Getting Started in Your Community: 
Ten Steps to Starting a Network of 
Locally Owned Businesses

We recommend that leaders interested in forming a BALLE network consider the following steps. This guide was created by BALLE network Sustainable Connections in Bellingham, Washington to capture the start-up experience of some of our oldest and largest networks.

These steps are not meant to be prescriptive or necessarily a linear process. Each community and organization should decide which of these steps are useful, come up with their own different steps, and use the following as ‘touchstone’ guidelines rather than as a magic formula. This guide is just a start — most of the resources, knowledge and skills you need to build your network will come from within your own community.

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Join us! Be a LOCALIST.

If you’re thinking of starting a new network of locally owned independent businesses, you already know that you’re one of us – a Localist. This short guide is only the beginning. By joining BALLE you become part of an ever-growing network of leaders, innovators, entrepreneurs and networks that are building a new economy from the ground up.

Localists don’t wait for government, big business or someone ‘in charge’ to do something about a broken system. They take action. They think local first to support their local business community. They look for entrepreneurial opportunities to make, grow, and serve their own community – whether it’s vegetables, furniture or energy. They cooperate with other local entrepreneurs and build networks because they know they are stronger together, and that competition isn’t the answer.

Becoming a Localist is the best way to connect with other local leaders and learn about cutting edge solutions for building your network and growing your local economy. Whether you are an individual, a single business or a group of businesses, there are three ways to engage with the BALLE community. Each has unique benefits and is designed to provide access to information and services based on your preferences.

Visit www.bealocalist.org/join to find out more.
1. **Assess your community and yourself.**

Decide: 1) if you need a new community business network focused on green jobs, sustainable industries, and thinking local first and 2) if a business network is the solution that speaks best to you.

**Assessing your community**

Analyze whether you need to create an organization or whether an existing group already is effectively working toward these strategies and could just use your support and ideas. If there is a strong existing community business network making progress toward these ideas in your community, they can join BALLE and get access to a national peer network and idea exchange. You might just need to steer your local group in that direction.

If you do think there is a need to start something new, you need to assess whether you have the support and potential to develop a strong steering committee of local business and government leaders.

The basic point here is that you don’t want to re-create the wheel, and you do want to be sure that this effort has been or could be adopted by a core group of leadership businesses in your community.

**Assessing yourself**

It is also important for you, the reader of this manual and potential organizer of a new community business network, to be clear whether this “solution” meets your needs. This might be completely interesting to you, but as Mark Twain said, “When you’re a hammer, everything looks like a nail.” Forming an effective new community business network is not at all easy, and there are many other strategies to achieve sustainability projects in your community.

We encourage you now to assess yourself and whether the community business network model is a fit for you. If it is, go forward boldly! If it is not a fit for you, that is a good thing to know, too – the world needs your work, whatever it is.

2. **Find the right champions: values-aligned owners of local independently owned businesses.**

**Make a target list**

Effectively building a new community network of businesses focused on transforming your local economy toward green jobs, sustainable industries and buying local first, requires building a core group of business “champions” who share this vision. This is critical. Local business people trust and respect other local business people. As you begin to invite others to join your organization, everyone will want to know who else is involved. They are also the ones who will know whether the programs and services you are developing, are indeed of benefit to local businesses!

To find these champions, make a list of all the business owners you know who would meet these three criteria:
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- respected by other business people and the community at large,
- values-aligned with this vision, and
- a “can-do” (positive attitude).

If you only know one or two local business owners who you think fit all these categories, that’s okay, start there.

**Schedule some one-on-one coffee meetings with your targets**

Your goal at these meetings is to tap into these business owner’s personal goals for your community and their hopes for all of our futures, and to help them see how a new community business network could help you to get there.

At your meeting tell them why you selected them (the three criteria above), as well as how much you respect their opinions. Present this manual and examples from other new community business networks. Explain that other communities have come together to strengthen their communities, and create more and better jobs that also creatively address environmental challenges. Share the results from some of these other communities, and ask them whether they would be interested in a local business membership organization that:

- provides an opportunity for values-aligned business owners to connect, learn from each other and do business together,
- provides education and new ideas that would keep them at the forefront of the move toward sustainability and the future of business, and
- is effective at swaying public purchasing behavior toward these locally owned businesses that are committed to innovating and stewarding your community.

Then, let them talk! Also ask them for the names of other local business owners they think also fit the three criteria and find out if you can either get an introduction or even better, whether you could approach these other business owners together.

**Meeting as a small group**

Once you have five to seven interested business owners, schedule a small ‘working group’ meeting at a time when they all can come. Consider meeting at someone’s home for collegial conversation. Have everyone start by introducing themselves, their business, and why they were attracted to this idea and this meeting. Be prepared with an agenda so people feel the meeting is a good use of their time, but don’t be rigid if the conversation wants to go other places. Let the energy spark where it’s natural.

Have a discussion that allows everyone’s vision to come together. A successful conclusion might be a commitment to meet again to talk about some of the next steps. After the meeting, send minutes of the decisions made back out to the attendees, thank them for their time, and remind them of the next meeting time and place. (The point, of course, is to make it really simple to participate.)
3. Decide what, where and who. Decide on geographic scope and membership criteria of your organization.

While your “working group” is still very small (10 or less people), get clarity from within the core before inviting others to join you. Your initial group should be tightly values-aligned because they were hand selected as can-do, positive and well-respected business owners that have a shared vision and commitment to transforming the local economy and community toward green jobs, sustainable business, and thinking local first. Make some key decisions with this group about what, where and who you aim to be before expanding to more people.

If you have decided to be a business membership network, you need to decide your membership criteria and geographic scope. For example, Sustainable Connections decided to offer three kinds of membership to ensure everyone who wanted to could be involved in some way. They decided to offer “Business Memberships” to any local, independently owned business with local ownership, full autonomy to make any decisions for their business, and a commitment to strong community, healthy environment, meaningful employment and buying local first. They offer “Affiliate Business Memberships” to managers or owners of non-independently controlled businesses that operate in our community. And they offer “Supporter Memberships” to citizens who care about what we do and want to follow the organization through its announcements and newsletters. Finally, they offer non-profit organizations a 20 percent discount, and also offer discounts to members from our surrounding counties who want to participate even though Sustainable Connection’s programs, events and promotions don’t occur only in their local county.

4. Create an early steering committee and action teams.

Start meeting more regularly to orient yourselves to the topics, possibilities and each other.

By now your early working group will have come to some key agreement about what you are trying to do, where, and with whom. You have likely done some surveying of the business community that has boosted your evidence that there is local interest. It’s time to invite an official “steering committee” to get this organization launched!

This should be a group that is willing to commit itself to a year of part-time volunteer service to get the organization launched. A steering committee still isn’t a legal entity, and it won’t necessarily be the same group that later becomes your board of directors if and when you file for some sort of 501(c) status (though it could be).

A common question is “We know our steering committee should be made up of local business owners, but they are so busy. Should we include interested citizens?” This is a delicate balancing act. Business owners are busy and you need significant volunteer energy to build a local living economy business network in your region. However, building a business network requires businesses to lead the way. Business owners see great benefit in participating in a network with
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other business owners who share their challenges. Students, activists, and other concerned citizens do not face the same challenges as business owners who are committed to using their organizations as vehicles for change while still making payroll.

Therefore, you might consider including a few committed individuals, maybe even a lead coordinator who is not currently running a business but has time, energy and passion for your mission, as long as the majority of your steering committee consists of seasoned business owners.

Form action teams
You will quickly need to break into sub-committees to accomplish your objectives. These groups can meet between steering committee meetings and report on their research when the full group convenes. Be aware that joining a “committee” can instill a fear of “every Tuesday, 8 am, for the rest of my life...” So be clear about the committee’s objectives – what plans do you need them to implement, and upon completion, can the committee disband? You might consider calling them Action Teams. Though you may have other needs or ideas, typically these four action teams are useful in the early days: Membership & Communications, Programs, Infrastructure and The Launch Event.

5. Draft mission, vision and membership benefits.

Your steering committee needs to agree on what your organization will do in the world, and what benefits you aim to provide future members and the community at large. These decisions will set the tone of your organization, for your launch, and will guide your next steps. The ‘member benefits’ you decide to offer will, in essence, be your early work plan!

The following framework is a useful tool to develop your “case statement.”

- What are our aspirations for our community (vision)?
- Toward those aspirations, what work do we do? Or in other words, what are we “in the business” of doing at this organization (mission)?
- Who is our customer?
- What does the customer want and need?
- With what services do we respond?
- What is the value of our work to our customer and to the community at large?
- What resources do we need (and how do we secure them)?
- What is the cost to the community if these services are not provided adequately?

Before you can sign up members, you need to get to clarity about the above questions. We recommend developing a brochure, website, dues structure and plan for delivering on member benefits before your launch event. Start registering members at your launch event.
6. **Build a work plan that can deliver early wins. It should support businesses in stewarding community and the community in buying local first.**

Develop a work plan that includes your vision, mission, and a set of goals, both long- and short-term. Don’t overwhelm your first year’s work plan with too many projects. Instead, prioritize your activities by choosing projects that are easy to accomplish as well as those that can have visible impact while you are building capacity.

It is very important – both for the psyche of the steering committee (energy and action attracts more energy and action) and for building trust in your community – that you concentrate on early wins and successes. This will pave the way for deeper work later. Pick projects that you know you can accomplish and look for low hanging fruit, such as opportunities to “go through open windows...rather than through brick walls.”

Sustainable Connections reports that starting from day one with a strategy of “reciprocity” was critical to their success. Early on, Sustainable Connections communicated twin goals of supporting local businesses in their stewardship and healthy economy innovation and, in turn, asking the community to support local businesses first. This set up a tone of mutual responsibility. Everyone needed to do his or her part and everyone was in it together.

Sustainable Connections didn’t ask the community to support their local businesses just because they existed. They also did not ask their local businesses to support an unreceptive community. (For example, we often see organizations asking local businesses for donations or to sponsor events, only to find the organization buys their event supplies at a non-local business.)

We also recommend you be clear from the outset about your longer term goals as organization. Do you hope to have just one campaign and do it well, or are you interested in broader issues of community and sustainability? Knowing upfront what your strategy is, and that you will be adding programs that support this approach over time, can ensure your organization has a never-ending set of opportunities, and ensure members aren’t caught off guard about your intentions.

Finally, it’s worth noting that some networks have organized only around the idea of supporting local businesses first. While Local First campaigns are often a critically important component of a BALLE network’s efforts, focusing exclusively and only on Local First creates a different kind of organization: more of a trade alliance or a local marketing campaign that is more limited in scope than a true local living economies business network. Such organizations can also get pushback from member businesses if they decide later they are interested in broader issues of “sustainability.” Additionally, we have seen that having only issue, or one campaign, limits the opportunity for the network to remain vibrant and viable over time.
7. Add a little organizational structure.

Organizational Infrastructure
Early on, you’ll need to name your organization, and then incorporate with your state’s “Secretary of State” offices, even if you will be a non-profit corporation. It is a simple application and a fee in the range of $30. You’ll need to select an address or set up a post office box, choose a contact person for phone communications, and set up a basic website. You can always use one of many free templates that are out there and transfer your content to a more robust and professional website once you have the resources. Open a bank account in the name of the organization so you can accept event fees, and pay for simple expenses like printing and food. Your organization can propose and perform contract work for government or other organizations and you can collect membership dues and events income without becoming a non-profit organization.

You also will need to start thinking about whether 501(c)(3), (c)(4), or (c)(6) designation is the appropriate legal designation for your organization:

- Generally, the IRS considers organizations that focus primarily on promoting local businesses 501(c)(6) organizations. The IRS sees these organizations as similar to a trade group or chamber of commerce with a primary purpose being to support members.
- Becoming a 501(c)(3) non-profit that can accept tax-deductible donations and foundation grants requires you to have an education focus that is wider than promoting members. If you intend to spend the majority of your work on transforming your hometown’s economy toward greater environmental, economic and community sustainability – including supporting businesses with innovative transition, and in educating the public about these issues – a 501(c)(3) may be right for your network.
- If you intend to be heavily engaged in advocating for policy shifts with local and state governments, then a 501(c)(4) designation may be appropriate
- Traditional nonprofit structures are not the only option for incorporation or adding structure to your organization. In recent years, networks have adopted innovative alternative structures, such as cooperatives and for-profit social enterprises. While most incorporated BALLE networks are traditional 501(c)(3) or 501(c)(6) organizations, these alternative structures show great promise.

Once you are more established, and have determined which organizational model will work best for you, you will need to contact the appropriate city and state agencies. If you decide to become a non-profit organization, get an application from www.irs.gov to obtain tax-exempt status.

Staffing
Most networks start with a volunteer steering committee and a strong volunteer coordinator, all working from home. Action teams are generally headed by volunteers from the steering committee, who list their personal contact information on the network’s new website or collateral materials.

Some networks have started with a group of volunteers and a paid coordinator. In these cases one business might provide a desk, phone and computer in their office. One business might
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Generously agree to make a significant gift to this work by providing a part-time or full-time paycheck for this coordinator, or a group of businesses might collaborate toward paid coordination assistance.

In either case, birthing a new organization requires entrepreneurial energy. Be sure your committee is made up of both managerial and entrepreneurial experience. Your lead “coordinator” should be a natural sales person who attracts others and is comfortable with/excited about the notion of creating new programs and publications from scratch. Your next likely and needed staff support will be administrative assistance.

8. Identify your opportunities, then draft a budget and fundraising plan that correspond with your plans.

How do we start? We have no funding!
It’s worth noting that very few new efforts have funding before they start. The business members of your steering committee can likely all tell their start-up story – including how they were creative, looked for opportunity and worked hard.

Funding is nothing compared to enthusiasm from a team, and volunteers who enjoy each other’s company and feel a burning mission can accomplish an enormous amount. For example, Sustainable Connections started with no money, no staff, no bank account, and no assets – except great people! Ten years later the organization has a million-dollar budget.

Early on, admission fees for your events, film showings, and gatherings should bring in money to cover their costs and hard expenses like printed organizational materials. Steering committee members can chip in for meeting snacks, BALLE membership dues and other early expenses.

Eventually you will have specific projects that require funding, but a lack of funding shouldn’t slow down the start of your network.

Draft a budget and build a revenue plan that corresponds with your work plan
At this stage, you will have some ideas of what your network wants to do and the pace at which you want to do it. Some networks start with a group of busy business people, all of who are volunteers, and none of who is the lead coordinator. These networks may spend a year of fun getting to know each other while deciding their vision and goals and programs and services, and creating their collateral materials. Other networks have more ambitious goals and a dedicated coordinator.

An amazing amount of progress can be made with a few thousand dollars, some examples provided by peer BALLE networks, and committed steering committee members. With significant volunteer time (15 hours a month from each steering committee member and a highly effective volunteer coordinator able to work half-time on organizing efforts), it is an achievable goal to aim for enough program deliverables and connected funding to cover at least part-time paid staff time within six to twelve months from your first meeting.
Strong organizations have a diversity of funding sources. These could include local government, business sponsorships, membership, individual fund raising and/or fundraising events, earned income (events, etc.), and foundation donations. When you start to think about funding sources, don’t think, “Who will give us money?” think, “Who else will benefit if this work is successful?” Those are your likely supporters.

Your first funding sources will not likely be foundations (although some community foundations prove to be exceptions). Most foundations don’t support new organizations in getting off the ground. Most likely your first support will be from your steering committee members who themselves can become Founding or Sustaining Members of the organization at $1,000 per year and receive additional benefits such as promotion and public thanks at all your public forums and workshops, and on your printed and web materials. Now is also the time to visit those stakeholders you contacted early on in your organizing process with interviews. Your steering committee can present your work plan for the year and all the impacts you are going to make happen, and ask them to join with their own support to ensure these deliverables happen in your community!

If you have put together a calendar of events, consider asking an underwriter to support your efforts at $5,000 per quarter. Your city or county government may be supportive. Consider themes for your events each quarter of the year and consider a match for that theme, such as food-related business sponsors for local food systems or construction trades-related businesses for a quarter on issues related to green building. As you work on your budget, and test it with reality, you will likely go back and forth between your “expense budget” desires, and your most likely and realistic “revenue budget”. The goal is to figure out how to combine them and make them balance.

9. Launch! Host a coming-out event...and recruit members.

Your launch event – the official coming out party for your new network – is a very important night! A good time for your official launch event is six to twelve months after you have started your “First Friday” gatherings. You will have been interviewing businesses, meeting with stakeholders, building a plan and have some great new friendships. There should be a “buzz” about what’s coming by the time you launch! This launch event will have served as a motivating deadline for your steering committee and so you will all be there, smiley and ready to answer questions about what your organization is and will be doing, and why it is important to join as a member. You will have your membership collateral materials, and should be ready to sign people up on the spot. In fact, consider two prices for admission to the event, such as $5 for members and $15 for non-members (to encourage member sign-ups).

As usual, the people who attend the event will be the most important predictor of the evening’s success. You should reach out to the press and community in advance so that local newspapers, business newsletters, and Facebook pages are all promoting the event. You need to have carefully created an extensive invitation list, and all work hard to be sure your invitees attend. Give significant notice, deliver plenty of personal invitations, make personal calls, and re-confirm by saying, “So we’re expecting to see you there and we’re really looking forward to that!”
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Sure you have invited elected officials, community business leaders, potential partners, and other influential members of the community.

You will want the décor, food, music, photos, and activities to all emphasize a sense of place. Aim to highlight what people in your community love about what’s “100% uniquely your hometown”, with a goal of making people feel special. You will want a festive atmosphere – music that makes people smile, good local food, there could be comedy or a gospel choir – whatever you think best helps embody the energy of your plans!
Regarding the evening’s program, your goal is to build momentum that can propel you forward for the next phase of your work!

Our How to Build a Network Manual further explains suggestions for your launch event program, as well as a detailed chapter on communicating about your organization, including suggestions for key messages, tone, 10 frequently asked questions about community networks of independent businesses, a sample Top 10 Reasons to Think Local – Buy Local – Be Local, and recommended communications strategies like community-based social marketing.

10. Stay fresh, energetic and don’t let the momentum slow.

You have launched! Now it’s your job to maintain this momentum, recruit members, and roll out quality projects with professionalism. Even if at first, few believe you will succeed, public support will change as you successfully and visibly demonstrate your ability to complete projects well.

In the early days, choose small projects that you can do well and that will help to demonstrate that your organization can get things done. Concentrate on quality projects over quantity. Avoid poor design, and “cut and paste” efforts. As public confidence grows in your network and participants’ understanding of your vision becomes more sophisticated, you will be paving the way for more complex and ambitious projects.
The following initiatives have been shown to be great first programs for any network:
- Events: monthly networking alternating with sustainability education
- A membership directory
- A stewardship program or challenge
- A Think Local First campaign
- A first initiative in an industry program

Join us! Be a LOCALIST.

Becoming a Localist is the best way to accelerate your network’s start-up and effectiveness. Get connected with other leaders who are building networks in their communities, learn best practices and be inspired by what’s possible. Go to www.bealocalist.org/join to join.

Thinking of launching a Local First campaign? Check out our newly updated Local First Campaigns manual — a must-have guide for any new local business network. Visit www.bealocalist.org/BALLE-manuals to order.