

Massachusetts Woodlands Cooperative Recommendations Based on Our Experience¹

1. **Create a Vision and Mission:** A cooperative must have a vision and mission that focuses on managing and restoring the forest landscape in a sustainable way, and this will involve more than just providing educational services or becoming a value-added wood processing organization. Be prepared to devote a great deal of time and energy to the task of identifying the mission, vision and goals for your cooperative members.
2. **Focus on Local Conditions:** Your cooperative must be based on and respond to local conditions (e.g., forests, markets, landowner objectives, etc.) in order to be successful.
3. **Develop a Core Group of Individuals:** It is important to have a cohesive core of individuals with a broad range of knowledge and experience who are interested in the idea of a cooperative and are willing to contribute considerable time toward the creation of such an organization. You will need experience and knowledge in subjects such as forestry, FSC certification, business management, value-added wood processing, marketing, customer services, database development, grant writing and other topics. It is preferable to obtain this expertise from volunteers who are able to establish and maintain networks with good connections to key stakeholders in the forest industry.
4. **Attract Volunteers:** We were able to attract volunteer resource personnel by responding to their professional and personal needs. For example, UMass personnel are involved because of the public service mission of the University, their interest in what we are doing, their ability to obtain support for students, and the possibility of publishing articles based on their work with the Cooperative.
5. **Establish a Resource Group:** We involved a group of resource personnel in creating the Cooperative. These Resource Group members were able to provide information and technical support to the forest landowners on issues such as developing our application for FSC certification.
6. **Encourage Leadership:** There is leadership potential within many people and a forest landowner cooperative is a good vehicle for tapping into that potential. Some folks are good at team building and motivating others, some are skilled in organizing and planning, and some have excellent problem solving and decision making capabilities. You should also seek out individuals with great writing and presentation skills. When core group members have these skills, possess technical knowledge about sustainable forestry, are passionate about good stewardship and are willing to commit time and energy to the Cooperative, you can build a great organization around them.

¹ Excerpted from *HomeGrown Wood Journal: Growth of the Massachusetts Woodlands Cooperative, LLC*. By Arthur Eve, et al. Volume 1, Issue 1. In press. An occasional paper of the Massachusetts Woodlands Cooperative, LLC.

7. **Find Out What is Important to Members:** We conducted a Forest Landowner Survey before the Cooperative was established in order to determine the types of services that forest landowners value which could be provided by a cooperative (see www.masswoodlands.coop).
8. **Limit Your Membership:** We focused on forest landowners and kept our membership small (the original 22 members) while refining our organization's mission and developing our application for FSC Group certification. We believe that Coop membership should be by invitation from the Board of Directors and developed a screening process that selects new members who are able to work well as good business partners. Expanding your membership before the organization is able to meet the expectations of both existing and new members can lead to problems.
9. **Do Not Raise Expectations Beyond What You Can Deliver:** Be cautious and careful about what you promise to members and those who are considering joining as new members. Avoid setting goals that try to accomplish too many objectives at the same time. Do not promise more than you can deliver to consumers and others. We have been careful not to make statements that indicate we are already operating as a successful business. When asked for our projections regarding when we expect the Cooperative to become successful, we estimate it will take at least another three to five years.
10. **Create a Cohesive Board of Directors:** We had a Steering Committee before we established the Cooperative's Board of Directors. This gave us an opportunity to get to know each other, make important decisions about the direction of MWC, and identify who should be involved in the Board. We decided to have our Cooperative Board made up primarily of forest landowners who were members of the Cooperative. At the same time, we continued to involve key resource people from state agencies, UMass and other sources who were willing to provide our Board Members with technical assistance and expertise on a volunteer basis. We structured Board Meetings as inclusive events where all members of the Cooperative and members of the Resource Group have a chance to participate in discussions.
11. **Use FSC Certification as a Key Component of Your Organization:** We decided to build our Cooperative effort around FSC certification. We applied for Group FSC Certification that would be held by MWC so that we would not be dependent on a certification process that was controlled by consulting foresters. We are currently in the process of applying for FSC Group Chain-of-Custody certification for selected members and partners.
12. **Focus on Creating a Successful Business:** Cooperatives need to generate income in order to become successful and survive over the long term. We believe that cooperatives can generate profits from value-added processing of forest products and marketing FSC certified products directly to a niche of eco-friendly consumers. Your business plans will

change as you learn and grow, and you should be prepared to deviate from the plans you develop as your organization evolves. We have found that external help in business planning can be expensive and lead to inappropriate advice. We are still working on our business plan, which is currently being refined by members of the Cooperative with support from our Resource Group.

13. **Manage Your Growth:** Start small and test your ideas out with a few carefully selected colleagues at first. Learn from this interaction and adjust your course accordingly. Small steps are required in building an organization. Identifying your marketing position and creating an infrastructure for the organization will require time, patience and the right talent. Select your partners carefully, looking for individuals who are trustworthy, enthusiastic, fun to work with and can make a contribution to the Cooperative's growth.
14. **Be Selective in Choosing Business Partners:** Look for already existing providers who might be interested in forming partnerships that meet the needs of your landowners and/or consumers. Check out the reputations of potential partners and make sure that they understand and agree with the Coop's mission and operating principles. Use FSC Chain-of-Custody requirements as a way of establishing high standards for adding value to harvested forest products.
15. **Control Your Spending:** Board Members and staff need to function as if they were small, start-up business entrepreneurs and spend funds as if these dollars were coming out of their own pockets. Be cautious about switching from an all-volunteer group to an organization with paid employees before developing a cash flow that is sufficient to support the paid staff over time. Make sure that funds from external sources are used according to guidelines established by the funding agency.
16. **Avoid Debt:** Our group decided to avoid taking on any debt until we knew how we were going to be able to generate enough income to pay off that debt.
17. **Be Patient and Persistent:** There will always be a learning curve when you create a new business and this will slow you down. Assume that everything will take longer than you estimate. Be willing to learn and adapt as new information becomes known and the group moves up the learning curve.
18. **Seek External Funding:** External funding of start-up costs during the planning phase can be very helpful. Include individuals within your resource group who have experience and an interest in developing grant proposals that will assist the Cooperative. Investigate the extended network of contacts that your members and resource personnel have within various foundations and government agencies. Keep in mind that external funding does not have to come directly to the Cooperative, but can be given to collaborating organizations such as universities and non-profit groups.

19. **Incorporate Available Technology:** Cooperatives need to figure out how to use technology (e.g., GIS, GPS, the internet, databases, etc.) as an integral part of their approach to managing information. FSC certification focused our attention on the need to develop a database that could manage and track information.
20. **Plan Your Marketing Strategy Carefully:** Develop a marketing plan aimed at reaching eco-friendly customers. Your market position should rely on relationships and focus on a niche market of value-added products. You should understand what you can sell and who your customers might be ahead of time and avoid competing in the traditional forest industry (e.g., by trying to make a profit selling logs). Be selective in the forest material you purchase from members (making sure that you can add value to this material and sell it at a profit) and have groups of purchasers in mind before the wood is harvested. Use the internet as a marketing tool and be cautious about spending funds on advertising.
21. **Build Your Infrastructure:** Anticipate your organization's needs and prepare your infrastructure so that it will be able to support those activities you will be undertaking during the next six to twelve months. Try to keep the development of your infrastructure slightly ahead of your organization's needs while keeping in mind that excessive infrastructure investment will tie up cash that you might end up needing elsewhere.
22. **Communication:** Develop effective and responsive communications with members and customers (current and potential) through telephone calls, email messages, postal service and personal contact. MWC uses email as an effective way of keeping members informed; those members who do not have email access receive the same information through regular mail.
23. **Share Information with other Cooperatives:** It is important to share information with others who are attempting to start their own forest cooperatives. If MWC had not had the Sustainable Woods Cooperative (SWC) and Vermont Family Forests as role models during the initial stages of our development, our group would probably not have been prepared to make the organizational effort. Especially during the early stages of MWC development (1999 and 2000) when we were still trying to figure out our own game plan, it was very important for us to have information about previous attempts to organize and run forest landowner cooperatives.