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 - 75th 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
Chéticamp funeral home

A privately-owned business that became part of Coop de Chéticamp in 1996. (It is not a funeral co-op.)

- More than 40 years old
- Approx. 50 funerals per year
- 2,655 square feet
- 2 rooms for families
- Cremations are now 40% of the business
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
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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