



# Start a Co-op Contest

Contestant Handbook



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## Important Dates

### Required Co-op Awareness Class Dates

*All sessions the same, only required to attend one*

<b>Session 1</b> Small Business Development Center 101 S Bartlett Rm 132, Medford	05/16/2019 12:00pm – 1:00pm
<b>Session 2</b> Ashland Food Co-op 300 Pioneer St., Ashland	05/20/2019 6:00pm – 8:00pm
<b>Session 3</b> Rogue Credit Union 1370 Center Dr, Medford	06/26/2019 5:30pm to 7:00pm
<b>Session 4</b> Grange Co-op 2833 N. Pacific Hwy, Medford	07/30/2019 6:00pm to 7:30pm

<b>Application Due</b>	<b>08/16/2019</b>
<b>Contestant Selection</b>	<b>08/30/2019</b>
<b>Required Co-op Business Plan Workshop</b>	<b>09/03/2019</b>
<b>Business Plan Submission Due</b>	<b>10/09/2019</b>
<b>Business Plan Presentation</b>	<b>10/16/2019</b>
<b>Winner Announced</b>	<b>10/25/2019</b>

## Contest Checklist

- Attend Co-op Awareness Class
- Submit Online Application
- Attend Co-op Business Plan Workshop
- Submit Completed 5-7 Page Business Summary
  - Executive Summary
  - Business Description
  - Market Analysis
  - Financial Analysis
  - Timeline
- Business Plan Presentation (15 minutes plus 15 minutes for questions)

# Contest Overview

## PURPOSE

The Rogue Co-Ops have created the Start A Co-op Contest to help raise awareness around the benefits of the cooperative business model and to grow the co-op movement in the Rogue Valley by providing education to qualifying fledgling co-ops and monetary support for the winner.

## CONTESTANT REQUIREMENTS

- Must be 18 years or older
- Must be legal residence or US citizens
- Business must be located in the Rogue Valley
- Business must use cooperative business model or be converting to the cooperative business model.

## WINNER SELECTION

Contest submissions will be evaluated by a panel of judges using the scoring guide provided in this packet. All submissions will also be posted to social media so the Rogue Valley community can act as a “last judge”. Contestants will be scored on their Business Plan Summary and Presentation.

The criteria used to select the winner will include:

- Social impact of the proposed cooperative on the Rogue Valley
- Market viability/scalability
- Financial Viability
- Ability to execute
- Passion & entrepreneurial spirit

The winner will be awarded **\$3,000** to further their efforts in establishing or converting their cooperative business.

## CONTEST OUTLINE

The Start a Co-op Contest has 6 major components:

1. Co-op Awareness Class
2. Application
3. Co-op Business Plan Workshop
4. Business Plan Summary
5. Business Plan Presentation
6. Award

## CO-OP AWARENESS CLASS

In the three months leading up to the application deadline, there will be three offerings of the Co-op Awareness Class. This class is **required** for all applicants and will provide information on the structure, development and benefits of cooperative. All three sessions will be identical, thus applicants are only required to attend one of the three. The Co-op Awareness class schedule is below:

<b>Session 1</b> Small Business Development Center 101 S Bartlett Rm 132, Medford	05/16/2019 12:00pm – 1:00pm
<b>Session 2</b> Ashland Food Co-op 300 Pioneer St., Ashland	05/20/2019 6:00pm – 8:00pm
<b>Session 3</b> Rogue Credit Union 1370 Center Dr, Medford	06/26/2019 5:30pm to 7:00pm
<b>Session 4</b> Grange Co-op 2833 N. Pacific Hwy, Medford	07/30/2019 6:00pm to 7:30pm

## APPLICATION

Visit <http://rogue.coop/start-co-op-contest> to fill out the application by **August 16<sup>th</sup>, 2019**. Applicants will be chosen on the viability of their plan, passion for the cooperative movement, and financial viability. Applicants with business propositions that may impose reputational risk to any of the Rogue Co-ops will not be selected. A maximum 5 contestants will be chosen.

## CO-OP BUSINESS PLAN WORKSHOP

The 2-hour Co-op Business Plan Workshop is a requirement for all contestants and will provide them with actionable steps that will help them with their contest submission. It will be broken up into three sections:

1. Cooperative Movement
2. Business Plan Basics for Cooperatives
3. Funding Resources for Cooperatives

Business experts from the Rogue Valley will provide their expertise and guidance to all contestants thus providing value to everyone involved in the contest, not just the winner. The class will be held on **September 3<sup>rd</sup>, 2019** from **5:30pm to 7:30pm** at the **Ashland Food Co-op Classroom** at **300 Pioneer St, Ashland, OR 97520**.

## **BUSINESS PLAN SUMMARY**

The business plan summary will be a 5 to 7 page document that includes the following elements:

- Executive Summary
- Business Description
- Market Analysis
- Financial Analysis
- Timeline

All business plan summaries must be submitted at <http://rogue.coop/start-co-op-contest> by **October 9<sup>th</sup>, 2019**. Submitted plans will be looked over and analyzed by a panel of contest judges and posted to social media to be analyzed by the community as a “last judge”.

## **BUSINESS PLAN PRESENTATION**

Contestants will pitch the ideas laid out in the Business Plan Summary during the Business Plan Presentation on **October 16<sup>th</sup>, 2019** at the **HEC Auditorium at 101 S Bartlett St., Medford, OR 97501**. Judges from the community will be scoring the presentation and business plan summary using the scoring guide provided on page 8.

The presentation will be made up of a 15 minute pitch highlighting important facts from the Business Plan Summary and 15 minutes of questions from the judges. Contestants may use visual aids to enhance their presentation. If using a PowerPoint (or any technology), materials will need to be sent in by **October 14<sup>th</sup>, 2019** to ensure functionality.

## **AWARD**

Before any of the award money can be released, the winning contestant must complete the following steps:

1. Register the new cooperative business with the State of Oregon\*.
2. Establish a business account at a reliable financial institution for the new cooperative business. The money from the contest cannot be awarded to an individual.

Once the steps above are completed, the Rogue Co-ops will release half\*\* of the funds to be used in accordance with the Business Plan Summary. To receive the remainder of the funds, the winner must present their progress to the Co-op committee by **April 17<sup>th</sup>, 2020**.

If the winner does not complete the steps outlined above, then the award money will be returned to the Rogue Co-ops for future contest use.

\*The Rogue Co-ops may release up to \$200 of the award money to help with state business registration fees.

\*\*The Rogue Co-ops may consider releasing full amount subject to specific terms and conditions.

## Scoring Guide

CRITERIA	EXCELLENT (4 points)	GOOD (3 points)	ACCEPTABLE (2 points)	NEEDS IMPROVEMENT (1 point)	Total
<b>Cooperative Structure</b>	<ul style="list-style-type: none"> <li>All 7 principles essential to business model.</li> <li>In-depth description of how business will strengthen Rogue community in a variety of ways.</li> </ul>	<ul style="list-style-type: none"> <li>Many cooperative principles are essential to business plan.</li> <li>In-depth description of how business will strengthen Rogue community.</li> </ul>	<ul style="list-style-type: none"> <li>Some cooperative principles are essential to business plan.</li> <li>General idea of how business will strengthen Rogue community.</li> </ul>	<ul style="list-style-type: none"> <li>7 principles missing or added without thought.</li> <li>Little thought put into how business will strengthen Rogue community.</li> </ul>	
<b>Market Viability</b>	<ul style="list-style-type: none"> <li>Thorough market analysis locally/globally.</li> <li>In-depth outlook of industry locally/globally.</li> <li>Explains how product/service can positively impact Rogue Valley.</li> </ul>	<ul style="list-style-type: none"> <li>Thorough overall market analysis. Lacks local focus.</li> <li>Well defined outlook of industry. Lacks local focus.</li> <li>Explains how product/service is distinct.</li> </ul>	<ul style="list-style-type: none"> <li>Market analysis completed but is not thorough.</li> <li>Brief discussion of outlook of industry.</li> <li>Product/service uniqueness briefly discussed.</li> </ul>	<ul style="list-style-type: none"> <li>Market analysis largely incomplete.</li> <li>Little thought as to outlook of industry.</li> <li>Not clear on how product/service is distinct.</li> </ul>	
<b>Financial Viability</b>	<ul style="list-style-type: none"> <li>Thorough financial plan with backup plans.</li> <li>Clearly outlined plan for Co-op Contest prize money.</li> </ul>	<ul style="list-style-type: none"> <li>Thorough financial plan.</li> <li>Clearly outlined plan for Co-op Contest prize money.</li> </ul>	<ul style="list-style-type: none"> <li>Financial plan is strong but has some gaps.</li> <li>General plan for Co-op Contest prize money.</li> </ul>	<ul style="list-style-type: none"> <li>Financial plan has significant gaps.</li> <li>Plan for Co-op Contest prize money is unclear.</li> </ul>	
<b>Ability to Execute</b>	<ul style="list-style-type: none"> <li>Business plan is clearly viable and well suited to Rogue Valley.</li> <li>Timeline well outlined and reasonable.</li> <li>Funding resources already committed.</li> </ul>	<ul style="list-style-type: none"> <li>Business plan is clearly viable.</li> <li>Timeline reasonable.</li> <li>Funding resources already contacted.</li> </ul>	<ul style="list-style-type: none"> <li>Business plan is viable but needs more work.</li> <li>Timeline needs more detail.</li> <li>Funding resources already identified.</li> </ul>	<ul style="list-style-type: none"> <li>Business plan needs more work to be viable.</li> <li>Timeline needs more detail.</li> <li>More funding resources need to be identified.</li> </ul>	
<b>Passion &amp; Entrepreneurial Spirit</b>	<ul style="list-style-type: none"> <li>Passionate about the co-op movement.</li> <li>Natural entrepreneurial spirit.</li> <li>Showed clear excitement for business idea and helping the Rogue Valley.</li> </ul>	<ul style="list-style-type: none"> <li>Enthusiasm about the co-op movement</li> <li>Strong entrepreneurial spirit.</li> <li>Showed clear excitement for business idea.</li> </ul>	<ul style="list-style-type: none"> <li>Clear interest in the co-op movement</li> <li>Entrepreneurial spirit evident.</li> <li>Showed clear excitement for business idea.</li> </ul>	<ul style="list-style-type: none"> <li>Interest in the co-op movement unclear.</li> <li>Some entrepreneurial spirit.</li> <li>Apparent lack of enthusiasm for business idea.</li> </ul>	

# Co-op Business Plan Outline

## Executive Summary

*(Approximately 1/4 to 1/3 page)*

The executive summary should basically be the elevator pitch for your cooperative. It should be a brief summary all of the important information from your business plan, including the need that your co-op meets in the Rogue Valley. It is often helpful to write this section last.

### Questions to get you started:

- How will you quickly engage potential members and customers in the co-op?
- What is your organization's mission statement?
- What are the most important points from each section?

## Business Description

*(Approximately 1 to 2 pages)*

The business description section should provide a high-level look at how all of the different elements of your cooperative fit together. It should include information about the nature of your cooperative as well as list the primary factors that you believe will make your cooperative a success. Be sure to include how the 7 cooperative principles will be foundational to your business.

This section should also include a brief description of the structure of your organization, board of directors, identify management and explain why you are particularly suited to the industry you are pursuing.

### Questions to get you started:

- What is the purpose of the co-op?
- How did this idea begin, and how has it developed into what it is today?
- What does the co-op do or sell?
- Who are your customers?
- How much does the product cost?
- What makes your product special?
- Who is your board? What makes them well suited to working in this industry?
- How is the co-op structured?

## Market Analysis

*(Approximately 1 to 2 pages)*

The market analysis section should illustrate your knowledge about your particular industry. It should also present general highlights and conclusions of any marketing research data you have collected. You should also spell out how you will address your market.

### Questions to get you started:

- What are the barriers to entry in the Rogue Valley market?
- What other similar organizations are already in the Rogue Valley?
- Who are your customers?
- What do they want?
- What is your organization's value proposition?
- How will you deliver that product or service/convince potential customers to buy from you?

### **Financial Analysis**

*(Approximately 1 to 2 pages)*

**THIS SECTION IS CONSIDERED THE MOST IMPORTANT PART OF YOUR BUSINESS PLAN AND REQUIRES SIGNIFICANT EFFORT**

### **Financial Projections**

In this section, you will provide a detailed financial analysis of the business. For new businesses, this will include projections of your revenues, cost of goods sold (if you produce a product), operating expenses and expected profits. For existing businesses, you will want to provide a detailed income statement for the past 3 years in addition to your expected future financial projections.

Additionally, you will be asked to detail how you determined the various components of your income statement (ie. revenues, COGS, and operating expenses) that led to your projected profitability.

### **Investment and Financing**

You will also want to identify how much you plan to or have already invested in the business. You'll want to identify the amount of funding you will need to get started and how it will be used. You will need a detailed plan for how you plan to use the award money if you need including dates, specific purposes, and exact amounts.

If necessary, you can include different funding scenarios, such as a best and worst case scenarios, but remember you must be able to back up these scenarios with data and projections.

### Questions to get you started:

- How are you determining your product pricing?
- What is your cost to produce a single unit?
- What is your profit margin?
- What is your capacity to produce the product?
- How many units do you need to produce to break-even (break-even analysis)?
- How many units you plan to sell and how will the market support that volume level?
- What are your start-up and operating expenses?
- How will you use the \$3,000 award from the contest?
- Do you need additional financing?
- If so how much?

### **Timeline**

(Approximately ½ to 1 page)

The timeline will provide a detailed step by step outline of what you will need to do to start your co-op and when. Be sure to include important milestones such as financing, finding location and permitting, hiring, marketing and opening. The more specific you can be, the better.

## Resources

Rogue Co-ops

<http://rogue.coop/>

Cultivate Co-ops

[http://cultivate.coop/wiki/Main\\_Page](http://cultivate.coop/wiki/Main_Page)

Association of Cooperative Educators

<http://ace.coop/>

CDS Consulting Co-op

<http://cdsconsulting.coop/>

Cooperative Development Institute

<http://cdi.coop/>

Cooperative Development Network

<http://www.cooperationworks.coop/>

Oregon Start a Business Guide

<https://sos.oregon.gov/business/Documents/business-guides/start-business-guide.pdf>