

California Center for Cooperative Development  
979 F St, Suite A-1, Davis, CA 95616

T: (530) 297-1032 F: (530) 297-1033

Email: [coops@cccd.coop](mailto:coops@cccd.coop) Web: [www.cccd.coop](http://www.cccd.coop)



## **Shared Services Co-ops**

**E. Kim Coontz**

**Pedro Maturana**

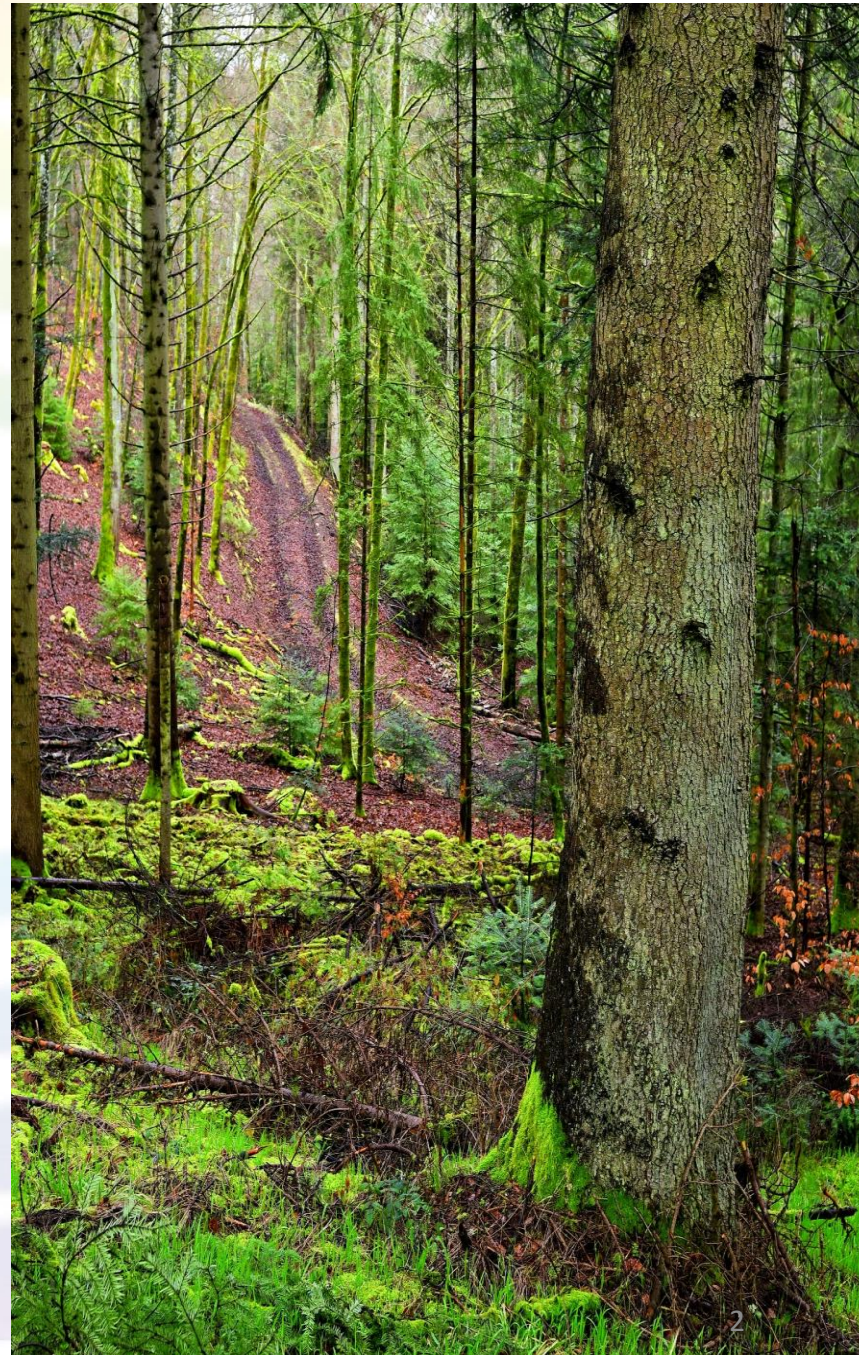
# Why Form a Co-op?

Structured so that people can accomplish together what they probably cannot do alone.

Members pool their resources to achieve more. Coming together increases an individual's power—in the marketplace or elsewhere. Combining skills multiplies an individual's options.

Formed to meet the shared objectives of members and structured to adapt to member's changing needs.

Decisions are made Democratically,  
Each member has one vote.





# Who are the Members of a Shared Services Co-op & What does the Co-op Offer?



Members are typically individuals, business owners or other entities. Leaders are elected to serve on the board of directors. While Bylaw changes, approving the annual budget and similar issue are decided by member vote, the Board makes policy decisions and may hire a manager, receptionist, or other staff to coordinate day-to-day operations.

## They organize to:

- Share staff, tools, equipment
- Bulk purchasing or contract services
- Share product storage or transportation costs
- Market services or products under a shared name
- Reduce overhead costs by sharing a website or commercial space and associated expenses



# How are Co-op Benefits Shared?



Transactions are processed through the cooperative and a pre-determined percentage is retained by the cooperative to cover costs.

At the end of the year, remaining profits are distributed to members as “Patronage” because members contribute to, and share the benefits of the co-op in proportion to their use of the co-op.





# ICA Cooperative Principles



- 1) Voluntary & open membership
- 2) Democratic member control
- 3) Member economic participation
- 4) Autonomy and independence
- 5) Education, Training & Info--Members, Employees, Elected Reps & Public
- 6) Cooperation among cooperatives
- 7) Concern for community

# Questions to Guide Co-op Formation

## Vision, Mission, Values



- What needs are we trying to address?
- What concerns do we have about starting a co-op?
- Is the expectation feasible?
- Is the co-op the best way to meet our needs?
- What is the best way to incorporate?







# Learning from Forestry Cooperatives

- **Why study existing cooperatives?**
  - Gain insights into successes and challenges.
  - Learn strategies for organizing forest landowners and managing resources.
  - Avoid common pitfalls through shared experiences.







# Massachusetts Woodland Cooperative (MWC)

- ❑ **Established:** 2001, as an LLC operating like a cooperative.
- ❑ **Focus:** Sustainable forestry with Forrest Stewardship Council (FSC) green certification
- ❑ **Services:**
  - Forestry and ecological services.
  - Marketing and educational initiatives.
- ❑ **Unique Features:**
  - Includes a nonprofit branch for grants and education.
  - Emphasizes producing value-added, certified products.
- ❑ **Challenges:**
  - Balancing sustainable practices with economic goals.
- ❑ **Key Lesson:** Build partnerships and avoid rapid expansion.







# Closing of the Massachusetts Woodland Cooperative (MWC)

## Reasons for Closure:

- Inability to sustain operations as an all-volunteer organization.
- Lack of entrepreneurial leadership to ensure self-sufficiency and economic viability.
- Negative market impacts due to the economic downturn.
- Exhaustion of grant funds for staff and operations.
- No viable grant opportunities or financial support available.
- Delays or indecision risked compromising remaining obligations.







# Western Upper Peninsula Forest Improvement District (WUPFID)

- ❑ **Established:** 1995, as a pilot program in Michigan.
- ❑ **Focus:** Forest health improvement and local economic stimulation.
- ❑ **Services:** Management plans, timber sales, and land improvements.
- ❑ **Success:** Managed over 150,000 acres, returning \$100M to the state from a \$2M investment.
- ❑ **Challenges:** Reliance on state funding; ceased operations in 2004 due to financial constraints.
- ❑ **Key Lesson:** Sustainable funding models are critical for longevity.







## Sustainable Woods Cooperative (SWC)

- ❑ **Established:** 1998 in Wisconsin; dissolved in 2003.
- ❑ **Focus:** Certified forest management and value-added products.
- ❑ **Challenges:**
  - High debt from early investments in manufacturing infrastructure.
  - Lack of market research led to unsold products.
- ❑ **Key Lesson:** Start small, focus on member services, and develop a clear market strategy.
- ❑ **Status:** Still operational today







## Blue Ridge Forest Cooperative

- **Location:** Virginia; formed recently. Currently Operational
- **Focus:** Sustainable timber and non-timber products, community education.
- **Approach:**
  - Vertically integrated operations.
  - Emphasis on local collaboration and sharing resources.
- **Challenges:** Defining structure, raising capital, and member recruitment.
- **Key Lesson:** Leverage lessons from other cooperatives to guide early stages.







# Common Themes Across Cooperatives

## □ What works:

- Starting small and growing gradually.
- Leveraging partnerships and networks.
- Focusing on member services and sustainable practices.

## □ What to avoid:

- Taking on excessive debt.
- Rapid expansion without market research.

## □ Opportunities:

- Value-added products with green certification.
- Collaborative resource management for economic and environmental benefits.

