

Coop Conversion Study



Top-line Findings

February, 2020

Introduction

The results in this report are top-line findings for the Coop Conversion Study. The survey findings are presented in the order of the survey questions.

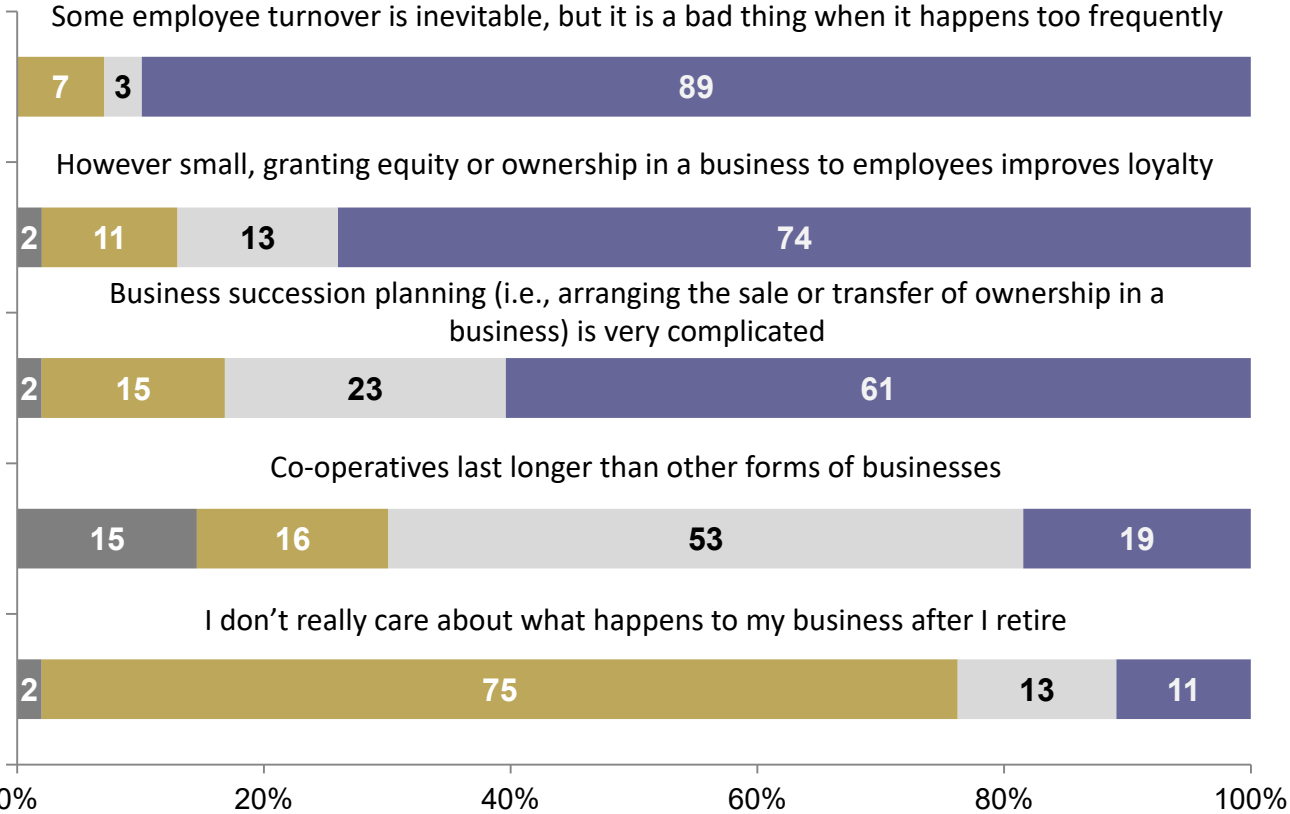
- The survey was conducted online between November 25, 2019 and January 7 2020
- In total, 319 responses were received from owners and strategic decision makers.
- The margin of error for these results is +/- 5.5 percentage points, 19 times out of 20.

Survey Findings

Broad Attitudes

To get started, how strongly do you agree or disagree with each of the following statements?

■ NR ■ Disagree (1-3) ■ Neither (4) ■ Agree (5-7)



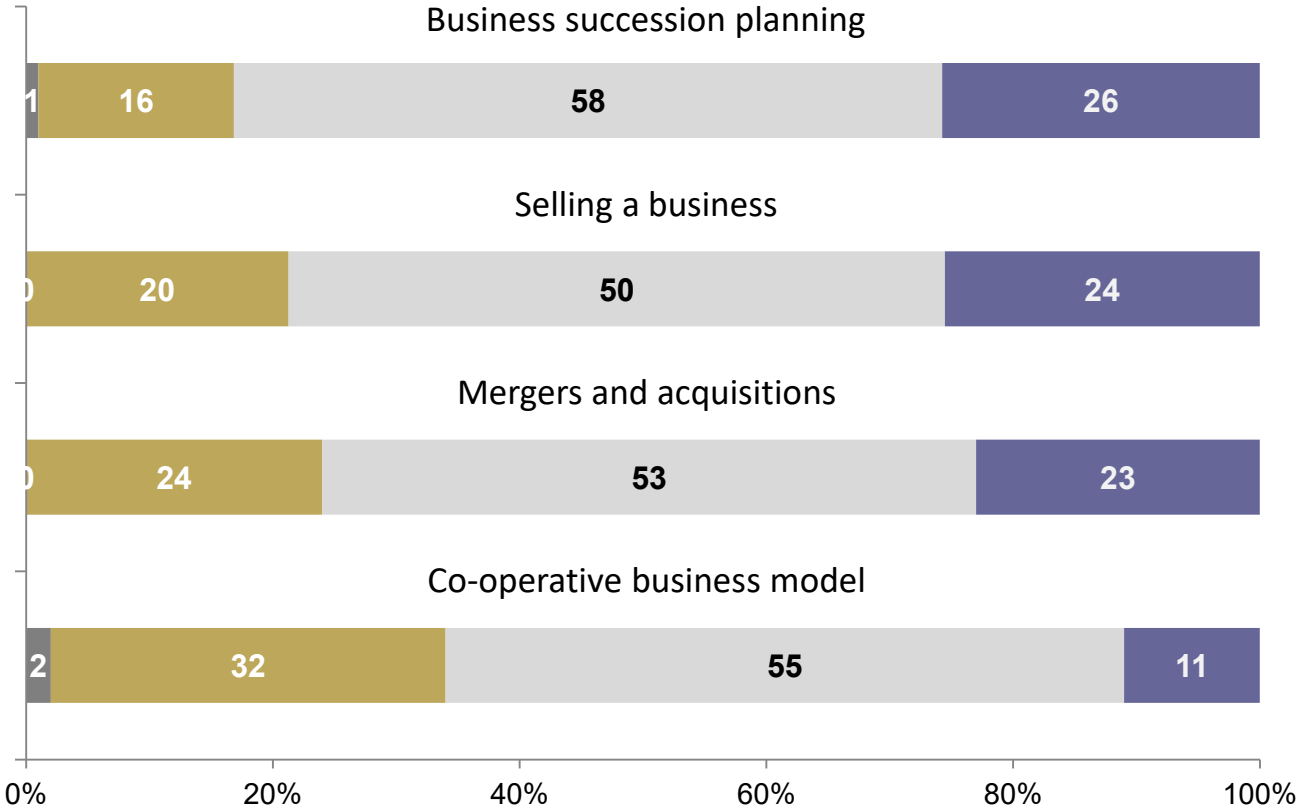
- > High turnover resonates very strongly as being problematic.
- > Strong agreement with the loyalty benefit of employee equity.
- > Only a small minority find succession planning uncomplicated.
- > The long-term viability benefit of co-operatives does not resonate well (reflecting lack of familiarity seen below).
- > Business owners clearly care about what happens to their businesses post-retirement.

Base: all (n=319); percentages

Familiarity

How familiar would you say you are with each of the following?

■ NR ■ Not familiar (1-1) ■ Somewhat (3-5) ■ Very familiar (6-7)

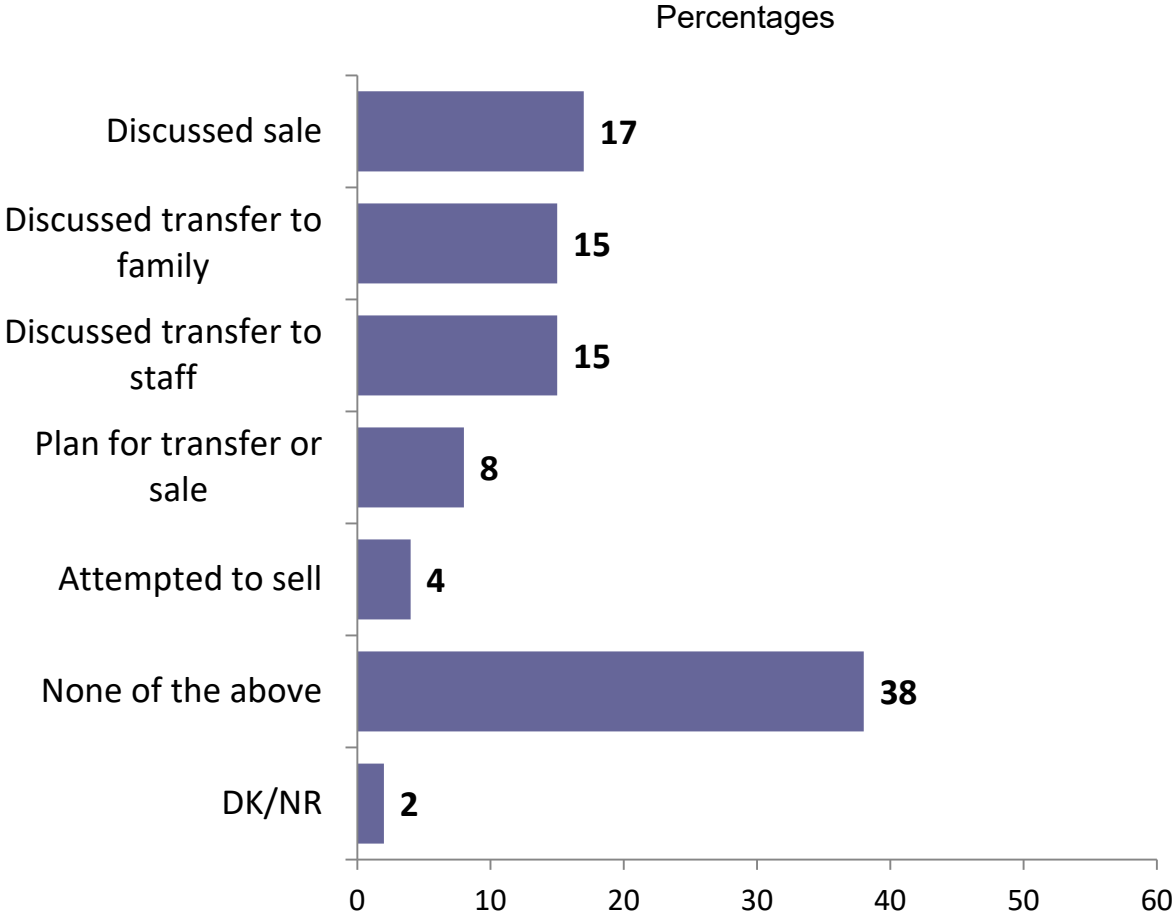


> Few are familiar with co-operatives.
> Modest levels of familiarity with succession and business transfers.

Base: all (n=319); percentages

Succession Planning

Over the past five years, have any of the following occurred with your company?

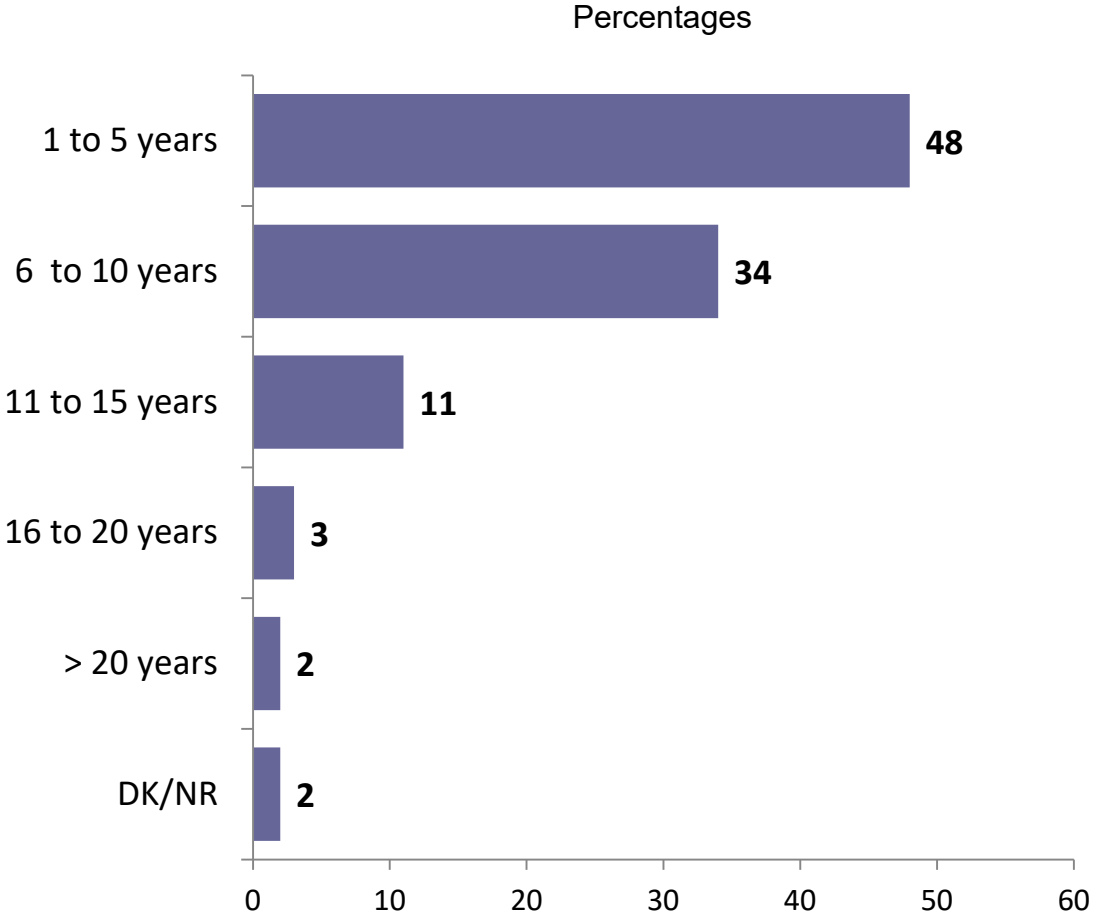


> Just over 3 in 5 report some activity around business succession.

Base: all (n=307)

Succession Timing

What is the approximate timeframe for your current succession plan or thinking on succession?

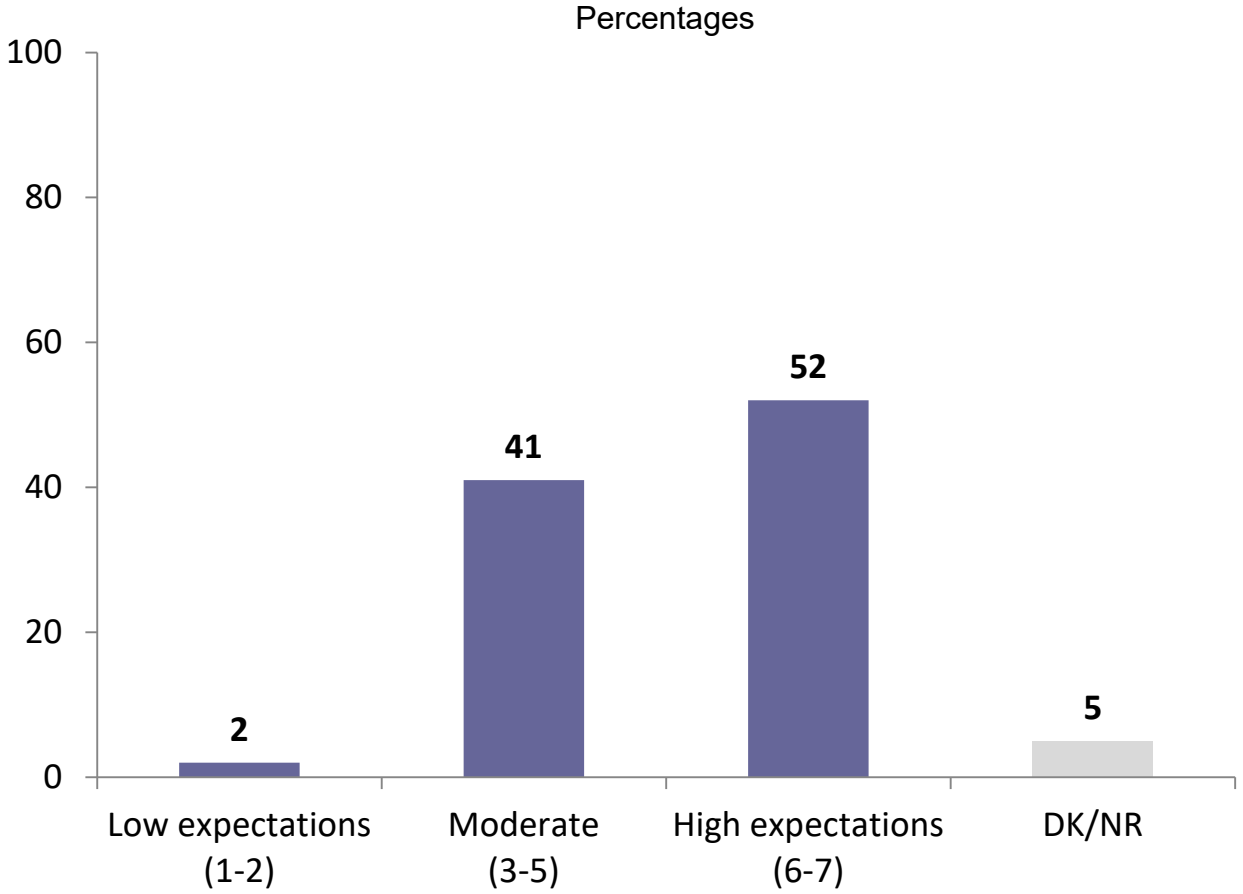


> For the vast majority of those who have engaged in succession planning (82 per cent), the window is within ten years.

Base: engaged in succession planning (n=122)

Expectations for Success

Overall, how successful do you expect to be with achieving the objectives of your current succession plan?

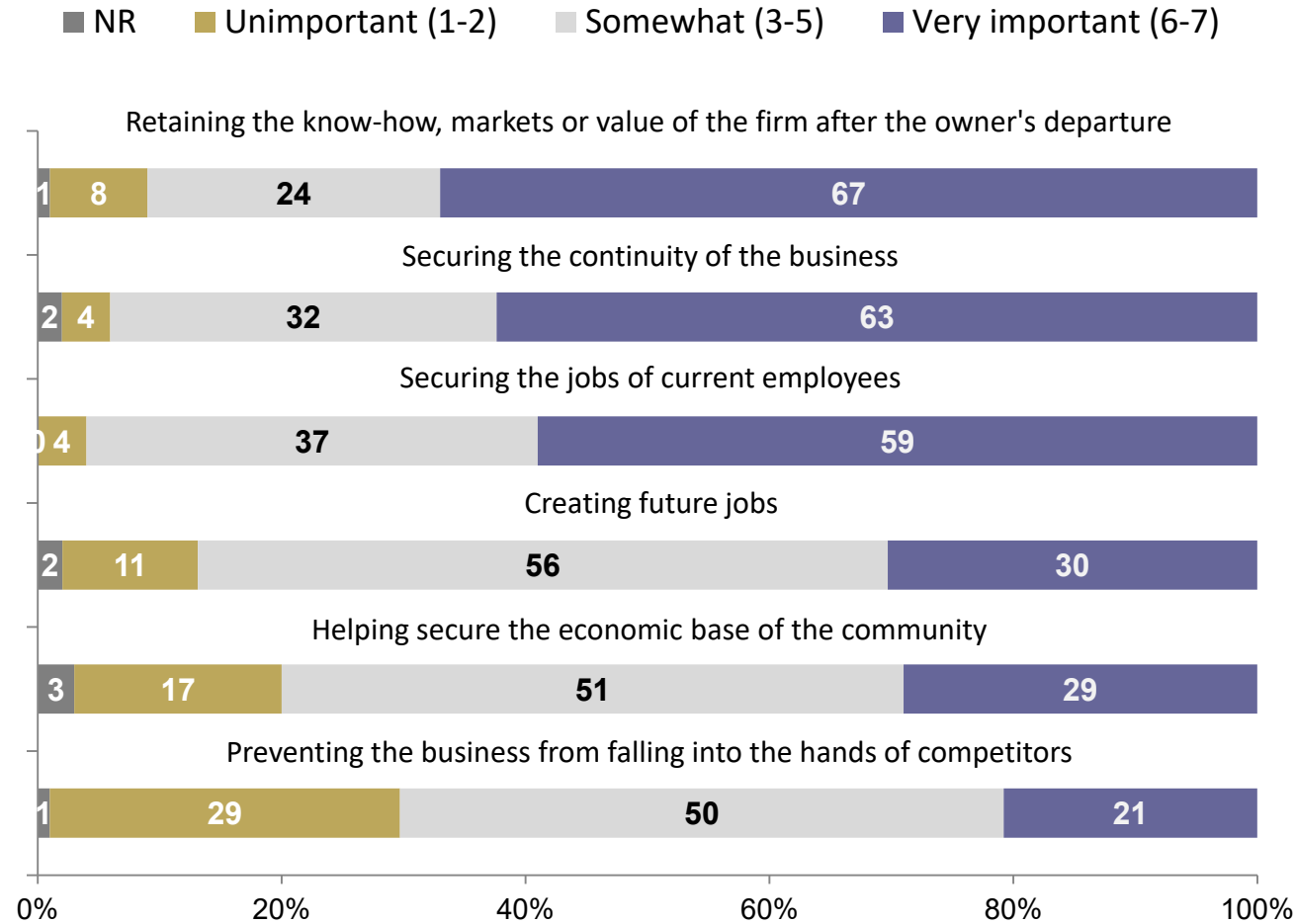


> Just over half have high expectations for success.

Base: engaged in succession planning (n=122)

Elements of a Successful Business Succession Plan

In your opinion, how important are each of the following factors in creating a successful business succession plan?

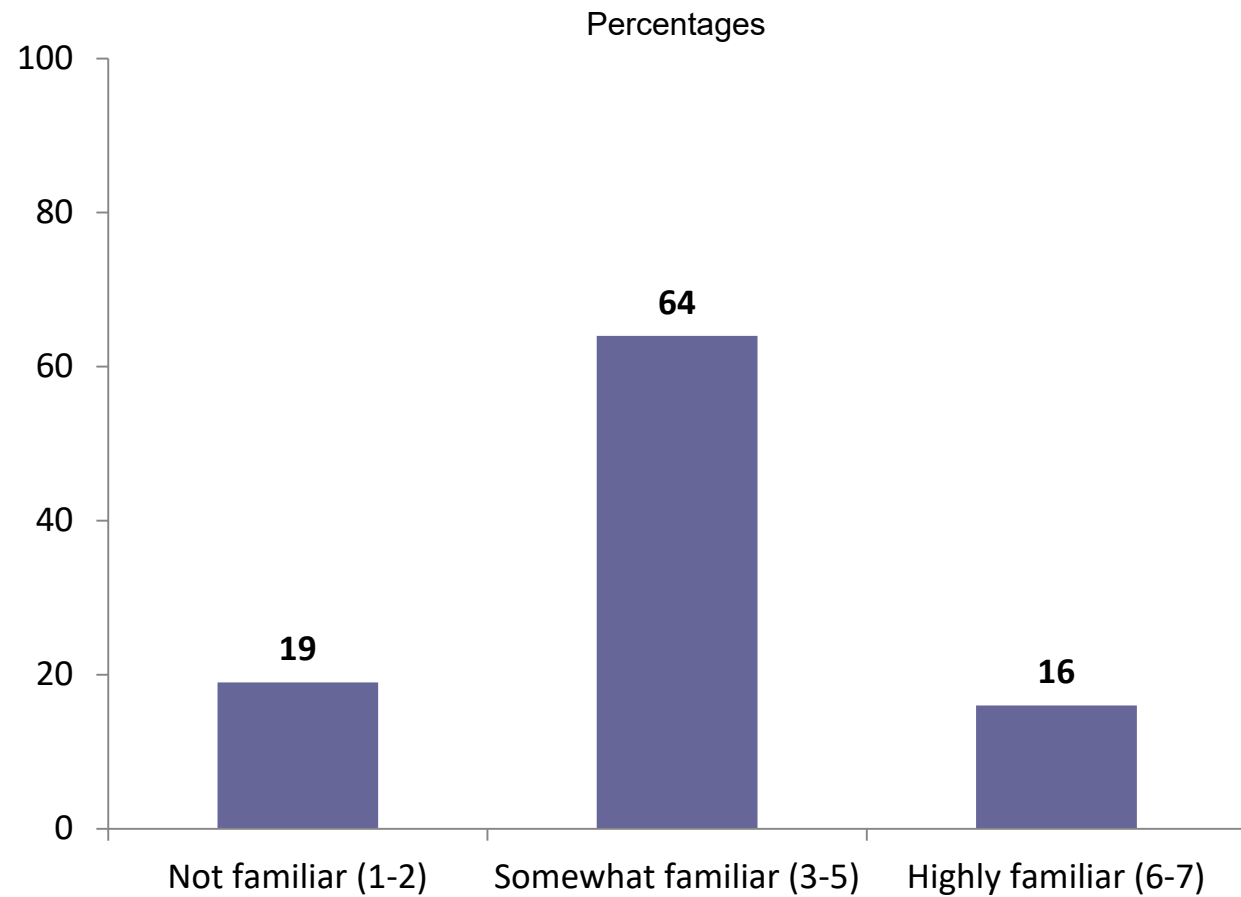


› Stability and retention are key elements of successful succession planning for most business owners.

Base: all (n=319); percentages

Familiarity with Co-operative Concept

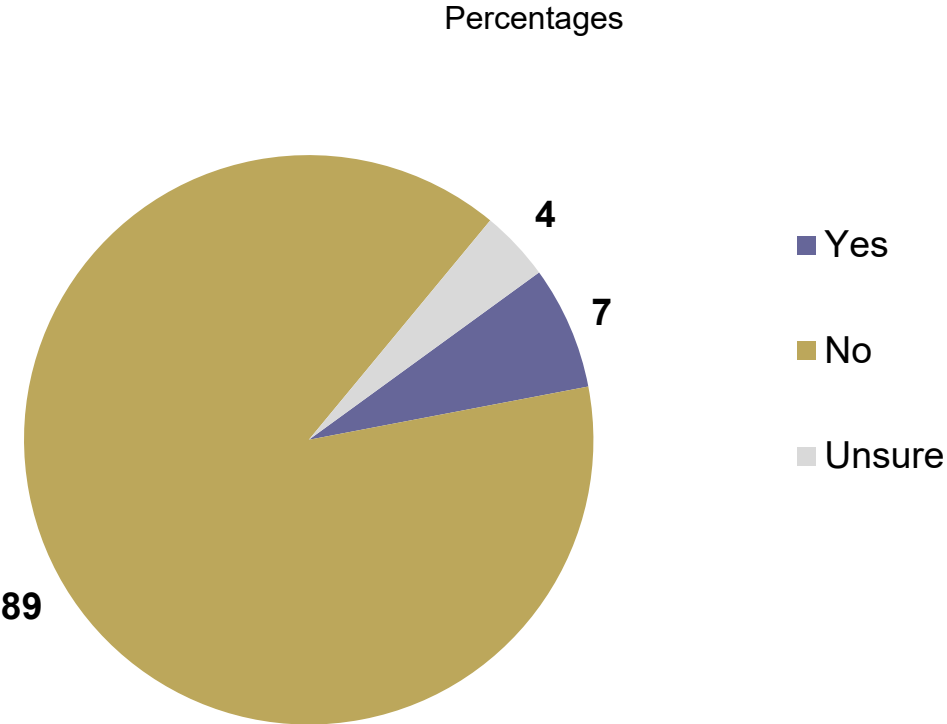
Overall, how familiar are you with the above concept of a co-operative?



- › Familiar with the concept of co-operatives presented in the survey is only slightly higher than with “co-operative business model.”
- › Overall, familiarity is quite low.

Consideration of Converting to a Co-operative

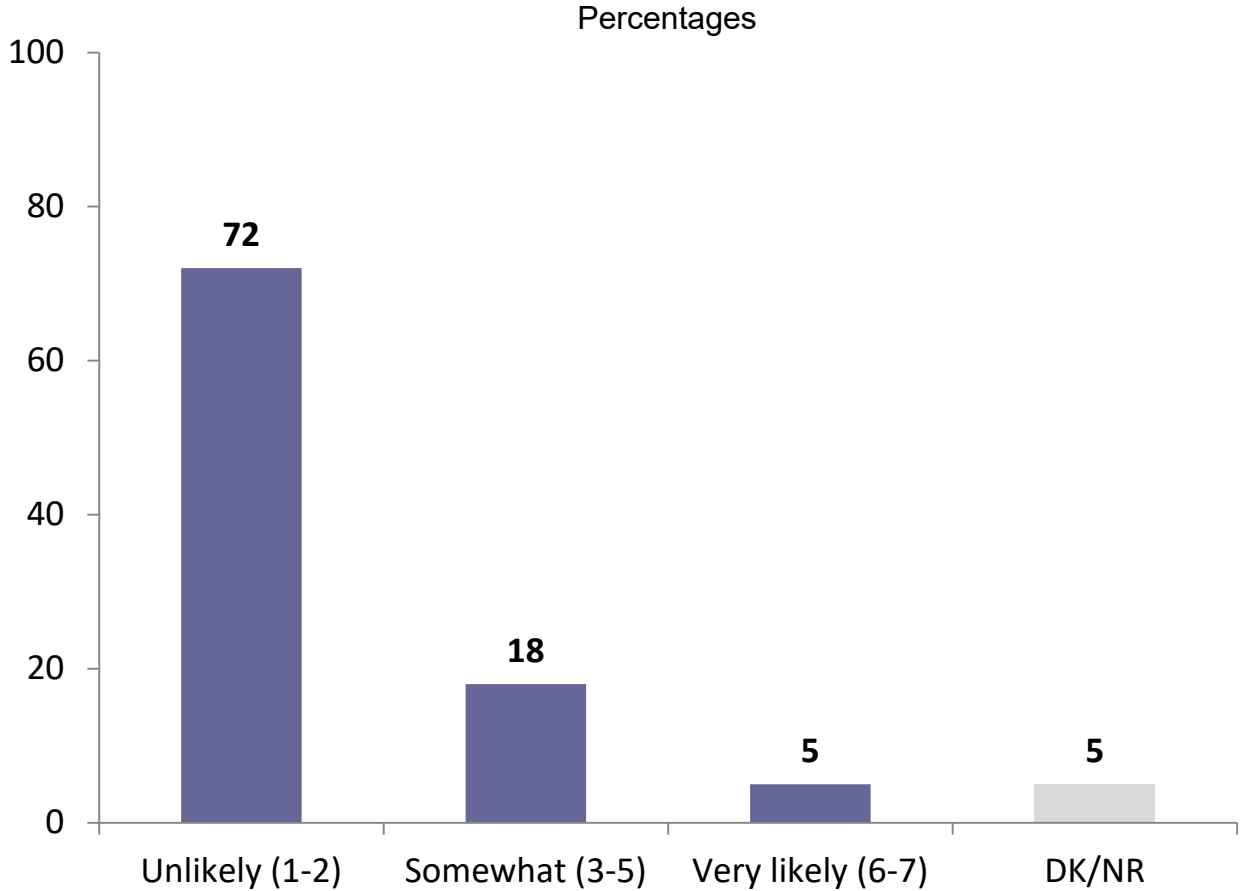
Has your company ever considered converting to a co-operative?



> Very few have considered converting to a co-op.

Likelihood of Considering Conversion

How likely is it that the ownership of your company would consider converting to a co-operative as part of its succession planning?



- > Very few would even consider converting to a co-op.
- > It is notable, however, that 24% of respondents are interest in follow-up information (more or less corresponding with the number that are at least somewhat likely to consider).

Base: all (n=307)



Modus

R E S E A R C H

