

Members Make a Cooperative Work!

What is a Cooperative?

A cooperative (co-op) is a business that is owned by its members. The co-op's purpose is to fulfill the needs of its members. Co-op members—which can be individuals, businesses or organizations—receive benefits based on their use of the cooperative.

One of the things that make a cooperative unique is the role that co-op members play in organizing and developing the business. Members must be active in the business; they must accept responsibility for their actions in order for the cooperative to be successful. The image of the co-op is shaped by the members who must promote and participate in the co-op.

The Role of Members in Your Cooperative

Members:

- ❖ Exercise ownership responsibilities for the co-op
- ❖ Maintain control of the co-op
- ❖ Provide financing for the co-op
- ❖ Use the co-op's products and services

The legal responsibilities of members include: incorporating the co-op; approving legal documents; making major decisions; and electing the board of directors. Members exercise democratic control of

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A Creed for Cooperative Members

1. I will keep myself informed on the affairs, problems and methods of my cooperative so as to be an intelligent and constructive member.
2. I will exert my influence to see that my cooperative has the best possible directors and officers in terms of general competence and integrity.
3. I will faithfully support my cooperative with my patronage and encourage my friends to use it, because in volume there is strength.
4. I will help build and maintain my cooperative by contributing my share of essential capital.
5. I will insist that full information be provided to me on the operations and financial condition of my cooperative, based on accurate accounting and proper auditing.
6. I will not expect miracles from my cooperative, but I will insist on receiving from it honest values and efficient services.
7. I will refrain from asking my cooperative to give me favors in the form of credit or other special services.
8. I will take pride in my cooperative and use my influence to see that it assumes its fair share of community responsibilities.
9. I will stand by my cooperative in its days of adversity and help protect it from weaknesses which come with prosperity.
10. I will always remember that my cooperative is ME, and others like ME, and that its behavior is a reflection of MY behavior.

What can membership in a cooperative do for you?



What can you do for your cooperative?



Investing in co-ops is investing in the future

It is important for coop members to be active participants of the coop. Members invest both their money and their time in co-ops.

A financial investment by members of the coop ensures their ongoing commitment, while helping to pay for the co-op's start-up costs. Having members with an equity stake in the success of the coop also attracts lenders.

A co-op functions best when the members, in addition to providing the initial investments, also provide operating capital that allows a co-op to continue operations.

It takes
money to make money



Members make a co-op work!



Members also must invest their time in the co-op, both by taking an active part in its control but also by patronizing it. Using the coop is essential to achieving business success, fulfilling member needs and producing benefits. Using the cooperative helps to generate revenue and decrease the operational costs.

Using a co-op provides members with economic benefits including:

- ❖ **Bargaining power**
- ❖ **Extended control**
- ❖ **More dependable sources (of what?)**
- ❖ **Lower costs**
- ❖ **Broader access to markets**
- ❖ **Higher returns**
- ❖ **Accumulation of assets**

What can members expect from the co-op manager?

The manager—who is hired by the Board of Directors—has the important job of directing and controlling daily operations of the co-op. The manager's responsibilities include planning, organizing, directing, coordinating and controlling.

What can members expect from the board of directors?



The board of directors—comprised of elected members—has the important job of providing leadership for the cooperative. The board: preserves the character of the co-op; safeguards the financial assets; hires the manager; sets policies; and plans for the future.

Perhaps we can insert here the chart (with the following text) comparing the roles of the manager and board?

Board

- ❖ Makes policy decisions
- ❖ Makes decisions on things that will impact the cooperative over the long run
- ❖ Makes the decisions about ideas for the co-op
- ❖ Has the primary control for the organization

Manager

- ❖ Makes operational decisions
- ❖ Makes decision on things that impact the cooperative day-to-day
- ❖ Makes the decisions on actions of the co-op
- ❖ Has the control of the operations of the organization

