income depends on the accounting standards and regulatory requirements. In some cases, member fees may be classified as a liability initially and recognized as income over time as the cooperative fulfills its obligations to the members.*	Annual	10	500	5,000
Child tuition	Month	12	150 x 30	54,000
Grants/donations	Annual	1	1,000	2,000
Total expenses *Expenses: money spent or cost incurred to generate income*				**37,000**
Material costs (food/office supplies)	Monthly	12	250	3,000
Labour costs	2 Person monthly	12	1,000	24,000
Fixed costs *Costs that cooperative will incur regardless of the level of production – rent, utilities, licenses,*	Monthly	12	750	9,000
Depreciation and amortization				**1,000**
Depreciation: Small equipment purchase price divided by expected number of years of use. For vehicles, furniture, and small equipment: expected number of years of use is usually 5 years *Example: Total purchase price of equipment, furniture, etc. = US$ 5,000* *Expected number of years of use: 5* *Depreciation: 5,000/5 = US$ 1,000*	Annual	1	1,000	1,000
Gross surplus (Gross profit) *Surplus: Total Income – Total Expenses*				**24,000**
Less: Taxes *(If you do not know tax rates, please leave blank and include in action plan)*			10%	**2,400**
Net surplus (Net profit) *Gross Income – Taxes* *Note: The cooperative returns the Net Surplus to the owners as patronage refund.*				**21,500**

Statement of operations of (Proposed name): For the period: One year				
Particular	**Unit**	**No. of units**	**Unit price**	**Amount (US$)**
Total income *Income: money paid for your services*				
Total expenses *Expenses: money spent or cost incurred to generate income*				
Materials				
Salaries/wages				
Utilities and other expenses				
Depreciation and amortization				
Gross surplus (Gross profit) *Surplus: Total Income – Total Expenses*				
Less: Taxes *(If you do not know tax rates, please leave bank and include in your action plan)*				
Net surplus (Net profit) *Gross Income – Taxes*				

Activity 7B: Cash flow projection

15 minutes

The cash flow projection shows the amount of money that you expect to come into your business and money that will be going out of your business. The projection is useful to determine the viability of the cooperative, particularly its ability to pay for the expenses needed to deliver the service and the overall operations of the business. The cash flow statement monitors the flow of cash over a period of time (a year, a quarter, a month) and shows you how much cash you have on hand during a given period. It also shows you whether your cash position has improved and by how much during a given period (e.g. start of business and after 12 months of operation).

Steps:

1. Read the example on the next page. (10 minutes)
2. Fill out the Cash Sales Projection template by working as a group. As you fill it out, review and decide whether there are changes you would want to make. You can use a calculator and discuss with the facilitator to complete this step. (20 minutes)

Cash flow

Cash in
How does money come in to your business?

By producing and selling goods

By giving a service

By getting a loan

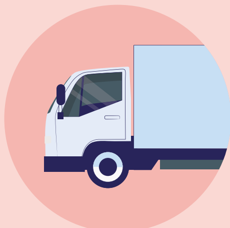
By getting a grant

Cash out
How does money go out of your business?

Purchase of raw materials

Wages and salary payments

Stall rental



Payment for transportation and other utilities

Name of cooperative: Bright Start

Cash flow projection period: January to December 2023

Particulars		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Beginning cash *Copy ending cash of previous year* *The first month is based on leftover contingency (Module 2, 4a).* *For the first year, it is based on contribution from members, grants, etc. (Module 7, 7c)*		6,000	7,500	9,000	10,500	12,000	13,500	15,000	16,500	18,000	19,500	21,000	21,500
Cash in *Sources of cash*	Sales	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Total cash in *Add entries in cash in*		4,500											
Cash out *List projected expenses* *(Refer to expenses in income statement)*	Materials	250	250	250	250	250	250	250	250	250	250	250	250
	Salaries/wages	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Fixed costs (Module 2, 4a)	750	750	750	750	750	750	750	750	750	750	750	750
Total cash out *Add entries in cash out*		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Net cash flow *Cash in - cash out*		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Ending cash *Beginning cash + Net cash flow*		7,500	9,000	10,500	12,000	13,500	15,000	16,500	18,000	19,500	21,000	21,500	23,000

Name of cooperative:

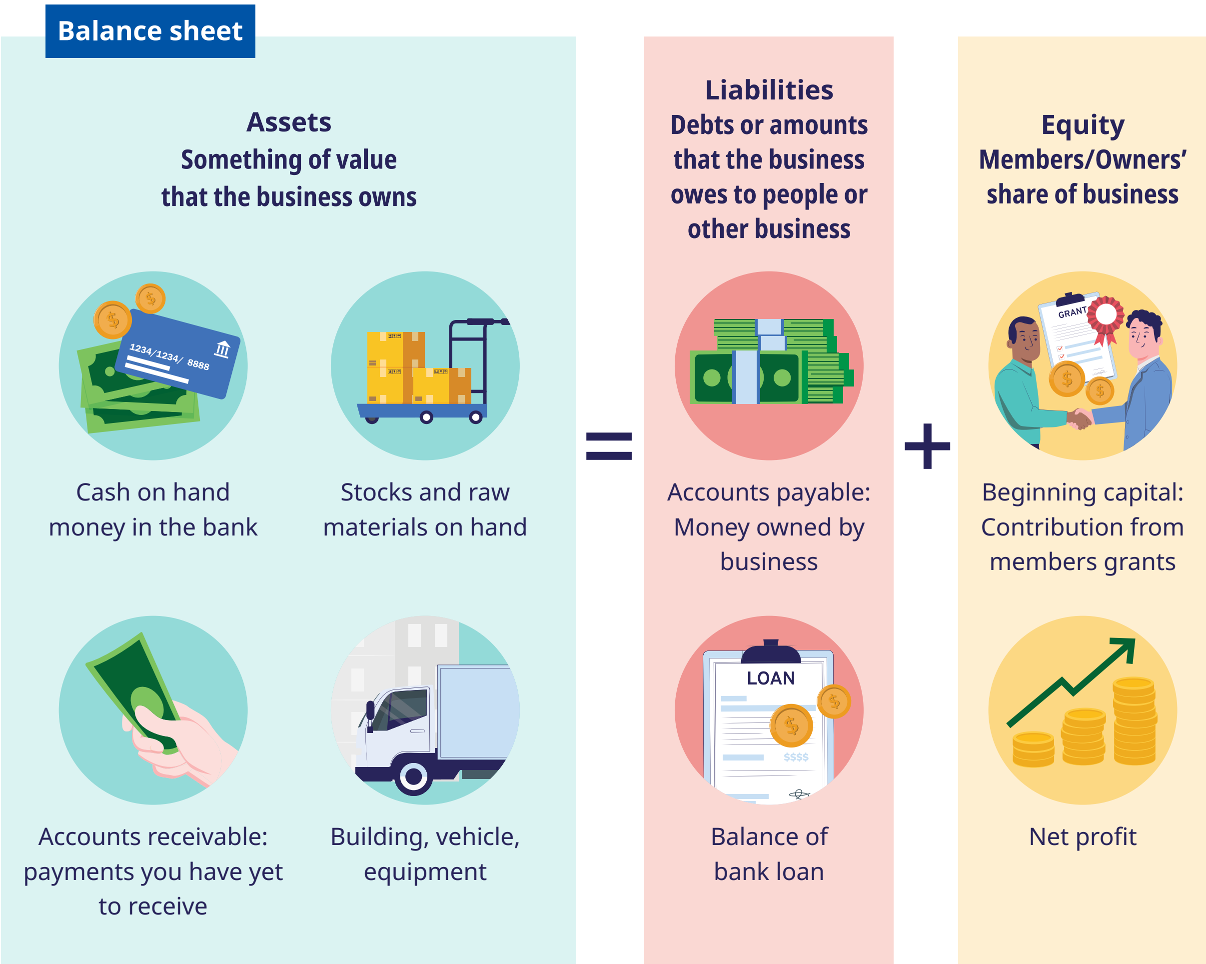
Cash flow projection period:

Particulars		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Beginning cash *Copy the ending cash of previous month*													
Cash In *List sources of cash*													
Total cash in *Add entries in Cash In*													
Cash out *List projected expenses (Refer to expenses in income statement)*	Start-up costs												
Total cash out *Add entries in cash out*													
Net cash flow *Cash in - cash out*													
Ending cash *Beginning cash + Net cash flow*													

Activity 7C: Balance sheet

30 minutes

While the income sheet shows what the cooperative is earning, the balance sheet shows the total worth of the cooperative. A balance sheet adds up everything the cooperative owns, subtracts everything the cooperative owes, and shows the difference as the net worth of the cooperative. The balance sheet reflects a business's financial position at a given period (e.g. end of the year).



Steps:

1. Read and study the example below (10 minutes)

Name of cooperative: **Balance Sheet as of 31, December**			
Assets List all the things that the business will own and corresponding value by *(date indicated above)*		**Liabilities + Members' equity** **Liabilities** List all the estimated debts and value by *(date indicated above)*	
Cash on hand	23,000	Accounts payable	0
Fixed asset	1,000	Loans	0
Payment for goods or services sold or delivered that coop has yet to collect	4,500	Patronage refund payable (for this activity, assume that patronage refund will start next year)	0
		Total liabilities Add all entries	**0**
		Members' equity How much capital will the business have by (*date indicated above?*)	
		Beginning capital *Contribution from members, grants, etc. – refer to Cash Flow*	6,000
		Net surplus *Refer to income statement*	22,500
		Ending capital *Add all entries under owner's equity*	**28,500**
Total assets *Add all entries under assets*	**28,500**	**Total liabilities + Members' equity** *Figures should be the same.*	**28,500**

2. Prepare the balance sheet for your own cooperative. You can use a calculator to complete this step. (20 minutes)

Name of cooperative: **Balance Sheet as of ________________ (indicate date)**			
Assets List all the things that the business will own and corresponding value by *(date indicated above)*		**Liabilities + Members' equity**	
		Liabilities List all the estimated debts and value by *(date indicated above)*	
Cash on hand		Expenses incurred by coop that have not yet been paid	
Fixed asset		Loans	
Payment for goods or services sold or delivered that coop has yet to collect			
		Total liabilities Add all entries	
		Members' equity How much capital will the business have by (*date indicated above?*)	
		Beginning capital *Contribution from members, grants, etc. – Refer to cash flow*	
		Net surplus *Refer to income statement*	
		Ending capital *Add all entries under owner's equity*	
Total assets *Add all entries under Assets*		**Total liabilities + Members' equity** *Figures should be the same.*	

Session 8: Executive summary

Session overview

5 minutes

This is a summary of each section of the business plan. As indicated in Session 1, this is the first section of the business plan, but you can only complete this after all the sections have been completed. It should provide a short, concise and optimistic overview of the cooperative business that captures the readers' attention and gives them an interest in learning more about it.

Activity 8A: Writing the executive summary

20 minutes

The easiest way to write the executive summary is to review the business plan and make one or two sentences to summarize each section.

Steps:

1. Read and study the example on the next page (10 minutes)

Example: Bright Start childcare cooperative

<table>
<tr><th>Name of cooperative</th><th>Location</th></tr>
<tr><td>Bright Start childcare cooperative</td><td>The cooperative is located in (name of the region) which is home to many young families in need of affordable childcare services,</td></tr>
<tr><th colspan="2">Members</th></tr>
<tr><td colspan="2">So far 10 domestic workers with childcare needs are interested in joining the cooperative as Members. They will pay annual fees and as well as the monthly tuition for services provided. It is expected that the Membership base will grow each year.</td></tr>
<tr><th colspan="2">Service(s) provided</th></tr>
<tr><td colspan="2"></td></tr>
</table>

Service capacity
Customers
Human resources/management
The Board of Directors will oversee the operations of the care center. We will hire a Manager to manage and supervise the daily operations as well as full time childcare staff and a part time administrative assistant and cleaner.
Financial projection
The start up costs will be covered by Member fees and various donations and grants. After that the business is expected to bring in xxx profit each month which will be re-invested back into the business.

2. Prepare the executive sheet for your own cooperative (10 minutes)

Name of cooperative	Location
Members	
Service(s) provided	
Service capacity	

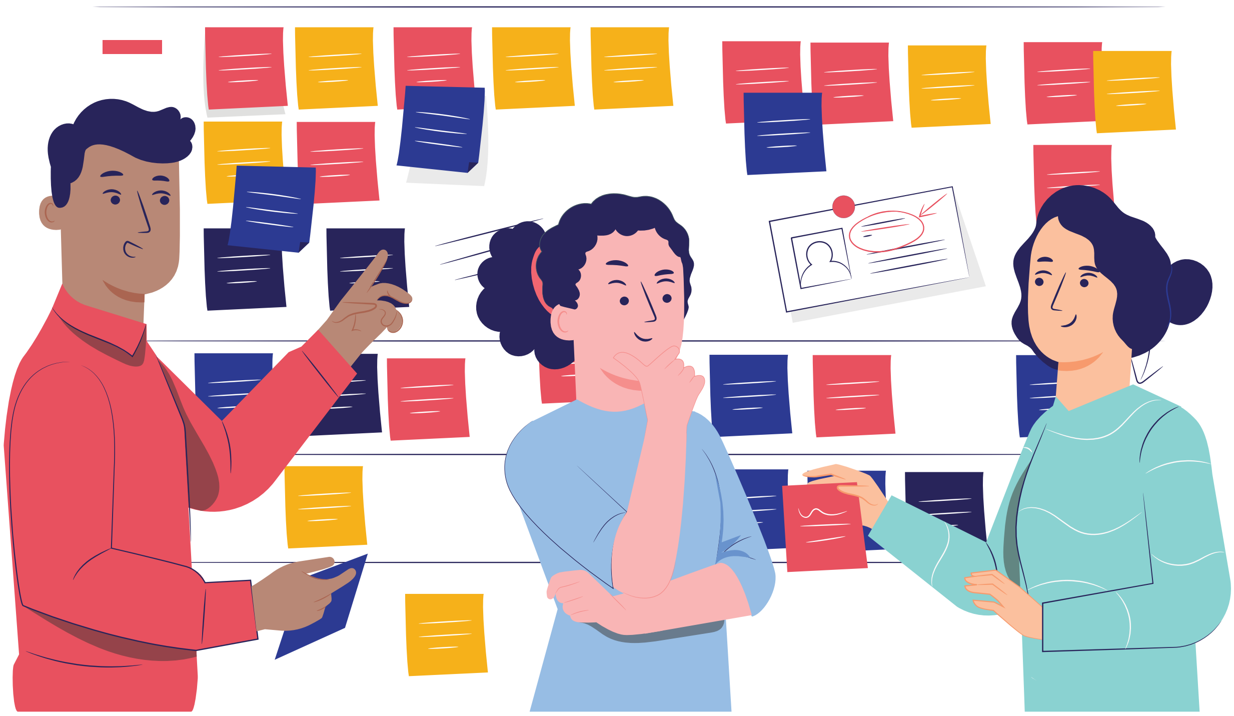
Customers

Human resources/management

Financial projection

Congratulations!

You have now prepared a business plan. Learn how to set up your organization in Start.COOP MODULE 4



▸ Module 4

Organizational set-up

Start.CareCoop Modules

Module 1	Identifying core members & the business idea
Module 2	Researching the feasibility of the idea
Module 3	Preparing the business plan
Module 4	Organizational set-up

Message to the group

As you have already seen in the previous Modules, a cooperative is owned, controlled, and used by its members, who have the responsibility to support the cooperative by being active members. In return, the cooperative must strive to serve the needs of its members and customers at all times in order to remain viable. Throughout the seven Sessions of Module 4, you will learn about how your cooperative that proves care or support services should be structured and governed to effectively implement the business plan. You will further define the organizational chart that you have made in the management plan section of your business plan. You will draft the rules and regulations needed to ensure good management of the affairs of the cooperative and its members.

Session 1 provides you with an overview of the basic structure of a cooperative. Sessions 2, 3 and 4 provide further details on the roles and responsibilities of the main bodies and staff identified in Session 1, including the members and the General Assembly, the Board of Directors and the Manager. In Session 5 you will learn about the contents of the articles of incorporation. This document will be needed to register your company as a legal entity. Session 7 stresses on the importance of the bylaws and guides you in the process of drafting your cooperative bylaws. Section 8 shows you how to establish an action plan to launch the cooperative. The elements of the action plan include the preparatory work needed, the dates and the responsible members to undertake the preparatory work. At the end of this Module, it is expected that you will have identified the needs in terms of human resources and the organizational structure of your cooperative.

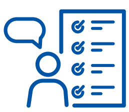
Follow the signs

The instructions in the training guide are easy to follow and the suggested timeframe for each step is provided. Look out for these signs:

This sign indicates the suggested time for the activity

This sign indicates background information to be read to the group

This sign indicates group discussion



This sign indicates that the activity is beginning and that step-by-step instructions need to be read out loud to the group and followed sequentially

This sign indicates a good practice for identifying and meeting the needs of both women and men.

Getting started

Before you begin the training, follow the simple steps below to get organized:

- Organize into small groups of 5-7. The organizers will guide you in how best to do this.
- Identify one group member to volunteer to start the training as “Group Reader”. The role of the “Group Reader” is to read the information and activity instructions out loud to the group. Any group member with basic literacy can be the “Group Reader” and you should aim to share this role among group members throughout the training.

All group members are responsible for monitoring time, but one group member should be nominated for each session to remind the group when the suggested time for an activity/ step has been reached. You do not strictly need to follow the suggested timing, but you will need to manage your time for the total training. If one activity lasts longer than the suggested timing, try to save time in other activities to keep the balance.

All group members will receive this training guide. Individual as well as group work can be completed in this guide.

Learning process

Think.CareCoop is a one-day training that consists of 7 sessions (see breakdown below). The estimated total training time is about 6 hours.

Session	Expected time duration
Session 1: Basic structure of a cooperative	20 minutes
Session 2: Members and general assembly	50 minutes
Session 3: Board of directors	75 minutes
Session 4: The manager	25 minutes
Session 5: Articles of incorporation	30 minutes
Session 6: Bylaws of the cooperative	100 minutes
Session 7: Action planning	35 minutes

Session 1: Basic structure of a cooperative

Session overview

5 minutes

This is a summary of each section of the business plan. As indicated in Session 1, this is the first section of the business plan, but you can only complete this after all the sections have been completed. It should provide a short, concise and optimistic overview of the cooperative business that captures the readers' attention and gives them an interest in learning more about it.

Activity 1A: Core bodies in a cooperative

15 minutes

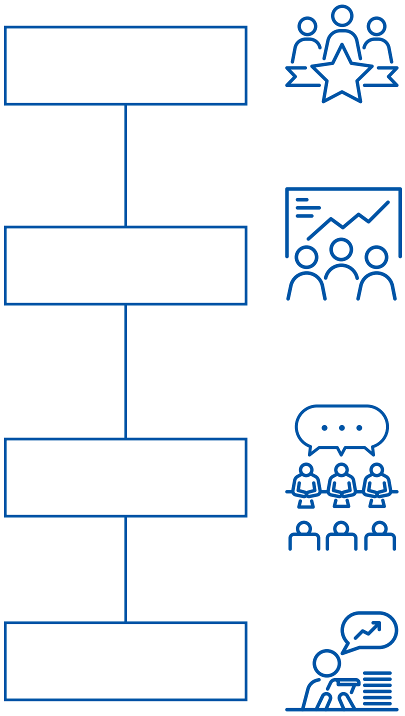
The core bodies of a cooperative are the General Assembly, the Board of Directors, the Manager and the workers. As owners of the business, the members are the decision makers. Decisions are made primarily through the General Assembly. Members control their cooperative through a Board of Directors that they elect from among themselves. The Board of Directors makes the policies subject to approval of the members through the General Assembly. The Board of Directors hires a Manager to supervise the daily operations of the cooperative. Successful operation of a cooperative is based on the active cooperation of the members with the Board of Directors, manager, and workers.

All members of the cooperative, regardless of their gender, should actively participate in the General Assembly. Similarly, all eligible individuals should be given equal consideration on their skills and qualifications when electing the members of the Board of Directors and when hiring the manager and other workers of the cooperative.

Basic organizational chart of a cooperative

In this activity, fill in the boxes in the organizational chart with the name of the correct body. You will also label pictures by reading the description for hints. This is a group activity.

Core bodies of a cooperative: **General assembly, board of directors, manager, and workers**



Owner of the cooperative

- Support the cooperative through patronage and capital investment.
- The highest body of the cooperative and the final authority in the management and administration of the affairs of the cooperative.

Elected from and by the members

- Make the operating policies of the cooperative
- Recruit and hire the manager
- Oversee budgeting and financial processes
- Direct the cooperative towards the overall objectives

Hired by the Board of Directors

- Responsible for daily operations of the cooperative
- Hires and supervises employees

Hired by the Manager

- Do the production and marketing of product or services of the coop

To help the Board of Directors and the officers in managing the cooperative, it is important to form various committees to handle the various affairs of the organization such as elections, audit, credit and collection, membership, finance, and education and training. Each committee will have a board member assigned to them as a liaison.

All eligible members should be able to take part in the cooperative committees, regardless of their gender.

Session 2: Members and general assembly

Session overview

5 minutes

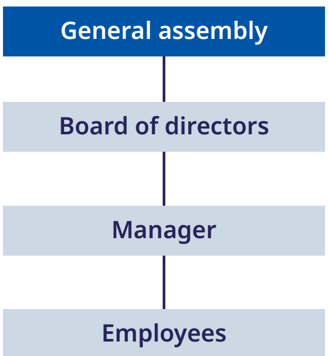
As you have learned in Session 1, the General Assembly is the highest decision-making body in the cooperative that has the final authority on the management of the affairs of the cooperative. The General Assembly is composed of members in good standing. To be in good standing, the member must comply with the duties and responsibilities as written in the bylaws of the cooperative. In this session, you will draft the rights and duties of members. The outputs will later form part of the rules of the cooperative or the bylaws.

Activity 2A: Rights of members

15 minutes

Rights are acquired on admission to membership without discrimination. Rights of members refer to fundamental rules of what is allowed or an entitlement to members based on the bylaws of the cooperative. The rights are defined by members themselves and are also based on existing cooperative or SSE legislation in the country. In this activity, you will look into the basic rights of members so as to get some ideas on what you should include in your bylaws.

Basic organizational chart of a cooperative



As a group, let's perform each of the steps as they are read.

Steps:

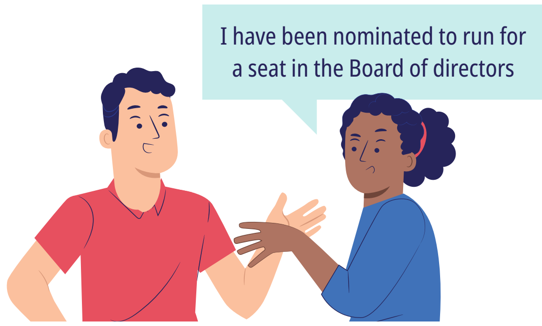
1. Using the list below, identify the basic rights illustrated in the pictures. (15 minutes)

Some of the rights of members
(1) Right to propose matters for discussions/participate in meetings
(2) Right to be informed/access to information on affairs of cooperative
(3) Right to vote
(4) Right to voluntarily withdraw from the cooperative
(5) Right to be elected to serve on the Board of Directors
(6) Right to make use of facilities and services of the cooperative
(7) Right to amend bylaws
(8) Right to receive a patronage refund

Picture 1

Answer:

Picture 2



Answer:

Picture 3

Answer:

Picture 4

Answer:

Picture 5

Answer:

Picture 6

Answer:

Picture 7

Answer:

Picture 8

Answer:

Answers located in Annex

2. Write down other rights of members that you would want to be considered when you prepare the bylaws of your cooperative. (10 minutes)

Activity 2B: Duties of members

20 minutes

Along with the rights, members also have duties and responsibilities. These duties and responsibilities are also outlined in the bylaws of the cooperative. In this activity, you will identify the main duties of members. This is a group activity.

As is the case of rights, all members, regardless of their gender, have duties to comply with in the cooperative. Nevertheless, there may be particular cases where workers with family responsibilities can't comply with certain duties. For example, they may not be able to attend cooperative activities during the evening, as hey may have to take care of their children during these hours. In these cases, the cooperative may want to accommodate hours of activities so that workers with family responsibilities could participate and comply with their duties as cooperative members.

As a group, let's perform each of the steps as they are read.

Steps:

1. Using the list below, identify the duty being described in each picture. (10 minutes)

Some of the duties of members
(1) Patronize the services or products of the cooperative
(2) Pay agreed share of capital and other dues
(3) Attend required coop training
(4) Participate in evaluating and selecting members of the Board of Directors/Exercise the right to vote
(5) Comply with service requirements and agreements (both quantity and quality)

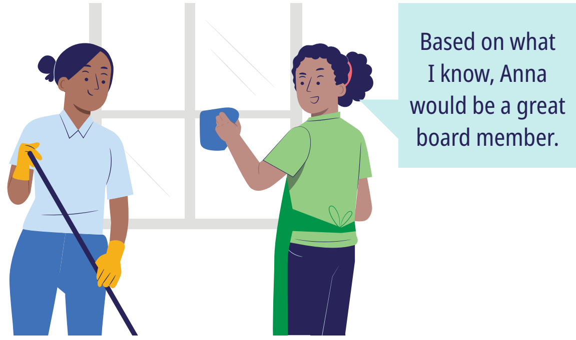
Picture 1

Answer:

Picture 2

Answer:

Picture 3



Answer:

Picture 4

Answer:

Picture 5

Answer:

Answers located in Annex.

2. What other duties do you believe should be included in the bylaws of the cooperative? Discuss with your group. (10 minutes)

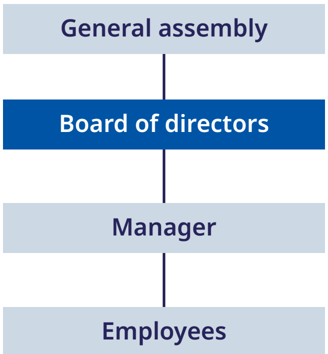
Session 3: Board of directors

Session overview

5 minutes

The Board of Directors governs the operations of the cooperative on behalf of its members. They are the leaders of the cooperative. Members place their trust, their needs, and authority in a Board of Directors of their own choice. The members of the Board of Directors are elected from and by the members.

Basic organizational chart of a cooperative



In this session, you will draft the duties and responsibilities of the Board of Directors and how they should be chosen and elected. The outputs of this session will also form the basis for the drafting of the bylaws or the internal rules of the cooperative.

Activity 3A: Responsibilities of the board of directors

25 minutes

Responsibilities are the specific tasks or duties that the Board of Directors is expected to do as a function of their role. The power to act on behalf of the cooperative is given to the Board of Directors as a body, not to individual directors. They are required to act in the best interest of the members. Clear definition of responsibilities is essential to the successful performance of the Board of Directors.

Let's work together to define the duties and responsibilities of the Board of Directors.

Steps:

1. Using the list below, identify which responsibility aligns with each picture. (15 minutes)

Core responsibilities of the board of directors
(1) Oversee preservation and management of cooperative assets
(2) Inform members
(3) Preserve the cooperative character of the organization
(4) Establish cooperative policies
(5) Hire and supervise manager/management team
(6) Represent members
(7) Assess the cooperative's performance

Picture 1

Answer:

Picture 2

Answer:

Picture 3

Answer:

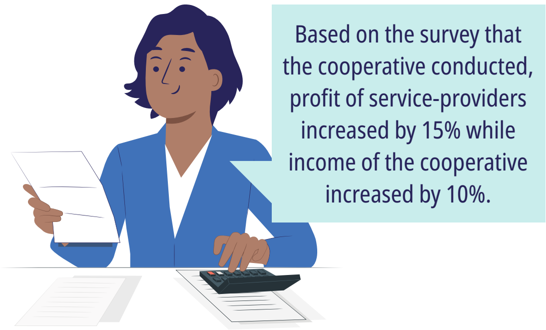
Picture 4

Answer:

Picture 5

Answer:

Picture 6



Answer:

Picture 7

Answer:

Answers located in Annex.

The board of directors determines cooperative policy. As such, each and every member should ensure that the cooperative is controlled in a democratic fashion and that all elections are public, fair, and open to the participation of both women and men members.

2. What other duties do you believe should be included in the bylaws of the cooperative? Discuss with your group. (10 minutes)

Activity 3B: Officers of the board of directors

30 minutes

Depending on the cooperative laws of the country and the cooperative's bylaws, officers of the Board may include a chairperson, vice chairperson, secretary, and treasurer. The chairperson and vice chairperson are usually elected from and by the members of the Board. The secretary, treasurer, and other positions that may be needed by the cooperative may be appointed or elected by the Board. Each officer has specific duties as detailed in the cooperative's bylaws.

To develop a clear understanding of the duties of each of the core officers of the cooperative, answer the questions below. As each question is read, mark your answer individually and then share with the group. The group should come to a consensus on the answer before moving to the next question.

1. Who performs the duties of the chairperson if the chairperson is absent or unable to perform his/her duties?

   ☐ Manager ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

---

2. Who keeps the complete list of members and the records of all meetings of the Board of Directors and the General Assembly?

   ☐ Chairperson ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

---

3. Who pays all money transactions based on the recommendation of the manager or the Board of Directors, and certifies the correctness of the cash position of the cooperative in all financial statements and reports submitted to the Board of Directors?

   ☐ Chairperson ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

---

4. Who prepares the notice and minutes of the meetings?

   ☐ Chairperson ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

---

5. Who presides at meetings and makes sure that all the rules, policies and procedures are followed?

   ☐ Chairperson ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

---

6. Who has the custody of all the money and other financial documents of the cooperative?

   ☐ Chairperson ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

---

7. Who is the official custodian of the cooperative's bylaws, membership records, and other official documents?

   ☐ Chairperson ☐ Vice Chairperson ☐ Secretary ☐ Treasurer

Answers located in Annex.

Activity 3C: Qualifications of the board of directors

30 minutes

The number of directors depends on the cooperative and incorporation laws of the country as well as the nature and scope of the operations. As a general rule, an effective Board needs a minimum of five directors. It is advisable to have an odd number (such as 5, 7, 11, 13, 15) to avoid tie votes. The Board should encourage gender-parity. Election of directors usually involves the following process:

a) Another member must nominate the person for the position.
b) The person nominated must say he/she is willing to vie for the position.
c) The General Assembly must elect the person to the position.

The success of a cooperative depends, to a significant extent, on the quality of its leaders. Therefore, it is, very important that they are chosen carefully.

Steps:

1. Individually, review the qualifications below. Place a checkmark on the top 5 you believe members should possess to be eligible for election. (10 minutes)

Qualifications	✓
Honest and fair	
Accepted by the members for having good judgment and business sense (able to make sound judgments regarding business operations).	
Loyal to the cooperative	
Community leader, capable of working with people	
Successful in their own business operation	
No conflict of interest	
Knowledgeable of cooperatives and the role of a director, including listening to members	
Willingness to attend regular and special meetings of the board of directors, as well as any director training seminars	
Experience in the business of the cooperative	
Active participation in cooperative affairs as a member	
Experience on other boards, working with community-based organizations	
Knowledge and understanding of finance, ability to read financial statements	
Sensitive to gender equality, including the needs of workers with family responsibilities, and inclusion	

2. List other qualifications not on the list above that you think are very important qualifications of board candidates. (10 minutes)
3. Share and discuss your answers with the group. Come to a consensus on the qualifications that a prospective board member should meet. (10 minutes)

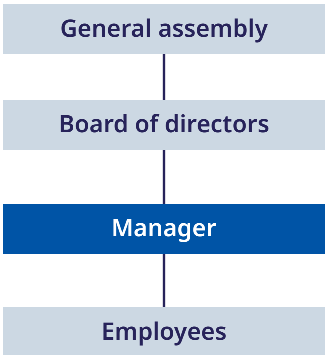
Session 4: The manager

Session overview

5 minutes

The manager of the cooperative is selected by and accountable to the Board of Directors. The manager implements the policy set by the Board of Directors and is in-charge of the overall operation of the cooperative as delegated by the Board. In many cases, the manager also participates in board meetings as an active, non-voting participant. The manager is hired to operate the business and ensure that members and customers are well-served. Often the manager is a non-member with sufficient qualifications.

Basic organizational chart of a cooperative



Activity 4A: Preparing a job description

20 minutes

When the cooperative decides to hire a manager, the Board of Directors must prepare a job description. This is a document that describes the general tasks and responsibilities of a position including the qualifications or skills needed by the person to be able to perform the job.

Sometimes assumptions are made about the abilities of women when it comes to performing certain type of jobs that require leadership skills, for instance, managerial positions. For this reason, it is important that when you draft any job description you consider the qualifications and skills needed to fulfil the position instead of the gender of the person who could do it. Women as managers and leaders of cooperatives are performing their responsibilities effectively across sectors around the world.

As a group, prepare an outline of the job description of the manager of your cooperative. Do the steps as they are read.

Steps:

1. Based on your proposed business, identify the tasks of the manager. Examples of tasks are listed in column 1. (10 minutes)

Column 1	Column 2
Examples of tasks of manager	**Your answer**
Staff Recruitment and Training	
Client Assessment and Care Planning	
Scheduling and Shift Management	
Supervision and Performance Management	
Budget and Resource Management	
Compliance and Regulatory Requirements	
Client and Family Communication	
Quality Assurance and Improvement	
Emergency Response and Safety	
Community Outreach and Marketing	

2. Based on the tasks you have identified, identify the key skills or qualifications needed for a Manager. (10 minutes)

Session 5: Articles of incorporation

Session overview

5 minutes

Most countries require cooperatives to have/prepare legal documents before they can formally operate. In some countries, this legal document is called the Articles of Incorporation. The document has to be notarized before it can be submitted to the agency in charge of registration of cooperatives.

Registration is part of the process of formalizing your cooperative. Formalizing your cooperative means:

- Registration and licensing with the appropriate authorities in your country
- Access to social security for cooperative members and employees
- Compliance with the legal framework, including tax, social security, and labour laws.

Formalizing your cooperative will facilitate access to finance, business development services, and technologies from government, financial institutions, and development organizations. It will reduce your exposure to government fines and reputational risks. Registered cooperatives have also better access to markets as they have the legal personality to enter into contracts. Most institutional buyers conduct business only with registered enterprises. Registration legally safeguards members' investment and allows for formal workers.

Activity 5A: Contents of the articles of incorporation

20 minutes

Most countries have their own prescribed template for the Articles of Incorporation. It is important to seek the assistance of the agency in charge of cooperative development and/or a lawyer when preparing the Articles of Incorporation. In this activity, you will learn the basic information that you need to provide to facilitate the preparation of the Articles of Incorporation.

Do the activity together and help each other in providing the information needed. An example is provided to guide you. If you do not yet have the information, just write "to be defined" and include in your Action Plan (Session 7).

Information commonly needed for incorporation	Example	Your answer
Legal name of cooperative	Bright Start Care Cooperative	
Purpose and scope of operations	To provide early childhood care and education services to its members' children, offering a safe, nurturing, and educational environment for their development and growth.	
Terms of existence *Number of years that the cooperative will exist. Check with the agency in charge of cooperatives if there is a law in regard to this.*	20 years	
Location	(Name of region/zone)	
Incorporators (name, age, and address) *The incorporators include the members of the core group and Board of* *Directors. Check with cooperative law in your country for minimum and maximum number of incorporators.*	To be defined	
Common bond of membership *The thing that the members share in common - for example, all members are domestic workers, members live in same village, etc.*	The members are all domestic workers in (location)	
List of names of board of directors	To be defined	
Amount of share capital and names and addresses of its contributors *List contribution of members*	To be defined	

Session 6: Bylaws of the cooperative

Session overview

5 minutes

The bylaws of the cooperative are rules that govern day-to-day procedures. These rules help the group avoid internal conflicts and make the responsibilities of each of the bodies clear. The bylaws should reflect the nature of the activities of the cooperative and should conform to the cooperative laws of your country. At some points in the preparation of the bylaws, it will be good to seek the assistance of the agency in charge of cooperatives in your area. This session aims to provide you with a general understanding of the contents of the bylaws so as to be able to make informed decisions on its contents.

Activity 6A: The importance of bylaws

45 minutes

The values, principles and bylaws should be understood, accepted, and followed by all members of the cooperative. Even if you are the owners of the business, you need rules and regulations to guide you on the way you conduct business. To gain a better understanding of the importance of bylaws, perform the steps as they are read.

Steps:

1. Describe what you see in the picture. After writing your answer, share your answer with the group. (10 minutes)

Why do you think everybody on the bus wants to follow their own directions and personal agenda? Write your answer and share with the group. (10 minutes)

2. If such a situation happened in a cooperative, how would it affect the business? Write your answer and share with the group. (10 minutes)

Activity 6B: Preparing the outline of your bylaws

60 minutes

The bylaws are designed to establish the rights and duties of members and, at the same time, define the responsibilities of each of the core bodies in the cooperative. It also defines the procedures that must be followed to ensure a transparent and democratic management of the group’s business. It is, therefore, critical that members are involved in the development of the bylaws to ensure that the rules are understood and accepted by the members. It is also important that your rules and regulations support the achievement of your objectives. The bylaws should be officially approved by the General Assembly. Depending on the cooperative laws in your country, a copy of the approved bylaws may be needed to register the cooperative.

You may want to consider including a gender equality clause in your bylaws to state equal treatment of women and men, including equal representation on board of directors’ and committee’s positions within the cooperative. This clause is a critical element in ensuring gender equality in your cooperative.

In this activity, you will look at the basic questions that should be answered in the bylaws. Try to answer to the extent that you can. If you do not know the answer at the moment, write "to be defined" in the answer column. An example of a cooperative bylaws can be found in Annex A to further guide you

Question	Your answer
What are objectives of the cooperative? *Refer to your business plan*	
Who can become members of the cooperative? *List qualifications (e.G., Registered nurses in phnom penh)*	
How many people can become members of the cooperative? *Some cooperatives may want to limit to a specific number of people.*	
How can an interested individual apply for membership? *Example: Procedures for application* ▶ *Fill in membership form* ▶ *Interview with Board of Directors* ▶ *Membership committee evaluates application* ▶ *If approved, attend coop orientation* ▶ *Pay membership fee*	
Can non-members use the services of the cooperative? If yes, under what conditions? *Example: Will non-members be accepted as suppliers?*	
What are the rights of members? *Refer to Activity 2A*	
What are the duties of members? *Refer to Activity 2B*	
How much is the share capital, in what form can it be paid, and what is the schedule of payment? *It may be possible that a coop will accept in kind (e.g. care service provision) contributions instead of cash as the share capital of members.*	
Under what conditions can a member be removed or terminated from the cooperative? *Example: Member does not attend meetings.*	

Question	Your answer
What is the procedure for termination? *Example: Member will be given a warning. If member receives three warnings, they will be automatically terminated. Terminated members can withdraw their share capital minus whatever they owe to the coop.*	
How often will the General Assembly meet? *The GA should meet at least once a year.*	
How will members be informed about the meeting? *Example: Letters will be sent to members; the meeting is also advertised in a local newspaper*	
What is the number and percentage of membership which constitutes a quorum? *This is important --- quorum is needed for a policy or resolution to be considered approved by the GA.*	
What are the qualifications to be eligible to be elected to the Board of Directors? *See Activity 3C*	
How many members should the Board of Directors have? *Ideal number should be between 5 and 15 and should be an odd number.*	
What is the process of selecting and electing members of the Board of Directors? *Example: Nominations should be made during the GA. Voting will be done after the list of nominated candidates is published, Voting will be done through secret ballots*	
What are the positions in the Board of Directors and their duties? *Refer to Activity 3B*	
How will the officers of the Board of Directors be selected? *Example: Members of the Board elect the officers themselves or the GA can elect the Chairman from the members of the Board of Directors.*	
What is the term of office of the Board of Directors? *Term of office refers to number of years that they serve as members of the Board. Ideal is two to three years.*	

Question	Your answer
How many consecutive terms can a director serve? *Example: can a current director be elected again in the next election?*	
What are the causes for removal or suspension of the members of the Board of Directors? *Example: corrupt treasurer, conflict of interest, unethical conduct while providing care services, violence or harassment towards other members*	
What is the procedure for removal or suspension of the members of the Board of Directors? *Example: The GA schedules a special/extraordinary meeting to vote on the removal of a member of the Board of Directors based on verified facts of the case. A board member can be removed by a two-thirds vote of the GA.*	
Will the members of the Board of Directors receive an honorarium? If yes, how much? *Example: Board members will receive an honorarium of US$ 100 at the end of the year provided that cooperative is in good financial standing.*	
How will profit of the cooperative be used and distributed? *Example: 30% of the cooperative's profit will be used for training of members; 40% for reserves/savings and capital expenditures; 30% for distribution to members as patronage refund.*	
Who decides what portion or percentage of the net surplus will be distributed back to members as patronage refund? *A patronage refund is the amount returned to individual members who patronize the goods and services of the cooperative in proportion to their individual patronage.* *In some cooperatives, the ratio is determined by the Board, based on their financial analysis of the cooperative. Others have pre-defined the ratio of distribution in their by-laws. Some decide the ratio each year at their annual meeting based on financial reports.*	

Question	Your answer
What is the policy of the cooperative with regards to the distribution of the patronage refund? *Patronage refunds may be cash or non-cash. Cash patronage refunds are those returned to members after each year's operations end, while non-cash refunds are those that members invest in the cooperative.* *Ex. The amount allocated for patronage refund shall not be less than thirty percent (30%) of the net surplus after deducting the statutory reserves based on the principle of equity. In no case shall the rate of patronage refund be more than twice the rate of interest on share capital. The sum allocated for patronage refund shall be made available at the same rate to all members of the cooperative in proportion to their individual patronage, provided that:* ▶ *In the case of a member with paid-up share capital contribution, their proportionate amount of patronage refund shall be paid to them unless they agree to credit the amount to their account as additional share capital contribution.* ▶ *In the case of member with unpaid share capital contribution, their proportionate amount of patronage refund shall be credited to their account until the share capital has been fully paid.*	
Other matters relating to the core activities of the cooperative *Example: Set up of committees – education and training committee, election committee, audit committee, etc.*	

Inquire with the nearest agency in charge of cooperative development in your area about the requirements to register your cooperative!

Session 7: Action planning

Session overview

5 minutes

Congratulations! You have completed the whole set of Start.CareCoop modules. The remaining things to do are to complete all the preparatory work and launch your care service business. As a culminating activity, you will prepare your action plan.

Activity 7A: Writing your action plan

30 minutes

Complete the action plan as a group. Key tasks have been listed in Column 1. If you have already completed the task, move on to the next row. In column 2, indicate when you will work on this task. In column 3, write the person assigned to take the lead in completing the task. Finally, in column 4, indicate the external assistance you may need.

Tasks to complete	When?	Who?	External assistance?
Identify core group members			
Finalize business idea			
Complete feasibility study			
Complete business plan			
Prepare bylaws			
Open membership application			
Conduct 1st General Assembly and election of Board of Directors ▶ Agenda ▶ Adopt the by-laws ▶ Adopt the business plan ▶ Appoint an external auditor ▶ Elect the board of directors			
Prepare articles of incorporation			

Tasks to complete	When?	Who?	External assistance?
Prepare job description(s)			
Register the cooperative			
Start collection of contributions from members (share capital)			
Start sourcing of additional funds			
Start negotiations with buyers			
Start negotiation with suppliers			
Procurement of facilities and equipment/Set-up of facilities			
Hiring of manager			
Hiring of workers			
Training/certifying workers			
Launching of business			

Congratulations!

You have completed Start.CareCoop!

See the Annex for exercise answers and to review sample bylaws.

Annex 1. Answers

Module 2, Activity 6A	
Identify common problem or need:	2
Identify potential owner-members:	1
Find out if there is a market for the service:	5
Assess support and commitment of members on proposed business idea:	4
Assess financial viability and start-up costs:	9
Define business solutions:	3
Assess your competitors:	6
Assess prices:	7
Assess technical viability:	8

Module 3, Activity 1A	
Picture 1:	Business profile
Picture 2:	Financial plan
Picture 3:	Marketing plan
Picture 4:	Operations plan
Picture 5:	Management plan
Picture 6:	Risk management

Module 4, Activity 2A	
Picture 1:	1
Picture 2:	5
Picture 3:	6
Picture 4:	2
Picture 5:	3
Picture 6:	4
Picture 7:	8
Picture 8:	7

Module 4, Activity 3A	
Picture 1:	6
Picture 2:	4
Picture 3:	5
Picture 4:	1
Picture 5:	3
Picture 6:	7
Picture 7:	2

Module 4, Activity 3B
1. Vice Chairperson
2. Secretary
3. Treasurer
4. Secretary
5. Chairperson
6. Treasurer
7. Secretary

Annex 2. Sample bylaws

The Bylaws are provided for guidance only. Make sure that any Bylaws you adopt are tailored to the specific needs of your cooperative and to the laws in your country. As soon as you complete the draft, it is recommended to ask a lawyer or the cooperative development authority in your country to review it.

Article 1: The organization and purpose

1.1 **Name.** The name of the organization shall be (*name of cooperative)* (hereinafter, the "Cooperative"). The Cooperative is organized under the laws of *(country).*

1.2 **Purpose.** The Cooperative aims to improve economic condition of its members and the *(name of sector – e.g., childcare)* community in general. The mission of the Cooperative is to serve *(target groups - e.g. childcare workers)* in *(geographic area)* by operating a socially responsible and financially sound business that provides services that will promote *(objectives of cooperative --- e.g., enhanced care provision, safe working conditions, value addition, and improved access to markets).*

Article 2: Membership

2.1 **Eligibility.** Ownership in the cooperative is open to *(target groups – e.g., care workers*) in *(area – if location based)* who support the purpose of the cooperative and willing to accept the responsibilities of membership.

2.2 **Non-discrimination.** Membership is open without regard to any characteristic that does not directly pertain to a person's eligibility.

2.3 **Requirements for membership**. A member must have complied with the following:

a) Submitted duly accomplished application form.
b) Interviewed and recommended by Membership Committee and approved by the Board of Directors.
c) Subscribed to the minimum number of shares.
d) Committed to contribute regularly towards capital build-up and other mandatory dues prescribed and approved by the annual General Assembly.
e) Signed a marketing agreement with the Cooperative.

Article 3: Membership rights and responsibilities

3.1 **Membership rights.** Members shall be entitled to:

a) Avail of services from the Cooperative on terms available to all owners.
b) Vote in elections of the Board of Directors and on all issues to be decided by the Cooperative's owners. Each owner shall have one vote.
c) Receive notice of and attend owner meetings.
d) Approve amendments to these bylaws
e) Receive reasonably adequate and timely information about the Cooperative's operations and finances.
f) Receive patronage refunds
g) Serve on the Board of Directors or on committees

3.2 Membership responsibilities. Members should fulfil the following responsibilities to remain in good standing:

a) Remain current in equity investments due to the Cooperative
b) Abide by these bylaws and the policies of the Cooperative
c) Avail of the services of the Cooperative
d) Abide by commitments made in the marketing agreement
e) Participate in educational activities mandated by the Cooperative
f) Keep current on the activities and actions of the Cooperative, attend annual and special member meetings, vote in election, and respond to surveys.
g) Participate in committee work.
h) Share experience and provide member-to-member education as requested.
i) Assist in the product and market development.
j) Promote the cooperative and encourage others to become members.

3.3 Inactive Status. A member is of inactive status if:

a) Delinquent in meeting the share purchase requirement by *(number)* months
b) Did not patronize the Cooperative for a period of *(number)* months
c) Did not deliver the volume and quality of produce as agreed in the marketing agreement for *(number)* consecutive seasons.
d) Participation rights including the right to vote of inactive members shall be suspended. A member in inactive status may attain good standing upon rectifying cause of inactive status.

3.4 Liability of Membership. A member shall be liable for the debts of the Cooperative only to the extent of his/her subscribed share capital.

Article 4: Termination of membership

4.1 Termination of membership. Termination of membership may be automatic, voluntary or involuntary, which shall have the effect of extinguishing all rights of a member in the Cooperative, subject to refund of share capital contribution

a) Automatic termination. The death of a member shall be considered an automatic termination of his/her membership in the Cooperative.
b) Voluntary termination. A member may withdraw his/her membership from the Cooperative by giving a sixty (60) day notice to the Board of Directors.
c) Involuntary termination. A member may be terminated by a vote of the majority of all the members of the Board of Directors for any of the following causes:
   i. Has not patronized the services of the cooperative for more than *(number)* months
   ii. Has violated terms of cooperative policy and these bylaws.
   iii. Acted contrary to the best interests of the Cooperative.

4.2 Manner of involuntary termination. Involuntary termination of membership will follow the following procedures:

a) The board will send a certified letter stating the reason for the proposed termination and outline specific incidences of violation of policies or bylaws. The letter must be sent at least (number) days prior to the vote to terminate membership.
b) The member will be invited to the board meeting to be heard.
c) The decision of the board is appealable within *(number)* days from receipt thereof to the General Assembly whose decision is final.

4.3 Refund of share capital contribution. A member whose membership is terminated shall be entitled to a refund within *(number)* days of his/her share capital contribution and all other interests in the Cooperative, after offsetting against the share price any debts owed by the member to the Cooperative. However, such refund shall not be made if upon payment the value of the assets of the Cooperative would be less than the aggregate amount of its debts and liabilities exclusive of his/her share capital contribution. In which case, the member shall continue to be entitled to the interest of his/her share capital contributions, patronage refund and the use of the services of the Cooperative until such time that all his/her interests in the Cooperative shall have been duly paid.

Article 5: The General Assembly

5.1 The General assembly. The General Assembly is composed of all the members entitled to vote, duly assembled and constituting a quorum and is the highest policy-making body of the Cooperative.

5.2 Powers of the general assembly. Subject to the pertinent provisions of the Cooperative Code of *(country)* and the rules issued thereunder, the General Assembly shall have the following exclusive powers which cannot be delegated:

a) To determine and approve amendments to the cooperative Articles of Cooperation and Bylaws
b) To elect or appoint the members of the Board of Directors, and to remove them for cause.
c) To approve development plans of the Cooperative.

5.3 Regular general assembly meeting. The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative or at any place in *(city/town)* within ninety (90) days after the close of its fiscal year. The fiscal year of the Cooperative begins on *(month)* and ends on the last day of *(preceding month).*

5.4 Special general assembly meeting. The Board of Directors may, by a majority vote of all its members, call a special General Assembly meeting at any time to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a special General Assembly meeting within one (1) month from receipt of a written request from:

a) At least 10% percent of the total number of members entitled to vote
b) The Audit Committee
c) Federation or Union to which the Cooperative is a member
d) Cooperative Development Authority (government authority in-charge of cooperatives in the country)

5.5 Notice of meeting. All notices of meetings shall be in writing and shall include the date, time, place, and agenda. It shall be accompanied with meeting minutes of the last General Assembly Meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which may assist the members to actively participate in the proceedings and make informed decisions.

a) Written notice of every regular and special meeting of members shall be prepared and mailed to the last known post office address of each member at least *(number)* days before such meetings.
b) The meeting notice may also be delivered by electronic means.
c) For special meetings, no business shall be transacted at any special meeting other than that referred to in the notice.

5.6 Quorum. During regular or special General Assembly Meeting, at least *(number)* percent of the total number of members entitled to vote shall constitute a quorum.

5.7 Order of business. As far as possible, the order of business of a regular General Assembly meeting shall be:

a) Call to order
b) Declaration/Consideration of presence of quorum
c) Reading, consideration and approval of the minutes of the previous meeting
d) Presentation and approval of the reports of the Board of Directors, officers, and the Committees, including audited financial statements of the Cooperative
e) Unfinished business
f) New business
g) Election of Directors and Committee members
h) Approval of development and/or annual plan and budget
i) Hiring of external auditor
j) Other related business matters
k) Announcements
l) Adjournment

5.8 Voting system. Only members entitled to vote shall be qualified to participate and vote in any General Assembly meeting.

a) A member is entitled to one vote only regardless of the number of shares he/she owns.
b) Election or removal of Directors and Committee members shall be by secret ballot. Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership.
c) Proxy voting is allowed. Each proxy shall be in writing, and no member shall vote more than one proxy. Cumulative voting is not permitted. (Note: cooperative has to decide whether to allow proxy voting.)

Article 6: Board of directors

6.1 Number of directors. The Board of Directors shall be composed of at least (number – e.g., 5) Directors.

6.2 Functions and responsibilities. The Board of Directors shall have the following functions and responsibilities:

a) Provide general policy direction
b) Formulate the strategic development plan.
c) Determine and prescribe the organizational and operational structure.
d) Review the annual plan and budget and recommend for the approval of the General Assembly
e) Establish policies and procedures for the effective operation and ensure proper implementation of such.
f) Evaluate the capability and qualification, and recommend to the General Assembly the engagement of the services of the External Auditor.
g) Appoint the manager/management team.
h) Appoint members of the committees except supervisory, election, and audit committees.
i) Declare the members entitled to vote.
j) Perform such other functions as may be prescribed in the Bylaws or authorized by the General Assembly.

6.3 Eligibility. Any member who is entitled to vote and has the following qualifications can be elected as member of the Board of Directors:

a) Has paid the minimum share requirement

b) Has no delinquent account with the cooperative.
c) Has continuously patronized the cooperative services
d) A member in good standing for the last *(number)* years
e) Must not be engaged in a business similar to that of the Cooperative, in competition with the cooperative, or that can pose conflict of interest
f) Has completed or willingness to complete within the prescribed period the required cooperative education and training.

6.4 Nomination. Directors may be nominated by:

a) The existing Board
b) Nominating Committee
c) Petition signed by at least *(number)* members and submitted to the Cooperative at least *(number)* days before the date of the Annual General Assembly.

6.5 Election of directors. Directors will be elected at the Annual General Assembly.

a) The first election of the Board of Directors will be during the first Annual General Assembly. They will succeed the incorporating directors.
b) All directors shall be elected by secret ballot, and the nominee(s) receiving the greatest number of votes shall be elected.

6.6 Terms of office. Terms are staggered to preserve the continuity of governance.

a) In electing the first Board, two Directors shall be elected for a two year term and three directors for a three year term. *(assuming 5 directors)*
b) At each annual General Assembly thereafter, new directors shall be elected, for a term of three years each, to succeed those directors whose terms are expiring.
c) No director after having served for *(number)* consecutive full terms shall be eligible to succeed himself or herself, but after a lapse of *(number)* years shall again be eligible.

6.7 Regular board meetings. Regular meetings of the Board of Directors shall be held monthly.

6.8 Special board meetings. A special meeting of the Board of Directors shall be held whenever called by the president or by a majority of the Directors. Only the business specified in the written notice shall be transacted at a special meeting.

6.9 Notice of board meetings. Notice of regular or special meetings of the Board of Directors shall be served by the Secretary in writing or by any electronic means to each Director at least *(number)* days before such a meeting.

6.10 Quorum in board meeting. A majority of the Directors shall constitute a quorum. An act of the majority of the Directors present at a meeting at which a quorum is present shall be an act of the Board.

6.11 Vacancy in the board. Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled-up by a majority vote of the remaining Directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the General Assembly in a regular or special meeting called for the purpose. The elected Director shall serve only for the unexpired term of his/her predecessor in office.

6.12 Termination of term of office. A Director's term of office may be terminated prior to its natural expiration in any of the following ways:

a) Voluntarily when a Director gives notice of resignation to the Secretary
b) Automatically upon termination of the Director's ownership interest in the Cooperative

c) By decision of 2/3 of the other Directors for conduct contrary to the Cooperative's purpose or policies, provided that the Director is given fair notice of the reason for the proposed termination and an opportunity to respond in person or in writing.

d) A Director who is absent from *(number)* consecutive Board meetings, unless excused by the Board for good cause, shall be deemed to have resigned.

e) Members, through petition noting of the charges and signed by at least *(number) percent* of the membership may request the removal of any member of the Board. Such Director shall be notified in writing of the charges and given an opportunity to be heard at a General Assembly meeting (regular or special). Removal of a Director shall require a vote of at least *(number) percent* of members voting. Any vacancy resulting from such action shall be filled by nomination and vote of members at such meeting.

6.13 Compensation of the board. The Cooperative shall reimburse Directors for all reasonable expenses incurred in carrying out their duties and responsibilities. The compensation, if any, of the members of the Board of Directors shall be determined by the members of the Cooperative during the General Assembly. No member of the Board of Directors or member of the immediate family of any Board member shall occupy any position in the Cooperative on regular salary.

6.14 Liability of board of directors. A member of the Board of Directors shall not be liable to the Cooperative for monetary damages for conduct as a member of the Board, except for acts or omissions involving intentional misconduct or a knowing violation of the law by the individual.

Article 7: Officers of the board

7.1 Election of officers. The Board of Directors shall meet within *(numb*er) days after the first election and within *(number)* days after each annual election and shall elect by ballot a chairperson (president), vice chairperson (vice president), secretary, and treasurer, each of whom shall hold office for one year unless earlier removed by death, resignation, or for cause.

7.2 Duties of the chairperson. The chairperson shall:

a) Set the agenda for Board meetings in coordination with other members of the Board.

b) Preside over all meetings of the Board of Directors and of the General Assembly.

c) Sign contract, agreements, certificates, and other documents on behalf of the Cooperative as authorized by the Board of Directors or by the General Assembly.

d) Coordinate the activities of the Board

e) Maintain effective communication with the manager

f) Present a report of operations at the annual meeting of owners

g) Perform such other functions as may be authorized by the Board of Directors or by the General Assembly.

7.3 Duties of the vice chairperson. The vice chairperson shall:

a) Perform all the duties and responsibilities of the chairperson in the absence of the latter.

b) Perform such other duties as may be delegated by the Board of Directors.

7.4 Duties of the secretary. The secretary shall:

a) Keep an updated and complete registry of all members.

b) Prepare and maintain minutes of the meeting of the Board of Directors and the General Assembly

c) Ensure that instructions and decisions made by the Board of Directors are transmitted to the management for compliance and implementation.

d) Issue and certify who are in good standing and entitled to vote as determined by the Board of Directors.

e) Prepare and issue share certificates.
f) Serve notice of all meeting called and certify the presence of quorum of all meetings of the Board of Directors and General Assembly.
g) Keep copy of the Treasurer's report and other reports.
h) Serve as custodian of the Cooperative seal; countersign and affix the seal of the Cooperative to all papers and documents requiring such action
i) Prepare reports as required by law.
j) Perform such other functions as may be authorized by the General Assembly.

7.5 Duties of the treasurer. The Treasurer shall:

a) Ensure that all cash collections are deposited in accordance with the policies set by the Board of Directors.
b) Have custody of all funds, securities, and documentations relating to all assets, liabilities, income, and expenditures.
c) Has supervisory responsibilities of all funds, securities, and documentations relating to all assets, liabilities,
d) Monitor and review the financial management operations of the Cooperative, subject to such limitations and control as may be prescribed by the Board of Directors.
e) Regularly render a report to the Board of Directors on the above matters.
f) Provide members with financial reports and financial statement.
g) Perform such other functions as may be authorized by the board of directors.

Article 8: Management team

8.1 Management staff. A core management team composed of manager, cashier, bookkeeper, accountant, and other position as may be necessary shall take charge of the day-to-day operations of the cooperative. The Board of Directors shall appoint, fix their compensation and prescribe for the functions and responsibilities.

8.2 Duties of the manager. The manager shall be responsible for administering the day-to-day activities of the Cooperative under the direction and control of the Board of Directors. The following are the duties of the manager:

a) Oversee the overall day to day business operations of the Cooperative by providing general direction, supervision, management and administrative control over all the activities and staff subject to such limitations as may be set forth by the Board of Directors or the General Assembly.
b) Formulate and recommend, in coordination with the staff under his/her supervision, the Cooperative's plans, programs and projects, for approval of the Board of Directors and ratification by the annual General Assembly.
c) Implement the duly approved plans and programs of the Cooperative and any other directive or instruction of the Board of Directors.
d) Provide the Board of Directors with monthly reports on the status of the Cooperative's operation vis-a-vis its target and recommends appropriate policy/ies or operational changes, if necessary.
e) Represent the Cooperative in any agreement, contract, business dealing, and in any other official business transaction as may be authorized by the Board of Directors.
f) Ensure compliance with all administrative and other requirements of regulatory bodies
g) Perform such other duties as the Board of Directors may prescribe and turn over to his/her successor all properties belonging to the Cooperative in his/her possession or over which he/she has control upon the expiration/termination of his/her services.

8.3 Qualifications of the manager. The following are the qualifications of the manager:

a) Must be familiar with the business operation of the Cooperative.
b) Must have at least *(number)* years of experience in the operations of Cooperative or related business.
c) Must not be engaged directly or indirectly in any activity similar to the business of the Cooperative.
d) Must not have been convicted of any administrative, civil or criminal cases involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties.
e) Must be of good moral character;
f) Must not have been convicted of any administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment; and
g) Must have undergone basic cooperative education.

8.4 Duties of cashier. The cashier, who shall be under supervision and control of the manager, shall perform the following duties:

a) Handle monetary transactions.
b) Receive/collect payments and deposits.
c) Be responsible for money received and expended.
d) Prepare reports on money matters.
e) Perform such other duties as the Board of Directors may require.

8.5 Duties of the accountant. The accountant, who shall be under the supervision and control of the manager, shall perform the following functions:

a) Install an adequate and effective accounting system within the Cooperative;
b) Render reports on the financial condition and operations of the Cooperative monthly, annually or as may be required by the Board of Directors and/or the General Assembly.
c) Provide assistance to the Board of Directors in the preparation of annual budget.
d) Keep, maintain, and preserve all books of accounts, documents, vouchers, contracts and other records concerning the business of the Cooperative and make them available for auditing purposes to the chairperson of the Audit Committee.
e) Perform such other duties as the Board of Directors may require.

8.6 Duties of the bookkeeper. The bookkeeper, who shall be under the supervision and control of the manager, shall perform the following functions:

a) Records and update books of accounts.
b) Provide assistance in the preparation of reports on the financial condition and operations of the Cooperative monthly, annually or as may be required by the Board of Directors and/or the General Assembly.
c) Perform such other duties as the Board of Directors may require.

Article 9: Committees

9.1 Finance committee. The Finance Committee shall be composed of the Treasurer and at least two other members appointed by the Board. It shall be the duty of this Committee to review financial reports of the Cooperative and review the proposed cooperative budget for the fiscal year, and submit it to the Board of Directors for approval. Committee shall also assist financial planning; budget adjustment, and other money matters as directed by the Board of Directors.

9.2 Audit committee. An Audit Committee shall be composed of *(number)* members to be elected during a General Assembly meeting and shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within *(number*) days after their election, they shall elect from among themselves a chairperson, vice chairperson, and a secretary. No member of the Committee shall hold any other position within the Cooperative during his/her term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audit report quarterly or as may be required by the Board and the General Assembly.

The Audit Committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the Cooperative's management control system and audit the performance of the Cooperative and its various responsibility centers.

9.3 **Election committee.** An Election Committee shall be composed of *(number)* members to be elected during a General Assembly meeting and shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within *(number)* days after their election they shall elect from among themselves a chairperson, vice chairperson and a secretary. No member of the committee shall hold any other position within the Cooperative during his/her term of office.

The Election Committee shall:

a) Formulate election rules and guidelines, and recommend to the General Assembly for approval.
b) Implement election rules and guidelines duly approved by the General Assembly.
c) Recommend necessary amendments to the election rules and guidelines, in consultation with the Board of Directors, for approval of the General Assembly.
d) Supervise the conduct, manner and procedure of election and other election related activities and act on the changes thereto.
e) Canvass and certify the results of the election.
f) Proclaim the winning candidates.
g) Decide election and other related cases except those involving the Election Committee or its members.
h) Perform such other functions as prescribed in the bylaws or authorized by the General Assembly.

9.4 **Education and training committee.** An Education and Training Committee shall be composed of *(number)* members to be appointed by the Board of Directors and shall serve for a term of one year, without prejudice to their reappointment. Within *(number)* days after their appointment, they shall elect from among themselves a vice chairperson and a Secretary. The vice chairperson of the Board of Directors shall act as the chairperson. The committee shall be responsible for the planning and implementation of the information, educational and human resource development programs of the Cooperative for its members, officers and the communities within its area of operation.

9.5 **Marketing committee**. A Marketing Committee, chaired by a board member, consisting of at least three (3) members shall be appointed by the Board. Within *(number)* days after their election, they shall elect from among themselves a chairperson, vice chairperson, and a secretary. This Committee shall be responsible for the development of a market development plan and oversee its implementation.

9.6 **Other committees.** By a majority vote of all its members, the Board of Directors may form such other Committees as may be deemed necessary for the operation of the Cooperative.

Article 10: Operations

10.1 Adhering to the principle of service over and above profit, the Cooperative shall endeavour to:

a) Offer the following services to members:
   - Marketing services, with buying price from members not to fall below production cost and at par or higher than prevailing market price.
   - Sale of production inputs, supplies and other requirements which the Cooperative shall procure in bulk to achieve economic efficiency

- Common service facilities: the Cooperative, based on the need of its members and on sound economic considerations shall acquire, lease, maintain and operate a pool of machinery and equipment, warehouse and other facilities aimed at improving productivity and facilitating value addition.

b) Continuously develop Programme strategies that will provide members and the communities within area/s of operation needed goods/services.

c) Adopt and implement plans and programs which ensure the continued build-up of capital structures with the end view of establishing other needed services for the members and the communities within its areas of operation.

d) The Cooperative shall coordinate closely with other cooperative businesses as a means of improving economies of scale and sustainability.

Article 11: Capitalization

11.1 Sources of funds. The Cooperative shall derive its funds from any or all of the following sources:

a) Member's share capital contribution
b) Revolving capital build-up which consists of the deferred payment of patronage refund or interest on share capital
c) Retentions from the proceeds of services acquired /goods procured by members
d) Loans/Borrowing
e) Crowdfunding
f) Other sources of funds as may be authorized by law

11.2 Continuous capital build-up. Every member shall have invested in any or all of the following:

a) At least *(amount)* of *(currency)* per month
b) At least *(number)* percent of his/her annual interest on capital and patronage refund
c) At least *(number)* percent of each good procured /service acquired from the cooperative.

11.3 Borrowing/loan. The Board of Directors, upon approval of the General Assembly, may borrow funds from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative and without compromising the autonomy of the Cooperative.

Article 12: Allocation and distribution of net surplus

12.1 Allocation. At the end of its fiscal year, the Cooperative shall allocate and distribute its net surplus as follows:

a) Reserve fund. *(Number)* percent shall be set aside for Reserve Fund.

- The reserve fund shall be used for the stability of the Cooperative and to meet net losses in its operations. The General Assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital.
- The reserve fund shall not be utilized for investment, other than those allowed in the law. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the cooperative upon the resolution of the General Assembly.
- Upon the dissolution of the Cooperative, the reserve fund shall not be distributed among the members. However, the General Assembly may resolve: (i) to establish usufructuary fund for the benefit of any federation or union to which the Cooperative is affiliated; or (ii) to donate, contribute or otherwise dispose of the amount for the benefit of the community where the Cooperative operates.

b) **Education and Training Fund.** *(number)* percent shall be set aside for Education and Training Fund.
   - This will be spent by the Cooperative for education and training purposes.
   - Upon the dissolution of the Cooperative, the unexpended balance of the education and training fund pertaining to the Cooperative shall be credited to the Cooperative education and training fund of the chosen union or federation.

c) **Community Development Fund.** *(number)* percent shall be used for projects and activities that will benefit the community where the Cooperative operates.
d) **Optional Fund**. *(number)* percent shall be set aside for Optional Fund for land and building, and any other necessary fund.

12.2 Interest on Share Capital and Patronage Refund. The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investment and patronage refunds. The sum allocated for patronage refund shall be made available at the same rate to all members of the Cooperative in proportion to their individual patronage, provided that:

a) In the case of a member patron with paid-up share capital contribution, his/her proportionate amount of patronage refund shall be paid to him/her unless he/she agrees to credit the amount to his/her account as additional share capital contribution.
b) In the case of member patron with unpaid share capital contribution, his/her proportionate amount of patronage refund shall be credited to his/her account until the share capital has been fully paid.

Article 13: Miscellaneous

13.1 Investment of Capital. The Cooperative may invest its capital in any or all of the following:

a) Shares or securities of any other Cooperative
b) Any reputable bank in the locality or any Cooperative and Cooperative banks
c) Securities issued or guaranteed by Government
d) Real estate primarily for the use of the Cooperative or its members
e) In any other manner approved by the General Assembly

13.2 Accounting System. The Cooperative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with generally accepted accounting principles and practices, applied consistently from year to year, and subject to existing laws, rules and regulations.

13.3 Financial Audit, Performance Audit, and Social Audit. At least once a year, the Board of Directors, in consultation with the Audit Committee, shall call for the conduct of an audit of the books of accounts of the Cooperative, performance audit, and social audit by accredited social auditor and Cooperative compliance officer.

13.4 Annual Report. During the annual regular assembly meeting, the Cooperative shall submit a report of its operation to the General Assembly together with the audited financial statements, performance audit and social audit reports. The annual report shall be certified by the chairperson and manager of the Cooperative as true and correct in all aspects to the best of their knowledge. The audited financial statements and social audit reports shall be certified by accredited independent auditors. The Cooperative shall submit the following reports to the Authorit*y within (120)* days from the end of every calendar year: *(refer to cooperative law in your country)*

a) Cooperative Annual Performance Report
b) Social Audit Report
c) Performance Report
d) Audited Financial Statement duly stamped “Received” by revenue office
e) List of officers and trainings undertaken/completed.

Article 14: Amendments

14.1 Amendment of Articles of Cooperation and Bylaws. Amendments to the Articles of Cooperation and the Bylaws may be adopted by at least two-thirds (2/3) votes of all members with voting rights without prejudice to the rights of dissenting members to withdraw their membership (*check provisions of Cooperative Law in your country*). The amendment/s shall take effect upon approval by the (Cooperative Authority in your country).

Voted and adopted this ______ day of ______, 20______ in *(place – country).*

Members who voted for adoption of bylaws	
Name	**Signature**

We, constituting the majority of the Board of Directors of the *(name of cooperative)*, do hereby certify that the foregoing instrument is the Code of Bylaws of this Cooperative.

Signed this *(date),* in *(place – country)*.

Chairperson

Vice Chairperson

Director

Director

Director

International Labour Organization
Route des Morillons 4
CH-1211 Genève 22
Switzerland

Gender, Equlity, Diversity and inclusion Branch (GEDI)
E: gedi@ilo.org
W: www.ilo.org/ged

Cooperative, Social and Solidarity Economy Unit (COOP/SSE)
E: coop@ilo.org
W: www.ilo.org/coop
W: www.ilo.org/sse