

MEDA INNOVATION AWARD
NOMINATION NARRATIVE
MONTANA COOPERATIVE DEVELOPMENT CENTER

Project Outline: Cooperative Impact Weeks, a Montana Cooperative Development Center Project

The Montana Cooperative Development Center (MCDC) is based in Great Falls. MCDC has perhaps the best and most innovative model for distributing economic development resources in the state of Montana. It is a model based on building capacity and knowledge in rural communities by sharing and leveraging the technical assistance and financial resources of MCDC. MCDC provides financial and technical assistance to Cooperative Development Specialist across the state of Montana that know and understand their communities and are readily available for face to face discussions with anyone interested in using the cooperative business model. Many Montana models for economic development services fund an FTE in a regional location and then *try* to deliver services to the surrounding communities. The MCDC model is unique and innovative in the fact that it is on the ground with regional impacts.

Because MCDC successfully leverages the relationships and capacity of their Cooperative Development Specialist team, the many cooperatives they have helped create, as well as those well-established utility, electric, and farming co-ops they are able to engage in projects that have a state-wide impact. We have chosen to base this application on the MCDC **Cooperative Impact Week**. An important task of success is to share the information, celebrate the impact, and recognize the work of all involved. There are more than 160 active cooperatives in Montana. Montana's 51 credit unions are cooperatives.

Efficiencies and cost

Led by Jan Brown, MCDC fund raised to bring her idea of Cooperative Impact Week events across Montana to life. With the support from partners listed in this narrative Jan kicked off the 2017-2018 season with an Impact Week in Eastern Montana, followed by the Bitterroot Valley, Meagher, Park and Sweet Grass counties, and another in Eureka, Troy, and Flathead area.

The **Cooperative Impact Week** project is designed to raise awareness of cooperatives, highlight the economic benefits of cooperatives in the region, and educate youth and the community members on the benefits of the cooperative model for economic and community development. The key of the impact weeks is the generous contribution from the CHS foundation and the interactions with youth in the high schools and college. In the program currently being developed in Eureka the CDS's have created a 2-hour facilitation program for youth to create their own cooperatives addressing a critical need of the community (see attached).

Each Cooperative Impact Week's Program activities vary in each community but include presentations on a creative housing project (Riverside Crossing Adult Cottage Cooperative in Hamilton), a worker-owned cooperative (Crucible in Belgrade), and a new Rural Investment Cooperative model. The beauty of the Impact Weeks is the on the ground partners develop the activities to address the needs of their community and are actively engaged. For example, Kalispell has North West Real Estate Agents, Flathead Valley Community College, Montana West Economic Development, Flathead Electric Cooperative, Parkside Credit Union, Whitefish Credit Union, CHS, Bigfork Farmers Market, Mountain Brooks Cooperative, and the local CDS involved. This partnership has been in the works for almost a full year and will include presentations to rotaries throughout the month of October and will be focused on key issues within the Flathead County such as housing, workforce availability, access to capital, and

agricultural marketing. All of this is done through the in-kind partnership with the only funding being spent is on the CDS's time to facilitate and the limited funds needed to print the program guide (which showcases each partner) and fund light food/drinks at the event itself.

Economic Impact

The narrative on economic impact of the local cooperatives in the area as well as across the State is part of what is shared during the individual cooperative impact weeks. For those engaged in economic development the facts in the next few paragraphs may hold some excitement. If this information was simply shared in a local newspaper it would not be read except by those that already knew about cooperatives and were looking for the article. To most, these important details about Montana's economy aren't going to be heard UNLESS it is during COOPERATIVE IMPACT WEEK. During Impact Week the partner teams can weave these key details in to meaningful stories about local cooperatives with familiar faces and community minded leaders that are loved by many.

Cooperatives make critically important financial contributions to the Montana economy. In 2015, cooperatives had annual revenues of nearly \$2.2 billion, made direct expenditures of \$790 million, and provided nearly 4,500 jobs (Note that the economic impact of Montana's cooperatives is likely underreported because only seven agricultural cooperatives responded to the survey.) These direct expenditures included \$361 million in salaries, worker benefits, and payroll taxes; over \$27 million in occupancy and utility payments; nearly \$38 million in Montana taxes; \$71 million in member dividends, payouts, and stock retirements; and, \$7 million in scholarships, educational funds, and other community contributions. (Montana Cooperative Development Center and Montana Council of Cooperatives, 2016). Based on annual revenues (\$2.2 billion), cooperatives revenue comprised about 4.8% of total state gross product (\$45.8 billion gross state product in 2015) in Montana.

Based on a study entitled Research on the Impact of Cooperatives (University of Wisconsin Center for Cooperatives, 2009, farm supply and marketing cooperatives in Montana generate over 43% of total cooperative revenue followed by utilities (40%) and credit unions (15%) . Utility cooperatives, which include electric, telephone, and water utilities, pay the highest share of total cooperative wages and salaries (38%), followed by credit unions (28%), and farm supply and marketing cooperatives (21%). [by George W. Haynes, Ph.D, Professor and Extension Economist, Montana State University]

WOW Cost Efficiencies

- 5 weeks of activities in 5 different regions with more Impact Weeks in 2019 and 2020 being planned,
- Beautiful, full color saddle stitched programs (on website www.mcdc.coop) for each region showcasing the work and economic impact of each cooperative as well as the partners that are supporting the Impact Week,
- Funds to the local Cooperative Development Specialist provided by MDCDC to bring in guest speakers to share unique co-op models from elsewhere in the state and to host events with lunch and snacks,
- MDCDC staff present at the event to help with presentations and capturing the event with photos and video, and

- Educational outreach to students in High Schools and College level classes on business development utilizing the cooperative model.

Most of our rural communities have pretty remarkable projects occurring but it is not easy to get the needed attention in these times. For our cooperatives the Impact Week made a difference in the quality and quantity of the communication. Spreading the message about Impact Week and planning the events created mutual benefit partnerships and networking.

And, it also is shaping the next generation. Many cooperatives, for example utility cooperatives, have lost some engagement in their membership. The Impact Weeks focus on the current cooperatives in the area sharing their history, story, services, and reasoning with youth in communities in an effort to engage them in the cooperative and the overall community.

Relationship Model

Cooperatives attended most of their fellow cooperative member events or are hosting Impact Weeks jointly as shown in the above example of the Flathead Impact Week. This reciprocal attendance has led to the cooperatives finding out that some form of continued networking would be highly beneficial as they could help one another a lot more than was they currently were. In the Bitterroot follow up networking meetings have occurred. An example of resource sharing included the orchardist telling their plight of getting enough labor to harvest their fruit this year. There has been a 42% increase in labor costs in the State of Washington due to immigration policies and an increase in the minimum wage. Local orchardist had in part solved the problem by gaining help form the Job Corp and are hoping that the Job Corp will be interested in helping with other tasks, such as pruning and spring tree planting.

The Hamilton Downtown Association (HDA) helped market the Impact Week event. The HDA's newly made connection to the cooperative model and a presentation from Jan Brown about the new community investment co-op model led to ongoing discussion about possibly preserving an historic downtown theatre.

Sometimes you must see something with your own eyes to become excited about it

WORKER COOPERATIVES - The idea of a worker cooperative, a business owned and operated by those that work in it, is a perfect model for rural Montana. Nevertheless, worker co-ops, popular in many other states, have not taken off in Montana. Crucible is Montana's first worker cooperative. MCDC was able to bring these hip young business owners, thanks to Impact Week, to the Bitterroot and to Sidney/Glendive areas with Eureka, Lewistown, and Gardner on the agenda for Crucible to go to next. Check them out at <https://www.crucible.coop/>.

Worker co-ops can help rural businesses that would like to spread the risk of ownership, they can help young people to start their own business with more support, and they can be of critical assistance when a company would like to exit and for a variety of reasons an individual buyer can't be found.

Originally from Lewistown, Montana, Crucible President Tyson Holland has always been passionate about art, design and entrepreneurship. Through his college education at the University of Montana - Western he expanded into graphic design and glassblowing. In subsequent years, he gained experience in the construction and welding fields, giving him the skills to physically create his artistic inspirations. The co-op has enabled Crucible's worker-

owners to pool their talents to create unique, original pieces of furniture for each customer. Holland says that not only do Crucible's members enjoy working with one another on each custom-made product, but they also all have an opportunity for input on each project – all while investing in their own business.

HOUSING COOPERATIVES – More than 1.2 million units of cooperative housing nationwide and none in Montana? Things are about to change: Riverside Crossing Cooperative. Cooperative Impact week elevated the conversation about Riverside Crossing. Many knew something about the project but they did not have the details like 1% limited equity that will help retain the affordability of the cottages in to the future.

After twelve long years, thousands of hours, and many thousands of dollars to make the concept a reality, Montana's first housing cooperative broke ground in the Spring 2018. Ravalli County Council on Aging – its Executive Director Paul Travitz, the sponsoring agency, and its partners, the Ravalli County Economic Development Authority and the Montana Cooperative Development Center, began the quest to bring a cooperative housing development to the State of Montana back in 2006. Through trials and tribulations, real estate busts, and developer woes, the Council has launched a fifty-cottage community for age 55+ seniors in Hamilton, Montana.

In Eastern Montana there was strong participation from Dawson Community College. A student / public forum was hosted. Eastern Montana and their robust ties to all things cooperative is something to aspire to. The desire to connect with young people in a community is not innovative. The ability to make the connection and have meaningful conversations is innovative. The richness of the speakers and the audience in Sidney, Glendive, Baker, and Circle is something many of us would like to be able to match.

Paying it forward

Impact Week is making it possible to see and hear from these unique cooperative first hand. There are few small businesses that have the budget to take time from work and pay the expense to go and speak at event across the state. Many can contribute but they can't shoulder the full burden.

The MCDC partners are many. We have listed the Cooperative Development Specialists and those that assisted in funding or contributing to MCDC for the Impact Week; notice that MCDC is not strictly in Montana as the work has expanded into Eastern Idaho, an area previously unserved by any cooperative development center.

EASTERN IDAHO
High Country RC&D
Pam Herdrich

EUREKA
Rural Economic Designs, LLC
Tracy McIntyre

GREAT FALLS
Great Falls Montana Development Authority
Mike Archer

HAMILTON

Ravalli County Economic Development Authority
Julie Foster

HAVRE

Bear Paw Development Corporation of Northern Montana
Michael Peter

JOLIET

Beartooth RC&D
Joel Bertolino

LEWISTOWN

Snowy Mountain Development Corporation
Kathie Bailey

LIVINGSTON

Park County Extension
Katie Weaver

WOLF POINT

Northern Development Corporation
Tori Matejovsky

For all the Impact Weeks the CHS Foundation has generously awarded MCDC a \$25,000 Cooperative Education Grant that is supporting Cooperative Impact Weeks throughout Montana over the next several years.

Montana Cooperative Development Center (MCDC) whose mission is to promote and develop cooperatives to meet the economic and community needs of rural Montana. As a statewide resource for cooperative development, MCDC provides technical assistance to existing co-ops as well as those seeking to organize new co-ops. MCDC is the key partner for the Cooperative Impact Weeks.

Financial support from Montana Farmers Union, based in Great Falls, has helped to cover special event costs, advance publicity, and logistical expenses for this Cooperative Impact Week.

The Montana Cooperative Education Fund was created to educate adults and youth about the cooperative business model. This fund is jointly administered by MCDC and the Montana Council of Cooperatives, an 80-member trade organization working to unite, promote and strengthen cooperative businesses across Montana. The Council represents cooperatives from all business and utility sectors that are committed to the seven International Cooperative Principles and honoring Montana's 100-year legacy of cooperative enterprise.

Links are provided to the two Impact Week programs have been completed and are on the MCDC web site at www.mcdc.coop as well as information about the upcoming Sweetgrass in September. Northwest Montana will be in October. The list of partners for each of the Impact Weeks are listed on the website as well as examples of the high-quality program guide that was completed for the Bitterroot Valley and Northeastern Montana. **Following are two attachments to also showcase the vast partnerships being made on the ground as well as a sample of outreach to youth.**

Examples of Community Partners

Eastern Montana – Montana Cooperative Impact Week

Partners:

Dawson Community College: President Scott Mickelsen and Jane Wynne, Adult Education Coordination
Farm to Table Cooperative & Dawson County Extension Agent Bruce Smith
Glendive Chamber of Commerce and Agriculture: Christine Whitlatch, Executive Director
Lower Yellowstone REC: member Service Manager Jami Propp and Board member oh Redman
McCone County Federal Credit Union: Emily Guldborg, Manager
McCone Electric Cooperative: Scot Brown, Member Services Manager
Mid-Rivers Communications: Kathleen McLane Community Resource Specialist
Sidney Area Chamber of Commerce & Agriculture: Susan Joy, Director

Bitterroot Valley – Montana Cooperative Impact Week Program

<https://mcdc.coop/wp-content/uploads/2018/04/Community-Guide-RCEDA-Final-with-New-Cover-Photo.pdf>

Partners:

Bitterroot College – hosted presentations
Clay Works! In the Bitterroot – presentation and tour
Loyal to Local Cooperative – presentation and tour
Riverside Crossing Senior Housing Co-op – presentation and tour
Montana Poultry Growers Co-op – presentation and tour
Bitterroot Community Federal Credit Union – presentation, tour, and after hours
Hamilton Downtown Association – assisted with marketing, presentation, tour,
BudWood Cooperative - presentation
Hamilton Farmers Market Cooperative - presentation
Ravalli County Federal Credit Union – presentation and after hours
Ravalli Electric Cooperative - presentation
Bitter Root Brewing –hosted a networking event

Montana Cooperative Impact Week Comes To Park, Meagher, And Sweet Grass Counties

<https://mcdc.coop/montana-cooperative-impact-week/>

Facilitation Guide: Youth Training for Building A Cooperative for a Community Need

Step One: Determining the Issue/Need

20 Minutes

All Students

Will need Flip Chart pads (2), smiley face stickers (3 per student), flip chart markers, easels (2), blue painters tape

Purpose: Determine Issues/Needs/Business that the Students want to develop a Cooperative to address
Activity: Brainstorming

Ask the Group “What is a Business and or Need/Issue in the Great Eureka Area?”

Note: Make sure that it is a need not a specific project at this level. IE if they say swimming pool, the facilitator asks “what is the need that a swimming pool address? Is there a need for more year-round activities in the community or youth activities?”

- Any and all ideas are written on the Flip Charts
 - Give some ideas if the ideas start to lag, give suggestions of areas that may be of interest, etc.
 - Once you have a good list give each student 3 smiley face stickers
- Have each student “vote” for up to three items on the list. They can place all 3 stickers on one or spread them out
- County up the stickers the top three are the topics that we will use the rest of the session

Break Into Three Groups

- Have prepared cards/stones with 3 numbers or colors on them
- Have each student draw and that is the group they are in

Step Two: Exploratory/ Determining Solutions and Activities

20 Minutes

Small Group

Will need: Index Cards, Pencils, Blue Painters Tape, Flip Chart and Markers

Purpose Overview (2 minutes)

- Review that this step is to determine what all is included within the problem/issue/or business that the students have selected
- And, what are workable solutions/potential activities or events that they can do
- Explain how the SLAM game works prior to starting

Activity: SLAM! (10 minutes)

- Give each student 3 index Cards
- Each student is to write down 1 (ONE VERY IMPORTANT) idea/potential solution on a card then SLAM it down to their right
- If a student is stuck/cannot think of something have them pick up a card from their neighbors’ pile
 - They can read it and SLAM it down in their pile to the right,
 - Can add a question or comment then SLAM it down,
 - Or be inspired and do another card themselves

(The idea here is to get the cards circulating and students building on the energy and ideas in the room- it should be loud, interactive and fun). Make sure that the cards have circulated around the table at least once.

Decision (8 minutes)

- The facilitator takes each card and reads them out loud. Placing them into categories and making sure all duplicate ideas are together
- Can utilize the same activity from Step 1 and get the students to determine that the Cooperative will focus in on one or two of the solutions/ideas

Step 3: Membership Defined

20 minutes

Small Groups

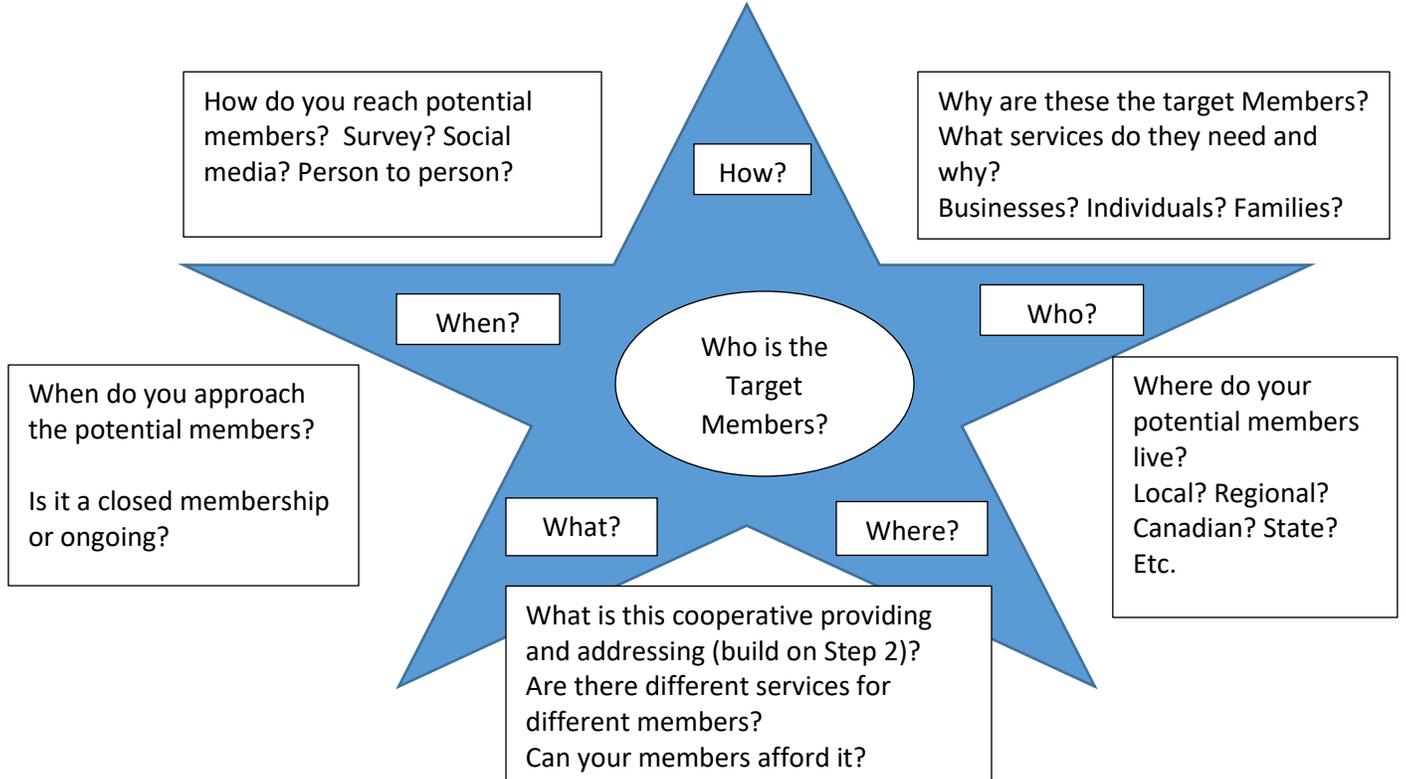
Will Need: Starburst Paper (butcher paper already created ahead of time), Markers

Review Cooperative Membership (2 to 3 minutes): As Owners of the cooperative business the members organize, incorporate, finance and elect directors to set the cooperative’s policy and govern. Members use the Cooperative Services/Products and are the reason for the coop’s existence.

Purpose: Identify and Define what membership of the Cooperative would look like (who, why, where, how).

Activity: Star-bursting (15 minutes)

Utilizing the star have the students elect a scribe to fill in the star/lead the discussion by asking these questions. May need to help engage. This can be a standing activity or sitting.



Step 4: Feasibility/Starting the Business Plan

20 minutes

Small Group

Will Need: Visual Business Plan Worksheet (on wall), sticky notes, pens/pencils, markers

Purpose: To determine the initial resources, opportunities, obstacles, costs/expenses, and income while also defining success and identifying potential pitfalls such as competition, markets. Also determine if it is a “closed” cooperatives for members only or if there is another layer for customers.

Activity: Visual Business Planning (Business Canvas Model Revised) (15 minutes)

- Give each student a stack of sticky notes
- Review each header of the Business Plan and give examples
- Let them go to town utilizing the sticky notes to put their ideas on the business plan

What Does Success Look Like?	What Strengths does this Group have? What Opportunities does this Cooperative Have?		What are some weak areas of this group? What Obstacles could be potential pitfalls?
What Resources are Available Locally?	Getting the Word Out		Show the Money
What Resources are Needed?	Is a physical location needed? Where and how many?	Who is your Competition?	What are Costs associated with Starting?
	Is there a Difference between Members and Customers? If so what?		Where is the Income coming from?

Finish this session with a question: Can this still be a cooperative? Which leads to Step 5.

Step 5: Where Do we Go Now?

10 Minutes

Small Group

This step is a group discussion that is lead by the facilitator.

- Facilitator review the principals of a Cooperative
- Review User-Owned, User-Controlled, and User-Benefited
- People that are members are using the Cooperative

Review the Step 2 thru 4 and ask key questions:

- Is there an economic need for this project in the community?
- Does it meet a community need that the population will support?
- Can you attract members?
- Are there any obstacles that cannot be overcome?
- Is there opportunity for growth and success?

With that in mind: Does this project fit as a Cooperative? If Yes, What would be the Next Steps?

Have the students select two people from the group to present the work that has been done.

Step 6: Report Back

30 Minutes

ALL Students

Reconvene as the entire Group

Report from each one of the three smaller groups-

- What was the topic they were addressing?
- What was identified as the solution or activities?
- Who are the members?
- Is it feasible to build a Cooperative Business to address this need? Why or why not

Overall Group Discussion

- What was learned?
- Questions on Cooperatives?
- Are any of these going to go forward in the Eureka community?