

The Consortium Co-operative Model

Grow your business through
collaboration



The members all saw the co-operative as an opportunity to get into a market that would be really hard to crack on their own. Turnover has grown markedly year-on-year and it has become increasingly profitable as members refine their operations.



Fergus Younger,
Argyll Food Producers

What is a consortium co-operative?

They are organisations run on a shared and equal way by, and for the benefit of, their members. Members may be businesses, partnerships or individuals, and the co-operative may be for any purpose which supports the members – typically buying, selling, marketing or sharing facilities or services, or joint bidding for contracts.

What are the benefits?

The model allows member businesses to retain their own brands, independence and control while helping businesses to reduce costs or share the risks of tackling new markets or investing in new processes. By helping small businesses to 'scale up', consortium co-operatives can create new platforms for growth.



How are they used?

They are formed for various reasons. Many support members trading – buying, selling or marketing on behalf of members and increasingly they enable joint bidding for contracts. In many cases they are tax-exempt. Running costs are often met by retaining a small percentage of the value of members' trade, meaning that members contribute in proportion with usage.

The model is common in non-trading situations where members wish to share facilities such as back-offices or premises. They are also used in membership-based organisations where a sound democratic structure is needed to promote ownership, to apply for and manage funds, or to undertake strategic industry or sector development.

Which industries can benefit?

The model works well in any industry where businesses can benefit by pooling resources and buying power, particularly Food and Drink, Tourism, Forest Industries, Creative Industries, Renewable Energy and Textiles.



Anybody who is not co-operating with like-minded people should seriously consider it; it's the way to survive and the way to prosper and expand.



John Cooper,
Cooper Bros partner

CASE STUDY:

Argyll Food Producers

Argyll Food Producers is a co-operative of seven food producers, including Bumble, a maker of hand-made puddings and Loch Fyne Oysters, the seafood producer. The members sell their products at events under the Food from Argyll banner. By collaborating, each member business has increased sales, exposure and profitability. Co-operative Development Scotland (CDS) supported a feasibility study to assess their potential as a co-operative.

CASE STUDY:

Merchant City Tourism & Marketing

Merchant City Tourism & Marketing comprises 180 businesses in Glasgow's historic Merchant City. With start-up advice from CDS they have created a brand, a website, merchandise and a marketing plan to attract more visitors. Gordon Matheson, chair, says: "Anecdotally, what the businesses are telling us is that their businesses have improved, their footfall has increased and their take at the tills has gone up as a result of the activities that we have been promoting."

CASE STUDY:

The Very People

The Very People is a collaboration of highly experienced editorial, PR and marketing consultants. Significant revenue has been generated for its six member businesses through shared procurement, sales and marketing. Ruth Webber of Webber Marketing says: "Being a co-operative allows us to pitch for contracts that we just wouldn't have the capacity to resource as individual practitioners." CDS advised on structure, members' contract and incorporation.

How can we help?

CDS's role is to provide specialist advice to new and growing co-operative and employee owned businesses to complement the mainstream support provided by Scottish Enterprise, Highlands & Islands Enterprise and the Business Gateway. CDS support includes:

- + Exploring the options
- + Structuring the company
- + Financing the business
- + Developing member participation

Co-operative Development Scotland operates across Scotland and is a subsidiary of Scottish Enterprise.

Contact us today on **0141 951 3055** or e-mail info@cdscotland.co.uk

You can also visit us online at www.cdscotland.co.uk

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