

Co-operative

An organisation that is owned and controlled by a group of people who have an equal say in the running of the business and receive a share of any profits the business makes. The share they receive is called a dividend.

The owners of a co-operative are known as members. All members invest in and run the business in a democratic way.

Co-operatives are set up by the people for the people and are run according to a set of values and principles.

Advantages:

- the members feel that they have a real impact in the running of the business
- co-operatives often focus less on profit, which leads to better customer service and an emphasis on ethical business practices
- profits are distributed fairly among the members
- members enjoy working together and get great job satisfaction
- there is less likelihood of arguments as members share the same aims
- members are more likely to be aware of their responsibilities to the local and larger communities
- the initial investment required in buying shares and becoming a member is less than other ways of starting a business (sometimes just a pound).

Disadvantages:

- decision-making can be difficult and may take a long time
- all members have an equal right to speak and contribute to the decision-making process, even if they have little knowledge of the subject being discussed
- it may be hard for members to make tough decisions that will affect their co-workers
- a co-operative's focus on fairness and ethical business practice may limit opportunities for growth and maximising profit
- workers in worker co-operatives may find internal promotion or career moves difficult
- co-operatives may find it difficult to recruit top quality management.

Not-for-profit and charity

A not-for-profit organisation is a type of organisation that does not earn profits for its owners. All the money earned by or donated to a not-for-profit organisation is used in pursuing the organisation's aims.

For example, charity shops, voluntary organisations, and social enterprises, they often exist to promote a cause. Social enterprises are formed to provide help within a society.

A social enterprise may also be established to raise awareness of, or provide a solution to society's problems, such as crime and drug abuse.

Charities are organisations that aim to raise money to support a cause, such as cancer research or wiping out poverty in third world countries. Charities will focus on minimising costs and organising activities to maximise donations.

Many charities employ paid workers to undertake specialist work, but also rely on volunteers to minimise wage costs.