

Seth Leon

Employee Ownership M&A

Intro:

Employee Ownership M&A helps businesses with strong cultures of employee ownership and profit sharing grow through merger and acquisition. This helps grow the number of Canadians building wealth through their work, supports retiring business owners in a difficult transition, and builds stronger local business through deployment of local capital.

Model:

We earn revenue through search service fees, brokerage of sales and ongoing technical support and training. For our pilot we are working to the following model:

1. Identify Buyers
 - a. Businesses with some level of employee ownership (minimum a strong employee profit sharing strategy) that is looking or open to grow through purchasing another business.
 - b. Seeking 1-3 buyers to be involved in pilot search process.
2. Fund Search
 - a. Prospective buyers pay a fee for search services and analysis.
 - b. Buyers contribute \$20,000- \$50,000
3. Seek out Small and Medium Sized Enterprises for sale
 - a. Buyers help co-create search criteria
 - b. Focus on acquiring business assets and employees
 - c. Deep dive analysis of businesses
4. Present to Buyers
 - a. Broker purchase of business and earn brokerage fee
 - b. Connect with other technical services
 - c. Provide training and education where needed

Work to Date and Traction:

Interviews with 15 business owners demonstrating interest in helping their employees transition to employee ownership, promising research into M&A approach feasibility with existing business brokers and models in other regions, and preliminary conversations with companies interested to expand.

Next Milestones

- 3 months: short list of 10 prospective businesses interested in buying another business.
- 6 months: 1-3 businesses commit to search process and co-create criteria. Search starts.
- 9 months: present concept and progress at annual Employee Share Ownership Program (ESOP) Canada Association conference for feedback and greater buy-in.

- 12 months: Return to prospective buyers with completed search and close first sale.

The Ask:

- \$15k Funding to take a 3 month secondment from Alberta Community and Co-operative Association to work fulltime on the development of the venture.
- Access to business owners looking for succession planning solutions that are interested in learning about employee ownership
- \$2000 travel support to meet with leading firms (ESOP Thinkers, ESOP Builders, ICA Group)

More information?

See [linked slide deck](#) and [contact Seth Leon](#).