

AGM Networking Luncheon
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Small Co-ops: Are Mergers the Answer?

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Is it beneficial to merge?

- All parties involved would need to believe it would be in order to do so
- Combined resources may mean less work for individual members
- May be able to hire a management company, etc.
- “Strength in numbers”
- Merging of two cultures/groups
- Look at expansion as opposed to merge?
- Mergers do not always work well
- When considering merging, allow communication, involvement of members
- When you merge and become part of a larger co-op, you are part of a different kind of co-op. the dynamics change
- A more successful co-op can offer resources, advice to a co-op in difficulty
- A larger co-op has more internal resources in terms of governance
- Do co-ops want to do this or are they scared not to? Options need to be weighed carefully
- Have to accept that after a merge, you are part of one co-op
- Individual co-ops make the merger decision
- Newfoundland co-ops are feeling the pressure to merge
- A more successful co-op may feel “used” when merging with a less successful co-op
- Mergers decrease costs – management, administrative, etc. as they are shared and expenses are decreased in some areas
- Expansion/merge can definitely be appealing
- Level of involvement from individual members would probably decrease.
- New board likely smaller than combined boards
- Might be a merger of two very distinct and different communities
- A mediator would be beneficial during a merge (facilitate)
- When merge – old co-op’s no longer exist – new bylaws, etc.
- Boards need to be strong enough to even consider a merge
- Preconception is that only struggling co-op’s merge, giving mergers a negative connotation.
- A merge of two successful co-ops would be encouraging
- Mergers have a bad reputation – education/marketing would help
- A merge is an option, not an inevitability or the only answer

What size does a co-op need to be to be successful, and why?

- Size does not determine success
- Success depends on the individual members, the situation, etc.
- An 8 unit co-op can be more successful than an 80 unit co-op

