



# Illinois Cooperative Development Center: A Resource for Illinois SBDCs

IESBGA Annual Conference  
May 28-30, 2014 • Normal, IL

**Fred Iutzi, MS**

Illinois Institute for Rural Affairs



WESTERN  
ILLINOIS  
UNIVERSITY

# Illinois Cooperative Development Center



*A program of the Illinois Institute for Rural Affairs at Western Illinois University*

## **A center of excellence for cooperative development.**

ICDC...

- Works one-on-one with cooperative entrepreneurs to identify and eliminate barriers to start-up, success, and expansion.
- Helps other service providers provide excellent service to their cooperative and mutually owned business clients.
- Provides workshops, publications, and other knowledge products to convey cooperative business best practices to broad audiences.
- Provides a full range of services to cooperatives in all sectors of the economy, and has additional specialized expertise in agriculture, food, energy, and natural resources.

# Illinois Cooperative Development Center



*A program of the Illinois Institute for Rural Affairs at Western Illinois University*

**Primary support:** USDA Rural Cooperative Development Grant (RCDG) program.

*...to assist individuals or entities in the startup, expansion or operational improvement of rural businesses, especially cooperative or mutually-owned businesses.*



**Secondary support:** Illinois Institute for Rural Affairs baseline resources (State of Illinois).



# Technical assistance available

## Primary services

- Co-op start-up process & resources
- Planning & visioning
- Sector-specific info
- Steering committee formation
- Member recruitment
- Incorporation process
- Cooperative bylaws
- Grant writing techniques
- Financing & fundraising
- Board of directors training

## By-referral or fee-based services

- Business plan development
- Feasibility studies
- Marketing studies
- Economic impact analysis
- Target market analysis
- Organizational development

# ICDC team at IIRA

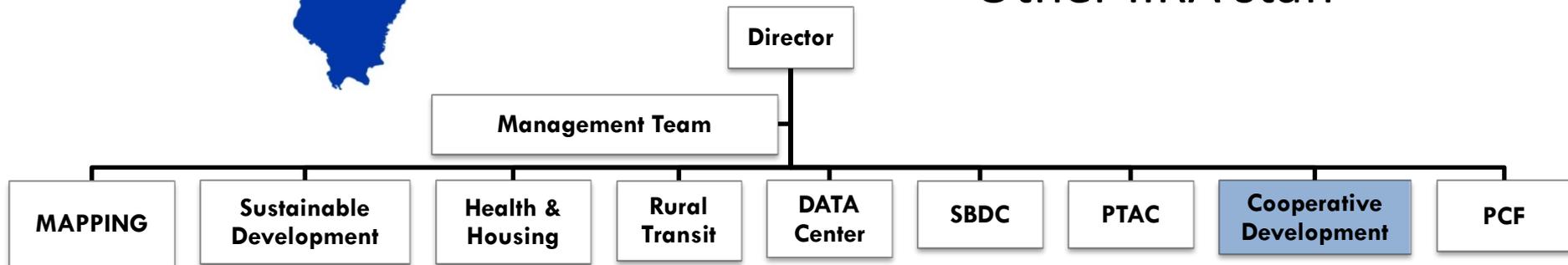
## Primary team

- Fred Iutzi, MS, PCED
- Jolene Willis, MPA
- Chris Merrett, PhD



## Supporting IIRA staff

- Adee Athiyaman, PhD
- Danielle Blair, MA
- Gisele Hamm, MA
- Robin Hanna, MA, MPA
- Xiaolan Liu, PhD
- Other IIRA staff



# External consultants & advisors

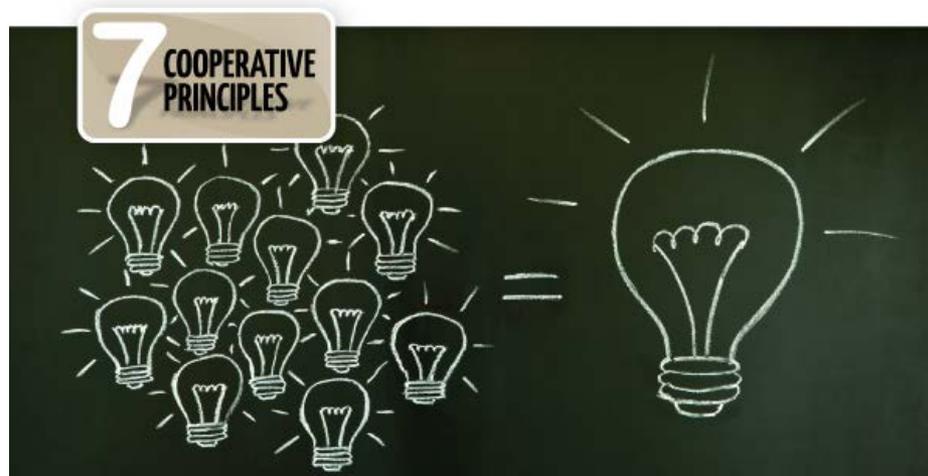
- Co-op accounting: Jon Gorman, CPA, CFE, *CliftonLarsonAllen*
- Co-op training: Rod Kelsay, MS, *Mid America Co-op Council*
- Co-op law: Rich Schell, JD, *Wagner & Schell, LLP*
- Co-op start-up: Debbie Trocha, MBA, *IN Co-op Dev. Center*

# ICDC Advisory Council



# ICDC Network

- SBDC – PTAC – ITC – TIES network
- Local & regional economic development agencies
- University of Illinois Extension



## New IIRA publication

# *The Cooperative Business Model as an Economic Development Tool*

Download at [www.iira.org](http://www.iira.org)

# Rural Research Report



Spring 2014  
Volume 24, Issue 4

by Jim Crandall

The author is Associate Director and Cooperative Business Development Specialist, Nebraska Cooperative Development Center, University of Nebraska–Lincoln.

Published by the Illinois Institute for Rural Affairs

Stipes Hall 518  
Western Illinois University  
Macomb, IL 61455-1390  
309.298.2237

[www.IIRA.org](http://www.IIRA.org)

## The Cooperative Business Model as an Economic Development Tool: Lessons from Nebraska

Many rural areas face the challenges of keeping their communities economically and socially vibrant in the face of declining populations and a loss of essential community businesses. The Nebraska Cooperative Development Center (NCDC) at the University of Nebraska–Lincoln (UNL) provides direct technical assistance to those cities in rural areas of Nebraska that want to build or preserve a business. The uniqueness of the NCDC approach is that all the businesses assisted are developed and organized as multiple owner establishments, primarily cooperatives (co-ops) and Limited Liability Companies (LLCs). Cooperative ownership may include a few people or more than 100, depending on the type of business created.

In the past, the cooperative business model has rarely been considered as an option for entrepreneurial development in rural areas, although Merrett and Walzer (2001, 2004) discussed the roles that New Generation Cooperatives can play in capturing value-added in small communities. This report will discuss instances where the group-owned business concept has been applied to business creation in rural Nebraska and the reasons why it has succeeded. The term *cooperative* is used in general terms that include any type of *group-owned* business.

NCDC is a part of the Department of Agricultural Economics at UNL and was started in 2000. From 2000 through 2013, NCDC worked on more than 100 business development projects, including the marketing of value-added agriculture products, the marketing and distribution of local foods, and the establishment of community-owned retail stores on main streets in rural towns.

### The Business Model

The *cooperative business model* has many appealing components that make its use in rural areas easily accepted and embraced (USDA Rural Development 2012). The cooperative model concentrates on the *user owned*, *user controlled*, and *user benefited* concepts of business activities (USDA Rural Business and Cooperative Development Service 1995). The idea of people working together for a common cause, especially in small towns, is nothing new. Adapting that shared responsibility concept to a business creation model is a fairly easy transition to make. Farmers and ranchers work together to market their production to a variety of customers. This shared business model approach allows a group of producers with similar products to potentially enter a niche market that they as individual operations would not have the capacity to do. Through pooling of their production, the growers are better able to enter a market as well as supply that market throughout the year, as opposed to an individual farmer running out of product due to demand part way through the marketing year. Products involved range from beef, pork, chicken, goats, fish, ostrich, and dairy products, to fruit, grapes, wine, and colorful woody florals, to hay, nuts, edible beans, and organic grains.

# Other co-op resources

- ***Succession Planning Through Worker Co-op Conversions***, May 29, 2014, Chicago, IL  
[www.conference.coop/special-session/](http://www.conference.coop/special-session/)
- **Illinois Cooperative Council**  
[www.illinois.coop](http://www.illinois.coop)
- **Mid America Cooperative Council**  
[www.macc.coop](http://www.macc.coop)
- **USDA cooperatives publications**  
[www.rurdev.usda.gov/rbs](http://www.rurdev.usda.gov/rbs)
- **Univ. of Wisconsin Center for Cooperatives**  
[www.uwcc.wisc.edu](http://www.uwcc.wisc.edu)

# Illinois Cooperative Development Center



*A program of the Illinois Institute for Rural Affairs at Western Illinois University*

**ICDC website**

[www.iira.org](http://www.iira.org)

**Primary funder**



Committed to the future of rural communities.



**WESTERN  
ILLINOIS  
UNIVERSITY**

**Illinois Institute for Rural Affairs**

Western Illinois University

1 University Circle

Macomb, IL 61455-1390

Tel 309-298-1453 or 800-526-9943

f-iutzi@wiu.edu www.iira.org

**Fred Iutzi**

*Program Manager*

*Illinois Cooperative Development Center*

