

The co-operative alternative

Securing the future of our businesses and communities

A guidebook for successfully transferring a business to a co-operative

Securing the future of our businesses

With increasing pressure on our communities to be economically competitive, it is clear that business closures may be catastrophic for our communities and spur or aggravate an economic decline.

As the population ages, hundreds of businesses will also soon be up for sale as their founding owners retire.

Business closures or owners retiring can attract a lot of attention and may lead to economic pressures on communities. If the businesses are bought out, by competitors interested only in acquiring their customer base or their equipment at a low cost, the positive contributions of the business to the community will cease

There is an alternative to business transfers which avoids negative impacts and secures the **longevity** of your community's businesses and socio-economic development through continued local ownership.

That's what the co-operative advantage is all about—taking over a business as a new legal entity, a co-operative, and ensuring it's continued success and positive contributions to its community.

The co-operative solution

Did you know that:

- ✓ Co-operatives have been around for over a century in a number of sectors of economic activity (agriculture, food, insurance, trade, forestry, housing, manufacturing, home services, financial services, etc)?
- ✓ Co-operatives enjoy a survival rate that is almost double that of all private enterprises,¹ thus demonstrating that they are **sound and sustainable**?
- ✓ Co-operatives ensure that wealth is transferred across generations?
- ✓ The secret to the success of co-operatives is that for many years they have combined into sectoral and regional networks providing them with access to expertise and economies of scale thereby contributing to reducing their costs and ensuring their profitability?

¹ Government of Québec, Survival Rates of Co-operatives, Ministère du Développement économique, de l'Innovation et de l'Exportation, Direction des coopératives, 1999 and 2007.

The co-operative advantage

There is an appropriate form of co-operative for all businesses, regardless of the expectations of their original owners or the sector in which the business operated.

The chart below demonstrates which model of co-operative fits the various ownership structures that a business owner might choose.

By transferring ownership to its customers	▶ <i>Consumer co-operative</i>
By transferring ownership to its suppliers	▶ <i>Producer co-operative</i>
By transferring ownership to a group of workers and/or users of the business and/or persons or companies in the community	▶ <i>Multi-stakeholder co-operative</i>
By transferring ownership to its employees	▶ <i>Worker co-operative</i>
By transferring a share of ownership to its employees	▶ <i>The worker/shareholder co-operative</i>

Structuring a win/win transfer of ownership

This guidebook is a framework to guide the process of transferring a private company to a co-operative corporation. It brings together all the expertise needed to guide a win/win transfer of ownership from a private company to a co-operative in an orderly manner that will benefit the owner that wants to hand over his business to a group that is committed to maintaining and developing the business' activities.

Getting Advice

Carrying out an effective co-op development process is crucial for the success of new co-operatives. It requires a broad set of skills, knowledge and experience. For most new co-operative entrepreneurs, although they have the vision of what they want their new co-op to accomplish, they often lack some of the required knowledge and experience to move the project forward. Filling this knowledge and experience gap is how an experienced co-operative business advisor can be of great assistance.

CCA works closely with its member provincial co-operative associations and we recommend that you contact them first to identify an experienced co-operative developer or use the online co-operative development resource – CoopZone (www.coopzone.coop).

Organizations providing Co-operative Development Services

The North (Yukon, NWT, & Nunavut) / Le Nord (Yukon, TNO et Nunavut)

Arctic Co-operatives Limited
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Telephone: (204) 697-2243
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British Columbia / Colombie-Britannique

British Columbia Co-operative Association (BCCA)
Suite 212
1737 West 3rd Avenue
Vancouver, British Columbia V6J 1K7

Telephone: (604) 662-3906
Fax: (604) 662-3968
E-mail: general@bccca.coop
Website: www.bcca.coop

Alberta

Alberta Community and Co-operative Association
#104, 5013 – 48 Street
Stony Plain, AB T7Z 1L8

Telephone: (780) 963-3766
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Email: aca@acca.coop
Website: www.acca.coop

Conseil de développement économique de l'Alberta
8929, 82^e avenue
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Téléphone: (780) 414-6125
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Courriel : pdg.ceo@lecdea.ca
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Ontario

Ontario Co-operative Association
101 - 450 Speedvale Avenue West
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Conseil de la Coopération de l'Ontario (CCO)
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Saskatchewan

Saskatchewan Co-operative Association
301-201 21st Street East
Saskatoon, Saskatchewan S7K 0B8

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Website: www.sask.coop

Conseil de la Coopération de la Saskatchewan (CCS)
3850, rue Hillsdale
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Régina (Saskatchewan) S4S 7J5

Téléphone : (306) 566-6000
Sans frais : 1-800-670-0879
Télécopieur : (306) 757-4322
Courriel : dg@ccs-sk.ca
Site Internet : www.ccs-sk.ca

Manitoba

Manitoba Cooperative Council
Unit C, 3059 Portage Avenue,
Winnipeg, Manitoba R3K 0W4

Telephone: (204) 989-5930
Fax: (204) (204) 885-8519
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Conseil de développement économique des municipalités bilingues
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Prince Edward Island / Île-du-Prince-Édouard

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Quebec / Québec

Conseil québécois de la coopération et de la mutualité (CQCM)
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Téléphone : (418) 835-3710
Télécopieur : (418) 835-6322
Courriel : info@coopquebec.coop
Site Internet : www.coopquebec.coop

New Brunswick / Nouveau-Brunswick

Co-operative Enterprise Council
P.O.Box 452, Station A
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Nova Scotia / Nouvelle-Écosse

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E-mail: diannefk@tru.eastlink.ca
Website: www.nscouncil.ns.ca

Conseil Coopératif Acadien de la Nouvelle-Écosse
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Newfoundland-Labrador / Terre-Neuve-et-Labrador

Newfoundland & Labrador Federation of Co-operatives
P.O. Box 13369 Station A
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Crosbie Place
St. John's, NF A1B 4B7
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Worker Co-operative Sector/ Secteur des coopératives de travail

Canadian Worker Co-operative Federation/
La Fédération canadienne des coopératives de travail
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