COOPERATIVE'S IMPACTING MONTANA



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Montana Cooperative Development Center

www.mcdc.coop

WHO IS THE MONTANA COOPERATIVE DEVELOPMENT CENTER?

Mission: To promote and develop cooperatives to meet the economic and community need of Montana.

We serve all 56 counties and the 7 Native American Reservations as the statewide recognized cooperative development center.

We are an economic development organization utilizing the cooperative business model to address needs of communities, businesses and individuals of Montana (and beyond).



WHAT IS A COOPERATIVE:

It is, in simple terms, an enterprise created by a group of people who join forces and work together to solve a problem or reach a goal they all share.





Cooperatives' Impacts are Across the Globe

Co-ops Are:

- Global form of business
- State controlled
- All adopt the 7-guiding principles

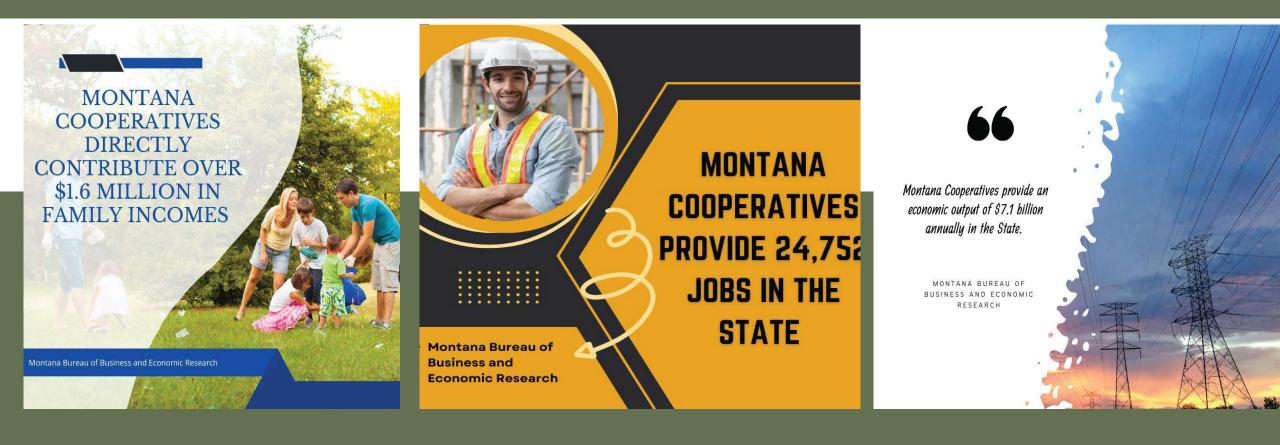
As per the International Cooperative Alliance:

3 million co-ops world wide

- 1.2 billion in membership
- 12% of people on Earth are co-op members –Brazil has the most cooperatives

Co-ops employ 280 million people across the globe- that is 10% of the worlds populations

72% of co-ops survive the first 5 years of operations vs. 43% of companies



COOPERATIVE'S ECONOMIC IMPACT TO MONTANA

Cooperatives are <u>autonomously owned</u> by their Members

Co-ops are capitalized by members first and foremost

Common Stock:

- Has voting rights
- Return on amount of usage of the cooperative (patronage)
- Can run for and elect leadership
- Has active voice in management of the business
 - Part of the Democratic Ownership
- Should be supportive and engaged

Preferred Stock:

- Non-voting
- Investment Opportunity (wants to see the co-op succeed)
- Receives "dividend" first if coop is profitable
- No additional ownership

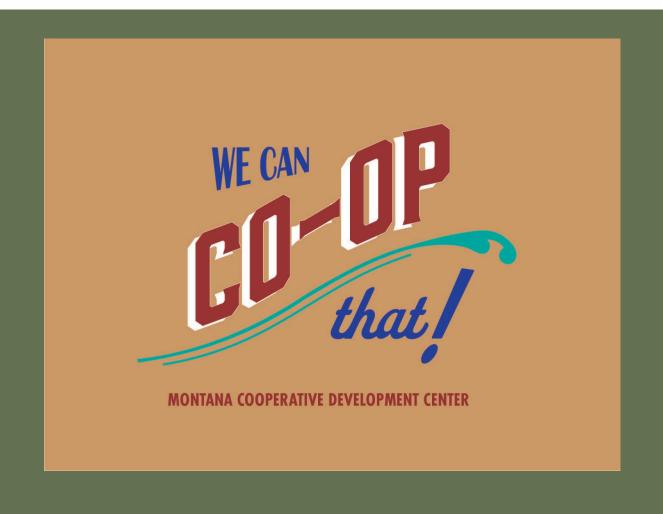
Cooperatives can:

- 1) Create other cooperatives
- 2) Partner with other businesses and cooperatives
- 3) Own other businesses
- 4) Incubate other businesses
- 5) Receive tax benefits compared to other corporations

Cooperatives Cannot:

- Be owned by another corporation/business/entity
- 2) Complete major changes without membership approval

HOW DOES MCDC WORK?





PHASES IN FORMING A COOPERATIVE



- Exploratory: Will A Cooperative work for your community/need
 - Host an introduction meeting with Interested Parties
- Planning Phase:
 - Form a Steering Committee
 - Identify the actual need- feasibility
 - Build a business plan and DRAFT by-laws
- Legal Phase:
 - File with Secretary of State and Montana Securities
 - Blue Sky Exemption
 - Obtain subscription pledges
- Operational Phase:
 - Collect the \$\$ from members
 - Begin Operations

HOW DOES MCDC WORK?









CONTACT US!

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