



L3 TORONTO WORKSHOP SUMMARY

PRESENTED BY

DUCA
impact lab
 Building banking that benefits all

The first Legacy Leadership Lab workshop hosted in downtown Toronto on January 29th and 30th, 2020 was attended by 30 professionals from a wide variety of fields and sectors:

- business education
- credit unions and banking
- co-op development
- economic development
- family foundations
- co-op investment
- small business lending
- social enterprise development
- impact investing
- social venture investing
- co-operative development research
- labour
- small business succession
- community foundations
- federal government
- municipal government
- small business
- wealth management

The two-day event was an intensive, collaborative, co-creative process that combined short briefing presentations with varied break-out mapping, discovery and design activities. Participants were perpetually shuffled throughout the day to always ensure engaging collisions could occur.

L3 hosted a small cocktail reception on January 28th at the Riverdale Hub in Toronto, a social enterprise space run by the Riverdale Immigrant Women’s Centre.

On Day 1, L3 Principal Investigator Sean Geobey and Project Manager Meg Ronson presented the overlapping problem area of business succession and opportunity area of ‘social purpose conversions.’ They demonstrated that a wave of retiring small business owners is threatening the long term health of small and rural economies. However, the growing interest in community-based and socially-driven enterprise

development and financing could support this wave through a just transition, in which going concerns could undergo a social purpose conversion and take on new ownership and a new social purpose form.

The first day was thus spent examining the small business succession and the business conversion processes, seeking to understand both the traditional succession process, but also what successful or unsuccessful business conversions have historically looked like. A journey mapping exercise allowed several volunteer participants present their knowledge of a particular ownership exit or business conversion. Then, participants charted these living cases along a timeline and identified the necessary features and intervention points of the case. A good number of the day’s participants gathered for dinner together that night at Assembly Chef’s Hall, enjoying good food, beverages, and spontaneous collaborative talks.

On day 2, participants spent the entire morning learning about one another’s work and experience. We took instant photographs of each participant and small groups created a dynamic profile of details about their current and potential future involvement around the social purpose conversion opportunity.

After lunch, participants self-organized around their shared interest areas and burning questions, finding common ground to begin thinking through where they could assist one another and what work needed to be done to see localized strategies come to fruition.

RESEARCH OUTPUTS

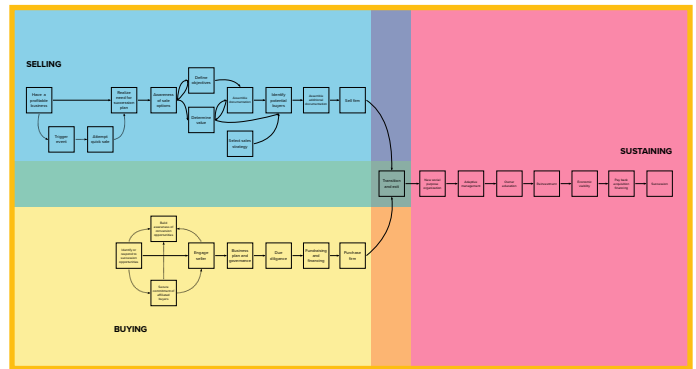
CASE STUDY TEMPLATE →

The case study template is a shareable learning and knowledge-building tool for researchers, practitioners, and other people involved in transitions. It creates a structure that generates short, descriptive cases about enterprises that have considered, are in the process of, or have completed a social acquisition. Academics can use this template to restructure relevant cases they already have in order to then distribute them in an accessible format for practitioners or students to use in developing their learning materials. People involved in their own social acquisitions can use the template to impart their learning and the critical decisions they have had to make to others hoping to undertake or learn from existing transitions.

L3 BUSINESS CONVERSION CASE STUDY TEMPLATE	
Case Developer	
Name	
Email	
Phone	
Organization	
Relationship to Case Organization	
Academic Use	
Learning Objectives	
Application	
Keywords	
Organization Information	
Organization	
Name	
Location (City, Province/State, County)	
Website	
Year Founded (Original)	
Year Converted	
History	
Mission, Vision, Values	
Membership / Ownership	
Corporate structure (e.g. subsidiaries, alliances)	
Employment Statistics	
Financial Statements	
Public Government Filings	
Activities and Industry	
Industry	
Market Characteristics and Changes	
Conversion	
Reason for Succession	
Process Taken	
Resources Used	
Result of Conversion	
What we learned and suggestions for others	
Financing	
Capital structure	
Material characteristics of securities offered	
Tax Considerations	
Impact	
Governance	
Social	
Environmental	
Economic	
Policy Engagement	
Other	

PROCESS MAP →

The process map examines a conversion from a traditional enterprise into a social purpose organization from three perspectives: an owner preparing their business for social acquisition; a buyer or buyers preparing to take-over and transform the enterprise; and the new owner or owners maintaining the enterprise and its social purpose over time. The process map will those going through a transition, or those looking to enable transitions in their local contexts, identify the people, companies, and other organizations that can support social acquisitions through each step of the process. Those looking to design new interventions or make investments into social acquisitions can also use the process map to think through where they can best fit into these processes.



STAKEHOLDER LIST →

A crucial part of ensuring a strong infrastructure for social acquisitions is to have a robust network of many different kinds of professionals that can impart their own knowledge and expertise into the process. The impact groups identified in this product each have their own reasons for wanting to support social acquisitions, but ultimately it is through their combined efforts, and sometimes the efforts of their membership, that a community will see a strong, supportive environment for social acquisitions.

L3 SOCIAL ACQUISITIONS FOR BUSINESS RECOVERY IMPACT GROUPS	
• Small business/social enterprise service providers	<ul style="list-style-type: none"> ○ accountants ○ lawyers ○ human resources professionals ○ business and social enterprise consultants and advisors ○ co-operative developers ○ business relations ○ business brokers ○ ESOP developers ○ i-Corp-certifiers ○ start-up advisors ○ financial advisors ○ incubators and accelerators
• Finance	<ul style="list-style-type: none"> ○ venture investors and search funds ○ social venture investors and funds ○ banks ○ credit unions ○ business insurance providers ○ business loan providers and funds ○ co-operative investors and funds ○ impact investors and funds ○ commercial real estate
• Economic and workforce development	<ul style="list-style-type: none"> ○ Local/regional/provincial/national economic development organizations ○ labour organizations ○ trade unions ○ trade and business associations ○ local/provincial/national chamber(s) of commerce ○ trade schools and education ○ business schools and education ○ municipal, provincial, and federal government(s) ○ business improvement areas
• Social inclusion areas	<ul style="list-style-type: none"> ○ new Canadians ○ youth ○ Indigenous peoples ○ visible minorities ○ Canadians identifying as part of the LGBTQ community ○ Canadians identifying as women ○ Canadians returning from drug rehabilitation ○ Canadians returning from the prison system ○ Canadians returning from military service

GOING FORWARD

The Legacy Leadership Lab began as a way forward for conversions of conventional enterprises into social purpose organizations through the process of business succession. Since COVID19 has disrupted the small business sector, L3 has pivoted to absorb the needs of all businesses facing continuity and resiliency challenges, particularly those that are essential parts of their communities and demonstrate strong social and cultural capital.

Another change that L3 has had to undertake is a complete shift of its delivery model. L3 was intended to be a series of 5 in-person workshops – however, social distancing measures have necessitated that our work move to an entirely online format for the foreseeable future. This requires us to rethink our original structure carefully. The rapidly changing environment we are working in requires us to adapt in kind. The “how” of L3 may look dramatically different from how it was first conceived over the next year.

What will not look different is the “what” of WISIR’s activities for L3, which is the leadership, organization and support of a network of Canadian professionals building products and services that will enable more and better conversions of conventional enterprises into social purpose organizations in all their many forms.

L3 GOAL

SUPPORT THE EMERGENCE OF NEW SOCIAL PURPOSE ORGANIZATIONS THROUGH THE CONVERSION OF EXISTING BUSINESSES

INITIAL STRATEGY

CONVERT THROUGH A BUSINESS SUCCESSION (MOST LIKELY DUE TO OWNER RETIREMENT)

ADDITIONAL STRATEGY

CONVERT BUSINESSES THAT ARE FAILING OR THAT NEED TO RESTRUCTURE DUE TO COVID-19 IMPACTS

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