

# Scenario 2

## Ongoing Needs

### The Youth Co-op

In many high schools, some services are either insufficient or non-existent. A group of individuals from the school (principal, teachers, and students) might dream about creating a business to meet the ongoing needs of the student community (student café, newspaper, etc.). Therefore it makes sense to launch a cooperative in a school setting, given the similarity of values between schools and collective businesses. Such endeavours also provide excellent opportunities to develop entrepreneurial projects that are fully aligned with the school's teaching mission. The projects do not, however, generate enough profit to hire a paid employee to manage the business, which can be a fairly complex task. That is why it is not recommended that they be legally incorporated. **Youth Co-op Scenario 2** is an educational guide designed for any group that wants to set up a small cooperative business in order to meet the specific needs of members of the student community.

### Educational purpose

Managing a project based on democratic management practices entails acquiring skills related to Personal and Career Planning and Citizenship and Community Life. The **Youth Co-op** also integrates the cross-curricular competency of collaborating with others.

### Intended users of this toolkit

The tools proposed in Scenario 2 of the **Youth Co-op** are intended for any group of promoters who would like to create a small cooperative business to meet the needs of the student community; these needs can be related to employment, services or products.

### The promoters

There is no set rule defining who can be a promoter. The promoters may, for example, be a group from the student council or a teacher and a parent, and their goal might be to create a food services cooperative. Another group might consist of a teacher, who is responsible for individualized learning paths, and his or her students. This group may have already completed **Youth Co-op Scenario 1** the year before and has now decided to take their entrepreneurial project further (for example, woodworking and sales). This kind of cooperative not only provides real-world experience in creating and managing a business but also answers the need for student employment (patronage dividends according to the number of hours worked).

### Creating a Youth Co-op

There are four essential steps:

1. *Breaking the Ice* - to create a climate conducive to work
2. *Learning cooperation* - to help youth understand the concept of cooperation and its values. The success of the collective entrepreneurial project depends on them. This step enables the group to confirm the choice of the cooperative option.
3. *Clarifying the democratic functioning of a cooperative* - to understand the important rules and characteristics of cooperatives and the democratic functioning of a **Youth Co-op**.
4. *Choosing a collective project* – to commit to a project, plan and distribute tasks.

# 2

## Scenario

### Ongoing Needs

#### **Duration of a Youth Co-op project**

There is no limit. As long as the business adequately meets the needs of its members and it covers its costs, there is no reason to dissolve it.

#### **Choice of facilitator**

The Regional Collective Entrepreneurship Awareness and Promotion Officer, who has been specially trained, serves as a volunteer facilitator for all **Youth Co-op** projects. Where necessary, an external resource person from the business community may be invited to serve as facilitator. Such a person may be an Entrepreneurship Awareness and Promotion Officer, an employee or a board member from a local cooperative, or a retired professional of the co-op movement, etc.

#### **Choice of local resource person**

Any school staff member who helps students with their project: teacher, extracurricular activity facilitator, spiritual care and guidance and community involvement animator, special educator, special education professional, resource person specialized in entrepreneurship, guidance counselor, person responsible for the GOAL approach or any other staff member.

#### **Youth Co-op group accreditation**

Official accreditation is issued by the Conseil québécois de la coopération et de la mutualité for all **Youth Co-op** projects using this method. These projects qualify under *La Relève en action* of the Fondation pour l'éducation à la coopération et à la mutualité and the Fondation Desjardins. They can also compete in the Quebec Entrepreneurship Contest and may receive funding as part of the Introduction to Entrepreneurship Measure (IEM) of the ministère de l'Éducation, du Loisir et du Sport. Awards are granted at special regional and national gala events.

# Scenario 2

## Summary

**Requirements**  
A group of promoters who would like to create a cooperative business to respond to the permanent, ongoing need of a group or community (work, various supplies, nutrition, entertainment, product sales, etc.).

### Step 1-Breaking the Ice

- Activity 1: Find Someone Who... ..... 98
- Activity 2: Birthday Lineup ..... 101
- **Objectives:** Help participants get to know one another.
  - Create a favourable work environment.
  - Understand participants’ expectations.
  - Create working groups randomly.

### Step 2-Teaching Cooperation

- Activity 3: A Lesson from Nature ..... 104
- Activity 4: The X and Y Game ..... 107
- **Objectives:** Understand and discover the advantages of cooperation
  - Increase group awareness of the values of cooperation
  - Confirm participants’ willingness to get involved in a collective project based on these values

### Step 3- Understanding the Democratic Functioning of a Cooperative

- Activity 5: Characteristics of a Cooperative ..... 116
- **Objective:** As a group, agree on a definition of a cooperative business, and understand its rules.
- Activity 6: Broken Sentences ..... 122
- **Objective:** Discover or recall important characteristics of cooperatives
- Activity 7: The Democratic Functioning of a Cooperative ..... 131
- **Objective:** Understand the democratic functioning of a cooperative and a **Youth Co-op**.

### Step 4-Choosing a Collective Project

- Assessing local needs ..... 144
- Consulting the Governing Board ..... 147
- Conducting a feasibility study ..... 148

# 2

## Scenario

### Summary

#### Step 5-Managing the Youth Co-op

**Activity 8: Roles and Responsibilities of Committees and Elected Officers** ..... 154

- **Objectives:** Understand the roles and responsibilities of each Committee and Officer.  
 Help individuals choose which committee to sit on and generate interest in elections.

Create a plan for the **Youth Co-op**.

◦ Business plan ..... 161

#### Step 6- Moving along with our Youth Co-op

◦ Articles and Bylaws ..... 164

◦ Founding General Meeting ..... 176

◦ First Board Meeting ..... 177

◦ Election of Committee Coordinators and General Coordinator ..... 180

**Conclusion** ..... 183

# Scenario 2

Activities to do according to participant roles

<b>Participants</b> <b>Activity</b>	<b>Promoters Group</b>	<b>Board Members</b>	<b>Working Members</b>
<b>Step 1 – Breaking the Ice</b> Activity 1: Find Someone Who... Activity 2: Birthday Lineup	X	X	X
<b>Step 2 – Teaching cooperation</b> Activity 3: A Lesson from Nature Activity 4: The X and Y Game	X	X	X
<b>Step 3 – Democratic Process of a Cooperative</b> Activity 5: Characteristics of a Cooperative Activity 6: Broken Sentences Activity 7: Democratic Functioning of a Cooperative	X	X	X
<b>Step 4 – Choosing a Collective Project</b> Assessing local needs Consulting the Governing Board Conducting a feasibility study	X		
Business plan	X		
Articles and bylaws (recruiting members)	X		
Founding General Meeting	X		
Activity 8: Roles and responsibilities of elected officers		X	X

next →

### Activities to do according to participant roles

<b>Participants</b> <b>Activity</b>	<b>Promoters Group</b>	<b>Board Members</b>	<b>Working Members</b>
First Board Meeting (election of officers)		X	
Election of Committee Coordinators and General Coordinator			X

# Step

1

Breaking the Ice

# Activity

1

## Find Someone Who...<sup>15</sup>

- **Objectives:** Help participants get to know one another.  
Create a favourable work environment.

### Preparation

**Material for each person:**

- Find Someone Who Task Sheet

**Cooperative context:**

- Looking for someone

**Team size:**

- Large group

### Activity

**Getting started**

Explain the activity to the students. Very often we know little about the people around us. This activity will help you become better acquainted with, and perhaps discover some hidden talents of, your fellow participants.

**Procedure**

Each person receives a chart which lists skills, abilities and characteristics.

Participants must go around the class and question one another, one at a time, to identify a personal skill or characteristic listed on the chart. On identifying a personal skill or characteristic, participants sign their name in the corresponding square.

You can ask each person only two questions. You cannot sign somebody else's name. You must try to fill out the entire chart. You have 10 minutes to do so.

### Feedback

Ask participants what they discovered about each other. Identify the skills or characteristics that the group will need to develop a collective project.

### Taking it a step further

The facilitator can group the various items of the grid under the four functions listed on the Business Functions Skills Sheet and post them on big cardboard sheets. Everyone then fills in the sheets appropriately. The group will refer to this skill bank when creating the working committees.

15. Adapted by Cynthia Tanguay from an activity of the same title in Conseil québécois de la coopération et de la mutualité, *Ensemble vers la réussite: Démarche d'initiation à la coopération*, (Lévis: Conseil québécois de la coopération et de la mutualité, 2003), 40-45.



# Activity

1

## Find Someone Who... Task Sheet

Likes to speak in public.	Likes to meet new people.	Likes to work with numbers.	Is always on the move and prefers to be active rather than sitting down.
Is good at drawing.	Is a good mediator when two people have a conflict.	Is able to create a budget.	Is a good observer.
Is good at finding information on the internet.	Is able to recognize other people's strengths.	Is good in mathematics.	Has multi-tasking abilities.
Is meticulous about how things are presented.	Is concerned about being fair when dividing tasks.	Has well-structured class notes.	Likes manual work.
Is persuasive.	Is sensitive to others.	Pays attention to his/her expenses.	Likes to understand how things work.
Has good writing skills.	Is a people person.	Likes to put things in the right place.	Is resourceful.
Is creative.	Has good listening skills.	Is patient.	Can stand pressure.

# Activity

# 1

## Business Functions Skills Facilitator Sheet

Marketing	HUMAN RESOURCES	ACCOUNTING	PRODUCTION
Likes to speak in public.	Likes to meet new people.	Likes to work with numbers.	Is always on the move and prefers to be active rather than sitting down.
Is good at drawing.	Is a good mediator when two people have a conflict.	Is able to create a budget.	Is a good observer.
Is good at finding information on internet.	Is able to recognize other people's strengths.	Is good in mathematics.	Has multi-tasking abilities.
Is meticulous about how things are presented.	Is concerned about being fair when dividing tasks.	Has well-structured class notes.	Likes manual work.
Is persuasive.	Is sensitive to others.	Pays attention to his/her expenses.	Likes to understand how things work.
Has good writing skills.	Is a people person.	Likes to put things in their place.	Is resourceful.
Is creative.	Has good listening skills.	Is patient.	Can stand pressure.

# Activity 2

## Birthday Lineup

- **Objectives:** Help participants get to know one another.
- Create a favourable work environment.
  - Understand participants' expectations.
  - Create working group randomly.

### Preparation

**Cooperative context:**

- Form a Line

**Team size:**

- Large group

### Activity

**Getting started**

In order to get the group going, let participants introduce themselves and share their expectations. Ask them to stand in a straight line according to the day and month of their birth.

**Procedure**

Once participants have taken up their position, let them introduce themselves one at a time and explain their expectations for the cooperative project. The facilitator records the various comments on the board.

To form working groups, start at the beginning of the line and make sure that each participant is in a group by counting the exact number you will need in each.

### Feedback

Ask participants what they discovered about each other. It is important to keep the list of expectations for evaluation purposes during or at the end of the project. If the expectations are unrealistic, it is important to inform the group so as to avoid disappointment.



# Step



## Teaching Cooperation

# Activity

## 3

### A Lesson from Nature<sup>16</sup>

- **Objectives:** Understand and discover the benefits of cooperative work.  
 Increase group awareness of the values of cooperation.  
 Ensure participants' willingness to get involved in a collective project based on these values.

#### Preparation

**Materials for each team:**

- A Lesson from Nature Task Sheet
- Cardboard and markers

**Cooperative context:**

- Roles: spokesperson/timekeeper, secretary

**Team size:**

- Teams of two
- Large group

#### Activity

**Getting started**

Discuss the factors of success or failure in team work. Note all positive factors and save them for future use. Emphasize the importance of working in groups, even with people who are not necessarily friends. Ask participants to think of times when they had to work with people not of their choosing. The examples can be taken from work or family experiences, or special interest groups, such as sports teams or clubs.

Explain that this activity is an example of cooperation that occurs in nature.

**Procedure**

- **Individual task(s)**  
 Read the text "A Lesson from Nature."  
 On a sheet of paper, write down the three main concepts developed in the text.
- **Team task (s) (teams of two)**  
 Share the notes you've made and agree on one common concept. The secretary records the common idea on a cardboard sheet.
- **Large group task**  
 A spokesperson summarizes the main idea identified and writes it down on a board or flip chart.

16. Adapted from an activity in Conseil québécois de la coopération, *Ensemble vers la réussite: Démarche d'initiation à la coopération*, (Lévis: Conseil québécois de la coopération et de la mutualité, 2003), 18-21.

# Activity

## A Lesson from Nature

### Feedback

What important lessons can be learned from this example taken from nature that will help guide the group's experience? Choose the consensus answers and post them in the room where **Youth Co-op** project activities are held. It will be interesting to compare the initial ideas with those that are finally chosen by the group.

### Taking it a Step Further

Consensus ideas can be synthesized and re-expressed in simple sentences or slogans that describe the purpose of the **Youth Co-op**.

# Activity

## 3

### A Lesson from Nature Task Sheet

#### A Lesson from Nature<sup>17</sup>

Next fall, when you see geese heading south for winter in typical V formation, think of what science has discovered from observing the flying pattern of geese. With each flap of its wings, the goose produces a current of ascending air for the next goose in the line. By flying in a V formation, the flock can cover about 71% more distance than a goose flying solo. People who share a common goal can also reach their goal more quickly by working together.

Every time a goose gets out of the formation, it faces increased wind resistance and quickly falls back into line in order to take full advantage of the efforts of its fellow geese. If we had as much common sense as geese, we would work with people who are headed in the same direction as we are. When the lead goose gets tired, it moves to the back of the flying formation and is replaced by another. It is important for all members of the group to take a turn at the more difficult tasks. Each goose honks orders to encourage the goose behind them, so that all the geese keep up the pace.

If a goose gets tired or is wounded and has to land, two of its fellow geese will go along for protection. They will stay with the wounded goose until it is ready to fly again or dies, then they will fly off to rejoin their flock or find a new flock to join. If we had as much common sense, we wouldn't hesitate to help each other out.

In nature, teamwork is essential for survival. Think of all we could learn if we studied nature more closely.

#### Questions

- **Individual task**

Which three aspects of this story struck you the most?

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- **Team task (teams of two)**

What is the most important way to help a group function effectively? Write down a few points to support your answer.

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17. Lorraine Dugas, "Une leçon de la nature," *Bulletin FECS* no. 28 (February-March 1994).



# Activity

## The X and Y Game<sup>18</sup>

- **Objectives:** Understand and discover the benefits of cooperation.  
 Increase group awareness of the values of cooperation.  
 Ensure participants' willingness to get involved in a collective project based on these values.

### Preparation

#### Materials for each team

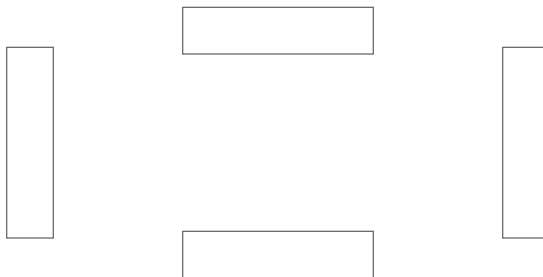
- Ballot X and Ballot Y Task Sheets
- Score Sheet Task Sheet

#### Group size

- Four teams (minimum of three members per team)

#### Group set-up

- The four teams will choose their respective places in the room at a distance that allows them to communicate with one another.



### Activity

#### Getting started

The facilitator must ensure that no one is familiar with the game. Those who are must act as observer or secretary, and not take part. The facilitator explains that the goal is to earn as many points (dollars) as possible. The game entails ten rounds of voting. For each round, each team must choose either X or Y. The facilitator must jot down the participants' reactions.

#### Procedure

The facilitator creates four teams and arranges them as illustrated above.

The facilitator distributes the tools. The Score Sheet is the only tool the teams can use to decide on a game strategy. The facilitator reviews the Score Sheet with the students, in order to show them the different possibilities.

The only explanation the facilitator should give at this stage is that the goal is to “earn as many dollars as possible.” Repeat this sentence often in order to confuse the players as much as possible.

next →

18. Adaptation of the game “Gagnez autant que vous le pouvez,” Pierre Simon and Lucien Albert *Les relations interpersonnelles: Une approche expérientielle en milieu laboratoire* (Laval: Éditions Agence d'Arc, 1990).

# Activity

## 4

### The X and Y Game

The game entails ten rounds of voting. Before starting, the facilitator goes over the rules to follow. The first three rounds are individual rounds (each group chooses X or Y without any discussion with the other teams). The players on each team will have one minute to discuss the best strategy for earning as much money as possible. Each team holds up its card to display its choice, and the facilitator counts the number of X's and Y's. After each round, the facilitator records each team's score on the board, and names those that earned or lost dollars, while restating the goal of the game. In so doing, the facilitator's aim is to create confusion in order to prompt as much discussion as possible among the players. If there are any questions, the facilitator restates the goal and the first rule of the game, reminding players that this is the only information that can be given at this point.

In round four, the facilitator adds a rule. The teams can then discuss a common game strategy. They have two minutes to decide on the number of X's or Y's to display for the round. The facilitator must guide discussion to ensure that ideas are shared and that everyone agrees on a strategy. The facilitator may also draw comparisons with discussions that take place during Board or Committee meetings. Once agreement has been reached, each team has one minute to define its strategy and accept or reject the agreement reached in order to win more dollars (goal of the game). All teams raise their cards at the same time. The facilitator counts the number of X's and Y's and records the points on the board.

The game continues in the same way except in rounds five, eight and ten. In these special rounds an additional rule is given. The results are calculated as follows: round five (x 3), round eight (x 5) and round ten (x 10). Thus, if a team loses two points in round five, (x 3), it will in fact lose a total of six points!

At the end of the ten rounds, the facilitator records on the chart each team's results for each round, and the total results for each team adding a new column for each team's overall results.

#### Recap of game rules

- During *individual rounds* (1, 2, 3), discussion is *allowed only among teammates*.
- During *group rounds* (4, 5, 6, 7, 8, 9, 10), discussion *with other teams* is allowed before each team makes its choice.
- Each team has *only one choice per round*.
- All 10 rounds must be completed in less than 30 minutes.
- The facilitator must record each team's choices on a chart that is clearly visible to all.

# Activity

## The X and Y Game

### Example:

Sample chart

	1	2	3	4	5*	6	7	8*	9	10*
Team A	-1	-2	2	3	3	...				
Team B	-1	-2	-2	-1	3	...				
Team C	-1	2	2	-1	3	...				
Team D	-1	2	-2	-1	-9	...				

The facilitator should only add one more column and row **at the end of all ten rounds** to calculate the results.

	1	2	3	4	5*	6	7	8*	9	10*	Total
Team A	-1	-2	2	3	3	...					22
Team B	-1	-2	-2	-1	3	...					-2
Team C	-1	2	2	-1	3	...					-15
Team D	-1	2	-2	-1	-9	...					-34
Final Result	-4	0	0	0	0	...					-29

# Activity

4

## The X and Y Game

### Feedback

Based on the final results and the comments noted during the game, the facilitator initiates a group discussion with the participants. Here are some sample conclusions.

The 4 Y's option is the only choice *that will allow everyone to score* and get richer over the course of the game. If this principle is followed throughout the game, each team should earn 25 points and have an overall total of 100. With this option *four* teams *earn money, not just one.*

We are often tempted to act alone in order to be the “only real winner,” and as a result get into competition with others, diminishing our chances of success. Each player is in it for “**me**” rather than for “**the team.**” (This is evident in rounds 1, 2, 3.)

Winning at all cost and the desire for gain can make us forget certain values, such as respect for one's word, mutual aid and helping others in difficulty. Each team has only one true goal: get rich as quickly as possible, even at the expense (or impoverishment) of others.

But who really wins?

If agreements have been honoured, bravo! You have just learned the strengths, values and advantages of cooperation, as the overall team results will show.

# Activity 4

## Task Sheet

Ballot



# Activity 4

Task Sheet

Ballot



# Activity

4

## Score Sheet Task Sheet

For 4 teams:

	Points (dollars)
4 X	Each team loses 1 point
3 X 1 Y	Each X earns 1 point The Y team loses 3 points
2 X 2 Y	Each X earns 2 points The Y team loses 2 points
1 X 3 Y	Each X earns 3 points The Y team loses 1 point
4 Y	Each team earns 1 point





# Step

3

## Democratic Functioning of a Cooperative

## Characteristics of a Cooperative<sup>19</sup>

- **Objective:** Agree, as a group, on a definition of a cooperative business and understand its rules.

### Preparation

#### Materials for each team

- Unity in Diversity Task Sheet – distributed according to the number of team-mates
- Comparison Chart Task Sheet
- Four markers of different colours for each team

#### Cooperative context

- Collective Graffiti
- Roles: timekeeper, spokesperson, secretary

#### Group size

- Teams of four

### Activity

#### Getting started

A group of students has set a fundraising goal for a project. To organize the task of the **Youth Co-op** the facilitator recaps the characteristics that the group identified (in “A Lesson from Nature”). The facilitator then initiates a discussion centered on the students’ perceptions of the operation of a cooperative business and the rules that apply to it. This activity is designed to reinforce their previous knowledge.

#### Procedure

Each team member chooses a different coloured marker. Using the Collective Graffiti Task Sheet placed in the centre of their table, each team member is asked to write down what s/he knows or thinks about cooperative businesses (rules, distinctive features, etc.). The facilitator will allow a certain amount of time for the players to complete the task and will ask the timekeeper to inform players when the time is up. The members of the team then share and compare their ideas. The discussion should help the team arrive at a common definition of a cooperative business.

This definition is then recorded on the sheet in the appropriate circle. Each team member signs the sheet with the definition.

The spokesperson for each team writes the team’s definition on the board.

19. Adapted from an activity conducted by Isabelle Boivin as part of the *Microprogramme en apprentissage coopératif et complexe*, Université de Sherbrooke, 2003.

# Activity

5

## Characteristics of a Cooperative

### Feedback

Each team fills out the comparison chart. This will help students formulate their perceptions into cooperative rules. The facilitator then makes corrections, using the answer sheet and, where necessary, completes the information using the Theoretical Summary.

Theoretical Summary<sup>20</sup>**A cooperative is a business**

- It is an economic unit established for purposes of production, distribution or sales.
- Like any other business, it requires money, raw materials and know-how.
- In order to survive and grow, it must be profitable and generate more income than expenses.
- It engages in marketing, accounting and other related administrative activities to function properly (like any other business).

**But a cooperative is also different from other businesses!****It is a collective business.**

It includes you, me and all of us!  
A cooperative is a collective business and belongs to all its members.

**It is a democratic business.**

One member, one vote!  
A cooperative exists to serve its members, because they control it.

**It is a business that is fair to all its members.**

The cooperative respects the principle of equitable sharing of profits between the members (patronage dividends).  
Each member is entitled to his/her share of the patronage dividends, in relation to the services used or the hours worked.  
In the case of a **Youth Co-op**, the dividends may be collective and assigned to the group as a whole in order to carry out a common project.

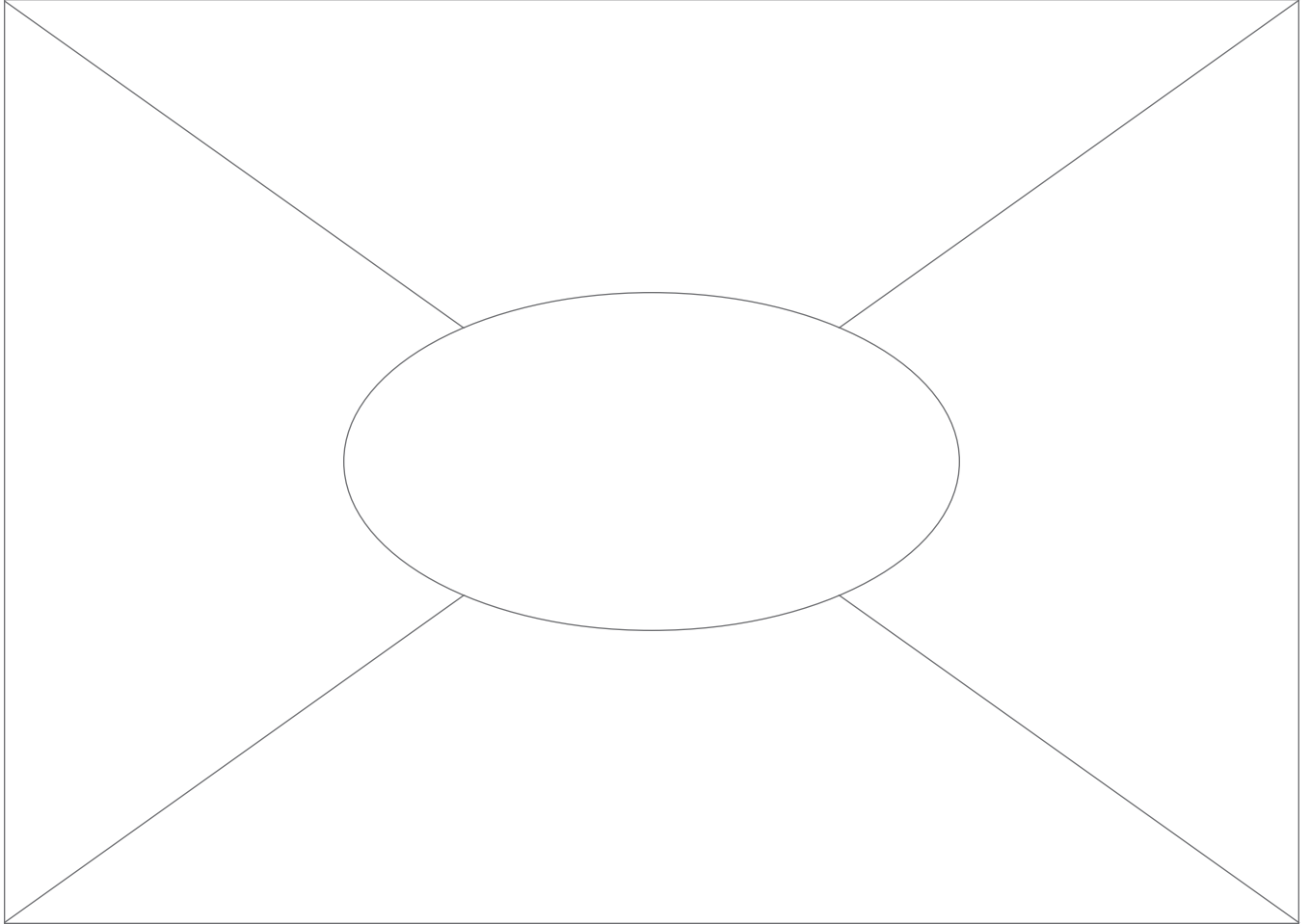
**It is a business that promotes the development of individuals and of the local community.**

One of the fundamental commitments of all cooperatives is to contribute financially to improve the community which it serves. For example, members of a **Youth Co-op** might be willing to put 5 percent of their profits toward the development of future **Youth Co-ops** in their school. It might be useful to cite the example of a Caisse Desjardins or a student-run cooperative. However, the notion of redistributing patronage dividends is different for the Caisse Desjardins compared to student cooperatives. School-based cooperatives distribute the patronage dividends at source as purchase discounts whereas Desjardins distributes it at the end of the fiscal year.

20. Based on Fédération des coopératives québécoises en milieu scolaire, *Guide d'élaboration d'un plan d'éducation coopérative à l'attention des coopératives en milieu scolaire* (Anjou: Fédération des coopératives québécoises en milieu scolaire, 2002).

# Activity 5

## Unity in Diversity Task Sheet



Note: A larger format sheet (approximately 60 cm X 90 cm) is recommended.

## Activity

5

Comparison Chart<sup>21</sup> Task Sheet

Factors for comparison	Business		
	Corporation	Cooperative	Non-Profit Organization
Who are the owners?			
What is the purpose of the business?			
Who makes decisions?			
What are the rules of procedure?			
What is surplus income (after expenses) called?			
To whom do they belong?			
How are they distributed?			
In what form?			

21. Adapted from CDR-Région de Québec, Séminaire de formation des administrateurs de coopératives (Québec: CDR-Région de Québec, March 1993), 10.

## Activity

Comparison Chart<sup>22</sup> Answer Sheet

Factors for comparison	Business		
	Corporation	Cooperative	Non-Profit Organization <sup>23</sup>
Who are the owners?	Shareholders	Members	No owners
What is the purpose of the business?	Maximize dividends	Answer the needs of members (maximize cooperative advantage)	Answer needs of its members and the community
Who makes decisions?	Shareholders, members (General Meeting and Board of Directors)	Members (General Meeting and Board of Directors)	Members (General Meeting and Board of Directors)
What are the rules of procedure?	1 share = 1 vote 100 shares = 100 votes	1 member = 1 vote <sup>24</sup>	1 member = 1 vote unless otherwise, specified in the rules of procedure.
What is surplus income (after expenses) called?	Dividends	Surplus earnings	Surplus earnings
To whom do they belong?	Shareholders	Members	Members have no rights on surplus earnings
How are they distributed?	Proportional to shares (bigger shareholders earn bigger dividends)	Proportional to services used (the more services a member uses, the greater his/her share in surplus earnings)	Surplus earnings are not distributed
In what form?	Dividend	Patronage dividends	N/A

Note: It is recommended to place this chart somewhere in the classroom after completing the activity.

22. Adapted from CDR-Région de Québec, Séminaire de formation des administrateurs de coopératives (Québec: CDR-Région de Québec, March 1993), 10.

23. Adapted from Ministère des finances, de l'économie et de la recherche, "Annexe 2: Tableau comparatif: coopérative, compagnie et organisme à but non lucratif (OBNL)" in Horizon 2005: Politique de développement des coopératives: La coopération tout le monde y gagne!, (Québec: Ministère des finances, de l'économie et de la recherche, 2003), 56-59.

24. The primacy of the person over capital is expressed in the rules concerning decision making, the purpose of the business and the sharing of results.

# Activity 6

## Broken Sentences<sup>25</sup>

- **Objective:** Discover or recall important characteristics of cooperatives.

### Preparation

#### Materials for each team

- Sentences: Print out each sentence on different colour paper (sentence 1, blue; sentence 2, orange; etc.) and cut the sentences in pieces (version 1 and 2).
- Answer Sheet (version 2)

#### Cooperative context

- Puzzle
- Roles: secretary, spokesperson, tools manager, facilitator (version 2 only)

#### Group size

- Version 1: large group
- Version 2: teams of four (home group)

### Activity

#### Procedure

##### Version 1:

- Give each participant part of a sentence.
- Participants must find the person with the same colour paper and rebuild the sentence by placing themselves in the right order. Each person keeps their piece of the sentence; the participants change places.

##### Version 2:

- The person in charge of the materials takes an envelope for their team and distributes pieces to teammates.
- Each member must place (or displace) his/her piece of the sentence.
- Once the sentence has been reconstructed, and then checked by the facilitator, the team explains in its own words what the sentence means (on the team's answer sheet).

### Feedback

#### Version 1:

- Read each sentence, explain or give examples if necessary.

#### Version 2:

- Each spokesperson presents their teams' sentence and explains it to the rest of the class.

25. Created by Cynthia Tanguay, Collective Entrepreneurship Awareness and Promotion Officer, Fédération québécoise des coopératives en milieu scolaire, 2005.



## Answer Sheet for the Facilitator

A cooperative is a business: its goal is to **sell a product** or **offer a service** with a goal of **making a profit** or **saving money**.

# Activity 6

Answer Sheet for the Facilitator

A cooperative is an association of  
members who share common social  
needs and economic needs.

## Answer Sheet for the Facilitator

**Members of a Cooperative are usually consumers or producers.**

A cooperative is a **collective business**  
because it belongs to its members.

A cooperative is a **fair** business.

Its resources are shared  
among the members.

# Activity 6

## Answer Sheet for the Facilitator

A cooperative is a **democratic** business because all the members are involved in the decision-making process.



# Activity

6

## Answer Sheet for the Facilitator

- A cooperative is a business: its goal is to sell a product or offer a service with a goal of making a profit or saving money.
- A cooperative is an association of members who share common social needs and economic needs.
- Members of a cooperative are usually consumers or producers.
- A cooperative is a collective business because it belongs to its members.
- A cooperative is a fair business. Its resources are shared among the members.
- A cooperative is a democratic business because all the members are involved in the decision-making process.



# Activity 7

## The Democratic Functioning of a Cooperative<sup>26</sup>

- **Objective:** Understand the democratic functioning of a cooperative and a **Youth Co-op**.

### Preparation

#### Materials for the facilitator

- Organization Chart Facilitator Sheet
- The **Youth Co-op** Cooperative Triangle Facilitator Sheet
- Facilitator Answer Sheet
- Types of Cooperatives Facilitator Sheet

#### Materials for each team

- One clue per team
- Key Words Task Sheet

#### Cooperative context

- Puzzle
- Discussion
- Roles: spokesperson, timekeeper

#### Group size

- Six teams

### Activity

#### Getting Started

Each team receives one clue and six key words. Participants are given a fixed amount of time to do the exercise, and the timekeeper ensures compliance.

#### Procedure

Team members try to guess the key word that corresponds to the clue they've been given. They then agree on where to place the key word in the organization chart.

#### Large group

Each team takes a turn at sending its spokesperson to place the key word in the organization chart and to justify its choice.

26. dapted by Dominique Blais, Cooperative Entrepreneurship Promotion and Awareness Officer, Coopérative de développement régional Bas-Saint-Laurent-Côte-Nord, 2006, from an activity created by Isabelle Boivin as part of the Microprogramme en apprentissage coopératif et instruction complexe, Université de Sherbrooke, 2003.

# Activity

7

## The Democratic Functioning of a Cooperative

### Feedback

The facilitator elicits a discussion with the members of the group, checks the accuracy of the answers given, and gives additional information about the roles and responsibilities of all members, emphasizing the importance of respecting them in order to maximize the democratic functioning of the cooperative.

The facilitator then introduces **The Youth Co-op** Cooperative Triangle depicting the dual structure of the cooperative.

### Taking it a Step Further

To provide participants with a clearer understanding of how a co-op works, it might be a good idea to invite a co-op representative from the community to speak to the members of the **Youth Co-op**.

**The facilitator supports the members of the group in their work and can also contact the local Entrepreneurship Awareness and Promotion Officer.**

# Activity

7

## Key Words Task Sheet

Association

General Meeting of Members

Business

Board of Directors

Management

Employees

# Activity



## Clues Task Sheet

**Clue # 1**

This level indicates how members can participate by exercising their rights as members or elected representatives of members (general meeting, board, committee, etc.).

**Clue # 2**

This aspect of the cooperative indicates the roles assigned to management, administrative divisions (accounting, marketing, production and human resources) and employees of the cooperative.

**Clue # 3**

This part of the cooperative decides on major orientations and establishes the operating rules.

**Clue # 4**

This section comprises a fixed number of members as determined by the bylaws. It includes the Directors who are elected at the General Meeting. The members cannot exercise the powers exclusively reserved for this authority and vice-versa. This section ensures that the business serves the best interests of its owners, the members. It has full power over administrative operations.

**Clue # 5**

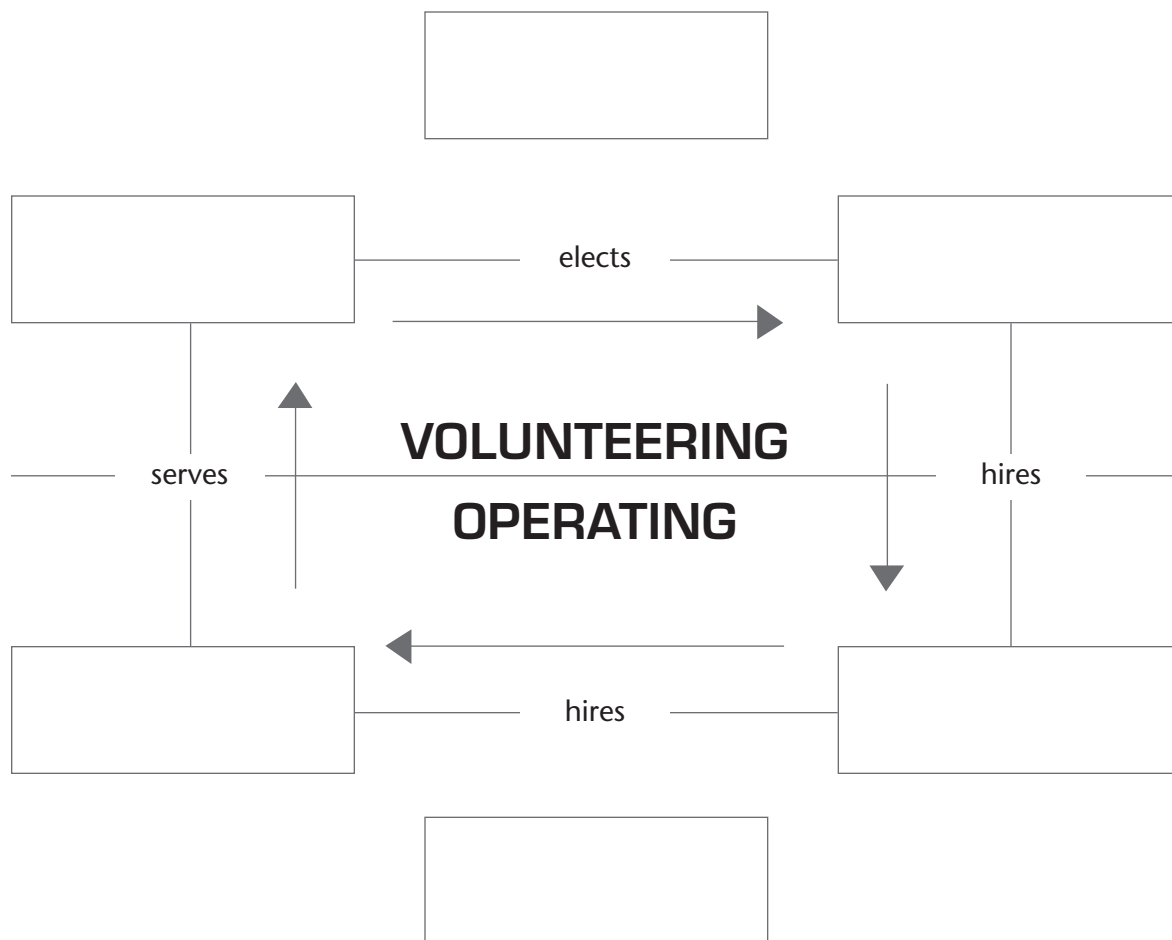
Reporting directly to the Board of Directors, this person carries out management tasks, applies the guidelines established by the Board of Directors and is responsible for daily operations. This person's duties and authority are defined by the bylaws and adopted at the General Meeting or by the Board of Directors.

**Clue # 6**

This group of individuals performs the tasks assigned to them by management. They are paid (or volunteers) directly involved in the cooperative's operations.

# Activity 7

## Facilitator Sheet: Organization Chart of a Cooperative



Note: This chart may be enlarged and displayed on wall or board.

# Activity

7

## Facilitator Answer Sheet

Clue #1: The Association

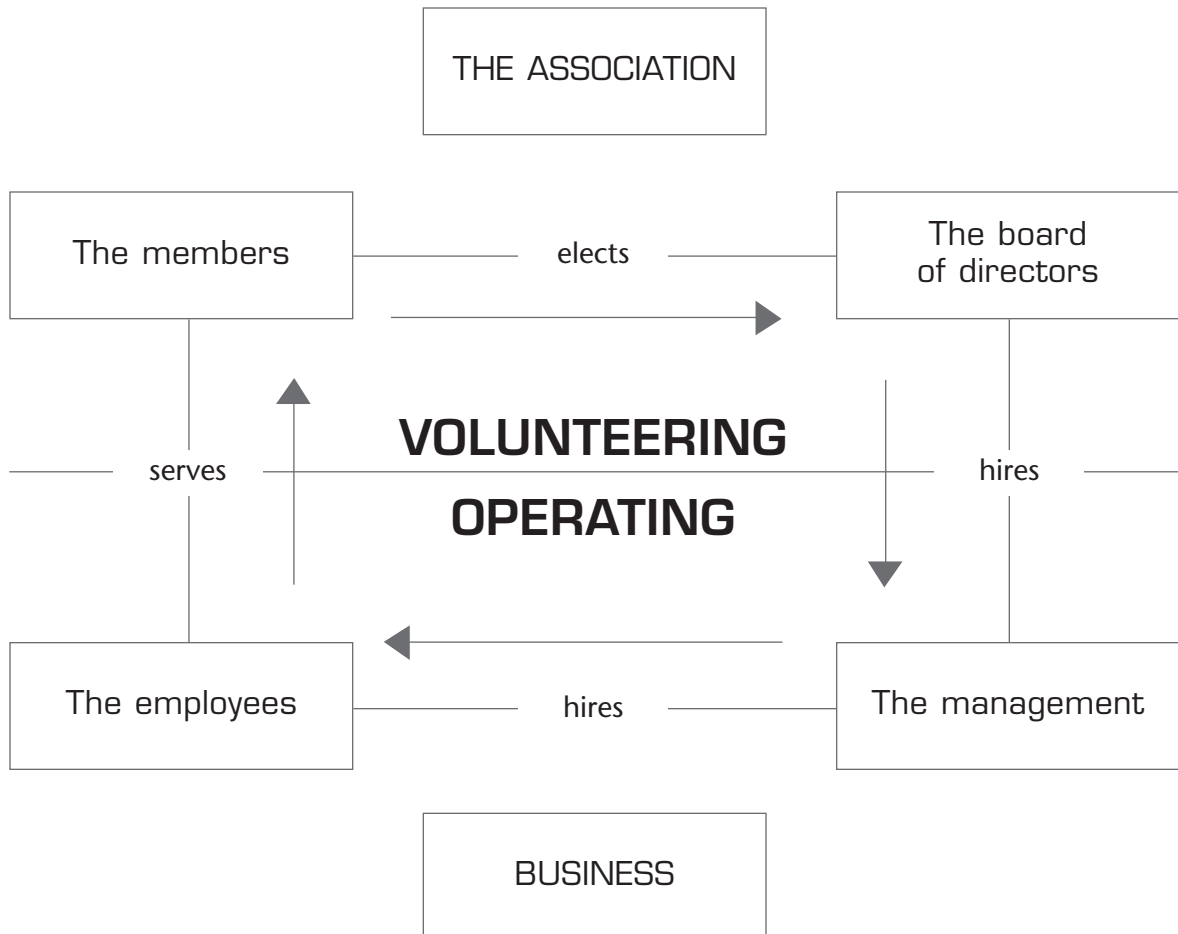
Clue #2: The Business

Clue #3: The Members

Clue #4: The Board of Directors

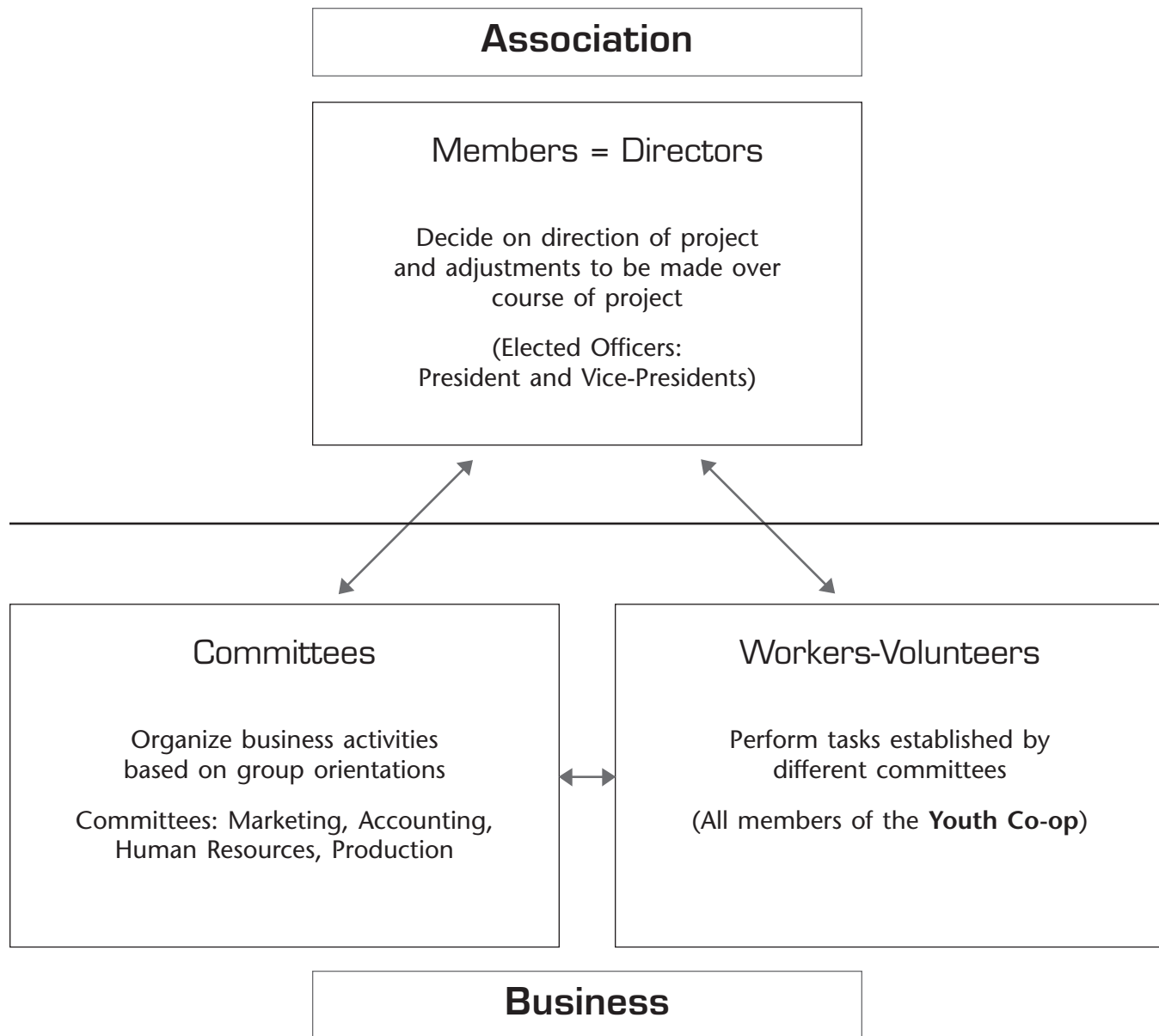
Clue #5: The Management

Clue #6: The Employees



# Activity

## Facilitator Sheet: The **Youth Co-op** Cooperative Triangle Based on a Workers Cooperative



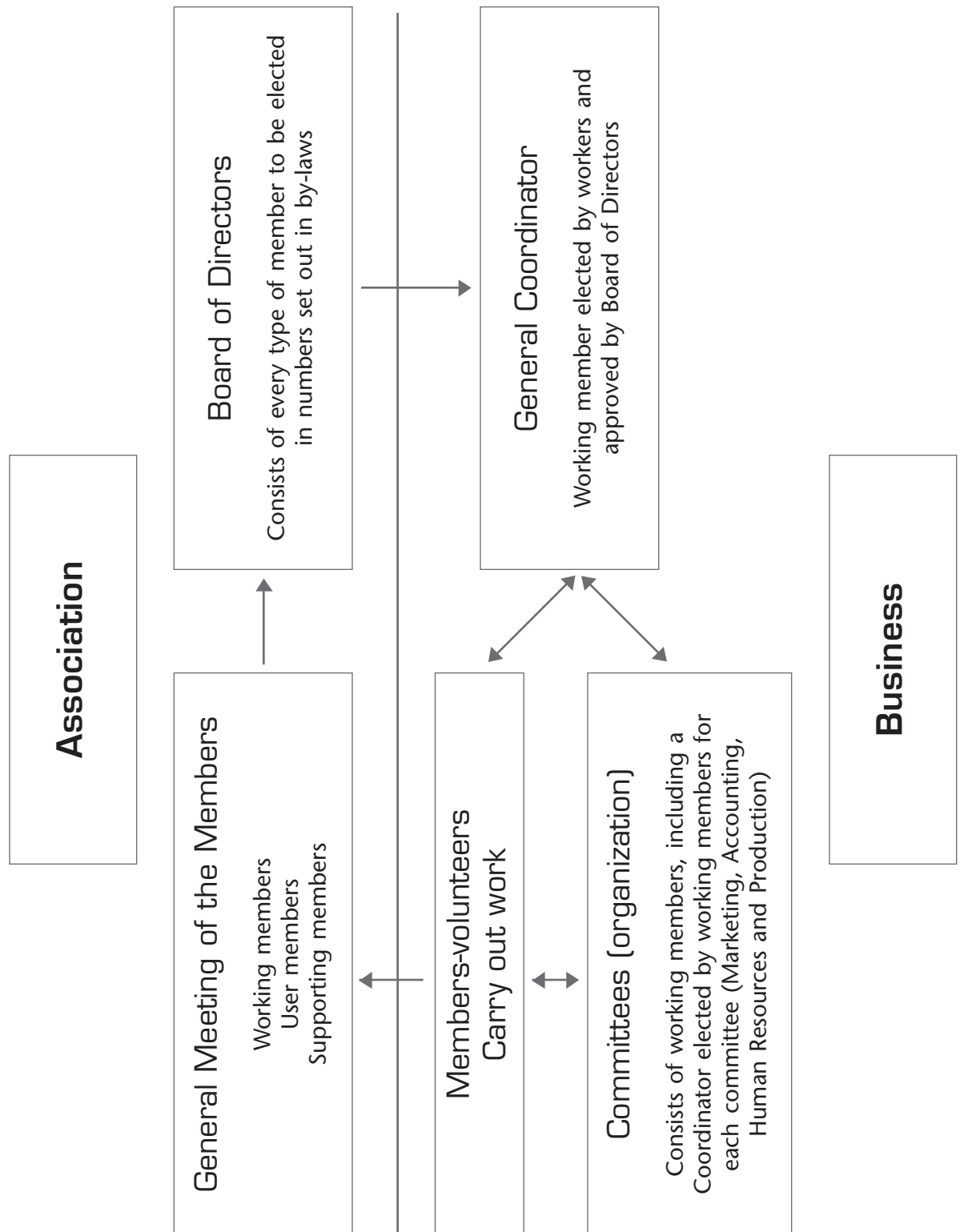
### Double structure and triple status

The facilitator explains that each participant is not only a member, director and worker-volunteer but all of these at once. As a director, the member decides on orientations and elects the officers, but s/he is also part of the business structure since s/he works on a committee and performs assigned tasks.

# Activity

7

## Facilitator Sheet: **Youth Co-op** Based on the Consumer Cooperative Model

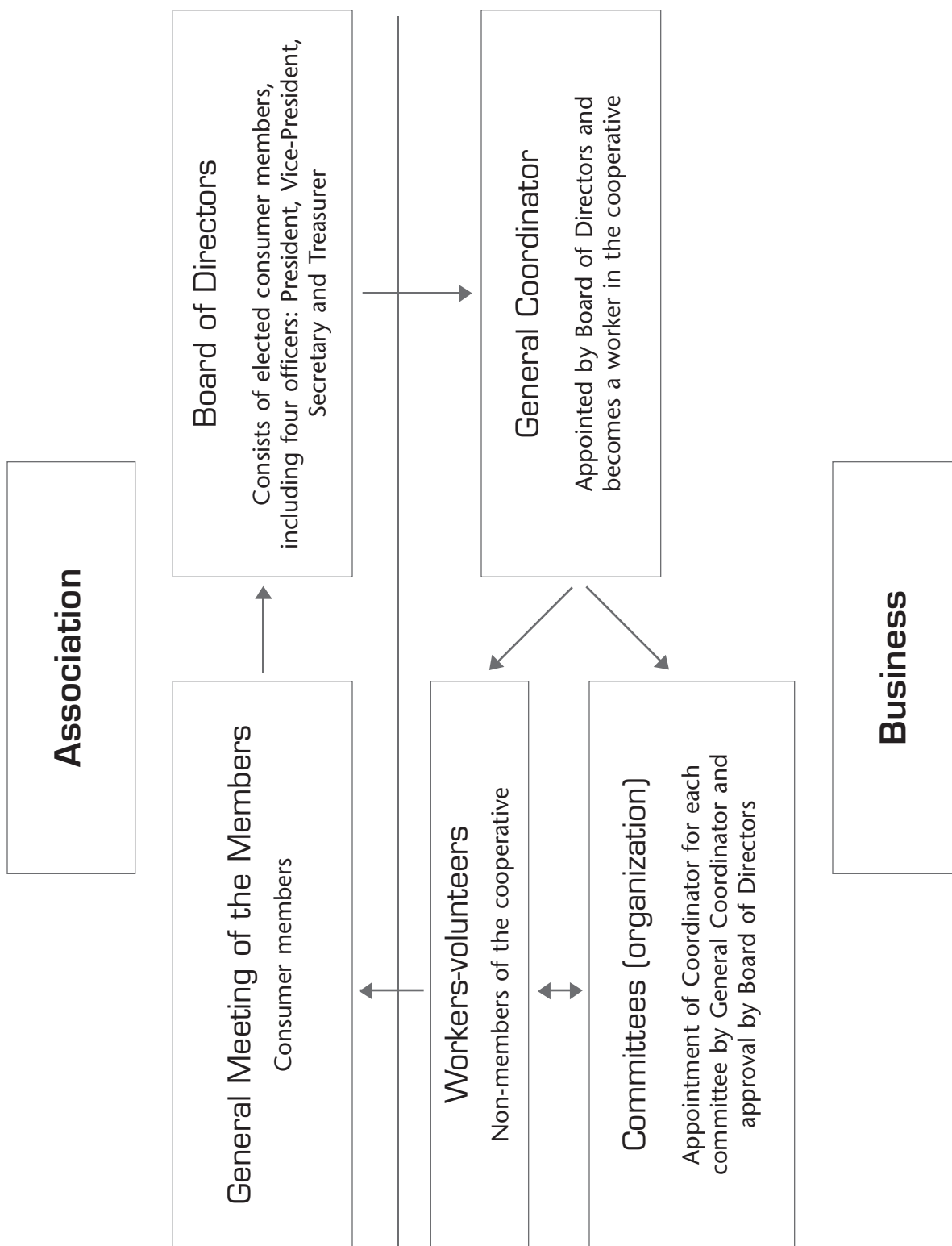




# Activity

7

## Facilitator Sheet: **Youth Co-op** Based on the Consumer Cooperative Model



## Types of Cooperatives Facilitator Sheet<sup>27</sup>

There are five types of cooperatives:

- Worker Cooperatives
- Consumer Cooperatives
- Solidarity Cooperatives
- Producer Cooperatives
- Employee-Shareholder Cooperatives

### **Worker Cooperatives**

In this type of cooperative, workers are both employees and collective owners. They ensure proper functioning of the business by participating in decision making and management. The main purpose of a worker cooperative is to create employment for its members. Worker cooperatives exist in areas such as forestry, ambulance service, transportation and factories.

For example, Youth Service Cooperatives (YSC) are worker cooperatives created by young people 14–17 years old that provide services to the community during the summer.

### **Consumer Cooperatives**

These cooperatives provide goods and services to their members for their own use. They exist in sectors such as food, housing, school supplies, cable television and funeral services.

For example, school-based cooperatives, grouped under the Coopsco banner and present in most colleges and universities, offer a large range of products and services: books, school supplies, computers, clothing, sport supplies, food, etc.

### **Solidarity Cooperatives**

Solidarity cooperatives have both consumer members and worker members. They can also have support members – any party interested in the goals of the cooperative. Solidarity cooperatives exist in home-help sectors, professional and business services, and proximity services (grocery stores, gas stations, restaurants) in rural and semi-rural areas.

For example, L'Échappée bleue, a network of lodgings around the Véloroute des Bleuets, is a solidarity cooperative working in the sustainable tourism sector.

27. Adapted from Ministère du développement économique, de l'innovation et de l'exportation, "Quelles sont les catégories de coopératives?", Ministère du Développement économique, de l'Innovation et de l'Exportation (November 30, 2005) [www.mdeie.gouv.qc.ca/page/web/portail/fr/entreprises/service.prt?svcid=PAGE\\_GENERIQUE\\_CATEGORIES25&iddoc=45682](http://www.mdeie.gouv.qc.ca/page/web/portail/fr/entreprises/service.prt?svcid=PAGE_GENERIQUE_CATEGORIES25&iddoc=45682)

**Producer Cooperatives**

In these cooperatives, producers join forces to benefit from the economic advantage of buying products and services that are useful for their profession or their business. Producer cooperatives exist in various areas, such as the agri sector, taxi industry and in professional and business services.

Yoplait Tubes, now a household snack, is an example of product produced by an agri-sector cooperative.

**Employee-Shareholder Cooperatives**

An employee-shareholder cooperative is a company whose employees acquire equity in the company. Such cooperatives exist in the manufacturing, computer, and multimedia sectors, for example.

The Coopérative des travailleurs actionnaires d'Ambulance de l'Estrie (CTAAE) is an example of an employee-shareholder cooperative.



# Step

4

## Choosing a Collective Project

# Assessing Local Needs

The purpose of this step is to help students come up with ideas for products or services their business could offer, which they will later test and validate.

It is a three-step process:

- Individual reflection
- Group idea sharing
- Discussion and decision on products or services

## Individual Reflection

### **In your school...**

In your opinion, what student needs could your project meet?

Students need: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Students would like to have: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

In your opinion, what teacher needs could your project meet?

Teachers need: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Teachers would like to have: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

In your opinion, what employee needs could your project meet?

School employees need: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Assessing Local Needs

School employees would like to have:

---

---

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In your opinion, what parent needs could your project meet?

Parents need: \_\_\_\_\_

---

---

Parents would like to have: \_\_\_\_\_

---

Among services currently offered at the school are there any improvements that need to be made for students, teachers, employees or parents (for example in relation to food, studies, the library, extra-curricular activities, transportation, the dress code, materials, information, delivery)? \_\_\_\_\_

---

Do you think new services are needed? \_\_\_\_\_

---

### **In your neighbourhood, town or city...**

Do you know any organizations (e.g., municipal leisure centres, social clubs, groups, youth centres, retirement residences, local elementary schools, etc.) in your area that could use your services? \_\_\_\_\_

---

Are there any natural resources (e.g., foods, plants, forests, crops, etc.) in your area that could be promoted? \_\_\_\_\_

---

Are there products that can be recycled? \_\_\_\_\_

---

Are there shortages of products or services (e.g., transportation, cleaning, food, delivery, leisure, information, etc.) in your area? \_\_\_\_\_

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# Assessing Local Needs

## Idea Sharing

Make a list of the ideas that came up during the individual reflection.

Unanswered needs	Potential products or services	Potential clients

## Discussion and Decision

Eliminate the needs that your business cannot fulfill for any of the following reasons:

- The special training required to offer the service or product is not available.
- Special equipment, required to produce the product or service, is not available.
- The potential goods or services under consideration are strictly regulated (e.g., safety rules and consumer standards for toys, Canadian Standards Association norms for electronic components, licensing from the ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec for food processing, etc.).

### **If you have doubts, resolve them before moving forward!**

Submit the ideas that receive the highest number of votes to the Governing Board for consultation, and retain them for a feasibility study. A meeting with the Governing Board should be scheduled far enough in advance, as it only meets once a month on average, and your **Youth Co-op** project might be needlessly delayed.



# Consulting the Governing Board

The purpose of this step is two-fold. First, it is designed to help you benefit from the Governing Board members' knowledge as you search for potential products and services; second, to seek the Board's opinion on which ideas are the most promising.

During a meeting of the Governing Board, the students and their facilitator will consult the members of Board and hear their views.

There are three steps to this process:

- Hold a moderated meeting with the members of the Governing Board.
- Consult with the Board on the potential options retained by the students.
- Identify the options that the Board will support.

The promoters group should attend the Board meeting. However, this may not always be possible for various reasons. Therefore, members of the promoters group should delegate representatives for this process.

The moderators for this meeting should be two representatives of the promoters group, including at least one student representative.

## Suggested format for consultation

- Explain context
- Introduce promoters group
- Present the entrepreneurial development approach used by the promoters group  
(**Youth Co-op** with support from a professional from the Quebec cooperative movement)
- Explain achievements accomplished to date  
(Summarize the main points of the individual reflection, idea sharing and project selection steps)
- State what you are seeking from Board members  
(Impressions and discussions regarding ideas for business projects, ways to improve these ideas or suggestions, support for the business project and procedures)

*Preparation is very important in this phase. Giving the Governing Board a handout that summarizes the project might be the best way to succeed. It can also be used as speaking notes for the students who are giving the presentation.*

# Feasibility Study

Following the meeting with the Board members, there will still be three or four business projects up for consideration. But which one should you choose? Conducting a feasibility study will help you make a decision.

There are four steps to the feasibility study:

- Create a group of two or three members for each potential project under consideration.
- Conduct a feasibility study for potential project.
- Share the results of the studies.
- Choose one or two products or services for the business project.

The next few pages will guide you through these steps.

**Feasibility study:** used to confirm the availability of financial and material resources needed to complete the project and to assess the degree of commitment required from participants. In other words: Will your efforts be worthwhile?

# Feasibility Study

Before beginning the feasibility study, consult the marketing tool entitled Useful Information on pages 272 to 274 of the Toolbox.

Potential product or service: \_\_\_\_\_

## Description of product or service

Describe the characteristics of the potential service or product:

- What will we sell to our clients?
- What advantages do we offer compared to the competition (better quality, price, service, etc.)?

## Description of target clients

- What client needs will we meet?
- What kind of clients will most likely use or buy our product or service (girls, boys, youth, the elderly, people living close to the school, those living farther away, those who eat lunch at school, those with lots of money, or those with little money, etc.)?
- What are their buying habits? Where do they shop for goods and services? How often? What might convince them to change suppliers?
- What advantages will they get from using our products or services? What would be an incentive for them to switch to our product or service?

## Description of market

To complete this step, review the sample market study that is included in the marketing tools on pages 275 to 277 of the Toolbox section.

By surveying a broad range of people, you will be able to find out whether or not they buy and use products similar to the ones you intend to offer. You will also be able to categorize consumers (i.e., find out their preferences regarding the product, price, place of distribution, etc.). This will help you ascertain what potential consumers are looking for when they buy these types of products or services. You will be in a position to estimate the number of potential clients in your market and the price they would be willing to pay for your product or service.

# Feasibility Study

## Summary of questions and elements to include in the market study:

- Is there a need to be filled?
- How is the need being met now?
- Will product X (your product or service) help meet this need?
- Would the potential customer be interested in this product or service? (List the competitive advantages of your product or service and the range of choices. This will allow you to create a scale of values for each characteristic.)
- General information about the potential consumer (person or company), including age, occupation, location of residence, etc.

## Description of competition

Who currently offers similar services or products to your future clients?

Name	Place	Strengths	Weaknesses
1.			
2.			
3.			

## Description of resources required for production

- What skills are needed to produce this product or service?
- Does your team have these skills?
- If not, can you be quickly trained?
- Do you have the equipment required to offer the product or service?  
(Space, computers, machines, supplies, etc.)
- If not, can it be acquired at no cost, low cost or through some form of sponsorship?  
Where?
- Where will you obtain the raw materials needed for production? Who are your potential suppliers?
- How much do the raw materials cost?
- Do you have access, in your school or community, to recycled materials that you can use to reduce supply costs?

# Feasibility Study

## Summary of Feasibility Study and Overall Analysis of Product or Service Choice

The chart below will help you quickly summarize the results of your feasibility study to share them with the other group members. Remember that the purpose of the feasibility study is to measure the potential of the product or service and not to prove to the others that your product is the best one. The point is to give the group the information it needs to choose the best business project.

In light of the information gathered

	<i>Not at all</i> <i>A little</i> <i>A lot</i> <i>Exceedingly</i> <i>Do not know</i>					Comments
<b>Our product or service is:</b> _____ Does the product or service meet the needs of our target clients?						
<b>Our target clients are:</b> _____ Would the target clients be ready to pay for our product or service?						
<b>Our market is:</b> _____ Are there enough potential clients in our market to maintain the production of our business project?						
<b>Our competition is:</b> _____ _____ Does our product or service offer enough advantages to our target clients compared to the competition?						
<b>The resources required are:</b> _____ _____ _____ _____ Are the resources required for the production of our product or service available and easily accessible to us?						

# Feasibility Study

## Evaluation of Business Opportunity for Each Project under Consideration

Use the following grid to present the results of each feasibility study.

Individually, every group member must fill out the grid to assess the results of each project.

After every group has presented the results of their study, the members will discuss each project under consideration.

Following the discussion, the final project choice can be made by way of consensus or vote.

**For each of the following criteria, indicate a score of 1 (not at all), 2 (somewhat), 3 (a lot) or 4 (totally) for each product presented.**

Criteria Product or service	A product or service that meets a need	A target clientele willing to pay	A sufficient market	A product or service that is different from the competition's	Available resources

The project we choose is: \_\_\_\_\_

# Step

5

Managing the **Youth Co-op**

# Activity

## Roles and Responsibilities of Committees and Elected Officers

- **Objectives:** Understand the roles and responsibilities of each committee and officer.
- Help individuals choose which committee to sit on and generate interest in elections.
  - Create a plan for the **Youth Co-op**.

### Preparation

#### Materials

- Board Members Collective Graffiti Task Sheet
- Committees Collective Graffiti Task Sheet
- Four markers of different colours for each team
- Fun Tack
- Scissors

#### Cooperative contexts

- Collective Graffiti
- Roles: timekeeper, task manager, materials manager, spokesperson

#### Group size

- Getting started

### Activity

#### Getting started

Once students have learned about the major democratic groups that constitute a cooperative, the facilitator explains the importance of understanding the roles and responsibilities of each group, since groups are interdependent. Ask students to share what they know on this subject (reinforcing previous lessons).

#### Procedure

The facilitator forms groups and assigns roles. Each team receives either a Board Members or Committees graffiti. The teams will swap graffiti during the activity. The facilitator sets a time limit to complete the task. Each participant chooses a different coloured marker and answers the question facing him/her on the graffiti sheet. When the time is up or when all the participants are done, the task manager rotates the graffiti one- quarter turn. Individually, participants read the answers to the new question in front of them, initial those they agree with and add their own answers. Repeat the process for all four questions. Then, teams swap graffiti and answer the second set of questions.



# Activity

## Roles and Responsibilities of Committees and Elected Officers

### Feedback

Team members share the answer(s) that were initialed by at least three people. Members circle those answers and cut the graffiti into four. The spokespersons present the circled elements for each question to the entire group and post them on the wall. The facilitator completes the information with the answer sheet. Participants may ask questions to clarify certain aspects.

Participants then choose their working committee. According to the number of participants, two methods can be used. If there are many participants, the facilitator designates a corner of the room for each committee and asks the participants to go to the corner corresponding to their chosen committee. If there are few participants, a simple discussion, going around the table, might be sufficient to group participants into committees. If it is impossible to create four committees, the Production Committee should be merged with the Human Resources Committee.

Use the schedule sheet to plan the tasks of each committee. The schedule should be updated on a regular basis taking into account unforeseen events and adjustments.

This activity will make it easier for Officers to proceed with the election of members of the Board during the first meeting because the working members (in the case of a solidarity **Youth Co-op**) will understand the limits of their respective responsibilities.

### Taking it a Step Further

Inviting experts in each field (accounting, marketing, human resources, production) to come meet the participants of the **Youth Co-op** is strongly recommended. Ideally, experts should be working in a local cooperative. They will not only be role models for the young entrepreneurs but also form a natural network of expertise and support.

**The facilitator is there to support the group in its networking efforts and can seek help from the local Entrepreneurship Awareness and Promotion Officer.**

# Activity

8

## Board Members Collective Graffiti Task Sheet

<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Secretary?</p>	<p>What are the roles and responsibilities of the <b>Youth Co-op</b> President?</p>
<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Vice-President?</p>	<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Treasurer?</p>

Note: We recommend that you use a larger sheet (approximately 60 cm X 90 cm).

# Activity

## Committees Collective Graffiti Task Sheet

<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Marketing Committee?</p>	<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Human Resources Committee?</p>
<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Accounting Committee?</p>	<p>What are the roles and responsibilities of the <b>Youth Co-op</b> Production Committee?</p>

Note: We recommend that you use a larger sheet (approximately 60 cm X 90 cm).

# Activity

## 8

### Answer Sheet for the Facilitator

#### **President**

- Ensures that decisions made in General Meetings and by the Board of Directors are executed
- Ensures the enforcement of bylaws
- Signs official documents of the **Youth Co-op**
- Is the official spokesperson for the **Youth Co-op**
- Chairs General Meetings and Board of Directors Meetings
- Co-signs cheques with the Treasurer

#### **Vice-President**

- Chairs General Meetings and Board of Directors Meetings in the President's absence
- Is jointly responsible for project management with the President
- Replaces the President when needed

#### **Secretary**

- Writes minutes of General Meetings and Board of Directors Meetings
- Prepares the agenda for meetings
- Keeps important documents (articles and bylaws, member registry, minutes, etc.) in a binder for the **Youth Co-op**
- Convenes meetings (General Meeting and Board of Directors Meetings) and sends notices to members

#### **Treasurer**

- Prepares **Youth Co-op** budget forecasts in conjunction with the Accounting Committee
- Prepares financial statements and balance sheets regularly (with other workers who may be assigned to bookkeeping)
- Follows up on income and expenses
- Oversees accounting and bookkeeping
- Co-signs cheques with the President

# Activity 8

## Answer Sheet for the Facilitator

### **Accounting Committee**

- Keeps track of income and expenses
- Prepares budget forecasts
- Is responsible for accounting and bookkeeping
- Prepares financial statements
- Determines a break-even point and sales prices (in conjunction with the Marketing and Production Committees)

### **Marketing Committee**

- Promotes and advertises a product or service
- Looks for sponsors
- Creates and conducts a market study
- Develops marketing strategies (packaging, etc.)
- Provides co-op members with sales training
- Organizes official launch of the product or the co-op (if applicable)
- Manages local media relations
- Gives sales training to co-op members
- Assesses and stimulates sales

### **Human Resources Committee**

- Manages conflicts and complaints
- Keeps attendance records
- Produces schedules of attendance at sales or production events
- Is in charge of safety in the workplace

### **Production Committee**

- Organizes production tasks
- Develops a production method
- Is responsible for quality control of the product or service
- Plans the production period
- Produces a prototype
- Sets cost of production or service
- Trains members in production or service procedures

Note: A responsibility can touch many committees.

# Activity

8

## Schedule

**Our committee is:**

---

**Members of our committee are:**

---

---

---

---

Tasks	Person in charge	Due date

# Business Plan

The feasibility study, prepared by the promoters to help them choose a business project, is the point of departure for the Business Plan. The Business Plan is prepared by the team of coordinators responsible for **Youth Co-op** operations. The team consists of the General Coordinator and the Committee Coordinators, who are assisted by the members of their respective committees.

Once drafted, the Business Plan must be submitted to the Board of Directors for approval.

The Business Plan is used to plan business operations and to launch the project in a way that is structured and approved.

The Business Plan can be short and concise. The following guide is exhaustive; not all elements need to be included in your Business Plan.

This is a list of suggested elements of a Business Plan:

- **Presentation page:** This page serves as an introduction and should mention the **Youth co-op's** name, address and type (consumer, worker or solidarity).
- **Project description:** The project description should indicate your target market and project objectives.
- **Place of business:** This refers to the physical place where the business operates (name of the school, the city and any other sites where the business will operate from).
- **Description of product or service:** This section details the product or service (materials used, colours, shapes, etc.) as well as all production stages.  
*This section is to be completed by the Production Committee.*
- **Community benefits:** The Business Plan should clearly describe how the project will benefit the community. Explain how the project will generate positive results for the school or neighbourhood (e.g., better access to products for students, improved quality of life for teenagers, etc.)
- **Introduction of promoters:** To introduce the promoters, you can include a description of the group as a whole. Give the number and age of **Youth Co-op** members, information about the neighbourhood and school, a list of all members with their titles and resumés (in appendix). *This section is to be completed by the Human Resources Committee.*
- **Project partners:** It is very important to identify the project partners (the local grocer who helps with the sale of your products, businesses that lend you equipment, sponsors, advisers and the companies they work for, etc.).

# Business Plan

- **Marketing plan:** You may include the results of your market study, a description of your competitive advantages and outline of your pricing strategy, as well as the distribution points and methods you will use to promote the product or service. You can submit a model of your ads and flyers, or your slogan. *This section is to be completed by the Marketing Committee.*
- **Production organization:** This summarizes how production of the product or service will be organized. Who will supervise production? Which members of the **Youth Coop** will take part in production? Where will you get your raw materials? What are the costs for materials and production? What are the steps used for production planning? This part of the plan should also include production forecasts and deadlines. *This section is to be completed by the Production Committee.*
- **Financial forecasts:** Cash flow budget forecasts help you establish your needs in terms of short-term liquidity. These forecasts are usually made for each month, but for the **Youth Co-op**, quarterly forecasts are sufficient. The cash flow forecasts should indicate all income (subsidies, sales profits) and expenses (raw materials, etc.). The profit and loss statement shows the financial results of **Youth Co-op** activities for the period of one year. It shows the ratio of income to expenses. This enables members of the **Youth Co-op** to compare incomes and expenses. The balance sheet provides the financial status of the **Youth Co-op** at a given time. It shows **Youth Co-op's** assets, liabilities and equity. The assets are the sum of all the **Youth Co-op's** resources (money deposited, accounts receivable). The liabilities are the sum of the **Youth Co-op's** debts. *This section is to be completed by the Accounting Committee.*
- **Appendix:** Articles and bylaws, as well as the promoters' resumé's should be appended to the Business Plan. You can also attach photos of your products, a copy of the questionnaire used in the market study or any other relevant information.

Provide each working committee with a copy of all the management tools available here, in order to assist them with their section of the Business Plan.



# Step



Moving along with our **Youth Co-op**

# Articles and Bylaws

## The articles of a **Youth Co-op**

### Objectives

Help young people acquire an understanding of how the **Youth Co-op** operates. Develop the articles and bylaws of the **Youth Co-op**. Fill in the official accreditation application form for the **Youth Co-op**.

### Procedure

Draft the articles with the promoters group. The facilitator will support the group in this exercise and may refer to the local Entrepreneurship Awareness and Promotion Officer.

### Components and definition of articles

#### The members

**Members of a cooperative are** individuals with shared economic and social needs who unite to operate a co-op business in order to meet these needs. The members must be willing to take part in the activities of the cooperative. They must purchase at least one share and adhere to the cooperative bylaws.

#### Mission

**The cooperative's mission is a statement** of purpose – the co-op's reason for existing; that is, to meet the common needs of its members and of the community, under the best possible conditions when circumstances permit.

#### Articles of Accreditation

**The articles of the Youth Co-op** contain the following:

- The name of the cooperative (chosen by the group)
- The address of its head office
- The purpose for which the cooperative was created (reason for existing)
- The territory or group from which members are recruited (Who will your members be and where are they from?)
- The list of the founding members (the group of promoters who created the cooperative)

The cooperative's Articles of Accreditation must be signed by all the founding members, and included with the application for accreditation. State the address of the cooperative as well as the name of the person designated as the provisional Secretary.

**Send documents to the Conseil québécois de coopération et de la mutualité (by mail or fax) to the following address:**

Conseil québécois de la coopération de la mutualité  
**Youth Co-op** Accreditation  
 5955 Saint-Laurent St., Suite 204  
 Lévis, Québec G6V 3P5  
 Fax: 418 835-6322

# Articles and Bylaws

## The articles of a Youth Co-op

**IMPORTANT:** Even if it follows similar steps, the **Youth Co-op** is not considered a legally incorporated business. It is recognized through a certificate of accreditation issued by the Conseil québécois de la coopération et de la mutualité, which is issued for all projects that follow these procedures.

These projects qualify under La Relève en action of the Fondation pour l'éducation à la coopération et à la mutualité and the Fondation Desjardins. They can also compete in the Quebec Entrepreneurship Contest and may receive funding as part of the Introduction to Entrepreneurship Measure (IEM) of the ministère de l'Éducation, du Loisir et du Sport. Awards are granted at special regional and national gala events.

A few points about **Youth Co-op** accreditation:

- 1) Through accreditation, projects that follow **Youth Co-op** procedures become visible.
- 2) This network of projects makes it possible to compile data (results) that are useful for the promotion of **Youth Co-op** programs. This serves to improve the tools that are available.
- 3) The accreditation process also helps to establish a framework for recognition of **Youth Co-op** projects (gala events, awards, etc.).

# Articles and Bylaws

## Sample of Articles

### Articles of Accreditation

#### 1. Corporate name

Sleeping Woods Youth Co-op

(Name of cooperative business)

#### 2. Address

26, Unicorn Street, Montrec (Québec), H0H 0H0

(Head office)

#### 3. Purpose of the cooperative

Youth Co-op  Scenario 1 or  Scenario 2

based on the following cooperative model:

Workers cooperative

Solidarity cooperative

Consumer cooperative

created to provide its members with:

Pillows

(Type of goods, service or employment)

in the field of: goods

(Goods, production or employment sector)

#### 4. Member territory or recruitment base:

Montrec High School

(Region, locality and/or group of individuals)

#### 5. Collective Entrepreneurship Awareness and Promotion Officer supporting the project:

Amélie Poulain

(First and last name)

#### 6. Entrepreneurship Awareness and Promotion Officer supporting the project:

Peter Lambert

(First and last name)





# Articles and Bylaws

## Bylaws

In addition to the roles that each member agrees to take on, a cooperative must also have rules of internal governance that regulate its operations. Among them, one is fundamental: Each member of the cooperative is granted the right to vote (**one member, one vote**).

Members of a cooperative must adopt operating rules that reflect the specific needs of their cooperative. These customized rules are called bylaws. All members should contribute to drafting these internal rules. The rules will be presented and adopted at the Founding General Meeting.

Members must review, discuss and agree on all the points to be included in the bylaws.

**Drafting the bylaws implies making decisions about the following:**

- Purpose
- Membership
- Types of members
- Membership share capital
- Membership shares
- Reimbursement of membership shares
- Organization and responsibilities
- General Meetings
- Board of Directors Meetings
- Fiscal year
- End of activities
- Auditing

Generally speaking, if there has been prior discussion on these subjects, the adoption of the cooperative's bylaws at the Founding General Meeting should not take very long, and members can then devote their time to the election of the Board of Directors. On the following page, you will find sample bylaws.

# Articles and Bylaws

## Sample Bylaws

The following sample is based on the solidarity cooperative model and will have to be adapted depending on the type of cooperative chosen by the promoters group.

### Internal Bylaws

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Name of the **Youth Co-op**:

#### **Rule I-Purpose**

The cooperative named herein falls under the **Youth Co-op** program. Its purpose is to create a cooperative business in order to meet a collective need. The cooperative will allow young people and other active promoters to become familiar with democratic management and collective entrepreneurship. This cooperative is not legally incorporated, but is accredited by the **Conseil québécois de la coopération et de la mutualité** and will be managed in accordance with the principles of cooperative administration:

- Member participation
- Administration by members
- Ownership by members and sharing of equities
- Education of the members about cooperative principles

Amendment(s):

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Approved.

#### **Rule II-Membership**

The founding members of this cooperative include students and adults who have formed a promoters group to create the cooperative and apply for accreditation from the Conseil québécois de la coopération et de la mutualité.

Other members will be recruited within the territory of the cooperative.

Each member must purchase one membership share. In so doing, the members commit to take part in the activities of the cooperative and abide by its bylaws.

Amendment(s):

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Approved.



# Articles and Bylaws

## Sample Bylaws

### Rule III-Types of Membership

User members are the individuals or companies that use the services provided by the cooperative or purchase its products. The cooperative advantage sought by such members is the procurement of a product or service which is suited to their needs and their financial means, as well as the possibility of partaking in managing the business.

Working members are the individuals who perform any work required by the cooperative (employees). The cooperative advantage sought by such members is work (paid or voluntary) in a democratically managed business, as well as the possibility of partaking in managing the business.

Support members are the individuals or companies that have an economic or social interest in the achievement of the cooperative's objectives.

Amendment(s):

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Approved.

### Rule IV-Membership Share Capital

The membership share capital represents all the membership shares purchased by the different categories of members, on which no interest is paid.

Amendment(s):

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Approved.

### Rule V-Membership Shares

#### Membership shares

To become a member, individuals or companies must buy the number of qualifying shares corresponding to their membership class:

- User members: one share of \$ \_\_\_\_\_
- Working members: one share of \$ \_\_\_\_\_
- Support members: twenty shares of \$ \_\_\_\_\_

# Articles and Bylaws

## Sample Bylaws

### **Certificat ou carte de membre**

A share certificate (or a membership card) will be issued to each paying member upon subscription. Ownership of the share is non-transferable.

Amendment(s):

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Approved.

### **Rule VI-Reimbursement of Membership Shares**

Members can request a reimbursement of their shares upon resignation.

Amendment(s):

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Approved.

### **Rule VII- Organization and Responsibilities**

Members of the cooperative must support their **Youth Co-op** and the **Youth Co-op** must ensure that it fulfill its objectives as defined in its Articles of Accreditation.

When convened to a meeting, the members of the **Youth Co-op** constitute the General Assembly. The members in attendance at the General Assembly constitute a quorum.

The members in attendance at the General Assembly elect their representatives, who will form the Board of Directors.

The elected members are the directors of the **Youth Co-op**.

The Board of Directors consists of nine directors.

The membership categories are distributed as follows:

- Positions 1-2-3-4 User Members (4)
  - Positions 5-6-7 Working Members (3)
  - Positions 8-9 Supporting Members (2)
- (To be determined by the **Youth Co-op**)

The mandate of the directors is two years (or less as decided by the members).

Seats are rotated as follows:

Positions 1-3-5-7-9 will stand for election in odd years.

Positions 2-4-6-8 will stand for election in even years.

# Articles and Bylaws

## Sample Bylaws

The Board of Directors administers the cooperative business. The Board of Directors' decisions are based on a majority vote of the Board members present. In case of a tie, the President will cast the deciding vote.

The Board of Directors will elect the following officers from among its members:

- A President, who is the official cooperative's spokesperson. This person prepares Board of Directors Meetings and General Assemblies of Members, ensures that decisions made in General Assemblies and by the Board of Directors are executed, ensures enforcement of bylaws, signs official cooperative documents and co-signs cheques with the Treasurer.
- A Vice-President, who is jointly responsible for project management with the President and acts as President in his/her absence.
- A Secretary, who keeps important documents (articles and bylaws, the member registry, minutes, etc.) for the cooperative, convenes meetings and sends notices to members, prepares agendas and writes minutes for the General Meetings and Board of Directors meetings.
- A Treasurer, who oversees accounting and bookkeeping, keeps receipts and important documents related to accounting, co-signs cheques with the President, follows up on income and expenses, prepares cooperative budget forecasts in conjunction with the Accounting Committee, prepares financial statements and balance sheets regularly.

**The Board of Directors also approves the election of the following coordinators:**

- General Coordinator, Production Coordinator, Marketing Coordinator, Accounting Coordinator and Human Resources Coordinator. Their roles are to ensure implementation of Board decisions and proper follow-up. They are accountable to the Board of Directors.

The President and/or the Secretary and Treasurer have signing authority for financial transactions. Their mandate usually lasts for the duration of the project.

The Board of Directors submits an annual report of activities at the General Assembly (end-of-year report) at the end of the fiscal year.

Amendment(s):

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Approved.

### Rule VIII-General Assembly

Aside from the Founding General Meeting, an Annual General Assembly will be held at the end of the year. It is the Board of Directors' responsibility to convene the General Assembly. Notices will be sent to all members, as described in the bylaws, at least one week before the scheduled date of the meeting. An agenda will be sent with the notice.

# Articles and Bylaws

## Sample Bylaws

At this meeting, the **Youth Co-op** will present a final report and financial statements. The members must approve the distribution of surplus as proposed by the Board of Directors, as either:

- Surplus assigned to reserve for growth and expansion of business
- Rebates returned to members, according to their category .

Amendment(s):

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Approved.

### Rule IX-Board of Directors Meetings

Regular meetings of the Board of Directors are held at the end of each month. Exceptionally, meetings may be convened by the President or by one-quarter of the directors. Only subjects listed on the notice of meeting can be discussed or voted on at any irregular meeting of the Board.

In order to be valid, a Board of Directors meeting must be attended by the majority of the members plus one (50% +1).

Amendment(s):

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Approved.

### Rule X-Duration of Fiscal Year

The **Youth Co-op** is deemed to be active as soon as its application for accreditation has been approved by the **Conseil québécois de la coopération et de la mutualité**. The end of its fiscal year coincides with the end of the school year.

Amendment(s):

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Approved.

# Articles and Bylaws

## Sample Bylaws

### Rule XI-End of activities

On recommendation of the Board of Directors, the **Youth Co-op** can decide of its liquidation by a resolution adopted by three-quarters of the members present at the Special Assembly convened for this purpose. After that, the Youth Co-op will only continue to exist for liquidation purposes.

The debts of the **Youth Co-op** will be paid first, and then membership shares will be reimbursed. It is a good idea to set aside a certain amount of money in order to facilitate the launch of the project next year, and to share profit fairly among members.

Amendment(s):

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Approved.

### Rule XII-Audit

Members of the cooperative will choose an Auditor of Financial Statements (to be presented at the General Meeting) to audit the cooperative's financial statements and books. This volunteer position can be held by the school's accountant or by a person from a local co-op.

Amendment(s):

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Approved.

# Founding General Meeting

All those involved in the program must be convened to the Founding General Meeting (i.e., the members of the future cooperative, advisors, school resource person, community partners, etc.).

## Agenda

day, date, time, location

The agenda for a Founding General Meeting is fairly similar from one cooperative to another:

- 1) **Opening and welcome**
- 2) **Appointment of a meeting Chair and Secretary**
- 3) **Reading and adoption of the agenda**
- 4) **Reading and adoption of the bylaws**
- 5) **Election of Board of Directors (See election procedures proposed in the toolbox.)**
- 6) **Adjournment**

To ensure that the adoption of the bylaws and election of Board members remain impartial and objective, a resource person from the school and the Collective Entrepreneurship Awareness and Promotion Officer will temporarily act as Chair and Secretary, at the start Founding General Meeting.

Only members of the cooperative are entitled to make motions or vote at any meeting. Although the opinions of advisors and resource persons are very important, it is up to members to decide which direction the cooperative should take.

# First Board of Directors Meeting

This first meeting is mainly to elect the cooperative's officers and should be held immediately after the Founding General Meeting.

**Youth Co-op** (name)  
day, date, time, location

## **Agenda (sample)**

### **1) Opening and welcome**

(The attendance sheet is passed around and may be filed in a binder.)

### **2) Appointment of a Chair and a Secretary for the meeting**

(We suggest that the facilitator chair the first meeting as an example for the future Chairperson. Any other member may act as Secretary.)

### **3) Reading and adoption of the agenda**

### **4) Election of officers**

President, Vice-President, Secretary, Treasurer. (We recommended that you use the election method proposed in the toolbox)

### **5) Date, time and location for the next meeting**

### **6) Any other business**

### **7) Evaluation of the meeting**

### **8) Adjournment**

# Sample Minutes-First Board of Directors Meeting

**Youth Co-op (Name)**

day, date, time, Location

## **Minutes (Sample)**

### **1) Opening and welcome**

The meeting begins at (time) \_\_\_\_\_ and the list of attendance is attached to the minutes.

### **2) Appointment of President and Secretary**

\_\_\_\_\_ (name) moves that \_\_\_\_\_ (name) chair the meeting. This motion is seconded by \_\_\_\_\_(name).

\_\_\_\_\_ (name) moves that (name)

\_\_\_\_\_ act as Secretary of the meeting. This motion is seconded by \_\_\_\_\_ (name).

The motions are adopted unanimously.

### **3) Reading and adoption of the agenda**

The President reads the agenda and asks if the members have any changes to make.

\_\_\_\_\_ (name), seconded by \_\_\_\_\_ (name), moves that the agenda be accepted as presented (or as modified).

The motion is adopted unanimously.

### **4) Election of Officers**

The Facilitator accepts nominations for each position.

\_\_\_\_\_ (name) moves that \_\_\_\_\_ (name) be nominated for the position of President. This motion is seconded by \_\_\_\_\_ (name).

next →



# Sample Minutes-First Board of Directors Meeting

\_\_\_\_\_ (name) moves that \_\_\_\_\_ (name) be nominated for the position of Vice-President. This motion is seconded by \_\_\_\_\_ (name).

\_\_\_\_\_ (name) moves that \_\_\_\_\_ (name) be nominated for the position of Secretary. This motion is seconded by \_\_\_\_\_ (name).

\_\_\_\_\_ (name) moves that \_\_\_\_\_ (name) be nominated for the position of Treasurer. This motion is seconded by \_\_\_\_\_ (name).

The motions are adopted unanimously.

**5) Date, time and location of next meeting.**

The members agree that the next meeting will be held on \_\_\_\_\_ (date), at \_\_\_\_\_ (time), in Room \_\_\_\_\_ (location) and that the purpose of the meeting will be to follow up on the topics of this meeting and discuss the **Youth Co-op** activities plan.

The motions are adopted unanimously.

**6) Other business**

No further business arose.

**7) Evaluation of the meeting**

Members' evaluations are in the appendix.

**8) Adjournment**

The meeting is adjourned at \_\_\_\_\_ (time). \_\_\_\_\_ (name) moves to adjourn the meeting. This motion is seconded by \_\_\_\_\_ (name).

The motion is adopted unanimously.

\_\_\_\_\_  
Signature of the President

\_\_\_\_\_  
Signature of the Secretary

# Election of Committee Coordinators and General Coordinator

Prior to the election, the responsibilities associated to each post should be explained. Every member should have the chance to ask questions. We recommend using one of the elections methods proposed in the toolbox.

## General Coordinator

Under the immediate supervision of the Board of Directors, the General Coordinator manages, supervises and monitors the activities of the **Youth Co-op**.

The General Coordinator also supports the team of coordinators in the performance of their mandates. Although the General Coordinator does not coordinate any one committee, s/he must ensure that all committees run smoothly and that all decisions made by the group are respected, thus providing support where it is needed. The General Coordinator is a member of the **Youth Co-op**, like any other, and takes part in the same tasks (production, sales, etc.).

The General Coordinator most important responsibility is to chair the committees' working meetings. As Chair, his/her duties are as follows:

- Open the meeting
- Ensure the adoption of the agenda
- Open and close the floor for debates on agenda items in accordance with the procedure established by members
- Provide guidance to committees about their duties. This does not mean managing the committees' work, but rather ensuring that all members fulfill their duties.
- Ensure that all meetings run smoothly by proposing rules of procedure and guaranteeing that they are respected by all (including him/herself); the General Coordinator is the watchdog for the rules adopted by the group
- Foster a positive environment for discussion
- Encourage all coordinators to actively participate in meetings
- Cede the floor to members fairly
- Seek opinions from those who have not yet spoken
- Reject topics as "out of order" if irrelevant or aggressive

## Marketing Coordinator

The Marketing Coordinator is the spokesperson for the Marketing Committee and is in charge of reporting on the working committee's activities at the Board of Directors Meeting.

This person coordinates the marketing tasks assigned to the committee or the activities proposed by the Board of Directors in this area. Tasks and activities include the following:

- Creating and conducting a market study
- Promoting and advertising the product or service
- Developing marketing strategies (packaging, etc.)
- Providing co-op members with sales training
- Organizing the official launch of co-op (if applicable) and local media relations (if applicable)

# Election of Committee Coordinators and General Coordinator

- Assessing and stimulating sales
- Producing reports (follow up on activities) requested by Board of Directors and the final report

## **Accounting Coordinator**

The Accounting Coordinator is the spokesperson for the Accounting Committee and is in charge of reporting on the working committee's activities at the Board of Directors Meeting.

This person coordinates the accounting tasks assigned to the committee or the activities proposed by the Board of Directors in this area. Tasks and activities include the following:

- Managing finances
- Preparing budget forecasts
- Preparing financial statements
- Determining a break-even point and sales prices (in conjunction with Marketing and Production Committees)
- Keeping accounts up to date
- Producing all financial reports (follow-up) requested by the Board of Directors and for the final report.

## **Production Coordinator**

The Production Coordinator is the spokesperson for the Production Committee and is in charge of reporting on the working committee's activities at the Board of Directors Meeting.

This person coordinates the production tasks assigned to the committee or the activities proposed by the Board of Directors in this area. Tasks and activities include the following:

- Organizing production
- Producing a prototype
- Setting the cost of production or service
- Training members in production or service procedures
- Ensuring quality control
- Producing all reports requested by the Board of Directors and the final report

## **Human Resources Coordinator**

The Human Resources Coordinator is the spokesperson for the HR Committee and is in charge of reporting on the working committee's activities at the Board of Directors Meeting.

# Election of Committee Coordinators and General Coordinator

This person coordinates the tasks related to human resources assigned to the committee or the activities proposed by the Board of Directors in this area. Tasks and activities include the following:

- Keeping attendance records of Board Meetings and Working Meetings (production or sales)
- Producing schedules of attendance at sales or production events
- Managing conflict
- Handling complaints
- Managing meetings (notice of meeting, agenda, follow-up, minutes) and keeping records of all meeting documentation
- Producing all reports (follow-up) requested by the Board of Directors and the final report

**Coordinators meet when necessary to ensure that work is progressing as planned or to discuss solutions to problems that arise.**

# Conclusion

Over to you!

You now have all the ingredients you need to launch your **Youth Co-op** project. It's up to you to channel your imagination, style and energy into creating unique activities. Don't forget to listen to your fellow members!

In order to successfully complete your project, consult the assessment and management tools included in the Toolbox section of this guide. You can also contact your regional Collective Entrepreneurship Awareness and Promotion Officer for additional information or assistance. You will find a contact list for these officers at the end of the guide.

In order to inform your community and other schools about your achievements, send a copy of your end-of-year report (a model can be found in the Toolbox section) to your partners, the local media and the Conseil québécois de la coopération et de la mutualité.

You should also begin to think about taking part in the recognition program known as *La relève en action* of the Fondation pour l'éducation à la coopération et la mutualité and the Fondation Desjardins and entering the Québec Entrepreneurship Contest. Send in a copy of your end-of-year report along with your contest entry. If you get any good local media coverage, be sure to also submit a copy!

Best of luck with your project!

