

Enhancing economic development  
in rural Ohio by establishing new  
cooperatives and strengthening  
existing cooperatives.



## ***Manufacturing-Industrial Human Resources Cooperatives***

Manufacturing/Industrial Human Resources (HR) Cooperatives are forming in southeast and central Ohio as a way to better improve the success of their local businesses. The development of formal cooperatives will give company members a bigger voice in the community and the ability to be more cost-effective in hiring and training employees, purchasing goods and services, as well as support other HR related efforts.

Cooperatives are business-driven and controlled and have many advantages of a legal corporation. The cooperatives are being designed to take advantage of the influence and effectiveness that can be realized as a larger group and still maintains the autonomy, efficiency, and targeted efforts of smaller local groups. Listed below are the current missions and some possible advantages of HR cooperatives.

**Hiring Mission:** To obtain the “**best available qualified workers,**” “**just-in-time,**” “**cost-effectively,**” which are adequate to meet the cooperative members’ workforce needs.

### **Advantages of HR Cooperative Hiring:**

- Shared marketing effort and screening expenses
  - ✓ Less cost for advertising (group rate)
  - ✓ Shared base costs for testing/data (members share pre-tested pool)
  - ✓ Shared cost/effort for pre-employment training (members share pre-trained pool)
  - ✓ Less time for company staff to process hiring (pool provides just-in-time hiring)
  - ✓ Better communication and cooperation with job seeker support agencies  
(One-Stops, schools, private placement, economic development, etc.)
- Higher quality employee  
(In areas such as: productivity, retention, trainability, attendance)
- Data needed to make future hiring/training/promotion decisions
- Better chance for outside funding/grants  
(Governor’s Workforce Board, OITP, One-Stops, Educational Institutions, etc.)

**Training Mission:** To provide “**cost-effective**,” “**quality**” training which is “**timely**” and “**responsive**” to the cooperative members’ workforce needs.

### **Advantages of HR Cooperative Training:**

- Shared training expense
  - ✓ Less cost for contract training (group rate/more consistent usage)
  - ✓ Shared training/development costs (for common training areas)
  - ✓ Better chance for outside funding (Governor’s Workforce Board, OITP, One Stops, Educational Institutions, etc.)
- Higher quality training
- More timely to match company’s needs
- Better incumbent worker career opportunities through better training

**Purchasing Mission:** To obtain the “**best**” possible price and “**more targeted**” purchase of “**services, supplies, and equipment.**”

### **Advantages of HR Cooperative Purchasing:**

- The development of improved purchase specifications
- Reduced cost for items such as:
  - ✓ Health insurance
  - ✓ Training
  - ✓ Training design and training quality systems
  - ✓ Job/needs analysis
  - ✓ Equipment
  - ✓ Supplies
- Reduce time for delivery

The Ohio Cooperative Development Center (OCDC) located at the Ohio State University South Centers is currently offering the following services to assist companies in:

- Conducting feasibility studies to determine the usefulness of the cooperative to their company’s needs
- Developing a cooperative business plan for HR cooperatives
- Developing a set of bylaws to govern the regional effort and still maintain local autonomy
- Providing grants and technical support services for cooperative formation and development

### **Company/regional feasibility areas to be studied:**

#### **Hiring Examples**

1. Job analysis/profile information
2. Company’s existing employee residents by zip code
3. Available pre-tested/trained job seekers in local databases
4. Company’s county population change predictions
5. Company’s county unemployment rates
6. External/internal testing services (availability/cost/quality)
7. Testing/assessment grants/funding availability
8. Return on investment data (if available)

## **Training Examples**

1. Company areas needing training (OJT/classroom)
2. Internal training resources available
3. External training resources available
4. Training grants available
5. Financial resources available for training costs

## **Purchasing Examples**

1. Company job analysis needs
2. Existing health insurance
3. Current purchasing specification process
4. Needed training supplies, equipment and support material
5. Financial costs related to training
6. Training quality systems

## **Business plans developed around the following areas:**

### **Section 1: Executive Summary**

Cooperative Overview  
Nature of Cooperative  
Key Characteristics of the Industry  
Brief Financial Highlights  
Strategic Management  
Reason Why This Cooperative Will Succeed

### **Section 2: Management**

Human Resources  
Operations

### **Section 3: Marketing**

Business, Industry and Situation Overview  
Target Market/Service Providers

### **Section 4: Money**

Financial Assumptions  
Bookkeeping, Record-keeping, Accounting System and Process

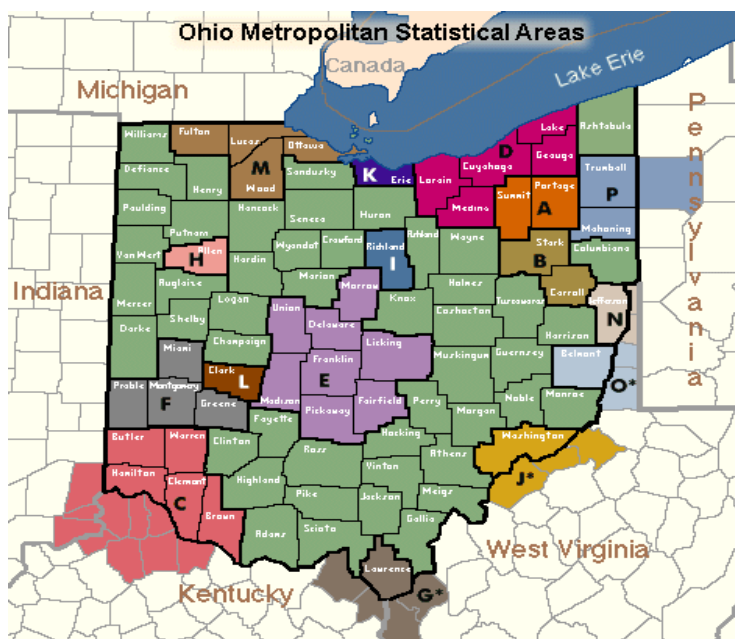
## **Bylaws being developed around the following areas:**

Article One - General  
Article Two - Members  
Article Three - Method of Operation  
Article Four - Management of the Cooperative  
Article Five - Meetings and Voting  
Article Six - Changes in Membership  
Article Seven - Mergers, Consolidation, or Dissolution  
Article Eight - Amendment  
Article Nine - Miscellaneous Provisions  
Exhibit - Cooperative Principles  
Exhibit - Current Membership  
Exhibit - Categories of Services

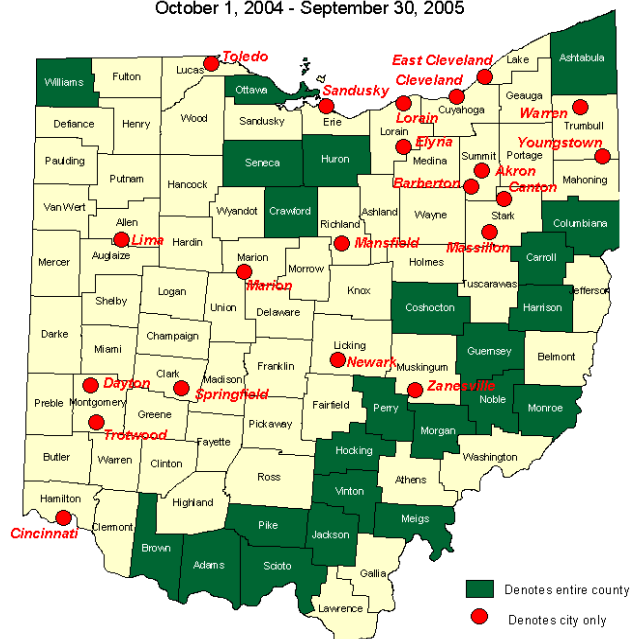
## Technical Workshops are being provided in the following areas:

- Building a Cooperative Business Plan
- Doing Feasibility Studies
- Building Cooperative By-Laws
- Forming Legal Cooperatives
- Cooperative Boardmanship
- Developing Accounting Systems
- Developing Job Seeker Recruitment Marketing Plans
- Developing Web Site Plans

**Manufacturing-Industrial HR Cooperatives** are forming in southeast-central Ohio including companies on the other side of the Ohio River whose economic development and labor force is tied to Ohio counties.



**Labor Surplus Areas in Ohio**  
October 1, 2004 - September 30, 2005



## The OCDC staff will be available to:

- ✦ Meet with you individually
- ✦ Assist with a feasibility study and/or a draft business plan
- ✦ Assist with start-up of a cooperative
- ✦ Provide technical workshops at OSU South Centers
- ✦ Assist with local discussion/organizational meetings
- ✦ Assist with application for OCDC Feasibility or Implementation Grants
- ✦ Link you with other possible grants and service providers



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