# fourcornersNew Food Coop Development Model

Cooperative Development Services has developed a model for the development of food cooperatives – Four Cornerstones in Three Stages. The model is based upon the four cornerstones of vision, talent, capital, and systems that are each within three stages of food co-op development: organizing, feasibility and planning, and implementation. The four cornerstones comprise the attributes of a successful start-up within the three stages. The vision of Food Co-op Initiative is to support faster and more efficient start-ups by providing assistance and resources all the way through the development process.

The four cornerstones and their three stages comprise a process for developing a cooperative retail food business, a process that includes recognition of necessary support systems and decision points. Each individual and organization involved plays an important role and contributes to the likelihood of success

## The Four Cornerstones

**Vision** is the articulation of the hopes and dreams of the founding group and will be refined as the group moves through the stages of development. The cornerstone of building a shared vision exhibits these qualities:

* Reflects core values and purpose held in common by the group members that emerged during the vision development process;
* Recognizes multiple stakeholders besides potential members, such as lenders, community and economic development organizations, suppliers, and other cooperatives in the community and industry.

**Talent** includes the people who are invested in the success of the emerging co-op. This includes those who champion the project, people with passion, drive, and a commitment to building a work group. As the project becomes more advanced, talent will include the board of directors, a co-op development manager, facility project manager, and general manager. All of the talent will provide leadership and accountability to the emerging development process.

**Capital** is the financial resources necessary to sustain the cooperative in all stages of development. Capital is monetary and in-kind, internal and external. Internal resources leverage external resources. Capital is needed for all of the development phases from organizing to feasibility and business planning to implementation. Capital will also be needed to sustain the new co-op.

**Systems** are organized, integrated, and interdependent methods that are ongoing with a commitment to continuous improvement. Systems become more complex as the organization proceeds through the development stages. Systems include legal, governing, planning and assessment, communication, marketing, finance and accounting, and operations.

## Three stages of development

**Organizing** commences when one or more people start with an idea to organize a retail food cooperative that will solve a problem or meet a need for a larger group. The organizing stage includes convening a core group, assessing common interest and needs, designating leadership, building a shared vision, committing time and money, coordinating initial market research, and preparing for incorporation.

**Feasibility and Planning** begins when the organizing stage reflects positive assessments of market potential and internal readiness, including incorporation and a seated board of directors. Feasibility takes into account in-depth assessments of market potential, financial projections, and organizational commitment. Planning occurs when management capacity is built and a business plan for financing and operation is developed. The feasibility and planning stage ends when a site has been secured through lease or purchase, with contingencies. This is a major decision point for the co-op.

**Implementation** is set off when there is sufficient capacity in all the cornerstones – vision, talent, capital, and systems – to launch the business operation. Implementation makes possible the satisfaction of member needs. It has several components:

* Pre-construction involves site and facility design, development bids and financing; the pre-construction phase ends with a “no turning back” decision point at the close of financing and removal of contingencies.
* Construction and renovation entail completing bids, overseeing construction and equipment acquisition, building business relationships, developing merchandising plans, and determining opening orders, promotions, and staffing plans.
* Preparation for opening involves building organizational and operational capacity and implementing staffing, marketing, and membership program plans.
* Sustaining operations includes preparing for the first year and beyond.