

SOCIAL ACQUISITIONS

A social acquisition is the process by which a conventional enterprise is acquired and restructured into a social purpose organization.

THE GOAL

The goal of social acquisitions is **social enterprise creation**, which is an organization or program that is mission-driven, aiming to sell goods or services to earn a revenue, while also helping achieve positive social, cultural or environmental results. From farmshare co-ops to after-school arts programs, social enterprises serve the needs of communities all across Canada.

HOW IT HAPPENS

A social acquisition starts with an existing business looking for change, like a business looking for succession options (e.g. due to owner retirement) or a business that is failing or needs to restructure (e.g. due to COVID-19 impact).

When it happens, there is both:

1. **a change in ownership** (full or partial, control or minority), and
2. **a change in mission** towards the creation of social and/or environmental good while existing revenue generating capacity is maintained or improved.

WHAT IT COULD LOOK LIKE



An employee or community buy-out (eg. a transition to a worker, consumer, or multi-stakeholder co-op)



A municipal buy-out/non-profit takeover (eg. a vital cultural or tourism service provider getting purchased by the city and being set up with a volunteer board from the community)



Sale to new owner(s) of an equity-seeking group, and/or who adopt and measure a social purpose as social entrepreneurs



Partial versions of each of these (investments coming from any of the above which lead to a strategic change in an enterprise)