

BUSINESS TRANSMISSION. Factors and keys for the success

- ✓ That the viability is positive.
- ✓ The importance of creating a feeling of inclusion, of trust and cooperation among the people who take over the company.
- ✓ The leadership of an initial promotion team with team-building and management skills and a sufficiently large initial group of workers, with the skills and motivation necessary to carry out the process.
- ✓ The promotion team's ability to adjust in terms of salaries, working hours, etc.
- ✓ The development of an internal cooperative bond. Ongoing training in the model aimed at workers.
- ✓ The positive role of the labour council, the majority trade union, or relevant workers' groups.
- ✓ The redesign of the production and management processes on a cooperative basis.
- ✓ The support of social economy and cooperatives entities which can provide training, consultancy, funding, legal assistance, support in negotiations and other services during the different takeover phases.
- ✓ The acquisition of additional resources: grants, lump-sum unemployment payments. The willingness of the workers to make the necessary contributions.
- ✓ The obtainment of external resources if necessary. Arrangements with financial entities and mutual guarantee societies if necessary.
- ✓ Finding an industrial partner if necessary.
- ✓ In the case of bankruptcy proceedings, that the mortgage creditors expressly accept the offer of the production unit and that it is acquired in the bankruptcy proceedings.
- ✓ The main goal of the processes of transformation or conversion of companies into cooperatives is and must be the maintenance of the employment by the promoters, seeking the necessary complicities with the Authorities.

INFORM YOURSELF OF THE "SAVING JOBS PROJECT" AND
THE RECYCLING OR TRANSMISSION OF COMPANIES IN:

savingjobs.coceta.coop

**SAVING
JOBS!**  **THE SAVING JOBS PROJECT**

Saving Jobs is an European project whose goal and purpose is to transfer the knowledge and experience of COCETA and its organizations (ANEL, FAECTA, FCTC, FEVECTA and UCOMUR) on the transfer of companies to workers --either because of a crisis or because there is a business succession--, to the European organizations that are members of the project: COOPERATIVES UK, from United Kingdom; KOOPERATIONEN, from Denmark; and NAUWC, from Poland. The project also has the important institutional presence of REVES, whose European field has provided the transversality necessary for the success of the whole project.

COCETA
30 años

 **ZWIĄZEK ŁUSTRACYJNY
SPÓŁDZIELNI PRACY**

KOOPERATIONEN

REVES

CO-OPERATIVES UK
COOP

anel

 **Cooperatives de Treball
de Catalunya**

 **Ucomur**
UNIÓN DE COOPERATIVAS DE TRABAJO ASOCIADO
REGIÓN DE MURCIA

 **faecta**
FEDERACIÓN ANDALUZA DE EMPRESAS
COOPERATIVAS DE TRABAJO ASOCIADO

**FEDERACIÓ VALENCIANA
FEVECTA**
D'EMPRESES COOPERATIVES
DE TREBALL
ASSOCIAT

SAVING JOBS!
Recycling companies:
Creating cooperatives

**SAVING
JOBS!** 

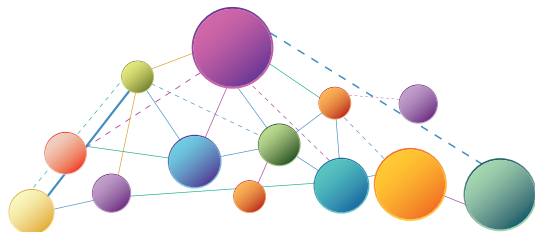


DG for internal market, Industry, Entrepreneurship
and SME's
This project is co-funded by the European Union

Could you be immersed in a business transfer or transformation process?

Some of the following causes may be the origin of a transformation process or business restructuring in a cooperative:

- » Retirement of the entrepreneur and partners without family continuity
- » Situations of severe technical, organizational and / or financial crisis



The processes of transformation or conversion for the employees have a series of advantages, including:

- » For the owner, the transfer of the company to the workers is a guarantee for the viability of the economic activity and employment, more so if the owner was the founder of the activity, which adds a considerable emotional element.
- » The transition may be gradual and gentle, with less negative consequences. In this regard, the company may preserve its history and identity.
- » The employees are familiar with the company. They know it better than any external investor, and they also have the motivation of preserving their jobs.
- » Communication with the banks, suppliers and clients is not interrupted.
- » Development and growth are not delocated, they remain in the area, and contribute to its economic and industrial stability. It is beneficial for all the public powers.



Have you ever thought about the possibility of transmission through a cooperative?

If your workers become successors of the company's ownership through a worker cooperative, the COMPANY will live with a different management model, participatory, equitable, that allows to adopt consensual decisions and whose purpose is the business viability and the maintenance of jobs.

The cooperative offers a great capacity for self-regulation. The partners will decide aspects such as working conditions, organization and operation of the company.

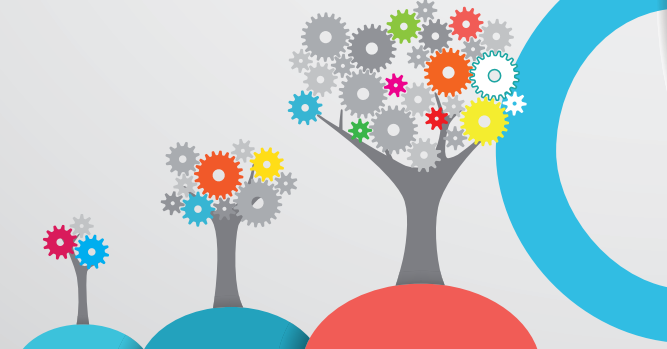
Sharing risks, responsibilities and surpluses considers the abilities of each member, forming a complete and enriching multidisciplinary team that favors innovation.

The allocation of the results to the reserve funds will provide the necessary funds to support, if necessary, the periods of crisis. It is, in turn, a guarantee of financial soundness towards third parties.

The worker cooperative offers stable and quality jobs. The person who subscribes as a working member of a cooperative becomes co-owner of the company. He will enjoy an indefinite relationship that will provide him with a stable job.



The entities that integrate and represent worker cooperatives offer valuable help and are a fundamental support for the success of the transmission process



How?

When transferring a company to the workers there are mainly two great alternatives:

1. Transfer or assign to a newly created entity constituted by the workers the set of assets and rights of the business activity or any of its productive units for its exploitation, that is to say a succession of companies (indirect transmission or through the formation of a new company);
2. Or transfer the company that exploits the business to the employees, through the acquisition of a majority of shares (direct transmission or through the control of the company) that can later, or at the same time, be transformed into another social type that best suits the new situation.

In all of these cases the worker cooperatives are a valid formula to continue with the company by its workers.

When?

The previous time to start a business transfer process depends on many factors, such as the volume of business, the activity that develops, the existence of real estate affected by the activity, the number of people involved (workers) and their attitude to changes, etc. That is why the earlier can begin the process before the shortcomings can be determined and, therefore, correct.

When it is possible to anticipate the changes, a Business Succession / Transmission Plan can be established.

Who?

Before starting the process of transmission / succession, it is necessary to identify those factors that can affect the good development of the organizational climate of the new company.

The leadership of an initial advocacy team is critical to determine the success of the process. People who lead the change must have team building and management skills.

