



COOPERATIVE BUSINESS DEVELOPMENT: WINNIPEG PILOT PROJECT SUMMATIVE EVALUATION REPORT

**PREPARED FOR THE
WINNIPEG INNER-CITY RESEARCH ALLIANCE**

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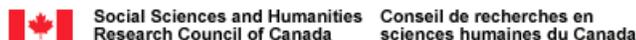
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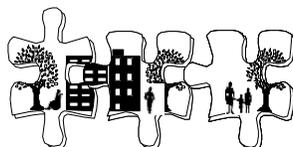
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COOPERATIVE BUSINESS DEVELOPMENT: WINNIPEG PILOT PROJECT SUMMATIVE EVALUATION REPORT EXECUTIVE SUMMARY

In 1999, the Cooperative Business Development: Winnipeg Pilot Project was established. This Project is designed to foster the development of business cooperatives and other cooperative-like, community-based, entrepreneurs and businesses. The Project is designed to strengthen the internal human capacity of entrepreneurial groups and to encourage the sharing of mutual help and benefits within the cooperative community.

The Project model is inspired by the Mondragon worker-owned cooperative system in Spain, the Emilia Romagna cooperative network in north-central Italy, and the Enterprise Facilitation approach developed by Ernesto Sirotti, the Centre for Regional Cooperation based in Moncton, and Arctic Co-operative's Development Fund and integrated support systems. It also is informed by the business development experience of Project staff in less developed areas of Winnipeg and Manitoba. Key elements of these models include: the overarching importance of human passion combined with skills and experience; and the need for entrepreneurial teamwork supported and mentored by a diverse, supportive, resource network. In such systems a connecting "facilitator" "coaches" and "tests" the drive and skills of the entrepreneurial team, and matches the resource needs of a business with the appropriate support resources – in the "right" sequence, at the "right" time.

Project development and management is the responsibility of a Project Manager supported by a Project Design Consultant. A Project Support Committee is consulted on Project design, services provided to client businesses, and Project funding and evaluation. The Project Support Committee and a larger Project Network of cooperative and community businesses, credit unions, and government agencies help identify possible business applicants and supply Technical Resources and business Mentors. A Business Facilitator is assigned to each client business. The Facilitator guides the business through a self-assessment process, provides developmental guidance and assistance, and links the business to both Technical Resources and long-term Mentors.

The Project supports the start-up, expansion, re-development, or stabilization of cooperative and cooperative-like businesses. Cooperative-like businesses are businesses that have, or have made, a formal commitment to create: democratic ownership and control, dedication to the human development of its owners and employees, and concern for the well being of the community.

Services are delivered to businesses through a four-stage process of business apprenticeship. The four stages include: (1) introduction and selection; (2) a first level of apprenticeship facilitation and monitoring; (3) a second level of apprentice consolidation and development supported by long-term, business-to-business, mentoring and monitoring; and

(4) post-apprentice monitoring only. Successful businesses are expected to be TechnicalResources or Mentors to future apprentice businesses.

An innovative business development Model and a supplementary “toolkit” of developmental business tools have been developed through the Project. The Model and its toolkit have been partially tested on five businesses within Winnipeg’s inner city. An evaluative process followed the design and operation of the Project. A substantial, final, *Summative Evaluation Report* is available to the public.

The final *Report* discusses issues concerning the target population, and structural, administrative, and service delivery that arose during Project implementation. The *Report* also identifies the impacts of the Project on: (1) client businesses; (2) business owners, employees and neighbourhoods; and (3) those who participated in the administrative and service delivery processes.

The *Report* finds that the Project:

- Had overall positive impacts on business development.
- Had overall positive impacts on business owners and employees, and local neighbourhoods.
- Provided a substantial education in the development of wider-owned, inner city, small businesses to Project stakeholders.
- Enabled design of the Project Model and toolkit.
- Made possible a partial test of the Project Model and stimulated the identification of design, structural, and operational issues.
- Produced developmental methods that have been beneficially applied to other business development support projects and programs.

The Report contains a list of design, structural, administrative, and operational recommendations to improve the Project.

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1. INTRODUCTION

A BRIEF SUMMARY OF THE PROJECT

There is a financial institution (“FinCo”¹) in Winnipeg committed to community economic development (CED). According to FinCo, the CED challenge has not been a shortage of capital; rather, it is a shortage of solid, commercial proposals received from its target communities. FinCo believes that the cooperative form of commercial organization may be especially suitable for drawing forth and sustaining entrepreneurship, human development, and community building within less-well off areas and among less well-off residents of the City. The mutually supportive, internal cooperative organizational environment can help:

- Overcome insufficient breadth of skills and experience in any one or few individuals;
- Overcome problems of self-confidence in dealing with other businesses, customers, and external institutions; and
- Sustain morale and initiative when a business is confronted by the obstacles and setbacks inevitable to business life.

The problems facing cooperative or cooperative-like, small-to-medium size businesses are well known. They include insufficient management capacity, the high transactional costs of wider ownership, often the absence of a “primary actor,” and the personalized and often shorter time-horizon of the owners. These difficulties are not often surmounted because of the absence of appropriate, or appropriately delivered, mentoring and technical assistance.

Therefore, through 1999-2000 FinCo began what was intended to be a two-year pilot project for business cooperatives and other cooperative-like, community-based, entrepreneurs and businesses. The Cooperative Business Development: Winnipeg Pilot Project (the “Pilot Project” or the “Project”) ended in June 2003. The Project depends on the internal human capacity of an entrepreneurial group coupled with the sharing of mutual help and benefits within the cooperative community.

The primary goal of the Project was to help facilitate the evolution of co-operative businesses, including creation, expansion, re-development and stabilization. The essence of the Project model was to facilitate business self-assessments and then to facilitate actions intended to plug capacity gaps. Special attention was paid to human capacity, assessed in terms of zeal, skill and knowledge, in relation to the different aspects of particular businesses. Technical support providers and mentors were used to cultivate increases in internal capacity. They were drawn from co-operatives, other community based businesses,

¹ The name of this institution shall remain anonymous to protect its business confidentiality. See page 4.

business support agencies, individuals with business experience, and the Pilot's own part-time staff. The object was to facilitate commercial self-reliance within co-operative, community-oriented businesses. The Pilot also attempted to encourage co-operatives and other community-oriented businesses to collaborate in sharing business development supports.

The Project model is inspired by the Mondragon worker-owned cooperative system in Spain, the Emilia Romagna cooperative network in north-central Italy, and the Enterprise Facilitation approach developed by Ernesto Sirolli, the Centre for Regional Cooperation based in Moncton, and Arctic Co-operative's Development Fund and integrated support systems. It also is informed by the business development experience of Project staff in less developed areas of Winnipeg and Manitoba - lessons that resonate with the Mondragon, Emilia Romagna, and Sirolli approaches. Key elements of these models, elements that management has also itself learned from experience, include: the overarching importance of human passion combined with skills and experience; and the need for entrepreneurial teamwork supported and mentored by a diverse, supportive, resource network. In such systems a connecting "Facilitator" "coaches" and "tests" the drive and skills of the entrepreneurial team; and, in conjunction with the business, the facilitator helps match the resource needs of a business with the appropriate support resources – in the "right" sequence, at the "right" time.

Project development and management is a part-time responsibility of a Manager at FinCo. Additional support has been provided to the Project Manager by a part-time Project Design Consultant. A Project Support Committee is involved in administration and operation. This Committee is consulted on Project design, services provided to client businesses, and Project funding and evaluation. The Committee is also a link to other possible supportive business and non-business partners included in the Project Network, and it may itself be a source of Technical Resources. This Committee includes representatives from large cooperative businesses, community development oriented businesses, a not-for-profit federal government business support organization, and the provincial government. A larger Project Network of cooperative and community businesses, credit unions, and government agencies (along with the Project Support Committee) may help identify possible business applicants and supply Technical Resources and business Mentors.

Services follow a staged process of (1) introduction and selection; (2) a first level of apprentice facilitation and monitoring; (3) a second level of consolidation and development supported by long-term, business-to-business, apprentice mentoring and monitoring; and (4) post-apprentice monitoring-only. If the business is successful, it is expected to offer itself as a Technical Resource or Mentor to future apprentice businesses.

PROJECT FUNDING AND RESOURCES

Project resources and funding to a total value of \$117,400 are provided by FinCo, InsCo² (a national company that supports CED), the Centre for Community Economic Development Technical Assistance Program of Carlton University (CEDTAP), and the Winnipeg Inner-City Research Alliance (WIRA). FinCo allocated the equivalent of one person-year of one of its Managers to the Project over two years during the 2000-2002 period. Later, FinCo extended this Manager's involvement to June of 2003. This in-kind contribution is valued at over \$36,000. InsCo matched the in-kind contribution of FinCo with a \$36,000 grant over two years. CEDTAP agreed to provide up to \$18,000 in funds to FinCo to enable it to retain the writer and another consultant as a "technical providers"³ to the Project. WIRA allocated \$27,400 for evaluative research to be administered by the Department of Agribusiness and Agricultural Economics at the University of Manitoba. WIRA is a unit of the University of Winnipeg whose purpose is to encourage, fund, support, and disseminate research pertaining to the city's core area. WIRA, in turn, is funded by the Social Sciences and Humanities Research Council of Canada. Much of the activity of WIRA, in practice, is jointly managed by the University of Winnipeg and a diverse group of inner-city organizations.

PROJECT CONTEXT

The Winnipeg Economy

Knowledge of the economy of the Winnipeg metropolitan area, and knowledge of the socioeconomic characteristics of the neighbourhoods in which businesses served by the Project are located, provide important context to the Project. As indicated by the following table, the economy of the Winnipeg metropolitan area has performed reasonably well during the 1991-2001 period. Winnipeg area gross domestic product decreased only in 1991 and personal disposable income fell only in 1994. As well, in comparison to most of Canada, Winnipeg's economy has been very stable. Similarly, Winnipeg's unemployment (UE) rate has been relatively low and falling.

² The name of this business also shall remain anonymous to protect its confidentiality. See page 4 for further explanation.

³ "Technical provider" is a CEDTAP role designation. In Project terminology this translated into three part-time roles: one Project Design Consultant and two Business Facilitators

TABLE 1. THE CITY OF WINNIPEG SELECTED ECONOMIC INDICATORS
(In Percent)

Item	Year										
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
GDP-Change	-4.2	1.1	1.2	1.6	3.4	1.0	3.9	3.4	1.5	3.3	2.8
Disposable Income-Change	0.7	1.7	0.9	-0.1	1.7	2.4	1.9	4.7	1.8	3.1	3.4
UE Rate	9.7	10.7	11.0	10.3	7.7	8.1	7.3	5.6	5.8	5.3	4.9

Source: Economic Development Winnipeg 2001 and 2002.

In 2002 and the first quarter of 2003 the Manitoba and Winnipeg economies have continued to exhibit stability compared to the national economy. Unemployment rates continue to be very low.

Notes on the socioeconomic conditions of the neighbourhoods in which business clients are located are presented in Chapter 5.

Cooperative Business Context

The potential target population for the Project model includes cooperatives and community-oriented, “cooperative-like” businesses. In 2000, there were 108 incorporated cooperatives in Winnipeg (Anderson, 2000). Of these, around 68 cooperatives appear to be engaged in activities that would place them outside the sphere of the Project.⁴ This leaves 40 urban area cooperatives as possible service clients for the Project. In addition, of course, other groups may want to create new business cooperatives. It is impossible to know how many such businesses there may be in the urban area without doing a massive and expensive search of business records held by the provincial government. Therefore, it is not possible to delineate the total potential target population for the Project model given this expanded definition.

Project Timing

A third important aspect of the Project context is the operational timing and capacity of the Project. The Pilot Project commenced operations in late 1999. Funding support from FinCo and InsCo for one-half of the Project Manager’s time (overall) for two years (equivalent to one person-year) was given during calendar years 2000-2002. As noted above, FinCo then extended the Project Manager’s involvement to June 2003. In calendar 2003, the Project Manager’s time allocated to the Project was funded solely by FinCo. In mid-2002, the Project Manager’s time allocation to the Project was reduced to three days per

⁴ Such as housing/cottaging – 35, childcare – 20, non-urban gardening agricultural – 7, health services – 2, recreational – 2, and other – 2.

month. In December 2002, however, the Project Manager's time allocation was again increased, to one-half time for this Project and for negotiations concerning project continuation, combined. This half-time allocation continued for the remainder of the Project.

The Project Manager commenced work as a business Facilitator (this person's second operational role in the Project) in late 2000, and s/he has since continued to provide facilitation services to client businesses. In fact, the Project Manager has been a Facilitator to four of the five businesses in the Project.

The Project Manager regards his work as Project Manager and Facilitator through to the fall of 2000 as pre-operational. In other words, his work focused on putting in place the structural elements of the Project and some pre-formalized testing of service methods on the first client business.

The Project Support Committee was formalized in the fall of 2001. Prior to this time, the Project Manager sponsored a series of information meetings concerning the Project "as-a-concept" with representatives of various cooperative, government, and community organizations.

The services of the Evaluation Manager as the Project Design Consultant commenced in late 2001, continued to the end of May 2002, recommenced in early September 2002 and essentially stopped at the end of that same month. The services of this person as the second of an eventual three business Facilitators commenced in December of 2001 and continued through May of 2002, then recommenced for the period September 2002 through December 2002. This person provided facilitation services to one business.

A third business Facilitator, also funded by CEDTAP, began working with one of the businesses in April 2003. For over two years prior to the entry of this Facilitator, the Project Manager provided the facilitation services to this business.

Table 2 below should help the reader understand Project staffing. Such understanding is important because:

- The role-sets names are unusual, certain individuals occupied more than one role-set, and one individual occupied two role-sets and provided Facilitation services to four businesses.
- Limitations to the amount and allocation of staff resources may have affected Project activities and outcomes.

TABLE 2. PROJECT STAFFING

Position	If Facilitator, No. of Businesses	Approx. Months Involved
Project Manager	-	42
Project Design Consultant	-	8
Facilitator #1 (1)	4	30
Facilitator #2 (3)	1	9
Facilitator #3 (2)	1	2

Notes to Table 2:

- (1) Facilitator #1 is the same person as the Project Manager.
- (2) Facilitator #2 is the same person as the Project Design Consultant.
- (3) Facilitator #3 provided facilitation services to one of the businesses to which Facilitator #1 had provided facilitation services.

Most operational elements of the Project model were not formalized until the spring of 2002. Certain other operational elements of the model were not formalized until September of 2002. Until recently, many of these formalized operational elements were seldom used although certain aspects of these elements were used in pre-formalized tests.

The reader should note that although the Project continues to operate, according to the current schedule, until the end of June 2003, this *Summative Evaluation Report* covers operations and impacts to the end of May 2003 only.

STRUCTURE OF THE REPORT

Chapter 2 describes the evaluative research plan, evaluative activities, and the nature of this *Report*. Evaluative reporting begins in Chapter 3. That chapter, “The Project Model,” is organized by the features of the Project Model. First, the chapter describes the model in full, including its “toolkit.” It then discusses design issues faced by the Project Manager and Design Consultant as well as other design issues identified by Project participants. Chapter 4 is an analysis of the Project Model as tested in operation. Since the principal object of evaluation is the veracity of that Model, the organization of the Model serves as the framework for analysis.

In Chapter 5, “Business Development,” the discussion turns to the client businesses. This chapter first describes the nature of the businesses served. It discusses the well-being of the businesses in relation to past conditions and Project actions. Extensive reports are provided for each business with respect to their self-assessment in terms of the capacity-building that took place. This includes but is not limited to improvements in traditional management training, and cultivation of the passion and zeal necessary for these types of businesses to survive.

Chapter 6 discusses the other important, non-business specific, impacts of the Project. These include impacts concerning human and community development. The “Findings” generated by the study are presented in Chapter 7, and finally, “recommendations” for further application of the Project Model are presented in Chapter 8.

Appendices follow the Bibliography.

A NOTE ON CONFIDENTIALITY

On the first pages of this study, the reader was told that the names of the two businesses that provided resources to this Project are confidential. Confidentiality is important because it is possible that the substance of this study could affect, whether through intentional action or inadvertent means, the financial health or reputation of these businesses. Since these businesses have no control over the substance of this *Report* and since the principal products and services of both of these businesses differ from the services provided by the Project, it is not proper that the well being of these businesses be at risk to what is written here.

To extend confidentiality to most Project participants, those Project participants, other than the Named Staff (the Project Manager, the Project’s Design Consultant and Evaluation Manager, and the third Business Facilitator) who are not client businesses are henceforth described by their “role-business served” set. To further clarify roles, the following terminology is used to identify the distinct roles played by the Named Staff:

- The Project Manager is the executive, coordinating, monitoring, and operational record keeping role-person.
- The Project Design Consultant is the role-person who did much of the model specification and who wrote the Project’s operational “Toolkit.”
- There are three Business Facilitator role-persons.
- The Evaluation Manager designed, managed, collected and analyzed most of the data for, and wrote, the evaluation reports. The evaluative work was done for an Evaluation Committee headed by a Chairman, and a portion of the evaluation interviews were conducted by, and internally reported through, a Student Researcher.

The first letters of the titles of these role-persons, along with the Technical Resource and Mentor role-persons who have been involved in the Project, are capitalized so as to differentiate these formal Project roles from the generic meanings of the words.

Likewise, many members of the Project Support Committee and Technical Resources to the Project have come from businesses. Not only do these people have no control over the substance of this *Report*, but also there are too many factors at play, within and external to this Project, to attribute Project or client business success or lack thereof the these people or their “home” businesses. Therefore, it is not proper that their employment or the well being of their businesses be at risk to what is written. Equal treatment and the “too-many-factors”

argument proscribe identification of members of the Project Support Committee and Technical Resources (and their home organizations) who came from governmental or not-for-profit organizations.

The well being of the business clients of the Project also could be affected by what is written in this *Report*. Again, since these businesses have little control over the substance of this *Report*, neither is it proper that the well being of these businesses be at risk to what is here written. Therefore, the names of the client business will be replaced by the words “client business,” or the designations “Business A,” “Business B,” etc. As well, the attributes of these businesses will be described in such manner as to minimize the chance that any of the businesses are identifiable to persons external to the Project.

DECLARATION OF CONFLICTS-OF-INTEREST

Readers should be aware of the following potential conflicts-of-interest:

- FinCo is the sole or a principal lender to all of the client businesses. The Project Manager in the role of Project Manager is also an employee of FinCo. The Project Manager, however, is not a member of the business financing section of FinCo.
- The Project Manager has been a longstanding member (preceding the Project’s inception) of one of the client businesses. The partner-in-life of the Project Manager also has been a longstanding member of one of the client businesses, and s/he is currently the unpaid President and unpaid Manager of Human Resources of that business. In fact, the partner-in-life is reported to have foregone much more lucrative employment while working without pay for this business. As President and Manager of Human Resources, the partner-in-life is the principal external spokesperson for the business and s/he therefore has been the principal spokesperson to the Evaluation Manager on behalf of the business. Through their work for this business, both the Project Manager and the Project Manager’s partner-in-life are able to exercise their commitment to the business and to build equity stakes in this business.
- The Evaluation Manager has been the only or principal Project Design Consultant to the Project Manager concerning design of the Project Model and development of the Project’s operational documents.
- The Evaluation Manager has been the Project’s Facilitator to one of the client businesses. Since then, the Evaluation Manager has been paid, on a private consulting basis, by that client business to provide it with business development advice.

The Evaluation Manager’s conflicts-of-interest have been mitigated by a Project Evaluation Committee comprised of a faculty member from the University of Manitoba’s Department of Agribusiness and Agricultural Economics, an external (non-related) self-employed business consultant, and the Project Manager. All evaluation products are vetted through this Committee. As well, the Evaluation Manager is, for this work, under contract to

the Department of Agribusiness and Agricultural Economics. Finally, the Student Researcher conducted the owner-manager interview with the business to which the Evaluation Manager has provided facilitation and private consulting services. The Evaluation Manager has not acted as both a Project Facilitator and private business consultant to the business at any time.

No further information has ever been received respecting FinCo's or Project Manager's actual or potential conflicts-of-interest.

The writer is not aware of any conflicts-of-interest between any other source of funds to the Project or to the Project evaluation, and any business client of the Project.

2. EVALUATION DESIGN AND ACTIVITIES

EVALUATION DESIGN

An evaluation plan was prepared in late 2001. According to this plan, the evaluative research is to create a record of the Pilot Project; and it is to furnish an archival assessment of the cause-and-effect relations within, and effectiveness of, the Project. More specifically, the goals of the evaluative research are to:

1. Describe the model of the Pilot Project highlighting major components, and crucial and innovative aspects.
2. Describe the actual costs, activities, outputs and impacts, including impacts in the areas of human and community development, of the Pilot Project.
3. Compare the actual costs, activities, outputs and impacts of the program in relation to the model of the Pilot Project. Explain variations.
4. Determine the relative success of the model as a whole and the relative success of individual components and implementation methods.
5. Make recommendations for improvement.
6. Provide an assessment of the relative success of the Pilot Project compared to cooperative business development programs in other jurisdictions, and compared to other models of inner city small business development in Winnipeg and other jurisdictions.
7. Provide professional field and office research experience to students of Winnipeg universities.

The plan is built on the foundation of the program evaluation process as articulated by the Treasury Board of Canada – Comptroller General (1981). It follows the sound qualitative research practice demonstrated in quality evaluations done for governments and not-for-profit organizations.

Evaluation questions were generated to make the goals of the evaluative research operational. The set of questions ensures that the research goals are adequately addressed. The following questions focused the research on practice-oriented issues pertaining to the Project:

1. What was the operational model at commencement of the Pilot Project? What were the major components, and crucial and innovative aspects of this model? What was the operational model in use at the end of the evaluation period? What were the major components, and crucial and innovative aspects of this final model?
2. What were the actual activities, sequencing of activities, resources used, and operational costs? How and why did these activities, sequencing, resources, and costs differ from those identified in the model?

3. What were the actual outputs of the Pilot Project? What was the relationship between these outputs and actual activities and sequencing of activities? How and why did these outputs differ from those identified in the model?
4. What were the actual impacts of the Pilot Project? What was the relationship between these impacts and the actual outputs? How and why did these impacts differ from those identified in the model?
5. How successful was the model as a whole? What was the relative success of individual components and implementation methods? Of different business clients?
6. What recommendations, if any, can be made to improve the model?

In addition to overall Project-level analyses, assessments are made of the key components of the Project:

- Mutual supports and mutuality within the cooperative community.
- The community outreach approach to opportunity identification.
- Zeal and passion obligations among primary participants.
- Business self-assessment and leadership development.
- Responsiveness to initiatives and capabilities.
- The business to business Mentor-Apprentice arrangements.
- Training and employee development and support.
- Long-term technical assistance.

Because of the relatively few business clients, the analysis is largely of a qualitative nature. As well, the analysis is primarily exploratory; however, it contains some grounded, comparative elements. For instance, the analysis not only focuses on whether or not an action was taken as planned and whether the hypothesized consequences occurred, but also whether variations in the attributes of an actor, an action, the object of an action, and the environment of the action led to different results.

EVALUATIVE ACTIVITIES

Four reports were completed according to the evaluation plan. The first three reports build a written record of the Project and flagged operational issues for possible corrective action. These reports present a record of the background of the Project, the backgrounds and

conditions of four of the eventual five client businesses, services provided per period of time, and current operational issues. These reports are, overall, less analytical, but more operationally critical (i.e. focused) than this final, summative report.

The first comprehensive *Evaluation Report #1*, covering the period from Project inception through the end of May 2002, was completed in July 2002. This *Report* describes the Project background, the Project Model, and the evaluation plan in detail. It also presents substantial background information on the history and current circumstances of each of the three businesses in the Project at the end of May 2002. Since *Evaluation Report #1* included the names of client businesses and since public distribution of such information could result in adverse commercial impacts on the client businesses, the Evaluation Committee decided to limit the distribution of that *Report*. Since the names of the businesses do not appear in the Executive Summary of *Report #1* however, no limits have been placed on the distribution of that Executive Summary. The brief *Evaluation Report #2: Project Progress* described Project structural and operational changes and activities, and the condition of what was by then four client businesses during the period June 2002 through to the end of October 2002. In *Report #2*, to maintain business confidentiality the designations “Business ‘A’,” “Business ‘B’,” etc. along with a table of business attributes take the place of the actual names of the businesses – the approach used in this *Report #3* and this *Report*. The more comprehensive *Report #3*, describes progress between October 2002 and March 2003, and it assesses services provided and initial (or first round) impacts since Project inception.

This *Summative Evaluation Report* (Report #4) adds data and information concerning the client business added to the Project, changes in business conditions, and services provided since such data and information were collected for Report #3. It also adds substantial analytical commentary concerning the full Project over its entire lifespan. This new data, information and analytical commentary is integrated with the data, information, and assessments of the prior reports to produce this summative, overarching, and longer-term oriented report.

Evaluative research funds also supported research, by a University of Manitoba Student Researcher, on the methods and outcomes of a set of other cooperative development models.

Data for the evaluative research were principally obtained from four sources. One source is the Project Manager. Project Manager-sourced input came from: correspondence, file data, and direct discussions. A second source is attendance by the Evaluation Manager at, and the minutes of meetings of, the Project Support Committee. A third source is interview data obtained from all of the principal participants in the Project since its inception who could be contacted and were willing to be interviewed. One or more spokespersons for each of the client businesses were interviewed for each of the evaluation *Reports*. Information concerning business history, business attributes, services received, and business performance was collected for each of the *Reports*. *Evaluation Report #3*, however, is the only prior report that includes interview data obtained from the other sets of Project actors. The fourth principal data source is the City of Winnipeg’s neighbourhood database and City Planners within the City of Winnipeg’s Planning and Land Use Branch - Planning, Property and Development Department.

For *Evaluation Report #3*, person-to-person interviews were conducted with members of the Project Support Committee, with the owner-managers of the businesses served, and with those persons who provided Technical Resources to the businesses. The interviews of members of the Project Support Committee and interviews of owner-managers from three of the four businesses were done by the Evaluation Manager. The interviews of Technical Resources and one of the business owner-manager interviews were done by a student from the University of Manitoba. This owner-manager interview was done by the Student Researcher to mitigate the Evaluation Manager's conflict-of-interest relative to his facilitator role with this business.⁵

The Project Manager prepared a list of client businesses and their principal (or longstanding) owner-managers, members of the Project Support Committee, business Mentors, and Technical Resources who have been involved in the Project since its inception. Appropriate questionnaires (Appendix B) with a covering letter approved by the University of Manitoba Ethics Committee (Appendix A) were sent to all the people on the list whose whereabouts and likely availability could be verified. One prior member of the Project Support Committee could not be located. None of the three Mentors proved, after telephone discussions, to have been Mentors according to the Project Model (see the discussion in the next section). These people were reclassified and interviewed as Technical Resources. One Technical Resource was away on extended travel.

Interviews were concluded with:

- The Project Manager.
- Eight of nine current and previous members of the Project Support Committee.
- Groups (subsets) of owner-managers from all four continuing client businesses.
- Nine of twelve Technical Resources.

In-person interviews of members of the Project Support Committee were completed by the Evaluation Manager except for one interview that, for expeditious reasons, was done over the telephone.

With respect to the owner-manager interviews, the Evaluation Manager conducted the interviews for three of the four continuing businesses. The Student Researcher sat in on one of these three interviews. This enabled the Student Researcher to conduct the fourth owner-manager interview – the interview with owner-manager group from the business to which the Evaluation Manager has also acted as the Project's facilitator.⁶ Owner-manager interviews were done on a group basis. Though such an approach could generate "group-think," the benefits in facilitating informative cross-discussion among owner-manager participants clearly outweighed any problems of "group think." Nearly all owner-managers had only a very limited perspective on Project actions and the effects of these actions. This limited

⁵ A declaration of potential conflicts-of-interest was given above.

⁶ The fifth client business had just been approved to enter the Project two weeks prior to the evaluation data cut-off date.

perspective seems to be a result of a mix of the limited business orientation and business knowledge-skill set of many owner-managers, elapsed time, and the manner in which Project services were delivered (These issues are discussed in the next sections).

There are substantial differences among the questionnaires designed for each respondent group. In general, however, all of the questionnaire designs are principally aimed at eliciting certain types of information important to this evaluation. These types of information include:

- How and why respondents became involved with the Project.
- How well respondents were informed about the Project and their roles.
- The appropriateness of respondent participation.
- The nature, quality, and appropriateness of respondent actions.
- The consequences of respondent actions.
- Suggestions for improving the Project.

The questionnaires present three challenges to respondents. First, some respondents roles were quite complex. Second, some respondent's actions took place many months ago or even more than a year ago and therefore required them to search their memories. Third, the questionnaires ask many reflective, analytical questions concerning past actions. Because of these challenges, respondents were given a number of days to review the questionnaires before they were contacted for interviews. As well, respondents were given ample time to present their responses to the interviewers. Except for the interviews of persons who were Technical Resources, most interviews took between one and two hours to complete. The interviews of those who were Technical Resources, because their roles tended to be quite specific in nature and time, took on average in the order of 45 minutes each.

Data from all sources except the interviews of technical resources were assembled and reduced by the Evaluation Manager. Data from the interviews of Technical Resources were assembled and reduced by the Student Researcher. The Evaluation Manager then debriefed the student with respect to his presented data.

The selection process for the Student Researcher involved a posting at the University of Manitoba and interviews of three student applicants jointly conducted by a Professor in the Department of Agribusiness and Agricultural Economics and the Evaluation Manager. The Evaluation Manager oriented the student to the Project, and trained him in conducting interviews.

3. THE PROJECT MODEL

THE MODEL

External Precedents

The model is inspired by the *Mondragon* worker-owned cooperative system in Spain, the *Emilia Romagna* cooperative network in north-central Italy, and the “Enterprise Facilitation” approach developed by Ernesto Sirolli and applied in Australia, New Zealand, the U.S. and Canada by the *Sirolli Institute*, the *Centre for Regional Cooperation* based in Moncton, and Arctic Co-operative’s Development Fund and integrated support systems. It is also informed by Project management’s many years of business development experience in less developed areas of Winnipeg and Manitoba - lessons from experience and research that resonate with the *Mondragon*, *Emilia Romagna*, and Sirolli approaches (e.g. see Loughran 1998 and 1995).⁷ Key elements of these models that management also learned from experience include: the overarching importance of human passion combined with skills and experience, and the need for entrepreneurial teamwork supported by a diverse, supportive, developmental resource network. In such systems a connecting “facilitator” is required to “coach” and test the drive and skills of the entrepreneurial team, and to help match the resource needs of a business’ entrepreneurial team with the appropriate support resources – in the “right” sequence, at the “right” time.

Mondragon is an integrated system of business cooperatives in the ethnically nationalist, Basque area of Spain (Jordan 1981:22-25 and Mackin 1983:27-29). There are now over 100 cooperatives and 60,000 employees under the umbrella of the *Mondragon Corporacion Cooperativa*. Most of the cooperatives are worker-owned. These cooperatives are linked to a credit union network known as the *Caja Laboral Popular*, to technical resource institutes, and to educational centres. *Mondragon* is famous for its inter-business support system, which, until the 1990s, was anchored within the *Caja*. This “peoples’ bank” acts as a central merchant and savings bank, a social entrepreneur, and a managerial and technical support resource to the operating cooperatives. The *Caja* identifies business opportunities and provides financing, and managerial and technical support to new cooperatives. In return, the cooperatives accept a “godfather” business-coach-and-mentor from the *Caja*, and place their and their employees’ ownership accounts with the *Caja*.

Emilia Romagna, centred on the City of Bologna in northern Italy, is one of 20 regions or “states” of the country (Rothney 1977). In this economically strong region, there are many small firms supplying global markets and almost 9% of these firms are cooperatives. These cooperatives account for 40% of the economic output of the region. Both the cooperatives and the many other firms are ensconced within a web of government and non-government institutional supports. In fact, there is a cooperative development capital pool funded by an annual levy of 3% of the profits of cooperatives plus the residual assets of liquidated cooperatives.

⁷ Loughran has also worked on a number of evaluations of, and designs for, not-for-profit and government funded (or financed) business and economic development programs.

“Enterprise Facilitation” is the business development model practiced by Ernesto Sirolli and his *Sirolli Institute* based in Minneapolis, Minnesota (Sirolli 1998:65 and 1997). Sirolli regards economic development as a grounded, human-centred process. He sees it as a process of “unfolding” from what exists ‘on the ground,’ and in people’s minds and passions. It is not a process of creating from nothing. Therefore, the key is to create an environment conducive to this unfolding by transforming appropriate measures of good ideas, passion, and skill into businesses. Passion, according to Sirolli, is “...the ‘fire in the belly,’ that all consuming dedication which is essential to the pursuit of any worthwhile activity.”

Sirolli believes there are three key business functions: production, marketing, and finances - these are his “Trinity of Management.” He also believes that no one person has an equal level of passion for all three; therefore, all businesses require a management team. This team writes the business plan, not an individual. One of the primary functions of an Enterprise Facilitator is to test the passion and skills of the business client – his Facilitators are not just concerned with technical matters. The Enterprise Facilitator is like a family physician; preparing the business client for specialized resources. Enterprise facilitators do not lend money, for Sirolli believes that good proposals “find” the money required – that there is more money around than good proposals. Sirolli’s model does not differentiate cooperatives from other forms of business. His approach, however, is to advertise, and then await requests for service (Sirolli, pers. com.). From such requests, he responds first to those with the strongest passion and capacity. He believes successes bring forth more good proposals, generating more successes, and on in a self-perpetuating system.

The Pilot Project places the human-centered capacity, passion, and critical business practices elements of the Sirolli approach, the business-to-business mentoring of *Mondragon*, and the community business support systems of *Mondragon* and *Emilia Romagna* as the core elements of its Project model. While these and other aspects of the Pilot Project model have been applied in general business development – usually in a piecemeal or uncoordinated manner, the formalized and systematic nature of the Pilot Project is innovative, especially in a Canadian urban environment.

Overarching Aspects of the Model

Project Management prepared a “logic model” of the Project. This logic model succinctly describes the parameters of the Pilot Project, how it is to operate, and what cause-and-effect impacts it expects. This logic model serves four functions:

1. It forces design clarity to definition and sequencing of Project intent, scope, and operations.

2. It is one foundation for management control and a management information system to enable such control.
3. It acts as a record of how the Project evolved.
4. It presents a reference point in the evaluation for what to assess and in what context such assessments are to be made.

This logic model is presented below.

According to the logic model, cooperative businesses are linked to Mentors and Technical Resources by Project staff, cooperative and community businesses, and government. These Mentors and Technical Resources make their technical assistance, and their business skills and experience, available to support the birth, stability, and growth of other members of the cooperative business community.

Specifically, the objectives of the Pilot Project are to:

- Test the cooperative business development model as a whole, while allowing for thoughtful adjustments to the model during the trial period.
- Foster the creation of additional cooperative and cooperative-like, CED businesses.
- Foster the stabilization or further development of existing cooperative and cooperative-like businesses.
- Foster the development of a mutual support community of cooperative and cooperative-like businesses.
- Foster self-driven leadership and human development within these businesses.
- Lay the basis of a continuing cooperative and cooperative-like business support system should the model prove successful.

The Pilot Project operates in the context of community economic development, including situations where business development is especially difficult because of a relative lack of business ownership and leadership experience among people with low incomes.

The Pilot Project consists of 10 fundamental elements:

1. Project development, management, and research and evaluation.
2. Developmental support from, and mutuality within, cooperative and community-based businesses.
3. A community outreach approach to opportunity identification.

4. Zeal and passion obligations among primary participants.
5. Business self-assessment and leadership development.
6. Listening and responsiveness to initiatives and capabilities.
7. Careful assessments of conditions and opportunities, and careful, considered, action among all participants.
8. Business to business Mentor-Apprentice arrangements.
9. Governance, management, and employee training, development and support.
10. Long-term assistance from Technical Resources and Mentors.

These components are activated by eight principal groups of actors:

1. A staff member of FinCo as the Project Manager, assisted by a Project Design Consultant (together: Project Management).
2. A Project Support Committee.
3. A Project Network of cooperative and other community-based businesses and organizational supports and services.
4. Business Facilitators.
5. Pre-Apprentice and Apprentice businesses (including embryonic businesses).
6. Mentor businesses.
7. Other Technical Resources (businesses and people).
8. An Evaluative Research Committee.

Administration of the Project consists of two elements: project development and management, and evaluative research. Project development and management is the part-time responsibility of the Project Manager at FinCo. Additional developmental support is provided to FinCo's Manager by a part-time "Project Design Consultant." This person did much of the drafting of the operational documents.

A Project Support Committee is involved in both administration and evaluation, and Project operation. This Committee is consulted on project design, financing, and evaluation. It is a link to other possible supportive business and non-business partners to be included in the Project Network. It may itself be a source of technical assistance for client businesses.

The Committee includes representatives from province-wide cooperative organizations, large cooperative businesses, some community development oriented businesses, and the provincial government.

A larger Project Network of cooperative and community businesses, credit unions, and government agencies is to help identify possible business applicants, and supplies Technical Resources and business Mentors.

The Project supports start-ups, expansions, re-development (i.e. a major change in product or customer focus), or stabilization of cooperative and cooperative-like businesses. A business is defined as an organization whose financial goal is to make a profit according to generally accepted accounting practices. A cooperative-like business is a business that has, or has made a formal commitment to create, the following characteristics: strong democratic ownership and control, dedication to the human development of its owners and employees, and concern for the well being of the community.

Applicant businesses may be located in or adjacent to the City of Winnipeg. Project Management, the Project Support Committee, and the Project Network and their outreach links undertake the search for, and identification of, such businesses.

Services generally follow a staged process of (1) introduction and selection, (2) a first level of apprentice facilitation and monitoring, (3) a second level of consolidation and development supported by long-term business-to-business apprentice mentoring and monitoring, and (4) post-apprentice monitoring-only. The first stage involves mutual introduction of the business or business-to-be and the Pilot Project, and mutual consideration of the appropriateness of the business for inclusion in the Project. If the business is selected for inclusion, Apprentice I facilitation and monitoring begin. Facilitation is an intensive process of self-assessment and planning, guided and assisted by Project staff and supported by Technical Resources if required. Once the business is adequately prepared, it is twinned, for a considerable period, as an Apprentice II, with another appropriate business as its Mentor. Throughout this process the Pilot Project continues to closely monitor the business and its interaction with services provided by the mentor and Project. Finally, if the business is successful it is expected to offer itself as a Technical Resource or Mentor to future apprentice businesses.

Although the four-stage service sequence described above assumes continuous progress by a business, reality suggests that businesses often face setbacks because of changing internal and external factors. Therefore, a business in the Apprentice I, Apprentice II, or even in the post-apprentice, monitoring-only stage, can become “troubled” or “critical,” and thereby require a greater intensity of services and/or services generally provided to a business at a earlier stage of development. If the condition remains, the business may in fact be shifted to an earlier stage of development. If a business in the introduction/selection stage that would otherwise qualify for entry into the Pilot Project becomes troubled or critical, it may not be able to enter the Project.

At all stages of the Pilot Project, the order of priority in meeting the developmental needs of the business is: (1) the by resources within the business itself, (2) by a member of the Project Network or Project Support Committee, and (3) by resources external to the Network. As well, a set of operational documents guide operations and ensure accountability. These documents include: Project information and service guidelines, a Project service agreement, self-assessment tools, Technical Resource and business-to-business Apprentice-Mentor agreements, and business progress tracking documents.

The Selection Stage

Once a business applies for assistance, Project staff meets the principals of the business. Project staff first ensures that the applicant business understands the goals, process, and expectations of the Project, and what is expected of the business if it is accepted into the Project. Then, the applicant business is asked to describe itself and its goals – history, products/services, market, location, size, ownership, management, and employees, facilities and equipment.

Discussion focuses on how well the business fits the criteria, goals, and services of the Pilot Project. The applicant(s) or participating business must show passion for it's undertaking; and it must be willing to enter into facilitation, technical support, and Apprentice-Mentor arrangements. Passionate and appropriately experienced or skilled operational capacity in most of nine essential business areas is necessary. These ten essential areas include:

- Production and services,
- Equipment,
- Facilities,
- Marketing and sales,
- Finance,
- Bookkeeping and accounting,
- Personnel administration and development,
- Management—operating systems and administration, and
- Management—business development.

The applicant business signs-off on a document that confirms the its understanding of the Project and the Project's expectations, and formally notes whether it wishes to proceed or not to proceed. If the business wishes to proceed, Project management discusses the nature of the business and its goals with the Project Support Committee. Recommendation to proceed is sought from the Project Support Committee before the Project Manager takes a decision.

The Apprentice I Stage

If the applicant business is accepted into the Project and it builds some self-driven leadership, it becomes an Apprentice I. A “Business Facilitator” from the Pilot Project is assigned to the Level I Apprentice. This Facilitator helps the business broaden its capacity to all nine essential business areas. This is done through: (1) the business’ self-assessment of its current condition, potential, and needs; (2) building the business’ human capacity; and (3) developing an initial, short-term business plan. The process is thorough and likely involves a number of steps of “wider” and “deeper” assessment, followed by a piece-by-piece filling-in of the business’ essential organization and business plan. The Facilitator provides written assessment “tools” and in-person guidance to help the business work through this stage. Normally, the Facilitator, in addition to “facilitating” use of the Project’s developmental “toolkit,” is also acting as a Mentor (i.e. a trusted general counselor or guide) to the business. Project staff may also act, from time-to-time, as Technical Resources (i.e. a trusted counselor or guide concerning a specific issue or issues) respecting issues with respect to which s/he has a high degree of knowledge relative to the business. Specific external technical assistance is likely to be needed during this process; if so, the Facilitator may help find (i.e. “facilitate” the finding of) a Technical Resource through the Project Support Network and Project Support Committee.⁸ Provision of substantial technical assistance from any one source requires formal agreement between the business and the technical resource.

The goal of the Apprentice I stage is to ensure that the business has a well-grounded, thorough, understanding of its goals and capabilities; and that it is able to operate well on its own capabilities.

At some point within the Apprentice I stage, a long-term, business-to-business, Apprentice-Mentor arrangement must be put in place. The Apprentice I business and Project staff discuss the nature of mentoring required and the appropriate values, sensitivities and approach of a mentor business. The Apprentice I business and Project staff then discuss the characteristics of potential Mentor businesses. Project staff approach appropriate Mentor businesses. Those possible Mentor businesses that are interested are introduced to the Apprentice I business.

Business-to-business, Apprentice-Mentor arrangements involve mutual selection. Several discussions between the Apprentice I business and the potential Mentor business are likely before each understands the other’s capabilities and style. Project staff takes both the Apprentice I and potential Mentor jointly through “Guidelines” that explain the roles and responsibilities of Mentor and Apprentice businesses. Business-to-business, Apprentice-Mentor arrangements are formalized by agreement, and are generally in place for several years. Most Mentor businesses are to come from the cooperative community.

⁸ A given technical resource may provide assistance in a variety of technical areas. In such case, the relationship between the business and its technical resource(s) may approach that of an Apprentice II and its Mentor. The Apprentice II – Mentor relationship is, however, more general in nature, more reliant on the initiative of the Apprentice II, and necessarily more long-term. These fundamental differences are, for the Apprentice II – Mentor relationship, recognized within a formal agreement.

The business Mentor has two functions: (1) the transfer of practical, on-the-job, knowledge and skills to the Apprentice business; and (2) listening and advice from an experienced, supportive sage or “grandfather.” The Apprentice I business is expected to take the initiative and lead as a functioning business, the Mentor is to be there as a source of knowledge and a friendly “ear.”

The Apprentice II Stage

Crucial to entering the Apprentice II stage is: (1) the formation of a passionate, capable, and functioning operational management team encompassing the nine essential operational areas of the business, and (2) the placement of passionate and capable business development “drivers” in most of the essential areas. As well, the business and Pilot Project must fully agree on the business’ potential for long-term success and the characteristics of the business must remain within the criteria of the Pilot Project for the business to proceed to the Apprentice II stage.

The business also must have entered into a long-term, business-to-business, mentoring arrangement. The long-term Mentor, however, is not expected to fulfill all the technical needs of the Apprentice II. Community-minded businesses, experienced managers, and other skilled personnel may supply additional technical assistance as external Technical Resources. Both the Mentor and Pilot Project staff may help the Apprentice II locate such assistance.

The Apprentice II level is complete once the business is clearly able to function well and develop based on the passion, initiative, knowledge, skills, and experience of its own human resources. The Apprentice II will have successfully dealt with all of the typical issues faced by a business of its type and size. It will be looking for or pursuing developmental opportunities. This does not mean that the Apprentice II will not need, from time-to-time, external assistance. It does mean that the Apprentice II will know when it requires such assistance and has the capacity to seek out and, if necessary, pay for such assistance. Completion of Level II may be at the initiative of the Apprentice II or the Mentor. Completion will occur through formal agreement among the Apprentice II, the Mentor, and the Pilot Project.

The Post-Apprentice Stage

As a condition of service from the Project, successful businesses are expected to accept reciprocal responsibilities to the cooperative community and to participate in the Project Network. As well, most Mentor businesses and other businesses in the cooperative network themselves are expected to benefit from “favoured” interactions (e.g. input-output links, exchange of information) within an expanded network of cooperative businesses.

The Pilot Project or its successor will continue to monitor progress of the post-apprentice business for some time.

Other Considerations

At the outset, Project management expected that the highest number of businesses served at any one time would be around five. This, however, was a “guesstimate” as one of the unknowns to be uncovered by the Project was the extent of cooperative or cooperative-like entrepreneurship in the Winnipeg area. As well, the highest number at any one time depended on the amount of Project staff time required by the businesses – for example, weaker businesses require more staff time than stronger businesses, and should appropriate, readily available support be forthcoming from the Project Network and Project Support Committee less time would be required of Project staff.

Particularly Difficult Issues Respecting Design of the Model

Six important issues were particularly difficult for Project Management to address when designing the model. These issues are:

- The negotiation of, and demanding nature of the criteria for, entry into the Project.
- The appropriateness, definition, and criteria for categorizing business advancement (i.e. developmental staging).
- How to handle substantial backsliding of businesses in terms of services, relationships, and categorization.
- The definitions of Facilitation/Facilitator, Technical Resource, and Mentor.
- The appropriate degree of formality in structure, documentation, and approach.
- The appropriate level of intrusion into business decisions and actions by the Project.
- The structuring of resource networks or links.

On further reading, the reader will find that these issues continued to create debate within the Project.

THE PROJECT “TOOLKIT”

The Project’s “Toolkit” is an integral part of the Project Model. The “Toolkit” is the structured but operational, business service provision and business condition and service monitoring elaboration of the Model. In addition to the Model itself, the “Toolkit” contains the following documents (listed in their approximate order of use):

- Selection Factors for Inclusion in the Pilot Project.

- Assessing Your Business.
- Assessing Product and Service Areas.
- Apprentice Level I Agreement.
- Format for Business Cooperative Strategic Planning.
- Guide for Tracking the Progress of Your Business.
- Terms of Reference for Providers of Technical and Advisory Assistance to Apprentice Businesses.
- Business-to-Business Mentor-Apprentice Arrangements: Guidelines.
- Business-to-Business Mentor-Apprentice Agreement.
- Project Management Report: Apprentice Businesses.

Issues concerning many of these documents, these elaborations of the Project Model, have been largely discussed in the previous section. The documents, however, should be described, and some of the documents warrant further discussion.

Before proceeding, the reader is reminded that, to date, many of these documents have received little use because they were finalized late in the study period and because some business participants had difficulty reading and understanding the documents.

The document “Selection Factors for Inclusion in the Pilot Project” is a short summary of the principal criteria that a business must meet to enter into the Project. Since this document was prepared prior to changes to the Project Model requiring a candidate business to have adequate operational capacity in most of the nine essential business areas, this crucial entry requirement is missing.

The document “Assessing Your Business” and its companion “Assessing Product and Service Areas” are formatted checklists to be used by businesses during their self-assessment processes. “Assessing Your Business” lists the ten essential business areas (the nine operational areas plus “managing business development”) against both business “Performance Levels” and “People Capacity.” Business stakeholders are asked to rate “Definitions/Clarity,” “Standards,” “Monitoring/Quality Control,” and “Achievement” within each “Performance Level” business area. Business stakeholders also rate “Drive,” “Skills,” and “Experience” within each “People Capacity” area. In the document “Assessing Product and Service Areas,” stakeholders list their products and services in place of the ten essential business areas. The “Performance Level” and “People Level” ratings elements are the same as in “Assessing Your Business.”

Most business stakeholders had difficulty using the “Assessing Your Business” and “Assessing Product and Service Areas” formats without the guiding presence of a Facilitator. Individual participants do have differing reference points for rating, but the Project found that most participants have a shared understanding of the relatively strong and weak areas of their business. In a few cases when stakeholders had little understanding of a business area, the Facilitator had to describe the basic elements of that area (e.g. non-bookkeeping/accounting/ reporting, business finance).

The “Apprentice Level I Agreement” explains the Pilot Project and the expectations of the Project for the client business. It asks the business to understand the Project and to commit itself to the goals, structure, and operational, and monitoring requirements of the Project.

The “Format for Business Cooperative Strategic Planning” describes a very straightforward, action-oriented strategic planning process suitable for small businesses. It is designed to be measurable target oriented, to avoid potentially negative dwelling on past problems, to designate those responsible for actions, and to foster continual improvement.

The “Guide for Tracking the Progress of Your Business” is a formatted listing of seven major business elements. For each element, the “Guide” lists the items that business stakeholders should understand and the possible interconnections to other business elements. Businesses can use this document to think through possible cause-and-effect interactions. This document has not been updated to mesh with the ten essential business areas of both the Project staging criteria and the self-assessment documents.

The “Terms of Reference for Providers of Technical and Advisory Assistance to Apprentice Businesses” is a formatted contract for use (modified if necessary) of Technical Resources and Apprentice businesses. It is designed to ensure that: the two parties understand the purpose of their interaction, each party takes its role seriously, the parties understand each other’s positions and roles, task expectations are made explicit and realistic, confidentiality is maintained, and monitoring by the Project is possible. Facilitators found that use of this document may appear to be an untimely intrusion and somewhat frightening to one or both parties. There were, however, instances when the document was not used and severe difficulties arose precisely of the kind the document is designed to prevent.

The “Business-to-Business Mentor-Apprentice Arrangements: Guidelines” is a short-form summary of the role of Mentors, the ethics and values expected of the mentoring process, and how Mentors are to be selected and secured.

The “Business-to-Business Mentor-Apprentice Agreement” is a formatted contract for use (modified if necessary) of Mentors and Apprentice businesses. Similar to the “Terms of Reference for Providers of Technical and Advisory Assistance to Apprentice Businesses,” this document is designed to ensure that:

- The parties understand the purpose of their interaction,

- Each party takes its role seriously,
- The parties understand each other's positions and roles,
- Task expectations are made explicit and realistic,
- Confidentiality is maintained, and
- Monitoring by the Project is possible.

As there have been no Mentors to date, this document has not been used.

The document "Project Management Report: Apprentice Businesses" is designed to facilitate Project performance record keeping and reporting. The document summarizes, in one page: the Project-relevant goal of the business, the Project stage of the business, the financial and overall condition of the business, the Project Manager's assessment of the business' quality in the ten business areas against business performance and staff capacity, and service actions to be taken by the Project. This document went through numerous revisions because of Project Management's intent to condense the inherent complexity of the issues into a short, easy-to read, document. As noted in the next section, it is not easy to rate business qualities or changes in these qualities: For example, is the rating being done against some relatively fixed and objective standards, or relative to the other businesses in the Project?

4. TESTING THE MODEL IN ACTION

ISSUES CONCERNING THE MODEL

During the following discussion, the reader is reminded that the objectives of the Pilot Project are to:

- Test the cooperative business development model as a whole, while allowing for thoughtful adjustments to the model during the trial period.
- Foster the creation of additional cooperative and cooperative-like, CED businesses.
- Foster the stabilization or further development of existing cooperative and cooperative-like businesses.
- Foster the development of a mutual support community of cooperative and cooperative-like businesses.
- Foster self-driven leadership and human development within these businesses.
- Lay the basis of a continuing cooperative and cooperative-like business support system should the model prove successful.

As well, the reader is reminded that the Pilot Project operates in the context of community economic development, often including situations where business development is especially difficult because of a relative lack of business ownership and leadership experience among people with low incomes.

In addition to the framework provided by the above-noted objectives, the following issues have been raised in general discussions with stakeholders:

- Suitability of the duration of the Pilot Project.
- Nature and dynamics of resource networking and the Project Network.
- Quality and availability of volunteer resources.
- Support capacity of the cooperative community.
- Entry criteria and process for businesses.
- Definition of client business inclusion within the Project.
- Adequacy of Project staff resources.
- Nature of Facilitation.
- Appropriate positioning and actions of Project staff and Technical Resources given the conditions in a business.
- Nature of mentorship compared to the provision of Technical Resources.
- Definition of Project stages.
- Suitability of business-Technical Resource agreements.

Interviews with members of the Project Support Committee, Technical Resources, and owner/managers of four of the five client businesses⁹ generated the following additional issues¹⁰:

- Role of the Project Support Committee.
- Matching of Technical Resources to business conditions.
- Management of the business – Technical Resource relationship.
- Ability of businesses to make effective use of, and learn from, Technical Resources.

These issues are discussed below.

Before proceeding, the Evaluation Manager asks the reader to be aware that this evaluation is relatively more critical of the planning, infrastructure, and administration of the Project than it is critical of the business and other impacts of the Project. Due to the nature of the topics, however, more pages are taken explaining the subtle, qualitative aspects of planning, infrastructure and administration than the business and other impacts (which lend themselves to more concise, tabular, treatment).

PROJECT MANAGEMENT

Project development and management is the part-time responsibility of the Project Manager. The role of the Project Support Committee appears to be as its name implies: the provision of advice and support only. The Project Manager chairs the Project Support Committee and consults the Committee, at the Project Manager's discretion, on Project design, financing, and evaluation.

Limitations to Project organization may have partially hampered performance and limited applied learning. These limitations could have hindered the fruition of the Project Support Committee (discussed below) and reduced to a minimum the interaction between two of the Business Facilitators (the two most longstanding Facilitators) and between the Project Manager and Design Consultant. "Pilot" projects, by their nature, demand frequent exchange of information followed by reflective discussion and consideration. Instead, in this Project the various "players" oftentimes remained distant from one another. Furthermore, there was a somewhat low level of operational activity and performance documentation. During the study period, Project achievements remained below original expectations, in the opinion of some of the persons involved.

In part at least, these management issues can be attributed to the possibly insufficient time the Project Manager was allowed to spend on the Project: roughly one-half time over

⁹ The fifth business had not entered into the Project as a coalesced business at the time the owner/manager interviews were conducted.

¹⁰ Not surprisingly, many interviewees also pointed to the same issues generated by the Project Manager and Design Consultant. As well, some of the issues suggested by the interviewees are another facet of, or complementary to, the issues generated by the Project Manager and Design Consultant.

two years, followed by almost an entire year of three days per month, ending with a half-year of one-half time to the Project and discussions respecting a longer-term successor program. In fact, during those first two years the Project Manager had so many responsibilities that this person likely devoted less than one-half time to the Project. The Project Manager says s/he had to give management and administration second priority to working, as a Facilitator, with four of the businesses. The Project Manager estimates that a similar project or program should be allocated one-third to one-half person-year of management time alone. The Project Manager also feels that the time horizon for the Project was too short.

This was, after all, a Pilot Project. As an experimental pilot, may have been too many unknowns to adequately plan resource requirements (including the Manager's time allocation) and to establish appropriate activity and performance expectations. This argument is strong; the reader should recognize the extent that unknowns and the time required to create of a new set of organizational structures and interpersonal relations limits activity and performance. In part as well, though, Project design did not move past the original Project conception, a skeletal listing of the main elements of the eventual Model, until one-and-one-half years after business services commenced. As well, actual structuring, organizing, and operations of many of the basic elements were never detailed perhaps again due to resource constraints.

THE ROLE OF THE PROJECT SUPPORT COMMITTEE

The Project Manager believes that the Project Support Committee has played an important role in thinking through the operation of the Project and selecting appropriate services to certain businesses.

There is, however, some confusion among members of this Committee about the role of the Committee and, perhaps more so, the consistency between that role and the operation of the Committee. Some members say they felt “in-the-dark” for many meetings before recently finally coming to believe that they may have a handle on the role of the Committee. Apparently, there was no formal statement of the role of this Committee when it was created; and, other than the description of the Committee in the Project Model, as of writing there is still no formal terms-of-reference of this Committee. The Project Manager says it was only to be a linking group; yet, as chair of the Committee, he introduced some items that more appropriately belong in a governance entity and did not pursue well some items that fit well with the linking goal. Members generally believe their role was to be a mixed advisory and resource search role, but tend to be perplexed at the lack of further clarity. This has been compounded by relatively high turnover at meetings (which occur roughly every quarter). The turnover is in part due to individuals entry and then permanently leaving the Committee; also it is in part due to uneven attendance by some members. When considering this, the reader should be aware that Committee membership was voluntary for many, though not all, members of the Committee.

To further “muddy-the-water,” in its actual operation the Committee may not have been as focused, efficient, or effective as originally desired. Most members say that they have learned things about the Project, the client businesses, and each other from their participation; and they think (or “hope” as some have said) that they have made some modest contributions of advice to the Project Manager. Many members feel that the Committee has made little if no difference to the design or operation of the Project beyond finding a very few Technical Resources for client businesses. Agendas were produced by the Project Manager without consulting members of the Committee, and these agendas were sent to members shortly before the date of the meeting. Little if any information on the agenda items was sent to Committee members prior to meetings. Consequently, many members say they are often at a loss to understand the discussions, do not understand the purposes of the discussions, and are inadequately prepared to contribute.

USE OF THE PROJECT “TOOLKIT”

It has been noted that the Project’s Design Consultant prepared, under the direction of the Project Manager, the Project’s operational documents (the Project’s “Toolkit”). It also is noted above that certain of these operational documents were not formalized until September of 2002. Partly because of this, many of these formalized operational elements have seen little or no formal use although the Project Manager notes that the substance of the documents often provided “background” to activities that did take place.

The Project Manager feels that some of these documents would not work with many of the businesses because the owner-managers in many of the businesses either would find reading the documents very difficult or they are philosophically tilted against systematizing and/or non-participative learning. Most of the owner-managers in some of the businesses that have owner-managers with low levels of formal education would have great difficulty reading these already highly formatted, basics-oriented, documents. Other owner-managers of some businesses have a philosophical antipathy towards externally supplied, structured learning of mainstream concepts. These conditions underlie the great challenges faced by the Project with respect to many of the businesses. Given this, it is difficult to assess the general utility of these documents.

THE ROLE OF THE PROJECT FACILITATOR

According to the Project Model, if the applicant business is accepted into the Project and it builds some self-driven leadership, it becomes an Apprentice I. A “Facilitator” from the Pilot Project is to be then assigned to the Level I Apprentice. This Facilitator is to help the business broaden its capacity to the nine essential business operational areas plus developing some ability in the management of business development. This is to be done through: (1) the business’ self-assessment of its current condition, potential, and needs; (2) building the business’ human capacity; and (3) development of an initial, short-term business plan. The Facilitator is to provide formal assessment “tools” and in-person guidance to help the business work through this stage. Normally, the Business Facilitator, in addition to “facilitating” use of the Project’s developmental tools, also is to act as a Mentor (i.e. a trusted general counselor or guide) to the business. The Facilitator or the Project Manager may also act, from time-to-time, as a Technical Resource (i.e. a trusted counselor or guide concerning a specific issue or issues) respecting issues with respect to which it has a high degree of knowledge relative to the business. Specific external technical assistance is likely to be needed during this process; if so, the Facilitator is to “facilitate” the finding of a Technical Resource through the Project Support Network and Project Support Committee and his/her contacts. The goal of the Apprentice I stage is to ensure that the business has a well-grounded, thorough, understanding of its goals and capabilities; and that it is able to operate well on its own capabilities.

In practice, there is less clarity to this Facilitator role. It is not always true that “development of an initial, short-term business plan” is necessarily a priority. Especially and in general, the Facilitator role could use more specificity as to what are the range of Facilitator activities, what is or determines the level (frequency and depth) of Facilitator involvement, how is the role to be monitored, what is the Facilitator’s role vis-à-vis Technical Resources, etc.? The factors differentiating a Facilitator from a Mentor other than the, of questionable importance, fact that a Mentor must be a business, are not clear. Also highly problematic is the decision as to how far should the Facilitator go in directly

exercising, or in indirectly instituting, *de facto* control when a business has very weak central management.¹¹

Facilitators are not easy to find. A good Facilitator has the following qualities (in no particular order of importance):

- Direct business experience.
- Working knowledge of diverse business areas and practices.
- Ability to work “shoulder-to-shoulder” with business owners and managers who have often-diverse training, experience, and outlooks.
- Fit the ambiance and environment of the business,
- Understand and be of similar orientation to the goals and values imbedded in the Project Model.
- Able to build credibility.
- Able to share responsibility with the business in the lead.
- Able to see real potential.
- Attentiveness to, and ability to understand, people and interpersonal relations.
- Ability to build teams.¹²
- Educative with a diverse repertoire of heuristic tools.
- Personally self-confident.
- Able to work in often-ambiguous situations and withstand turmoil.
- Goal and issue oriented to foster planning, structure, organization, and follow-through.
- Patient.
- Able to seek-out, build, and maintain a strong support network.

¹¹ See the discussion concerning Business Facilitators above, and the discussions concerning business performance setbacks and weak management “infrastructure” below.

¹² Building management teams is fraught with difficulties, but it often has strong positive consequences for individual and interpersonal development, business loyalty, and business performance.

Project Management estimates that an appropriate Facilitator time allocation per business ranges from one-and-one-half days per week to one-and-one-half days per month depending on the operational strength of the business – in particular, depending on the strength of central management. In certain circumstances however, a Facilitator must be able to work in a very concentrated, high time-use, manner.¹³

THE PROJECT NETWORK AND THE SEARCH FOR TECHNICAL RESOURCES

According to the Model, the Project Support Committee and a large Project Network of cooperative and community businesses, credit unions, and government agencies are to directly supply and help identify possible business applicants, and supply Technical Resources and business Mentors. The Project, however, has had difficulty identifying and accessing Technical Resources in general, and particularly well-suited Technical Resources, to provide services to client businesses.

With regard to the identification of Technical Resources, the Model describes essentially a five-step process:

- A Project Support Committee and a Project Network are created and appropriately placed in operation.
- The client business with the assistance of the Facilitator identifies a topic requiring a Technical Resource.
- The client business and Facilitator create a description of the type and nature of support required.
- The Facilitator sends a summary of this information to members of the Project Support Committee and to the Project Network.
- A candidate or candidates are reviewed by the business and Facilitator in consultation.

In the three-and-one-half years of Project operations, some fifteen Technical Resources have had at least some involvement with client businesses.

While this system has had some successes, in general it has not worked as well as expected. It has been difficult to find appropriate Technical Resources and many of these people have had minimal involvement with the businesses. Most Technical Resources have been identified by the Project Manager or, to a lesser extent, by members of the Project Support Committee; few, if any, have been found through the wider Project Network.

¹³ Concentrated effort may occur because of the contingencies of business development, Technical Resource contingencies, business production/service “rhythms,” or business crises.

A number of factors appear to contribute to this situation. The first factor is role and operational confusion within the Project Support Committee. Some members of the Project Support Committee feel that they are insufficiently informed about the conditions and needs of client businesses - that this limits their ability to provide adequate help in the search for Technical Resources. Requests for support presented to the Project Support Committee or sent to the Project Network by e-mail tend to lack specificity as to the underlying condition and the specific assistance required. This is exacerbated by the problems of consistent attendance at meetings of the Project Support Committee. The second factor may be, at least in part, the absence of detailed design and testing of ways to make the Network operational. There was some inconclusive discussion of this issue at the Project Support Committee. Suggestions included use of a phone tree, establishment of a simple resource database, and the use of technical “interpreters” (the writer’s term) who would go to organizations that have the expertise, absorb that knowledge or learn the technique, and interpret that knowledge or technique to the client business. It also may be, as suggested by one member of the Project Support Committee, that “participants” in the Project Network have never been fully brought in and maintained as stakeholders in the Project. Finally, the Project Manager and Evaluation Manager both question the veracity of a basic assumption underlying this aspect of the model – that there exists a reasonably sufficient base of adequately trained and appropriately oriented Technical Resources in Winnipeg who are (or whose employing organizations are) willing to provide services and, especially, services free of charge.

The Project Model indicates that provision of substantial Technical Resource services from any one source requires formal agreement between the business and the Technical Resource. In most cases, this has not occurred – partly at least, for the reasons discussed in the next section.

In general, the search for, and identification of, Technical Resources requires further substantial consideration and design work.

THE ROLE AND QUALITY OF TECHNICAL RESOURCES

One item that has not been well addressed is that of management of Technical Resources. Perhaps this is because it is assumed that the combination of the “Terms of Reference for Providers of Technical and Advisory Assistance to Apprentice Businesses” operational document and the internal management capacity of businesses would provide an adequate management system for Technical Resources. Since, however, this operational document has not often been used and since many of the client businesses are managerially very weak, some problems have resulted.

A number of Technical Resources commented on advice “overload,” and apparently overlapping or conflicting advice being given to a managerially weak business. They believe that this only served to further confuse and confound the business. While Technical Resources are largely complimentary on the Project Manager’s approachability and willingness to provide assistance, many feel that the larger orientation, monitoring and control system is weak.

It is also apparent that suitable Technical Resources are not readily available, especially on either a volunteer, or *pro bono*, basis. Some Technical Resource respondents believe that not all of the Technical Resources involved have been appropriate. In particular, when emphasizing the importance of aligning Technical Resources familiar with the industry with client businesses they suggest that sometimes the choice of more generic Technical Resources have not been appropriate to the needs of a business. From the Evaluation Manager's knowledge of some of the Technical Resources chosen (not all of whom in the end actually delivered services), these people have not always had backgrounds in the industry of the client business.

Furthermore, some respondents point to the importance of an appropriate value and communication fit between the Technical Resource and the business. Shared, or at least a willingness and ability to accept others' values minimizes extraneous conflict and enables participants to quickly pull in the same direction. An appropriate fit in the level and means of communication brings about a more efficient interaction, and it makes for a more effective transfer of knowledge and skills to the business.

Targeting Technical Resource choice options based on an occupation-industry-value criteria set, however, would place an even greater demand on an already weak Technical Resource net. The commercial consulting industry opens up more options to pursue such a criteria set, but sourcing resources from that industry would be much more costly.

Project experience, therefore, clearly attests to the importance of Technical Resources that:

- Understand and are compatible with the objectives of the Project (especially the cooperative and human development foci);
- Fit the ambiance and environment of the business;
- Are able to ensure that the business maintains the lead role even if business owner-managers are not well-learned, experienced, or sophisticated as businesspersons;
- Often have investigative-solution abilities; and
- Have a sufficiently high level of applied knowledge in specialized fields.¹⁴

This is a tall order, the Project repeatedly found Technical Resources to be wanting in certain of these crucial attributes. Furthermore, Technical Resources are often called upon to work in a very concentrated manner, on relatively short notice, over short periods – sometimes under “emergency” conditions.

¹⁴ Examples of some of the areas of specialization the Project encountered were: cooperative law, capital financing, selecting and designing financial and management information systems, food and manufactured craft-like products marketing, and engineering.

For the above reasons, the Project Manager recognizes that the structuring, selection, introduction, and monitoring of Technical Resources require substantially more consideration and design effort.

INCLUSION OF BUSINESSES IN THE PROJECT

To be included in the Project, the Model states that a business or business-entrepreneurial group must be a cooperative or a cooperative-like business. A cooperative-like business is a business that has, or has made a formal commitment to create, the following characteristics: strong democratic ownership and control, dedication to the human development of its owners and employees, and concern for the well being of the community. Despite this definition, one of the businesses that was included in the Project as of late 2001 is a business that is not a cooperative, is of larger size, and is owned by three persons. This business has said that it is interested in wider employee ownership; but during the year in which it received service from the Project, it made no clear move in this direction, nor had it explicitly promised to become a cooperative or to be principally employee-owned.

While in the Project, a business is to be assigned either a Facilitator (Apprentice I) or a Mentor (Apprentice II). Under this definition, the above-noted business ceased to be a business in the Project when the Project Manager ended facilitation to this business after the initial agreed-to period of facilitation that had been extended for a few months.¹⁵

One business (“Business A”) was in the Project for a short time, but then ceased to receive Facilitation services without a clear mutual understanding of the status of this business relative to the Project. At the time, the owner-managers of this business said they did not know if the business is within the Project; or, if their business is in fact within the Project, what is meant by being in or not in the Project.¹⁶

At one point in the spring of 2002, a cooperative-like business approached the Project for assistance. The issue of this business was raised at a meeting of the Project Support Committee, but nothing has been said about this business since then. No further operational interaction had occurred respecting this business.

At a meeting of the Project Support Committee in February 2003, the Committee was asked to confirm the entry into the Project of another potential business.¹⁷ This request was made after a minimal presentation of the circumstances and issues surrounding this potential

¹⁵ This Facilitator is the writer of this *Evaluation Report*. The writer continues to provide business development services to this business through a private consulting arrangement that has no relationship to the Project.

¹⁶ At the time, the owner-managers of this business want to be linked to other cooperative or cooperative-like businesses, but they felt no need to be otherwise associated with the Project.

¹⁷ At the point of confirmation, what existed was a loosely defined group, with certain internal fractures, that expressed interest in possibly resurrecting a recently failed business as an employee or cooperatively -owned business.

business. According to the Project Model, two of the criteria for entry into the Project are: (1) a business must make application to be in the Project, and (2) it must have passionate and adequate operational capacity in most of the nine essential business operational areas. Despite the fact that no assessment of the group's capacity in the nine essential areas was presented, the Committee was asked to confirm entry of the business.¹⁸ A lengthy discussion ensued during which some members of the Committee brought forth some important historical aspects of this group and serious concerns that appeared to be known by the Project Manager. Nevertheless, the Committee confirmed, without any member expressing clear reservation, entry of this nascent business group - although some members of the Committee felt uneasy about the situation.¹⁹ If the role of the Project Support Committee is limited to business service support, this abbreviated exercise appears to be out of step. The exercise suggests that the Committee may have been involved in management decision-taking or, alternately, in providing a level of "political" support to the Project Manager.

It should be reiterated here that only one of the businesses now in the Project might have gone through the formalized nine-essential-operational-areas entry criterion assessment specified in the Project Model. The other three businesses entered the Project before this criterion was formalized (but pre-formalized versions of this criterion were used). The situation of the one business that might have entered after the nine-essential-operational-areas criterion was formalized is not clear. The Project Manager did undertake a self-assessment process with this business. An evaluation of the results of this self-assessment in terms of the nine-essential-operational-areas entry criterion was not provided to the Project Support Committee (which again confirmed entry of this business). In fact, some months later a number of comments critical of this business' basic capacity and performance were made by members of the Project Support Committee. During these interviews, a number of members expressed serious reservations about the viability of the business model of this business.

The Project Model states that Project Management, the Project Support Committee, and the Project Network and their outreach links undertake the search for, and identification of, such businesses. To date, all the businesses that have been in the model have been initially identified and proposed by the Project Manager. All such businesses also have been confirmed by the Project Support Committee.²⁰

In general, therefore, some persons involved feel that there has been insufficient clarity and consistency with respect to the process of business selection and discontinuance-of-service decisions.

BUSINESS DEVELOPMENT STAGES

¹⁸ Why confirmation would be sought from an advisory and support committee is not clear.

¹⁹ This episode is an example of the ambiguous role of the ostensibly "linking"-only role of the Project Support Committee.

²⁰ See footnote number 16.

Project experience indicates that consideration should be given to the elaboration of a post-selection, but preliminary to the Apprentice I, stage. It is difficult, however, to fully understand a business', and especially a proto-business', operational capacity without having done a significant amount of work with the business. A selected business, therefore, may be found to be short of the operational capacity to meet the "most-of-nine" criterion for entry into the Apprentice I stage. As well, a business may be well understood and show substantial promise, but it too may be found to be short of the operational capacity to meet the "most-of-nine" criterion for entry into the Apprentice I stage. As designed, the Project Model cannot address these contingencies. A business that, upon, suitable testing, meets the "most-of-nine" criterion for entry into the Apprentice I stage could quickly move through this post-selection, but preliminary to Apprentice I stage. This is only one of many examples of the difficulties in matching a somewhat complex business development Model with the complexities and problematics of small business development.

According to the Project Model, at a point within the Apprentice I stage when the business is fully or nearly fully developed operationally and it shows developmental capacity appropriate to entering the Apprentice II stage, a long-term, business-to-business, Apprentice-Mentor arrangement is to be put in place. The Apprentice I business together with Project staff are to discuss the nature of mentoring required and the appropriate values, sensitivities and approach of a Mentor business. The Apprentice I business and Project staff then discuss the characteristics of potential Mentor businesses. Project staff is to approach appropriate Mentors. Those possible Mentors that are interested are to be introduced to the Apprentice I business. Business-to-business, Apprentice-Mentor arrangements are to take place through mutual selection. Several discussions between the Apprentice I business and the potential Mentor are likely before each understands the other's capabilities and style. Project staff are to take both the Apprentice I business and the potential Mentor jointly through "Guidelines" that explain the roles and responsibilities of each. Business-to-business, Apprentice-Mentor arrangements are to be formalized by agreement, and are generally to be in place for several years. Most Mentors are to come from the cooperative community. The Mentor has two functions: (1) the transfer of practical, on-the-job, knowledge and skills to the Apprentice business; and (2) listening and advice from an experienced, supportive sage or "grandfather." The Apprentice I business is expected to take the initiative and lead as an operationally strong, functioning business; the Mentor is there as a source of knowledge and a friendly "ear."

It is possible that practice and the Model have diverged with respect to the Mentor role. In a list of people to be interviewed, the Project Manager lists three mentor individuals from two cooperative businesses as "business-to-business" Mentors to one business. He also lists other Mentor individuals from a business support organization as a "business-to-business" Mentor to another business. This does not fit the Project Model because neither of the two recipient businesses have developed operational capacity in most of the nine essential

operational areas, according to the Model - a pre-condition to the Apprentice II stage.²¹ Furthermore, it is curious because one of the purported Mentors told the writer that he had helped with only one technical task many months ago. Owner-managers of the recipient business themselves refer to the assistance received as a series of (very useful) Technical Resources.

A spokesperson for the other Mentor “group” (which is not a “business”) and one of the listed Mentors told the Evaluation Manager that this group has not mentored the business - in the sense that a mentor, according to the Project Model, is to be engaged “...in a mutually suitable [process of informing] the Mentor of the evolving context, performance, needs, and culture of the [business] organization.” Instead, that group has worked with the business on a few specific (but major) technical issues. The group has not signed a mentorship agreement with the business as required by the Project Model. The spokesperson says that this group-business interaction may some day evolve into a mentorship.

Finally, with respect to the mentorship issue, the business that the writer has been a Facilitator to has repeatedly referred (even in meetings of the Project Support Committee) to the writer as the Mentor to that business. The interaction between the writer and that business has indeed been relatively deep and multi-stranded; and it is close to, if not an early stage, mentorship. Yet, the Project Manager does not consider this to be mentoring. It may not be, the writer is not a business in the sense of the client businesses nor is he a cooperative nor did he sign a mentorship agreement with the business. This all begs, however, the question of what are the defining characteristics of mentorship in the Project.

It also raises an issue discussed, without resolution, a number of times by the Project Manager and Design Consultant: Should mentorship be nearly synonymous with, or at least necessarily follow, the transition from Apprentice I to Apprentice II? What level of operational capacity is necessary before a Mentor can be usefully employed? Should the Apprentice I – Apprentice II boundary be defined by the achievement of full operational capacity (without strong developmental capacity) or by having, or the ability to use to some extent, a Mentor? Alternatively, could the Apprentice I and II stages be collapsed into a single Apprentice stage with a continuity scale of business development? These issues need to be thought through.

Concerns by both a business interested in receiving a Mentor, and the potential Mentor business that the client business felt might be an appropriate Mentor, regarding the fit, operational, legal, and impact ramifications of a close, long-term relationship inhibited full commitment to the process.²² This both illustrates the fears imbedded in making a Mentoring

²¹ This assertion is difficult to make because to the writer’s knowledge only once has the Project Manager filled-in the “Project Management Report: Apprentice Businesses” and even then principally as a test of the form. The second time the form was filled-in the Project Support Committee criticized some of the Project Manager’s assessments as too optimistic. In both cases, the filled-in forms were taken back by the Project Manager consistent with the understanding that such filled-in forms open the Project to a potential legal challenge by a client business.

²² This client business had, at the time, yet to demonstrate operational capacity in the nine essential areas in any event.

commitment, and it suggests that it may be appropriate to designate a provisional Mentorship step – a “test-run” period prior to formal commitment.

Clearly one of the businesses, and perhaps up to three of the businesses, have, and continue to face, substantial setbacks. Two of the businesses are said, by the Project Manager, to have Mentors – which implies they have developed to (or very near) the Apprentice II stage. The Project Model stipulates that crucial to entering the Apprentice II stage is: (1) the formation of a passionate, capable, and functioning operational management team encompass all nine essential operational areas of the business, and (2) the placement of some level of passionate and capable business development “drivers” in most of the essential areas.²³ The business also must have entered into a long-term, business-to-business, mentoring arrangement. Again, neither of the two businesses purported to be mentored come close to the requirements for entry into the Apprentice II stage.

The four-stage service model assumes general developmental progress by a business. The Model recognizes, however, that businesses often face setbacks because of changing internal and external factors. Therefore, it acknowledges that a business in the Apprentice I, Apprentice II, or even in the post-apprentice, monitoring-only stage, can become “troubled” or “critical,” and thereby require a greater intensity of services and/or services generally provided to a business at an earlier stage of development. If the condition remains, the business may in fact be shifted to an earlier stage of development. If a business in the introduction/selection stage that would otherwise qualify for entry into the Pilot Project becomes troubled or critical, it may not be suitable for entry into the Project. To date, two, and perhaps three, of the four businesses that have been in the Project for any length of time have faced serious setbacks after entering the Project. One of these businesses has become more stable, but two of these businesses continue to face great difficulties. These setbacks have not been clearly acknowledged or well documented. The Project Model and operations have not fully addressed the implications of such setbacks.

One of the businesses essentially has no central or coordinating management and the central, coordinating management of a second business is being supplied by a volunteer member on a part-time basis. This is a major issue. What does the Project do when central, coordinating management collapses? Especially, what does it do if the business has weak or non-existent central management, but shows substantial operational strength in other areas?

No business has reached the post-apprentice stage of being capable of delivering reciprocal business development services (i.e. providing Technical Resources and Mentorship) to the cooperative community and participating in the Project Network. From the outset, this was expected as, except for a possible very-strong business, most businesses were expected to require years of business-to-business mentoring.

²³ There is lack of clarity between the tenth essential area: “management of business development,” and the criterion of building some level of business “drivers” in all nine operational areas.

5. BUSINESS DEVELOPMENT: SERVICES, IMPACTS, AND SELF-ASSESSMENTS

BUSINESSES SERVED

During its three-and-one-half year existence, the Project provided at least some services to five businesses. The basic nature of these businesses along with their dates of entry and length of time in the Project are described in Table 3.

TABLE 3. BUSINESSES BEING SERVED BY THE PROJECT

Attribute	Business				
	A	B	C	D	E
Principal Prod/Servs	Food & Bev.Servs, Retailing	Retail Food, Food Services	Mfg	Retail Food	Food Mfg, Retail Food
Location(1)	Downtown - Mixed, but Improving (2)	Inner City - Distressed, but Improving	Inner City - Poor & in Decline	Inner City - Average & Improving	Sites: Inner City – Average & Improving; Downtown - High traffic, but shops in Decline
Bus. Start	1996	1990	Late 2000	May 2003(4)	1990
Bus. Period	> 6 yrs	> 12 yrs	> 2 yrs.(3)	Two weeks	> 12 yrs
Project: Entry	Spring 2002	Late 2000	Spring 2001	Early 2003	Early 2002
Exit	Summer2002	-	2 yrs	-	December 2002
Period	< 6 months	About 2.5 years		< ½ year	< 1 year

Notes:

(1) Sources: Anonymous, Holowchuk, McNairney, and Ring; pers. com.; Economic Development Winnipeg: 2001, 2002; Winnipeg, City of, 2000.

(2) An educational institution for young adults, an important client base for this business, opened in the fall of 2002 a few blocks from the location of this business. This institution has had an enrollment of around 200 students, upwards of 1,000 students are expected in the fall of 2003.

(3) This business began as a social activity and evolved to a “quasi-business” operation some years before incorporating as a for-profit business.

(4) This business replaces, in the same location, a very similar business that had ceased operations around one year before. A couple of the employees of the former business are involved in this business.

With the exceptions of “Business E’s” opening of a second site in the early summer of 2002 and the recent entry of “Business D” into the Project, these business-defining attributes have not changed since commencement of the Project.

Table 4 provides further detail regarding the socioeconomic condition of the areas in which the businesses, that have been provided at least some services through the Project, are located.

TABLE 4. SOCIOECONOMIC CONDITIONS IN BUSINESS AREAS

Attribute	Winnipeg	Business				
		A (1)	B	C	D	E (2)
Median Family Income (3)	100%	162%	43%	41%	98%	98% & 162%
% of Avg. Family Income from Gov't Transfers (3)	39%	0%	70%	60%	42%	42% & 0%
Total Crimes – 1999 (4)	100%	347%	181%	231%	396%	396% & 347%

Notes:

- (1) Not many people live in this downtown commercial area.
- (2) This business has two sites, one of which is in a downtown commercial area.
- (3) Source: Statistics Canada - 2001. Provided by Murdoch.
- (4) City of Winnipeg. Provided by Murdoch.

The reader should note the following:

- All except one of the businesses are in food retailing.
- All of the businesses are located in the central (inner-city) area of Winnipeg. Two of the businesses are located in areas of well-below-average incomes, below average labour force participation and above average unemployment, and relatively high rates of social problems. One business and one of the two sites of another business are located in the downtown commercial area.
- Three of the five businesses have operated as businesses for over six years.
- The businesses entered the Project at various dates such that three of the five businesses have been in the Project for less than one year.

SERVICES PROVIDED

Services provided directly by Project staff or indirectly by Technical Resources located by, or provided through, Project staff have been mostly tailored to the particular needs of each business. These highly tailored services can, however, be grouped into 14 service categories. Table 5 shows the types of services received by each of the five businesses.

TABLE 5. SERVICES PROVIDED TO BUSINESSES BECAUSE OF THE PROJECT

Service Type	Business				
	A	B	C	D	E
# of Technical Resources	0	7	11	4	1
Bookkeeping		X	X	X	
Business Ed. - Formal					X
Conflict Resolution		X		X	X
Costing			X		
Finance – Capital			X	X	X
Finance - Understanding		X	X	X	
Human Resources		X	X	X	X
Legal				X	
Marketing		X	X		
Office admin.			X		
Organizational		X		X	X
Production		X	X		
Self-assessments	X	X	X	X	X

Sources: Business spokespersons; Project files; and Project Manager, pers. com.

Note that Business A, which had been in the Project around six months, received services from a Business Facilitator only and those services were confined to two runs through the Project’s self-assessment “tool.” As well, “Business E,” which had been in the Project for about one year, received almost all of its services from a Business Facilitator, but a variety of types of services were directly provided by that Facilitator. This occurred because the Facilitator had strong technical grounding in the services prioritized by “Business E.” “Business D,” despite having been in the Project less than one-half year, received seven types of services. This is because as a start-up, “Business D” required a wide variety of Technical Resources.

Excluding “Business A” and “Business D” because of their relatively short time in the Project, the weaker the internal operational capacity of the business, the more types of services provided and the more Technical Resources involved. Furthermore, although the Project did not track the frequency that each specific type of services was provided, it is clear that the weaker the internal operational capacity of the business, the more often specific services must be provided. As discussed in the last chapter, for a variety of reasons operationally weak businesses tend to “burn-through” Technical Resources.

All of the businesses received self-assessment services – the core, basic service of the Project Model. The other most frequent types of services provided pertain to business finance – bookkeeping, capital financing, and understanding finances. Finances, along with at-least-coordinative-management, appear to be the most crucially lacking operational abilities among many small businesses. At-least-coordinative-management is not listed as a Technical Resource in Table 5, but in fact, the Business Facilitators provided a basic level of this service when working with the most operationally weak businesses. If one posits a “big-four” of critical basic operational abilities – Sirolli’s trinity of production, marketing and

finance plus at-least-coordinative-management – it appears that many small businesses are able to limp-along, but survive at least over the short term, without much marketing ability. A revised trinity of especially-critical-for-short-term-survival abilities may be production and finance plus at-least-coordinative-management.

Operationally weak businesses, therefore, placed an especially heavy burden on the Project. This is because such businesses required a greater variety of services from a larger number of Technical Resources coupled with the need of such businesses for at-least-complementary (if not replacement) at-least-coordinating management. Furthermore, the variety of services and number of Technical Resources placed an even greater strain on the at-least-coordinating, management function within, or attached to, the Business Facilitator.

Aside from the provision of self-assessment services early on, there was no apparent sequence or pattern of service provision. Some combination of often suddenly pressing need, operational weaknesses, often inadequate, at-least-coordinating capacity, and insufficient planning by Business Facilitators inhibited the establishment of service patterns.

BUSINESS CONDITIONS AND SERVICE IMPACTS

Performance measures for the five client businesses at various points in time are presented in Table 6.

TABLE 6. COMPARATIVE PERFORMANCE OF CLIENT BUSINESSES

Attribute/ Date	Business				
	A	B	C	D	E
Prods/Servs					
Oct/02	Food Serv, Retailing	Retail Food, Food Service	Mfg	-	Food Mfg, Retail Food
May/03	No change.	No change	No change.	Retail Food	No change.
Proj. Status					
Oct/02	Entry	Apprentice I	Apprentice I	-	Apprentice I
Feb/03	Not in Proj.	Apprentice I	Apprentice I	Selection	Not in Proj.
May/03	Not in Proj.	Apprentice I	Apprentice I	Apprentice I	Not in Proj.
No. of Sites					
Oct/02	1	1	1	-	2
Feb/03	1	1	1	-	2
May/03	1	1	1	1	2
No. Employe d					
Oct/02	10-19 – ½ FT	1-9 – ½ FT	1-9 - most FT	-	30-39–most FT
Feb/02	No change.	1-9 decrease, most FT	1-9 – all PT	-	30-39decrease, most FT (1)
May/03	No change.	1-9incr,mmostFT	1-9decr,all PT	1-9-mostFT	No change
Wages					
Feb/02	Low	Low	Low	-	Low-Medium
May/03	Low	Low	Low	Low	Low-Medium
Sales(2)					
Feb/03	No change	Up	Minimal	-	Up substantially
May/03	Up slightly	Upsubstantially	Up,1 big order	Too new	Up slightly
Net Income					
Oct/02	Break even (3)	Not knwn(4,5)	Negative (6)	-	Positive
Feb/03	Negative(3,4)	Not knwn(4,7)	Negative (6)	-	Negative
May/03	Negative (3)	Not knwn(4,8)	Negative (6)	Too new	Positive
Loan Pymnts					
Feb/03	Current	Current	Current	-	Current
May/03	Current	Current	Current	Too new	Ahead
Bus.Health @ Entry-Ops	Severe problems	Severe problems	Severe probs.	Not operating	Some problems
Oct/02					
- Operational	Problems	Problems	Severe probs.	-	Some problems
- Dev'tal	Minimal	Minimal	None.	-	Some, more prods/clients
Feb/03					
- Operational	Problems	Problems	Severe probs.	-	Some problems
- Dev'tal	Minimal	Minimal	None	-	Some, more prods/clients
May/03					
- Operational	Problems	Probs,improved	Severe probs.	Too new	Someprobs,imp' d
- Dev'tal	Minimal	Limited	None	Too new	Moderate, same prods/clients

Notes to Table 6:

- (1) Reduction in staffing due to seasonality of business.
- (2) Compared to the previous consecutive period.
- (3) This business has not/does not pay full market rent.
- (4) Business is behind in its bookkeeping.
- (5) A small portion of a staff position had been funded through a government grant. As well, a portion of this position and other staff time had been supplied without charge.
- (6) This business was/is not charged rent.
- (7) The part-time human development manager role (also an administrative role) is supplied without charge.
- (8) A part-time management position is being supplied without charge.

Sources: Business spokespersons; Project files; and Project Manager, pers. com.

The information presented above, with the addition of other business-specific information known by the Evaluation Manager, is translated, in Table 7, into a more general rating of the performance of the businesses at entry to, and at the end of, the Project.

TABLE 7. COMPARATIVE ATTRIBUTES OF CLIENT BUSINESSES

Coding: + Good
 0 Satisfactory
 -0 Somewhat Less Than Satisfactory
 0- Somewhat Better Than Satisfactory
 - Poor

Attribute	Business									
	A		B		C		D		E	
	Entry	End	Entry	End	Entry	End	Entry	End	Entry	End*
Production	+	+	-	0	-	0	New	New	+	+
Equipment	?	?	?	?	?	?	+	New	0	0/+
Facilities	0	+	-	-	0	0	+	New	-	-/+
Marketing	-	-	-	-	-	-	?	New	0	0
Books/Rpting	-	0	-	-	-	-	?	New	0	0
Finance	-	-	0	0	-	-	?	New	-	0
Pers.Adm./Dev't	-	-	-	0	-	-	New	New	-	0
Mgmt – Ops.	-	-	-	0	-	-	New	New	-	0
Mgmt-	-	-	-	-	-	-	New	New	0	0
Governance	-	-	?	?	-	-	New	New	-	-
Overall	-	-	-	-0	-	-	New	New	0-	0
Overall Change	0		+		0		New		+	

* Where two values are shown, each value is for a different site.

Source: Table 6, plus other information known by the Evaluation Manager as rated by the Evaluation Manger.

Table 7 indicates that, for the entire periods that the businesses were in the Project, two of the four businesses that operated for any substantial period, and two of the three businesses that operated for any substantial period and received substantial services through the Project, showed overall improvement. The other two businesses (one of which did not receive substantial services through the Project) largely remain in a similar condition to when they entered the Project. One of the two improved businesses was operationally very weak when it entered the Project, and the other improved business was somewhat weak when it entered the Project. Both of the two most improved businesses, however, received the most consistent and attentive support when one considers both services through the Project and personal services provided to one of the businesses by the Project Manager who also is a part-owner of one of these two businesses.

Table 6 above presents more fully, per period, the performance conditions of each business. Most importantly, this table shows the difficult straits that most of these businesses have been, and continue to be, in. Of the four businesses that operated for any substantial period:

- All continue to operate.
- Only one is clearly net income positive according to its most recent financial information.
- All continue to have at least some substantial operational problems. One of these businesses continues to face multiple, severe operational problems. Only one of the businesses has gained a moderate level of developmental capacity.
- None has moved beyond the Apprentice I stage. This may be a consequence of an overoptimistic Model given the challenges of development faced by wider-owned small businesses, it may be a result of the late operational start of the Project, or it may be due to insufficient Facilitation and Technical Resources.
- Only one has experienced a noticeable change (positive) in employment, and three of the four pay low wages.
- Three are current on their loan payments and one is ahead of schedule.
- Only one business has moved to the point where it has nearly overcome its operational problems and is building notable developmental capacity. Interestingly, this business both has the most explicit and strongest value system and is the most highly “cultured” as this term is understood in academic organizational terminology. A substantial body of literature predicts that such businesses with wider ownership and community orientation will have

higher rates of longer-term success.²⁴ The importance of this culture has been observed by the Facilitator to this business.

As well, of the four businesses that operated for any substantial period two businesses (including the one business that has started-up very recently) would not now exist but for the support provided by the Project.

Project services have had, perhaps, a greater impact on the business owners and employees – especially the more senior employees. It is clear, from the perspectives of owners and employees, and the Project Manager and Facilitators, that a substantial amount of business-relevant learning has occurred in two of the four businesses that operated for any substantial period. It also is clear that the mere presence of and attention provided by, the Project had notable stabilizing and morale-boosting effects on three of these businesses.

BUSINESS SELF-ASSESSMENTS

A business self-assessment approach was used to cultivate business leadership and understanding among the Apprentice Businesses. It was also used to foster a sense of ownership of the development process. The self-assessment approach was designed to emphasize the importance of having appropriate people in place to drive all key areas of a business, especially finances, production or service, marketing and sales, and personnel support and development. It was pointed out that skills can be built up through training and technical support, and that experience can be passed on through mentorships. However, (as stressed in Ernesto Sirolli's Enterprise Facilitation approach) it was noted that zeal, or passion, for a particular type of work has to come from within oneself, and that without such interest and enjoyment a person is unlikely to excel at a job.

In all cases, the business self-assessment approach proved to be very useful. In varying degrees, its value was demonstrated through structured workshop assessments with written formats, less formal re-assessments, follow-up planning, and consciousness raising. For the most part, participants displayed a desire to come up with frank and realistic capacity assessments, whether or not they were personally involved in an area of business that was being assessed. In some cases, open recognition of a capacity gap appeared to be a relief for people assigned to responsibilities that were out of line with their aptitudes or capabilities. On the other hand, there were instances where some people had difficulty separating their own *efforts* and *intentions* from actual capacity.

The business self-assessments focused on the ten categories listed in Chapter Three.

Business A

²⁴ See for example Canada Employment and Immigration and Indian and Northern Affairs 1981, Dineen 1974, Goodenough 1963, Holton and Archibald 1972, Kanter 1968, Kelly 1974, Lorsch 1969, McPherson 1975, Ouchi and Jaeger 1978, Perry 1984, Stinchcombe 1965, Thompson 1976, and Vaughan and Sjoberg 1984. Loughran 1985 contains a summary of this argument.

Business A has operated within the framework of radical workplace democracy since it was created in the mid-‘90s. It has become one of Winnipeg’s pre-eminent gathering spots for globally conscious, social-change oriented youth. However, it also caters to a wider audience of socially progressive readers and to connoisseurs of vegan food. In 2001, a non-profit micro business and community enterprise support agency located in Winnipeg began helping Business A with a site-expansion business plan. The Pilot Project was asked to help the business deal with overall capacity issues related to business expansion. Subsequently, the aforementioned agency provided general mentorship support and the Pilot Project limited its involvement to a self-assessment workshop, specific issues relating to financing and financial controls, and to collaboration relating to the Community Development Business Association of Winnipeg and to the wider co-op sector. Business A’s renovations were completed successfully and sales have risen.

➤ *production and services:*

Business A consists of a comparatively young workforce that has experienced frequent staff turnovers. This has made it particularly challenging to establish and maintain service standards. During a business assessment workshop, there was considerable debate over whether or not some customer complaints were valid. The issue of quality control was linked to sales and marketing, an area that Business A was expecting support from the aforementioned support agency.

➤ *equipment*

A Project facilitator arranged for Business A to receive several pieces of donated, used office equipment from the Credit Union.

➤ *facilities*

Business A made its own arrangements for a new Community and Worker Ownership Program within the aforementioned support agency to help it compile a renovations business plan. This led to financing from a credit union, with some facilitation from the Pilot Project.

➤ *bookkeeping and accounting*

At the request of the Business A, the Pilot Project facilitated an arrangement for periodic consultation with a CED-oriented accounting firm; initially on a volunteer basis.

➤ *finances*

The Pilot Project helped to facilitate renovations financing by providing loans officers with background information and context. Periodically, assistance was also provided in overcoming procedural difficulties or cash shortages.

➤ *governance*

Independently, Business A received advice about incorporation and membership structure from the aforementioned support agency and from the Province's Cooperative Development Services. Accordingly, Pilot Project interaction around governance was limited to discussion in the course of a business self-assessment workshop.

Business B

Business B began regular operations in 1990, a couple of years before the surrounding neighbourhood was ravaged by economic depression and social crisis. Business B survived the '90s on a cash break-even basis, but with substantially reduced sales. The Pilot Project attempted to help Business B re-develop its capacity and to recover and expand its sales. Subsequently, sales rose to record levels, even though some important capacity building initiatives did not go according to plan and some initiatives lost momentum due to staff changes.

The self-assessment process began on a trial-run basis with a series of four workshops, run in conjunction with monthly Business B meetings. The worker-owners categorized their business operations into twenty areas and collectively rated their own staff capacity in each area on a scale of one to five.

➤ *production and services:*

Most of the workers at Business B have not grown up eating a wide variety of fruits and vegetables. Accordingly, Business B has had a difficult time finding staff with a strong aptitude for produce management. After a young worker expressed enthusiasm to learn the required skills, the co-op engaged a subsidiary of a large and well known federation of local cooperatives to take over as key supplier in the area of the business that needed upgrading. This subsidiary provides its retail customers with advisory services and training as part of their commercial relationship. It followed up by assisting Business B with in-store product preparation and display and by including two members of Business B in a day-long training session. However, the key apprentice worker left Business B seven months later, leaving the produce section without skilled leadership once again. Fortunately, the form of business-to-business mentorship involving the subsidiary and Business B is based on on-going mutual direct advantage. This should help to maintain the relationship on a long-term basis.

➤ *equipment:*

In 2001 Business B invited the president of a well-known and successful cooperative to be the guest speaker at an Annual General Meeting. His words very inspiring to the co-op members and, in turn, he was moved by their determination and community vision, which he compared with the roots of his own organization. The event helped to pave the way for a business-to-business mentorship arrangement, which started with assistance in replacing broken-down equipment. The mentoring organization assigned a business development officer to liaise with the Apprentice Business and arranged for one of their equipment suppliers to help find the replacement equipment. The apprentice organization assigned an

employee, who had a strong mechanical orientation, to participate in the choice of equipment and subsequent maintenance. However, very tragically, the employee died in the spring of 2003. A new worker was able to take on the role of equipment monitoring, but only on a temporary basis.

At another point, a Project facilitator arranged for Business B to purchase a quality, used computer from FinCo at very low cost.

➤ *facilities*

Faced with a deteriorating building, Business B did not know if it would be better to attempt major renovations or to tear down their existing building and rebuild from scratch. A Facilitator helped them to get an architect to provide cost estimates on a volunteer basis. After realizing that either way would be very costly, Business B decided to undertake only essential, urgent repairs, while waiting for their declining mortgage loan and rising sales to permit a longer-term solution.

➤ *marketing and sales*

Mentorship by the well-known cooperative helped to create a stronger sense of customer oriented marketing and better product display. While quickly understood, the process took months to gain real momentum. A worker had agreed to take lead responsibility for implementation and quickly worked with the well-known cooperative to produce drawings of existing and planned shelving arrangements. However, the hoped-for leadership in consultations with customers and implementation of stock reorganization was slow in coming. In other words, the mentorship was ahead of Business B's capacity in that area. Eventually, product display was overhauled and the process of experimentation with product change geared to customer demand was initiated. However, the need for staff with a strong aptitude and dedication for promotional displays and other aspects of marketing and sales work continued to be a significant limitation.

➤ *bookkeeping and accounting*

Business B had a serious bookkeeping backlog related to a change in staff. An accountant with an interest in co-ops, who had some concentrated spare time, worked quickly and intensely on a half-time basis for a few weeks on a volunteer basis. Most of the backlog was cleared away but lack of familiarity with the co-op's Business B's financial software and its customized accounting system led to further problems. The volunteer caught some of the errors. However, the Facilitator, who had arranged for the technical support, and Business B's bookkeeper-in-training ended up having to spend large amounts of time trying to untangle the confusion.

In hindsight, given the complexities of Business B's accounting system, the technical support should not have been attempted without a concentrated orientation and back-up monitoring. Two former financial managers who remain connected to Business B had the knowledge to provide that back-up assistance but neither were available at that time. In addition, the rapid

pace of the technical support was impressive but, in the end, a slower, mentoring approach would have worked better, given that the bookkeeper-in-training had a thorough and detailed knowledgeable of the business operations. Subsequently, considerable work was done on a customized accounting manual, to facilitate training and any future bookkeeping support.

➤ *finances*

The Pilot Project helped to facilitate financing for all five Apprentice Businesses by helping credit union loans officers to appreciate the nature, credibility and challenges of the co-op/community businesses and by helping the businesses to understand the perspective of the loans officers. In all cases, this included specific interventions at the request of the Apprentice Businesses, as well as periodic updates. The Pilot Project's own commitment to the evolving co-operatives was in itself a very positive consideration for credit union lenders, a community loan fund and a co-op investment fund.

Business B received assistance from a Facilitator in rescheduling debt from an overdraft situation to a demand loan and in working on a proposed transformation of a private loan into contributed capital.

➤ *personnel administration and development*

In Business B's business self-assessment processes, limited personnel management and development capacity was identified as the most strategic gap facing the business. Accordingly, with assistance from the Pilot Project, a proposal was developed for a trial, Human Resources management position. It was hoped that this would lead to stronger HR systems, including training and an on-going assessment of job descriptions, requirements, and standards, to be followed by more effective job monitoring, performance assessments and staff re-deployment and/or recruitment. Part of the proposal was for the HR officer to establish a personnel administration and support system which could be maintained on a part-time basis, financed from increased sales.

One-year funding was acquired from Winnipeg's federally-funded Centre for Aboriginal Human Resource Development (CAHRD). However, it proved to be very hard to find someone with a background in personnel administration and human resource development, plus related industry knowledge, relevant social experience and understanding, and a lot of patience. Accordingly, there were three rounds of job advertisements, screening, interviews, offers, contracts and orientation, all of which drained off a large amount of time for the business and a Project Facilitator. In the end, the position was split, in succession, between three different people. Moreover, a fourth declined an offer at the last minute and the contract for funding had to be re-negotiated mid-stream. As a result, in addition to the turnover of people, there was a five-month gap within the 12-month position.

Because of the serious discontinuity and difficulties finding a fully qualified HR development person, much of the work was only partially completed under contract. However, despite the difficulties, as a result of the implementation of the personnel development strategy, job descriptions and scheduling were strengthened, on-the-job training

and personnel support improved, a management team system was put in place and two new, specialized staff were hired. When CAHRD support ended, the work continued, thanks to a major volunteer commitment by the president of the Business B, effectively acting as an internal technical support provider.

Towards the end of the Pilot Project an experienced HR specialist, contacted through CESO Aboriginal Services, was engaged to help re-design and systematize job descriptions for all of the employees. After interviewing most of the regular staff, she reported that she was, “really impressed with the employees ... and their loyalty to the organization. They all seem to be really happy with their work and the people they are working with.” – A telling comment with positive CED implications that go well beyond employment, and that helps to explain the renewed progress of a co-op immersed in all of the tough challenges of an impoverished neighbourhood.

➤ *management – (1) operating systems and administration, (2) business development*

The Business B's operations manager was carrying an unreasonably heavy load and lacked the aptitude for strong HR coordination and development. A Facilitator helped to separate personnel management and development from other operational management responsibilities and to develop and implement a management team system. This opened the door for greater management specialization geared to individual interests and for broader and more flexible staff involvement in management.

As mentioned above, it was hoped that an interested young worker would evolve to become a talented produce manager. However, after receiving on-the-job training and workshop training from a mentoring organization, the worker moved on. In addition to the issue of particular product awareness and interest, it is also an on-going, general challenge for community businesses operating in poorer neighbourhoods to find local residents who have experience with commercial managerial responsibility.

Business C

Business C originated from a program run by a Winnipeg north-end service agency. After years of private and public grants, the funding ran out and five employees boldly restructured themselves as an independent business in the hope of keeping their jobs and craft alive. Abruptly on their own, in less than a year Business C was on the verge of insolvency. The Pilot Project agreed to help them to determine whether or not there was a commercial basis for continuing and, if so, to help them build a sustainable business. As a result, a Pilot Facilitator helped to assemble a team of volunteers with related industry experience, from the co-op, private and public sectors. This team became a direct resource to the business self-assessment process. After short-term opportunities were identified and business systems were improved, the business began operating on a profitable basis. However, plans for long-term market feasibility and development work have been delayed.

➤ *production and services:*

In response to the volunteer mentors, the Apprentice Business realized that a lack of clear product definition was a key problem, standing in the way of an effective marketing strategy. Accordingly, a clear product focus was identified, based on what the co-op members personally wanted to do and on market considerations. This opened the door for further assessment and actions. In addition, Business C members affirmed their willingness to work hard to achieve commercial profitability. This was significant given their business roots as a program within a non-profit social agency.

The first, subsequent step was to help the co-op with product cost estimates. This was accomplished with assistance from a community-oriented accounting firm associated with the Pilot Project. It turned out that products were being seriously under-priced, putting the entire business in jeopardy. Profitable base price estimates were then calculated with assistance from a marketing specialist recruited through another business mentorship program, also connected to the Pilot Project. Subsequently, under pressure from a potential, large sales contract with a repeat customer, the serious under-pricing occurred again. The consequent production run provided concrete evidence of Business C's ability to take on increased sales, but left Business C with a continuing, serious financial problem. This led to increased efforts to translate a desire for commercial success and a basic understanding of the cost estimates into effective policies and practice. New written price lists were drawn up and discount policies were stopped. Later on, a Facilitator helped Business C members to re-work and refine the cost estimates, thereby establishing clarity and a sense of self-confidence about product pricing. After proper pricing was in place, another large order was received, from a different institutional customer. A Project Facilitator helped the business to determine its output capacity and then to find, hire and orientate a new worker.

Business C members clearly had passion for their work but were uneven in terms of productivity and needed a quality control system. At the suggestion of a provincial government consultant, the business decided to join a trade association which offers training support. Initially production volume was too low to allow for effective evaluation and training. Once adequate volume was achieved, an assessment and valued, suggested changes in production technique followed. However, uneven levels of sales continued to pose a challenge in that larger production runs meant heavier pressure with less time available for training. Subsequently, a Project Facilitator worked to simultaneously help stabilize increased sales and to re-establish and clarify the support from the trade association.

➤ *equipment*

When the need arose, a Project facilitator arranged for Business C to receive a donated computer keyboard from a financial institution.

➤ *marketing and sales*

To obtain indispensable, new financing, Business C needed tangible evidence of market potential but did not have any marketing and sales staff. Three volunteers with marketing and sales specialization, recruited through the Pilot Project, said that they were confident that the

potential existed and agreed to test the market themselves. Their aim was to quickly generate actual sales or sales commitments from new customers and new market segments. In the meantime, planning for the creation of marketing and sales capacity within the business, and for other strategic operational and governance improvements, was put on hold because any progress in those directions depended on new financing.

It was hoped that there would be clear sales assessment results within a few weeks. Instead, after a few months, one of the volunteers had helped Business C follow-up on some of their own contacts, one had a couple of mixed general responses from outside of the intended market focus, and the third had yet to come up with anything, one way or the other. In the case of the third, talk of very quick, demonstration sales had been replaced by criticism of administrative capacity and by a proposal for public funds that might be used to hire an outside manager for half a year or more. This was out of step with Business C's plan to use new market evidence to re-assess the viability of their business, before deciding upon any further development work. Without firm indications of expanded sales potential, there still was no basis for a new business plan and new financing. Business C members were also frustrated by a take-control style of assistance that seemed to be out of line with self-determination and co-operative development.

The role confusion and unfulfilled expectations around this attempted marketing assistance led to the design of formal terms of reference for technical support providers. They are set out in the form of a template contract between a support provider and an Apprentice Businesses. This document is part of the "Tool Kit" that was assembled during the course of the Pilot Project.

Eventually, two of the volunteer sales promoters each helped Business C to secure a new sales outlet, which opened the door for a new short-term loan. However, the outlet with the greater prospect of quick returns was focused around a short, temporary event and the other had a strong seasonal bias. In order to take full advantage of the new opportunities at hand and to develop greater long-term sales prospects, Business C decided to seek temporary government funding that might be used to help hire a marketing and sales officer. Earlier, a "feasibility" funding program that was industry specific had been mentioned several times by a civil servant who was connected to the program. Business C proposed that a marketing specialist be engaged to determine market potential by actually promoting sales while production was in full gear and while inventory was available for display purposes.

However, after a few weeks of delay, the proposal was rejected on the grounds that it did not fit a required feasibility and consulting framework. A compromise arrangement was proposed by a civil servant from another government department but nothing became of it. Significant sales did occur in response to the immediate sales opportunities. However, without dedicated marketing and sales capacity, they fell far short of what had been hoped for and no progress was made in developing new markets. Business C was unable to utilize three new marketing resource people, with closely related market experience, who had agreed to be on call for occasional consultation once a marketing and sales officer was in place.

After the intense production run related to the temporary sales opportunity ended, Business C again submitted a proposal for funds to initiate a marketing and sales position. The hope was that after six months the position would be self-sustaining. However, this time the financial assistance, which was approved, was administered by an employment and training section of government and eligibility for the proposed job was restricted to unemployed people who were current or recent recipients of Employment Insurance. The job opening was posted through several employment networks and, later, in a newspaper, but to no avail. Eligible candidates who did apply lacked the necessary skill and experience level. The financial assistance was to be used to provide a base wage for up to 30 hours per week for six months. Depending on previous EI-eligible earnings, the base wage could be up to \$9.00 per hour (one-third higher than minimum wage). Beyond that, Business C offered a modest sales commission. Anyone who was not eligible for the wage subsidy would have to rely solely on the modest sales commission.

Business C decided to look for a volunteer to help co-ordinate efforts to find and engage a marketing and sales officer and to provide general administrative assistance. However, it took several months before a volunteer administrative coordinator was signed on, and then, for weeks, health problems and other personal priorities minimized the individual's available time. As a result most of the support work fell back on a Project Facilitator, who helped Business C develop interview questions and procedures and interview eight out of 30 applicants. But still no luck. Accordingly, Business C began developing a system of "shared marketing responsibility", to be undertaken by existing co-op members with back-up from the Administrative Coordinator. Concurrently, stronger, structured processes for handling customer enquiries and orders were developed and a more systematic approach to promotion was introduced. The heightened marketing awareness and experience among Business C members has increased the likelihood of a productive relationship with dedicated marketing and sales staff in the future. In the meantime, Business C has been successful in gradually expanding sales without dedicated sales staff.

➤ *bookkeeping and accounting*

When the need arose, an accountant, engaged by Hall Molgat Public Accountants, volunteered to provide monthly financial statements and to plug a bookkeeping capacity gap. Later she also took on the role of volunteer, Interim Financial Manager and then helped to orientate and support a contracted, regular bookkeeper. A Project Facilitator helped Business C to prepare terms of reference and a contract for the bookkeeper. Another volunteer helped Business C to estimate numbers needed for alternative budget scenarios. At different points, the Pilot also directly assisted with financial projections, budget control systems and other financial management measures.

➤ *finances*

The Pilot Project helped to facilitate financing by helping credit union loans officers to appreciate the nature, credibility and challenges of Business C and by helping the businesses to understand the perspective of the loans officers. In addition to general financial management support, Business C received assistance from a Project Facilitator in preparing a

critical loan submission to the credit union and to a community loan fund. In that situation, the Facilitator took on the role of “lead monitor”, in regard to Business C, for a community loan fund that works closely with FinCo.

➤ *personnel administration and development*

A Facilitator helped Business C members to compile terms of reference and recruit a volunteer administrative assistant. A key part of the terms of reference is to help provide personnel co-ordination, especially between production and sales, in respect to both staff and to mentors and technical support providers.

➤ *management – (1) operating systems & administration, (2) business development*

A Facilitator helped to recruit an administrative assistant, with a keen interest in Business C. This volunteer helped members with budget estimates and office organization. However, she was only able to participate for a very brief time. Later, the Pilot Project helped Business C members to search for and contract another volunteer to help out with administrative management. If sales rise as hoped, the volunteer role will be replaced by a paid position. While work on rounding out a management team continued, a Facilitator focused on helping to strengthen a sense of business ownership amongst the existing worker-members. This was done by encouraging members to take direct, individual and collective responsibility for day-to-day operating decisions and to formalize management meetings. Further, management efficiency improved after mentors worked with co-op members to thoroughly overhaul and re-organize their office filing systems.

➤ *governance*

As a result of the Pilot, Business C began holding organized meetings for the first time, with participation by a Project Facilitator and the volunteer Financial Manager.

Business D

In 1999, an organic food store in Winnipeg structured as a consumer cooperative, became insolvent and closed. Operations resumed under private ownership but stopped again as a result of a fire. Another private owner, who was successfully running a small organic food shop across the street, took over, but prolonged renovations led the whole business into insolvency shortly after the opening of the renovated site. Laid off employees and interested friends then immediately began exploring the possibility of re-opening as a worker cooperative. The Pilot Project responded quickly to their request for assistance and an intense series of business self-assessment meetings followed, which led into a business plan and to the opening of a new store at the old harvest site in May 2003.

➤ *equipment:*

Workers from Business C, another Apprentice Business, helped members of the new Business D move several heavy pieces of equipment into newly rented premises. A Project Facilitator also helped with the acquisition and financing of some major used equipment.

➤ *facilities*

In a potential lease situation the landlord was unsympathetic to Business D members with minimal personal assets. A Pilot Project Facilitator agreed to attend a meeting with the landlord. Subsequently, Business D was offered a rental agreement and contracted a lawyer who specializes in lease agreements to help them review the document. The landlord accepted most of their requested changes, but then said that the deal could not proceed because of a lack of personal, member credit histories. The Facilitator intervened again and the landlord accepted a letter of credit from FinCo as security against initial monthly rents, giving Business D time to start building a credit track record of their own.

The aforementioned support agency that aided Business A and a Project Facilitator both assisted Business D members with a business plan, which was used to secure financing for leasehold improvements and other capital expenditures.

➤ *marketing and sales*

When operations began, promotion was lagging behind output. Business D 's marketing committee was referred to another community business, whose experienced marketing director agreed to provide some very welcome advice. A Project Facilitator offered to seek further assistance, if needed.

➤ *bookkeeping and accounting*

An accountant recruited by the Pilot Project through the Jubilee Fund helped to select and customize financial software and provided bookkeeping training and monitoring. Some of this was paid for on an honorarium basis with assistance from the national Worker Co-op Fund, run by the Canadian Worker Cooperative Federation (CWCF).

➤ *finances*

Business D received assistance from the aforementioned support agency and a Project Facilitator in compiling a business plan that was used to acquire start-up financing from FinCo, from the Worker Co-op Fund and from the Jubilee Fund. The Facilitator followed through on all phases of the financing process, acting as a formal development facilitator for the Co-op Fund and as a lead monitor for the Jubilee Fund, as well as a back-up liaison person in dealings with FinCo.

➤ *management – business Development*

The Pilot Project was asked to help a group of fifteen interested people figure out if there was a realistic basis for the creation of a worker co-op that could take advantage of a

temporary business opportunity. A Facilitator participated in several business assessment meetings and repeatedly emphasized the importance of individual passion and aptitude in relation to each area of business operation. Members of the emerging Business D then proceeded to organize themselves into management committees.

➤ *governance*

The business appraisal and self-assessment meetings included considerable discussion of responsibilities and liabilities that would accompany business ownership. Once a decision was made to take on the challenge of becoming business owner-operators, a business plan was assembled and information and contacts were provided to help with the incorporation process. The Pilot Project Facilitator also assisted with the design and implementation of a financing system to allow members to inject member share equity into the business. He also compiled a request to the Province that paved the way for a possible expanded limit on individual share holdings in a co-operative without the need to file a formal offering statement.

Business E

Business E has been a model community enterprise, since its beginnings in the 1980s as an informal neighbourhood, home-based bakery co-op. Founded on faith-based, egalitarian social values, neighbourhood bonds, and strong environmental consciousness, the demand for its early products soon led to the creation of an incorporated, formal bakery. In 2002 a decision was made to post-pone expansion plans for its cramped quarters in a particular Winnipeg neighbourhood in favour of a new site at a popular Winnipeg tourist attraction. The Pilot Project was asked to help with the corporate transition, which has been successful. The initial business self-assessment process involved the Pilot Project Manager and an organizational specialist, who then became the lead Facilitator with Business E.

➤ *finances*

The Pilot Project helped to facilitate financing of Business E's operations at its new location through discussions with Business E representatives and FinCo loans officers. A Facilitator helped FinCo staff to appreciate the nature, credibility and challenges of the community business and encouraged Business E to understand the perspective of loans officers in relation to debt financing at different stages of expansion.

➤ *management – (1) operating systems and administration, (2) business development*

Business E approached the Pilot Project primarily for organizational support as it entered into its major expansion phase. Accordingly, a Facilitator with specialized interest in business organizational models and operating systems responded by conducting a customized series of related workshop meetings. This process was found to be very helpful in bringing out personal interest areas, leading to changes in managerial responsibilities, and in identifying and dealing with internal differences. It also facilitated a transition to wider staff participation in management decision-making, accompanied by clearer separation between

operational management and governance. Thanks to a member of the Pilot's Evaluative Research Committee, three of the principals in the business took part in a Participatory Management course sponsored by a Manitoba Investment Fund and the University of Manitoba. While working on contract with the Pilot Project, a Project Facilitator also agreed to be a volunteer course mentor for Business E participants in the Participatory Management course.

➤ *governance*

At the outset of their participation in the Pilot project, Business E expressed interest in exploring co-operative, or co-op like, ownership structures. However, their immediate development priority was to focus on operational arrangements. Accordingly, that is the focus that consumed most of their interaction with the Pilot. Nonetheless, a Facilitator did offer to help look for co-op connection related to the type of business ownership that might best fit Business E's needs. In addition, a large consumer co-op expressed a willingness to consider a mentorship arrangement with them.

BUSINESS DEVELOPMENT CAPACITY

The preceding section includes a few examples of Project work regarding the business self-assessment category, "Management – Business Development". However, it should be stressed that business development capacity was an overriding focus throughout the Pilot Project.

The Pilot recognized that there are two, very different, basic aspects of management. One involves entrepreneurial initiative and business development. The other has an administrative and executive focus. People who have a strong aptitude for one of these two areas of management often do not have a strong aptitude for the other. While the administrative aspect is very demanding, it is the innovative, developmental role that is more likely to be intimidating to "raised poor", or low-income working class, people; i.e. to people who may not have grown up assuming that they can change their environment to suit their needs, who have comparatively limited resources to fall back on when things go wrong, and who lack connections within business and professional circles.

The Pilot Project consistently emphasized the importance of having people who are passionate about their work serve as business "drivers" in all main areas of a business. All of the Apprentice Businesses were encouraged to re-align existing staff or to hire or contract new people in order to strengthen their entrepreneurial, developmental capability, as well as to improve operational management. This thinking was promoted even in the case of co-ops oriented toward job sharing and job rotation. Beyond the passion/driver emphasis, inclusive, managerial teamwork was encouraged as a way of building individual and collective self-confidence and self-reliance. Collaborative, teamwork thinking and functioning at all levels of a business was also recognized as being very strategic in regard to business sustainability.

- A well-balanced management *team* means that all the eggs are not in one basket.

The Pilot was also conscious of the fact that psychological and emotional “baggage” often is a fundamental barrier to business and community development. Accordingly, workers were informally encouraged to face their feelings and to avoid being judgmental about people, as opposed to actions. In community economic development and in cooperative development in particular, nothing is more important than dealing with the emotional “re-stimulation”, or psychological “rackets”, that undermine solidarity, creativity and accomplishment. This recognition was strongly reinforced by Pilot Project experience.

The worker co-operative model emerged, with significant variations, as the primary form of business organization among the Apprentice Businesses. If respected and protected, co-operative business models can serve as a contradiction to feelings of powerlessness and help to build a social-change movement capable of fostering business success and meaningful, community economic development.

During the course of the Pilot Project, advances occurred regarding managerial capacity at all the Apprentice businesses. For Businesses B and C this is particularly significant, given the instability of their inner-city neighbourhoods and on-going, personal crisis and tragedy outside the workplace. The extent to which these gains can be preserved and carried forward remains to be seen. An internal sense of social purpose and pride within these businesses is a key factor behind the progress that has occurred.

6. OTHER PROJECT IMPACTS

The Project has had a number of impacts other than the impacts it has had on the client businesses. These other impacts are noted below. The first set of “other” impacts does not concern the human and community development consequences of the client businesses.

One of the other impacts has been discussed in Chapter 4: Project Management and members of the Project Support Committee have received a substantial education in the areas of small, widely-owned business development and the design and operation of a business development initiative. A second non-client business impact has been the generation of pressure to increase and improve (1) the structural aspects of three Winnipeg-based, urban CED and cooperative development agencies; and (2) the structural aspects of the federal government’s Cooperative Development Initiative.

A third such impact is an initiative by the cooperative development agency to retain expertise to design a system to respond to requests for assistance from cooperative businesses. The fourth impact, related to one aspect of the second impact, is the leading role of Manitoba is playing in the development of the Cooperative Development Initiative.

The second set of “other” impacts concerns the human and community development consequences of the client businesses.

One of the impacts on the human development side is the fact that some of the owners and managers of the client businesses received various levels of a basic business education. This especially pertains to some of the owners and managers of two of the businesses. Even more, it pertains to those fewer owners and managers who had both a number of years business experience and who had sufficient schooling and ancillary experience to absorb the training that occurred. A second impact on the human development side is that over seventy jobs result from the five businesses. Only one business, however, has experienced a noticeable change (positive) in employment, and one new business created fewer than ten jobs. As a whole, there would have been little change in the total employee-hours (perhaps even a slight decrease in total employee-hours) for three of the four businesses that operated for any significant period within the Project. The fourth business, however, the strongest business, approximately doubled its employee-hours. The vast majority of the owners, managers, and other employees live in Winnipeg’s inner city; and furthermore almost all of the owners, managers, and employees of two of the businesses live in the poorer core of the inner city. A substantial share of the owners, managers, and employees of three of the businesses consists of relatively young people.

One of the impacts on community development is the fact that five relatively more independent and self-sufficient organizations are embedded within the inner city. Two of these business organizations are substantially involved in local community self-help and social/recreational activities.

A second community development impact concerns the products provided by the businesses. Four of the five businesses are focused on the provision of healthy foods at

reasonable prices. Three of these businesses predominately sell basic retail foods. One business sells healthy, basic foods within one of the poorest areas of Winnipeg. The latter business makes substantial sales to not-for-profit organizations located near its place of business.

7. PRINCIPAL FINDINGS

The following summarizes the principal findings from this *Summative Evaluation Report*. These findings are not listed in order of importance; rather, they are listed in a Project “planning/organizing” to “structuring” to “operations” to “impacts” order. The categories, therefore, are findings concerning:

- Planning, organizing, and the Project Model in general;
- Project structure and management;
- Operational implementation; and
- Project impacts.

FINDINGS CONCERNING SETUP AND THE MODEL IN GENERAL

- Since inception, the Project has had access to over 300 person-days of time from the Project Manager, the Project’s Design Consultant, and the Business Facilitators combined. This works out to over 85 person-days per year on average, or just over 7 days per month. That said, the Project would have benefited from additional Project Manager and Facilitator resources to meet the needs of client businesses over the last year-plus. It is estimated that a realistic gross budget might be in the order of 30 – 35 person-days per month, all-in, to serve five active businesses. “All-in” should cover a Project Manager with central organizing, linking, directing, monitoring and controlling, and learning functions; some part-time administrative-secretarial assistance, some design and analysis capacity, and the Business Facilitators.
- In general, it appears that because of the desire to begin assisting businesses as quickly as possible, a good deal of planning was done “on the fly” and much of it occurred well into the Project’s lifespan. Assembling support and structures ran ahead of identifying how operations would occur and the infrastructure various components required. As well, construction, coherence, and stability were sacrificed to some extent.
- Planning and organizing, and operational aspects of the Project could have been more directly linked to, and informed by, the diversity of innovation going on in the wider business world.
- Perhaps due to a lack of resources, the Project often struggled to meet administrative, operational, service, and impact expectations.
- The Model itself is an innovative rethinking, repackaging and re-engineering of existing business development practices. Overall, the Model shows a great deal of promise, but it may need to be revamped in light of experience. Certain aspects of the Model may not have sufficient grounding in the actual capacity and behaviour of some participants. As well, the Model may not sufficiently recognize, or factor in, the many innovative practices of the wider business community.

- Questions may exist whether there is enough greenfield, cooperative or cooperative-like businesses in the Winnipeg area to support a continuing Project focused on the City only without a more proactive promotional effort directed at such business creation.
- It appears that there exists a “big-four” of critical, basic business long-term operational abilities – Sirolli’s trinity of production, marketing and finance plus at-least-coordinative-management. It also appears that many small businesses are able to limp-along, but survive at least over the short term, without much marketing ability. Consequently, we may suggest a new trinity of especially-critical-to-short-term-survival operational abilities: production, finance, and at-least-coordinative-management.

FINDINGS CONCERNING PROJECT STRUCTURE AND MANAGEMENT

- Upon occasion, Project administration was given relatively low priority relative to services. In the end, this may have adversely affected both the functioning of some important components of the Project and the quality of services. Relevant aspects of the Project that could have been affected include integration and information sharing within the Project support system.
- This was to be a Pilot Project designed, with its attached evaluative system including interim reports, to test an innovative model of business development. Because of a combination of factors, including high priority on services, the sequence of applied testing, reflection and learning, may have been restricted, potentially affecting both Model and operational correction.
- Operational aspects of the Project are not always in keeping with the Project Model.
- The Project Support Committee was formalized rather late into the Project’s life. Once created, the role and operational approach of the Committee appear not to have been clarified. As a result, many members of the Committee have often been confused about the Project and their role, and consequently feel that their ability to help the Project has been limited.
- The Project Network as a source of Technical Resources could have functioned more effectively. This has been known for some time by the Project Manager and the Project’s Design Consultant, and it has been the subject of a discussion by the Project Support Committee. The role, nature and skills, and sourcing of Technical Resources became a major set of issues for the Project. The nature of the work and the relatively specialized professional skills required make it difficult to find the right Resource at the right time. Furthermore, it may not be the case that volunteers or the cooperative sector can supply an adequate quality of Technical Resources.

- The Project Model and the Project’s operational documents (the Project’s “Tool Kit”) could be used more effectively than has been the case to this point.
- The Facilitator role could use more specificity as to the range of, and triggers for, Facilitator activities. It is unclear what is or what determines the level (frequency and depth) of Facilitator involvement, how the role is to be monitored, and what the Facilitator’s role vis-à-vis Technical Resources and Mentors should be.
- Facilitation has been found to be a demanding job requiring from one-and-one-half to six days per month per business depending on the operational strength of the business. Adequate facilitation requires a relatively high and wide level of business knowledge and experience, often time-concentrated work, appropriate values and behaviour, patience, persistence, and ability to understand and work alongside a diversity of people, good communications and educative abilities, and a future-oriented, systematizing approach.
- The search, selection, and entry criteria and procedures for new businesses could be improved. Search and selection procedures may have been affected by structural and operational issues concerning the Project Support Committee and Project Network. The “entry” issue could be addressed by more attention being given in the Project Model to the immediate period when a new, not well-known or understood, business comes into the Project. Some participants feel that there should be a pre-Apprentice I, provisional test period for such businesses. This would allow easier exit by either party before committing substantial resources.
- The defining nature of mentorship should be clarified, as should the relationship between Apprentice stage and presence of a Mentor. Furthermore, there could be better clarification of the desirable traits of a Mentor relative to certain of the criteria for being a Mentor.
- The relationship between the “essential-business-area” criteria and the presence of a Mentor as differentiating elements between the Apprentice I and Apprentice II stages could be more clear. As well, there could be greater clarity between the tenth essential area: “management of business development” and the criterion of building some level of business “drivers” in all nine operational areas. Clarification should consider the reality of experience. Perhaps the distinction between the two stages could disappear or an alternate staging sequence could be introduced.
- A methodology for systematic, continuous learning, documentation, and improvement imbedded in the Project aside from the evaluative research should be designed. The results of the evaluative research did not appear to spark serious discussion or corrective change in the Project. This is not consistent with the plan-test-learn-change practice process set forth in the Project’s goals.

FINDINGS CONCERNING OPERATIONAL IMPLEMENTATION

- The statuses of two of the businesses supposedly in the Project have been left ambiguous. Their status is ambiguous because, when not receiving services from either a Facilitator or Technical Resources provided by, or through the sponsorship of, the Project, they have not been formally told that they are not in the Project. As well, since the fall of 2001, two businesses were added to the Project without formal reference to the Project Model's entry criteria. One of these businesses was later dropped from the Project for unknown reasons. Business selection and discontinuance-of-service decisions need clarification.
- The Project should formalize how it operationally addresses business setbacks in terms of continuing inclusion in the Project, intrusiveness, services provided, and external controls imposed.
- The depth and breadth of internal-to-the-business "infrastructure" is emerging as a critical factor in Project operations and effectiveness. This "infrastructure" consists of the mix of formal schooling, and business or organizational experience located within the core of the owner-managers. It appears that when this infrastructure (especially central management) is minimal, to have any chance of success the Project needs to inject this capacity directly or bring it in from an external source. This level of management "intrusion" may have serious consequences for both the business and the Project. When this infrastructure is weak, the Project has to painstakingly build the infrastructure through a very time-consuming educative-and-monitoring, and external-internal communications and interpretation, regime. The Project Model may not do a good job of testing for and measuring this infrastructure.
- An issue that may have limited the effectiveness of Technical Resources has been that of possibly insufficient orientation of these Resources to the history, conditions, and values of client businesses. Many of the businesses have histories, conditions, and values that are very different from most small businesses; therefore, many Technical Resources who have experience with small to medium size businesses are not sufficiently prepared for (and some are not suitable for) the business environments in which they are placed.
- It appears that when the "infrastructure" of the recipient business is not strong the Facilitator needs to play a very time-consuming direct role in prioritizing and sequencing support work, briefing and introducing Technical Resources, assuring consistency in approach, closely monitoring and intervening if necessary in the support-providing process, and providing reinforcing follow-up. It may be necessary to limit the number of different Technical Resources to avoid overloading the assimilative capacity of the business.
- The vast majority of Technical Resources have a positive view of the Project Manager – finding the Project Manager approachable and willing to assist them.

FINDINGS CONCERNING PROJECT IMPACTS

- An innovative Project Model and Toolkit were created and partially tested. That Model and test are documented. Given the history of such initiatives by governments and the not-for-profit sector, this is a substantial achievement.
- A level of Project infrastructure was established, participants learned from the design and operational efforts such that many of these participants are able to play a stronger, better informed role in national and province-wide discussions, strategies, and planning of similar projects and programs.
- Some members of the Project Support Committee have learned a great deal about some of the issues concerning the development of relatively small, often widely owned or controlled, urban businesses. For some members this has been an exposure to a new “world” of business.
- All of the businesses served continue to operate.
- During the two-and-one-half years of Project operations, no business has reached the post-Apprentice stage or the earlier Apprentice II stage.
- The overall health of two of the four businesses that received services and operated for a notable amount of time has improved. Two of the businesses suffered significant setbacks while in the Project although one of these businesses has now not only stabilized but also improved. The Project played a substantial role in the improvement of the two businesses that have improved. It is likely that two other businesses would not exist today without the support of the Project.
- One business is clearly net income positive according to its most recent financial information.
- All five businesses continue to have at least some operational problems. One of these businesses continues to face multiple, severe operational problems. One of the businesses has gained a moderate level of developmental capacity.
- One business has experienced a noticeable change (positive) in employment, and one new business created nearly ten jobs. Compared to their point of entry into the Project, as a whole there would have been little change in the total employee-hours for three of the four businesses that operated for any significant period within the Project. The fourth business, however, the strongest business, approximately doubled its employee-hours.
- Some owner-managers in four of the five businesses that have received services from the Project have learned valuable and applicable business concepts. This knowledge transfer has taken place primarily to those owner-managers with a relatively higher base level of existing relevant experience and schooling.

- It is not clear that all of the businesses understand the Project related actions that have taken, or were taking, place respecting their businesses.
- Many owner-managers have a more positive outlook at least in part because of the perception that others were there to help. This more positive outlook had an important role in keeping one business afloat and stabilizing another business.
- From the perspective of human development, a number of owners and managers received a substantial amount of training in business development. As well, from the perspective of human development, over seventy jobs depend on client businesses; and most of these jobs are held by residents of the inner city. Some of these jobs, including those of owner and manager, are held by residents of the poorer, core of Winnipeg's inner city.
- From the perspective of community development, five more relatively independent, self-sufficient organizations are embedded within Winnipeg's inner city, and two organizations are embedded with the poorer core of the inner city. Four of the five businesses supply healthy food within the inner city at very reasonable prices. One business sells basic, healthy food in a very poor area. Two of the businesses are very involved in community self-help and social/recreational activities.
- Business self-assessments reveal that each of the businesses has made important gains in a number of the self-assessment categories listed in Chapter 3. Even though not all of the success of these businesses is easily quantifiable by traditional business evaluation criteria, self-assessment demonstrates beyond question that capacities have been developed in each of these businesses that would not have been possible without Project involvement.

8. RECOMMENDATIONS

The following recommendations flow from the evaluative analysis:

- The business population target of the Project should be reviewed and clarified.
- The conditions underlying the generation of new and expanded cooperatives and cooperative-like businesses should be assessed. This assessment should lead to a decision concerning the potential economic and social impact of a continuing Project. It also may suggest target parameters for a continuing Project.
- The Project Model should undergo a further full test. This test period might be in the order of a further two years. Going forward, a cooperative development model of the Pilot Project would benefit from having at least one full-time facilitator and a part-time administrator. This would allow for the equivalent of an additional two or three small Apprentice businesses per year. In addition, this test should be predicated on the placement of sound management linked to a performance information system.
- The roles and operational requirements of the Project Support Committee and Project Network should be sorted-out and clarified. This may entail a rethinking (in terms of experience, skills, and linkages) of the appropriate membership of such groups. Formal agreements and regular monitoring to help ensure that mentorships and technical assistance efforts are productive should be considered.
- The role, skills, and behavioural requirements of Business Facilitators should be reviewed and clarified. Some form of registration and long-term development of such resources should be considered.
- The skill, experience, and behavioural requirements of Technical Resources and Mentors need to be reviewed. This review should be done for the purposes of assessing the available pool of such resources and access to such pool, better assuring that the “right” resources are matched against business needs, and improving the ability of the Project to identify and take corrective action when business-resource interactions go awry. In addition, it would be instructive to establish a core of co-op oriented, stand-by specialists, in a variety of professional areas, to help facilitate and supplement mutual development supports within the cooperative/community sector. Cooperative law, leasehold expertise, accounting, marketing, personnel development and support, business organization, and others are areas of specialization that were needed in the Pilot Project. Furthermore, a coordinated system of face-to-face meetings or telephone calls should be used to tap into a support network. Email is not good enough.
- Provision should be made for the fact that facilitating the compilation of well-rounded, basic leadership teams, prior to the business-to-business mentorship phase, can be a major phase in itself. This is particularly likely in stabilization or crisis intervention

situations and when an Apprentice business cannot yet afford to hire experienced management personnel.

- Project operations should be undertaken under test conditions: conditions which require explicit clarification of what happened and why it happened, retrospective assessment, the sharing of such information with relevant stakeholders, and taking corrective action as appropriate.
- The Project should have a greater ability to continuously learn from, and apply approaches used in the wider business community.
- The search procedure for new businesses should be clarified with respect to how this is done, how frequently or continuously it is done, and who is involved in doing it.
- The criteria for business entry need clarification. This should be done in light of the Project's target definition, resource capacity, risk tolerance, and the outcome of a review of developmental staging.
- A review of the Model stages is required. This should include consideration of the possible addition of a post-entry-but-preliminary to Apprentice I stage, the revision of stage boundaries, or even the elimination of stages to be replaced by a business factor-developmental continuity system.
- The essential-business-areas need review. This should be done to identify the most critical areas, to eliminate ambiguities, and to align subsets of the criteria against (re)defined staging or more continuous developmental paths.
- The Project needs to know how to deal with businesses whose central management is weak or non-existent.
- The management reporting system that evolved during the Pilot Project should be used from the beginning of work with a potential or evolving business, even before a decision has been made to formally include it as an Apprentice business.
- The response to degrees of seriousness in business setbacks needs to be clarified. This should include consideration of the criteria to trigger the Project's exit from a business.

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10. APPENDICES

APPENDIX A: COVERING LETTER FROM THE ETHICS COMMITTEE

The following is the covering letter sent to all interview respondents prior to scheduling the interviews. Appropriate interview questionnaires were enclosed with the covering letter.

“Dear _____,

The Department of Agribusiness & Agricultural Economics is working on a project, sponsored by the Winnipeg Inner-City Research Alliance, designed to develop an evaluation of the “*Cooperative Business Development Winnipeg Pilot Project*” which was set up to provide mentor/apprentice relationships to cooperative businesses in Winnipeg and which will also involve self-assessment by apprentice businesses and provision of technical services to same. Evaluation of the Pilot Project is an important component of the process.

Your voluntary participation in the evaluation process by agreeing to be interviewed—either by telephone or in person, depending on your type of involvement with the Project—by a researcher involved with the project is crucial to the success of the study. Enclosed find a list of the questions we will be asking of you if you agree to speak with us about your involvement with the project. We will be contacting you soon to confirm your participation. Your remarks are guaranteed to be kept confidential and made available only to the personnel directly involved with the evaluative research. There will be no focus on individuals either in the questionnaire or the report. Responses from individuals within businesses will be aggregated in evaluation reports to maintain confidentiality. A copy of the evaluation study can be obtained from the Department of Agribusiness and Agricultural Economics at the University of Manitoba upon request.

This study has been approved by the Joint-Faculty Research Ethics Board of the University of Manitoba, and any complaints can be reported to the Ethics Secretariat at 474-7122. If you have any questions please feel free to call me at 474-9827.

Thank you, once again, for your assistance.

Sincerely,

Dr. Jared G. Carlberg
Chairman, Evaluative Research Committee”

APPENDIX B: INTERVIEW QUESTIONNAIRES

PROJECT SUPPORT COMMITTEE INTERVIEW FORMAT

1. Committee member: _____ Organization _____

2. Date of interview: _____

3. During what period were you on the Project Support Committee? From _____ to _____

4. Why do you think you or your organization were asked to be a member of this Committee?

5. What do you think has been the actual role of this Committee?

6. Should the role of the Committee be any different than it has been?

7. Do you think the Committee has the right composition? If not, how might its composition be changed?

8. How well do you think the Committee has performed? Very well____ Just OK____ Not well____

If it has performed “just OK” or “not well,” how might its performance be improved?

9. What outcomes or results do you think the Committee has achieved that probably would not have occurred in the absence of the Committee?

10. What do you think of the design of the Project?

Is the design: Very good____ OK____ Not good____? Don't know____.

Do you have any design changes to suggest?

11. What do you think of how the Project has operated?

Have the operations been: Very good____ OK____ Not good____? Don't know_____.

Do you have any operational changes to suggest?

12. What has been the impact, on you and your organization, of your membership on this Committee?

EVALUATION – PROJECT STAFF INTERVIEW FORMAT

1. Name & role: _____

2. Date of interview: _____

Questions #'s 3–12 and 25 will be addressed by staff in joint discussion. Shared and different views and opinions will be noted. Responses to #'s 13–24 will be given by each staff person to the other staff person.

Questions #'s 3-9 concern the Project Model and its Operation since the beginning of June 2002.

3. Have you encountered any problems with the overarching goals, target(s), or scope of the Project? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
4. Have you encountered any problems with the overarching structural aspects of Project management and administration (e.g. Project Management and the Technical Provider, the Project Support Committee, the Project Network)? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
5. Have you encountered any problems with the definition of stages or staging sequence of the Project? ? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
6. Have you encountered any problems with the criteria or process of the business selection? ? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
7. Have you encountered any problems with the definition, tools, or processes of business facilitation (e.g. identification of business condition, needs, prioritizing action, monitoring and assessing actions)? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
8. Have you encountered any problems with the processes used to define, identify, find, introduce, manage, and monitor and assess business technical assistants? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
9. Have you encountered any problems with the processes used to define, identify, find, introduce, manage, and monitor and assess business mentors? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?

Questions #'s 10–12 concern Project management and administration since the beginning of June 2002.

10. Have you encountered any problems with the organizational location of Project management and its administration units or activities? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
11. Have you encountered any problems with the operational aspects of Project management and administration? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?
12. Have you encountered any problems with the amount or nature of resources devoted to Project management and administration? If so, what are the problems and why are they problems? Do you suggest any changes be made or considered?

Questions #'s 13–23 concern businesses facilitated since the beginning of June 2002.

13. What business(es) did you facilitate (in chronological order):

Business: _____ from _____ to _____

14a. Regarding the first business (chronologically) that you facilitated, Business _____:

15a. If a new business client, how did it come to be that this business' requested assistance, and how did it go about requesting assistance?

16a. What means were used to inform you and the business of the business' condition and needs?

How adequate was each of those means?

17a. What general approach(es) did you take as a business facilitator? Why?

Were any of these general approaches not appropriate? Why?

18a. What specific facilitating activities did you undertake, in what order, and why?

Were any of these facilitation activities not appropriate or not timely? Why?

19a. Did you have any problems communicating or dealing with the business? If so, what was the problem(s)?

Do you have any suggestions for how such problems might be overcome in the future?

20a. Did you have any problems dealing with technical assistants? If so, what was the problem(s)?

Do you have any suggestions for how such problems might be overcome in the future?

21a. Did you have any problems dealing with a mentor, what was the nature of the problem(s)?

Do you have any suggestions for how such problems might be overcome in the future?

22a. How much time, roughly, in hours, did you spend on working with this business? _____ hours.
How and why has your time commitment varied over time?

23a. In the absence of the Project, what difference(s) would you expect in the condition of this business today?

Question #'s 14b-d - 23b-d. Repeats #'s 14a-23a for the second, third, or fourth businesses facilitated.

24. In retrospect, do you think you had the right knowledge, skills, values, or background for your role(s)?
If not fully, what is the difference between the knowledge, skills, values, or background required and the knowledge, skills, values, or background that you have?

25. Do you have any other comments or recommendations regarding the Project?

EVALUATION – OWNER–MANAGER INTERVIEW FORMAT

1. Business: _____

2. Date of interview: _____

3. Number of respondents: _____ # Owners: _____ # Managers: _____

4. You began receiving help from the Project in (approx. date) _____

5. How did you originally find out about the Project?

6. Why did you originally seek help from the Project?

7. At the start, were there particular types of help that you wanted?

8. Why did you want those types of help?

9. According to my information your business is now at the:

Application: ___ Entry: ___ Apprentice I: ___ Apprentice II: ___ Post Apprentice: ___
stage of the Project.

What does that mean to you? _____

10. According to my information, you have received the following kinds of help from, or at least partly through, the Project:

10A. Information on the Project.

10B. _____ (#) of self-assessments.

10C. General facilitation from (person): _____

10D _____ from _____

10E _____ from _____

10F _____ from _____

10G _____ from _____

10H _____ from _____

10I _____ from _____

10J _____ from _____

10K _____ from _____

10L _____ from _____

10M _____ from _____

Did I miss anything?

11. Now, could you to tell me about each of these services starting from:

11A1. The information you received on the Project. Tell me what you think the Project is trying to do.

11A2. Tell me what you think is the general approach of the Project.

11A3. How many of you think the information you received on the Project is adequate?

"Yes:" _____ # "No:" _____ # "Don't know:" _____

Those of you who say it is not adequate , why is it not adequate?

As well, if it is not adequate, how should the information be improved?

11B1. Regarding the self-assessments you did: You did the first self-assessment in _____
(approx. date) and you did your last self-assessment in _____

11B2. How many of you think the self-assessment form(s) make sense?

Yes: ____ # No: ____ # Don't know: ____

If the form(s) did not make sense to you, why didn't it(they) make sense.

11B3. How many of you feel that you were able to properly fill-in the form(s)?

Yes: ____ # No: ____ # Don't know: ____

Those of you who were not able to properly fill-in the form(s), what was the problem.

11B4. How many of you think that self-assessment(s) covered the right issues?

Yes: ____ # No: ____ # Don't know: ____

Those of you who think that it(they) did not cover the right issues, what issues did it(they) miss?

11B5. How many of you understand the results of the self-assessment(s)?

Yes: ____ # No: ____ # Don't know: ____

Those of you who say "no," why don't you understand the results?

11B6. How many of you think the results were accurate? # Yes:____ # No:____ # Don't know:____

Those of you who do not think the results were accurate, why weren't they accurate?

11B7. How many of you believe the self-assessment(s) was(were) useful?

Yes: ____ # No: ____ # Don't know: _____

Those of you who think that it(they) was(were) useful, how was(were) it(they) useful?

Those of you who think it(they) was(were) not useful, why was(were) it(they) not useful?

11B8. Do you have any (other) suggestions for changes to either the self-assessment form or process?

11C1. Regarding the facilitation help you received from _____
In general, what kinds of things was he(has he) been doing.

11C2. How many of you usually understand him? # Yes:____ # No:____ # Don't know:____

Those of you who think that you often do not understand him, why do you think this is so?

What could be done to correct this problem?

11C3. How many of you think he usually understands you? #Yes:____ #No:____ #Don't know:____

Those of you who think that he often does not understand you, why do you think this is so?

What could be done to correct this problem?

11C4. How many of you think that you had a fair chance to contribute your knowledge or ideas?

Yes:____ # No:____ # Don't know:____

Those of you who think that all of you did not have a fair chance to contribute, why do you think this happened?

What could be done to correct this problem?

11C5. How many of you think that the process has been generally well informed?

Yes: _____ # No: _____ # Don't know: _____

Those of you who do not think that the process has been as well informed as it could be, what is missing?

What could be done to correct this problem?

11C6. How many of you learned a lot from the process? # Yes: _____ # No: _____ # Don't know: _____

Those of you who say "yes," what did you learn?

11C7. How many of you think that the facilitation process has been useful?

Yes, very much: _____ # Yes, somewhat: _____ # No: _____ # Don't know: _____

Those of you who say that the process has been useful, what things happened as a result of the facilitation that probably would not have happened without the facilitation – to your business?

What things happened as a result of the facilitation that probably would not have happened without the facilitation – to each of you?

11D1. Regarding help you received from _____ at least partly because of your facilitator, how many of you think this kind of help fit the needs of your business at the time?

Yes, very much: _____ # Yes, somewhat: _____ # No: _____ # Don't know: _____

Those of you who think that the fit was not as good as it could have been, what was the problem?

11D2. How many of you think that this person(these people) has(have) the right knowledge, skills, or values?

Yes, very much: _____ # Yes, somewhat: _____ # No: _____ # Don't know: _____

Those of you who think that the person(or people) did not have the right knowledge, skills, or values, what knowledge, skills, or values were missing?

11D3. How many of you think this person(these people) provided help in the best way?

Yes, very much: _____ # Yes, somewhat: _____ # No: _____ # Don't know: _____

What did you like about the way this person(these people) provided help?

What did you dislike about the way this person(these people) provided help?

11D4. How many of you think that the help from this person or these people has been useful?

Yes, very much: _____ # Yes, somewhat: _____ # No: _____ # Don't know: _____

Those of you who say that this help has been useful, what things happened as a result that probably would not have happened without this help – to your business?

What things happened as a result that probably would not have happened without this help – to each of you personally?

12. If the Project did not exist, what, if anything, would now be different about your business and why?

13. During the period that you have received help from the Project, your business may have had a loan from Assiniboine Credit Union. If so, how many of you think you experienced some particular benefits or difficulties because the Credit Union was(is) both your loan banker and the source of Project services?

Yes, benefits: _____ # Yes, difficulties: _____ # None: _____ # Don't know: _____

Those of you that think that you have received benefits – what are these benefits?

Those of you that think that you have experienced difficulties, what are these difficulties?

14. Do any of you have any other comments or recommendations with respect to the Project?

TECHNICAL SUPPORT INTERVIEW FORMAT

1. Technical Supporter: _____ Organization _____

2. Date of interview: _____

3. What businesses did you or your organization assist:

Business: _____ assisted from _____ to _____

Business: _____ assisted from _____ to _____

Business: _____ assisted from _____ to _____

4a. Regarding the first business (chronologically) that you assisted, Business _____:

5a. How did you originally find out about this business' need for assistance?

6a. Were the means used by Project staff and the business to inform you of the business, its condition and its technical needs – were those means adequate?

Yes, very much: _____ Yes, somewhat: _____ No: _____ Don't know: _____

If "yes, somewhat" or "no," what was wrong with the process?

7a. What kinds of technical assistance were you explicitly asked to provide?

8a. Do you think these were the kinds of assistance that the business needed at the time?

Yes, very much: _____ Yes, somewhat: _____ No: _____ Don't know: _____

If "yes, somewhat" or "no," what was the difference between the kinds of assistance you were asked to provide and the kinds of assistance you think were needed?

9a. Did you have problems communicating or dealing with the business?

Yes, very much: _____ Yes, somewhat: _____ No: _____ Don't know: _____

If "yes, somewhat" or "no," with whom and what was the nature of the problems?

Do you have any suggestions for how such problems might be overcome in the future?

10a. Did you have problems communicating or dealing with Project staff?

Yes, very much: _____ Yes, somewhat: _____ No: _____ Don't know: _____

If "yes, somewhat" or "no," with whom and what was the nature of the problems?

Do you have any suggestions for how such problems might be overcome in the future?

11a. How much time, roughly, in hours, did you spend on working on this business? _____ hours.

12a. Now, could you very briefly describe the kinds of technical assistance you actually ended up providing to this business and the way(s) you used to provide each of these kinds of technical assistance?

13a. Concerning the way in which you provided each of these kinds of technical assistance, do you think there might have been a better way to provide the assistance?

Yes: _____ No: _____ Don't know: _____

If "yes," what would have been a better way to provide what kinds of assistance, and why?

14a. In retrospect, do you think you had the right knowledge, skills, values, or background for this particular assignment??

Yes, very much: _____ Yes, somewhat: _____ No: _____ Don't know: _____

If "yes, somewhat" or "no," what is the difference between the knowledge, skills, values, or that were required and the knowledge, skills, values, or background that you have?

4b-c - 14b-c. Repeats 4a-14a for the second and third businesses.

15. What effects, if any, were there on you and your organization because of working with the business(es)?

16. In the future, would you be willing to provide technical assistance to other businesses within the Project?

Yes: _____ Maybe _____ No: _____ Don't know: _____

If "maybe," "no," or "don't know," what might prevent you from providing further technical assistance, or under what conditions would you provide technical assistance?

17. Do you have any other comments or recommendations regarding the Project?

