

Decisions in the Process of Business Transition

Before a cooperative transition process can get started, the selling owner needs to make some decisions about how to structure the process, specifically she needs to clearly define *who* has decision-making power in the process: herself, the transition committee, the likely coop members, and the whole group. Even more specifically, she needs to think about *what kind* of power she is handing off to each of these groups in the transition process, and how she is doing it. It is important to make distinctions between deciding and advising so that everyone is clear about what they can and can't do in the process. Below is a sample chart to start with – you should modify it for the needs of your group and process.

Decision	Selling Owner	Transition Committee	Likely coop members	All employees
Whether to start the process to transition to a coop	Decides		Advises	
How long selling owner stays on, what her role is after the coop forms	Decides			
How long the transition will take	Decides			
Whether to move forward at each stage	Decides		Advises	
Who is on the transition committee	Decides			Advises
How often the transition committee meets	Decides			
What powers the transition committee has	Decides	Advises		
Whether to hire outside professionals and how much to spend on this	Decides	Advises		
Selling price of the business	Decides	Advises		
Management structure of coop	Decides	Advises		
How to determine likely coop members <ul style="list-style-type: none"> - What ways do people formally express their interest? (Attend x hours of meetings, get trained, etc.) - How else will people have input in the process? 	Veto	Decides		Advises
First draft of bylaws <ul style="list-style-type: none"> - Requirements to become a member - Candidacy period - Buy-in amount - How surplus is distributed - How many Board members - How Board is elected - Who makes what decisions - Lots of other big-picture stuff 	Veto	Decides	Advises	
Final draft of bylaws		Decides	Ratifies/Vetoes	
Whether to finally buy the business, including loans or financing arrangements		Advises	Decides (votes)	
Elect first Board of Directors			Decides (votes)	

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Who is on the transition committee				
How often the transition committee meets				
What powers the transition committee has				
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