

# Succession Planning and Saving Community Businesses: A role for co-operatives

## Coopérative de Chéticamp and the purchase of the local funeral home

Presented by Bertie LeBlanc  
Coop de Chéticamp board member

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# Coopérative de Chéticamp

Incorporated in 1937 - 75<sup>th</sup> anniversary in 2012

More than 2,600 members/owners

Sales of \$12M per year

Services: groceries, hardware, funeral home

Dividends: more than \$10M paid to members over the past 20 years.

Served Population: approx. 5,600 people from Magré to Dingwall, Inverness County, Cape Breton - an Acadian community





## Why did Coop de Chéticamp purchase the funeral home?

- The owner wanted to retire and there was no successor.
- He had a lot of respect for Coop de Chéticamp and would rather leave his business in the hands of the community than sell it to someone from outside.
- He approached Coop de Chéticamp.
- Coop de Chéticamp was in good financial health and felt able to secure this service for the community.



## Challenges and Solutions

- *Coop de Chéticamp did not know how to manage a funeral home.*
- The owner had a strong team at the funeral home and wanted to protect the jobs.
- *Would the membership be willing to invest in a funeral home?*
- The membership wanted to protect the service and keep it under the community's control.
- *Could Coop de Chéticamp afford the purchase of the funeral home?*
- The co-op was in good financial health and the owner was only seeking a reasonable price in exchange for keeping the jobs and keeping the funeral home in the community's hands.



# Funding

- \$300,000 borrowed from the CU
- \$200,000 from Coop de Chéticamp



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## Success - Positive Impacts

- The funeral home's control is essentially in the hands of the community, since the vast majority of the area's residents are members/owners of Coop de Chéticamp.
- The cost of services is reasonable because the home is part of a co-op.
- The profits are re-invested in the business or paid as dividends to the co-op's members at the end of the year.
- The jobs were saved.
- The home was recently renovated (five years ago).



# Thank you!

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