

Cooperation among Cooperatives: A System of Mutual Exchange in the Northeast

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Abstract

The objective of this project is to implement a system of mutual exchange among cooperative organizations for their benefit and the benefit of their members and localities. Initial participation will be by members of Cooperative Life, which represents the interests of cooperatives in the Northeast region and is the sponsoring organization for the project. The first part of the project identified the barriers to increased cooperation and the preferred strategies for increasing cooperation. The second part of the project began implementation of the most preferred strategies--a directory of cooperatives and a means of posting announcements. Subsequent parts of the project will further develop the initial strategies as well as new strategies.

The goal of the directory is to increase the number and accuracy of listings of cooperative organizations and other locally owned businesses in the Northeast region, to increase awareness among cooperative organizations of the directory and the listings in it, and to ensure the sustainability and continued usefulness of the directory over time. The goal of the notices tool is to facilitate transactions among organizations listed in the directory, with messages targeted by topic and geography. The success of these tools will be evaluated by (1) the production of usable tools, (2) usage of the tools by cooperative organizations, (3) increased awareness among the target population of the tools, and (4) presence of necessary elements for continuous development of tools and strategies.

Executive Summary

The Cooperation Among Cooperatives project was undertaken in order to increase the amount of trade and business relationships among cooperatives in New England and New York. The project took place under the auspices of Cooperative Life, the Northeast Federation of Cooperatives, which is dedicated to building a thriving cooperative economy.

There are over 22,000 cooperatives in the U.S., including 10,000 credit unions, 6,400 housing cooperatives, and 3,400 farmer-owned cooperatives. (NCBA 2003) Cooperatives exist in every type of industry and serve nearly half of all Americans. Yet there exist few established business relationships among cooperatives of different sectors. Organizations such as the National Cooperative Business Association and Coop Life are working toward making more connections among different types of cooperatives.

This project consisted of two major parts: a survey of Cooperative Life membership and the development of one cooperation tool as a result of responses to the survey. The survey established the overall level of interest in cooperation and the priority order of different cooperation methods. (See Appendix 2, Full Report of Survey Responses.) The most preferred strategy for cooperation identified by respondents was a directory of cooperatives.

Work on development of the directory began in September 2004, using a seed database of contact from the Cooperative Development Institute, a sister organization of Coop Life. A beta (testing) version of the directory was ready for release in December 2004. The directory received a professional visual redesign and is now fully public and ready to be handed over to Cooperative Life for regular maintenance.

Work began on a second tool suggested by the survey results: a way for cooperative organizations to post announcements about joint purchasing opportunities, transactions, and get-togethers. There was not enough time to develop this tool into a working prototype, and in addition it did not benefit from the same initial boost enjoyed by the directory of starting with a large amount of useful information. But plans are still in place to continue to develop the relationship-building potential of the cooperative directory.

The project ran exclusively on volunteer effort and free or donated resources. This method had both advantages and limitations. On the plus side, a lot was accomplished with very little, and members of the community participated in the project. On the downside, the amount that could be accomplished was unpredictable and limited by the availability of volunteer time and skills.

At this point, the cooperative directory--named REGINA, the Regional Index of Cooperation--gives users a way to find all different types of organizations involved in building a cooperative economy throughout the U.S. Because the website uses *wiki* technology, users can also easily add and modify entries, making the directory progressively *more* accurate and comprehensive over time. Geographical functionality allows search by address and display of results on a map.

Regina receives hundreds of hits a week. Much work remains to connect the various cooperative organizations with this tool and make it more useful and responsive to their needs. In the future, organizations helping to make the economy work for people should be able to use the directory and other tools to buy from, sell to, and connect with other cooperative organizations--thereby creating a truly vibrant, sustainable, cooperative economy.

I. Community Needs Assessment

At the November 13 opening of the 2003 Cooperative Life conference, "The Power of Co-op Connections," held in Montpelier, Vermont, Sid Pobihushchy, internationally known cooperative educator and board member of Co-op Atlantic, spoke about the twin crises facing the world today.

The world is being confronted by a crisis of justice and a crisis of nature. The crisis of justice refers to the increasing impoverishment of the world's population within the context of the Global Corporate Market Economy. The crisis of nature refers to the increasing destruction of the world's natural environment within that same context. (Pobihushchy 2003)

These crises are inter-related, given the conventional notion of development as requiring more resources. Trying to address the problem of poverty undermines protection of the environment, because the answer is more growth (with or without redistribution). Trying to protect the environment hurts the poor, because it prevents them from making money from exploiting resources that the rich have been exploiting for years. Both of these approaches emerge from values based on competitive profit-seeking. The radical solution that Pobihushchy recommends is to create, based on the principles and values of cooperation, a cooperative society that differs from a society based on speculative investment. “The onus is on consumer co-ops to organize themselves to get all of their products from cooperatives,” he declares. Similarly, producer and worker coops should seek to supply consumer coops exclusively. (Livingston 2003)

Pobihushchy is not alone in his views:

An emerging perspective is that economic systems based on democratically controlled worker cooperatives provide a viable alternative to both corporate capitalism and state socialism. This alternative... seeks to optimize economic and human development, balancing the needs for production, sustainability, and respect for the environment... Such a system would be based on the proliferation of networks of worker cooperatives and democratically controlled enterprises in a market economy. (Lindenfeld and Wynn 1997)

The main objection to a proposal such as Pobihushchy’s is that there simply do not exist enough cooperatives to make a cooperative society possible. Others feel that much could be done to encourage existing cooperatives to cooperate more with each other (Wiley 2003). The model most pointed to is that of the Mondragón Cooperative Corporation, a system of about 85 industrial coops, a cooperative bank (the *Caja Laboral Popular*), a social security system, a student cooperative, agricultural coops, housing and construction coops, and consumer coop stores in the Basque region of Spain. “A major strength of these cooperatives is that they are joined together in a functioning *network*.” (Lindenfeld and Wynn 1997) In addition, the authors write in their conclusion, “Links between worker coops and consumer coops are also beneficial for the cooperative movement as a whole.”

Others point out that not only cooperatives can function cooperatively and with care for stakeholders such as employees, suppliers, customers, and neighbors. Many “socially responsible businesses” have been doing just that for years. They, too, now see the need for increased cooperation among such businesses to enhance their strength and independence while taking advantage of network economies--and they see the same set of threats as well.

In 2001, nationally respected business leaders, economists, authors and individuals representing a dozen local business networks formed the Business Alliance for Local Living Economies (BALLE). Their action was a response to

the growing crises our world faces--namely the continued destruction of environmental systems and the widening gap between rich and poor. (BALLE 2002)

Judy Wicks of Philadelphia's White Dog Café, a national co-chair of BALLE, wrote in an undated article, "[C]orporate globalization is causing the decline of local communities, local businesses, family farms, and natural habitats. As wealth and power continue to consolidate into growing transnational corporations, small and medium size companies can help turn the tide for social and environmental justice by working together to build local living economies in our own regions, and linking nationally and internationally."

II. Problem Identification

Cooperatives are a viable alternative to a corporate controlled economy that threatens environmental destruction and deteriorating social justice. Yet coops face tremendous pressures from the surrounding corporate world. Coops need strong networks of like cooperatives to band into second-tier coops that provide services and technical assistance, and they also need networks of suppliers and customers that have similar values and operate on similar principles. If nothing is done to address the needs of cooperatives in this country and in the Northeast region in particular, individual cooperatives will continue to struggle. "The prognosis for isolated worker coops does not seem to be very favorable," write Lindenfeld and Wynn (1997), citing difficulties overcoming financial, managerial, and policy-environmental challenges.

About half of adults in the U.S. are members of a cooperative (Jaeger and Gillis 2003), and in the Northeast region nearly 10 million people are cooperative members of about 10,000 cooperatives (www.cooplifecoop.org). There are many strong associations of similar cooperatives, such as the Cooperative Grocers Association and the Credit Union National Association, yet very few links among complementary cooperatives. Cooperative Life, the Northeast Federation of Cooperatives, is working on providing many of the supporting services and technical assistance needed by diverse cooperatives in the Northeast region. The goal of Coop Life is to "build a strong presence for cooperatives in the media, in the public policy arena, and in the economy." They provide "products and services to help cooperatives meet the needs of their customers, create strategic partnerships, launch new cooperative enterprises and improve their business performance in a fast-changing marketplace." (www.cooplifecoop.org)

The project described here would expand the services that Cooperative Life provides to its members and to the Northeast cooperative economy to include facilitation of inter-cooperative trade. In the future, Coop Life hopes to facilitate the channeling of savings into new cooperative ventures. This would lead to the creation of a strong network of cooperatives capable of sustaining individual cooperatives in the region. The goal of the project is to increase the awareness of cooperative organizations about each other and

facilitate trade among cooperative organizations and other locally owned businesses¹ in the Northeast region. The long-term goals of the program are to produce extra benefits for members and employees of cooperatives and to make savings available for coop development at low interest rates.

The project's first goal--an increase in inter-cooperative trade--entails the determination of barriers to trade, followed by development of preferred strategies to overcome those barriers and implementation of the strategies. The objective of determining barriers to trade was accomplished through survey questions. The same methods identified the preferred strategy among cooperative organizations--an up-to-date directory. Further discussion among key stakeholders identified a messaging/notice system as a second preferred strategy. Once these preferred strategies were identified, the objectives became to implement them, measure their impact, and assure their continuous maintenance and development. Implementation will be measured by the production and delivery of usable tools. Their impact will be measured by the number of new or modified listings and notices, the awareness among cooperative organizations about the tool, and the awareness among cooperative organizations about opportunities for inter-cooperative trade. The objective of sustainability of the tools will be met if staff and volunteers of Cooperative Life, the sponsoring organization, successfully adopt responsibility for the tool.

The longer-term goal of providing benefits to cooperative members can be measured by measuring use of the notices tool for barter, sale, or joint purchasing. Although measurements of savings and benefits may be difficult to gather precisely, indicative data should be collectible from Web logs. In addition, surveys of individual participating coops may provide anecdotal evidence of benefit and/or estimated savings from the program.

The third goal, making savings available for new coop development, will not be attained within the timescale of this project. It depends on participants' willingness to use the system with increasing frequency and depth, and possibly voluntarily adopting a system of individual accounts that could store credits and debits. If such a system could be put in place, the credits could be funneled as new savings available for coop development. At this point this goal is speculative. The objectives that would lead to realization of this goal would be increased use of the system and participants' expressed interest in putting aside coop savings. Progress toward achievement of these objectives could be measured at the same time as measurement of the objectives for providing benefits to cooperative members.

¹ Although locally owned businesses may not embrace the cooperative values and principles, they are still more preferable for a viable local economy than large chain stores. See for example Civic Economics 2002, ILSR 2003 and Wicks undated.

III. Project Design

Review of the Literature

As previously discussed in the community needs assessment, the goal of this project, broadly speaking, is to increase the level of cooperation among cooperatives in the Northeast region in order to bolster their individual success as independent, locally-owned businesses as well as contribute to building a cooperative economy and movement in the Northeast.

The literature on cooperatives points often to cooperation among cooperatives as a key feature that contributed to the success of the Mondragón cooperatives in the Basque region of Spain. For example, Davidmann (1996) writes “To a considerable extent the success of Mondragón’s co-ops resulted from the way they co-operated with each other in providing for the needs of their local community.”

Beyond providing for the success of individual cooperatives, cooperation is also necessary to build a strong cooperative movement. Davidmann (1996) points out that “the co-operative movement’s ability to achieve its aims and to prosper depends on taking... into account [that] there is... a mutuality of interest, a partnership, between co-ops and more particularly between co-ops of different kinds, between co-ops co-operating, supporting and advising each other.”

There are clearly many forms that cooperation can take. One way that coops can cooperate with each other is to form support cooperatives that are collectively owned and managed. These can provide essential services, such as insurance, health care, or research and development, or can be sources of business advice. All of these types of support cooperatives exist in Mondragón. In the past, the banking coop, the Caja Laboral Popular, provided business advice (Davidmann 1996). Currently the Mondragón Cooperative Corporation (MCC) central offices provide management consulting services to affiliated cooperatives. For example, the central offices directed the introduction of Total Quality Management (TQM). (Clamp 2005) A few of the MCC cooperative companies provide consulting services for a fee to both MCC and outside clients. (See for example, www.mondragon.mcc.es > Products and Services > Services > Technicians for a partial listing of several of the different consultancy companies within the Mondragón organization.)

Another possible form of cooperation is building a recognized cooperative brand. This can take place at many different levels. The worldwide cooperative movement took one step toward that goal when it created the “.coop” top-level domain (ICA 2004; see Figure 1-A). North American cooperatives use a logo with twin pines to identify themselves as coops (see Figure 1-B, NWCDC 2004). Cooperative grocers in the U.S. have started to make certain purchases collectively to receive volume discounts, and then place these items on sale in their stores under the heading “Co-op Advantage.” (See for example

Cumbie undated and Figure 1-C.) Several dairy farmers in Rhode Island are collectively marketing their milk under the brand “Rhody Fresh.” (See Figure 1-D, Livingston 2005)

Lian (2002) recommends promoting the cooperative brand as a trusted alternative to investor-owned businesses in a globalized world. He points out that “a customer of a [consumer] co-operative shares in the profits. If the co-operative is successful a larger profit is distributed to customers. If a profit oriented company is successful, its profit is distributed to shareholders. If it is foreign-owned, the profits are sent overseas. Furthermore, the fact that co-operatives fulfill a social mission is not a handicap. It distinguishes co-operatives from other commercial entities.”

Figure 1: Examples of Coop Logos



Cooperation among cooperatives may be more than an attractive option, however. It may be necessary for coops to survive in an era of globalization. Lian (2002) recommends that cooperatives build strategic alliances amongst themselves and with private sector companies to achieve economies of scale and compete successfully. Brazda and Schediwy (2001), historians writing about the typical life-cycle of cooperative movements, describe the phase that includes cooperation on market terms: “After the initial isolated flowering of cooperatives, networks and larger structures have to form in order to reap bigger economies of scale.”

It is important, when thinking of ways for cooperatives to cooperate among themselves, to guard against the potential dangers of cooperation: namely, detrimental hierarchical management. Brazda and Schediwy (2001) write, “Mergers and the development of federative units often tend to favour quasihierarchical institutions.” And Davidmann (1996) emphasizes that “Co-operation has to be direct between co-ops without use of

intermediaries.” He favors direct working relationships among coops rather than external coordinating structures. He predicts, based on case studies, that “In the end co-ordinators are likely to take authority over those they co-ordinate, are likely to take away decision-taking [sic] from individual co-ops and their members.”

It is not necessary to restrict recommendations for cooperation among cooperatives, in whatever form it takes, to theory. Many regional bodies of cooperatives exist and have as part of their mission the promotion of cooperation among cooperatives. For example, CECOP--the European Confederation of Workers’ Co-operatives, Social Co-operatives and Participative Enterprises--represents small and medium-sized worker-controlled enterprises across 42 countries. The members of this international nonprofit association include 37 national and regional federations of co-operative enterprises representing around 83,000 enterprises employing 1.3 million workers. One element of CECOP’s mission is to stimulate inter-co-operation (CECOP undated).

Similarly, the Cooperative Assistance Network, a regional organization in the southern UK covering approximately 10,000 square miles, promotes cooperation among different kinds of cooperatives. Chris Funnell (2004) reported that the organization

“runs events to encourage inter-trading between co-operatives. We have developed a regional web site to market the products of co-operatives and other social enterprises to each other and to other customers. The larger retail co-operatives are developing policies to source an increasing proportion of their produce locally and from agricultural co-operatives. There are also regional producer/consumer co-operatives for farmers to bring their farms into sustainable agricultural systems and market through farmers markets and local consumer co-operatives.”

In practice, the types of cooperation among cooperatives in the UK cover a very broad range of activity, including loan funds, networking, promotion, directories, and collective purchasing. One very large consumer cooperative in the Southeast, the Oxford, Swindon, and Gloucester Co-op (OSG), has a policy of contributing funds to the promotion and support of the wider co-operative sector in its area. In the most recent year, it gave 2% of the Society’s distributable profits to create, promote and develop other forms of co-operatives (OSG undated-b). In 2000, with the support of local authorities and business advice agencies, OSG founded Co-operative Futures, a new policy and support organization. This new organization’s members and board are representatives from local social enterprises, and it employs consultants who work with existing and emerging cooperative and mutual enterprises in the area’s counties.

OSG and Co-operative Futures together produce a Directory of coops in the region (OSG undated-b).

“The aim of the Directory is to help you discover the wide range of goods and services that can be sourced from locally owned co-operative and community enterprises in the Society’s trading area. These range from crèches, credit

unions, architects, arts and crafts to a phone co-op, caterers and community shops. Each one tells you about what it does and what it can offer through its entry in the Directory. Entries also feature full contact details and you can download a map for most entries on request. The Co-op Directory is fully searchable, so you can find the co-op to meet your needs. You can search it: by goods/services, name, area or type of enterprise.”

In the UK, cooperatives are also represented at the governmental level. For example, the South East Regional Co-operative Council (SERCC) represents the views of worker coops, consumer coops, credit unions, housing coops, agricultural coops, coop support organizations, and “any other organisation subscribing to co-operative principles.” (OSG undated-a) Altogether, over 250 organizations make up the cooperative sector in the South East, ranging from smaller ones such as childcare coops, to high tech coops in the IT sector, and large consumer co-ops with over half a million registered members (OSG undated-a). SERCC represents the sector’s views to regional government structures. For example, it participates in developing the regional economic strategy with the regional development agency, and it advocates for appropriate business support services. SERCC also works in partnership with other “social enterprise organizations,” (OSG undated-a) for example implementing training and promotional projects for social enterprises.

Similarly, the Mutual Aid Network of Sussex Cooperatives has made an online directory available, with over 100 listings of retail, agriculture, community, housing, education, arts/media, IT, services, and other cooperatives, as well as LETS trading systems and credit unions. (Mutual Aid 2004a) The organization hopes that the directory will further several of the network’s goals: establishing a newsletter, helping cooperatives share resources and skills, promoting inter-cooperative trading, making development, training and management expertise available, informing and influencing policy-makers, creating a loan stock for new cooperative start-ups, coordinating large-scale funding applications, and developing bottom-up decision making structures. (Mutual Aid 2004b)

One of the more established support networks for cooperatives in the UK is Radical Routes (described in Douthwaite 1996). Radical Routes is a form of structured mutual aid. Member housing and worker coops gather to attend workshops, network, give and get advice, and vote on loans to member coops. (Radical Routes undated) Radical Routes established Rootstock, a parallel investment society that takes outside investment money and buys nonvoting shares of Radical Routes. The most common type of loan made by Radical Routes is gap financing for real estate purchases; smaller loans are made for equipment purchases and cash flow management. (Radical Routes undated)

There are many examples in the UK of cooperation among cooperatives and other “social enterprises,” but in the U.S. cooperation tends to take place mostly within certain types of cooperative, such as agriculture, consumer, or housing, and not across coop sectors (see Giszpenc 2003). Only a few organizations in the U.S. represent the efforts of coops to come together and work across sectors; these include the National Cooperative Business Association (NCBA) and the National Cooperative Bank (NCB). But as Davidmann (1996) writes, “Co-ops need to co-operate with co-ops... This applies to all, to those

providing capital, management services, raw materials, components, sub-assemblies, products, installations, insurance, retail goods and services alike.”

In order to achieve the same aims of cooperative movements in other countries, the cooperative movement in the U.S. may need to build on the work being done strengthening local economies through support of local businesses. Kinsley (1997) has written about how small businesses contribute to the strength of local economies by creating new jobs and being more stable, committed and loyal to the community, even through hard economic times. Local business also helps communities by increasing the “multiplier effect” of dollars spent locally:

“When a dollar enters a community and is then spent outside the community, its benefit is felt only once. If that same dollar is respent within the community, its benefit is multiplied: it adds more value, pays more wages, finances more investments, and ultimately creates more jobs. Thanks to this “multiplier effect,” each additional transaction in which the dollar is involved creates just as much wealth as a new dollar from the outside, but relies on local decisions made by people who care about the community.” (Kinsley 1997)

Rather than isolating a community from the surrounding economy, supporting local businesses can create new demand for outside goods and services and new supplies of goods and services for export (this point is made in Jacobs 1985 as well as in Kinsley 1997). In addition, Kinsley (1997) writes, “A smart development effort looks for ways to tie in more fully to the regional economy.” Perhaps the most common form of regional cooperation is the regional development organization, formed by neighboring rural towns to provide staff support and assistance for members. These partnerships may be public (local governments), private (for example, chambers of commerce), or both. (Kinsley 1997).

Kinsley (1997) describes an idea for promoting local purchasing in Oregon:

“A CDC in Eugene, Oregon was the birthplace for a simple but extraordinary idea in the early ’80s. One of its board members, Alana Probst, asked ten local businesses each to list forty items purchased out of state. She then called other local businesses that might be interested in bidding on items from the list of 400. In its first year, “Oregon Marketplace” created 100 new jobs and \$2.5 million in new contracts. In 1987, this simple program blossomed into a statewide computer-based service that now matches all interested purchasers with Oregon suppliers. The concept works both at the local and state levels.”

Another idea that has been replicated in about a dozen cities is an Independent Business Alliance. The first IBA was started in Boulder, CO in 1998 by David Bolduc, owner of the Boulder Book Store, and Jeff Milchen, an activist and founder of ReclaimDemocracy.org (Mitchell 2003). The Boulder IBA (BIBA) is described in Mitchell (2001), along with many of the services that it provides its members: marketing materials (store decals, bumper stickers, bookmarks, and coffee cups), a Guide listing

members in the local paper, and a Community Benefit Card (for a set price of around \$15, the card provides discounts at participating stores). BIBA planned to explore other possible services it could provide, such as gift certificates and pooled insurance.

The success of the Boulder IBA led to large numbers of requests for information on how to form an IBA, so in 2001 Milchen and BIBA's assistant director, Jennifer Rockne, established AMIBA (the American Independent Business Alliance). AMIBA's role is to help launch IBAs in interested communities, network their organizers, and continue to build a national movement to reverse the decline of independent businesses. (Mitchell 2003)

A similar program started in Minneapolis in 2002. (ILSR 2002) Holders of a community "Hero Card" who purchase at any participating store receive rebates good at any of the local participating businesses. A portion of the rebate is either donated to a nonprofit of the cardholder's choice or goes to the purchaser if he or she volunteers at local nonprofits. The costs to businesses are for the fixed cost of card readers and rebates only, which are set by the individual stores and average 10%. Rebates also include a fee that goes to the organizers of the program.

Another example of small retail business cooperation is the cooperative marketing and purchasing done among Vermont's country stores (ILSR 2001). There are also several localities that have started a local currency, which is one way to encourage more patronage of local businesses. (For a description of how to start a local currency, see Solomon 2004.) A very advanced form of the local currency idea is the Economic Circle in Switzerland, a barter association of 60,000 business and individual members set up in 1934 (Douthwaite 1996, pp. 100-105).

Also from Vermont comes an example of cross-sector cooperation in the recently formed Vermont Alliance of Cooperatives (Davis 2004). The Alliance was formed "to raise awareness of co-ops and to educate Vermonters on the role and benefits of co-ops in their community." (Davis 2004) All Vermont coops including food, electric, housing, and agricultural cooperatives and credit unions are invited to participate in this joint marketing and education effort.

Any type of activity that seeks to enhance cooperation among existing organizations should take into account established principles of successful collaboration. Vogelsgang (1999) describes some of these general guidelines and gives a concrete example, studied by John Selsky (1991), of the Delaware Valley Council of Agencies (DVCA), a collective of social-service organizations.

The DVCA's first successes were low-risk, high payoff projects: an exchange network and resource bank of donated equipment and furniture. Those efforts were soon followed by joint contract purchasing arrangements for office supplies, photocopy paper, and fuel oil; and programs for health, dental, and retirement insurance. DVCA moved on to design events, conferences, and newsletters to facilitate interaction among the members. As trust grew, DVCA also advocated for public policy changes which directly benefited member

agencies, such as sales tax regulations, donor option policies, and resolution of liability insurance problems. (Vogelsgang 1999, referring to Selsky 1991)

The DVCA case study highlights several key recommendations relevant to the Cooperation Among Cooperatives project, including:

- Networks should be developed incrementally.
- Networks should be built by concentrating on the major resource needs of the members.
- A collective needs to appeal to multiple incentives and offer various ways to network, because not all members will derive the same benefits. (Vogelsgang 1999, referring to Selsky 1991)

Program

The first step in the program was to conduct research to identify the barriers to increased cooperation and the preferred strategies for increasing cooperation.

The type of study conducted was exploratory research. The concept that was measured is: interest in cooperation among cooperatives, and in particular interest in several given options for cooperation. The variables that helped measure the degree of interest in cooperation were: attitudes toward cooperation, interest in purchases from other cooperatives, and interest in and willingness to pay for given cooperation tools. Other variables of interest included cooperatives' geographic location, membership, and purchasing composition. (See Appendix 1: Final Survey Questionnaire)

The assessment of cooperative organizations took place between spring and fall of 2004. An electronic survey was disseminated through cooperative networks and a few state/regional associations. After an initial period, the need to contact a greater number and variety of cooperatives necessitated the use of staff time to pursue responses more insistently. The final tally of responses was 75. The full report of survey responses is attached as Appendix 2.

The results of the research were presented to the membership of Cooperative Life at the Annual Meeting on December 16, 2004 (see Appendix 3). The research was conducted by Noémi Giszpenc, the youth representative on the Board of Directors of Cooperative Life, with the aid of other members of the Cooperative Life Board, the staff of the Cooperative Development Institute, and interested members of cooperatives, who helped by reviewing the questionnaire, providing feedback, and helping to access relevant stakeholders. Invaluable aid in setting up the electronic survey was also provided by a volunteer technical consultant, Paul Fitzpatrick (Noémi Giszpenc's fiancé).

The membership of Cooperative Life agreed upon recommended action steps following the presentation of survey results in December 2004. The most preferred strategies indicated by the survey included a directory of cooperatives and a means of posting announcements for the purposes of joint purchasing, direct transactions, and networking.

The project will further develop these initial strategies as well as new strategies. Overall, the project has A) identified possible means to increase cooperative trade by the end of May 2004 and B) developed the first such tool to the point of public beta testing by December 2004 and public official release by end of March 2005. Going forward, the project will C) outreach to cooperatives to connect them with the tools during the spring of 2005 and D) follow up to see if program(s) had intended effect by the end of August 2005.

Noémi Giszpenc was primarily responsible as project coordinator for moving the program along. She received support from the staff of the Cooperative Development Institute, the sponsoring organization of Cooperative Life, as well as from fellow board members of Cooperative Life and interested volunteers. These groups had previously demonstrated their commitment and enthusiasm to the project in the detailed feedback that they provided on the draft survey and their willingness to use their networks to obtain broad participation in the survey.

In the future, it may be necessary to achieve certain program objectives (such as developing a bulk-purchasing program) to seek the services of a consultant. Every effort will be made to find low-cost, pro bono, or free services provided by a government or educational organization. The Cooperative Development Institute has a great deal of technical knowledge related to government grant writing and the use of consultants. These resources will be useful in any stage of program implementation that requires specialized assistance.

Mission Statement (provisional): As a program conducted under the auspices of Cooperative Life, whose mission is to build a thriving cooperative economy in the Northeast, the mission of this project is to increase the amount of trade among cooperatives in the Northeast and the benefits to cooperative members and employees from this trade through provision of facilitating information, contacts, consultation for negotiations, and coordination to participating cooperatives.

Participants

Initial participation was by members of Cooperative Life. There are currently about 20 members, but these include the Cooperative Grocers Association of the Northeast (CGANE), which has about 18 members in New England and New York and may be a good source of contacts with these coops.

Later, more cooperatives and other organizations, including locally owned businesses, involved in building a cooperative economy in the Northeast region will be invited to join the network. One source of participants will be businesses that participate in “buy local” campaigns, Independent Business Associations, and Business Associations for Local Living Economy Networks. See also the list of stakeholders below and in Appendix 4.

Community Role

The membership of Cooperative Life discussed, modified, and accepted a proposal to begin research on the feasibility of this project. The membership also indicated that it supported the goals of the project. The Board accepted the research methodology and gave detailed feedback on the draft survey of cooperatives at a meeting on March 7, 2004. Respondents to the research survey were drawn from the membership and contact base of Cooperative Life. The Board of Cooperative Life helped review the survey results and provided input into the design of tools created in response to those results.

Success depends on the project design meeting the needs of participants. Part of the research that was conducted focused on exploring the needs and constraints of participants. At the same time, the project falls within the organizational mission and vision of Cooperative Life to help build a strong cooperative economy in the Northeast.

One indication of support from project participants has been the willingness to volunteer to further develop the project, expressed by a few survey respondents and directory users. In particular, a member of a workers' collective and a survey respondent, Jason Lemieux, volunteered to professionally redesign the online directory website.

The list in the following table summarizes the various stakeholders of the project.

Table 1: Project Stakeholders

Cooperative Life: Board and membership
Cooperative Development Institute
cooperatives in the region and their members: consumer producer worker agricultural utility business and credit unions
other organizations that promote cooperatives in the Northeast: Cooperative Fund of New England National Cooperative Business Association and National Cooperative Bank The ICA Group VT Center for Employee Ownership NH Community Loan Fund
North American Students of Cooperation (NASCO)
government agencies such as the USDA Rural Development office (in particular its Rural Business-Cooperative Services)

<p>regional associations of cooperatives and their affiliated members</p> <ul style="list-style-type: none"> East Coast Workplace Democracy conference and the US Federation of Worker Cooperatives Cooperative Grocers Association Northeast (CGANE) state Rural Development Councils² Northeast Cooperative Council Association for Resident Control of Housing [of New England]³ (www.weown.net) Federation of New York Housing Cooperatives & Condominiums (www.fnyhc.org) National Association of Housing Cooperatives (possibly) Cooperative Housing Coalition (which focuses on affordable housing) state Credit Union Leagues⁴ Northeast Public Power Association and New York State Rural Electric Cooperative Association
<p>local and state government</p> <p>in particular their community and economic development branches</p>
<p>organizations that promote responsible consumption and sustainable communities and produce business directories for the purposes of responsible consumption</p> <p>such as Co-op America's Green Pages</p>
<p>academic centers</p> <p>such as the University of Wisconsin Center on Cooperatives</p> <p>Southern New Hampshire University, School of Community Economic Development</p>
<p>institutes for the promotion of local currencies and their associated scholars</p> <p>in particular the EF Schumacher Institute</p>
<p>journals</p> <p>such as Grassroots Economic Organizing, a newsletter that also produces the directory "An Economy of Hope," a listing of cooperative workplaces throughout the U.S.</p>

² State Rural Development Councils:

Massachusetts Rural Development Council: <http://www.mrdc.org/>

Connecticut RDC: <http://www.ruralct.org/>

Rhode Island RDC: Gerard Bertrand (Interim ED) E-mail: Regard2G@hotmail.com

New York RDC: <http://www.nysrdc.org>

Vermont RDC: <http://www.sover.net/~vcrd/>

New Hampshire RDC: <http://www.ruralnh.org/>

Maine RDC: <http://mrdc.umext.maine.edu>

³ ARCH is now defunct, but the weown.net website with detailed lists of housing cooperatives in Massachusetts, Vermont and Rhode Island is still in existence and should prove useful.

⁴ State Credit Union Leagues:

Connecticut Credit Union Association, Inc: <http://www.ctcua.org>

Massachusetts Credit Union League, Inc: <http://www.cucenter.org/ma/>

Maine Credit Union League: <http://www.maineicul.org/>

New Hampshire Credit Union League: <http://www.nhcucul.org/>

New York State Credit Union League: <http://www.nyscul.org/>

Rhode Island Credit Union League: <http://www.riculeague.org/>

Vermont Credit Union League: <http://www.vermontcreditunions.com/>

all organizations involved in community economic development⁵--for example:
community development corporations (CDC's)
community supported agriculture (CSA's)
"smart growth" advocates
environmental justice organizations
responsible business associations and
"buy local" campaigns.

The academic centers and institutes may provide valuable information about how cooperatives function and how local economies have developed elsewhere. The regional bodies could be valuable liaisons with their membership--offering cataloguing, polling, promotional, and feedback opportunities. Local government bodies may be interested in participating in and promoting the cooperation project. The producers of directories have valuable information they can share both in terms of actual business listings and how to manage databases of listings. Their constituencies also may be open to using the cooperative tools. The organizations that promote cooperatives will be sources of expertise on existing co-ops and co-op development. The various types of cooperatives, their members, employees, customers and suppliers will of course be the main affected parties. Cooperative Life and the Cooperative Development Institute are primary stakeholders as well, since they are the sponsoring organizations.

See the Stakeholders Table in Appendix 4 for a summary of stakeholders' relationships to the project.

Host Organization

Cooperative Life is the sponsoring organization for the project. It is a membership organization that represents the interests of cooperatives in the Northeast region as the Northeast Federation of Cooperatives. Noémi Giszpenc is one of seven elected board members of Cooperative Life and is conducting this project on a voluntary basis, with the help of fellow board members and interested volunteers.

The Cooperative Development Institute, a nonprofit located in Greenfield, MA dedicated to building cooperative leadership and enterprise in the Northeast, started Cooperative Life in 1999 as a way of offering state-of-the-art business development, marketing, and federation services. CDI was started in 1994 with the mission "To increase economic opportunities and benefits for people in the Northeast by fostering the growth and success of all types of cooperative enterprises." (Cooperative Life 2003) CDI retains the right to appoint one board member the board of Coop Life (currently that post is held by Bob Rottenberg, co-director of CDI), and provides the staffing for Coop Life.

⁵ Cooperative Life's mission includes *all* organizations helping to build a cooperative economy.

Method

Determination of Priorities: The project’s priorities were identified through meetings of the Board of Cooperative Life and the implementation of an online survey for member organizations. It was determined that the first objective of the project would be to design and implement an online directory of cooperative organizations. Separately, the Board also determined that a priority for the organization would be to create a source of revenue: an online community product that could be offered to our membership for a fee.

Online Directory: An online products committee was formed, consisting of Lynn Benander, Noémi Giszpenc, Paul Fitzpatrick, and two other technical consultants, Tom Murray and Daniel Keshet. The committee was to direct, monitor, and implement the creation of the two priority products, an online directory and online community software. Noémi Giszpenc and Paul Fitzpatrick were primarily responsible for developing the directory, while Tom Murray and Daniel Keshet were primarily responsible for the community software. The group examined a number of other websites to help determine valuable features and potential complementarities with existing tools (see Table 2 below). Lynn Benander coordinated the monitoring of the projects through monthly conference calls. She is currently leading exploration of ways to make the two products work together in ways that enhance both Cooperative Life’s mission and its revenue-generating capacity.

Table 2: Websites of Interest

Website: General Description	Features of Interest
<p>www.craigslist.org: Craigslist is a free online posting website in many cities across the world. What works about craigslist is</p> <ul style="list-style-type: none"> • A sense of trust and even intimacy • Giving people a voice • Consistency of down-to-earth values • Simplicity • Freshness of the material • No ads, particularly no banner ads • No charges, except for job postings (craigslist 2000) 	<p>Craigslist is a major inspiration for the directory and the postings. It focuses on a few, simple, limited functions, allows easy public usage, and has a community feel to it.</p>
<p>www.ebay.com: “eBay is The World’s Online Marketplace®, enabling trade on a local, national and international basis. With a diverse and passionate community of individuals and small businesses, eBay offers an online platform where millions of items are traded each day.” (eBay 2004)</p>	<p>eBay is also a source of inspiration, because it allows people in disparate and sometimes remote locations to make mutually beneficial transactions.</p>
<p>www.bbcanada.com: “Canada’s complete Bed & Breakfast Web Server.” A search engine for bed and breakfasts in Canada. (BBCanada.com 2004)</p>	<p>The Web model that they use is user friendly and concise, and its map section is very good.</p>

<p>www.nhcuc.org/collegemap.htm: “The New Hampshire College & University Council (NHCUC) is a non-profit consortium of 16 public and private institutions of higher education in the state of New Hampshire.” These are shown on an interactive map. (NHCUC 2004)</p>	<p>This site is another example of a way to visually present members within a given geographic area.</p>
<p>www.cgin.coop: “The Cooperative Grocers’ Information Network (CGIN) is a collaborative initiative formed by U.S. retail food co-ops to help them share information and resources. Our purpose is to strengthen retail food cooperatives by providing a vehicle that facilitates the sharing of resources among its members.” (CGIN 2004)</p>	<p>Cooperative grocers use this site to do a lot of their networking. It has both a free/public section and a paid/member section. This seems like a good site to partner with and try to complement.</p>
<p>www.directory.coop: A directory of all active .coop sites on the Internet. (DotCoop 2004)</p>	<p>The site allows you to search for co-ops by name, location and domain name. Another potential partner.</p>
<p>www.coopdirectory.org: “The Coop Directory Service is an online source of information about natural food co-ops.” (Coop Directory Service 2004)</p>	<p>It may be useful to partner with this site. Noémi has contacted the site administrator about it.</p>
<p>www.co-opmonth.coop/directory/directory.php: “The National Cooperative Month Planning Committee offers this partial directory to help you locate America’s cooperatives, by type, city and state.” (NCMPC 2004)</p>	<p>This site is a possible competitor. One of its disadvantages is that the process for adding a listing is not straightforward or instantaneous, and it lacks good geographical search capabilities.</p>
<p>www.everylist.com: “Everylist is a simple, but powerful idea. You tell us where you live, and we provide you a way to communicate with people around you... Everylist.com was created to fulfill the need for a totally free community website that works in every city (as opposed to just working in a few cities such as Craigslist.org).” (Robertson 2004)</p>	<p>This is a potential source of inspiration for the posting service. It does not seem to have taken off--so it may offer negative lessons about the need for critical mass.</p>

The Board determined that the directory should be a *wiki* website that allows users to add and edit content. (Wikipedia 2005)

Generally, Wikis practice the philosophy of making it easy to correct mistakes--rather than making it difficult to make them... History comparison reports highlight the changes between two revisions of a page... The Revision History allows the editor to open and save a previous version of the page, thereby restoring the original content... Some wiki engines provide additional content control. It can be monitored to ensure that a page, or a set of pages, keeps its quality. A person willing to maintain

pages will be warned of modifications to the pages, allowing him or her to quickly verify the validity of new editions. (Wikipedia 2005)

The Board chose a wiki model primarily in consideration of the limited staffing capacity of Cooperative Life and the Cooperative Development Institute. Secondly, the cooperative nature of the wiki philosophy appealed to the spirit of the organization. Another consideration was the adequacy of defenses against vandalism. The directory is set up to send email to monitors whenever a change or addition is made to an entry, and the monitors can easily revert the changes. An administrator (currently Paul Fitzpatrick, but the responsibility is to be transferred to CDI staff once the system is complete) is a universal monitor, and sees all changes, and users can also enlist as additional volunteer monitors of as many individual entries as they wish.

Based on the feedback received from the survey of Coop Life members and on re-examination of the Coop Life mission, the Board determined that the directory would explicitly invite all organizations helping to build a cooperative economy to list themselves, regardless of whether they were formed as cooperatives or not. This invitation is on the front page of the directory and is reflected in the wide choices of categories by which organizations can choose to identify themselves. (See Appendix 5, Add Entry Page and Sample Directory Entry.)

The work of the technical consultant, Paul Fitzpatrick, made it possible to add another desirable feature to the directory: the ability to search and view listings by geographical location. This feature supports the goals of increased awareness among cooperative organizations and stronger relationships across sector lines, and contributes to the goal of increased trade among cooperative organizations. In particular, the geographic capability will be used in a related system of announcements and postings to allow users to specify the geographic area for which their messages are intended.

The remaining pieces of the project are 1) outreach to users of the directory; 2) transitioning the directory to the stewardship of Cooperative Life (in practice, the staff of the Cooperative Development Institute) and 3) integrating the online directory with the other online products offered by Cooperative Life. Noémi Giszpenc is responsible for the implementation of outreach. She will oversee the effective transition of the project, to be carried out by Paul Fitzpatrick and the staff of CDI. The online products committee, with the guidance of the Board of Cooperative Life, will implement the integration of the online directory with other online products.

Products & Outputs

This project has generated research on the current interest in cooperative trade in the Northeast region and is in the process of generating new tools for increasing the amount of inter-cooperative trade; use by cooperative organizations of the tools to provide each other and their respective members with goods and services; and a sustainable system for administering the online cooperation tools.

The result of these outputs will be the following economic outcomes: awareness and relationships among cooperative organizations in the Northeast will increase, trade among cooperative organizations in the Northeast will increase, cooperative organizations and their members will realize benefits from such trade, and relationships among cooperative organizations will become stronger across sector lines.

IV. Implementation

Although progress did not occur according to schedule, several objectives were met and the goals are in sight. The table beginning on the next page shows each goal, the objectives of that goal along with actual completion dates, and the resources used to meet those objectives.

Implementation Table

	<u>Resources Needed</u>
<p>Goal 1: Increase Trade <i>[this goal was modified to include the prerequisites of increased awareness and improved relationships among organizations]</i></p> <p>Objective 1: Identify Obstacles to cooperatives doing business with each other <i>Planned Completion Date:</i> end of April 2004.</p>	<p><i>Actual completion date: December 2004.</i></p>
<p>Step 1.1: Literature search <i>[ongoing]</i></p>	<p>Library, Internet, Noémi's time</p>
<p>Step 1.2: Individual cooperative survey</p>	<p>low-cost survey writing software, technical assistance (from Paul) for survey web-hosting, server for hosting survey</p>
<p>-Draft survey <i>[completed April 2004, revised July 2004]</i></p>	<p>Noémi's time</p>
<p>-Seek feedback on survey from Cooperative Life Board <i>[completed April 2004]</i></p>	<p>Coop Life's Board's time</p>
<p>-Contact representatives of state and regional-level coop associations to gain endorsement of survey <i>[incomplete]</i></p>	<p>Noémi's time, state/regional associations' representatives' time and goodwill [the first resource was in short supply, and the second was largely lacking]</p>
<p>-Send survey to coops in Northeast region with endorsement of associations <i>[completed October 2004, only VT Credit Union League participated]</i></p>	<p>Noémi's time, Coops' time, Internet, paper alternatives for non-Internet connected coops, placement in coop trade publications such as <i>Cooperative Life Leader</i></p>
<p>-Follow-up to increase survey response rate, particularly in under-represented areas <i>[completed October 2004]</i></p>	<p>Noémi's time, CDI staff time, method of analyzing incoming survey results, long-distance telephone</p>
<p>-Compile and report results <i>[completed December 2004]</i></p>	<p>Noémi's time, data processing software</p>
<p>Objective 2: Identify Possible Solutions to bring to cooperatives <i>Planned Completion Date:</i> end of May 2004</p>	<p><i>Actual Completion Date: still in progress. Many possible solutions identified by planned completion date.</i></p>
<p>Step 2.1: Literature search <i>[ongoing]</i></p>	<p>Library, Internet, Noémi's time</p>
<p>Step 2.2: Conduct focus groups with coop members, managers, employees, directors</p>	<p><i>This step was dropped from the implementation schedule due to time constraints.</i></p>
<p>Objective 3: Develop solutions that will address cooperatives' needs <i>Planned Completion Date:</i> end of September 2004</p>	<p><i>Actual Completion Date: incomplete, in progress</i></p>
<p>Step 3.1: Compile directory of coops</p>	<p><i>It was determined that a preferable method of producing a coop directory would be to create an open directory to which organizations could add themselves. Following are the steps that were taken.</i></p>
<p>-Brainstorm and prioritize desired features of directory <i>[completed September 2004]</i></p>	<p>Online products committee time, brainstorming tool</p>

- Implementation of features *[completed September to December 2004]*
- Iterative improvements based on feedback *[in progress]*
- Site redesign *[completed March 2005]*
- More entries *[ongoing]*

Seed data from CDI, consultant (Paul)'s time and expertise
 Online products committee time, Paul's time and skill
 Web developer's time and skill (*donated by Jason Lemieux of Eggplant Active Media Workers' Collective*)
 Promotion, outreach, Noémi's time, participation by Cooperative Life membership

Step 3.2: Draft "boilerplate" agreements

Due to the lower popularity of this solution evidenced in the results of the survey (see Appendix 2), this step was dropped from the implementation schedule.

Step 3.4: Set up peer-to-peer networking opportunities

This was the next most popular solution after the Cooperative Directory. Implementation is being split into two Steps: 1) creation of an online Announcements tool and 2) scheduling of physical meetings. The second of these steps has been pushed to a later implementation schedule.

- Brainstorm and prioritize desired features of announcements tool *[completed September - December 2004]*
- Implementation of features *[in progress]*
- Iterative improvements based on feedback *[in progress]*
- More entries *[ongoing]*

Online products committee time, brainstorming tool

Technical consultant's time and expertise.

Online products committee time, technical consultant's time
 Promotion, outreach, Noémi's time, participation by Cooperative Life membership

Step 3.5: Obtain educational/promotional materials for coops to use with members and public

This solution was relatively popular but will be implemented at a later time.

Step 3.6: Develop local-level solutions

This solution is still attractive. Currently it has been dropped from the implementation schedule, but plans exist for trying to use Boston as a pilot site. Implementation will depend on availability of Noémi's time and Boston coops' time and willingness.

Step 3.7: For all steps above, determine how to deliver service in a self-sustaining manner

- Determine willingness of users to pay *[completed October 2004]*
- Devise ways of charging for services or attracting users' donations *[in progress]*

Noémi's time, online survey tool

Noémi's time, Coop Life's time and marketing skills

Objective 4: *Outreach* to cooperatives to connect them with solutions
 By Date: end of November 2004

Actual completion date: in progress.

Step 4.1: Partner with state/regional associations of coops [*incomplete*]

Step 4.2: Organize other forms of outreach [*incomplete*]

Objective 5: *Follow-up* to see if program(s) had intended effect

By Date: end of April 2005

Actual completion date: TBD. No activities have taken place to date on this objective.

Goal 2: Produce Savings and/or Benefits for Participating Organizations Resources

Needed

Objective 1: *Identify Costs* facing cooperatives

By Date: end of April 2004.

Actual completion date: incomplete.

Step 1.1: Literature search [*in progress*]

Library, Internet, Noémi's time

Step 1.2: Individual cooperative survey [*completed October 2004*]

(*See step 1.2 for Goal 1*)

Objective 2: *Identify Possible Solutions* to bringing down costs through increased cooperative trade

By Date: end of May 2004

Actual completion date: still in progress. Many possible solutions identified by planned completion date.

Step 2.1: Literature search [*in progress*]

Library, Internet, Noémi's time

Step 2.2: Conduct focus groups with coop members, managers, employees, directors

This step was dropped from the implementation schedule due to time constraints.

Objective 3: *Develop solutions* that will address cooperatives' needs

By Date: end of September 2004

Actual completion date: in progress.

Step 3.1: Facilitate cost-saving through bilateral deals

These steps are covered in Step 3.4 under Goal 1-- the development of an Announcements tool

Step 3.2: Facilitate cost-saving through group/bulk purchasing

Objective 4: *Outreach* to cooperatives to connect them with solutions

By Date: end of November 2004

Actual completion date: in progress.

Step 4.1: Partner with state/regional associations of coops

(*See step 4.1 for Goal 1*)

Step 4.2: Organize other forms of outreach

(*See step 4.2 for Goal 1*)

Objective 5: *Follow-up* to see if program(s) had intended effect

By Date: end of April 2005

Actual completion date: TBD. No activities have taken place to date on this objective.

Inputs Needed

The inputs needed for the steps completed in 2004 and 2005 are as follows.

People:

Noémi Giszpenc's time (estimated at 250 hours in 2004 and 100 hours through April 2005)

Technical Assistance Provider (Paul Fitzpatrick)'s expertise and time (estimated at 80 hours in 2004 and 40 hours through April 2005)

Web Developer (Jason Lemieux)'s expertise and time (estimated at 20 hours)

Cooperative Life's Board and Online Products Committee time and commitment

Cooperative Development Institute (CDI) staff time (estimated at 40 hours) and long-distance telephone

Cooperative Life membership's commitment and time

Partner participation

Software and Equipment:

MSWord word processing

Opinio survey software (<http://www.objectplanet.com/Opinio/>)

Excel spreadsheet

Access database

Powerpoint presentation software

Internet browser and Email capability

Debian Linux operating system

Perl packages

Swish-e search engine builder

TIGER Mapping Service and TIGER database

Apache webserver

Communispace online community software for discussions and brainstorming

Phones and phone conferencing

2 Laptop computers and one desktop computer

Budget

Cooperative Life Business-to-Business Cooperation Promotion Program Budget

<i>Personnel Costs</i>	2004	2005
Program Coordinator (1 @ \$15/hour plus payroll taxes and benefits at 25%) for 250 hours + 100 hours (<i>donated in-kind by Noémi Giszpenc</i>)	\$4,688	\$1,875
Technical Assistance Provider (1 @ \$50/hour) for 80 hours + 40 hours (<i>donated in-kind by Paul Fitzpatrick⁶</i>)	\$4,000	\$2,000
Web Developer (1 @ \$75/hour) for 20 hours (<i>donated in-kind by Jason Lemieux</i>)	-	\$1,500
Staff Time (\$15/hour plus payroll taxes and benefits at 25%) for 40 hours + 20 hours (<i>donated in-kind by Cooperative Development Institute</i>)	\$750	\$375
Volunteer time of participants	<u>In-kind</u>	<u>In-kind</u>
Total Personnel	<u>\$9,438</u>	<u>\$4,750</u>
<i>Non-Personnel Costs</i>		
Internet-based Survey tool, web-hosting, mail server (<i>donated in-kind</i>)	\$200	\$200
Printing costs for paper survey (<i>donated in kind</i>)	\$50	-
Domain Name registration of two .coop addresses (for 1 year)		\$500
Web-hosting: 12 months @ \$30/mo (<i>donated in kind by Eggplant.coop</i>)		\$360
Total Non-Personnel	<u>\$250</u>	<u>\$1,060</u>
Total Program Cost per Year	<u>\$9,688</u>	<u>\$5,810</u>
Total Program Cost	<u>\$15,498</u>	

Gantt Chart

See Appendix 6.

⁶ Paul Fitzpatrick is Noémi Giszpenc's fiancé.

V. Monitoring and Evaluation

Management Information System

Survey

The survey of cooperative organizations was conducted using a free version of *Opinio* software (See Inputs). The free version allowed easy monitoring of the number of responses to the survey and produced a basic reporting of results. Unfortunately it was not capable of exporting the raw data for further analysis (for example, by cross-tabulation), so it was necessary to enter the survey responses by hand into an Access database. This took a few hours of time, but yielded much more usable data.

The survey was conducted in two phases. A first version of the survey was released in the spring of 2004 and garnered a little over twenty responses, after active outreach. These preliminary results were presented to a meeting of the Board of Cooperative Life in April 2004. The results helped shape the subsequent steps of the project, namely, writing a shorter survey with only the most relevant questions retained, and starting work on the most popular option given, the cooperative directory.

During the second phase of surveying, the Cooperative Development Institute donated staff time toward active outreach to potential respondents. CDI staff worked from their own database of contacts, and every few days Noémi Giszpenc checked the *Opinio* site and sent updates to the CDI staffperson of which organizations had provided responses (to avoid contacting them again).

The goal was to reach a total of 100 responses to the survey, but as the number of respondents steadily dwindled over time, the final tally of 75 responses was deemed adequate.

The final survey results were presented to the Annual Meeting of the membership of Cooperative Life in December 2004.

Overall, the free *Opinio* software provided an easy way to keep track of how many respondents had completed the survey and who they were (if they provided the names of their organizations). Its reporting system for overall results was adequate at a basic level, but not for more advanced analysis, which required a database program (Access). If funding had not been so severely constrained, it might have been worthwhile to pay for the business version of *Opinio* software, which has the capability to export raw data in a database-ready format. Alternatively, a Web-based survey service that charges a monthly fee could have been used.

The Board meeting, bimonthly check-ins with a survey follow-up Board committee, and Annual Meeting provided helpful monitoring occasions and ensured accountability.

Directory

The development of the online cooperative directory, an essentially creative and entrepreneurial activity, benefited a great deal from monthly phone conferences with the online products committee and weekly reports given as part of the course CED 794: Project Implementation and Monitoring (See Appendix 7, the condensed Project Monitoring Weekly Reports). Paul Fitzpatrick, the technical consultant, implemented key features of the directory as identified by the Board of Cooperative Life, received frequent feedback from project leader Noémi Giszpenc and regular feedback from members of the online products committee, and refined the directory and added new features. This cycle of implementation and feedback resulted in a very usable and attractive product.

By chance, one of the respondents to the survey volunteered in the Comments section his services as a Web designer. Once a beta (testing) version of the online directory was up and ready for public viewing, Noémi Giszpenc contacted Jason Lemieux of the Eggplant Active Media Workers' Collective to ask for his feedback on the site. Lemieux praised the site and offered a few attractive stylistic changes. He also set to work designing a brand-new, polished look for the site. See figure below.

Figure 2: Online Directory (Lemieux version) Screenshot



The integration of the fully-functional version of the directory with the professionally-designed look created by Lemieux was conducted by Lemieux and Fitzpatrick in March of 2005 and marked the end of the beta phase of the directory. It is now fully public.

Performance Indicators

The overall goal of the project, as noted in the abstract, is to implement a system of mutual exchange among cooperative organizations for their benefit and the benefit of their members and localities. The first tool produced in the service of that objective has been a directory of cooperative organizations. The goal of the directory portion of the project is to increase the number and accuracy of listings of cooperative organizations and other locally owned businesses in the Northeast region, to increase awareness among cooperative organizations of the directory and the listings in it, and to ensure the sustainability and continued usefulness of the directory over time. The goal of the notices tool is to facilitate transactions among organizations listed in the directory, with messages targeted by topic and geography. The success of this portion of the project can be evaluated by

- (1) the production of usable tools,
- (2) usage of the tools by cooperative organizations,
- (3) increased awareness among the target population of the tools, and
- (4) presence of necessary elements for continuous development of tools and strategies.

These measurement indicators were developed in line with the recommendations made by Clements (2001) to measure impact, not just output.

As the project did not proceed to the point of completion in the original timeframe, overall project goals could not be adequately assessed. The evaluation below is thus necessarily only formative, not summative.

In order to conduct a formative evaluation, project participants (Lynn Benander, Paul Fitzpatrick, and Jason Lemieux) were interviewed. The main points that these interviews were intended to elicit were (Kellogg 1998):

- (1) What went well during project implementation? What factors contributed to that?
- (2) What went less well during project implementation? What factors contributed to that, or what resources could have made a difference?
- (3) Are the project's goals well suited to the capacity of the organization?
- (4) Are the project's goals well suited to the needs of participants?
- (5) How should the success of the project be rated [so far]?
- (6) What resources does the project need to continue successfully, and are these in place?

According to project participants, the successful aspects of the project included:

- *The survey*: its development, ease of implementation, the value of information it generated (despite only reaching 75 respondents) that the organization can continue to follow up on, unexpected connections with interested and talented community members, and the development of a tool--the directory--based on results.
- *The directory*: the skillfulness of its design, perseverance and problem solving in face of limited data, creative strategies for implementation--in particular, use of the wiki model--and iterations in the prototyping.

The factors that contributed to successful implementation were:

- *The organizational aspects:* creative problem solving skills, understanding of the cooperative community across sectors, recruitment of people with skills and talents to support effort, and interest and support from membership and board of Coop Life to undertake survey and put those resources to use.
- *The technical aspects:* having a seed database to start from so that the directory was immediately useful, making the directory Google-friendly so that people can easily “surf” to listings, and maintenance of clear separation between the two roles of back-end coder and artistic Web designer--the system was built so that could happen; for example, common-sense naming of database variables and templates made it easier for the Web developer to re-design site.
- *The people:* Paul and Jason have similar work-styles and knowledge of technology.

The project was constrained by limited resources, for example:

- Cooperative Life has no paid staff that could support the project
- There are no resources for a prominent launch of the site
- Paul Fitzpatrick’s volunteer time was limited, which led to several weeks of downtime in February after the site’s server was hacked
- The directory uses a free mapping site provided by the government that is unpredictable and sometimes slow
- Having geographically scattered volunteers working on a collaborative project caused some delays

The least successful aspect of the project was the attempt to make an announcements or postings site. Unlike the directory, it had no data at the beginning. It needed more of a kick-start, which it did not get, so it flopped--it has not been included in the publicly released cooperative directory site.

Given the limited resources available from the organization, the project’s (modified) goals were well suited to the capacity of the organization. In fact, a virtue was made of necessity--the wiki model was adopted in large part because the organization lacks paid staff, but it is a positive feature of the directory. In addition, the database owned by the Cooperative Development Institute, the sponsor of Cooperative Life, was an important source of information that was essentially untapped. The directory makes maximal use of that resource.

The project’s goals seem to be well suited to the needs of participants. The goals were adopted in response to a member survey where 85% of respondents approved the idea of a cooperative directory (and 65% said that they would be willing to pay for it). In addition, many in the grassroots economic movement are currently considering directory projects that could be supported by Regina (for example, the newly-formed US Federation of Workers Cooperatives has begun to compile a directory, the Grassroots Economic Organizing newsletter is formulating a proposal for a directory, and one of the major outcomes of the Boston Social Forum was a heightened level of interest in a directory of alternative economic organizations). Perhaps the best indicator of the

project's relevance was its ability to attract a community member (Jason Lemieux) to donate his time and resources toward making it more successful.

Given all these considerations, project participants have rated the success of the project so far quite highly.

The resources that the project needs to stay in place are the following:

- Web-hosting (market rate of \$30/month)
- someone to send email to (at most, 20 minutes a day)
- occasional maintenance (about a day/month of a Web developer's time, at \$55/hour)
- a better domain name (.coop domains cost \$250/year)

The site is designed to be mostly self-maintaining. Jason Lemieux and the Eggplant Active Media Workers' Collective have volunteered to do the hosting and provide maintenance pro bono. The moderator role can be handed off to staff at the Cooperative Development Institute, as the directory fits within CDI's mission. Eggplant is willing to donate half the cost of a domain name. Funding for the difference could come from CDI or from a donation button on the directory site.

There are many exciting avenues of further development that can be pursued. These include:

- Cooperating more with other indices
- Adding "typical" community stuff: forums, postings, announcements, bartering that specifically is relevant in a particular locality
- Using the geographical knowledge built in to the site to help geographic-community based communication and put complementary organizations (such as producer coops and consumer coops) in touch with each other
- Becoming a mini-host for some of the smaller organizations that don't want to deal with web-hosting and Web development--giving them greater control over their entries.

Summary Evaluation Table

Goals and Objectives	Performance Indicators	Expected Outcomes	Actual Outcomes
<u>Goal 1: Increase Trade</u> [<i>this goal was modified to include the prerequisites of increased awareness and improved relationships among organizations</i>]			
Objective 1: <i>Identify Obstacles</i> to cooperatives doing business with each other	Survey produced.	Survey produced.	Survey produced (see Appendix 1).
	Responses gathered.	100 responses.	75 responses.
Objective 2: <i>Identify Possible Solutions</i> to bring to cooperatives	Participants approve identified solutions.	Participants approve identified solutions.	Solutions received varying degrees of approval (see Appendix 2).

Objective 3: <i>Develop solutions</i> that will address cooperatives' needs	Appropriate solutions developed.	Usable, attractive directory of cooperative organizations	Functional and visually attractive directory site was made fully public in March '05.
		Usable, attractive system of announcements	Announcements system still in development
Directory Sub-objective 1: <i>provide</i> widespread, accurate listings of cooperative organizations	increase in the number of listings	50 new listings	27 new listings [as of March 2005]
	user-editing of listings	50 updated listings	21 deletions and 43 modifications [as of March 2005]
Directory Sub-objective 2: <i>increase awareness</i> among cooperative organizations of the directory	Recognition of directory among cooperative organizations	50% recognition rate among surveyed organizations	TBD [beyond scope of current project]
	Use of directory	50 searches of directory per week	Estimated for the general public to be 150 keyword searches per week, plus viewing of geographical search results by an additional 400 search engine users.
Directory Sub-objective 3: <i>ensure the sustainability</i> and continued usefulness of the directory	Project participants rate probability of continuation of directory highly	Project participants point to necessary resources and organizational commitment in place	Continued web hosting and staff moderation of directory is in place. Directory entries are self-maintaining.
Announcements Sub-objective 4: <i>facilitate transactions</i> among organizations listed in the directory	Announcements are posted	10 announcements a week	TBD [beyond scope of current project]
	Transactions are made or meetings occur	80% success rate of posting an announcement	TBD [beyond scope of current project]

Objective 4: <i>Outreach</i> to organizations to connect them with solutions	Cooperative Life membership, survey respondents, and other organizations on contact list have been contacted	All organizations on list have been contacted	Outreach will take place in April and May, beyond the scope of this report.
Objective 5: <i>Follow-up</i> to see if program(s) had intended effect	Impact is assessed	80% of previously surveyed respondents are re-surveyed	TBD [beyond scope of current project]

In summary, the project achieved some of its major goals within the timeframe of this report. Faced with limited resources, the project employed a methodology that made maximal use of volunteer time and skills, including those of the community. The minimum needed for maintenance of the project is in place, and interest exists for continued development. The project should find a way to generate a small amount of funding from donations in order to continue to meet the needs of the cooperative community.

Sustainability

As described above, the project was designed to need require a minimum of resources to continue indefinitely. Volunteer web development and web-hosting are in place. Cooperative Life lacks paid staff and its sponsor organization, the Cooperative Development Institute, has been withdrawing funding over the past year and a half, but the staff requirements of maintaining the directory are so minimal and the goals of the project fit within CDI's mission, so it is likely that the project will continue to be supported by CDI. In addition, the directory will likely set up a way for users to contribute to its maintenance through a donation button on the site. The costs of maintenance are roughly \$430/month at market rates. All but the domain name registrations, at \$42/month for two domain names, have been pledged as in-kind donations.

For the project to develop and flourish, additional resources will need to be devoted to it. To the extent that the further developments fit in with the mission of CDI, the project may expect some support. Other possible sources of funding include the National Cooperative Business Association and other national associations of cooperatives and the users of the directory tool. In addition, Cooperative Life is currently developing online products for sale, which may be able to cross-subsidize the development of the free directory service. These avenues require further research and development.

VI. Conclusions & Recommendations

Conclusions

The mission of Cooperative Life is to nurture the cooperative economy in the Northeast by supporting the organizations that make it up and fostering connections among them. This project focused on strengthening the business relationships among cooperative organizations. Because little was known about what was needed and what would be welcomed by the membership, considerable time was spent gathering data through a membership survey. The survey indicated that the cooperative community was not yet ready for major cooperation--some groundwork and relationship building would need to happen first. But respondents did display a clear interest in a directory of cooperative organizations.

There were few monetary and staff resources available to compile a directory, but the project coordinator did have access to the volunteer time of a talented web programmer. In addition, the sponsor organization of Cooperative Life, the Cooperative Development Institute, had an extensive database of contacts that was not being used. A “wiki” (user-updateable) model was adopted for the online directory. This model minimizes the amount of staff time necessary for the directory’s maintenance, and harnesses the power of user input to become *more* accurate and comprehensive over time.

One element that changed dramatically since the outset of the project was the scope of the intended community beneficiaries. Cooperative Life, although it is the Northeast Federation of *Cooperatives*, has as its mission to support *all* organizations helping to build a cooperative economy. Several of the survey respondents noted that they were *not* officially cooperatives--some were nonprofit, some businesses, some government agencies. This feedback along with re-examination of the mission helped the Board to determine that the scope of the directory would explicitly include *any* organization *anywhere* helping to build a cooperative economy that works for people. This is a major defining feature of the directory, and it remains to be seen how well it works in the future.

Respondents to the survey also demonstrated high levels of interest in *networking*, *joint purchasing*, and *direct transactions*. Some progress was made toward addressing these interests. In particular, the project proposes in the future to incorporate the geographical functionality used by the directory to enhance the targeting of postings.

The project did not progress as far toward the goals of providing benefits for participants as had been initially hoped. This seems to be a universal feature of CED projects--people elaborate projects much more ambitious than can be realistically achieved. In the case of the Cooperation Among Cooperatives project, less research was conducted due to time constraints and to the limited time available from survey respondents. Only one tool was fully developed in response to the survey results (although the results of the survey provide fodder for future projects).

On the other hand, several unexpected circumstances led to enhanced project outcomes. The technical consultant, Paul Fitzpatrick, initially did not expect to be able to incorporate geographical information into the directory's functionality, but upon conducting further research he found a way to create maps of all areas within the U.S. (A Canada-based user has expressed interest in extending the functionality to Canada.) The other major surprise was that a respondent to the survey, Jason Lemieux of the Eggplant Active Media Workers' Collective, volunteered to redesign the directory website to be more visually attractive.

In sum, although more could have been achieved with greater resources and staff time, a very useful and attractive tool for cooperation among cooperative organizations was created using all free and donated resources. The tool was designed to be almost entirely self-maintaining with a minimum of expense and staff time needed for continued upkeep. Project participants have declared it a success.

Recommendations

In light of the experiences described in this report, the author would make the following recommendations.

Think small and realistic. Generations of CED students have been told this and have tried, and failed, to attempt a project to be completed in one year that actually has a chance of doing that. Still, it doesn't hurt to say it again. Having realistic goals helps cut down on frustration from not achieving grandiose objectives and helps focus effort on what *can* be accomplished now with available resources.

Use the resources at hand. More resources are available than may be apparent. A lot can get accomplished when maximal use is made of those resources. Also, although this is a learning project, it is acceptable to play to strengths. Other people maybe would have used certain skills or resources, such as fundraising, but if these are not among the project participants' strong points, it is OK to use those skills and resources that *are* available.

Get organizational and community buy-in. This project could not have succeeded without the active support and participation of the Cooperative Life board, CDI staff, and the cooperative economic community. In addition, a major unexpected boon to the project came as a result of a survey that elicited interest and volunteer time from a talented community member.

Planning, monitoring and evaluation really are helpful disciplines. Having a plan, reporting on implementation, and doing an explicit evaluation of a project all have very substantial benefits. They are not mere academic exercises or superficial formalities. A written plan helps to communicate the project to stakeholders and guide activities (but be aware that projects will often need to modify plans as things develop). Monitoring keeps things moving along and provides early alerts for any needed changes in direction. Project directors may think that they know how the project went, but asking other

participants for their input reveals valuable perspectives, details, and ideas that would otherwise have remained untapped.

Be aware of money/time/skills tradeoffs. This project used minimal monetary resources, but instead drew heavily on the volunteer time of the project director as well as other volunteers. In addition, several of the free tools used by project developers demanded either higher levels of skill or greater inputs of time than more expensive options would have done. On the other hand, money does not necessarily buy quality: the geographical functionality that Paul Fitzpatrick incorporated into the directory was so technically advanced that money might not have been able to buy it. In addition, a major feature of the directory is its openness to user modification, an option that might have been missed if money were available to pay for staff to maintain the directory entries.

Maintain clear roles and responsibilities. In the case of this project, it was the role of the Board of Cooperative Life to establish priorities and ensure that the project served the mission of the organization. The project coordinator planned and carried out activities, including coaxing other participants along. The Web programmer researched and implemented the functional features identified by the Coop Life Board and online products committee. The Web designer created the visually engaging and attractive interface for the website. The programmer and designer were able to work smoothly together, and both cited this as a major project success.

Be aware of any “network effects”. For certain products, the more people who use it the more useful it will become and the more people will want to use it. The success of this project rides on the snowballing effect of more and more organizations adding themselves to and using the online cooperative directory. One reason for the directory’s initial impressiveness and success was that it started with a large database. This “network effect” cuts both ways, however. One reason for the accompanying “postings” tool’s initial failure was that it started with almost no entries.

Don’t expect volunteer energy to last forever. Although a project can get launched using only volunteer energy, it needs to aim for some other form of sustainability or it will likely die out before long. This project’s sustainability does not depend on continued expenditure of concentrated volunteer effort, but rather taps the diffuse volunteer energy of people to maintain entries that they care about. It also provides a valuable service at a defined cost that can easily inspire small donations from users to cover those costs.